



**NATIONAL OPEN UNIVERSITY OF NIGERIA**  
**Plot 91, Cadastral Zone, Nnamdi Azikiwe Express Way, Jabi-Abuja**  
**Faculty of Management Sciences, Department of Financial Studies**  
**October/November Examination 2016**

**Course Code: ACC418**

**Course Title: PUBLIC SECTOR ACCOUNTING AND FINANCE**

**Credit unit: 3**

**Time Allowed: 2 hours 30 minutes**

**Instruction:**

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

**QUESTION 1**

- a) Give 5 differences between Government accounting and Private sector accounting? (10 marks)
- b) Prepare Federation Account and Consolidated Revenue Fund from the following information:

INFLOWS	N'000
Import duties	400,000
Export duties	300,000
Excise duties	200,000
Petroleum profits tax	80,000,000
Companies income tax	71,000,000
PAYE: deductions from the emolument of the Armed Forces	400,000
Police personnel	30,000
Residents of Abuja	20,000
Dividend from Federal Government Investments	120,000
Outflows:	
Remuneration of Statutory Officers	13,800,000
Recurrent expenditure	1,500,000
Transfer to: Development Fund	2,500,000
Contingency Fund	20,000

*Note: The revenue allocation formula is:*

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

(15 marks)

## QUESTION 2

There are three bases under which the financial statements of a public sector enterprise are compiled. Discuss and state 4 advantages and disadvantages of each of them. (15 marks)

## QUESTION 3

a) The Cash Book of Zolu Local Government showed a debit balance of N502,000 as at 30/9/2012. However, the bank account statement showed a credit balance of N505,000. On investigation, the following were discovered:

- i. Cheque Numbers 51522 and 32552 for N42,000 and N43,000 respectively, have not been presented for payment.
- ii. Interest on investment of N41,000 has not been posted into the Cash Book.
- iii. A sum of N42,000 paid into the bank was credited only after the bank statement was issued.
- iv. Bank charges of N1,000 have not been recorded in the Treasury Cash Book.

You are required to prepare a Bank Reconciliation Statement for the Local Government. (10 marks)

b) State 3 importance of bank reconciliation statement (5 marks)

## QUESTION 4

a) Explain with examples the term “self accounting unit”. (3 marks)

b) What are the three conditions to be fulfilled for a unit to be referred to as self accounting (4.5 marks)

c) State five advantages and five disadvantages of a self accounting unit. (7.5 marks)

## QUESTION 5

Explain the following term:

- i. Annual General Warrant of Recurrent Expenditure; (5 marks)
- ii. Provisional General Warrant; and (5 marks)
- iii. Supplementary General Warrant. (5 marks)

## QUESTION 6

Explain in details 6 functions of the sub-accounting officer. (15 marks)