



UNIVERSITI KUALA LUMPUR BUSINESS SCHOOL

FINAL EXAMINATION
JANUARY 2016 SEMESTER

SUBJECT CODE : EAB41303
SUBJECT TITLE : PUBLIC SECTOR ACCOUNTING
LEVEL : BACHELOR
TIME / DURATION : 3:00PM – 6:00PM / 3 HOURS
DATE : 27TH JANUARY 2016

INSTRUCTIONS TO CANDIDATES

1. Please read the instructions given in the question paper CAREFULLY.
2. The question paper is printed on both sides of the paper.
3. This question paper consists of **FIVE (5)** 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

The establishment of Consolidated Fund is governed by the Federal Constitution 1957 and the Financial Procedure Act 1957. Accordingly, all government revenues and monies received have to be accounted for into a fund, known as the Consolidated Fund.

Required:

- A. Define fund accounting and explain the three (3) primary characteristics of fund accounting (7 marks)
- B. Identify and explain the three (3) types of consolidated fund adopted by the Federal Government in Malaysia (9 marks)
- C. State any **TWO** (2) instruments for internal and external borrowing (4 marks)

Total: 20 marks

Question 2

The Financial Statements of the Federal Government of Malaysia is prepared annually by the Accountant General of Malaysia in compliance with Section 16 (1) of the Financial Procedure Act 1957 (Revised 1977).

Required:

- A. Distinguish between cash basis, modified cash basis and accrual basis accounting for financial reporting in the public sector (6 marks)
- B. Identify the main components of financial statements of the Federal Government in Malaysia (6 marks)
- C. Explain any **FOUR** (4) reasons for Federal Government of Malaysia to adopt accrual accounting system (8 marks)

[Total: 20 marks]

Question 3

Outcome Based Budgeting (OBB) is a strategic management tool designed to improve resource management and public sector accountability. Successful implementation of OBB framework is supported by the integration of the budgeting process with the performance management process and consistent monitoring of outcomes.

Required:

- A. State the **FOUR** (4) strategic processes of OBB (4 marks)
- B. Identify and explain the **FIVE** (5) elements of Performance Monitoring and Evaluation Framework of OBB (10 marks)
- C. Discuss why the government changed its budgeting system from the Modified Budgeting System to OBB (6 marks)

Total: 20 marks

Question 4

The Malaysian Government Procurement Policies provide support for the full achievement of the objectives and aspirations of the National Development Policy and Vision 2020 towards a developed nation status.

Required:

- A. Identify any **THREE** (3) government principles in procurement (6 marks)
- B. State and explain the **THREE** (3) types of government procurement for supplies and services (9 marks)
- C. Discuss the 'Public-Private Partnership' in Malaysian public sector. (5 marks)

[Total: 20 marks]

Question 5

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One of the primary objectives of National Audit Department in Malaysia is to prepare quality and timely audit reports to the Parliament and State Legislatures towards enhancing good governance in the public sector.

Required

- A. Explain **THREE** (3) types of audit that are expected to be carried out in the public sector. (6 marks)
- B. Explain **THREE** (3) functions of Public Accounts Committee. (6 marks)
- C. Discuss the key challenges in Malaysian Public Sector Auditing. (8 marks)

Total: 20 marks

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END OF QUESTION PAPER

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