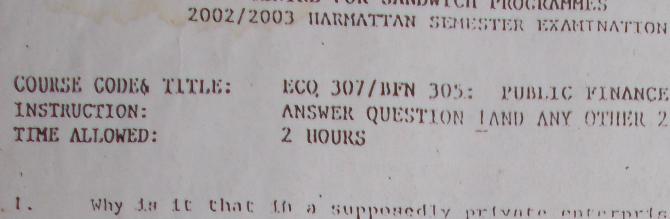
OLABISI ONABANJO UNIVERSITY, AGO-IWOYE FACULTY OF MANAGEMENT SCIENCES DEPARTMENT OF ECONOMICS CENTRE FOR SANDWICH PROGRAMMES

ECO, 307/BFN 305: PUBLIC FINANCE



Why is it that in a supposedly private enterprise economy, a substantial part of the economy is subject to some form of government direction and control rather than left to the "invisible hand" of market sources?

OR

Briefly but clearly discuss the major fiscal functions of the government in an economy.

Critically examine any two theories of expenditure growth you know. 2a. 6. What factors accounted for increased government expenditure in Nigeria since independence?

3a. Discuss the principles of a good tax system.

b ... Differentitate between

1." impact of a tax; and 11. Incidence of a tax

Discuss with apropriate and well-landled graphs how the incldence of taxation will be shared between buyers and sellers when an ad-valorem tax in levied on goods in each of the cases listed below:

when demand elasticity (1) zeco

whon supply clasticity is zero

iii. when demand clasticity is unitary

when demand is perfectly inclastic.

4. "Public debt has a profound effect on various dimensions of the economy. It is both a source of problems and a tool of economic management in the hands of the authorities". Discuss the validaty of this statement in the light of the role of public debt in ensuring economic growth and as a means of regulating the economy.

5. An economy has the following figures in its National Income Accounting 500; 80; CXIXation

200; G 0.3; 180; and X where:

a of byd Yd X - 7 1 11 TO + CY == MO -+ mY .

Required:

1. Determine the volume of the national income

Determine the net export and the tax revenue 11.

the said of the same management and a second second

111. Is the government budget balanced?

If, the government desires to increase its expenditure by 50% and Iv. fund same by an increase in autonomous tax of the same amount, what change will the equilibrium national income experience ultimately?