NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY

FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION

DEPARTMENT OF ACCOUNTING, ECONOMICS AND FINANCE

QUALIFICATION: BACHELOR OF ACCOUNTING HONORS	
QUALIFICATION CODE: 08BOAH	**LEVEL: 8**
COURSE CODE: PAR812S	**COURSE NAME:** PUBLIC SECTOR FINANCIAL ACCOUNTING AND REPORTING
DATE: November 2024	**PAPER:** THEORY AND CALCULATIONS
DURATION: 3 HOURS	**MARKS: 100**

1st OPPORTUNITY EXAMINATION	
EXAMINER(S)	Dr. S. Dzomira
MODERATOR:	Mr. Mutonga Samuel Mukelebai

INSTRUCTIONS

1. Capture your full name, student number and assessment number on the first page
2. Answer ALL the questions and manage your time properly.
3. Number each page correctly
4. Write clearly and neatly.
5. Do not write in pencil and do not use tip-ex, as this will not be marked.
6. The names of people and businesses used throughout this assessment do not reflect the reality and may be purely coincidental.
7. Use a non-programmable calculator.
8. **SHOW ALL WORKINGS!**

THIS QUESTION PAPER CONSISTS OF 3 PAGES (excluding this front page)

Question 1 (60 marks)

Below are the transactions of the consolidated fund for the year ended 31 December 2023

	Dr	Cr
	N$	N$
Taxes Paid by Individual		15,731,289
Taxes Paid by Companies		11,468,455
Other Direct taxes		6,765,102
Excises		9,433,578
Taxes on Goods and Services		8,021,037
Taxes on Exports		5,350,772
Program Grant		8,148,127
Project Grant		4,988,181
District Development		4,941,719
Property Income		8,758,558
Sales of Goods and Services		5,763,905
Fines, Penalties and Forfeiture		4,963,027
Established Position	12,138,953	
Non Established Position	729,399	
Allowances	2,192,931	
13% SSF		7,195
Utilities	1,125,614	
General Cleaning	392,137	
Rentals	18,706	
Travel and Transport	284,023	
Training, Seminar and Conference	72,618	
Consultancies	2,431,582	
Materials and Consumables	1,754,361	
Social Benefit	3,687,172	
Capitation Grant Subsides	293,414	
Fertilizer Subsidy	292,134	
Schools Subsidy	99,381	
Utility Subsidy	831,291	
Other Expenditure	1,965,089	
Consumption of Plant and Equipment		10,005,389
GETFUND	587,683	
District Assembly Common Fund	989,171	
Trust Monies		10,200,478
Cash and Cash Equivalent	9,341,283	
Loans	2,313,142	
Equity Investment	4,921,314	
Advances	1,231,162	
Domestic Loans		13,203,380
External Loans		20,095,386

Accumulated Fund	6,321,433	
Building at Cost	10,231,421	
Transport Equipment at Cost	6,931,463	
Plant and Equipment at Cost	30,000,214	
Work in Progress	9,139,809	
Computer Software at Cost	37,528,678	
	147,845,578	**147,845,578**

Additional information:

i. The Controller and Accountant General uses modified accrual accounting concept in the preparation of its accounts.
ii. Established Post salaries of N$2,937,000 was outstanding as at 31/12/2023.
iii. Interest on domestic and external loans are provided for at 20% and 15%respectively.
iv. The Central Government depreciates assets on cost basis using the schedule below:

Class of assets	**Number of years**
Building	50
Plant, Machinery, Furniture and Fittings	20
Transport Equipment	7
Computer Software and License	5

v. **Provisions:**

Specific provision for bad debt is made for loans receivables and investments as and when their non-recoverability is determined and where a request is made for write off to parliament. This provision is set at 3% and 5% respectively.

Required:

a) Prepare Statement of Financial Performance of the Consolidated Fund for the year ended 31/12/2023 and **(40 marks)**

b) Prepare Statement of Financial Position for the Consolidated Fund as at 31/12/2023. **(20 marks)**

(Show clearly all workings)

Question 2 (20 marks)

Below is the Revenue and Expenditure Extract of the Consolidated Fund for the year ended 31 December 2023.

Consolidated Fund of Namibia

Statement of Financial Performance for the year ended 31 December, 2023

	Actual	**Original Budget**
	$'000	$'000
Revenues		
Tax revenues	270,000	312,000
Non tax revenues	26,700	39,000
Grants and Donations	7,200	10,800
Total revenue	**303,900**	**361,800**
Expenditures		

Compensation of employees	121,500	124,800
Goods and Services	54,000	120,700
Consumption of fixed capital	1,950	-
Interest	81,000	82,100
Social benefit cost	1,500	1,800
Subsidies	1,080	1,170
Grants	2,700	2,910
Other expenditure	34,020	32,000
Total expenditure	**297,750**	**365,480**
Net Operating result	**6,150**	**(3,680)**

Additional information:

The Minister for Finance, has presented a mid-year budget review to Parliament that included a supplementary (additional) budget flor 2023. The Minister has cited several local and international reasons for the budget adjustments. The approved supplementary budget is as follows:

	N$'000
Compensation of employees	11,500
Goods and services	17,000
Interest	2,500
Social benefit cost	1,500
Subsidies	180
Total expenditure	**32,680**

Required:

Prepare a Budget Performance Statement **(20 marks)**

Question 3 (20 marks)

a) Accounting Concepts and Bases are broad basic assumptions, which underlie the preparation of the periodic financial statements of entities in the public sector. Unless stated, it would be assumed that they have been adhered to when preparing financial statements.

Required:

Explain THREE (4) key characteristics of each of the following Accounting Bases used in Public Sector Accounting:

i) Commitment accounting

ii) Accrual accounting

iii) Cash accounting **(12 marks)**

b) One objective of Public Sector Accounting is accountability. Accountability requires that government justifies how public resources are raised and utilized by means of Financial Reporting. Financial Reporting helps to improve the performance of, and trust in, the public sector.

Required:

Explain FOUR (4) other objectives of Financial Reporting in public sector organisations. **(8 marks)**