



MACHAKOS UNIVERSITY

University Examinations for 2018/2019 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BANKING, ACCOUNTING & FINANCE

SECOND YEAR SECOND SEMESTER EXAMINATION FOR

DIPLOMA IN ACCOUNTANCY

DACC 212 PUBLIC SECTOR ACCOUNTS

DATE: 6/5/2019

TIME: 11.00-1.00 PM

INSTRUCTIONS: Attempt Question One and any other Two Questions

QUESTION ONE (COMPULSORY) (30 MARKS)

- a) The government s' debt is basically classified into external and domestic debts
Required:
- i) Explain external and domestic debt (4 marks)
 - ii) Enumerate two examples each for domestic and external debts (2 marks)
- b) State and explain three users of public sector financial statements (6 marks)
- c) Highlight six characteristics of government business enterprises (6 marks)
- d) Explain any three differences between government accounting and private sector accounting. (6 marks)
- e) Identify any six functions of the accountant- general of the Kenya's National Government (6 marks)

QUESTION TWO (20 MARKS)

From the following information obtained from a county government treasury for the month of April, 2016, prepare a trial balance as at 30th April, 2016.

	Ksh.
Reserve fund	33,000
Cash at bank	50,000
Bank overdraft	5,000
Revenues (Recurrent)	158,000

Expenditure (Recurrent)	125,000
Loans	200,000
Deposits into county treasury	23,000
Advances granted by county government	25,000
Investments	15,000
<u>Suspense accounts</u>	<u>202,000</u>

QUESTION THREE (20 MARKS)

- a) The monthly float granted is ksh.1,480,000. The main cashier reimburses any amount spent on the last day of each month. The following transactions took place in the month of November 2018

Date	Transaction	Ksh.
Nov. 1	Tea and sugar	4,000
3	Purchase of petrol	800
4	Postage services	2,000
5	Postage stamps	1,000
6	Envelopes	2,000
8	Purchase of petrol	1,000
9	Gifts	4,000
12	Purchase of petrol	800
13	Postage stamps	200
15	Ali – Ledger account	16,000
16	Ominde Ledger account	10,000
17	Wastage paper basket	600
18	Purchase of stationary	4,000
19	Purchase of engine oil	1,000
19	Toll gate fees	80
21	Aron ledger account	12,000
24	Tea and sugar	4,000
25	Biscuits	1,200
27	calculator	1,400
30	Petrol and engine oil	2,000
30	servicing of official car	1,200

Required;

Enter the above transactions in a petty cash book having analysis columns for motor expenses, postage and stationary, office entertainment, sundry expenses and ledger columns. (15 marks)

b) Explain the functions of the commission of revenue allocation of Kenya (5 marks)

QUESTION FOUR (20 MARKS)

In your own words, explain what governs the framework of government accounting in your country.

QUESTION FIVE (20 MARKS)

From the following data relates to the month March 2019.

RECEIPTS:	Ksh.
Import duties	4,000
Export duties	3,000
Excise duties	2,000
Petroleum profit tax	80,000
Companies income tax	71,000
PAYE:- From civil servants	4,000
-From police personnel	300
-From foreign residents	200

PAYMENTS:

Remunerations of government staff	138,800
Recurrent expenditure	15,000
Transfer to: - Development fund	25,000
-Contingency fund	2,000

Notes: Revenue allocation formula:

National government 60%

County governments 30%

Special funds 10%

Required;

Prepare a treasury single account and a consolidated fund account.