



JARAMOGI OGINGA ODINGA UNIVERSITY OF SCIENCE AND TECHNOLOGY

SCHOOL OF BUSINESS AND ECONOMICS

UNIVERSITY EXAMINATION FOR THE DEGREE OF BACHELOR OF BUSINESS
ADMINISTRATION WITH IT

SEMESTER 2022/2023 ACADEMIC YEAR

COURSE CODE: BAB 1410.

COURSE TITLE: PUBLIC FINANCE AND FISCAL POLICY

EXAM VENUE: STREAM: BBA Y4 S1

DATE: 08/12/2022

EXAM SESSION: 9.00-11.00AM

TIME: 2 HOURS

INSTRUCTIONS

1. Question ONE is compulsory.
2. Attempt ANY two questions.
3. Candidates are advised not to write on the question paper.
4. Candidates must hand in their answer booklets to the invigilator while in the examination room.

QUESTION ONE (30 MARKS).

i) Examine the objectives of the integrated financial management system (IFMIS) in Kenya.

(6 MARKS).

ii) The size of the state is directly proportionate to the number of services it offers to its citizens? Explain citing the relevant theory.

(4 MARKS).

iii) What is a budget policy statement?

(4 MARKS).

iv) Examine the concept of a tax yield.

(4 MARKS).

v) Distinguish between the zero rated and tax exempted goods?

(4 MARKS).

vi) What is a syndicated loan?

(4 MARKS).

vii) Bring out the distinction between a fiscal space and a debt ceiling?

(4 MARKS).

QUESTION TWO (20 MARKS)

a) Discuss the theories of public expenditure in light of the ballooning expenditure requirements for Economic Development in Kenya?

(10 MARKS).

b) How has the mega infrastructural expenditures boosted economic growth in Kenya?

(10 MARKS).

QUESTION THREE (20 MARKS)

a) Traditional taxation measures have not raised sufficient revenue for the development needs of Kenya. Discuss reforms to the revenue generation streams that would revenue generation for financing the rapid development agenda proposed by the new administration in Kenya.

(12 MARKS).

b) Discuss some of the austerity measures you would recommend to reduce the government expenditure so as to reduce Kenya's budget deficit?

(8 MARKS).

QUESTION FOUR (20 MARKS).

a) Discuss in details Kenya's budgeting process as laid out in the 2010 constitution?

(12 MARKS).

b) Debt financing is an enabler in the economic growth and development. In this context, discuss the possible causes of Kenya's huge stocks of external debt? (8 MARKS).

QUESTION FIVE (20 MARKS).

a) Devolution is probably the best thing that has happened to Kenya after independence from Britain. Discuss the benefits and challenges facing devolution in Kenya. (10 MARKS).

b) Discuss the economic impact of reverting the port operations to Mombasa from the dry port in Naivasha. (10 MARKS).