



(Knowledge for Development)

KIBABII UNIVERSITY

UNIVERSITY EXAMINATIONS

2020/2021 ACADEMIC YEAR

**THIRD YEAR FIRST SEMESTER
SPECIAL /SUPPLEMENTARY EXAMS**

FOR THE DEGREE OF BACHELOR OF COMMERCE

COURSE CODE: BCA 312/BCA346

COURSE TITLE: PUBLIC SECTOR ACCOUNTING

DATE: 12TH FEBRUARY, 2021

TIME: 11.00AM - 1.00PM

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) Clearly come up the objectives of public sector organization (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 (4 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

- a) The following balances were extracted from the books of Telecommunication Corporation for the year ended 31st December 2016

	DR	CR
	SHS	SHS
	(000)	(000)
Equity		75,200
General reserves surplus retained		1,278,600
Pension liability		151,300
Loans		10,253,500
Land and building	2,51,700	
Plant and machinery	10,695,900	
Motor vehicle	451,700	
Furniture and office equipment	252,750	
Investments	572,850	
Pension liability fund (cost)	271,400	
Debtor services	551,900	
Short term deposits	351,600	
Cash and bank balances	250,700	
Creditors services		1,312,400
Stock stores	545,600	
Depreciation provision for fixed assets		2,421,500
Postal revenue		451,500
Telephone revenues		1,252,800
Miscellaneous revenue		842,700
Administration expenses	254,700	
Operational expenses	670,500	
International service expenses	845,700	
Miscellaneous expenses	421,500	
Maintenance expenses	78,200	
Loan interests	372,800	
	<u>19,039,500</u>	<u>19,039,500</u>

Additional information

Provisions are to be made as under:-

- Depreciation sh. 453,400,000
- Pension liability sh. 175,600,000
- Provision for corporation tax: sh. 535,400,000
- Dividends sh. 238,500,000

Prepare revenue account, net revenue account of Telecommunication Corporation for the year Ended 31st December 2016 and balance sheet on that date. (16 Mrks)

- b) Explain the provisions of section 14 of the State Corporation Act(4 Mrks)

QUESTION THREE

		Dr	Cr
code		£	£
630	Rent of building/equipment	-	807456
631	Rent of land	-	3796205
651	Aviation landing fees	-	3542221
652	Airport passenger tax	-	3991029
670	Other airport receipts	-	798144
	Payment of revenue to exchequer	13288687	-
		13288687	13288687

The following is a trial balance for revenue head 180- 140Airport revenue for the year ended 30th June 2017

The following additional details are made available

Balance 30-6-2017	2,568,242
Estimated receipts for the year	
630	1,000,000
631	2,500,000
651	3,000,000
652	3,600,000
690	1,100,000

Required

- Statement of revenue 30-6-2017 (10 Mrks)
- Appropriate footnotes for material differences (15Mrks)

QUESTION FOUR

a) Distinguish between Appropriation ac and Appropriation in Aid(4 Mrks)

b) Consider the following for the ministry of tourism for 2016/2017

Gross estimated expenditure	680,000
Loss estimated A/A	<u>40,000</u>
Net estimates	640,000

Drawing from exchequer	530,000
Actual A/A	30,000
Actual expenditure	490,000

Required

- i. The general Account of Vote Account (GAV A/C)
- ii. The exchequer account

- iii. Cash account
- iv. Statement of Assets and liabilities

(16Mrks)

(Total 20Mrks)

QUESTION FIVE

a) Highlight the steps followed in Governmental accounting upto the Public Accounts Committee stage (10mrks)

b) The estimates and expenditure details relating to the ministry of social science as at to June 2017 were as follows

	Original estimates Shs (000)	Actual estimates Shs (000)
000 – personal endowment	260,000	280,000
050- house allowances	40,000	36,000
080-passage and leave	20,000	19,000
110-travelling expenses	51,000	56,000
140-Electricity and water	3,000	14,000
220- purchase of plant and equipment	110,000	90,000
Appropriation in aid	40,000	34,000

Supplementary estimates authorized during the year were as follows

000-personal endowments	sh. 26,000,000
110-travelling expenses (reduced)	(shs. 5,000,000)

Required:

Prepare Appropriation accounts for the year ended 30 June 2017, showing the net surplus to be surrendered to the exchequer (10 Mrks)

(Total 20 Mrks)