



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**14-16 AHMADU BELLO WAY, VICTORIA ISLAND LAGOS**  
**SCHOOL OF MANAGEMENT SCIENCES**  
**MAY/JUNE 2012 EXAMINATION**

MBA 728/828 Public Financial Management  
Time Allowed: 2 hours

Instruction: Attempt any three questions of your choice. Each question carries equal marks. Present your answer legibly and logically.

1. a. List and explain six (6) instruments for government intervention in the economy (11.3 marks).  
b. Explain the following terms: (12 marks)
  - i. The government sector
  - ii. Public goods
  - iii. Private goods
  - iv. Fiscal policy
2. a. List the items on the concurrent legislature list in Nigeria (6 marks)  
b. State and explain the primary instrument of monetary policy in Nigeria (10 marks)  
c. State the objectives of monetary policy in Nigeria (4 marks)  
d. Name three basic kinds of monetary policy decisions (3.3 marks)
3. a. State the characteristics of value added tax (3.3 marks)  
b. State the procedure involved in VAT registration (10 marks)  
c. State five characteristics each of progressive tax and regressive tax (10 marks)
4. a. State and explain five (5) principles of taxation (10 marks)  
b. The general tax administration and practicing guide for professionals provides reasons for imposing taxes. State six of these reasons. (6 marks)  
c. Explain the following terms
  - i. Tax evasion and avoidance
  - ii. Income tax and capital gains tax

5. a. State five (5) sources of revenue for each of the three tiers of government (15 marks)

b. State the capital budgeting decision steps (8.3 marks)