TECHNICAL UNIVERSITY OF MOMBASA

SCHOOL OF BUSINESS

ACCOUNTING AND FINANCE

UNIVERSITY EXAMINATION FOR:

BACHELOR OF COMMERCE

BFI 4303: FINANCIAL MANAGEMENT IN PUBLIC SECTOR

END OF SEMESTER EXAMINATION

SERIES: APRIL 2025

TIME:TWO HOURS

DATE: APRIL 2025

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
Do not write on the question paper.

QUESTION ONE
Question ONE (Compulsory) (30 MARKS)

1 (a) Expain the importance of budgetary control [10marks]

(b) A business investment involves an initial payment now of Kshs 68,000 and then returns of Kshs 18,000, Kshs 30,000,Kshs 40,000 and Kshs 15,000 respectively in 1, 2,3 and 4 years time. If money can be invested at 10% is this a worthwhile investment [10marks].

(c) Discuss the main sources of public revenue [10marks]

QUESTION TWO (20 MARKS)

2(a) Discuss the objectives of devolved government as enacted in the constitution of Kenya [10marks]

(b) Explain four investment appraisal methods
[10marks]

QUESTION THREE (20 Marks)

3(a) Explain the main objectives of the fiscal policy [10 Marks]

(b) Identify the advantages of a zero based budgeting system [10Marks]

QUESTION FOUR (20 MARKS)

4(a) Describe the key causes of external debts in Africa [10 Marks]
(b) Evaluate the advantages of value added statements as a measure of performance [10 Marks]

QUESTION FIVE (20 MARKS)

5 (a) Disuss the methods used to forecast public revenue [12 Marks]

(b) Problems facing cooperatives in Kenya [8 Marks]