



REFORMED CHURCH UNIVERSITY

FACULTY OF COMMERCE
MASTER OF COMMERCE IN PUBLIC ADMINISTRATION
PUBLIC FINANCE
MPA 104
PART 1 SEMESTER 1 EXAMINATION

TOTAL MARKS [100]

DATE: DECEMBER 2024

Time: 3 Hours

INSTRUCTIONS

1. This paper has *six (6)* questions
2. Answer question *one (1)* and *any* other *three (3)*
3. Each question carries *25 marks*
4. Start each question on a new page

Question 1

Explain the three main functions of public finance according to Richard Musgrave. (9)

Discuss the scope of public finance and its importance in modern economies. (16)

Question 2

2.1 Explain the concept of public goods and provide two examples. (10)

2.2 Analyse the impact of a government-imposed tax on a good that generates negative externalities. (15)

Question 3

3.1 Explain the difference between private costs, external costs, and social costs. Provide examples for each. (9)

3.2 Discuss the role of government in correcting market failures. (17)

Question 4

4.1 State the objectives of debt management. (5)

4.2 Discuss the key components and strategies of public debt management. (20)

Question 5

5.1 Explain the key principles of public budgeting. (10)

5.2 Discuss the challenges in public budgeting and the strategies to address them. (15)

Question 6

6.1 Discuss any three principles of tax revenue collection and their importance. (9)

6.2 Discuss the causes of the tax gap and the strategies to close it. (17)

END OF PAPER