

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: FRIDAY 8/12/2017

11.30 A.M - 1.30 P.M.

INSTRUCTIONS:

- Answer Question ONE and any other TWO Questions

QUESTION ONE

Explain at least five objectives of Public Sector Accounting. [10 Marks]

The approved Estimates and Actual Expenditure details for vote E45 of Ministry ABC for the financial year 2004/2005 were as follows:

		Approved Estimates Sh.'000'	Actual expenditure Sh.'000'
000	Personal Emoluments	246,560	195,040
50	House allowances	39,100	28,520
80	Passage and Leave Expenses	8,280	1,334
100	Transport Operating Expenses	32,200	27,186
110	Travelling and Accommodation Expenses	2,668	3,312
120	Postal and Telegram Expenses	9,200	6,624
190	Miscellaneous other Charges	34,960	33,764
196	Training Expenses	11,960	13,476
230	Purchases of Equipment	42,000	17,600
620	Appropriate –in-Aid	2,000	11,120 (Realized)

The Ministry made for equal withdrawals from the Exchequer in July 2004, October 2004, January 2005 and May 2005. In total the Ministry had withdrawn Sh.400,000,000 by the end of the 2004/2005 financial year.

Supplementary estimates authorized during the year were as follows:

000	Personal Emoluments	12,000 (in reduction)
196	Training Expenses	2,000 (increase)
620	Appropriations-In-Aid	8,000 (increase)

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Required:

- (i) Appropriation account for the year ended 30 June 2005. [6 Marks]
- (ii) General Account of vote the year ended 30 June 2005. [4 Marks]
- (iii) Exchequer Account for the year ended 30 June 2005. [4 Marks]
- (iv) Paymaster General (PMG) account for the year ended 30 June 2005. [2 Marks]
- (v) Statements of assets and liabilities at 30 June 2005. [4 Marks]

QUESTION TWO

The following data relates to the County of Kababwe:

Trial Balance as at 1-7-2007	Dr (Shs)	Cr (Shs)
Cash	242,500	
Savings A/C	250,000	
Property taxes receivable	185,000	
Investment in government Treasury Bills	350,000	
Account payable		162,600
Wages payable		30,000
Fund Balances		<u>834,900</u>
	<u>1,027,500</u>	<u>1,027,500</u>

The transactions completed during the year for the general fund are summarized and recorded as following for the year ended 30-June-2008

JOURNAL	Sh.	Sh
(a) Estimated Revenue A/C	9,100,000	
Appropriations		9,070,000
Fund Balance		30,000
(b) Property Taxes receivable		
Revenue	9,105,000	
(c) Cash		
Property taxes receivable A/C		6,470,000
Other revenue		2,635,000
(d) Expenditure	3,280,000	
Wages payable		3,280,000
Encumbrances	5,800,000	
Fund balance reserved for encumbrances		5,800,000
Fund balance reserved for encumbrances	5,785,000	
Encumbrances		5,785,000
Expenditure	5,785,000	
Accounts payable		5,785,000
Account payable	5,800,000	
Wages payable	3,270,000	
Cash		
Estimated revenue		9,100,000
Fund balances		38,000
Appropriations	9,070,000	
Expenditure		9,065,000
Fund balances		5,000
Fund balance	15,000	
Encumbrances		15,000

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Required:

- (a) Open appropriate accounts, post entries, therein, and balance them at the end of the year-end. [8 Marks]
- (b) Draw a trial balance as at 30.6.2008. [4 Marks]
- (c) Prepare a statement of assets and liabilities. [8 Marks]

QUESTION THREE

- (a) Explain the main functions of an annual budget for a public sector organization with which you are familiar. [4 Marks]
- (b) Outline the role played in Government account by:
 - (i) The Public Accounts Committee [4 Marks]
 - (ii) The controller and auditor general [8 Marks]

QUESTION FOUR

- (a) The following cash transactions (cash) took place for a government unit for the month of January 2008.

		Sh.
02/01/2008	Opening balance : Cash	4,000
	Bank	25,000
02/01/2008	Received cheque in respect of trading license	62,500
03/01/2008	Paid Peter and Sons (cheque for goods supplied)	20,000
05/01/2008	Cash received in respect of fees	2,500
05/01/2008	Paid telephone charges (cheque)	8,700
06/01/2008	Paid AB Ltd by cheque	52,000
06/01/2008	Paid cash to James Burton	2,800
08/01/2008	Received cheque for Licenses	210,000
09/01/2008	Paid wages in cash	5,000
10/01/2008	Kept a cash balance of 10,000 and banked the rest together with all cheques in hand	

Required:

- Prepare a cash book for the governmental unit. [14 Marks]
 - (b) Citing relevant examples explain the following funds as used in public sector Accounting
 - (i) General funds [2 Marks]
 - (ii) Proprietary funds [2 Marks]
 - (iii) Fiduciary funds [2 Marks]
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