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*(University of Choice)*

**MASINDE MULIRO UNIVERSITY OF  
SCIENCE AND TECHNOLOGY  
(MMUST)**

**MAIN EXAMINATION**

**UNIVERSITY EXAMINATIONS  
2023/2024 ACADEMIC YEAR**

**FOURTH YEAR, FIRST SEMESTER EXAMINATIONS**

**FOR THE DEGREE  
OF  
BEC, SME**

**COURSE CODE: ECO 403**

**COURSE TITLE: ECONOMIC POLICY ANALYSIS**

**DATE: THURSDAY, 14-12-2023**

**TIME: 12:00 -14:00**

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**INSTRUCTIONS TO CANDIDATES**

ATTEMPT QUESTION **ONE** AND ANY OTHER **TWO** (Question one carries 30 marks and the rest 20 marks each)

TIME: 2 Hours

MMUST observes ZERO tolerance to examination cheating

This Paper Consists of 2 Printed Pages. Please Turn Over.

### Question 1

- a. Differentiate between the following paired public policy concepts with the use of practical examples:
  - i. Espoused policy and evidence-based policy
  - ii. Intertemporal and intergenerational equity
  - iii. Deterministic and learning models in policy analysis
  - iv. Sessional Paper and Draft Economic Policy (20 marks)
- b. Describe, using a clear diagram, the key participants in the economic policy making process. (5 marks)
- c. Explain the value of stakeholder engagement in the public policy process. (5 marks)

### Question 2

- a) Referring to specific examples in Kenya, justify the need for State intervention in economic policy (10 marks)
- b) Highlight the key limitations to policy actions in a decentralized system of government and explain how they can be overcome. (10 marks)

### Question 3

- a) The County Government is establishing a five-year economic development plan. Describe the process involved in the economic policy process. (12 marks)
- b) Present a flow chart showing the flow of information and key responsibilities in the monitoring and evaluation process. (8 marks)

### Question 4

The County Government is implementing a digital upgrade for all schools in Kenya.

- a) Highlight the various sources of domestic and international funding for this program (10 marks)
- b) A pilot project has been undertaken. Describe in detail the various tools and methods that can be used to analyze this project. (10 marks)

### Question 5

Kenya's fiscal policy has various shortfalls, leading to government deficits. As a Policy Analyst, discuss this statement by identifying the constraints and explaining how they can be overcome. (20 marks)