

CHUKA



UNIVERSITY

UNIVERSITY EXAMINATIONS

CHUKA, EMBU & THARAKA

SECOND YEAR EXAMINATION FOR THE AWARD OF DIPLOMA
IN ACCOUNTING

DIAC 0224: PUBLIC SECTOR ACCOUNTING

STREAMS: DIAC (Y2S1)

TIME: 2 HOURS

DAY/DATE: THURSDAY 05/12/2019

11.30 A.M. – 1.30 P.M.

INSTRUCTIONS: Answer question ONE and any other TWO questions

QUESTION ONE

- (a) Explain five external users of accounting information in the public sector [10 marks]
- (b) The following data relates to ministry of education
- (i) Appropriation for the year – 97 billion
 - (ii) Monies released to exchequer – 90 billion
 - (iii) The ministry had raised kshs. 1 billion as appropriation in aid
 - (iv) Actual expenditure by ministry kshs. 77 billion

Required:

- (i) General account of vote [4 marks]
- (ii) Exchequer [4 marks]
- (iii) Paymaster general accounts [4 marks]
- (iv) Expenditure account [4 marks]
- (v) Statement of assets and liabilities [4 marks]

QUESTION TWO

- (a) Explain five revenue controls employed by government in public sector accounting [10 marks]
- (b) The following transactions that took place is availed to you relating a ministry imprest. The authorized expenditure being kshs. 1,200,000
- (i) 8/8/2017 – Paid office tea kshs 20,000
 - (ii) 9/8/2017 – Paid fuel worth kshs. 30,000
 - (iii) 11/8/2017 – Paid accommodation allowance to staff on training kshs 64,000
 - (iv) 14/8/2017 – Purchased generator fuel for kshs 3,000
 - (v) 18/8/2-17 – Paid office tea kshs. 2,000
 - (vi) 22/8/2017 – Paid transport costs worth kshs. 11,000
 - (vii) 28/8/2017 – Paid accommodation allowance to staff on training kshs 54,000
 - (viii) 31/8/2017 – Purchased generator fuel for kshs 3,200

Required:

Prepare the imprest cashbook of the ministry [10 marks]

QUESTION THREE

- (a) Explain the three major basis of preparing accounts in public sector [9 marks]
- (b) The details of a vote book relating to stationery where the authorized appropriation for the year was kshs. 2,000,000

The following transactions related to stationary took place;

- (i) 02/01/201 Paid kshs. 51,000 for purchase of Reams at Mwalimu stationers voucher No. 9
- (ii) 05/01/2018 – kshs. 21,00 was paid for stapler & punches to Texas suppliers
- (iii) 08/01/2018 – Issued an LPO no. 18 to Wagalla bookshop for kshs 46,000
- (iv) 12/01/2018 – settled Wagalla bookshop
- (v) 15/01/2018 – Issued an LPO to Msumari bookshop for ksh. 396,000
- (vi) 27/01/2018 – Settled Msumari spares
- (vii) 30/01/2018 – issued an LPO of kshs. 11,000 to Kangaru ltd

Required:

Vote book to record the above transactions [11 marks]

QUESTION FOUR

- (a) Evaluate the effectiveness government expenditure controls [10 marks]
- (b) The following information is obtained from Ministry of Agriculture

Date	Details	Reason	Amount
2/6/10	Wagalla	Extension advise	400
3/6/10	Christine	Fertilizer	2000
5/6/10	Amos	Insemination	8000
7/6/10	Walter	Fertilizer	800
9/6/10	Isaac	Fertilizer	1200
15/6/10	Eric	Extension advise	400
12/6/10	Kega	Insemination	1500

Money is collected under the head 300 with the following sub-heading extension 05, fertilizer 08, and insemination 03.

Revenue collector deposited all monies and took the deposit to sub-accounting officer who then issued receipt No. 382201

Wagalla was given receipt No. 900421 and are informed that receipt No. 900423 was lost.

Required:

Revenue collector's cash book [10 marks]
