

Grade 9 EMS Worksheet

Sources of Government revenue

There are two sides to every budget: the income (revenue) side and the expenditure side. Below is a table with a list of sources of Government revenue (in alphabetical order). Study the table and answer the questions that follow.

Source of Government revenue	Explanation of source of revenue
Bank levies	Charged on bank transactions
Company tax	
Customs duties	
Excise duties	
Fuel levy	
Income tax	
Transfer duties	
Value-added tax (VAT)	

- Fill in the explanation of each source in the table. The first example has been completed to assist you. [7 marks]
- Find out which government revenue source is the biggest and underline this in the table. [1 mark]

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Suggested Solutions

Question number	Possible marks	Solution	
1	8	Source of government revenue	Explanation of source of revenue
		Bank levies	Charged on bank transactions
		Company tax	Charged as a percentage of net profit on registered businesses
		Customs duties	Charged on imported goods and usually calculated as a percentage on the value of the goods
		Excise duties	Charged as a percentage on alcohol and tobacco goods
		Fuel levy	Added to the cost of all fuel sold in South Africa
		<u>Income tax</u>	<u>Paid by employees as a percentage of wages and salaries earned and by business enterprises as a percentage of profit</u>
		Transfer duties	Charged as a percentage of the purchase price of fixed property
		Value-added tax (VAT)	Paid by consumers and businesses as a percentage of the price of goods and services bought