



**NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF SOCIAL SCIENCES
DEPARTMENT OF ECONOMICS
2024_2 EXAMINATION**

COURSE TITLE: TAXATION AND FISCAL POLICY
COURSE CODE: ECO 440
CREDIT UNITS: 2 UNITS
TIME ALLOWED: 2 HOURS
INSTRUCTION: ANSWER QUESTION ONE AND ANY OTHER TWO (2) QUESTIONS

QUESTION ONE

- 1a.** Distinguish between public goods provision and public goods production
(10 marks)
- 1b.** Examine any four (4) determinants of income and wealth distribution in an economy
(10 marks)
- 1c.** Explain the meaning of policy mix and highlight some of its advantages
(10 marks)

QUESTION TWO

- 2a.** Succinctly describe the components of public receipt in public sector analysis
(10 marks)
- 2b.** Examine the concept of taxable capacity and briefly discuss any four (4) of its determinants
(10 marks)

QUESTION THREE

- 3a.** Carefully appraise any three (3) challenges associated with personal income tax
(10 marks)
- 3b.** Discuss any three (3) merits and demerits of direct tax system in an economy
(10 marks)

QUESTION FOUR

- 4a.** Prudently examine the factors that are responsible for increase in public expenditure
(10 marks)
- 4b.** Differential between deficit budget and surplus budget. How can they be used to solve the economic problems.
(10 marks)