



EASTERN UNIVERSITY, SRI LANKA
FACULTY OF COMMERCE AND MANAGEMENT
FINAL YEAR FIRST SEMESTER EXAMINATIONS IN COMMERCE
(SPECIALISATION IN ACCOUNTING AND FINANCE) – 2009/2010 (DECEMBER 2010)
(PROPER)

DAF 4143 PUBLIC SECTOR ACCOUNTING AND FINANCIAL REGULATIONS

Calculators are permitted	Number of questions : 05
Answer all questions	Number of pages : 03
	Time Allowed : 3.00 Hours

01. i. Highlight five (05) important matters relating to the role played by the Parliament in the control of public finance in Sri Lanka. (05 Marks)
- ii. Managing "Consolidated Fund" is a vital role of the government. Explain the provisions in the constitution of Sri Lanka regarding management of consolidated fund matters relating to its nature and operations, indicating what flows into the fund, and how withdrawals (expenditures) can be made from the fund. (07 Marks)
- iii. Show the structure of the Ministry of Finance and Treasury in Sri Lanka, and explain key functions executed by Treasury of Sri Lanka. (08 Marks)
- (Total 20 Marks)**
02. i. Since 1974, the Sri Lankan government has been practicing Programme Based Budgeting System for its investment and expenditure activities in order to cope with country development programme effectively. Discuss on the effectiveness of the Programme Based Budgeting System in Sri Lanka. (04 Marks)
- ii. Suppose a department has planned to commence a project, its initial cost for capital is Rs.15 000 000 and annual recurrent expenditure is Rs.750 000.
- a. In case of new capital project, what is the prerequisite needed to incorporate capital project in the annual estimate? (02 Marks)
- b. What are the steps which have to be taken to incorporate this project cost in to the annual estimate? (05 Marks)
- c. Explain briefly about Annual Budgetary Process in Sri Lanka? (03 Marks)
- d. What is the different between Annual Estimate and Appropriation Act? (02 Marks)
- iii. State the components of annual estimates and list out the available sources of financing for the estimate? (04 Marks)
- (Total: 20 Marks)**

03. i. What do you understand by the term of "Imprests" and "Imprest Authority"? (03 Marks)
- ii. Classify the departments by its distinct characters subject to managing imprest. (03 Marks)
- iii. An Accounting Officer can issue part of departmental Imprest as a Sub Imprest to his subordinates. List out such different types of Sub Imprest that can be issued by the accounting officer. (02 Marks)
- iv. Following information have been extracted from the printed budget estimate for 2010 in relation to an "A class department".

Financing source	Item	Approved Amount in Rs. "000"	
11	Recurrent Expenditure		
	Salaries	17 000	
	Other recurrent expenditure	42 000	59 000
	Capital Expenditure		
11	Capital expenditure	125 000	
12	Capital expenditure	55 000	
13	Capital expenditure	38 000	
14	Capital expenditure	225 000	443 000
	Total Expenditure		502 000

- Expected cross entry payments from salaries is Rs.3 000 000.
- Provisions of Rs. 110 000 000 have been arranged to be received from other departments.
- Works valued for Rs. 97 000 000 have been arranged through other department.
- A sum of Rs. 75 000 000 is expected to be collected as Revenue.

Required :

(i) Calculate

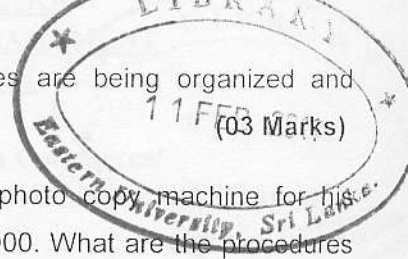
- Total Imprest limit, and (06 Marks)
- Imprest limit that can be received from the Treasury as "A class department".

(03 Marks)

(ii) Is there any approved expenditure category for which Treasury does not release money? If so identify and state the value.

(03 Marks)

(Total 20 Marks)



04. i. Briefly explain how the financial management activities are being organized and coordinated in the government institutions of Sri Lanka. (03 Marks)
- ii. Suppose a departmental head wants to purchase a photo copy machine for his department. Its value is expected to be around Rs.275 000. What are the procedures required to be followed until making the payments to supplier. And, explain one of key responsibility of each respective officer at each stage. (05 Marks)
- ii. Part II of Appropriation Act approved by parliament consists of Advance Account Activities for managing certain type of activities of Government.
- a. Explain briefly the Advance Account Activity and list out the different categories of such activities. (03 Marks)
- b. How are these activities controlled? (02 Marks)
- c. How are the Expected Loss and Unexpected (unauthorized loss) treated for the Advance Account Activities related with trading and manufacturing concerns? (02 Marks)
- iv. "Passing of the Appropriation Act or Special Law by Parliament, or a resolution of Parliament, does not itself provide complete authority for expenditure of money from the Consolidated Fund unless the Minister in charge for finance issuing warrant". List out the different types of warrants that are issued by the Minister and their purposes. (05 Marks)
- (Total 20 Marks)

05. Write short notes on any of four (4) from the followings:
- i. Committee on Public Accounts
- ii. Losses in Public Organizations
- iii. Forms of Foreign Aid received by the government.
- iv. Managing Fixed Assets in Public Sector
- v. Role of Internal Audit Unit
- vi. Books of accounts maintained in Kachcheri and Courts of Sri Lanka

(Total: 04 x 05 = 20 Marks)