



FIJI PUBLIC SERVICE

EXAMINATION –U

30th August – 2006

PAPER B – GOVERNMENT ACCOUNTING SYSTEM

**Time: 2.5 Hours {2pm- 4.40pm}
(10 min. reading time)**

Total Marks: 100

Instructions to Candidates

1. Ensure that your **index number is written on** the top right hand corner of every sheet of paper you use. Your name **must not** appear anywhere on the answer script.
2. You may use blue or black ink or ballpoint pen. You **must not** use a red pen or pencil and answers written in either of this, the answer script will not be marked.
3. Read each question & instruction very carefully. Note the allocation of marks to each question and distribute your time accordingly.
4. **Ten (10) minutes** is allocated to read the questions, thus, you **must not** start writing until you are told.
5. Use of Mobile phone in the class/ hall is not permitted. It should be switched off before the commencement of the exam.
6. Please note that a candidate will be disqualified from sitting or to continue with the examination if one does not comply with the above and other instructions announced by the invigilator.

QUESTION 6 (10 marks)

Why is it important to prepare cash-flow forecast from the point of view of the (i) budget sector agency; (ii) the Ministry of Finance and National Planning?

QUESTION 7 (10 marks)

- (i) Prepare a trading account from the information given below. Marks will be awarded for presentation (format). **(6 marks)**

Stock 01.01.2005 \$2,500, Purchases \$10,000; Sales \$30,000; stock 31.12. 2005 \$1,000; wages \$ 10,400; Misc. exp \$120; Rent \$1,400; and delivery expenses \$380.

- ii) What is the Gross Profit? **(2 marks)**;
- (iii) What is the Net Profit? **(2 marks)** .

QUESTION 8 (10 marks)

- (i) What is the role of Internal Audit? **(5 marks)**?
- (ii) Why is it considered a good practice for Agencies to have an internal audit function? **(5 marks)**

QUESTION 9

Explain in detail the functions of the Office of the Auditor General? **(10 marks)**

QUESTION 10 (10 marks)

Explain in detail the composition, role and functions of the Agency Tender Boards?

END

EXAMINATION U

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PLEASE ANSWER ALL QUESTIONS

QUESTION 1 (10 marks)

Define the following terms in the context of Government Accounting.

- a) Cash Accounting
- b) Accrual Accounting
- c) Fixed Asset
- d) Balance Sheet
- e) Current Liability

QUESTION 2 (10 marks)

The traditional approach to budgeting in Government was input based but under the Financial Management Reform the new budget approach is performance budgeting.

- (i) Explain in your own words what you understand by Performance Budgeting **(5 marks)** ;

- (ii) Name some advantages or benefits of this approach **(5 marks)**.

QUESTION 3 (10 marks)

Name the 5 core Principles of Responsible Financial Management identified in the Financial Management Act, 2004 and explain in your own words **(10 marks)**.

QUESTION 4 (10 marks)

The power to write-off losses has been delegated to CEOs by the Minister for Finance. Discuss the steps involved in write-off loss of Fixed Assets valuing \$5,000.

QUESTION 5 (10 marks)

Identify 3 internal control measures over Revenue collections to ensure that the procedure is adequate to safeguard from revenue loss.