



JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY
SCHOOL OF HEALTH SCIENCES
UNIVERSITY EXAMINATION FOR THE DEGREE OF BACHELOR OF BUSINESS
ADMINISTRATION WITH IT
4TH YEAR 2ND SEMESTER 2019/2020 ACADEMIC YEAR
MAIN CAMPUS

COURSE CODE: AEC 402

COURSE TITLE: Public Finance & Fiscal Policy (Regular)

EXAM VENUE:

STREAM: (BBA)

DATE:

EXAM SESSION:

TIME: 2 HOURS

Instructions:

- 1. Answer ALL questions in section A and ANY other 2 questions in section B**
- 2. Candidates are advised not to write on the question paper.**
- 3. Candidates must hand in their answer booklets to the invigilator while in the examination room**

QUESTION ONE

- i. Explain the scope of public finance (10 marks)
- ii. Explain the characteristics of public goods (10 marks)
- iii. Distinguish between equity and equality in taxation (4 marks)
- iv. Explain factors determining the taxable capacity (6 marks)

QUESTION TWO

- i. Explain the differences between public finance and private finance (8 marks)
- ii. Explain the sources of public borrowings (12 marks)

QUESTION THREE

- i. Explain the objectives of public expenditure (9 marks)
- ii. Explain the effects of public expenditure on the economy (11 marks)

QUESTION FOUR

- i. Describe the role of public debt on economic development (10 marks)
- ii. Account for the growth of public expenditure in Kenya (10 marks)

QUESTION FIVE

- i. Explain the types of externalities (6 marks)
- ii. Explain the implications of externality (4 marks)
- iii. Discuss the tools of fiscal policy (10marks)