



"Investing in Africa's Future"

COLLEGE OF BUSINESS, PEACE, LEADERSHIP AND GOVERNANCE

NMEC 206/NMPM 220: PUBLIC SECTOR ECONOMICS

END OF FIRST SEMESTER EXAMINATIONS

NOVEMBER 2021

LECTURER: MR MANDEWO

TIME: 5 HOURS

INSTRUCTIONS

Answer one question. Total possible mark is **100**.

Start each question on a new page in your answer booklet.

The marks allocated to each question are shown at the end of the question.

Credit will be awarded for logical, systematic and neat presentations.

1. Taxation is a major contributor of revenues for African Governments. You are required to suggest taxes a government can implement. You are required to further discuss the efficacy of each tax. **[100 Marks]**
2. Public expenditure appraisal is prerequisite for government projects. Discuss how the following methods are used to evaluate government projects
 - (a) Cost-Benefit Analysis
 - (b) Cost effectiveness analysis
 - (c) Impact analysis

Come up with a practical example for each and ensure that you exhaust all the concepts in your analysis. **[100 Marks]**

3. The economic rationale for the existence of a government is captured by the following
 - (a) First and second theorem of welfare
 - (b) Public goods
 - (c) Externalities
 - (d) Inequalities

For each of the above explain how the government intervenes in the market to resolve the above. Critically discuss the shortcomings of a government in playing its role. **[100 Marks]**

END OF EXAMINATION