



NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF SOCIAL SCIENCES
DEPARTMENT OF ECONOMICS
2025_2 EXAMINATIONS

COURSE TITLE: TAXATION AND FISCAL POLICY

COURSE CODE: ECO440

UNITS: 2

TIME ALLOWED: 2HOURS

INSTRUCTION: ANSWER QUESTION ONE AND ANY TWO QUESTIONS

- 1.a. Discuss the term Public Debt classification **(10 Marks)**
- b. Redemption of public debt is the same as recovery of debt. Discuss. **(10 marks)**
- c. Differentiate between vertical fiscal imbalance and horizontal imbalance. **(5 marks)**
- d. Briefly discuss the following fiscal terms **(5 marks)**
- i. Business income tax
 - ii. Wealth and property taxes
2. Critically explain the effect of public expenditure on both production and distribution in Nigeria **(20marks)**
- 3a. Write short notes on the following contributors to the development of Public finance thought;
- i. Adolph Wangers hypothesis **(5 marks)**
 - ii. Peacock Wise Man Hypothesis **(5 marks)**
- 3b. Cannons of public expenditure are the framework through which public spending are guided. Discuss the four main cannons **(10 marks)**
- 4a. Deflationary pressures in an economy could be controlled by the Government through the use of expansionary fiscal policy tools. Discuss. **(5marks)**
- b. Discuss the common budgetary policies that can be adopted for stabilizing an economy. **(15marks)**