

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR
OF COMMERCE

BCOM 335: PUBLIC FINANCE

STREAMS: BCOM

TIME: 2 HOURS

DAY/DATE: FRIDAY 26/03/2021

2.30 P.M. – 4.30 P.M.

INSTRUCTIONS: Answer question ONE and any other TWO questions

QUESTION ONE

(i) Public finance refers to the activities carried out by the government associated with raising of finances and the spending of the finances raised. Discuss the purpose of public finance

[10 marks]

(ii) Identify and explain any five sources of public revenue [10 marks]

(iii) State and explain any five considerations that are necessary before any expenditure can be incurred by the government [10 marks]

QUESTION TWO

Discuss the roles of the following constitutional offices

(i) Auditor General

(ii) Controller of budget [20 marks]

QUESTION THREE

(i) Taxation refers to the process through which the government raises revenue by collecting taxes. Discuss the purpose for taxation [10 marks]

(ii) Discuss the roles of public Accounts Committee [10 marks]

QUESTION FOUR

- (i) Clearly explain the term fiscal policy and discuss the four basic objectives of fiscal policy mainly in the context of developing countries [10 marks]
- (ii) Identify and explain the two types of public debt [4 marks]
- (iii) Explain any three major objectives of public debt management [6 marks]
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