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

DIPOLOMA IN ACCOUNTANCY

DACC 213 PUBLIC SECTOR ACCOUNTS

DATE: **TIME:**

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
Suspense accounts	202,000

QUESTION THREE (20 MARKS)

a) Compare and contrast public sector accounting and private sector accounting (12 marks)

b) Explain the functions of the commission of revenue allocation of Kenya (8marks)

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, you are required to prepare a treasury single account and a consolidated fund account.

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

<u>PAYMENTS:</u>

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%