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NATIONAL OPEN UNIVERSITY OF NIGERIA
Plot 91, Cadastral Zone, Nnamdi Azikiwe Express Way, Jabi-Abuja
Faculty of Management Sciences, Department of Financial Studies
2023_1 POP EXAMINATION

Course Code: BFN411 **Credit Unit: 3.**
Course Title: PUBLIC FINANCIAL MANAGEMENT
Time Allowed: 2 and Half HOURS
Instructions:

1. **Attempt Question 1 and any other three (3) Questions.**
2. **Question 1 is compulsory and carries 25 marks while the other Questions carry 15 marks each.**
3. **Present all your points in a coherent and orderly manner.**

THEORY QUESTIONS

Question ONE

a. In financial management, public means the people while finance refers to funds or money, what then is the definition of public financial management given by Ekpung (2001)? **(5 marks)**
b. The aim of public financial management is to improve the management of the flows of fund and financial resources through government and its agencies to achieve the goals of government in the modern economy. **(10 marks)**
c. Enumerate the functions of government and scope of governance in a modern economy to achieve these goals**. (10 marks)**

Question TWO

a. Monetary policy normally consists of a government's formal efforts to manage the money in its economy in order to realise specific economic goals. In view of this state where the three basic types of monetary policy decisions can be made. **(8marks)**
b. Sate the primary objectives of Nigerian monetary policy. **(7 marks**)

Question THREE

a. Nigeria's economy revolves around the nation's federal capital territory, 36 states and 774 local governments, this has fundamental implications for the fiscal system and economic management of the country, state the objectives of the fiscal policy of the economy. **(9 marks)**
b. A compulsory payment or levy imposed through legislation by the government of a country on the income of the residents is referred to as tax, Nigerian income depends so much on the incidence of tax, explain the categories of direct tax in Nigeria? **(6 marks).**

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Question FOUR

(a) Value Added Tax (VAT)is a consumption tax paid on goods and services consumed and borne by the final consumer, list those goods and services that are exempted from VAT payment **(12 marks)**

(b) Government (public) accounting may be considered as a process in which transactions, events and activities in an operating entity (system) are recorded for the purposes of accumulating and providing financial information essential to the good conduct of activities of that entity, identify key variables that define Government Accounting. **(3 marks)**

Question FIVE

To achieve the goals of monetary policy too, monetary authorities such as the central bank employ certain instruments/tools on behalf of the federal government in both developed and developing nations in form of qualitative and quantitative. List and explain three of each quantitative and qualitative instrument. (**15 marks**)