



UNIVERSITY OF COLOMBO, SRI LANKA

FACULTY OF MANAGEMENT AND FINANCE

Bachelor of Business Administration (Level II - Semester VII) Examination - 2017

ACT 2204 - Public Sector Accounting

Two (02) Hours

Answer question 1 in section A and any three (03) questions in section B

Section A

1. Read the following news article and answer the questions below:

Sri Lanka to invite bids for 'Megapolis' canal ferries

Investors interested in providing ferry services along waterways in the Sri Lankan capital Colombo under the proposed 'Megapolis Urban Agglomeration Project' (MUAP) will be invited to make bids this Sunday.

The Ministry of Megapolis and Western Development said in a statement the ferry services will be run as public-private partnerships.

The first phase will be a service on canals from Wellawatte to the suburb of Battaramulla which is expected to be operational in early 2018.

Several of Colombo's inland waterways will be used for passenger ferries under the Megapolis master plan helping commuters avoid traffic jams.

A ferry service from Fort to Union Place in the Beira Lake, as well as from Mattakkuliya to Hanwella along the Kelani River are also in the pipeline, as are potential other routes such as the Hamilton Canal towards Negombo.

The tender process, which is open to both international and local investors, is being supported by PPP advisors from the Government of the Netherlands, under a Government-to-Government technical assistance initiative.

(COLOMBO, June 16, 2017)

- i. Identify the "Procuring Entity" for buying the canal ferry service to Colombo inland waterways and explain the functions of the procuring entity in this regard.

(06 Marks)

- ii. Explain the three (03) different types of procurements perform by government.
(06 Marks)
- iii. Briefly explain the proposed bidding method for this procurement.
(05 Marks)
- iv. List the main components of government procurement process.
(04 Marks)
- v. Procuring Entity has requested the Secretary to the Ministry of Megapolis and Western Development being the Chief Accounting Officer for the project to appoint committees to carry out this procurement. Briefly explain two (02) important committees in the government procurement process.

(04 Marks)
(Total 25 marks)

Section B

2. Write brief notes on five (05) of the following:

- a) Central Government
- b) Committee On Public Enterprises (COPE)
- c) National Competitive Bidding (NCB)
- d) Audit Committee
- e) Secretary to the Treasury (ST)
- f) Cabinet of Ministers
- g) Provincial Government in Sri Lanka

(Total 25 marks)

3. Performance-based budget is a budget that reflects the input of resources and the output of services for each unit of an organization. This type of budget is commonly used by the government to show the link between the funds provided to the public and the outcome of these services.

i. Explain the current budget process of Sri Lanka.

(07 Marks)

ii. Compare traditional budgeting with performance-based budgeting.

(10 Marks)

iii. Discuss the advantages and disadvantages of performance-based budgeting.

(08 Marks)

(Total 25 marks)

4. Public Enterprises are able to control key areas of the economy, which is conducive to securing the state sector's key role so as to ensure stability and socio-economic development, thus raising our country's position and strength. Public Enterprises account for a large proportion of GDP, budget revenue, export volume and foreign investment projects with worthy contribution made to the fulfilment of social policies.

i. Briefly explain the four (04) main categories of Public Enterprises in Sri Lanka with examples.

(10 Marks)

ii. Describe the Corporate Governance Best Practices introduced to the Public Enterprises to safeguard interests of the enterprises.

(15 Marks)

(Total 25 marks)

5. The simplest definition of "public sector" is all organizations which are not privately owned and operated, but which are established, run and financed by government on behalf of the public. This definition conveys the idea that the public sector consist of organizations where control lies in the hands of public as opposed to private owners and objectives involve the provision of service, where profit making is not a primary objective.

i. Comment on the above.

(05 Marks)

ii. Explain the components of the Public Sector in Sri Lanka.

(10 Marks)

iii. Discuss who exercise the Executive Power, Legislative Power and Judicial Power of the Central Government of Sri Lanka and how they derive such power.

(10 Marks)

(Total 25 marks)

6. i. Define Public Financial Management.

(05 Marks)

ii. "Without the Parliament authorization, government cannot raise revenue or involve in public spending." Comment on this statement.

(10 Marks)

iii. Explain the importance of "public funds" in the Public Financial Management System of Sri Lanka.

(10 Marks)

(Total 25 marks)

7. i. Government which derives power from the people and manages public funds is accountable to the people. Comment on this statement and explain the different provisions available in the constitution to ensure that the governments adhere to this task.

(15 Marks)

ii. Briefly explain the public accountability supervision function of the government.

(10 Marks)

(Total 25 marks)
