



UNIVERSITY OF ESWATINI

FIRST SEMESTER MAIN EXAMINATION PAPER, NOVEMBER 2019

FACULTY OF SOCIAL SCIENCES

DEPARTMENT OF POLITICAL & ADMINISTRATIVE STUDIES

COURSE CODE: PAD 401

TITLE OF PAPER: PUBLIC FINANCIAL ADMINISTRATION

TIME ALLOWED: TWO (2) HOURS

Instructions

1. Answer any FOUR questions.
2. Questions carry equal amounts

*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 sorting and retrieving text, including electronic dictionaries and any form of foreign material may be used while in the examination room.

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

1. (A) Critically discuss the evolution and significance of the four ideologies that tend to influence the financial policies of a society. (15)
(B) Which ideology would you recommend for eSwatini in its current socio-economic status and why? (10)

2. The newly elected Finance Portfolio Committee members in Parliament request you to educate them on the following taxation theories:
 - a. The difference between *indirect and direct taxation* (5)
 - b. The difference between *Subjects of Taxation & Objects of Taxation*(5)
 - c. The difference between income tax and wealth tax(5)
 - d. Tax neutrality (5)
 - e. Tax Certainty & Simplicity (5)
 - f. Tax Shifting & Incidence(5)
 - g. Tax 'Effectivity' (5)

Choose and discuss five of them.

3. (A) Mention the rationale for budgetary systems reforms and show how the Zero Based Budgeting system has improved on the traditional item-budgeting system (15).
(B) Discuss the factors behind the success of a budget reform (10).

4. (A) Discuss the objectives of cash management, its three-step process and the key requirements for its effective disbursement (15).
(B) In public debt management governments formulate borrowing policies. Critically discuss the major approaches to the formulation of these policies. (10).