

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

FINAL EXAMINATIONS PAPER: APRIL 2021

SUPPLEMENTERY PAPER

TITLE OF PAPER: PUBLIC FINANCIAL ADMINISTRATION

COURSE CODE: PAD 401

TIME ALLOWED: TWO (2) HOURS

INSTRUCTIONS: 1. ANSWER TWO QUESTIONS:

2. THE FIRST QUESTION IS COMPULSORY

3. CHOOSE ONE QUESTION FROM SECTION TWO

4. ALL QUESTIONS CARRY EQUAL MARKS

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

SECTION ONE

COMPULSORY QUESTION

SECTION 1

Question 1

Gildenhuis (2016) argues that governments are required to uphold democratic and good governance principles when managing public funds and administering other fiscal issues. Critically discuss this statement citing specific areas in the Public Finance Management cycle where good governance should be reflected.

OR

Musgrave and Musgrave (1989) argue that deficiencies of the Market System have resulted to the increased involvement of governments in management and administration of fiscal functions. Critically discuss this statement, in view of the influence of the different political ideologies, particularly in times of fiscal crisis.

SECTION 2

Question 2

Compare and contrast Sales Tax and Value Added Tax, giving the advantages and disadvantages of each type.

Question 3

Discuss THREE of the following;

- (A) The main features and functions of a budget
- (B) The difference between *indirect and direct taxation*
- (C) The difference between *Subjects of Taxation & Objects of Taxation*
- (D) The difference between income tax and wealth tax
- (E) Tax Effectivity

Question 4

Discuss Public Debt and the two contending approaches to the borrowing policy, citing their pros and cons in the process.