



NATIONAL OPEN UNIVERSITY OF NIGERIA
14-16 AHMADU BELLO WAY, VICTORIA ISLAND LAGOS
MARCH/APRIL 2016 EXAMINATION

SCHOOL OF MANAGEMENT SCIENCES

Course Code: ACC418

Credit Unit: 3

Course Title: PUBLIC SECTOR ACCOUNTING AND FINANCE

Time Allowed: 3 hours

Instruction:

Attempt question one and any three questions of your choice. Question one carries 25 marks while others carry 15 marks each. Present your answer in coherent and orderly manner.

QUESTIONS

1. You are required to prepare Federation Account and Consolidated Revenue Fund from the following information.

FLows	N'000
Import duties	53,000,000
Export duties	44,000,000
Excise duties	40,000,000
Petroleum profits tax	940,000,000
Companies income tax	570,000,000
PAYE: deductions from the emolument of the Armed Forces	500,000
Police personnel	140,000
Residents of Abuja	160,000
Dividend from Federal Government Investments	360,000
Outflows:	
Remuneration of Statutory Officers	440,000,000
Recurrent expenditure	69,000,000
Transfer to: Development Fund	102,000,000
Contingency Fund	825,000

Note: The revenue allocation formula is:

Federal Government	48.5%
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State Government	24%
Local Government	20%
Special Fund	7.5%

2. List the users of public sector accounting information and explain how accounting information is useful to them.
3. Discuss extensively the difference between Government accounting and private sector accounting.
4. Explain in details eight functions of the sub-accounting officer.
5. Explain the following term:
 - i. Annual General Warrant of Recurrent Expenditure;
 - ii. Provisional General Warrant; and
 - iii. Supplementary General Warrant.
6. The Cash Book of Oredo Local Government showed a debit balance of N902,000 as at 31/12/2014. However, the bank account statement showed a credit balance of N879,000. On investigation, the following were discovered:
 - (a) Cheque Numbers 51522 and 32552 for N4,000 and N5,000 respectively, have not been presented for payment.
 - (b) Interest on investment of N4,000 has not been posted into the Cash Book.
 - (c) A sum of N8,000 paid into the bank was credited only after the bank statement was issued.
 - (d) Bank charges of N2,000 have not been recorded in the Treasury Cash Book.

You are required to prepare a Bank Reconciliation Statement for the Local Government.