



**NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF SOCIAL SCIENCES
DEPARTMENT OF ECONOMICS
2021_1 EXAMINATION**

COURSE TITLE: TAXATION AND FISCAL POLICY

COURSE CODE: ECO 440

UNITS: 2

TIME ALLOWED: 2HOURS

INSTRUCTION: ANSWER QUESTION ONE AND ANY TWO QUESTIONS

- 1a. List and explain the classification of public debt **(9 Marks)**
- b. Discuss the redemption of public debt. **(10 marks)**
- c. Distinguish between fiscal imbalance and horizontal imbalance. **(5 marks)**
- d. Write briefly on the following terms **(6 marks)**
- i. Individual tax
 - ii. Business income tax
 - iii. Wealth and property taxes
- 2a. Write short notes on the following
- i. Adolph Wangers hypothesis **(5 marks)**
 - ii. Peacock Wise man Hypothesis **(5 marks)**
- b. Discuss the four main cannons of public expenditure **(10 marks)**
- 3a. Government controls deflationary pressures in an economy through the use of compensatory fiscal policy instrument discuss. **(5marks)**
- b. Discuss the common budgetary policies that can be adopted for stabilizing an economy. **(15marks)**
4. Explain the effect of public expenditure on production and public expenditure on distribution **(20marks)**