



**UNIVERSITI KUALA LUMPUR
BUSINESS SCHOOL**

**FINAL EXAMINATION
OCTOBER 2024 SEMESTER**

COURSE CODE	: EAB41303
COURSE NAME	: PUBLIC SECTOR ACCOUNTING
PROGRAMME NAME	: BACHELOR IN ACCOUNTING (HONS)
DATE	: 5 FEBRUARY 2025
TIME	: 2.00 PM – 5.00 PM
DURATION	: 3 HOURS

INSTRUCTIONS TO CANDIDATES

1. Please **CAREFULLY** read the instructions given in the question paper.
2. This question paper has information printed on both sides of the paper.
3. This question paper consists of **FOUR (4)** questions.
4. Answer **ALL** questions.
5. Please write your answers on the answer booklet provided.
6. All questions must be answered in **English** (any other language is not allowed).
7. This question paper must not be removed from the examination hall.

THERE ARE THREE (3) PAGES OF QUESTIONS, EXCLUDING THIS PAGE.

(Total: 100 marks)

INSTRUCTION: Answer ALL questions.

Please use the answer booklet provided

Question 1

- (a) List down the **FOUR (4)** aims of Outcome Based Budgeting and a diagram depicting the processes for planning and preparation of the National Budget based on the Outcome Based approach.

(15 marks)

- (b) Discuss the following:

i. The New Economic Model.

(5 marks)

ii. National Blue Ocean Strategy

(5 marks)

[25 marks]

Question 2

- (a) Since 2015, the Malaysian Government had planned to move its public sector accounting basis from modified cash basis into accrual basis accounting. Give **FIVE (5)** reasons why the move to accrual accounting will be beneficial to Malaysia.

(5 marks)

- (a) Briefly explain the **EIGHT (8)** qualitative characteristics of a public sector financial statement.

(12 marks)

- (b) Differentiate between "Exchange Transaction" and "Non-Exchange Transaction". Give **ONE (1)** example each for "Exchange Transaction" and "Non-Exchange Transaction".

(8 marks)

[25 marks]

Question 3**Call to open PAC proceedings to the public**

The Public Accounts Committee (PAC) proceedings should be made open to the public, say the committee's newly appointed chairman and vice-chairman. Chairman Datuk Mas Ermieyati Shamsuddin and vice-chairman Wong Shu Qi urged Dewan Rakyat Speaker, Datuk Johari Abdul, who is Chairman of the Standing Order Committee, to make the amendment to Standing Order 85 of the Dewan Rakyat.

"We believed PAC hearings should be held openly to ensure all proceedings are held in a transparent manner with accountability and credibility in line with institutional reforms which is the main focus of the current government," they said in a joint statement. They said their first task would be to visit the Boustead Heavy Industry Corp (BHIC) shipyard in Lumut, Perak to find the progress of the Royal Malaysian Navy's Littoral Combat Ship (LCS) project. Which should be reported on a quarterly basis.

Mas Ermieyati and Wong also plan to meet soon with all ex-officio members of PAC from the Finance Ministry, Economy Ministry, Attorneys General's Chambers, Public Service Department, National Audit Department, Accountant General's Department and Malaysian Anti Corruption Commission (MACC) to discuss the direction of PAC and related matters.

The appointment of Masjid Tanah MP Mas Ermieyati and Kluang MP Wong to PAC on the 15th Parliament were approved by the Dewan Rakyat via voice vote yesterday after the Prime Minister Datuk Seri Anwar Ibrahim tabled a motion on them. Mas Ermieyati is the second woman to Chair the PAC after Datuk Seri Noraini Ahmad in April 2019.

The PAC normally includes six to twelve members whom a selection committee nominates. It has a Westminster parliamentary system for scrutinizing the findings of public audits. The PAC can also call up ministers, the public civil service and other officials for questioning, before the committee. The Dewan Rakyat also announced the 10 bipartisan special select committees, consisting of nine members, to serve as better check and balance on the government.

According to the blue bill for the MPs, Finance and Economy will be chaired by the former deputy finance minister and Paya Besar MP Datuk Mohd Shahrir Abdulaziz; Health (former health minister and Kuala Selangor MP Datuk Seri Dr Dzulkefly Ahmad) as well as Entrepreneurship, Cost of Living and Agriculture (Rasah MP Cha Kee Chin). Infrastructure, Transport and Communications is chaired by Tanjong Manis MP Yusof Abu Wahad; Women,

Children and Community Development (Bakri MP Yeo Bee Yin); Security (Ranau MP Datuk Jonathan Yasin) as well as International Relations and International Trade (Subang MP Wong Chen).

Human Rights, Elections and Institutional Reforms will be headed by Kota Melaka MP Khoo Poay Tiong; Environment, Science and Agriculture chaired by Sandakan MP Vivian Wong and National Building and Education & Human Resource Development chaired by Jempol MP Datuk Shamsulkahar Mohd Deli.

(Source: The Star, 5 April 2023).

Required:

- (a) Briefly explain "Public Accounts Committee" (PAC) and its reporting structure.
(5 marks)
 - (b) In the event that the Ministers and Government officials refuse to attend the PAC hearings when they are called upon, does the PAC have any powers to penalised them. Justify your answers from the ethical point of view.
(10 marks)
 - (c) Discuss your opinion on "should the PAC proceedings be open to public?".
(10 marks)
- [25 marks]**

Question 4

- (a) Based on MPSAS 40 – Public Sector Combinations, explain **TWO (2)** types of combinations recognized by the standard and give **ONE (1)** example for each of them.
(15 marks)
 - (b) Both the Malaysian Financial Reporting Standards (MFRS) 3 – Business Combinations and Malaysian Public Sector Accounting Standards (MPSAS) 40 – Public Sector Combinations focus on "control" as the determination of combinations. Differentiate "**control**" from the MFRS 3 and MPSAS 40 point of views.
(10 marks)
- [25 marks]**

END OF EXAMINATION PAPER