

LAIKIPIA



UNIVERSITY

UNIVERSITY EXAMINATIONS

2ND SEMESTER 2023/2024 ACADEMIC YEAR

FOURTH YEAR EXAMINATION FOR THE DEGREE OF
EDUCATION (ARTS)

BUST 422: PUBLIC FINANCE MANAGEMENT

STREAM:

TIME: 2 HRS

DAY: WEDNESDAY [11.30-1.30 P.M]

DATE: 10/04/2024

THIS QUESTION PAPER CONSISTS OF TWO (2) PAGES

PLEASE DO NOT OPEN UNTIL THE INVIGILATOR SAYS SO.



ANSWER QUESTION ONE AND ANY OTHER TWO

TIME: 2 HRDS

QUESTION ONE (COMPLSORY 30 Marks)

- a) Explain why public financial management is critical in any nation. **(5 Marks)**
- b) Evaluate five objectives of public finance management **(5 Marks)**
- c) As a public finance management student, explain how you should advocate for the importance of institutional frameworks in promulgating, implementing, establishing, and overseeing PFM standards and practices. **(10 Marks)**
- d) Distinguish between a primary audit and a secondary audit **(4 Marks)**
- e) Explain the importance of a public audit in Public Finance Management **(6 Marks)**

QUESTION TWO

- a) Budget is a unique instrument for analyzing public financial management. In light of this, explain the components that comprise public financial management. **(10 Marks)**
- b) Explain the purpose of financial reporting in public finance management, using the International Accounting Standard Board (IASB). **(10 Marks)**

QUESTION THREE

- a) "The stabilization aspect of Public Finance is concerned with achieving macro-economic objectives" Explain: **(10 Marks)**
- b) Highlight the important elements that undermine the effective and efficient implementation of government budgets. **(10 Marks)**

QUESTION FOUR

- a) According to the Chartered Institute of Public Finance and Accountancy (2009), the characteristics of Public Finance Management differ from those of other financial management contexts. Highlight the foundation of their argument. **(10 Marks)**
- b) Fraud is a broad range of criminal behaviour that involves the use of dishonest or deceptive techniques to get an unfair advantage or gain over others. Clearly describe ways to prevent fraud in public finance management. **(10 Marks)**

