



REFORMED CHURCH UNIVERSITY

FACULTY OF COMMERCE

**BACHELOR OF COMMERCE HONOURS DEGREE IN
PUBLIC ADMINISTRATION**

PUBLIC SECTOR ACCOUNTING

HPAD 126

PART 1 SEMESTER 2 EXAMINATION

TOTAL MARKS [100]

DATE: June 2023

Time: 3 Hours

INSTRUCTIONS

1. This paper has *six (6)* questions
2. Answer question *one (1)* and *any* other *three (3)*
3. Each question carries *25 marks*
4. Start each question on a new page

1. Discuss Results Based Budget as implemented in Zimbabwean public Sector (25)

2. Explain the following terms as used in Public Sector Accounting:

(a) Virement (5)

(b) Consolidated Revenue Fund (5)

(c) Consolidated Loan Fund (5)

(d) Non-Current Assets (5)

(e) Double Accounting (5)

3. Evaluate the applicability of legal and professional public sector accounting framework in Zimbabwe.

4. The trial balance of Chirumanzi Rural Council as at 30 June 2020 is as follows:

	\$	\$
Sundry revenue		8 000
Cash	15 000	
Bank	30 000	
City rates		200 000
Interest and penalties		7 500
Licences		210 000
Fines		90 000
Water revenue		80 000
Market fees		13 000
Parks and Recreation	145 000	
Pension contribution	38 000	
Maintenance	14 000	
Medical Aid	21 000	
Administration	300 000	
Sundry expenses	7 000	
Loan from local bank		20 000
Motor Vehicles	80 000	
Fund balance		21 500
	<u>650 000</u>	<u>650 000</u>

Required

- a) The revenue Account for the year ended 30 June 2020 (15)
- b) The statement of Assets and Liabilities as at 30 June 2020 (10)

5. Kadoma Municipality has an investment opportunity costing \$400,000 with the following expected net cash flows.

Year	Net Cash Flow
1	70 000
2	70 000
3	70 000
4	70 000
5	70 000
6	80 000
7	100 000
8	150 000
9	100 000
10	40 000

Using 10% as the cost of capital determine the following.

- (i) Payback (10)
- (ii) NPV (10)

b) Comment on whether the municipality should undertake the investment using each investment technique (5)

6. Discuss the 3 basis of accounting which may be used in Public Sector Accounting highlighting major strength and weaknesses. (25 marks)

End of paper