

THARAKA



UNIVERSITY

COLLEGE

UNIVERSITY EXAMINATIONS

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

BCOM 312: PUBLIC SECTOR ACCOUNTING

STREAMS: BCOM

TIME: 2 HOURS

DAY/DATE: WEDNESDAY 15/04/2020

8.30 A.M. – 10.30 A.M.

**INSTRUCTIONS:**

- Answer question ONE and any other TWO questions
- Do not write on the question paper

**QUESTION ONE**

- (a) Discuss any FIVE characteristics that distinguish government entities from business organizations [10 marks]
- (b) The following information relates to the ministry of mining for the fiscal year 2017/2018

	Sh. '000'
Gross estimates:	720,000
Estimated appropriation in-aid	90,000
Drawings from the exchequer	450,000
Actual gross expenditure	520,000
Actual appropriation in aid	120,000

**Required:**

- (i) General account of vote [5 marks]
- (ii) Exchequer account [4 marks]

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- (iii) Paymaster general account [4 marks]
- (iv) Statement of assets and liabilities as at 30<sup>th</sup> June 2018 [4 marks]
- (c) State and explain the various types of imprest that are used in the public sector [3 marks]

### QUESTION TWO

- (a) Explain five major objective of public sector accounting [10 marks]
- (b) The following transactions were recorded in the ministry of foreign affairs offices in relation to cleaning.
  - 1/10/2018: Authorized appropriation kshs 500,000
  - 2/10/2018: Pai sh. 30,000 for purchase of brooms on payment voucher no. 001
  - 3/10/2018: Placed L.P.O No. 001 to Nakumatt stores for detergents worth sh. 50,000
  - 4/10/2018: Paid the contracted cleaning company, clean masters sh. 100,000 on payment voucher No. 002
  - 5/10/2018: Paid Nakumatt stores under payments voucher No. 003
  - 6/10/2018: Issued LPO No. 002 for purchases of fungicides from Kamwe agrovet for sh.30, 000

The head/subhead for cleaning is 504/02

#### Required:

- Prepare a votebook [10 marks]

### QUESTION THREE

- (a) Discuss the various types of funds available in the public sector. [6 marks]
- (b) State and explain any three government expenditure controls in the public sector.

[6 marks]

- (c) The following information relates to revenue head No. 180-240, Airport revenue collection for the year ended 30<sup>th</sup> June 2017

	<u>Estimated revenue (sh)</u>	<u>Actual revenue (sh)</u>
Renting buildings & equipment	1,000,000	805,456
Rent from land	2,500,000	3,796,205

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Aviation landing fee	3,000,000	3,542,221
Airport passenger tax	3,600,000	3,9901,029
Other airport receipts	1,000,000	798,144

### **Additional information:**

Payment of revenue to exchequer shs. 13,288,687

Balance in hand as at 30<sup>th</sup> June 2016 sh. 2,568,242

### **Required:**

A statement of revenue for the year ended 30<sup>th</sup> June 2017

### **QUESTION FOUR**

- (a) Explain the role and objectives of internal audit in public sector organization [10 marks]
  - (b) Discuss the roles of the following officers of government:
    - (i) Sub-accounting officers [5 marks]
    - (ii) Officer controlling expenditure [5 marks]
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