



GRETSA UNIVERSITY - THIKA

UNIVERSITY EXAMINATIONS JANUARY – APRIL 2017 SEMESTER

BACHELOR OF COMMERCE

COURSE CODE: BCBA 405

COURSE TITLE: PUBLIC SECTOR MANAGEMENT

DATE: 7 APRIL 2017

TIME: 3.00 PM – 6.00 PM

INSTRUCTIONS TO CANDIDATES

1. SECTION A IS **COMPULSORY**.
2. SECTION B: ANSWER ANY OTHER **THREE** QUESTIONS.
3. **DO NOT** WRITE ANYTHING ON THIS QUESTION PAPER AS IT WILL BE AN EXAM IRREGULARITY.
4. ALL ROUGH WORK SHOULD BE AT THE BACK OF YOUR ANSWER BOOKLET AND CROSSED OUT.

CAUTION: All exam rooms are under CCTV surveillance during the examination period.

SECTION A

QUESTION ONE

- I. Budget documents presented to the national assembly though unified, are often prepared using different procedures. Discuss whether there is a legitimate need for extra budgetary funds. [10 marks]
- II. Where the transaction delivers better value for money for the public sector as a whole, public sector organizations may borrow from private sector sources. Discuss how cash management is achieved in the public sector. [10 marks]
- III. Public enterprises are required to develop active and effective communication systems to facilitate consultation with shareholders. Enumerate the relationship between public enterprises and their stakeholders. [10 marks]
- IV. Private enterprises are owned by individuals and their main objective is profit realization while public enterprises are owned and controlled by state or local governments. What are the distinguishing features between these two forms of enterprises? [10 marks]

SECTION B

QUESTION 2

- I. One controversial administrative but important problem of public enterprises is pricing policy. Several suggestions have been put across on a criteria for price policy in the public sector. Discuss these suggestions in details. [10 marks]

- II. The framework which substantially shapes interrelationships amongst the public enterprises as well the government, is provided by the organizations. Describe the salient features of public corporations. [10 marks]

QUESTION THREE

- I. Information, plays a significant role in decision making, performance, evaluation, knowledge about the companies' conditions and assessing the credibility of the companies with those that deal with them. Enumerate the components of disclosure. [10 marks]
- II. The state should have an integrated, clear and homogenous vision with regard to its ownership of public enterprises. What is the role of holding companies within the public sector? [10 marks]

QUESTION FOUR

- I. Budget preparation is a responsibility that lies with the ministry of finance, incorporating input from line ministries and other spending agencies. Discuss the various steps in budget preparation systems. [10 marks]
- II. Where the government holds fifty one percent (51%) stake or more, we call this a government company. Enumerate the essential features of a government company. [10 marks]

QUESTION FIVE

I. Oversight and issuing directs the rules that departments should respect in managing budgets is given by the treasury. Departments are therefore expected to work within their allocations for each financial year. Discuss the major benefits of public enterprises?

[10 marks]

II. A joint enterprise arises due to state participation in an economic activity, alongside the private sector. Explain some of the factors responsible for this phenomenon. [10 Marks]