



NATIONAL OPEN UNIVERSITY OF NIGERIA
Plot 91 Cadastral Zone Nnamdi Azikiwe Express Way, Jabi-Abuja
FACULTY OF MANAGEMENT SCIENCES
DEPARTMENT OF FINANCIAL STUDIES
2023_2 EXAMINATIONS

Course Code: ACC418

Credit Unit: 3

Course Title: PUBLIC SECTOR ACCOUNTING AND FINANCE

Time Allowed: 2 ½ HOURS

Instructions:

- 1. Attempt Question 1 and any other three (3) Questions.**
 - 2. Question 1 is compulsory and carries 25 marks while the other 3 Questions carry 15 marks each.**
 - 3. Present all your points in a coherent and orderly manner.**
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QUESTION 1 (a)

The Federal Allocation Committee approved N100m to be distributed among Five (5) Local Government Areas of Kogi State for the month of December, 2020. The amount was approved based on 50% equality of Local Government and 50% on population.

Local Government Area	Population
Ankpa	300,000
Dekina	500,000
Olamaboro	250,000
Okene	230,000
Kabba	<u>270,000</u>
	<u>1,550,000</u>

Ankpa Local Government Council generated the following revenue in addition to one allocated from the Federal Allocation Committee:

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Rates	45,000
Licenses	75,000
Fines	25,000
Motor Park Collections	55,000

Ankpa Local Government Council incurred the following expenses:

Salaries	100,000
Maintenance of vehicles	25,000
Stationeries	12,000
Electricity bills	13,000

Required:

Prepare:

- i) A statement showing the allocation made to the Five (5) Local Government Areas of Kogi State.
- ii) Receipts and payment account of Ankpa Local Council of Kogi State for the month of December, 2020. **(15marks)**

QUESTION 1 (b)

What is Federation Accounts Allocation Committee (FAAC)? What are its functions and sources of revenue? **(10marks)**

QUESTION 2

Define Accounting Manual and state its merits and demerits. **(15 marks)**

QUESTION 3

Accounting concepts are the basic or fundamental assumptions or postulates upon which financial statements are prepared while accounting conventions refer to common practices which are universally followed in recording and presenting accounting information of an entity. Discuss six of such fundamental assumptions and four of such conventions as they relate to the Public Sector. **(15 marks)**

QUESTION 4

Who is the director of finance to the local government and what are his duties according to section 1.13 of the local government financial memoranda? **(15 marks)**

QUESTION 5

What are the sources of revenue for Government Universities and Government Hospitals? **(15 marks)**