



**NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF SOCIAL SCIENCES
DEPARTMENT OF ECONOMICS
2024 1 EXAMINATION.**

COURSE TITLE: PUBLIC SECTOR ECONOMICS

COURSE CODE: ECO 727

CREDIT UNITS: 2 UNITS

TIME ALLOWED: 2 HOURS

**INSTRUCTION: ANSWER ANY THREE (3) QUESTIONS. ALL QUESTIONS
CARRY EQUAL MARKS. AWARD ONE MARK FOR CLARITY**

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| 1a. | List and explain four (4) fiscal instruments | 12 marks |
| 1b. | Discuss the reason why government goes into deficit financing | 11 marks |
| 2a. | Define development planning | 5 marks |
| 2b. | Discuss the rationale for planning | 18 marks |
| 3. | Discuss the role of public expenditure in the developmental process of a developing country | 23 marks |
| 4. | Over the years, it has been observed that a country's public expenditure continually rises. Discuss the reason behind this rise in expenditure | 23 marks |