



"Investing in Africa's Future"

COLLEGE OF BUSINESS PEACE LEADERSHIP AND GOVERNANCE

NMPM218/NMAC306/: PUBLIC SECTOR ACCOUNTING/ GOVERNMENT ACCOUNTING

END OF SECOND SEMESTER EXAMINATIONS

APRIL 2023

LECTURER: N. E CHIRIMA

TIME: 3 HOURS

INSTRUCTIONS

CHOOSE **FOUR** QUESTIONS

MARKS ALLOTTED TO EACH QUESTION ARE SHOWN

CLEAR AND NEATLY PRESENTED WORK WILL BE AWARDED MARKS FOR PRESENTATION

1. An accounting clerk, who has five years experience in the private sector, has recently been appointed as a junior accountant at a local public sector entity where you are the administrator. When presented with the recent financial reports and documents of the entity, the junior accountant looks confused. As the administrator, explain to the junior accountant:

a. five differences between private and public sector accounting [20 marks]

b. the importance of separate recognition of public sector accounting as a discipline/ profession.

[5 marks]

2. With reference to the provisions of the Public Finance Management Act (Chapter 22:19) – PFM Act - and citing relevant examples, analyze the various sources of government/ (public sector) income. [25 marks]

3. The public sector (government) follows a budget based accounting system. Prepare a report to an intern who has been recently recruited by the local government office highlighting the following:

a. Explanation of the objectives of a budget based accounting system in the public sector.

[10 marks]

b. Description of the key institutional relationships that facilitate the smooth implementation of the budget based accounting system. [8 marks]

c. Illustration of the budget cycle. [7 marks]

4. Public sector (Government) accounting aims to provide information that is useful to users for accountability and decision making purposes. With reference to the IPSASB's conceptual framework for general purpose financial reporting by public sector entities:

a. Outline the objectives of financial reporting in the public sector. [1 mark]

b. Specify the primary users of public sector accounting information and their needs. [2 marks]

b. Explain the qualitative characteristics of useful information. [7 marks]

c. Describe the components of a public sector financial report. [5 marks]

c. Define the six elements of public sector financial statements [10 marks]

5. With reference to the PFM Act, outline the functions of the following offices:

a. Treasury [5 marks]

b. Secretary/ pay master [5 marks]

c. Accountant (Auditor) General [5 marks]

d. Accounting Officers [6 marks]

e. Minister of Finance [4 marks]

END OF EXAMINATION