**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:MAY AUGUST 2024**

**TIME:**TWO HOURS

**DATE:** AUGUST 2024

**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)

1 (a) Discuss the importance of budgetary control (10marks)

(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. (10marks).

(c)Evaluate the main uses of a budget (10marks)

## QUESTION TWO

2(a) Explain the advantages of value added statements as a measure of performance (10marks).

(b) Describe the key causes of external debts in Africa (10Marks)

## QUESTION THREE

3(a) Evaluate the advantages of a zero based budgeting system ( 10Marks)

(b) Explain the main objectives of the fiscal policy (10Marks)

## QUESTION FOUR

4(a) Describe the four investment appraisal methods ( 10Marks)

(b) Describe the main objectives of devolved government (10Marks)

## QUESTION FIVE

5. (a) Desribe the main Revenue forecasting methods as used by central government (10marks)

(b)Identify five Functions of cooperatives (10Marks)