

**KENYA SCHOOL OF GOVERNMENT**

**PROFICIENCY EXAMINATION FOR CLERICAL OFFICERS**

**AUGUST 2019**

**PAPER CODE: 701**

**ACCOUNTS**

**DATE: THURSDAY, 22<sup>ND</sup> AUGUST 2019**

**TIME: 2.00 P.M. – 4.00 P.M. (2 HOURS)**

**INSTRUCTIONS TO CANDIDATES**

1. This paper consists of two sections, A and B.
2. Section A consists of **twelve** compulsory questions carrying 40 marks.
3. Section B consists of **three** compulsory questions each carrying 20 marks.
4. Answer all the questions on the answer booklet provided.
5. Calculators may be used.

## SECTION A: COMPULSORY

1. Identify **four** parts of a purchase day book. **(4 marks)**
2. Government financial regulations require that accountable documents be preserved for a specified period of time. State the minimum duration for preserving the following documents.
  - i. Cashbook
  - ii. Payment Voucher
  - iii. Paid Cheques
  - iv. Journals **(4 marks)**
3. Highlight **two** merits of using financial statistics standard codes in the preparation of a payment voucher. **(4 marks)**
4. Define the term '**Vote on Account**' as used in government budgeting. **(2 marks)**
5. List **four** features of a valid payment voucher. **(4 marks)**
6. Taxation is one of the sources of government revenue. List **four** types of income tax imposed by the government. **(4 marks)**
7. In the control of government funds, certain checks are put in place before funds can be spent. State **four** such checks. **(4 marks)**
8. Name the **two** main entries that should balance in a cashbook. **(2 marks)**
9. Name **two** payments in a cashbook that are not found in a bank statement. **(2 marks)**
10. List **two** supporting documents that must be attached to a payment voucher for goods procured. **(2 marks)**
11. Outline **four** conditions that must be fulfilled before issuance of a temporary imprest. **(4 marks)**
12. Highlight **four** key items that must be indicated in a bank reconciliation statement. **(4 marks)**

## SECTION B: COMPULSORY

13. (a) As a clerical officer deployed in the Accounts section, you have been appointed as a cashier and tasked to make daily entries in the cash analysis book. On 1<sup>st</sup> July 2019, you made the following transactions:
- Paid cheques worth Kshs 490,500 to be banked in the client's bank the following day.
  - Issued imprest to the Director Human resource management Mr. Tom worth Kshs 98,600.
  - Paid the pending payment vouchers for office supplies totaling to Kshs 528,330.

At the end of the day you remained with currency in the following denominations:

Denomination	Notes/Coins
1,000 shillings	120
500 shillings	50
200 shillings	10
100 shillings	5
50 shillings	4
40 shillings	3

### Required:

Prepare cash analysis as at 1<sup>st</sup> July 2019. **(12 marks)**

(b) Explain **four** benefits of the Integrated Financial Management Information System in the control of public funds. **(8 marks)**

14. (a) The head of revenue department at XYZ County Government has provided you with the following information for the year ended 30<sup>th</sup> June 2019 for revenue Head 530- 535.

Head	Description	Estimated Receipts (Kshs)	Actual Receipts (Kshs)
531	Renting building and equipment	850,000	870,000
532	Fees for trading licences	430,000	400,000
533	Parking fees	740,000	780,000
534	Market fees	235,000	210,000

The following additional details are made available:

- Balance at hand as at 30<sup>th</sup> June, 2018 is Kshs 247,000.
- Amount paid to exchequer during the year is kshs 2,347,000.

### Required:

Prepare a statement of revenue for the year ended 30<sup>th</sup> June 2019. **(12 marks)**

(b) You have been tasked to record the following transactions incurred by Harambee County in the month of May 2018.

Date	Transaction
8/5/2018	A faulty shredding machine worth Kshs 200,000 was returned to Abu suppliers. The machine had a warranty that guaranteed its replacement within the year. The supplier provided a credit note no.2/001 to Harambee County.
12/5/2018	Printing papers worth Kshs 50,000 were returned to Nilu suppliers. The printing papers were delivered as coloured papers instead of plain papers. A credit note no.3/002 was offered by the supplier.
16/5/2018	Ten counter foil receipt books worth Kshs 60,000 were returned to the Government Printer since they were delivered in excess. A credit note no. 4/003 was offered by the Government Printer

**Required:**

Post the above transactions in a returns outwards day book. **(8 marks)**

15. (a) The following transactions took place in Watamu ministry under transport operating expenses item. A.I.E allocation was Kshs 100,000 per quarter.

Date	Transaction
3/7/2018	Issued LPO no. 38 for Kshs 30,000 to M/S Kanji.
8/7/2018	Placed an indent for fuel vide detail order no 346 for Kshs 40,000 with Kenya Shell.
1/9/2018	The cashier paid PV no.2 for Kshs 30,000 to M/S Kanji in respect of LPO no. 38
22/9/2018	Part payment (PV no.3) to Kenya Shell of Kshs. 20,000 in respect of fuel detail order no.346.

**Required:** Post the above transactions in a vote book. **(10 marks)**

- (b) As a clerical officer deployed in the Accounts section, you have been tasked to examine surrendered standing imprest before clearance for reimbursement. Explain **five** actions you will take in this process. **(10 marks)**