

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS.

THIRD YEAR EXAMINATION FOR THE AWARD OF DEGREE OF BACHELOR OF  
COMMERCE

BCOM 312: PUBLIC SECTOR ACCOUNTING

STREAMS: BCOM Y3S1

TIME: 2 HOURS

DAY/DATE: WEDNESDAY 5/12/2018

11.30 A.M - 1.30 P.M

INSTRUCTIONS:

- Answer Question ONE and any other TWO Questions.
- Do not write anything on the question paper

QUESTION ONE

- (a) Explain five internal users of public sector accounts while stating their needs. [10 Marks]
- (b) The approved estimates and actual expenditure details of Ministry of Energy were as follows for the year ended 2013/2014.

Details	Estimates	Actual
Personal Emoluments	150,000	90,000
House allowances	75,000	65,000
Travelling	90,000	70,000
Training	20,000	21,000
Repairs and maintenance	8,000	15,000
Electricity and water	12,000	10,000
Passage and leave	20,000	24,000
Appropriation in aid	30,000	40,000

The ministry made four equal withdrawals from exchequer of Kshs.70,000 every time.

Required:

- (i) General account of vote [3 Marks]
- (ii) The exchequer account [3 Marks]
- (iii) The paymaster general [3 Marks]

## BCOM 312

(iv) Statement of assets and liabilities

[4 Marks]

(c) Describe five revenue controls in place at the ministry of finance. Highlight their effectiveness in Kenya today. [10 Marks]

### QUESTION TWO

(a) The following information relates to Ministry of Health with a budget of Kshs.50,000,000 on drugs.

Dec 1, 2008 Ordered through LPO 60 medicine for Kshs.20,000,000 from USA

Dec 5, 2008 Paid through voucher No.21 Kshs.180,000 for airlifting medicine

Dec 10, Issued an LPO for X-ray machines for Kshs.5 million

2008

Dec 15, Paid for repair and maintenance Kshs.500,000

2008

Dec 20, 2008 Ordered from Japan medicine worth Kshs.10 million

Dec 30, Settled USA supplies and paid salaries Kshs.6 million

2008

#### Required:

Complete a vote book to effect the above transactions.

[15 Marks]

(b) Comment on the commitment of the expendable balances in the vote book derived above.

[5 Marks]

### QUESTION THREE

The director of a state corporation presents the following information to you as at 31<sup>st</sup> December 2017.

Balance sheet as at 1<sup>st</sup> January 2016

#### Assets:

Stock	500,000
Trade debtors	190,000
Sundry	60,000
Cash at bank	40,000
Cash in hand	<u>94,000</u>
	<u>884,000</u>

#### Liabilities

loan from bank	45,000
Creditors -Trade	50,000
-Sundry	11,000
Bank overdraft	20,000

**BCOM 312**

Accumulated fund	<u>350,000</u>
	<u>884,00</u>
	<u>0</u>

The transactions that took place during the year were as follows:

Sales	495,000
Purchases	95,000
Sundry expense	49,000
Transport costs	40,000
Interest on loan	30,000
Repairs and maintenance	15,000
Salaries and wages	20,000
Insurance claim	3,500
Receipts from car park	4,000

The balances at 31<sup>st</sup> December 2017

Debtors - Trade	104,000
- Sundry	4,000
Creditors -Trade	5,000
- Sundry	50,000
Stock	190,000
Bank	7,500

**Required:**

- (a) Income and expenditure account for the year ended 31<sup>st</sup> December 2017. [13 Marks]
- (b) Balance sheet as at 31<sup>st</sup> December 2017. [7 Marks]

**QUESTION FOUR**

- (a) Evaluate the function of auditor general in parastatals [12 Marks]
  - (b) Evaluate the weaknesses of accrual accounting in government. [8 Marks]
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