



NATIONAL OPEN UNIVERSITY OF NIGERIA
Plot 91, Cadastral Zone, Nnamdi Azikiwe Express Way, Jabi-Abuja
Faculty of Management Sciences, Department of Financial Studies
2021_1 EXAMINATION 1234

Course Code: BFN779

Credit Unit: 2.

Course Title: PUBLIC FINANCIAL MANAGEMENT

Time Allowed: 2 HOURS

Instructions:

- 1. Attempt Question 1 and any other two (2) Questions.**
- 2. Question 1 is compulsory and carries 30 marks while the other 2 Questions carry 20 marks each.**
- 3. Present all your points in a coherent and orderly manner.**

Question ONE

- a. Public financial management is often viewed as the acquisition and disposal of resources by the government, be it federal, state or local government. In your own words, explain what you understand by Public financial management and its concept.
(5 marks)
- b. The main objective of financial management is to arrange sufficient finance for meeting short term and long-term needs. Discuss in any five (5) points the scope of every financial manager.
(25 marks)

Question TWO

- a. Public financial management plays the role of improving management of the flow of financial resources through government and its agencies to improve the quality of public service. In line with this, state and explain the aims/objectives of public financial management given by ACCA.
15 marks
- b. Briefly explain how government report its financial operations to its stakeholders. 15mark

Question THREE

- a. Fiscal policy is aimed to control inflation, reduce unemployment and maintain a healthy value for public funds. **EXPATiate** on this statement. 5 marks
- b. List and explain the major tools/instruments used by the Central Bank of Nigeria to achieve the goals of fiscal policy such as accelerated economic development. 15mark

Question FOUR

- a. Every country establishes an apex central bank to institute and manage the economy by controlling the supply of money through the instruments of monetary policy. How do you describe a monetary policy?
(4 marks)
- b. Outline and explain the main objectives of monetary policy in a developing country like Nigeria.
(12 marks)
- c. Discuss challenges if any encountered by the Nigerian government in the implementation of monetary policy.
(4 marks)