

**CHUKA****UNIVERSITY****UNIVERSITY EXAMINATIONS****THARAKA CAMPUS****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: THURSDAY 12/04/2018****8.30 A.M. – 10.30 A.M.****INSTRUCTIONS:**

- Answer question ONE and any other TWO questions.

**QUESTION ONE**

- (a) Explain any five characteristics that distinguish Government entities from business organizations. (10 marks)
- (b) The approved estimates and actual expenditures details of the ministry of fisheries and natural resources for the financial year ended 30<sup>th</sup> June 2016 were as follows:

	Approved estimates	Actual expenditures
Personal emoluments	147,936,000	117,024,000
House allowance	23,460,000	17,112,000
Passage and leave	40,248,000	800,400
Training and accommodation	1,600,800	1,987,200
Postage and telephone expenses	5,520,000	3,974,000
Miscellaneous charge	20,976,000	20,258,400
Training expenses	7,176,000	5,685,600
Purchase and equipment	25,200,000	47,760,000
Appropriation in Aid	1,200,000	6,672,000

The ministry made four equal withdraws from the exchequer in July 2016, October 2016, January 2017 and February 2017. In total, the ministry had withdrawn Ksh. 240, 000,000 by the end of the financial year.

**Required:**

- (i) The general account of vote. (4 marks)
- (ii) The exchequer account. (4 marks)
- (iii) The paymaster general. (3 marks)
- (iv) The statement of Assets and Liabilities. (3 marks)
- (c) Explain any THREE major objectives of public sector accounting. (6 marks)

**QUESTION TWO**

- (a) The following transactions were recorded in Nairobi at the Ministry of foreign affairs in relation to cleaning.

1/10/2016- Authorized appropriation ksh. 500,000

2/10/2016-Paid ksh. 30 ,000 for purchase of brooms on payment voucher No. 001

3/10/2016-Placed LPO No. 001 to Nakumatt stores for detergents worth Ksh. 50,000

4/10/2016-paid the contracted cleaning company clean masters Ksh. 100,000 on payment voucher No. 002

5/10/2016-Paid Nakumatt stores under payment voucher No. 003

6/10/2016-Issued L.P.O No. 002 for purchase of fungicides from Kamwe agrovet for Ksh. 30,000

The Head/subhead for cleaning is 504/02.

**Required:**

- (a) Prepare a votebook (10 marks)
- (b) Outline the role played in Government account by:
  - (i) The public accounts committee. (5 marks)
  - (ii) The controller and auditor general. (5 marks)

**QUESTION THREE**

- (a) Citing relevant examples, explain the following funds as used in public sector accounting.
  - (i) General funds (2 marks)
  - (ii) Propriety funds (2 marks)
  - (iii) Fiduciary funds (2 marks)

- (b) The following transactions took place for the Government unit for the month of January 2008.

	Sh. '000'
01/01/2008: Opening balance: Cash	4,000
: Bank	25,000
02/01/2008: Received a cheque in respect of trading licence	62,500
03/01/2008: Paid Peter & sons (cheques for goods supplied)	20,000
06/01/2008: Paid telephone charges (cheque)	8,700
07/01/2008: cash received in respect of fees	2,500
08/01/2008: Paid AB Ltd by cheque	52,000
09/01/2008: Paid cash to James Burton	2,800
10/01/2008: Received cheque for licences	210,000
11/01/2008: Paid wages in cash	5,000
12/01/2008: 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 governmental unit. (14 marks)

**QUESTION FOUR**

- (a) Explain any THREE roles played by officer controlling expenditure in a government unit. (6 marks)
- (b) The following information relates to Tharaka Nithi County government for the year ended 30<sup>th</sup> June 2015.

	Estimated Revenues (Sh)	Actual Receipts (Sh)
Renting building and Equipment	850,000	870,000
Fees for Trading licences	430,000	400,000
Fees for import/export licences	470,000	480,000
Other receipts	235,000	210,000

The following additional details available:

- (i) Balance on hand as at 30<sup>th</sup> June 2014 Ksh. 247,000  
 (ii) Balance on hand as at 30<sup>th</sup> June 2015 Ksh. 160,000

**Required:**

Prepare a statement of Revenue Account for the year ended 30<sup>th</sup> June 2015. (14 marks)

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