INTERNATIONAL UNIVERSITY OF EAST AFRICA
'Learning to Succeed'

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:
TIME:

INSTRUCTIONS TO CANDIDATES:

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)

Question 2:

Before starting any work on project development, the implementing government agency ought to have clear understanding of the basic requirements that the PPP project in consideration must meet, the administrative processes involved, and the capacity in the government to develop and implement the project. Such an understanding is required to prepare detailed terms of reference for the work to be undertaken and a timeframe for its execution.

a) State some of the requirements for public private partnership

b) State the vital questions that the implementing agency might have to consider

c) State the stages in the Public Private Partnership project development and implementation (40 marks)

SECTION B

CHOSE THREE QUESTIONS

Question 1:

1) PPP is increasingly becoming a method of procuring public goods and services, where government becomes the purchaser of goods and private entity becomes the long-term provider.

   a) Account for the motivation of engaging in PPP (20 marks)

Question 2:

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

Question 3:

1) Institutional structures and capacity assessment has remained a critical concern for government. What key questions should government ask its self to understand institutional requirements for a reform strategy? (20 marks)

Question 4:

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

Question 7:

1) Analyze the determinants of government's procurement methods during the procurement and bidding process? (20 marks)

Question 8:

Comment on the pro-poor interventions in the context of PPP and why such interventions are useful?(20 marks)

Question 9:

1) Analyze the basic requirements in the development process of project development of PPP?(20 marks)

Question 10:

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

Question 11:

Good governance has remained a critical pillar in PPP. Examine the core principles go good governance, which should be considered in PPP? (20 marks)

Question 12:

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)