



REFORMED CHURCH UNIVERSITY

FACULTY OF COMMERCE

Bachelor of Commerce Honours Degree in Public Administration

Public Sector Accounting

HPAD126

Part 1 Semester 2 Examination

Total Marks [100]

Date: January 2022

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. (a) Discuss budgetary control and its objectives. (20)
 (b) Explain encumbrance control and illustrate how it could strengthen public accounting. (5)
2. (a) Compare and contrast Government Accounting and Private Sector Accounting. (16)
 (b) briefly explain any three accounting concepts or principles that can be used in public sector accounting. (9)
3. You have been tasked by the Finance Committee of Chegutu Municipality to present a paper on "The Increase in debtors and strategies to curb it: A challenge for Chegutu Municipality". Prepare the professional paper to be presented to the Finance Committee of Chegutu Municipality. (25)
4. Discuss the three basis of accounting which may be used in public sector accounting, highlighting major strengths and weaknesses. (25)
5. Clearly demonstrate your understanding of the objectives of any five International Public Sector Accounting Standards (IPSAS). (25)
6. The following is the monthly budget for January 2017 for the Government of Zimbabwe:

INCOME	ZWL (\$)
Taxes on income	78 780 000
Customs duty	23 970 000
Excise duty	52 751 000
Value Added Tax	82 000 000
Other taxes	16 600 000
Revenue from property	4 990 000
Fees, Fines, Licences and contributions	19 279 000
Total Income	278 370 000
EXPENDITURE	
Employment cost	193 896 000
Goods and services	13 704 000
Current transfers	93 887 000
Interest on debt	6 044 000
Capital expenditure	14 775 000
Capital transfers	26 247 000
Equity participation/Net lending	13 930 000
Total Expenditure	382 485 000

During the month, total revenue collected amounted to \$277 957 330.44 comprising the

following:	Taxes on income	\$ 74 631 707.30
	Customs duty	\$ 20 637 130.16
	Excise duty	\$ 48 043 690.80
	Value added tax	\$100 354 405.20
	Other taxes	\$ 17 527 836.98
	Revenue from property	\$ 159 244.40
	Fees Fines, Licences and contributions	\$ 16 603 315.60

Total expenditure for the month was as follows; Employment cost \$139 978 036.00, Goods and services \$8 782 525.00, Currents transfers \$98 474 492.00, Interest paid on debts \$2 727 354.80, Capital items expenditure \$ 3 419 498.00, capital transfers \$54 538 110 and Equity participation \$25 013.

Required

Prepare a Consolidated statement of Financial Performance (CSFP) for the month ending 31 January 2017 in compliance with section 38 of Public Finance Management Act Chapter 22:19 (Notes are not required).

(25)

End of Paper