



ICM

MARCH 2017

PUBLIC SECTOR ECONOMICS

Instructions to candidates:

- a) Time allowed: Three hours (plus an extra ten minutes' reading time at the start – do not write anything during this time)
 - b) Answer any FIVE questions
 - c) All questions carry equal marks. Marks for each question are shown in []
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- 1. Monopoly bureaucracy is a widespread feature of public service organisation and management. Analyse the concept of monopoly bureaucracy, identifying and reviewing its key characteristics, features, advantages and disadvantages. [20]
 - 2. Review the principal policies that have been adopted to support the aim of reducing poverty. [20]
 - 3. Income tax, despite its widespread adoption around the world, has a number of widely recognised disincentives. Analyse these disincentives. [20]
 - 4. Governments in many countries have and continue to pursue a policy of nationalising industries. Explain why this is the case and review the advantages and disadvantages of such a policy. [20]
 - 5. Measuring inequality has been the subject of much academic research and also debate by national governments. Analyse the different approaches that have been taken to measuring inequality. [20]
 - 6. Analyse the challenges facing the social insurance model in modern society. [20]
 - 7. Review the ways in which governments can use capital markets to reschedule their income and expenditure. [20]
 - 8. Explain EACH of the main types of taxes typically levied by governments. [20]