30. - PUBLIC FINANCE

The topic entails:

- **The meaning of public finance and the purpose**
- **Identifying various sources of public finance.**
- **Categorizing public/government expenditure and explain various ways the government uses public finances and their influence on business activities in an economy.**
- **Discuss taxation and its contribution to public finance**
- **Discuss the purpose and principles of taxation laying emphasis on characteristics of a good tax system.**
- **Classify taxes and outline the merit and demerits of each.**
- **Meaning of the budget and discuss the role of a budget as a tool for planning.**

1. Outline **four** short comings of a country borrowing heavily from internal and external sources

2. Mention **four** cannons of taxation

3. State **four** reasons why government levy taxes

4. Identify **four** methods that a government can use to finance a national budget deficit

5. Match the following types of taxes with the appropriate description given below:-

   Corporate tax, Customs duty, Estate duty, Excise duty

Tax	**Description**
(a)	Is a tax levied on manufactured goods
(b)	Is a tax levied on wealth of a person after his death
(c)	Is a tax levied on entry of goods into a country
(d)	Is a tax levied on profits of business enterprises

6. Highlight any **four** features of a good tax system

7. Outline **five** principles of taxation

8. Differentiate between progressive and regressive taxation giving an example of each

9. Highlight **four** advantages of direct tax

10. Highlight **four** sources of revenue to the local authorities

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1. Discuss **five** principles of taxation

2. Outline **five** sources of non- tax public revenue

3. Explain **five** principles of public expenditure

4. Highlight **five** reasons for imposition of tax by the government

5. Discuss **five characteristics** of a good tax system

6. Outline **five** reasons why the Kenya government must impose tax.