



# **MAASAI MARA UNIVERSITY**

**REGULAR UNIVERSITY EXAMINATIONS  
2023/2024 ACADEMIC YEAR  
THIRD YEAR FIRST SEMESTER**

**SCHOOL OF BUSINESS & ECONOMICS  
BACHELOR OF COMMERCE**

**COURSE CODE: BCM 3101**

**COURSE TITLE: PUBLIC SECTOR ACCOUNTING.**

**DATE: 13/12/2023**

**TIME: 0830-1030 HRS**

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## **INSTRUCTIONS TO CANDIDATES**

Answer question **ONE** and any other **TWO** questions

*This paper consists of 5 printed pages. Please turn over*

## QUESTION ONE

- a) Discuss the role of the Auditor General in government accounting. **(5 Marks)**  
b) The Ministry of Trade and Commerce had the following estimated revenues to collect during the financial year ended 30<sup>th</sup> June 2023.

	<b>Sh.</b>
Hotel and Restaurant licences	900,000
Cattle traders licences	1,000,000
Licences under Trade Licensing Act	765,000
Liquor licenses	500,000
Professional licences	75,000
Licenses for registration of Insurance Companies	320,000

During the year and prior to any issue of licences, it was found necessary to suspend the issue of liquor licences and professional licences. The Receiver of Revenue further found out that more people were interested in scrap metal business. The Treasury authorised the Receiver of Revenue to open a new vote for scrap metal licences with an estimated collection of Sh.955,000.

At the close of the financial year, the Receiver of Revenue had collected the following actual amounts in Kshs.

Hotel and Restaurant licences	1,131,250
Cattle traders licences	2,261,250
Licences under Trade Licensing Act	705,000
Liquor licences	-
Professional licenses	-
Registration of insurance companies	255,000
Scrap metal licences	1,117,500

The Receiver of Revenue had provided the following additional information:

- (i) The Ministry had a balance of Sh.33,750 at the beginning of the financial year.
- (ii) An amount of Sh.335,000 in respect of scrap metal licences was still in the hands of agents as at 30 June 2023.
- (iii) A sum of Sh.8,750 was due to the Exchequer at the end of the year.

**Required:**

- i. A statement of Assets and Liabilities for the year ended 30 June 2023. **(5 Marks)**
- ii. A statement of revenue for the year ended 30 June 2023. **(10 Marks)**

**QUESTION TWO**

- a. Discuss **five** users of public sector accounting information clearly indicating their information needs. **(5 Marks)**
- b. Discuss the following terms as used in Government Public Sector Accounting:
  - i. Encumbrances. **(3 Marks)**
  - ii. Vote book. **(2 Marks)**
  - iii. Stewardship. **(3 Marks)**
  - iv. Transparency. **(2 Marks)**

**QUESTION THREE**

The following were the estimates and actual expenditures of the Ministry of Sports for the financial year 2022/2023

Item	details	estimates Sh. '000'	actual Sh. '000'
201	Basic salaries	96,000	92,400
201	Other personal allowance	18,900	21,420
400	Utilities and supplies	56,300	47,800
450	Printing and stationery	12,400	12,100
250	Travelling expenses	42,500	44,700
280	Training expenses	9,200	7,300
305	Maintenance and repairs	2,500	1,880
500	Grants to youth clubs	<u>8,900</u>	<u>8,900</u>
	Gross expenditure	<u>246,700</u>	<u>236,500</u>
600	Appropriation –in-aid	<u>15,000</u>	<u>12,500</u>
	Net expenditure	<u>231,700</u>	<u>224,000</u>

Drawings from the exchequer during the financial year ended 2022/2023 amounted to sh. 226,000,000.

Required:

- i. The General Account of Vote (5 Marks)
- ii. The exchequer account (3 Marks)
- Paymaster General Account (3 Marks)
- Statement of assets and liabilities as at the end of year (4 Marks)

**QUESTION FOUR**

The approved estimates and actual expenditure details relating to the Ministry of Agriculture as at 30 June 2022 were as follows:

	<b>Approved Estimates (sh. "million")</b>	<b>Approved Expenditure (sh. "million")</b>
<b>Capital expenditures</b>		
Purchase of motor vehicles	220	230
Purchase of office equipment	180	160
Networking the offices with fiber optic	60	40
<b>Recurrent expenditure</b>		
Electricity, water and telephone	70	68
Travelling expenses	92	89
Passages and leave	84	62
House allowance	54	61
Personal emoluments	490	495
<b>Internal income</b>		
Sale of hybrid seeds	30	32
Artificial insemination fees	150	145
Grain drying services	20	25

Prepare the Appropriation account for the year ended 30 June 2022 showing the net surplus to be surrendered to the exchequer (if any). (15 Marks)

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