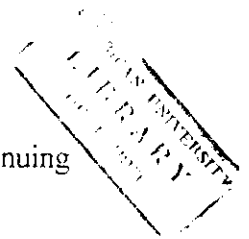




PSPA 277 FINAL EXAM, June 25th, 1976



1. According to Arthur Smithies, the decision making by an organization is a continuing process of six stages. Briefly identify these stages.

OR

Briefly explain Charles Lindblom's views on budget decision-making.

2. Briefly explain Richard Musgrave's views of the public sector as comprised of three branches or "budgets".

3. Goods tend to be "affected by the public interest" when the proportion of external benefits is large in relation to internal benefits. Very briefly explain and illustrate with some examples.

4. In zero-base budgeting, the decision units usually propose three estimates for each decision package. Explain briefly.

OR

Briefly evaluate the concept of control by concertation as compared with other means of control.

5. The Lebanese National Bank has been following a policy of extensive selling of government bonds. Evaluate this policy in terms of the social benefits of government programs versus the social cost of withdrawing resources from the private sector in Lebanon.

OR

What should the aims of fiscal policy in developing countries be?

6. What are the two criteria that are usually taken into consideration in determining capital investments?

OR

Are the tangible assets created by capital budgeting the only contributors to economic growth? Explain briefly.

7a) Explain what is meant by the GDP inflator.

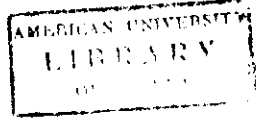
b) How useful is this general index in the estimation of expenditures by administrative agencies? Explain briefly.

8a) Very briefly explain what is meant by the "program impact theory" in budget analysis.

b) What are the two possible explanations for the failure of a program to produce its expected impact?

9. What does PERT stand for? Explain how the time for each activity is estimated and tell what is meant by the critical path.

10. Functional classification in budgeting is sometimes called citizens' budget. Explain.



11. Do Keynes' views regarding aggregate demand and productivity apply to developing countries? Explain.

OR

Some of the supporters of privatization are motivated by ideological reasons and some are motivated by pragmatic reasons. Explain.

12. Explain the usefulness of the concept of necessary but not sufficient in program evaluation and give some examples.

13. Explain why increased social regulation may be considered as one of the factors contributing to inflation

OR

Just identify the various budgetary policies that tend to contribute to inflation.

14. Just identify each of the following concepts: a) tax incidence b) multiplier effect c) executive budget d) self-liquidating capital projects and e) self-financing capital projects.