



**NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF SOCIAL SCIENCES
DEPARTMENT OF ECONOMICS
2017_2 EXAMINATION JANUARY/FEBRUARY 2018**

COURSE TITLE: PUBLIC SECTOR ECONOMICS

COURSE CODE: ECO 447

UNITS: 2

TIME ALLOWED: 2 HOURS

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

- 1a. Define public sector economics **4 marks**
- b. State six (6) advantages of public corporations **12 marks**
- c. What are the disadvantages of public corporations **7 marks**

Total – 23 marks

- 2a. Define the concept of functional finance **10 marks**
- b. What is the scope of public finance ? **6 marks**
- c. Discuss the major principles of public finance **7 marks**

Total – 23 marks

- 3a. Discuss government tax requirements **10 marks**
- b. List and explain the different types of taxes **6 marks**
- c. What do you understand by the term public goods **7 marks**

Total – 23 marks

- 4a. What are the characteristics of public goods **6 marks**

- b. Articulate the panacea to free rider problem **10 marks**
- c. Differentiate between free rider and social goods **7 marks**

Total – 23 marks

- 5a. What do you understand by “theories of public goods”? **5 marks**
- b. With the aid of diagram, discuss the theory of voluntary exchange model **10 marks**
- c. Distinguish between public and private goods **8 marks**

Total – 23 marks