



KISII UNIVERSITY
UNIVERSITY EXAMINATIONS

SECOND YEAR EXAMINATION FOR THE AWARD OF THE
DIPLOMA IN PUBLIC ADMINISTRATION
SECOND SEMESTER 2024/2025
(JANUARY – APRIL, 2025)

DPAD 0209: ACCOUNTING AND FINANCIAL MANAGEMENT

STREAM: Y2 S2

TIME: 2 HOURS

DAY: TUESDAY, 3.00 – 5.00 P M

DATE: 15/04/2025

INSTRUCTIONS:

- 1. Do not write anything on this question paper.**
- 2. Answer Question ONE (COMPULSORY) And Any Other Two questions.**

QUESTION ONE

- a) Explain the phases of accounting (10 marks)
- b) The following trial balance was extracted from the books New Dawn Enterprises as at 31st December 2024.

particulars	Dr.	Cr.
Opening stock	71040	
Carriage outwards	6000	
Carriage inwards	9300	
Returns inwards	6150	
Return outwards		9660
Purchases	356220	
Sales		558000
Salaries & wages	115860	
Rent	9120	
Insurance	2340	
Motor expenses	19920	
Office expenses	6480	
Lighting expenses	4980	
General expenses	9420	
Premises	150000	
Motor vehicle	54000	

Fixtures and fittings	10500	
Debtors	116880	
Creditors		155790
Bank	43380	
Drawings	36000	
Capital		379080
totals	998670	998670

Additional note:

Closing stock for the year ended was 88380.

Required:

b) Draw up an income statement for the year ended 31st December 2024 and a balance sheet as at that date (20marks)

QUESTION TWO

a) A finance manager executes several duties. Explain (10 marks)

b) Explain the limitations of financial statement analysis (10 marks)

QUESTION THREE

a) Discuss the importance of financial information to the following users. (10marks)

- i. General public
- ii. Suppliers
- iii. Lenders
- iv. Investors
- v. management

b) Explain five causes of inflation in an economy (10 marks)

QUESTION FOUR

a) XYZ ltd company was involved in purchasing a motor vehicle in 2018 for 15,000,000. This company is using an inflation technique to reinstate its financial records for the year end 2024. What will be the current cost of motor vehicle purchased in the year 2018 if the general price index in 2024 is 21600 and in 2018 was 7200 using current purchasing power method (10 marks)

c) Highlight five favorable arguments for profit maximization (10 marks)

QUESTION FIVE

- a) Explain the following concepts (10 marks)
- i. Financial management
 - ii. Accounting principles
 - iii. Inflation
 - iv. Accounting conventions
 - v. Balance sheet
- b) Given the following trial balance for Joyful Ltd, draw up an income statement for the year ended 31st December 2023 (10 marks)

particulars	Dr.	Cr.
Sales		411000
Purchases	258000	
Opening stock	32000	
Rent	84000	
Lighting expenses	16000	
General expenses	34000	
Fixtures and fittings	9600	
Debtors	296000	
Creditors		74000
Bank	28600	
Cash	5600	
Drawings	28000	
Capital		256000
Commission		48000
Return inwards	9200	
Return outwards		12000
Totals	801000	801000

Additional note:

- i) The closing stock as at 31st December 2023 was 18000.

QUESTION SIX

- a) Outline five generally accepted accounting principles (10 marks)
- b) Elaborate five qualities of good accounting information (10 marks)