

UGANDA MARTYRS UNIVERSITY

FACULTY OF BUSINESS AND MANAGEMENT
DEPARTMENT OF ACCOUNTING AND FINANCE

YEAR III SEMESTER I EXAMINATIONS 2023/2024
BACHELOR OF BUSINESS ADMINISTRATION AND MANAGEMENT-NKOZI

COURSE CODE: 3111
COURSE NAME: PUBLIC SECTOR ACCOUNTING
NKOZI, LUBAGA & MASAKA CAMPUSES

Date: December, 8th 2023
Time: 2:00PM – 5: PM

INSTRUCTIONS:

1. Time allowed: **3 hours**
 2. The Examination paper consists of six Questions
 3. Attempt any **four** questions.
 4. All questions carry equal marks.
 5. Your work must be neat and show all relevant workings
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Question One

- a) The primary focus of accounting in the public sector is on accountability, whereas the primary focus of accounting in the private sector is on profit reporting. Make a distinction between accounting for the public sector and reporting for the private sector. (15 marks)
- b) Please explain the Problems that are associated with accounting in the public sector (10 Marks)

Question Two

- a) The Accountant General must specify the accounting basis and classification system for each vote under the Public Finance Management Act of 2015. Some government institutions utilize cash basis accounting and others accrual. Justify the use of cash and accrual accounting in Uganda's public sector. (10 Marks)
- b) As of the end of June in the year 2020, the cashbook belonging to the Lubaga Divisional Council (LDC) included the following receipts and payment entries.

Receipts entries.

i. Balance B/f	130,000,000
ii. Grant for June	265,000,000
iii. Local service Taxes	60,000,000

Payment entries.

i. Salaries – June	80,000,000
ii. Materials delivered and used in June	140,000,000
iii. Materials delivered in June for use	55,000,000

Additional Information

i. Stationaries not paid for but used in June	55,000,000
ii. Fuel not paid for to be used in August	75,000,000
iii. Undelivered building materials	155,000,000
iv. LDC is allocated 3,600,000,000 as annual grant to be remitted in 12 equal installments	
v. Local Service tax assessment for June was	100,000,000

Required: Based on the above and using Accrual basis accounting, prepare

- i. Statement of Financial performance for Lubaga Divisional Council (10 marks)
- ii. Statement of Financial for Lubaga Divisional Council (05 marks)

Question Three

- a) Describe any five of the most important purpose of public sector accounting (5 Marks).
- b) Specify any five internal and external users of financial information and reports pertaining to the public sector, and explain the reasons for which each of these users is interested in the information (10 marks).

- c) Provide an explanation of the basic characteristics of accounting information for the public sector (10 marks).

Question Four

- a) The Local Government Institutional and Legal Framework provides for the political and administrative setup of local governments, the election of local councils and for any other matters connected to the administration and operations of local authorities.

In view of the above provisions, you have been requested by Ministry of Local Governance (MoLG) to make a presentation at a local government staff workshop.

Required:

In your presentation, discuss the:

- i. Functions of the Accounting Officer as per Local Government Act, 1997. **(6 marks)**
 - ii. Function of Local Council as per Local Government Finance and Accounting Regulations, 2007. **(7marks)**
- b) The Local Government Act, 1997 provides for the establishment of Local Government Public Accounts committee (LGPAC) comprising four members appointed by the district council on the recommendation of the District Executive Committee and one member appointed in the case of a district with more than one urban authority, by an electoral college of the urban council executive committee members in that district; and in the case of a district with only one urban authority, by the urban council on the recommendation of the urban executive committee. Discuss the function of the LGPAC **(10 marks)**

Question Five

The Government of Uganda has adopted a number of public financial management reforms including the introduction of the Treasury Single Account (TSA) in the Integrated Financial Management System (IFMS).

Required:

- a) Discuss the justification for the implementation of the TSA in Uganda (06 marks)
- b) Discuss the Benefits and Challenges of implementing IFMS in the different government entities (19 marks)

Question Six

The specifics of the actual expenditures made by the Ministry of Local Government for the fiscal year that ended in 2018/19 along with the approved estimates for those expenditures

Gross estimated expenditure	680,000,000
Estimated Appropriations in aid	(40,000,000)
Net estimate	640,000,000
Drawings from Ex-chequer	530,000,000
Gross expenditure	490,000,000
Actual Appropriations in Aid	30,000,000

Required:

Prepare the following accounts for proper accountability by the Ministry of Local Government;

- i. General Account of vote (4 marks)
 - ii. Ex-chequer account (4 marks)
 - iii. Consolidated Fund account (4 marks)
 - iv. Statement of assets and liabilities (4 marks)
 - v. Appropriation in Aid Account (4 marks)
- a) Prepare Statement of assets and liabilities as at 30th June 2019 (5 marks)

THE END