



FACULTY OF BUSINESS MANAGEMENT
END OF SEMESTER EXAMINATIONS - APRIL 2025

PROGRAMME: BBA

YEAR/SEM: YEAR 3/SEMESTER 2

COURSE CODE: ACC 3205

NAME: PUBLIC SECTOR ACCOUNTING

DATE: 2025-04-16

TIME: 9:00AM-12:00PM

INSTRUCTIONS TO CANDIDATES:

1. Read the instructions very carefully
2. The time allowed for this examination is STRICTLY three hours
3. Read each question carefully before you attempt and allocate your time equally between all the Sections
4. Write clearly and legibly. Illegible handwriting cannot be marked
5. Number the questions you have attempted
6. Use of appropriate workplace examples to illustrate your answers will earn you bonus marks
7. Any examination malpractice detected will lead to automatic disqualification.

DO NOT WRITE ANYTHING ON THE QUESTION PAPER

Section A SECTION A IS COMPULSORY: ATTEMPT ALL THE QUESTION IN THIS SECTION

Question 1:

The following information were in the books of Wema Ministry for the month of January, 2024:

Jan 2 Opening balances b/d: Cash Sh. 40,000 and Bank Sh. 250,000

Jan 2 Received Sh. 62,500 (Cheque) in respect of Trading license

Jan 3 Paid Peter & Sons Sh. 230,000 by cheque No. 251 for goods supplied

Jan 5 Cash received Sh. 2,500 in respect of fees.

Jan 5 Paid telephone charges , Sh. 8, 700 by cheque No. 252

Jan 6 Paid to A.B. Garage Sh. 52,000, cheque No. 253, for repairs of Government Vehicles.

Jan 6 Paid cash to J. Lutara Sh. 2,800 in settlement of travelling claims expenses.

Jan 8 Cheque for Sh. 21,000 was received in respect of license.

Jan 9 Paid Wages Sh. 5,000 to A. Robert in Cash

Jan 10. Keep a cash balance of Sh. 10,000 and banked the rest of the cash together with all the cheques on hand and rule off the Cash Book

Required:

- a) Record the transactions in the Cash Book of the Ministry and close off the book. (12 Marks)
- b) Balance off the cash book (04 Marks)
- c) Explain the purpose of cash book (04 Marks)
- d) Identify the users of Public Sector accounting Information and state why this information is useful. (10 Marks)
- e) Discuss the objectives of Public Sector Accounting (10 Marks)

Section B CHOOSE ANY THREE(3) QUESTIONS FROM THIS SECTION

Question 1:

You are the Accountant General of the Republic of Uganda and the Secretary to the Cabinet has written a memo to you indicating that they just concluded a seminar addressed by His Excellency the President of the Republic of Uganda under the theme “promoting ethical conduct, integrity and accountability in the public sector for enhanced public service delivery.” The discussions during the seminar focused on financial and adoption of accrual accounting in the public service. It was emphasised that migration from cash basis to accrual basis is necessary to improve transparency in the public sector. Another issue discussed was commitment control system. The meeting was informed that commitment control strengthens financial management and therefore Ministries, Provinces and other spending Agencies (MPSAs) must ensure that every expenditure was used in accordance with what was appropriated by Parliament. The Secretary to the Cabinet is not clear on the above mentioned issues and is seeking clarification.

Required:

(a) Explain to the Secretary to the Cabinet the three differences between accrual accounting and cash accounting. (6 marks)

(b) Identify three (3) justifications for adopting accrual based IPSAs accounting in the public sector. (6 marks)

(c) Explain the term commitment control and illustrate how it could strengthen Public Financial Management. (8 marks)

Question 2:

Define Public administration according to Pfeiffer.

(2 marks)

(b) Outline four (4) similarities between public and private administration.

(8 marks)

(c) Describe the factors that influence public policy decisions.

(10 marks)

Question 3:

a) Discuss the role and functions of the Treasury and its relationship with other Government department, in planning and controlling government expenditure. (10 marks)

b) Explain the main functions of an annual Budget for a public sector organisation with which you are familiar. (10 marks)

Question 4:

a) In relation to fund accounting, explain what is meant by the following special funds and explain fully how they are operated.

(i) Revolving funds

(02 Marks)

(ii) Trust funds

(02 Marks)

(iii) Sinking funds

(02 Marks)

(iv) Capital project funds

(02 Marks)

(v) Specific Revenue funds

(02 Marks)

b) Identify and explain any five Differences between government accounting and private sector accounting (10 Marks)

Question 5:

Explain any five sources of government revenue (10 marks)

Explain various functions of government accounting in public sector accounting (10 marks)

Question 6:

The following data were taken from the accounting records of the Town of Ole Meka General Fund after the accounts had been closed for the fiscal year ended 30 September 2024.

Balances		Fiscal Year 2024		Changes		Balances
1 October 2022		Debit		Credit	30 Sept. 2024	
Assets	Sh.	Sh.		Sh.	Sh.	

Cash	180,000	955,000	880,000	225,000	
Taxes Receivable	20,000	809,000	781,000	48,000	
Estimated uncollected tax	<u>(4,000)</u>	6,000	9,000	<u>(7,000)</u>	
	<u>196,000</u>			<u>296,000</u>	
Liabilities, Reserves & Funds Balances:					
Vouchers payable	44,000	880,000	889,000	53,000	
Due to intra governmental					
Service fund	2,000	7,000	10,000	5,000	
Due to Debt Service Fund	10,000	60,000	10,000	50,000	
Reserve for encumbrances	40,000	40,000	47,000	47,000	
Fund balance	<u>100,000</u>	<u>20,000</u>	<u>61,000</u>	<u>141,000</u>	
	<u>19,000</u>	<u>2,777,000</u>	<u>2,777,000</u>	<u>296,000</u>	

The following additional data is available:

- (i) The budget for fiscal year 2023 provided for estimated revenues of Sh.1,000,000 and appropriations of Sh.965,000.
- (ii) Expenditure totalling sh.895,000 in addition to those chargeable against Reserve for Encumbrances, were made.
- (iii) The actual expenditure chargeable against Reserve for Encumbrances was Sh.37,000.

Required:

Show journal entries to record the above transactions in the books of Town of Ole Meka General Fund.

(20 marks)