



FACULTY OF BUSINESS MANAGEMENT
END OF SEMESTER EXAMINATIONS - APRIL 2025

PROGRAMME: BBA

YEAR/SEM: YEAR 3/SEMESTER 2

COURSE CODE: PAL 3205

NAME: PUBLIC PRIVATE PARTNERSHIPS

DATE: 2025-04-25

TIME: 9:00AM-12:00PM

INSTRUCTIONS TO CANDIDATES:

1. Read the instructions very carefully
2. The time allowed for this examination is STRICTLY three hours
3. Read each question carefully before you attempt and allocate your time equally between all the Sections
4. Write clearly and legibly. Illegible handwriting cannot be marked
5. Number the questions you have attempted
6. Use of appropriate workplace examples to illustrate your answers will earn you bonus marks
7. Any examination malpractice detected will lead to automatic disqualification.

DO NOT WRITE ANYTHING ON THE QUESTION PAPER

Section A SECTION A IS COMPULSORY

Question 1:

Under a service contract, the government pays the private partner a predetermined fee for the service, which may be based on a one-time fee, unit cost, or other basis. Therefore, the contractor's profit increases if it can reduce its operating costs, while meeting required service standards. One financing option involves a cost-plus-fee formula, where costs such as labor are fixed, and the private partner participates in a profit-sharing system. The private partner typically does not interact with the consumers. The government is responsible for funding any capital investments required to expand or improve the system.

- a) Discuss the types of service contracts know to you and justify which type your country should pursue
- b) Examine the potential strength of service contracts within the Public Private Partnership framework
- c) Assess the short comings service contracts experience
- d) Suggest alternative strategies to improve service contracts between public and private partnerships(40 marks)

Section B CHOSE THREE QUESTIONS

Question 1:

- 1) Despite the long experience with PPP, a range of stakeholders involved in the whole process have not been consulted or engaged in the process.
 - a) Justify why consultations is increasingly becoming recognized as an important factor in the PPP process?(20 marks)

Question 2:

- 1) Financing PPP projects has remained a major concern to both government and taxpayers.
 - a) Discuss the major concerns of project lenders
 - b) Discuss the major concerns of contractors and investors(20 marks)

Question 3:

- 1) Discuss the differences and similarities between PPP and privatization (20 marks)

Question 4:

- 1) Examine the underlying features in implementing PPP and discuss what entails the prequalification documents of PPP? (20 marks)

Question 5:

- 1) The process of designing and preparing commercial, financial and economic preparations is crucial. Discuss what the process encompasses?(20 marks)

Question 6:

- 1) Reflect on the private sector requirements and capacity to implement government projects(20 marks)