



MURANG'A UNIVERSITY OF TECHNOLOGY

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF COMMERCE

UNIVERSITY ORDINARY EXAMINATION

2018/2019 ACADEMIC YEAR

**THIRD YEAR FIRSTSEMESTER EXAMINATION FOR, DIPLOMA IN BUSINESS
MANAGEMENT**

BCB 054 –PUBLIC SECTOR MANAGEMENT

DURATION: 2 HOURS

DATE: 18/4/2019

TIME: 9-11 A.M

Instructions to candidates:

1. Answer question One and Any Other Two questions.
2. Mobile phones are not allowed in the examination room.
3. You are not allowed to write on this examination question paper.

SECTION A: ANSWER ALL QUESTIONS IN THIS SECTION

QUESTION ONE (30 MARKS)

Answer the following questions.

- (a) Justify why certain activities are left for the private sector and some to the public sector.
(8 marks)
- (b) Discuss three ideological roots of policy differences towards the public sector?
(6 marks)
- (c) Review the extent to which public expenditure is affected by the economic cycle.(6 marks)
- (d) Analyse Four factors to consider before implementing a policy instrument?(4 marks)
- (e) In the preparation of budgets departments are asked to prioritize their main programmes against tough criteria, clearly outline six of these criteria. (6 marks)

SECTION B – ANSWER ANY TWO QUESTIONS IN THIS SECTION

QUESTION TWO (20 MARKS)

- a) Review Four elements that distinguish between public and private goods and services.
(8 marks)
- b) Explain if markets are the best way for provision of public services clearly. Outline Six reasons.
(12 marks)

QUESTION THREE (20 MARKS)

- a) If government wants to restore balance between expenditure and income, what are the main policy instruments of its disposal? Discuss the constraints on its actions. (12 marks)
- b) Distinguish between individualism and collectivism with regards to policy formulation by the state.
(8 marks)

QUESTION FOUR (20 MARKS)

- a) Discuss Five reasons why governments try to make structural changes to public sector.
(8 marks)
- b) Assess Five obstacles to a comprehensive public management system.
(10 marks)