

**NATIONAL INSTITUTE FOR LEGISLATIVE AND DEMOCRATIC STUDIES/ UNIVERSITY OF BENIN POST GRADUATE PROGRAMMES**

**SEMESTER EXAMINATION**

Programmes: **MLS & MPD**

Session: **2017/2018**

Semester: **2<sup>nd</sup> Semester**

Course Code: **MLS 806**

Course Title: - ***Budget and Appropriation Process***

- Instructions:** i. Answer any **4 Questions**, each question carries **17.5marks**.  
ii Time allowed: **3hours**. iii Write your Matriculation Number **Only**.  
v. Orderly arrangement and good presentation of materials will be considered.

**Question One**

Write short explanatory notes on the following:

- |  |                    |
|--|--------------------|
| (a) Budget Reforms System                          | <b>(3.5 marks)</b> |
| (b) Budget Reconciliation Process                  | <b>(3.5 marks)</b> |
| (c) Politics of Budgeting                          | <b>(3.5 marks)</b> |
| (d) Budgeting at State Government level in Nigeria | <b>(3.5 marks)</b> |
| (e) Component of FGN Budget                        | <b>(3.5 marks)</b> |

**Question Two**

- (a) With the aid of an appropriate diagram, explain Budget Cycle **(3 marks)**
- (b) The Nigeria's budget cycle is bedevilled with some challenges. Highlight three challenges facing each stage of the budget cycle in Nigeria. **(6 marks)**
- (c) Briefly explain the socio-economic implications of some of the above challenges highlighted in 3b with particular reference to the following:
- |                                   |                    |
|-----------------------------------|--------------------|
| (i) Poverty level                 | <b>(1.5 marks)</b> |
| (ii) Unemployment level           | <b>(1.5 marks)</b> |
| (iii) Corruption perception index | <b>(1.5 marks)</b> |
- (d) Based on your knowledge of budget and appropriation process:
- |  |                  |
|--|------------------|
| (i) Highlight two budget reforms measures you will like to recommend in order to address the challenges identified in 3b above | <b>(2 marks)</b> |
| (ii) How can the two reforms mentioned in d(i) above be implemented  | <b>(2 marks)</b> |

### Question Three

- (a) The National Planning Commission and Budget Office were merged by the President Muhammadu Buhari's Administration to a Ministry of Budget and National Planning. In your opinion, do you think this was a step in the right or wrong direction? Justify with reasons. **(6 marks)**
- (b) Briefly discuss the following budgeting systems
- (i) Traditional Budgeting System **(2 marks)**
  - (ii) Result Based Budgeting System **(2 marks)**
  - (iii) Zero Based Budgeting System **(2 marks)**
- (c) Which of the budgeting system in (2b) above is Nigeria currently practicing? Provide justification for your choice **(2.5 marks)**
- (d) Which of the budgeting systems in (2b) above would you recommend for Nigeria and why? **(3 marks)**

### Question Four

- (a) Distinguish between Inclusive Budgeting and Gender Budgeting. **(3 marks)**
- (b) Identify the characteristics of Participatory Budgeting **(2.5 marks)**
- (c) Identify 4 importance of Inclusive Budgeting **(4 marks)**
- (d) According to the Open Budget Index (OBI) of the International Budget Partnership (IBP), Nigeria's performance in participatory and transparent budgeting process remained very weak. As a student of Budget and Appropriation Process course, suggest steps to ensure inclusive budget process in Nigeria. **(8 marks)**

### Question Five

- (a) What do you understand by Budget/Financial Scrutiny? **(1.5 marks)**
- (b) Mention 4 reasons why legislative budget/Financial scrutiny is important? **(4 marks)**
- (c) Identify the basic principles of financial scrutiny **(4 marks)**
- (d) Highlight four factors that could enhance sound financial scrutiny by the legislature **(4 marks)**
- (e) Discuss four constraints to the capacity of the legislature to effectively perform budget/financial scrutiny in Nigeria. **(4 marks)**

**Question Six**

- a. (i) What do you understand by Public Budget? **(2 marks)**  
(ii) Highlight five importance of Public Budget to Good Governance **(2.5 marks)**
- b. Briefly explain the role of the following budget assumptions/targets in the Nigeria's budget process **(2 marks each = 8 marks)**:  
Crude Oil Production (ii) Crude Oil Price (iii) Exchange Rate (iv) GDP Growth Rate
- c. Copy and complete the table below **(0.5 marks each = 5 marks)**

Budget Heads/Ratios	2015	2016	2017	2018
Federal Government Retained Revenue	3,452.35	3,855.74	5,084.40	6,607.00
Total Expenditure	4,493.36	6,060.48	7,441.17	8,612.23
Total Recurrent (Non-debt)	2,607.13	2,646.39	2,990.92	3,494.28
Fiscal Deficit/Surplus	<b>(i)</b>	<b>(ii)</b>	<b>(iii)</b>	<b>(iv)</b>
Primary Deficit/Surplus	845.22	<b>(v)</b>	2,093.48	<b>(vi)</b>
Total Debt Service	953.62	1,475.32	1,841.35	2,233.84
Total Debt Service as % of Total Expenditure	<b>(vii)</b>	<b>(viii)</b>	<b>(ix)</b>	<b>(x)</b>

*Source: FGN 2016 and 2017 Approved Budget & 2018 Budget Proposal & Budget Speech*