NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF SOCIAL SCIENCES
DEPARTMENT OF ECONOMICS
2021_1 EXAMINATION

COURSE TITLE: TAXATION AND FISCAL POLICY
COURSE CODE: ECO 440
UNITS: 2
TIME ALLOWED: 2HOURS
INSTRUCTION: ANSWER QUESTION ONE AND ANY TWO QUESTIONS

1a. List and explain the classification of public debt **(9 Marks)**

b. Discuss the redemption of public debt. **(10 marks)**

c. Distinguish between fiscal imbalance and horizontal imbalance. **(5 marks)**

d. Write briefly on the following terms **(6 marks)**

i. Individual tax

ii. Business income tax

iii. Wealth and property taxes

2a. Write short notes on the following

i. Adolph Wangers hypothesis **(5 marks)**

ii. Peacock Wise man Hypothesis **(5 marks)**

b. Discuss the four main cannons of public expenditure **(10 marks)**

3a. Government controls deflationary pressures in an economy through the use of compensationary fiscal policy instrument discuss**.** **(5marks)**

b. Discuss the common budgetary policies that can be adopted for stabilizing an economy. **(15marks)**

4. Explain the effect of public expenditure on production and public expenditure on distribution **(20marks)**