



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 : _____

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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. Budget consultation is an important stage in the Malaysian government's budgetary process. It refers to the discussions and engagements conducted by the Ministry of Finance (MOF) with various stakeholders before the national budget is prepared and presented in Parliament. The purpose is to gather views, suggestions, and feedback on economic issues, public needs, and government spending priorities.

Required:

Justify any **FOUR (4)** stages involved in the budget consultation process.

(12 marks)

- B. The Ministry of Tourism, Arts and Culture in Malaysia is reviewing its budgeting practices after several tourism promotion programmes failed to achieve their expected targets. Although the ministry complied with Treasury regulations and fully utilized its allocated budget, an internal review found weaknesses in programme planning and monitoring.

Some officers argued that the ministry relied too heavily on the traditional budgeting system, where budgets were based mainly on previous years' allocations. Others suggested that the ministry should adopt a more performance-oriented system such as Modified Budgeting System (MBS) to improve efficiency and accountability in tourism development programmes.

Required:

- a. Describe **THREE (3)** characteristics of the traditional budgeting system practiced by the ministry. Provide each answer with a suitable example.

(12 marks)

- b. Explain **TWO (2)** key features of the Modified Budgeting System (MBS) that can improve tourism development programmes in the ministry.

(6 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)
Tax revenue	285,450,000,000
External sukuk	720,400,000
Internal sukuk	340,250,000
Government investment issues	1,580,900,000
Revenue from fines and penalties	420,300,000
Project loans	1,540,200,000
Treasury bills	1,420,750,000
Revenue from federal territories	610,450,000
Market loans	480,600,000
Revenues from licenses and permits	1,150,600,000
General trust funds	610,900,000
Revenue from service charges	780,550,000
Revenue from export customs duty	4,250,800,000
Development trust fund	680,500,000
Non-tax revenues	1,250,000,000
Housing loan trust fund	750,300,000
Purchases of vehicle and machinery	2,150,700,000
Intra-government securities	130,450,000
Payment for renovation of buildings	15,780,300,000
Special trust fund	330,450,000
Domestic private debt securities	590,300,000
Miscellaneous government trust fund	180,700,000
Payment for supplies	1,050,400,000
Purchase of financial instruments	1,020,450,000
General deposits	260,900,000
Purchases of equipment	4,850,000,000
Payments of emoluments	7,250,800,000
Adjustment deposits	75,600,000
Payments for services	145,500,000
Sustainable development goals trust fund	410,200,000
Other operating expenditures	920,650,000

Additional information:

Balance brought forward as at 1 January 2025 for Consolidated Revenue Account was RM140,380,550.

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 Malaysian Government has intensified efforts to improve governance and financial accountability in public sector agencies through the implementation of computerized accounting systems such as the Integrated Government Financial and Accounting Management System (iGFMAS) and the Standard Accounting System for Government Agencies (SAGA). These systems assist ministries and departments in recording financial transactions systematically, preparing timely financial reports, and ensuring compliance with Treasury Instructions and the Financial Procedure Act 1957.
- Recently, the Ministry of Works launched several nationwide infrastructure projects involving highway maintenance, bridge upgrades, and flood mitigation programmes. Due to the large amount of public funds involved, the government emphasized the importance of transparent reporting and effective internal control to prevent misuse of resources and ensure accountability to the public.
- Describe **TWO (2)** objectives of iGFMAS or SAGA in strengthening government financial management. (8 marks)
- c. Discuss **TWO (2)** benefit of computerized accounting systems in public sector. (4 marks)
- (Total: 40 marks)

QUESTION 3

1MDB was established in 2009 as a government-owned strategic development company intended to attract foreign investment and drive economic growth in Malaysia. However, investigations later revealed that billions of ringgit were allegedly misappropriated from the fund. The scandal attracted global attention because money linked to 1MDB was allegedly transferred through multiple international financial institutions and used to purchase luxury properties, artwork, jewelry, and finance films such as *The Wolf of Wall Street*.

Main accountability problems of 1MDB:**i. Weak oversight and governance.**

There was inadequate monitoring of financial transactions and investment decisions within 1MDB. Key decisions were concentrated among a small group of top officials, reducing checks and balances.

ii. Abuse of power.

Senior political figures were accused of using their positions to influence decisions and avoid scrutiny. This raised concerns about political interference in government-linked companies.

iii. Ineffective internal controls.

The scandal highlighted weaknesses in internal auditing, risk management, procurement controls and approval procedures.

Required:

- a. Recommend **ONE (1)** practical solution for each accountability problem. (9 marks)
- b. Public sector accounting has five roles and responsibilities: oversight, detection, deterrence, insight, and foresight. Explain how public sector auditors play these roles and responsibilities in the 1MDB issues. (15 marks)
- c. Describe **TWO (2)** types of audit reports that can be issued by the Auditor General in the case of 1MDM. (6 marks)

(Total: 30 marks)

(TOTAL: 100 MARKS)

END OF QUESTION PAPER

