



MACHAKOS UNIVERSITY

University Examinations for 2020/2021 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF ACCOUNTING BANKING AND FINANCE

FIRST YEAR SECOND SEMESTER EXAMINATION FOR

BACHELOR OF ARTS (PUBLIC ADMINISTRATION)

APP 100: FUNDAMENTAL OF PUBLIC SECTOR ACCOUNTING

DATE: 21/6/2021

TIME: 2.00-4.00 PM

INSTRUCTIONS:

Answer question one and any other two questions.

QUESTION ONE (20 MARKS)

- a) Kenya's public sector accounting is regulated by constitutional and regulatory framework. Discuss six of these regulatory framework put in place in Kenya. (12 marks)
- b) Explain the concept of the following as applied in public sector accounting:
- Accounting Theory (4 marks)
 - Consolidated Fund (4 marks)
- c) Public sector has its own objectives and serves its own users as opposed to private sector. You are required to:
- Explain five objectives of public sector accounting (5 marks)
 - Identify four users of public sector accounting information (5 marks)

The following information relates to a governmental unit for the fiscal year 2019/2020.

Gross estimates:	KES.720,000
Appropriation-In-Aid	KES.90,000
estimated:	
Drawings from the exchequer	KES.450,000
Actual gross expenditure	KES.520000
Actual appropriation-in-aid	KES.120,000.

QUESTION THREE (20 MARKS)

- a) Give four features of a Vote book (8 marks)
- b) The following is the Vote head of the Ministry of Public Works
A I E (Authority to incur expenditure) No. 225 – 35.
A I E (Authority to incur expenditure) Ksh100,000

Transactions (Dec 2018)

1st Dec Ordered for iron sheets and cement from Ton & Co. for Sh.25,000;

L.P.O. No. 5213

6th Dec Paid Sh.3,000 for lorry hire to transport cement; PV No. 357

Transactions (Jan 2019)

10th Jan Paid Ton & Co. Sh.15, 000 being part payment for goods ordered through LPO No. 5213; PV No. 358.

15th Jan Purchased goods from AB & Co. for Sh.5,000 (timber); PV No. 359

20th Jan Issued LPO No. 5214 to Patel & Sons for windows and doors for Sh.20,000. 25 Jan Part payment to Patel & Sons Sh.7,000; PV No. 360.

Required:

Prepare a vote head accounts from the above details (12 marks)

QUESTION FOUR (20 MARKS)

- a) Explain the following public sector accounting terminologies
- Cash Basis
 - Accrual Basis
 - Commitment Basis (6 marks)
- b) The approved estimates and actual details of the Ministry of Culture and Social Services for the year 2018/2019 were as follows:

Gross estimated expenditure	Ksh. 640,000
Estimated Appropriation-In-Aid	Ksh.40,000
Drawings from exchequer	Ksh.530,000
Gross Expenditure	Ksh.480,000
Actual appropriations in aid	Ksh.30,000

Required: Prepare a statement of assets and liabilities as at 30-6-2020 (14 marks)

QUESTION FIVE (20 MARKS)

Briefly discuss the following terms as used in public sector accounting

- a) Public Sector (5 marks)
- b) Accounting (5 marks)
- c) Public Sector Accounting (5 marks)
- d) Fund Accounting (5 marks)