



MURANGA UNIVERSITY COLLEGE

(A constituent College of Jomo Kenyatta University of Agriculture & Technology)

MAIN CAMPUS

SUPPLEMENTARY / UNIVERSITY EXAMINATIONS

2015/2016 ACADEMIC YEAR

THIRD YEAR SECOND SEMESTER EXAMINATIONS

FOR THE DEGREE

OF

BACHELOR OF COMMERCE

COURSE CODE: HBF 2303

**COURSE TITLE: FINANCIAL MANAGEMENT IN THE
PUBLIC SECTOR**

DATE: 1ST JULY, 2016

TIME: 2 HOURS

INSTRUCTIONS TO CANDIDATES

Question ONE (1) is compulsory
Answer any other TWO (2) questions

MRUC observes ZERO tolerance to examination irregularities

HBF 2305: FINANCIAL MANAGEMENT IN THE PUBLIC SECTOR

QUESTION ONE

The Government of Kenya has had a steady Public Expenditure increase trend over the last 10 years.

- a) Discuss the main reasons for the growth in public expenditure in Kenya. **(15 marks)**
- b) Explain the main characteristics of a tax **(15 Marks)**

QUESTION TWO

One of the principle differences between non-profit and commercial organisations is that they have different reasons for their existence. Consequently, non-profit making organisations follow some accounting principles which differ from accounting principles followed by commercial organisations.

Required

Explain such principles followed by non-profit making organisations and why you think they are more appropriate than corresponding principles applicable to commercial organisations.

(20 Marks)

QUESTION THREE

Outline the role played in Government accounting by:

- (a) The Public Accounts Committee **(7 marks)**
- (b) The controller and auditor general **(7 marks)**
- (c) The government Ministries Accounting Officers. **(6 marks)**

QUESTION FOUR

Discuss the role and functions of the Treasury and its relationship with other Government department, in planning and controlling government expenditure.

(20 Marks)