



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**14/16 AHMADU BELOW WAY, VICTORIA ISLAND, LAGOS**  
**SCHOOL OF MANAGEMENT SCIENCES**  
**MARCH/APRIL 2014 EXAMINATION**

**COURSE CODE: BHM 779**

**CREDIT UNIT: 2**

**COURSE TITLE: PUBLIC FINANCIAL MANAGEMENT**

**TIME ALLOWED: 2 hrs**

**Instructions: 1. Attempt question Number one (1) and any other two (2).**

**2. Question number 1 is compulsory and carries 30 marks, while the other questions carry 20 marks each**

**3. Present all points in a coherent and orderly manner**

**QUESTION 1**

1a) Discuss in details what you understand by public financial management.  
(13 Marks)

1b) What is 'modern governments' intervention. List the instruments used by the government.

(10 marks)

1c) Define monetary policy and the primary objectives of monetary policy in Nigeria in

recent years.

(7

Marks)

**QUESTION 2**

2a) What is fiscal policy? (4 marks)

2b) Discuss fiscal system in Nigeria (10 marks)

and the major instruments of fiscal policy (6 marks)

**QUESTION 3**

3a) Define taxation. (2 Mark)

3b) List and discuss the types of taxes (1 mark for listing, 2 marks for explaining)

3c) Name 3 purposes of taxation? (3 marks each)

**QUESTION 4**

4a) Differentiate between tax avoidance and evasion (6 Marks)

4b) Define government accounting (5 Marks)

4c) What are the basic dimensions of a public budget? (9 Marks)

**QUESTION 5**

5a) What are the objectives of budgeting (1 mark each)

5b) Discuss 6 steps taken by the Nigerian government to reduce the burden of external debt?

(12 Marks)