



**NATIONAL OPEN UNIVERSITY OF NIGERIA Plot 91 Cadastral Zone
Nnamdi Azikiwe Express Way, Jabi-Abuja
FACULTY OF MANAGEMENT SCIENCES
DEPARTMENT OF FINANCIAL STUDIES
2025_2 EXAMINATIONS_**

Course Code: ACC418

Credit Unit: 3Units

Course Title: PUBLIC SECTOR ACCOUNTING AND FINANCE

Time Allowed: 2½HOURS

Instructions:

- 1. Attempt question number one (1) and any other three (3).**
 - 2. Question number 1 is compulsory and carries 25 marks while the other 3 questions carry 15 marks each. Present all your work/point in coherent and orderly manner.**
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QUESTION 1

The Federal University Lokoja, launched a capital fund campaign for the construction of lecture theatres, auditorium and purchase of equipment on 3 January, 2023. By 31 July 2023, the following transactions had taken place;

Donations:	’000
Federal, State and Local Governments	70,000
Companies	10,000
University Staff and Individuals	15,000

Launching Expenses:

Abuja, Lagos and Port Harcourt Centres	600
Advertisement and Publicity	200

Between 1 August and 31 December, 2023, before the official opening of the theatres, the following events took place:

Construction of 2000-capacity theatre	10,000
Construction of 700-capacity theatre	6,000
Construction of 1000-capacity Auditorium	4,000
Purchase of Equipment	25,000

The Vice-Chancellor has called for briefing on 31 December, 2023.

You are required to prepare:

- a) Receipts and Payments Account. **6marks**
- b) Income and Expenditure Account for the period ended 31 December 2023. **7marks**
- c) The State of Affairs as at that date **7marks**
- d) What do you understand by Virement? Under which condition will it be issued? **5marks**

Total= 25marks.

QUESTION 2

What are the political and economic merits of the application of IPSAS to Nigeria? **15marks**

QUESTION 3

- i) How does IPSAS 6 describe the characteristics of Government Business Enterprise?
6marks
- ii) What are the objectives of general-purpose financial reporting in the public sector?
5marks
- iii) How does Paragraph 80 of IPSAS 1 describe Current Liability? **4marks**

Total = **15marks.**

QUESTION 4

Define Lease. What are the characteristics of a finance lease and how can lease be classified?
15marks

QUESTION 5

Who is the Officer Controlling Expenditure in the public sector and his functions? **15marks**