



(Knowledge for Development)

KIBABII UNIVERSITY

UNIVERSITY EXAMINATIONS

2021/2022 ACADEMIC YEAR

THIRD YEAR SECOND SEMESTER

SPECIAL/SUPPLEMENTARY EXAMINATION

FOR THE DEGREE OF BACHELOR OF COMMERCE

COURSE CODE: BCA 312

COURSE TITLE: PUBLIC SECTOR ACCOUNTING

DATE: 18TH NOVEMBER, 2022

TIME: 2.00PM – 4.00PM

INSTRUCTIONS TO CANDIDATES

Answer Question One and any other TWO (2) Questions

TIME: 2 Hours

QUESTION ONE

- a) Briefly explain three characteristics of public sector accounting6mks
- b) You have been called upon as a student of Kibabii University who has been trained on public sector accounting to assist review the operation system of a county treasury and advise the improvement to be made and the key areas of focus includes the :
 - 1. Coordination of Budgeting process and the role of county assembly
 - 2. Operation of fund accounting
 - 3. Exchequer process and its controls

After extensive review the findings showed that the county budgeting process is not following the timing of the budget making deadlines and this causes delay in approval process in assembly. Because of that the implementation of the projects were delayed. On the part funds usage, many fund administrators could not prepare the correct reports and thus the controller of budget could not release funds on time, this delayed the release of exchequer funds.

Based on the above answer the following questions:

- i. Explain briefly the exchequer process.....4mks
- ii. Discuss the three functions of fund administrators.....6mks
- iii. Explain the two roles of assembly in the budgeting process.....4mks
- c) On the 31st August, 2016, Osikhena Enterprises' cash book showed a debit balance of 3,500, 000 whereas the bank statement showed a balance of 2,325, 000.

On investigation the following items were discovered to have caused the discrepancy:

- a. The bank had made charges of 310,000 which had not been entered in the cash book.
- b. A cheque received for 2,000,000 entered in the cash book had not been entered by the bank until November, 23rd 2016.
- c. A standing order for subscription of 150,000 had been entered in the bank statement as paid but not in the cash book.
- d. The following cheques were, drawn but not yet presented for payment in the bank:
cheques for 300,000; 600,000 and 250,000
- e. A cheque drawn for 50,000 has been entered as 60,000
- f. A cheque for 35,000 previously received and paid into the bank had been returned by the bank.

g. A customer paid 160,000 directly into their account in the bank. It had not been entered in the cash book.

You are required to prepare:

- i.) Adjusted cash book6mks
 ii.) Bank reconciliation statement as on 31st August 2016.....4mks

QUESTION TWO

- a) Explain four features of public sector accounting8mks
 b) discuss five functions of an imprest holder in government.....10mks.
 c) Define capital project fund entails.....2mks

QUESTION THREE

- a) Explain five functions of public investment committee of assembly.....10mks
 b) The following is a list of some items (Revenue and Expenditure) in respect of Consolidated Revenue Fund (CRF) and other receipts of Government of Kenya for the years ended 31 December 2011 and 2012 respectively:

	2011	2012
Revenue received through the Statutory Account allocation.....	1,200	1,005
Total Internally Generated Revenue	690	610
Overhead cost	225	218
Personnel cost	1,305	1,061
Value-Added-Tax (VAT) ...	380	290
Opening balance of Capital Receipts as at 1 January...	50	50
Grants and reimbursement from Developed Nations ...	55	50
External loans	675	577
Consolidated Revenue Fund charges	325	268

Required:
 Prepare Consolidated Revenue Fund (CRF) and determine the surplus of Revenue over Expenditure or Deficit of Expenditure over Income.....10mks

QUESTION FOUR

- a) Explain six disadvantages of appropriation in aid in county government as a source revenue12mks
- b) Discuss four role of auditor general in Kenya8mks

QUESTION FIVE

- a) Briefly explain six Differences between public sector accounting and private sector accounting.....12mks
- b) Explain four advantages of budgeting in government accounting.....8mks