

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

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

BCOM 312: PUBLIC SECTOR ACCOUNTING

STREAMS: BCOM (Y3S1)

TIME: 2 HOURS

DAY/DATE: MONDAY 02/12/2019

11.30 A.M. – 1. 30 P.M.

INSTRUCTIONS: Attempt question ONE and any other TWO

QUESTION ONE

- (a) Auditor General examines in such a manner as he thinks necessary, explain five significant items in public sector accounting that the auditor general would have to express his opinion [5 marks]
- (b) Explain five uses of accounting information in the public sector [10 marks]
- (c) The directors of a parastatal, Nema Limited presented the following income statement for the year ended 31 December 2012

	Dr.	Cr.
Accumulated fund		25,000,000
Surplus		2,500,000
Licenses		12,000,000
Staff costs	4,250,000	
Utility payments	50,000	
Maintenance	200,000	
Buildings	20,000,000	
Vehicles	3,000,000	
Bank	9,350,000	
Stationery	150,000	
Land/commissions	<u>3,000,000</u>	<u>500,000</u>
	<u>40,000,000</u>	<u>40,000,000</u>

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### Additional

- (i) Depreciate vehicles and building at 5% per annum
- (ii) Stationeries paid in advance amounted to kshs 20,000
- (iii) Utilities due amounted to kshs. 5,000
- (iv) A new act of parliament issued directed new rates be collected by the parastatal. By end of year the company received cheques worth kshs. 10 million which had not been recorded.

### Required:

Income and expenditure statement and a statement of financial position of NEMA as at 31<sup>st</sup> December, 2017 [20 marks]

### QUESTION TWO

- (a) Explain ten expenditure controls employed by government in public sector accounting [10 marks]
- (b) You have been appointed as imprest controller in a government ministry with an appropriation of kshs. 1,000,000 for one month. The following are the transactions that took place:
  - (i) 10/8/2018 Paid office tea stocks kshs. 20,000
  - (ii) 13/8/2018 Paid travelling costs worth kshs. 30,000
  - (iii) 14/8//2018 Paid subsistence allowance to staff going abroad kshs 87,000
  - (iv) 17/8/2018 Purchased generator fuel for kshs 5,000
  - (v) 19/8/2018 Paid office sugar kshs. 2,000
  - (vi) 23/8/2019 Paid travelling costs worth kshs. 13,000
  - (vii) 27/8/2018 Paid subsistence allowance to staff going abroad kshs 27,000
  - (viii) 17/8/2018 Purchased generator spares for kshs 5,200

### Required:

Prepare the imprest cashbook of the ministry [10 marks]

**QUESTION THREE**

- (a) Explain the five major objectives of public sector accounting [10 marks]
- (b) The details of a vote book relating to stationery are as follows. The authorized appropriation for the year kshs. 2, 000,000
- The following transactions related to stationary took place;
- (i) 02/01/2018 Paid kshs 55,000 for purchase of Reams at Elimu stationers voucher No. 9
  - (ii) 05/01/2018 Kshs. 25,000 was paid for staplers & punches to Ohio suppliers
  - (iii) 08/01/2018 issued LPO no 18 to Kamwana bookshop for kshs 50,000
  - (iv) 12/01/2018 settled Kamwana bookshop
  - (v) 15/01/2018 issued an LPO to Chademu bookshop for kshs. 400,000
  - (vi) 18/01/2018 Received a supplementary allocation of kshs 100,000 in regard to stationery
  - (vii) 27/01/2018 settled Chademu spares
  - (viii) 30/01/2018 issued an LPO of kshs. 15,000 to Embu ltd

**Required:**

Vote book to record the above transactions [10 marks]

**QUESTION FOUR**

- (a) Explain six regulatory authorities in public sector accounting [6 marks]
- (b) The following data relates to ministry of tourism
- Kshs 4 billion was appropriated to the government ministry
  - Immediate funds availed kshs 3.85 billion
  - The ministries had raised kshs 500 million as appropriation in aid
  - Actual expenditure by ministry kshs. 3.4 billion

**Required:**

- (i) General account of vote
- (ii) Exchequer
- (iii) Paymaster general accounts
- (iv) Statements of assets and liabilities [12 marks]