

ZIMBABWE EZEKIEL GUTI UNIVERSITY



FACULTY OF COMMERCE

DEPARTMENT OF ACCOUNTING AND FINANCE

B. COM ACCOUNTING

COURSE: PUBLIC SECTOR ACCOUNTING I

COURSE CODE: CAC401

DURATION: 3 HOURS
13 JUNE 2018

INSTRUCTIONS TO CANDIDATES:

1. Answer all questions.
2. No cell-phones are allowed in the examination.
3. Use of silent non-programmable calculators is allowed.

QUESTION 1

- a) In Zimbabwe, there are three forms of public enterprises which are:
- i. Departmental undertakings;
 - ii. Statutory corporations and
 - iii. Government companies

Required

Describe the features of each of the above. (15 marks)

- b) Describe the role of Zimbabwe Revenue Authority (ZIMRA) taking reference to the provisions in the Act. (10 marks)

[Total: 25 marks]

QUESTION 2

Part A

Briefly explain the term modified accrual accounting. (5 marks)

Part B

The following transactions have been extracted from the books of a government department:

2017

January 31 Collected VAT amounting to \$11m

March 25 Levied real estate tax \$108m and estimated that \$8m is uncollectible

August 31 Collected \$106m of the real estate tax

October 20 Collected Income tax \$200m

Required:

Record the above transactions using the modified accrual basis in the following ledgers

- i) Cash account (5 marks)
- ii) Taxes receivable (5 marks)
- iii) Revenue control (5 marks)
- iv) Estimated uncollectible taxes (contra account) (5 marks)

[Total: 25 marks]

QUESTION 3

Discuss any possible ways of government re-inventing that Zimbabwe can undertake.

[Total: 20 marks]

QUESTION 4

(a) Explain the following budgetary control terms that are used in public sector organisations giving the advantages and disadvantages of each case.

i. Incremental budgeting. **(7 marks)**

ii. Zero based budgeting. **(7 marks)**

iii. Virement budgeting. **(7 marks)**

b) Briefly describe the functions of the auditor general as outlined in the constitution of Zimbabwe. **(9 marks)**

[Total: 30 marks]

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