



**NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF SOCIAL SCIENCES
DEPARTMENT OF ECONOMICS
2021_2 EXAMINATION⁴⁵⁶⁷**

COURSE TITLE: TAXATION AND FISCAL POLICY

COURSE CODE: ECO 440

UNITS: 2

TIME ALLOWED: 2 HOURS

INSTRUCTION: ANSWER QUESTION ONE AND ANY OTHER TWO QUESTIONS

1a. Public policy is required to regulate, guide and correct the working of the economy in certain aspect. Discuss. **10 marks**

b. List and explain the factors that may hinder market mechanism from achieving optimal distribution of resources. **10 marks**

c. Why is public policy required for full employment and price stability in the market? **10 marks**

2 a. Analyze the conflicts that may occur in achieving the goals and objectives of fiscal policy. **8 Marks**

b. Explain the major sources of a State government revenue **12 marks**

3a. Taxation is a tool used in economic stabilization and can be in the form of direct and indirect tax discuss. **10 marks**

3b. List and explain the three important views on the concept of tax incidence. **10 marks**

4a. Write short notes on

i. The concentration theory of tax shifting **5 marks**

ii. The diffusion theory **5 marks**

4b. Explain the Incidence of Tax under various Market Conditions and factors influencing the process of tax shifting **10marks**