

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 05/08/2019****11.30 AM – 1.30 PM****INSTRUCTIONS:**

- Answer Question One and any other Two Questions
- Do not write on the question paper

QUESTION ONE

- (a) Describe the objectives of public sector accounting. [5 marks]
- (b) The approved estimates and actual expenditure details of ministry of finance were as follows for the year ended 2015/2016.

Details	Estimates	Actual
Personal emoluments	150,000	90,000
House allowances	75,000	65000
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 sh. 70,000 every time

Required:

- (i) General account of vote [3 marks]
- (ii) The exchequer account [4 marks]

- (iii) The paymaster general [4 marks]
- (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 transactions took place in a government unit for the month of January 2013.

	Sh '000'
01/01/2013: Opening balance: Cash	4,000
Bank	25,000
02/01/2013: Received a cheque in respect of trading license	62,500
03/01/2013: Paid Peter and Sons (Cheque for goods supplied)	20,000
06/01/2013: Paid telephone charges (cheque)	8,700
07/01/2013: Cash received in respect of fees	2,500
08/01/2013: paid XY ltd by cheque	52,000
09/01/2013: Paid cash to James Biston	2,800
10/01/2013: Received cheque for licenses	210,000
11/01/2013: Paid wages in cash	5,000
12/01/2013: Kept a cash balance of ksh. 10,000,000 and banked the rest together with all cheques in hand	

Required:

Prepare a cashbook for the government unit. [12 marks]

- (b) Explain any four internal users of public sector accounts while stating their needs. [8 marks]

QUESTION THREE

- (a) You have been appointed the officer controlling expenditure in the ministry of agriculture. The following information is provided on stationery.

7/9/2015: Authorized appropriation sh. 3,000,000
 8/9/2015: Issued LPO No:45 for supply of photocopying papers ksh 200,000
 9/9/2015: Paid KEMU stationers under voucher No.4 ksh 600,000
 13/9/2015: Issued on LPO to Wanguru traders to supply rubber stamps ksh 80,000
 14/9/2015: Issued LPO to Kaniru stationers to supply pipes ksh. 100,000
 21/9/2015: Settled KEMU stationers and Wanguru traders
 26/9/2015: Issued LPO to XYZ stores for supply of pens ksh 40,000

Required:

A votebook to control stationery.

[14 marks]

- (b) Explain any three financial statements maintained by government and their purpose.

[6 marks]

QUESTION FOUR

- (a) Explain any five characteristics that distinguish government entities from business organizations.

[10 marks]

- (b) Explain the functions of:

(i) Accounting officers

[5 marks]

(ii) Auditor general

[5 marks]
