



# UNIVERSITY OF ESWATINI

FIRST SEMESTER MAIN EXAMINATION PAPER, APRIL 2021

FACULTY OF SOCIAL SCIENCES

DEPARTMENT OF POLITICAL AND ADMINISTRATIVE STUDIES

COURSE CODE: PA407

TITLE OF PAPER: PUBLIC FINANCIAL ADMINISTRATION

TIME ALLOWED: 3 HOURS

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## 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**

Discuss the fundamental differences between public and private sector financial management and then explain the risks of intervention by the public sector in the economy.

**QUESTION 2**

Discuss the different classifications of public expenditure as well as Adolf Wagner's theory on the growth of public expenditure.

**QUESTION 3**

Outline the main features of a consumption tax and differentiate between a sales tax and a value added tax.

**QUESTION 4**

The World Bank postulates five principles of good budgeting. Discuss these principles and further discuss the process involved in the formulation of a budget.

**QUESTION 5**

Discuss line-item budgeting, and programme budgeting and assess the strengths and weaknesses of each.

**QUESTION 6**

Assess the essential differences between progressive, proportional and regressive forms of taxation. What are the advantages and disadvantages of each?

**QUESTION 7**

Discuss the main budget documents in Eswatini and also discuss challenges encountered by developing countries in the budgetary process.

**QUESTION 8**

Differentiate between single source procurement and limited tendering and then discuss the tendering process.