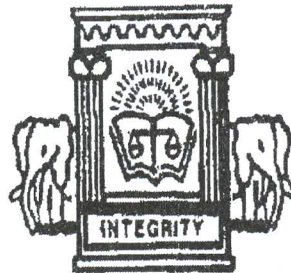


# INSTITUTE OF CHARTERED ACCOUNTANTS (GHANA)



MAY 2011 EXAMINATIONS  
(PROFESSIONAL)

PART 3

PUBLIC SECTOR ACCOUNTING  
(Paper 3.2)

Attempt ALL Questions

TIME ALLOWED:

Reading & Planning - 15 Minutes  
Workings - 3 Hours

## QUESTION 1

- (a) The National Pensions Act, 2008 provides for pension reform in the country by the introduction of a contributory three-tier pension scheme, the establishment of National Pension Regulatory Authority and National Insurance Trust to manage the basic Social Security Scheme.

Mention **three (3)** objectives of the National Pensions Scheme.

*(3 marks)*

- (b) Incurring of Public Debt by the Government of Ghana has been argued at public discourse as a necessary evil. Discuss.

*(6 marks)*

- (c) Explain the following expressions as used in Public Sector Accounting.

- (i) Above-the-line-Accounts
- (ii) General Revenue Balance
- (iii) District Assembly Common Fund
- (iv) Fund

*(6 marks)*

- (d) In approving the formula for sharing the District Assembly Common Fund, Parliament by a consensus decision in 1997 resolved that 60% of the 10% of DACF allocation to the reserve fund be shared on parliamentary constituency basis and that the utilization of the amount be for projects selected and approved by the Member of Parliament.

State **five (5)** guidelines for the selection of projects by the Member of Parliament.

*(5 marks)*

**(Total: 20 marks)**

## QUESTION 2

- (a) During the course of the financial year, the Minister under the authority of the president shall review the Budget. Where in the course of the review, it is found that the amount of money appropriated by the Appropriation Act for any purpose is insufficient, a supplementary budget estimate showing the sum required shall be laid before Parliament for approval.

