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*(Knowledge for Development)*

**KIBABII UNIVERSITY**  
**UNIVERSITY EXAMINATIONS**  
**2020/2021 ACADEMIC YEAR**  
**THIRD YEAR FIRST SEMESTER**  
**MAIN EXAMS**

**FOR THE DEGREE OF BACHELOR OF COMMERCE**

**COURSE CODE: BCA 312**

**COURSE TITLE: PUBLIC SECTOR ACCOUNTING**

**DATE: 20-5-2021 TIME 2.00PM-4.00PM**

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**INSTRUCTIONS TO CANDIDATES**

Answer Question One and any other Two (2) Questions

TIME: 2 Hours

KIBU observes ZERO tolerance to examination cheating

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## QUESTION ONE

- a) Demonstrate succinct understanding of public sector organization (2 marks)
- b) Highlight the differences between public sector and private sector (4 marks)
- c) Budgetary Accounting refers to preparation of operating accounts in form of budgets usually based on forecasted cash flows. In line with this what are the aims of budgetary Accounting. (4 marks)
- d) Highlight users of public sector financial information and the relevance of this information (4 marks)
- e) Explain the need of appropriation account (2 marks)
- f) Distinguish between commitment accounting and cash accounting (3 marks)
- g) Parliament has a number of committees show your understanding of committee of ways and means and indicate its functions (4 marks)
- h) What is the role of general income statement in corporative societies (3 marks)
- i) Highlight the kind of information provided by economic report of cooperatives (4 marks)

## QUESTION TWO

The following balances appeared in the books of Universal Electric supply corporation ltd as at 31<sup>st</sup> December 2012.

	Dr	Cr
	Sh000	Sh000
Equity shares		600000
Debentures		200000
Land on 31 <sup>st</sup> Dec 2011	150000	
Land purchases during the year	60000	
Mains including cost of laying to 31 <sup>st</sup> Dec 2011	160000	
Mains expanded during the year	76000	
Machinery on 31 <sup>st</sup> Dec 2011	550000	
Machinery purchased during the year	66000	
Sundry creditors		1000
Accumulated depreciation		250000
Sundry debtors from current supplied	40000	
Other debts	500	
Stores in hand	6000	
Cash in hand	4000	
Cost of generation of electricity	30000	
Cost of distribution of electricity	9000	
Sale of current of electricity		150000
Meter rent		5000
Rent and rates	12000	
Establishment expenses	21000	
Interest on debentures	10000	
Interim dividend	20000	
Depreciation charge for 2012	20000	
Net revenue account balance		28500
	1234500	1234500

**Required**

Prepare revenue and net revenue account for the year ended 31<sup>st</sup> December 2011 and balance sheet as on that date. **( Total 15Mrks)**

**QUESTION THREE**

- Distinguish between consolidated fund and sinking fund (5 Mrks)
- The approved estimates and annual expenditure details of ministry of industrialization for 2015/2016 were as follows

CODE	Approval estimates	Actual expenditure
	£	£
000	123,280	97520
050	19,550	14,260
080	4,150	667
100	16,100	13,593
110	1334	1656
120	4,600	3312
190	17,480	16,882

196	5,980	4,738
230	21,000	39,800
	Estimates	Actual
620 A/A	1000	5560

Average from exchequer 200,000

Required

- The general account of vote A/C (GAV a/c)
- The exchequer account
- The paymaster general account
- Statement of assets and liabilities as at 30.6.2016( 15mrks)

#### **QUESTION FOUR**

One of the key differences between non-profit making and commercial organization is that they have different reasons for their existence. Consequently non profit making organization follow some accounting principles which differ from those followed by commercials organizations

**Required**

Briefly discuss the role of accountants in both types of organizations (10Mrks)

The estimates and expenditure details relating to the ministry of social science as at to June 2002 were as follows

	Original estimates Shs (000)	Actual estimates Shs (000)
000 – personal endowment	160,000	180,000
050- house allowances	30,000	26,000
080-passage and leave	10,000	9,000
110-travelling expenses	41,000	46,000
140-Electricity and water	2,000	13,000
220- purchase of plant & equipment	100,000	80,000
Appropriation in aid	30,000	24,000

Supplementary estimates authorized during the year were as follows

000-personal endowments sh. 16,000,000

110-travelling expenses (reduced) (shs. 4,000,000)

**Required**

Prepare Appropriation account for the year ended 30 June 2002, showing the net surplus to be surrendered to the exchequer

(10 Mrks)

(Total 20Mrks)

#### **QUESTION FIVE**

- Discuss the advantages of International Public Sector Accounting Standards(8Mrks)
- In relation to fund accounting theory explain the following

i)Trust funds

ii) Sinking fund

iii)Revolving fund

iv) Capital Project Funds

( 12 Mrks)