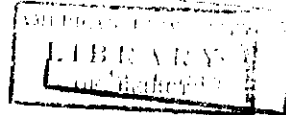




American University of Beirut
PSPA 212
Professor Van Geest
Final Exam
June 26, 1996



You must answer **THREE** of the following five questions in part I and you must answer the **only** question in Part II. Each of the three questions you answer in part one is worth 20% of the final exam grade and Part Two is worth 40% of the final exam grade. You must answer the questions precisely in order to do well.

PLEASE CLEARLY INDICATE WHICH QUESTIONS YOU ARE ANSWERING.

PART I

1. The New Public Management (NPM) has been criticized for being weak on accountability.
a) Is this criticism valid? Does the bureaucracy have too much power in the NPM? b) In what ways can the bureaucracy be made accountable under the NPM?
2. Explain the difference between *the study of* a) early public policy, b) political, substantive public policy, and c) theoretical public policy.
3. What are the various arguments in favour of privatisation? Are these arguments convincing in view of the original reasons for establishing public enterprises?
4. What is strategic management? How is it expected to improve public administration?
5. Explain the *significance* of the following concepts:
 - a) merit goods
 - b) contestable market theory
 - c) public sector borrowing requirement
 - d) cross subsidization
 - e) externalities

PART II

YOU MUST ANSWER QUESTION #6

6. As a new model of governance, the NPM has been constructed out of experiences in Western, industrialized countries. Discuss and examine the weaknesses of the NPM and explain whether you think they are applicable to a greater or lesser degree in less developed countries. Would you recommend implementation of the NPM in less developed countries? Why or why not?

