



FINAL EXAMINATION
BACHELOR OF ACCOUNTANCY (HONOURS)

COURSE	: PUBLIC SECTOR ACCOUNTING
COURSE CODE	: PSA4013
DURATION	: 3 HOURS

INSTRUCTIONS TO CANDIDATES:

1. This question paper consists of **THREE (3)** questions.
2. Answer ALL questions in the Answer Booklet provided.
3. Please check to make sure that this examination pack consists of:
 - i. The Question Paper
 - ii. An Answer Booklet
4. Do not bring any material into the examination hall. The use of calculator is allowed.
5. Please write your answer using permanent ink.

MYKAD/ PASSPORT NO : _____

ID. NO. : _____

LECTURER : _____

SECTION : _____

DO NOT OPEN THIS QUESTION PAPER UNTIL YOU ARE TOLD TO DO SO

This question paper consists of 5 printed pages including the front page

QUESTION 1

- A. The Ministry of Education Malaysia has been allocated a total budget of RM12 billion for the year 2026 to fund schools, teacher salaries, and educational programs. During the first quarter, it was observed that RM3.5 billion had already been committed to salaries and ongoing programs, while RM1 billion was expected to be spent on new initiatives in the second quarter.

Required:

- a. Explain **ONE (1)** purpose of budgeting in the Malaysian government context. (4 marks)
- b. Justify **TWO (2)** types of budgets that the Ministry of Education may prepare. (8 marks)
- B. In 2026, the Ministry of Health Malaysia received an allocation of RM8 billion to manage public healthcare services. The budget was divided as follows:
- RM5 billion for hospital operations and staff salaries
 - RM1.5 billion for medical equipment and supplies
 - RM1 billion for rural clinic expansion
 - RM0.5 billion for new healthcare programs

By the end of the first quarter, the Ministry discovered that hospital operational spending had already reached RM1.8 billion, exceeding the expected the first quarter target of RM1.5 billion. At the same time, the rural clinic expansion program had only used RM0.2 billion due to delays in project approvals. Concerned about inefficiencies, the Ministry introduced the new budgetary approach:

Performance-based budgeting system (PPBS)

The funding was linked to measurable outcomes such as patient waiting time, hospital bed availability, and vaccination coverage rates.

After implementing these approach, operational waste decreased by 8%, patient service delivery improved, and budget monitoring became more transparent.

Required:

- a. Justify **TWO (2)** problems that faced by the Ministry in the first quarter. (8 marks)
- b. Describe **TWO (2)** ways on how performance-based budgeting helped improve healthcare service delivery. (10 marks)

(Total: 30 marks)

QUESTION 2

The information presented below details the balances of the Government's accounts as at 31 December 2025, prepared in accordance with applicable Malaysian public sector accounting standards and financial reporting requirements:

	Amount (RM)
External sukuk	550,200,000
Tax revenue	260,800,000,000
Revenue from fines and penalties	360,940,000
Internal sukuk	210,590,000
Development trust fund	540,700,000
Project loans	1,260,950,000
Purchases of vehicle and machinery	1,840,660,000
Revenue from federal territories	530,400,000
General deposits	205,120,000
Miscellaneous government trust fund	110,670,000
Revenues from license and permit	990,340,000
Government investment issues	1,395,780,000
Payment for renovation of building	14,090,450,000
General trust funds	520,860,000
Market loans	350,300,000
Payment for supplies	870,210,000
Special trust fund	240,650,000
Revenue from service charges	550,440,000
Treasury bills	1,300,570,000
Intra-government securities	95,100,000
Domestic private debt securities	440,220,000
Housing loan trust fund	620,400,000
Revenue from export customs duty	3,970,500,000
Purchase of financial instruments	860,560,000
Purchases of equipment	4,000,000,000
Payments of emolument	6,490,120,000
Non-tax revenues	970,000,000
Payments for services	90,000,000
Adjustment deposits	50,500,000
Other operating expenditures	709,480,000
Sustainable development goals trust fund	320,760,000

Additional information:

Balance brought forward as at 1 January 2025 for Consolidated Revenue Account was RM120,460,850.

Required:

- a. Determine the closing balance for the year ended 31 December 2025 for the following statements:
- i. Statement of Consolidated Revenue Account. (13 marks)
 - ii. Statement of Consolidated Loan Account. (7 marks)
 - iii. Statement of Consolidated Trust Account. (8 marks)
- b. The Integrated Government Financial and Accounting Management System (iGFMAS) and the Standard Accounting System for Government Agencies (SAGA) form the core accounting frameworks of the Malaysian public sector. These systems are designed to promote transparency, accountability, and the efficient management of public funds. Their operation is governed by the Federal Constitution, the Financial Procedure Act 1957, and Treasury regulations issued by the Ministry of Finance. Together, they enforce strict controls over revenue collection, expenditure management, and financial reporting in order to safeguard public resources.
- Describe **TWO (2)** ways on how the accounting system supports the Malaysian Government in promoting transparency and accountability in the management of public funds. (8 marks)
- c. Discuss **TWO (2)** users of federal government financial reporting. (4 marks)
- (Total: 40 marks)

QUESTION 3

- A. Accountability in the Malaysian government context refers to the duty of public officials and government agencies to manage public resources responsibly, comply with laws and regulations, and be answerable to Parliament and the public for their actions and financial decisions. It ensures that public funds are used transparently, efficiently and in the best interest of society.

Required:

Explain **TWO (2)** principles and **TWO (2)** issues of accountability in the Malaysian government context.

(16 marks)

- B. In 2025, the National Auditor Department (NAD) uncovered a significant fraud case involving a civil servant in a federal government office, where public funds amounting to RM10.4 million were misappropriated. This incident was part of a broader investigation covering 2019–2024, which identified about RM18 million in fraudulent or questionable financial transactions involving public money. The fraud involved manipulation of accounting systems and unauthorised alterations to financial procedures. The incident adversely affected the operational performance and public trust in the Malaysian government.

Required:

- a. Describe **ONE (1)** responsibility of the Auditor General of Malaysia.

(4 marks)

- b. Recommend **TWO (2)** strategies that the National Auditor Department (NAD) can implement to mitigate the problem.

(10 marks)

(Total: 30 marks)

(TOTAL: 100 MARKS)

END OF QUESTION PAPER

