



# MACHAKOS UNIVERSITY

University Examinations 2021/2022 Academic Year

SCHOOL OF BUSINESS, ECONOMICS AND HOSPITALITY AND TOURISM

MANAGEMENT

DEPARTMENT OF BUSINESS ADMINISTRATION AND FINANCE

FIRST YEAR SPECIAL/SUPPLEMENTARY EXAMINATION FOR

BACHELOR OF ARTS

APP 100: FUNDAMENTAL OF PUBLIC SECTOR ACCOUNTING

DATE: 30/8/2022

TIME: 8.30-10.30 AM

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## INSTRUCTIONS

- Answer question **ONE (Compulsory)** and any other **TWO** questions

## QUESTION ONE (30 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)

**QUESTION TWO (20 MARKS)**

- a) Discuss any five distinguishing factors of government accounting (14 marks)
- b) Explain the following public sector accounting terminologies
- i. Cash Basis
  - ii. Accrual Basis
  - iii. Commitment Basis (6 marks)

**QUESTION THREE (20 MARKS)**

- a) Explain four users of Public Sector Accounting. (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)**

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

L.P.O. No. 5213

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

**Transactions (Jan 2019)**

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

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

20<sup>th</sup> 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) What is fund accounting
- 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

**QUESTION FIVE (20 MARKS)**

- a) Give four features of a Vote book (8 marks)
- b) Briefly discuss the following terms as used in public sector accounting
- i. Public Sector (4 marks)
  - ii. Accounting (4 marks)
  - iii. Fund Accounting (4 marks)