DSVOL

Moderated.

KENYATTA UNIVERSITY

SCHOOL OF ECONOMICS

DEPARTMENT OF APPLIED ECONOMICS

EAE 404 ECONOMICS OF PUBLIC ENTERPRISES SEM 2 2019/2020 DSVOL

EXAM

Externally Moderated 03/02/2020

QUESTION ONE 30 MARKS

i. Discuss the importance of public sector enterprises in under developed countries (10 marks)
ii. Outline the major features of public enterprises 6 marks
iii. Define a Statutory Corporation (2 marks)
iv. Define and give a Kenyan example of a government company (2 marks)
v. Describe five forms of reforms that have occurred in the public sector enterprises in Kenya in recent times 10 marks

QUESTION TWO 20 MARKS

a) Distinguish departmental undertakings from public corporation along with their major features. 10 marks rephrase
b) To what extent do the appointment by government affect the performance of public Sector enterprises? (10 marks)

QUESTION THREE 20 MARKS

a) Discuss five ways in which governments have contributed to the failure of public enterprises. 10 marks
b) The performance contracting has been used in public sector for some time now. Explain five ways it has improved the performance of public enterprises (10 marks)

QUESTION FOUR 20 MARKS

Privatization has been viewed as the solution to the problems facing public sector enterprises in Kenya.

a) Outline three alternatives to privatization. (10 marks)
b) Explain three advantages of privatization. (10 marks)

QUESTION FIVE 20 MARKS

a) Explain the economic rationale for using Public Private Partnerships (PPPs) as a means of delivering important public infrastructure projects. (5 marks)
b) Explain the economic rationale of using public private partnership in delivering important infrastructural projects in Kenya ~~10 marks~~ (5 mks)

(c) Those in favor of privatization argue that private management is inherently superior to public management. Do you agree? Explain your answer (10 marks)