



**NATIONAL OPEN UNIVERSITY OF NIGERIA  
FACULTY OF SOCIAL SCIENCES  
DEPARTMENT OF ECONOMICS  
SEPTEMBER, 2020**

**COURSE TITLE: PUBLIC SECTOR ECONOMICS  
COURSE CODE: ECO 447  
UNITS: 2  
TIME ALLOWED: 2 HOURS**

**INSTRUCTION: ANSWER ANY THREE (3) QUESTIONS. ALL QUESTIONS CARRY EQUAL MARKS**

**QUESTION ONE**

Examine the term public sector economics and briefly explain the merits and demerits of public corporations. **(23 Marks)**

**QUESTION TWO**

Discuss the strengths of the private sector in light of the argument that government spending discourages productivity. **(23 Marks)**

**QUESTION THREE**

Explain the concept of free-rider and highlight the problems and possible solutions to the challenge of free riding in an economy. **(23 Marks)**

**QUESTION FOUR**

Give a brief explanatory distinction between each of the following concepts.

- i. Internal and External Debt.
- ii. Short-term and Long-Term Loans.
- iii. Funded and Unfunded or Floating Debt.
- iv. Voluntary and Compulsory Loans.
- v. Redeemable and Irredeemable Debt. **(23 Marks)**

**QUESTION FIVE**

Enumerate and explain the types of externalities and examine their effects on third parties that are not part of market transactions. **(23 Marks)**