

NATIONAL OPEN UNIVERSITY OF NIGERIA
Plot 91 Cadastral Zone Nnamdi Azikiwe Express Way, Jabi-Abuja
FACULTY OF MANAGEMENT SCIENCES
DEPARTMENT OF FINANCIAL STUDIES
JANUARY 2018 EXAMINATION

COURSE CODE: ACC 418

COURSE UNIT: 3

COURSE TITLE: Public Sector Accounting & Finance

TIME ALLOWED: 2 ½ Hours

Instructions: 1. Attempt question one (1) and any other (3) questions.

2. Question one (1) carries 25 marks, while the other three (3) questions carry 15 marks each.

3. Present all your points in coherent and orderly manner

1. a. What is the Consolidated Revenue Fund? How is it different from the Federation Account? **(4 Marks)**

b. The Federal Treasury department supplied the following information for the month of December 2016.

	N, million
Petroleum profit tax	25,000
Companies Income tax	15,000
Import duties	1,500
Excise duties	1,400
Export duties	800
Education tax	1,000
Value added tax	4,000
Pay As You Earn by:	
Armed Forces personnel	150
Police Personnel	400
Foreign service Officers	300
Capital gains tax by Non-residents	60
Royalties on minerals	10,000
Sale of Crude oil by NNPC	18,000
Arms and ammunition license fees	50
Dividends from Federal government investment	90
Dividends from investment arising from excess crude oil account	1,000
Collection cost by FIRS and Nigerian Customs service	3,000

The Federal government's shares from the Federation account and VAT account are 52.68% and 15% respectively. 4.18% of the Federal government's share of the federation account is set aside for dedicated funds and this is already included in the Federal government share.

Required:

i. Calculate the total amount of money due to the Federal government from the Federation accounts allocation committee for the month of December, 2016.

(15 Marks)

ii. Determine the total amount to be paid into Federal government Consolidated revenue fund for the month of December, 2016. **(6 Marks)**

(Total =25 Marks)

2. (a) What are the purposes or objectives of Public Sector Accounting? **(5 Marks)**

(b) Mention four (4) legal documents introduced by the Nigerian Government between 1999 and 2015 in the development of Public Sector Accounting **(4 Marks)**

(c) Highlight the significance of Public Sector Accounting Information to the External and Internal Users. **(6 Marks)**

(Total =15 Marks)

(3) The Local Government is the third tier of Government closest to the grassroots.

(a) List the various sources of revenue available to the local governments **(5 Marks)**

(b) Discuss the functions of the Accountant General of the federation. **(5 Marks)**

(c) Define Development Fund and itemize the sources of revenue as well as charges to this account *5 Marks*

(Total =15 Marks)

(4) Woolf (1994) sees an audit as a process in which the accounts of business entities are scrutinized to enable the auditor to form an opinion as to the truthfulness and fairness of the accounts. The government and its parastatals conduct different types of audits with varying objectives and these determine the types of audit to be conducted.

a. Discuss four functions of the auditor general of the Federation. **(6 Marks)**

b. Explain six duties expected of an internal auditor in a public sector organization **(9 Marks)**

(Total =15 Marks)

5. a. What is the purpose of a public budget? **(6 Marks)**

c. List and explain briefly 4 types of budget that could be adopted by the government **(9 marks)**

(Total =15 Marks)

6. The following is a list of some items (Revenue and Expenditure) in respect of Consolidated Revenue Fund (CRF) and other receipts of Federal Republic of Nigeria for the years ended 31 December 2011 and 2012 respectively.

	2011 N'000	2012 N'000
Revenue received through the Statutory Federation Account Allocation	1,200	1,005
Total Internally Generated Revenue	690	610
Overhead cost	225	218
Personnel cost	1,305	1,061
Value-Added-Tax (VAT)	380	290
Opening balance of Capital Receipts as at 1 January	50	50
Grants and reimbursement from Developed Nations	55	50
External loans	675	577
Consolidated Revenue Fund charges	325	268

Required: Prepare Consolidated Revenue Fund (CRF) and determine the surplus of Revenue over Expenditure or Deficit of Expenditure over Income. **(Total=15 Marks)**