



TECHNICAL UNIVERSITY OF MOMBASA

UNIVERSITY EXAMINATIONS 2018/2019

**EXAMINATION FOR THE DEGREE OF BACHELOR OF BUSINESS
ADMINISTRATION AND BACHELOR OF COMMERCE**

BFI 4303: FINANCIAL MANAGEMENT IN THE PUBLIC SECTOR

PAPER A

END OF SEMESTER EXAMINATIONS

SERIES: SEPTEMBER 2018

INSTRUCTIONS

- This paper consists of section A and B
- Section A is compulsory and any TWO questions in section B.
- Mobile phones are not allowed in the examination room.
- Cheating leads to disqualification.

QUESTION ONE

Question ONE (Compulsory) (30 MARKS)

1(a) Discuss the main uses of a budget (10marks)

(b) Identify weaknesses that undermine public sector controls (10marks)

1(b) An investment proposal involves an initial payment now of £45,000 and then returns of £12,000, £30,000, £20,000 and 10,000 respectively in 1, 2,3 and 4 years time. If money can be invested at 10% is this a worthwhile investment (Total 10marks).

QUESTION TWO (20 MARKS)

Describe the main investment appraisal methods (10marks)

QUESTION THREE (20 Marks)

3(a) Discuss the objectives of devolved government (10marks)

(b) Identify the advantages of participative budgets (10marks)

QUESTION FOUR (20 MARKS)

4(a) Discuss the main revenue forecasting methods (10marks)

(b) Explain the main functions of cooperatives (10marks)

QUESTION FIVE (20 MARKS)

5(a) Identify the advantages of value added statements as a measure of performance (10marks)

5(b) Discuss the objectives of civil service reform programme in kenya (10marks)

