



UNIVERSITY OF ESWATINI

FIRST SEMESTER MAIN EXAMINATION PAPER, NOVEMBER 2019

FACULTY OF SOCIAL SCIENCES

DEPARTMENT OF POLITICAL AND ADMINISTRATIVE STUDIES

COURSE CODE: PA407

TITLE OF PAPER: PUBLIC FINANCIAL ADMINISTRATION

TIME ALLOWED: 3 HOURS

Instructions

1. Answer four (4) questions
2. All questions carry equal marks of twenty five (25) each

Candidates may complete the front cover of their answer book when instructed by the Chief Invigilator and sign their examination attendance cards but must NOT write anything else until the start of the examination period is announced.

No electronic devices capable of storing and retrieving text, including electronic dictionaries and any form of foreign material may be used while in the examination room.

DO NOT turn examination paper over until instructed to do so.

QUESTION 1

Differentiate between the public and the private sectors and then discuss public goods and externalities as causes of market failure.

QUESTION 2

Discuss the main principles of public expenditure and then explain the problems of trying to control public expenditure?

QUESTION 3

Taxes can be direct or indirect. Clarify the differences between the two and then outline Adam Smith's four canons of taxation.

QUESTION 4

Assess the cash appropriation schedule and the expenditure schedule as instruments of budget control and then discuss the process of budget formulation.

QUESTION 5

Describe the Peacock and Wiseman theory of public expenditure and also discuss the following causes of public expenditure growth:

- Welfare state ideology and Wagner's law
- Effects of war and the need for defence
- Availability of tax handles

QUESTION 6

Distinguish between priori and ex post facto auditing and then describe the role played by the Auditor General in the budgeting process of Eswatini.

QUESTION 7

Explain the pros and cons of open tendering and further explain the roles of the following institutions in the public procurement process of Eswatini;

- ❖ The Technical Secretariat
- ❖ The Lead Procurement Organisations
- ❖ The requesting Ministries and Departments

QUESTION 8

What are the main causes of public debt and what are the responses of the International Monetary Fund and the World Bank towards public debt?