

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

EXAMINATION FOR THE AWARD OF MASTR OF SCIENCE
IN ECONOMICS

MSEC 851: ECONOMICS OF PUBLIC POLICY

STREAMS: MSC (ECON)

TIME: 3 HOURS

DAY/DATE: MONDAY 08/04/2021

2.30 P.M. – 5.30 P.M.

INSTRUCTIONS: Answer question ONE and any other THREE questions

QUESTION ONE

- (a) Define policy implementation and discuss the core elements that an ideal process of policy implementation would include [4 marks]
- (b) The Kenyan government debt amounted to 66.4% to the GDP as of 2020 December. Discuss this in relation to economic stability and debt burden [15 marks]
- (c) Discuss the following theories [6 marks]
- (i) System theory
 - (ii) Elite theory

QUESTION TWO

- (a) Explain the benefits of a competition policy by the government [4 marks]
- (b) Discuss the case for and against financial help to private industry from the state [5 marks]
- (c) “Education cuts can be criticized because education is a public good” increase in tuition fee can be justified because education is a public good”. Discuss these two statements. [6 marks]

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QUESTION THREE

- (a) Compare and contrast cost benefit and cost effectiveness as tools used in planning, evaluation and managing of public policy. [5 marks]
- (b) “KQ has been making huge losses for the last 10 years. The government should own it 100%”. Discuss [6 marks]
- (c) Differentiate between positive and negative public policy [4 marks]

QUESTION FOUR

- (a) In evaluating policy option, decisions are arrived at through a process of engagement, bargaining and trade-off. Explain five major trade off that are made. [8 marks]
- (b) “Hybrid theories are a panacea to shortcomings of both Bottom Up and Top Down theories”. Discuss [7 marks]

QUESTION FIVE

- (a) Compare and contrast Top-Down and Bottom-up theories of policy implementation [7 marks]
- (b) Explain the Agenda setting process in public policy cycle [4 marks]
- (c) Using a diagram, explain Easton model of system analysis [4 marks]

QUESTION SIX

- (a) “Monopolies are harmful and should be banned”. Discuss [5 marks]
 - (b) Explain the social benefits and costs of privatization [6 marks]
 - (c) Using a diagram, explain how pigouvian tax can be used to tame pollution [4 marks]
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