KENYATTA UNIVERSITY

UNIVERSITY EXAMINATIONS 2014/2015

DIGITAL SCHOOL OF VIRTUAL AND OPEN LEARNING

SECOND SEMESTER EXAMINATION FOR THE DEGREE OF BACHELOR OF PUBLIC POLICY AND ADMINISTRATION

APP 100: INTRODUCTION TO PUBLIC SECTOR ACCOUNTING

DATE: Tuesday, 28th April 2015 **TIME:** 4.30 p.m. – 6.30 p.m.

INSTRUCTIONS:

Attempt ALL questions.

QUESTION ONE

a) i)identify the main objectives of public sector accounting and the users of the accounting information (10 marks)

b) In relation to fund accounting, explain what is meant by the following special funds and explain fully how they are operated.
   i) Revolving funds
   ii) Trust funds
   iii) Sinking funds (9 marks)

QUESTION TWO

a) Explain the main functions of an annual Budget for a public sector organisation with which you are familiar (8 marks).

b) The following cash transactions (cash) took place for a government unit for the month of January 2013

		Sh.
02/01/2013	Opening balance: Cash	8000
	Bank	30,000
02/01/2013	Received cheque in respect of trading license	62,500
03/01/2013	Paid Hanson (cheque for goods supplied)	20,000
05/01/2013	Cash received in respect of fees	2,500
05/01/2013	Paid telephone charges (cheque)	8,000
06/01/2013	Paid General Ltd by cheque	56,000
06/01/2013	Paid cash to James brown	2,800
08/01/2013	Received cheque for Licenses	225,000
09/01/2013	Paid wages in cash	6,000
10/01/2013	Kept a cash balance 15,000 and banked rest together with all cheques in hand.	

Required: Prepare a cash book for the governmental unit. (8 marks)

QUESTION THREE

a) Outline the role played in Government accounting by:

i) The Public Accounts Committee (3 marks)

ii) The controller and auditor general (3 marks)

iii)The government Ministries Accounting Officers. (3 marks)

b) Discuss the main reasons for the growth in Kenya public expenditure. (6 marks)

QUESTION FOUR

The approved estimates and actual expenditure details of the Ministry of Agriculture for the year 2013/2014were as follows:

CODE	Details	Approved estimates K£	Actual Expenditure K£
000	Personal emoluments	123280	97,520
050	House Allowance	19,550	14,260
080	Passage and Leave	41,040	667
100	Travelling and accommodation	1,334	1,656
110	Transport and maintenance	16,100	13,593
120	Postal and Telecom expenses	4,600	3,312
190	Miscellaneous charges	17,480	16,882
196	Training expenses	5,980	4,738
230	Purchase of equipment	21,000	39,800
620	AIA (Realised income)	1,000	5,560

The ministry made fair equal withdrawals from the exchequer in July 2013, October 2013 January 2014 and May 2014. In total, the ministry had drawn K£200,000 by the year-end.

Required:

a) The general account of vote (4 marks)
b) The exchequer account (4 marks)
c) The PMG account (4 marks)
d) Statement of assets and liabilities as at 30th June 2014. (3 marks)