

UNIVERSITY OF SWAZILAND
FACULTY OF SOCIAL SCIENCE
BACHELOR OF ARTS (SOCIAL SCIENCE), YEAR 4

SUPPLEMENTARY EXAMINATION PAPER: JULY 2017

TITLE OF PAPER: PUBLIC FINANCIAL ADMINISTRATION

COURSE CODE: PA 407

TIME ALLOWED: THREE (3) HOURS

INSTRUCTIONS:

1. ANSWER FOUR (4) QUESTIONS;
2. ALL QUESTIONS CARRY EQUAL MARKS OF TWENTY FIVE (25) EACH

THIS PAPER IS NOT TO BE OPENED UNTIL THE INVIGILATOR HAS GRANTED PERMISSION

QUESTION 1

Distinguish between a public good and a private good. Discuss the regulatory function of government.

QUESTION 2

Explain the role of public expenditure in developing countries and further discuss the following causes of public expenditure growth:

- Welfare state ideology and Wagner's law
- Effects of war and the need for defence
- Availability of tax handles

QUESTION 3

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

QUESTION 4

Differentiate between income taxation and wealth taxation. Further discuss the main goals of income taxation.

QUESTION 5

There are a number of challenges that are encountered by developing countries when developing budgets. Discuss.

QUESTION 6

Outline the main role players in the budget process in Swaziland and further discuss the role that each one plays in the budget cycle.

QUESTION 7

In order to utilise the budget as a control instrument effectively, it is important that auditing and evaluation take place during the execution phase. Discuss the two main methods that can be used to accomplish this as well as their merits and demerits.

QUESTION 8

Distinguish the following concepts

- ❖ Foreign aid and debt
- ❖ Property tax and capital gains tax
- ❖ Multilateral and bilateral aid
- ❖ Donor oriented and recipient oriented aid
- ❖ Concessional and non-concessional loans