



**UNIVERSITI TEKNOLOGI MARA**

**ADS652: PUBLIC FINANCE**

<b>Course Name (English)</b>	PUBLIC FINANCE <b>APPROVED</b>
<b>Course Code</b>	ADS652
<b>MQF Credit</b>	4
<b>Course Description</b>	The course gives an indepth understanding of the components of public finance. The various government financial activities which include taxes administration, public debt, procurement, accounting and auditing and their effects of the on the economy will be examined.The course will also emphasis on the issues of control of funds, accountability, transparency and integrity in public financial management. .
<b>Transferable Skills</b>	1) Demonstrate ability to identify and articulate self skills, knowledge and understanding confidently and in a variety of contexts. 2) Demonstrate ability to communicate clearly and confidently and listen critically. 3) Demonstrate ability to investigate problems and provide effective solutions. 4) Demonstrate ability to analyse issues/problems from multiple angles and make suggestions.
<b>Teaching Methodologies</b>	Lectures, Blended Learning, Tutorial, Presentation
<b>CLO</b>	CLO1 Describe the major components of public finance and economic basis of government activities CLO2 Explain the key elements of Malaysian budgeting system, taxes administration and their effects on economy CLO3 Illustrate various public finance policies and procedures CLO4 Attribute and analyze the management, control and accountability issues in public finance
<b>Pre-Requisite Courses</b>	No course recommendations
<b>Topics</b>	
<b>1. Introduction to Public Finance</b> 1.1) Definition of Public Finance 1.2) The components of Public Finance 1.3) The scope and nature of Public Finance 1.4) The role of Public Finance in social and economic development	
<b>2. Economic basis of government activity</b> 2.1) Defining the proper scope of government activity –at what level public service should be performed 2.2) The role of mixed economy 2.3) Public spending vs Private Spending 2.4) Public goods 2.5) Externalities	
<b>3. Efficiency in Government Expenditure</b> 3.1) Definition and the components of Budget 3.2) The growth of public expenditure 3.3) The classification and canon of public expenditure 3.4) The sources of public revenue 3.5) Various Budgetary Models 3.6) i) Line-Item Budgeting System (LIBS) 3.7) ii) Performance-Based Budgeting System (PPBS) 3.8) iii) Modified Budgeting System (MBS) 3.9) iv) Incremental Budget 3.10) v) Zero Base Budgeting System 3.11) iv) Cost-Benefit-Analysis (CBA) with regard to Budgeting decision 3.12) Pricing of Public Services - Challenges	

3.13) Politization of the Budget

**4. Taxation Principles and Issues**

- 4.1) Tax bases and tax rates
- 4.2) Practical Criteria for tax systems
- 4.3) Types of taxation (Direct and Indirect Taxes)
- 4.4) Various issues in taxation
- 4.5) Alternatives to taxation

**5. Economics of Public Debt**

- 5.1) Growth of Debt
- 5.2) Financing of Debt
- 5.3) Burden of Debt
- 5.4) Internal vs. External Debt
- 5.5) Effects of Debt on Economy

**6. Public Accounting Procedures**

- 6.1) The major reforms in public accounting systems
- 6.2) Receipts, Payments and Custody of Public Money
- 6.3) Book of Accounts interalia Vote Book, General Ledger Stores, Inventory Records, Special Accounts.
- 6.4) Treasury Instructions relating to the maintenance and rendition of accounts.
- 6.5) The Role of Accountant General & Controlling Officer in Malaysia

**7. Public Supply Management**

- 7.1) Defining Public Purchase, Custody, Use and Disposal of Stores
- 7.2) Policies and procedures of public procurement
- 7.3) Procedures involved in Stores
- 7.4) Issues in Public Procurement
- 7.5) Issues and Use of Stores
- 7.6) Loss and write-off

**8. Management and Control of Public Funds**

- 8.1) The Consolidated Funds
- 8.2) Trust Funds, Contingency Funds & State Reserve Funds
- 8.3) Public Auditing
- 8.4) The Role of Auditor General

**9. Issues of Accountability, Transparency and Integrity in Public Finance**

- 9.1) Malaysia's Public Finance Legal Framework
- 9.2) Federal Constitution
- 9.3) Financial Procedure Act 1957
- 9.4) Audit Act 1987
- 9.5) Accounts Act
- 9.6) Supply Act
- 9.7) Accountability and Control of government agencies
- 9.8) Evaluation and performance of government agencies
- 9.9) Various issues of accountability, transparency,
- 9.10) integrity and ethics in public finance activities

Assessment Breakdown	%
Continuous Assessment	100.00%

Details of Continuous Assessment	Assessment Type	Assessment Description	% of Total Mark	CLO
	Case Study	Case Study Analysis	20%	CLO3
	Group Project	To enable students to illustrates an issue and topics pertaining to public finance components.	25%	CLO2
	Presentation	to measure the understanding of students by discussing set of questions during tutorials.	25%	CLO1
	Test	Final Test	30%	CLO4

Reading List	Recommended Text	<ul style="list-style-type: none"> <li>• Hyman, D., 2011, <i>Public Finance: A Contemporary Application of Theory to Policy</i>, 10th Ed., Thompson South-Western.</li> <li>• Hillman, A.L. 2007, <i>Public Finance &amp; Public Policy Responsibilities &amp; Limitations of Government</i>, Cambridge University Press. United Kingdom</li> <li>• Xavier, J.A.. 2002, <i>Understanding MBS</i>, INTAN Kuala Lumpur</li> </ul>
	Reference Book Resources	<ul style="list-style-type: none"> <li>• Pusat Kewangan INTAN 2003, <i>Pengurusan Kewangan Panduan Untuk Pengurus-pengurus Sektor Awam</i>, Intitut Tadbiran Awam Nasional Kuala Lumpur</li> <li>• Rosen, H. S 2007, <i>Public Finance</i>, 7th Ed., McGraw-Hill Irwin New York</li> <li>• Ulbrich, H.,, <i>Public Finance: In Theory &amp; Practice</i>, Thompson South-Western.</li> </ul>
<b>Article/Paper List</b>	This Course does not have any article/paper resources	
<b>Other References</b>	This Course does not have any other resources	