

ZIMBABWE EZEKEL GUTI UNIVERSITY



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FACULTY OF BUSINESS, ECONOMICS AND ACCOUNTING

DEPARTMENT OF ACCOUNTING AND FINANCE

EXAMINATION PAPER

COURSE CODE : CAC 410
COURSE TITLE : PUBLIC SECTOR ACCOUNTING 11
SPECIAL REQUIREMENTS : Non- programmable Calculator
DURATION : 3 Hours
LEVEL : 4.2
DATE : 14 NOV 2019

INSTRUCTIONS TO CANDIDATES:

1. Answer all questions.
2. No cell-phones are allowed in the examination.

Question 1

(a) State and explain five types of funds available to local authorities in Zimbabwe.

(10 marks)

(b) An external loan of \$800 000 bearing interest of 10% per annum must be repaid in full after 6 years. Redemption fund contributions have to be made in such a way that the statutory requirement of 7% per annum is met.

Required:

(i) Prepare an amortisation table in which the periodic contributions, interest earned on investments and accumulated fund investment at the end of each period is shown. (12 marks)

(ii) Prepare relevant journals in the final year (3 marks)

[Total: 25 marks]

Question 2

(a) Explain the similarities and differences between IPSAS 23: Revenue from non exchange transaction and IPSAS 9: Revenue from exchange transaction. (12 marks)

(b) Identify any 7 related parties as provided by IPSAS 20, related parties. (7 marks)

(c) Outline the disclosure requirements of the IPSAS 24, budget reporting. (6 marks)

[Total: 25 marks]

Question 3

The following relate to XYZ Town Council which has a trading unit of a restaurant for the period to 31 December 2018:

Capital outlay**(\$000)**

Land	7 000
Buildings	25 000
Equipment	17 000

Outstanding advances

Loans fund	20 000
Advances repaid	8 000
Revenue contribution to capital outlay	11 500
Revenue account surplus	3 300

Capital expenditure

New equipment (from revenue)	750
Building alterations (from advances from loan fund)	1 250
Sale of meals and refreshments	89 000
Miscellaneous income	8 000
Provisions	53 800
Transport	1 200
Salaries	20 000
Upkeep of buildings	6 250
Repair and renewals equipment	1 100
Administration expenses	1 400
Interest on advances from loans fund repaid	1 600
Advances on loans fund repaid	1 250

Balance at the end of the period

	(\$000)
Sundry debtors	1 800
Sundry creditors	4 000
Cash	4 100
Stock	3 000

Required:

- (a) Prepare the Revenue Account for the year ended 31 December 2018. (10 marks)
- (b) Prepare Memorandum Capital Statement for the year ended 31 December 2018. (10marks)
- (c) Prepare a Statement of Financial Position as at 31 December 2018. (5 marks)

[Total: 25 marks]

Question 4

Guided by IPSAS 33 the first adaptation of accrual bases. Compare and contrast cash and accrual bases of accounting.

[Total: 25 marks]

*****End of examination paper*****