



UNIVERSITY OF EDUCATION, WINNEBA
COLLEGE OF TECHNOLOGY EDUCATION, KUMASI
DEPARTMENT OF ACCOUNTING STUDIES EDUCATION
END OF FIRST SEMESTER EXAMINATION – DECEMBER, 2019

COURSE TITLE	PUBLIC SECTOR ACCOUNTING
COURSE CODE	BAC 471
LECTURER	ALFRED MORRISON
DURATION	2 hours 30 minutes
INSTRUCTION	Answer question one and any other three questions of your choice. All solutions should be written in the answer booklet.

Question One:

Dagyen Municipal Assembly prepares its financial statement using the Budgetary Accounting technique. The Assembly operates a **Refuse Collection** service, as an internally income-generating activity, whose accounts are prepared on an accrual basis.

The opening balances of the Assembly for the year 2018 were:

Assets –	GH¢
Cash at bank (Alfreda Bank Ltd)	570,000
Cash in hand	145,000
Bank balance (Dwenwoho Bank Ltd)	(49,000)
	<u>666,000</u>
Represented by:	
Fund balance	<u>666,000</u>

Additional information:

Revenue:	<i>Budgeted</i>	<i>Actual</i>
	GH¢	GH¢
Court fines	156,800	194,900
Road and bridge tolls	99,800	94,000
Parking charges and permits	88,000	94,900
Market stalls	135,000	159,000
Proceeds from refuse collections	176,400	199,200
Expenditure:	<i>Budgeted</i>	<i>Actual</i>
	GH¢	GH¢
Repairs and maintenance	186,900	134,200
Personnel emoluments	182,000	256,000
Refuse collection expenses	102,000	85,900
General administration expenses	64,500	60,000

The trial balance of the Refuse collection service *as at December 31st, 2018* was as follows -

	Debit GH¢	Credit GH¢
Un-appropriated surplus (1/01/2018)		75,700
Proceeds from refuse collections		199,200
Refuse collection expenses	85,900	
Cash at bank (Unity bank Ltd)	225,000	
Cash in hand	24,000	
Payables (Refuse collections)		68,000
Receivables (Refuse collections)	94,000	
Interest-free loan		176,000
Wages and salaries of staff	25,000	
Transfer to <i>Dagye</i> n Assembly	65,000	
	<u>518,900</u>	<u>518,900</u>

Note:

- Wages and salaries owed to staff amounted to GH¢4,000
- Refuse collection expenses prepaid was GH¢2,000
- All transactions of the Assembly for the year 2018 were through **Alfreda Bank Ltd**

You are required to prepare for the Assembly and for the year to 31st December 2018:

- a. Estimated Revenue Control Account;
- b. Appropriation Control Account;
- c. Bank Account (Alfreda Bank Ltd);
- d. Un-appropriated Surplus Account;
- e. Statement of Comprehensive Income for the Refuse collection service;
- f. Combined Statement of Financial Position for both Assembly and Refuse Collection service.

Question Two:

Explain the purpose, nature and characteristics of the following types of funds:

- a. The Ghana Education Trust Fund;
- b. Contingency Reserve Fund;
- c. Consolidated Fund;
- d. The Road Fund;
- e. Contingency Fund.

Question Three:

- a. State three statutory duties of the Controller and Accountant General;
- b. List three statutory duties of the Minister of Finance;

- c. Explain the provisions in the Constitution of Ghana that makes the Auditor General independent in the performance of his statutory duties;
- d. How may the Auditor General be removed from office?

Question Four:

- a. What is public sector accounting?
- b. List three justifications for the existence of the public sector of Ghana;
- c. State three features of the public sector of Ghana:
- d. In table form, outline three differences between the public sector and the private sector of Ghana.

Question Five:

- a. Differentiate between a 'Zero-based budgeting technique' and a 'Budget deficit';
- b. State three reasons for the adoption of the Zero-based budgeting technique in Governmental Accounting;
- c. Explain three possible causes of budget deficits in a typical Ghanaian economy;
- d. Discuss three sources of financing budget deficits.

Question Six:

- a. What is *Accountability* in public finance?
- b. Discuss the following control measures and explain three instruments used under each of the controls:
 - Parliamentary controls;
 - Treasury controls;
 - Departmental controls.