



**NAMIBIA UNIVERSITY
OF SCIENCE AND TECHNOLOGY
FACULTY OF COMMERCE, HUMAN SCIENCES AND EDUCATION**

DEPARTMENT OF ECONOMICS, ACCOUNTING & FINANCE

QUALIFICATION: BACHELOR OF ACCOUNTING (HONOURS)	
QUALIFICATION CODE: 08BOAH	LEVEL: 8
COURSE CODE: PAR812S	COURSE NAME: PUBLIC SECTOR FINANCIAL ACCOUNTING & REPORTING
SESSION: NOVEMBER 2025	PAPER: THEORY AND APPLICATION
DURATION: 3 HOURS	MARKS: 100

FIRST OPPORTUNITY EXAMINATION QUESTION PAPER	
EXAMINERS:	Mr. Kuhepa Tjondu
MODERATOR:	Mr. Emmanuel Milijala

INSTRUCTIONS
<ul style="list-style-type: none">• This question paper is made up of THREE (3) questions.• Answer All the questions and in blue or black ink.• Show all your working in the answer sheet.• Start each question on a new page in your answer booklet and show all your workings.• Questions relating to this paper may be raised in the initial 30 minutes after the start of the paper. Thereafter, candidates must use their initiative to deal with any perceived error or ambiguities and any assumption made by the candidate should be clearly stated.

PERMISSIBLE MATERIALS

Non-programmable calculator/financial calculator

THIS QUESTION PAPER CONSISTS OF 6 PAGES (Including this front page)

QUESTION 1

[25 MARKS]

A public sector entity purchases a site to be used for landfill waste disposal. The purchase includes the land and buildings on the site. The public sector entity assumes the liability to restore the site at the end of its useful life. No staff or processes are transferred as a result of the purchase.

Required:

- (a) Does the purchase of the landfill waste disposal site constitute a public sector combination? Explain your reasoning. **(5 marks)**

The territorial boundaries of two existing municipalities, A and B, are redrawn by Parliament through legislation; neither Parliament nor Central Government controls A or B. Responsibility for part of each municipality's former territory is transferred to a new municipality, C. Operations in respect of the transferred territories are combined to form C.

A and B remain otherwise unchanged and retain their governing bodies. A new governing body (unrelated to the governing bodies of A and B) is elected for C to manage the operations that are transferred from the other municipalities.

- (b) Should this public sector combination above be classified as an amalgamation or an acquisition? **(5 marks)**
- (c) List 10 Disclosures made in respect of the GGS in line with IPSAS 22, Disclosure of Financial Information about the General Government Sector. **(10 marks)**
- (d) What are the conditions that must be satisfied for Revenue from the sale of goods to be Recognised in line with IPSASs 9 Revenue from Exchange Transactions? **(5 marks)**

QUESTION 2

[25 MARKS]

- a) Discuss the objectives and scope of IPSAS 33 First-time Adoption of Accrual Basis International Public Sector Accounting Standards (IPSASs).
(10 marks)

- b) What are some of the advantages and arguments in favour of adopting accrual basis IPSASs.
(5 marks)

- c) What are the challenges that must be addressed when adopting IPSASs for the first time?
(5 marks)

- d) What are the Critical Success Factors when it comes to the implementation of IPSASs?
(5 marks)

QUESTION 3**[50 MARKS]**

The Trial Balance below relates to Tulela Teaching Hospital, a public hospital. **Trial Balance for the year ended 31 December, 2023**

	Debit	Credit
	N\$'000	N\$'000
Government subvention		100,750
Out-patient services fees		35,000
In-patient services fees		40,000
Development Partner grants (ii)		16,000
Established position salaries	62,000	
Casual Labour	5,600	
Contract appointment (local and foreign)	1,400	
Limited engagements	200	
Rent (iii)	5 500 0 0	150
Insurance	340	
Consultancy services	120	
Conferences, workshops and training	4,500	
Purchase of drugs	60,000	
Purchase of medical consumables	80,000	
Office expenses	20,000	
Repairs and maintenance	6,000	
Interest on loan	10,000	
Pharmacy sales		180,000
Diagnostic		85,000
Mortuary Services		9,400
Cafeteria and Canteen		4,650
Extension services		14,500
Furniture and office equipment (iv)	200,000	40,000

Medical equipment & accessories (iv & v)	420,000	120,000
Motor vehicles (iv)	120,000	20,000
Land and buildings (iv)	300,000	70,000
Bank and Cash	30,000	
Receivable from National Health Insurance Scheme (vi)	65,000	
Receivable from patients	15,000	
Payables		26,000
Loan from foreign Institution (2028) (vii)		350,000
Inventory of drugs	22,000	
Inventory of medical consumables	12,000	
Accumulated Fund		336,210
Other expenses	13,000	
	1,447,660	1,447,660

Additional Information:

i) The hospital prepares its financial statements in accordance with the International Public Sector Accounting Standards (IPSAS), the Public Financial Management Act and the current Chart of Accounts of the Government of Namibia.

ii) The Development Partner grants received from the Health Care Fund, an international organisation that provides free medical care to the rural poor and vulnerable individuals, are typically unconditional. However, 40% of this year's grant is subject to certain conditions, which had not been met as at December 31, 2023.

iii) Rent received in advance during the year amounted to N\$20,000 while rent owed by the hospital for the year amounts to N\$300,000.

iv) The hospital charges consumption of fixed assets on straight line basis as follows

Non-current Assets	Estimated Useful Life
Furniture and office equipment	5 years
Medical equipment and accessories	4 years
Motor vehicles	5 years
Buildings	10 years

Land constitute 30% of the amount of land and building shown in the trial balance.

v) A medical equipment valued at N\$20,000,000 which is included in the medical equipment and accessories listed on the trial balance, was completely damaged due to consistent power fluctuations. The value of this equipment should be written off.

vi) The hospital submitted a claim of N\$11,000,000 to the National Health Insurance Scheme for services provided to patients in the last quarter of 2023, but the payment has not yet been received. This transaction has not yet been reflected in the trial balance.

vii) The hospital took a loan of \$100,000,000 from Health World Bank on January 1, 2023 when the exchange rate was \$1 to N\$3.50. The exchange rate at 31 December 2023 is \$1 to N\$5.

viii) The inventories at 31 December 2023 were as follows:

Inventory type	Cost N\$'000	Net Realisable Value N\$'000	Current Replacement N\$'000
Drugs	15,000	16,000	14,000
Medical consumables	10,000	11,000	9,000

Required:

Prepare the following financial statements for for Tulela Teaching Hospital:

a) Statement of Financial Performance for the year ended 31 December 2023. **(30 marks)**

b) Statement of Financial Position as at 31 December 2023. **(20 marks)**

(Show all your workings; marks will be awarded for all the necessary workings!!!)

THE END