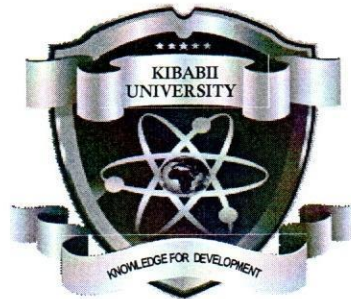


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*(Knowledge for Development)*

# **KIBABII UNIVERSITY**

**UNIVERSITY EXAMINATIONS**

**2021/2022 ACADEMIC YEAR**

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

**FOR THE DEGREE OF MASTER OF BUSINESS  
ADMINISTRATION**

**COURSE CODE: MBA 824 E**

**COURSE TITLE: PUBLIC SECTOR ACCOUNTING**

**DATE:** 21<sup>ST</sup> JANUARY, 2022

**TIME:** 8.00AM- 11.00AM

INSTRUCTIONS TO CANDIDATES

Answer Question One and any other THREE (3) Questions

TIME: 3 Hours

KIBU observes ZERO tolerance to examination cheating

This Paper Consists of Printed Pages. Please Turn Over.

## QUESTION ONE

- a) Demonstrate your understanding of the public sector (2 marks)
- b) Highlight the characteristics of public sector (4 marks)
- c) What are the differences between public sector organization and private sector organization (4 marks)
- d) Objectives are said to be SMART enumerate the objectives of public sector Accounting in line with this slogan (4 marks)
- e) What is the significance of Revenue Account (2 marks)
- f) Distinguish between appropriation in aid and appropriation Account (4 marks)
- g) What are the functions of committee of ways and means (4 marks)
- h) Write brief notes on accounting for State Corporation (3 marks)
- i) In addition to economics report describe the financial statements prepared by corporative societies (3 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	

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 **(10Mrks)**

**(Total 20Mrks)**

### QUESTION FIVE

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

i)Trust funds

ii) Sinking fund

iii)Revolving fund

iv) Capital Project Funds

(12Mrks)

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