

**UNIVERSITY OF SWAZILAND  
FACULTY OF SOCIAL SCIENCE  
BACHELOR OF ARTS (SOCIAL SCIENCE), YEAR 4**

**FINAL EXAMINATION PAPER: MAY 2012**

**TITLE OF PAPER: PUBLIC FINANCIAL ADMINISTRATION**

**COURSE CODE: PA 407**

**TIME ALLOWED: THREE (3) HOURS**

**INSTRUCTIONS: 1. ANSWER FOUR (4) QUESTIONS**

**2. ALL QUESTIONS CARRY EQUAL MARKS OF  
TWENTY FIVE (25) EACH**

**THIS PAPER IS NOT TO BE OPENED UNTIL THE INVIGILATOR HAS GRANTED  
PERMISSION**

**QUESTION 1**

Musgrave and Musgrave (1989) identify three main functions of government in the management of the economy. Choose any two (2) and discuss them in detail.

**QUESTION 2**

Discuss cost-benefit analysis as a mechanism to control the growth of public expenditure.

**QUESTION 3**

Compare and contrast the following types of tax;

- Sales tax and a value added tax
- Property tax and capital gains tax
- Personal tax and corporate tax
- Consumption and wealth tax
- Payroll tax and inheritance tax

**QUESTION 4**

In profit-oriented organisations the amount of profit provides a ready-made measure of performance. In many public sector organisations, however, the absence of suitable output measurements makes performance evaluation more difficult. Discuss.

**QUESTION 5**

The first stage in the budget cycle is budget preparation. Discuss in detail the steps that are involved in this process.

**QUESTION 6**

There are a number of arguments for and against foreign aid. Discuss these arguments and state which argument persuades you the most and why.

**QUESTION 7**

Discuss zero base budgeting and assess its strengths and weaknesses

**QUESTION 8**

Discuss the causes of the debt crisis and the responses to it by the International Monetary Fund and World Bank.