



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

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**COURSE TITLE: PUBLIC SECTOR ECONOMICS**  
**COURSE CODE: ECO 447**  
**CREDIT UNITS: 2 UNITS**  
**TIME ALLOWED: 2 HOUR**

**INSTRUCTION: ANSWER QUESTION ONE AND ANY OTHER TWO (2) QUESTION**

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| 1a. Discuss the steps of cost benefit analysis                     | 17marks |
| 1b. Highlight reasons why state borrows money                      | 13marks |
| 2a. Explain the merits of public corporations                      | 10marks |
| 2b. Discuss the principles of taxation                             | 10marks |
| 3a. Discuss the theory of public goods according to Paul Samuelson | 12marks |
| 3b. Highlight on the concept of social goods.                      | 8marks  |
| 4a. Distinguish between public and private goods                   | 9marks  |
| 4b. Discuss the component of a free market economy                 | 11marks |