



MURANG'A UNIVERSITY OF TECHNOLOGY

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF COMMERCE

UNIVERSITY ORDINARY EXAMINATION

2021/2022 ACADEMIC YEAR

**THIRD YEAR FIRST SEMESTER EXAMINATION FOR, BACHELOR OF
COMMERCE**

BCF 302– FINANCIAL MANAGEMENT IN PUBLIC SECTOR

DURATION: 2 HOURS

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)

- a) Discuss the scope of public finance. (4Marks)
- b) Distinguish between public and private finance. (8Marks)
- c) List four sources of government revenue. (4Marks)
- d) Explain five provisions of PFM Act 2012. (5Marks)
- e) State five objectives of budgeting. (5Marks)
- f) Advise how a government would bridge a budget deficit. (4Marks)

SECTION B – ANSWER ANY TWO QUESTIONS IN THIS SECTION

QUESTION TWO (20 MARKS)

- a) Explain how a debt ceiling is arrived at. (3Marks)
- b) Discuss seven types of financial planning. (7Marks)
- c) Highlight seven characteristics of a sound financial system. (7Marks)
- d) List three techniques of appraising investments. (3Marks)

QUESTION THREE (20 MARKS)

- a) Describe the process of planning programming budget system (PPBS). (10Marks)
- b) List five advantages of PPBS. (5Marks)
- c) Differentiate between General obligation bond and Revenue bond. (5Marks)

QUESTION FOUR (20 MARKS)

- a) Discuss six major types of public debt. (6Marks)
- b) Explain two types of corporate restructuring. (4Marks)
- c) Under what circumstances would corporate restructuring be necessary. (10Marks)