

Eastern University, Sri Lanka

Final Year First Semester Examination in Bachelor of Commerce

(Specialization in Accounting and Finance)

2016/2017 (January 2019)

(Proper/Repeat)

DAF 4023 Public Sector Accounting and Financial Regulations

No. of questions: 05

No. of pages: 05

Time: 3.00 hours

Answer all questions

- (I) Write the appropriate answer on the script for the following multiple choice questions.
- i. What type of budgetary methods was emphasized for national budget of government of Sri Lanka for the financial year of 2018.
    - a. Zero based budgeting
    - b. Incremental budgeting
    - c. Performance based budgeting
    - d. Program based budgeting
  - ii. .... in the Ministry of Finance is responsible for fund management for the government of Sri Lanka.
    - a. Department of Development Finance
    - b. Department of Treasury Operations
    - c. Department of Management Services
    - d. Department of Public Finance
  - iii. .... provide assurance and consulting services designed to add value and improve accountability of public services to the Ministry and its departments.
    - a. Department of Attorney General
    - b. Department of Legal Affairs
    - c. Treasury operation Department
    - d. Department of Management Audit
  - iv. .... shall have full control over public finance.
    - a. Ministry of Finance
    - b. Treasury
    - c. Cabinet
    - d. Parliament

- v. Fund generated by Sri Lanka Social Security Board is categorised as .....
- Advance Account Activity
  - Consolidate fund
  - Contingencies fund
  - Special statutory funds
- vi. Suppose, the damage caused to government property by an employee is given below
- |                                  |               |
|----------------------------------|---------------|
| Book value of the property       | : Rs.300,000  |
| Purchase price                   | : Rs. 290,000 |
| Custom duty                      | : 10%         |
| Turnover Tax                     | : 01%         |
| Cost of traveling and transport: | Rs.20,000     |
- Based on the above information the maximum recoverable value of the loss from the employee is .....
- Rs. 414,400
  - Rs. 428,000
  - Rs. 353,000
  - Rs. 341,900
- vii. The estimates relating to advance accounts show four types of limits, namely .....
- maximum limit of receipts, debit balances, liabilities and minimum limit of expenditure.
  - maximum limit of expenditure, debit balances, liabilities and minimum limit of receipts credited to the accounts.
  - minimum limit of expenditure, debit balances, liabilities and minimum limit of receipts credited to the accounts.
  - maximum limit of expenditure, debit balances, liabilities and maximum limit of receipts credited to the accounts.
- viii. Payment for the salaries for the employees belongs to the government budgetary .....
- Special Law
  - Capital
  - Advanced
  - Recurrent

ix. After authorization of supplementary estimate by the Parliament, .....  
warrant will be issued.

- a. Special
- b. Advance
- c. Requisition
- d. General

x. Sri Lanka Public Sector Accounting Standards are applicable for all except; the

- a. Local Authorities
- b. Government Business Enterprises
- c. All Statutory Boards (non-commercial)
- d. Central Government and Provincial Councils

(10 x 02 = 20 Marks)

Write whether following statements are True/False in the answer scripts.

- i. Waiver is a process of paying arrears amount by the Government.
- ii. Assessment, Collection and Acceptance are the three stages in public receipts.
- iii. Bursar of a University and Chief Accounting Officer in a Kachchery are considered as chief accounting officer.
- iv. Special Law Services are services for which appropriations are made by the Act other than an Appropriation Act.
- v. Approving services, works or supplies at the completion and to admit claims is referred as Approval procedure.
- vi. "A" Class departments are permitted to utilize their direct receipts as part of their Imprest.
- vii. No sum can be withdrawn from the consolidated fund except under the authority of a warrant under the hand of the Minister of Finance.
- viii. Damage caused by floods to tank bunds, culverts, bridges, roads, railway tracks and buildings is considered as losses as per the FR 102.
- ix. Requisition warrant shall be issued to release money for expenditure on any of the Supply Services which has been withheld, and the Cabinet subsequently decided to incur the expenditure.
- x. When planning of expenditure, two stage approval is needed when the initial cost of capital is not less than 5 million.

(10 x 01 = 10 Marks)

(III) Write the appropriate F. R. Number given below for matching the following items.

FR 2, FR 3, FR 5, FR 17, FR 66, FR 77, FR 78, FR 90, FR 91,  
FR 100, FR 101, FR 135, FR 137, FR 756

- i. It is necessary that a Warrant, under the hand of the Minister in charge of the Finance, should be issued before any charge is made on the Consolidated Fund. \_\_\_\_\_
- ii. By an Act the Parliament create a Contingencies Fund for the purpose of providing for urgent and unforeseen expenditure. \_\_\_\_\_
- iii. Special Statutory Funds. \_\_\_\_\_
- iv. Seeking budgetary support for Capital Projects implemented by State Corporations, Boards and other Corporate Bodies. \_\_\_\_\_
- v. Transfer of Financial Provision – Virement Procedure \_\_\_\_\_
- vi. Imprest Authority. The actual amount of money that each department would require for its payments is determined by the Treasury, on the basis of particulars furnished by each department. \_\_\_\_\_
- vii. Planning of Capital Expenditure. \_\_\_\_\_
- viii. A loss suffered by the Government may fall within the definition. \_\_\_\_\_
- ix. An accounting Officer may delegate his functions either generally or with respect to an individual transaction. \_\_\_\_\_
- x. Annual Survey of Stores in all Departments. \_\_\_\_\_

(10 x 01 = 10)

(Total: 40)

02. (I) Briefly explain the structure of the Ministry of Finance and Treasury in Sri Lanka. (04)
- (II) Briefly discuss the different types of fund maintained by the Government for managing its expenditure. (04)
- (III) Explain the key function of Treasury. (04)
- (IV) Suppose, due to floods in December 2018, many people in several districts were being affected and needing food and shelter to be provided by the Government of Sri Lanka. Assume that the Government did not have sufficient budgetary provisions for 2018 to manage this situation. Explain how you can find solution to provide immediate solution to the public affected by the Government. (03)

(Total: 15)

B. (I) States the procedural differences among small projects, large projects and sectoral plans when implementing capital projects in the government of Sri Lanka. (04 Marks)

(II) Briefly discuss the role of President of Democratic Socialist Republic of Sri Lanka, Parliament, Cabinet and Ministry of Finance and Planning in passing of Appropriation Act and implementation of the Budget. (05 Marks)

(III) After parliament approval is obtained for the budget, can treasury release money for such public expenditure directly to all type of Government organizations in Sri Lanka? Justify your answer. (03 Marks)

(IV) Explain different types of "sub imprest" used by a department. (03 Marks)

(Total: 15 Marks)

4. (I) Briefly illustrate how supervision of financial matters are executed in the government of Sri Lanka (04 Marks)

(II) List out maximum recoverable value of loss regarding following losses.  
a. Cash  
b. Stamps and Tickets  
c. Other government properties (stocks)  
d. Animals, birds, fish and plants (05 Marks)

(III) Briefly explain the summary of action to be taken when losses incur in a department. (03 Marks)

(IV) Many government ministries and departments operate "Various Advance Account Activities", in the performance of its services. Explain. (03 Marks)

(Total: 15 Marks)

05. Write short notes on any three from the followings aspects.

- (I) Objectives and Functions of Internal Audit
- (II) Foreign Aid Loan and Grant
- (III) Responsibilities of Chief Accounting Officer and Accounting Officer
- (IV) Procurement Principles and Methods in the Government Sector.
- (V) Committee on Public Accounts (COPA).

(Total: 03 x 05 = 15 Marks)