## **LAIKIPIA UNIVERSITY COLLEGE**

## **BCOM 333: Public Finance**

In the simplest terms, **public finance** is the study of the role of the government in the economy. This is a very broad definition. This study involves answering the **four questions of public finance:**

* *When* should the government intervene in the economy?
* *How* might the government intervene?
* *What* is the effect of those interventions on economic outcomes?
* *Why* do governments choose to intervene in the way that they do?

**CONTENTS**

* Basic concepts
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    - The four questions of public finance.
* Theory of social and private goods
* Taxation.
* Kenya’s tax system
* Mechanisms of tax collections
* Fiscal policies
* Budget estimates.
* Treasury control budget
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* The Accounting Officer
* The Controller and the Budget Officer
* The Kenya National Audit Office
* The public accounts committee
* The structure of expenditures and its growth overtime
* Cost benefit and cost effectiveness analysis.
* Fiscal functions and institutions in Kenya

***(PREREQUISITE: BCOM 202, 330).***

***References***

1. Gruber, Jonathan (2011), *Public Finance and Public Policy, Third Edition*, worth Publishers, New York.
2. The Constitution of Kenya.
3. Other texts in public finance.