



FIJI PUBLIC SERVICE

EXAMINATION – U

05th December – 2007

PAPER B – THE 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. Access to reference materials is forbidden.
4. Read each question & instruction very carefully. Note the allocation of marks to each question and distribute your time accordingly.
5. **Ten (10) minutes** is allocated to read the questions. **Do Not** start writing until you are told to do so.
6. Use of Mobile phone in the class/ hall is not permitted. It should be switched off before the commencement of the exam.
7. 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.
8. Candidates must use standard calculators only. Where calculations are required you must show full working on the answer scripts.

QUESTIONS 1- 4 ARE COMPULSORY QUESTIONS

QUESTION 1

(10 marks)

Explain in your own words the 5 core Principles of Responsible Financial Management identified in the Financial Management Act, 2004.

QUESTION 2

(10 marks)

What is cash flow forecasting and why do you think it is necessary?

QUESTION 3

(10 marks)

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

Stock 01.01.2006 \$3,000, Purchases \$15,000; Sales \$40,000; stock 31.12. 2006 \$2,000; wages \$ 12,000; Misc. exp \$200; Rent \$1,500; and delivery expenses \$250.

- (ii) What is the Gross Profit? **(2 marks)**

- (iii) What is the Net Profit? **(2 marks)**

QUESTION 4

(10 marks)

Under the Financial Management Reform, a new Finance Act, Finance Instructions and Finance Manual was formulated. Briefly explain what each of these documents constitutes.

ANSWER ANY SIX (6) QUESTIONS FROM 5 -12

QUESTION 5

(10 marks)

Name the three reports that the Minister of Finance must table in the House of Representatives required under the Finance Management Act 2004.

QUESTION 6

(10 marks)

If a salary cheque has been lost or misplaced by an officer, what are the procedures to follow, and how would you process a replacement cheque?

QUESTION 7**(10 marks)**

Describe what you understand and the application of the following:

- (i) Virements warrants
- (ii) Requisition to Incur Expenditure
- (iii) Appropriation Act
- (iv) Accounts Payable

QUESTION 8**(10 marks)**

There are three classes of imprest. In your own words briefly explain each one of them.

QUESTION 9**(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 10**(10 marks)**

Name the five duties of the Auditor General as defined in the Audit Act.

QUESTION 11**(10 MARKS)**

Under Performance Budgeting, name the four performance indicators with examples.

QUESTION 12**(10 MARKS)**

Agencies are required to prepare an Annual Financial Statement which is made from a number of statements. Name five of these requirements (or statements).

END