

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

EXAMINATION FOR THE AWARD OF DIPLOMA IN ACCOUNTING

DIAC 0224: PUBLIC SECTOR ACCOUNTING

STREAMS: DIAC

TIME: 2 HOURS

DAY/DATE: MONDAY 10/12/2018

8.30 AM – 10.30 AM

INSTRUCTIONS:

Answer Question One and any other Two

Question One

- (a) Explain the reasons for keeping a vote book. [5 marks]
- (b) Describe the objectives of public sector accounting. [5 marks]
- (c) A government parastatal provides you with the following trial balance and requests your help to prepare final accounts.

XYZ publication Ltd		
Trial Balance		
As at 31 st Dec 2016		
	DR "000"	CR "000"
Accumulated fund		100,000
Previous surpluses		10,000
Sales		200,000
Publication fee		15,000
Debtor	20,000	
Bank	25,000	
Purchases	75,000	
Printing stationary	5,000	
Returns	1,000	1,500
Carriage inward	500	
Carriage outwards	100	
Stock	10,000	

Salaries and wages	5,600	
Delivery varis	27,000	
Land & building	50,000	
Discounts	1,000	500
Duplicating machines	<u>106,000</u>	
	327,800	<u>327,800</u>
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Additional information:

- (i) The land had a cost of ksh. 10,000,000
- (ii) Depreciate non-current assets at 10% on cost
- (iii) Salary advance paid amounted to ksh. 100,000
- (iv) Make a provision for bad debts at 11%

Required:

- (i) Income and expenditure account [13 marks]
- (ii) Balance sheet [7 marks]

Question Two

- (a) Explain five internal users of public sector accounts while stating their need. [10 marks]
- (b) You have been appointed a revenue accountant at the judiciary money is collected under the head 300. The revenue subheads are; Declaration -01, court fine 03, court process papers 06. The following information is further supplied.

<u>Date</u>	<u>Details</u>	<u>Reason</u>	<u>Amount</u>
1/1/2014	Erick	Court fine	3000
5/1/2014	John	Declaration	1500
6/1/2014	Onyango	Court papers	4000
10/1/2014	Obiero	Court fine	10000
15/1/2014	Enock	Court papers	3000
20/1/2014	Jane	Declaration	500
25/1/2014	Walter	Court fine	3500

Required:

A revenue cashbook to be submitted to sub-Accounting officer. Note the receipt number issued to Erick was 400 210 and sub accounting officer issued No 500421. [10 marks]

Question Three

- (a) Describe three financial statements of the government and their purposes. [6 marks]
- (b) You have been appointed the officer controlling expenditure in the Ablero ministry of education. The following information is provided on stationery.

5/8/2014 – Authorized appropriation Ksh. 1500 000
6/8/2014 – issued LPO No. 45 to above for supply of photocopying papers ksh. 100 000
7/8/2014 – Paid Chuka stationers under voucher s NO. 4 ksh. 300,000
12/8/2014 – Issued an LPO to Wanguru traders to supply rubber stamps ksh. 40,000
16/8/2014 – Issued LPO to Kanira stationers to supply chalk ksh. 50000
20/8/2014 – Settled Chuka stationers and Wanguru traders
25/8/2014 – issued LPO to mwalimu stores for supply of pens ksh 20000

Required:

A vote book to control stationery. [14 marks]

Question Four

- (a) Explain the functions of auditor general. [10 marks]
- (b) Explain the purpose of the following:
- (i) General account of vote [2 marks]
 - (ii) Exchequer account [2 marks]
 - (iii) Pay master general [2 marks]
 - (iv) Appropriation in aid [2 marks]
 - (v) Statement of Assets and liabilities [2 marks]
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