



TECHNICAL UNIVERSITY OF MOMBASA

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SCHOOL OF BUSINESS

UNIVERSITY EXAMINATION FOR:

BACHELOR OF BUSINESS ADMINISTRATION/BACHELOR OF COMMERCE

*BFI 4303: FINANCIAL MANAGEMENT IN PUBLIC SECTOR*

END OF SEMESTER EXAMINATION

SERIES: DEC 2024

TIME: 2 HOURS

DATE:

**Instructions to Candidates**

You should have the following for this examination

-Answer *Booklet*, examination pass and student ID

This paper consists of FIVE questions. Attempt Question ONE and any other TWO questions from this paper.

**Do not write on the question paper.**

**SECTION A: ANSWER ALL QUESTIONS IN THIS SECTION**

**QUESTION ONE (30 MARKS)**

- a) Discuss four scopes of public finance (4marks)
- b) Explain five functions of public finance. (5marks)
- c) Define capital budgeting (3marks)
- d) State six responsibilities of national treasury (6marks)
- e) Describe two types of budgets. (6marks)
- f) Highlight three main sources of public revenue. (6marks)

**SECTION B – ANSWER ANY TWO QUESTIONS IN THIS SECTION**

**QUESTION TWO (20 MARKS)**

- a) Explain three classifications of tax per rate and their impact on a growing economy. (6marks)
- b) State six advantages of direct taxes (6marks)
- c) Discuss four main effects of public finance to the Kenyan economy. (8marks)

**QUESTION THREE (20 MARKS)**

- a) Define public debt and ceiling (4marks)
- b) State two major lenders to the government (2marks)
- c) Explain four rationales for performance and programming budgeting system (PPBS) (6marks)
- d) Discuss six types of public debt. (6marks)
- e) Highlight two classifications of expenditures (2marks)

**QUESTION FOUR (20 MARKS)**

- a) Differentiate between general obligation and revenue bonds (4marks)
- b) Discuss four advantages of general obligation bonds (8marks)
- c) Define corporate structuring (2marks)
- d) Explain two types of corporate structuring. (6marks)