



NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF SOCIAL SCIENCES
DEPARTMENT OF ECONOMICS
2024 1 EXAMINATION

COURSE TITLE: TAXATION AND FISCAL POLICY

COURSE CODE: ECO 440

UNITS: 2

TIME ALLOWED: 2 HOURS

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
compensatory 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)