



**FACULTY OF BUSINESS MANAGEMENT**  
**END OF SEMESTER EXAMINATIONS - APRIL 2025**

**PROGRAMME: BBA**

**YEAR/SEM: YEAR 3/SEMESTER 2**

**COURSE CODE: FIN3204**

**NAME: PUBLIC SECTOR FINANCE**

**DATE: 2025-04-24**

**TIME: 2:00-5:00PM**

**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:**

- a) The concept of incidence of taxation has been variously described by different economists. Dalton for instance, consider incidence as the direct burden of tax on the person who ultimately pays it. Using examples discuss the factors that contribute to tax shifting. **(10marks)**
- b) How can governments effectively balance fiscal policy decisions to promote both economic growth and the public interest, while ensuring the well-being of their citizens in a dynamic global economy? **(10marks)**

## **Section B ANSWER ANY THREE QUESTIONS**

### **Question 1:**

- a) Differentiate between current and capital expenditure. **(5marks)**
- b) Explain using examples how taxation affect the following;
- a) Production(5marks)**
- b) Distribution(5marks)**
- c) Stabilization(5marks)**

### **Question 2:**

- a) Explain the main reasons for increase in public expenditure citing examples from your country. **(15 marks)**
- b) Compare the merits of debt financing over income from taxation. (5 marks)**

### **Question 3:**

Discuss using examples the dissimilarities between public finance and private finance. **( 20marks)**

### **Question 4:**

- a) Evaluate the Ugandan tax system based on canons of taxation. **(10marks)**
- b) Discuss the various methods used by the government in addressing market failure in your country. **(10marks)**

### **Question 5:**

While both public and private finance share fundamental principles of financial management, their distinct contexts, objectives, and stakeholders necessitate different approaches to decision-making, resource allocation, and risk management.

**Required**

Using examples distinguish between public finance and private finance.  
( 20marks )

**Question 6:**

A number of factors have caused the rising trend of public expenditure in modern times.

Required

Using example discuss the rising trend of public expenditure in your country.  
(20marks)