MACHAKOS UNIVERSITY

University Examinations for 2018/2019 Academic Year

SCHOOL OF BUSINESS AND ECONOMICS

DEPARTMENT OF BANKING, ACCOUNTING & FINANCE

FOURTH YEAR FIRST SEMESTER EXAMINATION FOR

BACHELOR OF ENVIRONMENTAL RESOURCE CONSERVATION

BACHELOR OF ENVIRONMENTAL (ENVIRONMENTAL RESOURCE MANAGEMENT)

ERC 405: ENVIRONMENTAL RESOURCE ACCOUNTING

DATE: **TIME:**

INSTRUCTIONS: Attempt Question One and any other Two Questions

QUESTION ONE (30 MARKS)

a) The System of Environmental Economic Accounting (SEEA), System of National Accounts (SNA) and the Integrated Framework for environmental activity accounts are three important elements to be considered when preparing, presenting and accounting for environmental resource.

i) Define the three elements (6 marks)

ii) By use of examples, illustrate the differences between the three elements (6 marks)

b) Briefly describe the following four kinds of environmental accounts as defined in the Integrated Framework for environmental activity accounts (8 marks)

i) Environmental goods and services sector account (EGSS)

ii) Environmental protection expenditure account (EPEA)

iii) Resource management expenditure account (ReMEA)

iv) Environmental subsidies and other transfers account (ESST)

c) Define the following Common set of concepts and terminology as per SEEA-CF (6 marks)

i) Environmental activities
ii) Environmental protection activities
iii) Environmental products

d) Briefly explain the importance of incorporating environmental resource accounts in the National accounts Framework of Kenya (4 marks)

QUESTION TWO (20 MARKS)

a) Land, Air Emissions, Water and Energy are an important aspects of environment accounting. You are required to exhaustively explain by use of examples where applicable, how accounting for the aspects can be carried out (12 marks)

b) Explain how each of the accounts for the aspects mentioned in (a) above differ from each other. What are the implications of the differences? (8 marks)

QUESTION THREE (20 marks)

a) Do you think that environmental accounting is an important concept to be considered under environment policy? Support your argument using applicable examples (10 marks)

b) In light of your answer in (a) above, how different would the Integrated Framework for environmental activity accounts be as compared to the System of Environmental Economic Accounting (10 marks)

QUESTION FOUR (20 MARKS)

a) Define the accounting structure of the System of Environmental Economic Accounting (SEEA) showing clearly important features within the structure (6 marks)

b) Using an illustration, elaborate on what a physical flow account and a hybrid flow account is. Show TWO similarities and TWO differences between the physical and hybrid flow accounts (8 marks)

c) What is the importance of preparing and presenting the TWO accounts mention in (b) above? Explain using appropriate examples (6 marks)

QUESTION FIVE (20 MARKS)

Discuss the salient features of the four accounts in the Integrated Framework for environmental activity accounts. The discussion should be limited to the Scope, Variables, Valuation rules, and Classifications for each.

i) Environmental goods and services sector account (EGSS)

ii) Environmental protection expenditure account (EPEA)

iii) Resource management expenditure account (ReMEA)

iv) Environmental subsidies and other transfers account (ESST)