



MUEO

# **MOI UNIVERSITY**

**OFFICE OF THE DEPUTY VICE CHANCELLOR, ACADEMIC AFFAIRS,  
RESEARCH & EXTENSION**

## **UNIVERSITY EXAMINATIONS 2013/2014 ACADEMIC YEAR**

***THIRD YEAR END OF SEMESTER I EXAMINATIONS***

**FOR THE DEGREE OF  
BACHELOR OF BUSINESS MANAGEMENT**

**EXAM CODE:-           BBM 300**

**COURSE TITLE:-    GOVERNMENT ACCOUNTING**

**DATE:- 3<sup>RD</sup> OCTOBER, 2013           TIME:- 9.00A.M. - 12.00 NOON.**

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# BBM 300:GOVERNMENT ACCOUNTING

## EXAMINATION FOR FIRST SEMESTER 2013/2014 ACADEMIC YEAR

**Instructions:** Answer question **ONE** and any other **THREE** questions.

### QUESTION ONE

The approved estimate and actual expenditure details of Ministry of Ufanisi for the year 2005/06 were as follows:

Vote no	Items	Approved Estimate	Actual Expenditure
0	Personal emoluments	123,280,000	97,520,000
50	House allowance	19,550,000	14,260,000
80	Passage and leave	4,140,000	667,000
100	Transport maintenance	16,100,000	13,593,000
110	Travel and Accommodation	1,334,000	1,656,000
120	Postal and Telecommunication	4,600,000	3,312,000
190	Training expenses	5,980,000	4,736,000
196	Miscellaneous charges	17,480,000	16,882,000
230	Purchase equipment	21,000,000	39,800,000
620	Appropriation Aid	1,000,000	5,500,000

Assume the Ministry made withdrawal from exchequer worth shs. 200,000,000

#### Required:

- a) i) General Account Vote (6 Marks)
- ii) Exchequer Accounts (6 Marks)
- iii) Paymaster General (4 marks)
- b) Statement of assets and liabilities (5 marks)
- c) Appropriation accounts (4 marks)

### QUESTION TWO

The statement of assets and liabilities of the Kazi welfare as at 30<sup>th</sup> June 2006 was as follows:

<u>Assets</u>	sh	sh
Investment cost	617,909	
Less provision for loss in value	<u>2,673</u>	615,236

## Cash

Deposits	5,898	
East African Building Society	19,500	
PMG	12,485	<u>37,883</u>
		<u>653,119</u>

## Liabilities

Capital fund		<u>653,119</u>
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The following transactions took place during the year ended 30<sup>th</sup> June 2006

	sh
i. Interest received from investments	49,230
ii. Other income from investments	801
iii. Personal contributions	6,500
iv. Amount paid to beneficiaries	6,180
v. Two contributors paid their June 2006 dues of sh15 each in July 2006	
vi. The cash with EAB society was withdrawn	
vii. One beneficiary 's claim for May 2006 amounting to sh 83 was settled on 5 <sup>th</sup> August 2006	
viii. The amount of deposit shown as an asset in the statement of assets and liabilities had been posted to the accumulated fund in error.	

## **Required**

1. The relevant ledger accounts
2. Income and expenditure accounts
3. The statement of affairs (15 marks)

## **QUESTION THREE**

- a) Describe the main phases of a public sector budget (7marks)
- b) Critically evaluate the effect of Constituency Development Fund (CDF) in any constituency of your choice. (8marks)

## **QUESTION FOUR**

- a) What is the difference between expendable and non-expendable funds (7 marks)
- b) Describe the ways in which a government unit differs from a business enterprise (8 marks)

## QUESTION FIVE

Outline the role and importance of the following in Kenya Government Accounting System

- i) The Consolidated Fund Services (7 marks)
- ii) The Contingency Fund (8 marks)

## QUESTION SIX

a) Discuss at least six main sources of local government finance and the application of these Funds. In each case suggest how the government can improve on collection and administration. (6 marks)

b) The Central Bank of Kenya exists to formulate and implement monetary policy directed to achieving and maintaining stability in the general levels of prices as well fostering liquidity, solvency and proper functioning of a stable market based financial system. Critically discuss the role of the institution as far as public sector funds controls are concerned. (9 Marks)