



UNIVERSITY OF ESWATINI

FIRST SEMESTER RE-SIT EXAMINATION PAPER, JANUARY 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

There are four main functions of the government in the economy. Choose any two and discuss them in detail.

QUESTION 2

Different economists have classified the sources of public revenue differently. Discuss Seligman's, Dalton's and Taylor's classification of the sources public revenue and also explain the concept of progressive taxation.

QUESTION 3

Compare and contrast consumption tax and wealth tax then discuss the merits and demerits of value added tax.

QUESTION 4

Explain the main characteristics of a public good as well as the characteristics of a good tax system.

QUESTION 5

Distinguish between line-item and zero base budgeting and then assess the strengths and weaknesses of these two forms of budgeting.

QUESTION 6

Discuss the guiding principles for selecting performance measures in the public sector and the steps that should be followed to successfully implement such a system.

QUESTION 7

Public procurement principles are the foundations of public procurement. Discuss the seven (7) main principles of public procurement.

QUESTION 8

Differentiate between the following terms;

- ❖ Income and substitution effects
- ❖ Adverse selection and moral hazard
- ❖ Merit and mixed goods
- ❖ Fiscal and monetary policies
- ❖ concessional and non-concessional loans