



**NATIONAL OPEN UNIVERSITY OF NIGERIA
FACULTY OF SOCIAL SCIENCES
DEPARTMENT OF ECONOMICS
SEPTEMBER,2020**

**COURSE TITLE:PUBLIC SECTOR ECONOMICS
COURSE CODE: ECO 447
UNITS: 2
TIME ALLOWED: 2HOURS**

**INSTRUCTION:ANSWER ANY THREE (3) QUESTIONS. ALL QUESTIONS CARRY
EQUAL MARKS**

QUESTION ONE

Examine the term public sector economics and briefly explain the merits and demerit of public corporations. **(23 Marks)**

QUESTION TWO

Discuss the strengths of the private sector in light of the argument that government spending discourages productivity. **(23 Marks)**

QUESTION THREE

Explain the concept of free-rider and highlight the problems and possible solution to the challenge of free riding in an economy. **(23 Marks)**

QUESTION FOUR

Give a brief explanatory distinction between each of the following concepts.

- i. Internal and External Debt.
- ii. Short-term and Long-Term Loans.
- iii. Funded and Unfunded or Floating Debt.
- iv. Voluntary and Compulsory Loans.
- v. Redeemable and Irredeemable Debt. **(23 Marks)**

QUESTION FIVE

Enumerate and explain the types of externalities and examine their effects on third parties that are not part of market transactions. **(23 Marks)**