

Accountancy and Commercial Law

Sample Questions for the revised SAS syllabus which will be implemented from Exam-II of 2025.

Below are some samples of case study/application based questions that may be asked in the form of MCQs. These can be framed around practical case studies in the form of MCQs.

- 1 The following bills were accepted on 1st January, 2007 for 4 months:
 - (i) By B, Rs.10,000 and by C, Rs.15,000 in favour of A.
 - (ii) By A, Rs.20,000 and by C, Rs.5,000 in favour of B.
 - (iii) By A, Rs.10,000 and by B, Rs.20,000 in favour of C.All bills were discounted on 4th January at 12% per annum, and the proceeds were shared by the three parties equally. On the due date C became insolvent and later a dividend of 30 per cent was received from his estate. Record the transaction in the books of 'A'.
- 2 (a) A Company writes off 10 per cent of the original cost of plant and machinery every year till the whole of the particular piece of machinery is wiped off. Full depreciation is written off even if the machinery is in use for part of a year. Accounts are made upto 31st March.

On 1st April 2005 the balance in the Plant and Machinery account was Rs.1,95,150. The original cost of the various items in use was as follows:

	Rs.
Items bought in 1994-95 or earlier	58,000
Items bought in 1995-96	31,000
Items bought in 1996-97	17,000
Items bought in 1997-98 or later	2,52,000
	3,58,000

During 2005-06, a new plant was bought at a cost of Rs.29,500 and one machine which had cost Rs.15,500 in 1990-91 was sold for Rs.1,350. During 2006-07 there were additions costing Rs.18,000 and a machine which had cost Rs.7,000 in 1999-2000 was sold for Rs.1,500. Write up the Plant and Machinery Account for 2005-06 and 2006-07, Give working notes wherever required.

- (b) According to the estimates made by experts, a mine contained a total quantity of 1,60,000 tonnes of mineral. On 1st July 2002 'P' took this mine on lease for 8 years paying Rs.96,00,000 to the owners keeping in mind the above estimate. 'P' decided to provide depreciation @ 12.5 per cent per annum on straight line basis. However in April 2004 he thought that depletion method of depreciation was more appropriate and decided to change over. He passed the necessary adjustment entries on 14th April 2004. The output in the first five accounting years of lease was as follows:

For the year ended	Output in tonnes
March 31, 2003	6,000
March 31, 2004	19,000
March 31, 2005	28,800
March 31, 2006	31,100
March 31, 2007	25,400

Prepare Lease Account for five accounting years ended 31st March 2007. Give working notes where necessary.

3

- (i) A Company, newly started on 1st April 2006 purchased material as stated below:

<u>2006</u>	
April 15	20,000 kg @ Rs.5.00
June 30	30,000 kg @ Rs.6.00
October 20	25,000 kg @ Rs.5.50
<u>2007</u>	
January 10	15,000 kg @ Rs.5.50
March 20	10,000 kg @ Rs.6.00

On 31st March 2007 the date on which accounts were to be made up there were 15,000 units in the godown. State the value that may be put on the stock according to the standard laid down by the Institute of Chartered Accountants of India.

- (ii) Suppose the replacement price on 31st March 2007 is Rs.4.75, how will your answer change? Explain.

- 4 (a) From the following Trial Balance of A. Atmaram, as at 31st March 2006, you are required to prepare a Trading and Profit and Loss Account for the year ended 31st March 2006 and a Balance Sheet as at that date:

Trial Balance

	<u>Dr. (Rs.)</u>	<u>Cr. (Rs.)</u>
A Atmaram's Capital Account		1,81,000
A Atmaram's Drawings Account	36,000	--
Plant and Machinery (Balance on 1.4.2005)	1,20,000	--
Plant and Machinery (addition on 1.10.2005)	25,000	--
Stock on 1 st April 2005	95,000	--
Purchases	7,82,000	--
Returns inwards	12,000	--
Sundry debtors	20,600	--
Furniture and Fixtures	15,000	--
Freight and duty	2,000	--
Carriage outwards	500	--
Rent, Rates and Taxes	24,600	--
Printing and Stationery	3,800	--
Trade Expenses	5,400	--
Sundry Creditors		40,000
Sales		9,80,000
Returns outwards		3,000
Postage and Telegrams	800	
Provision for doubtful debts		400
Discounts		1,800

2

Rent of premises sublet for a year upto 30.9.2006		7,200
Insurance charges	2,700	
Salaries and Wages	31,300	
Cash in hand	6,200	
Cash at Bank	30,500	
	12,13,400	12,13,400

Adjustments:

- (1) Stock on 31st March 2006 was valued at Rs.94,600.
- (2) Write off Rs.600 as Bad Debts.
- (3) The provision for Doubtful Debts is to be maintained at a 5 per cent on Sundry Debtors.
- (4) Create a provision for discounts on Debtors and Reserve for discounts on creditors at 2 per cent.
- (5) Provide for depreciation on Furniture and Fixtures at 5 per cent per annum and on Plant and Machinery at 20 per cent per annum.
- (6) Insurance un expired was Rs.100.
- (7) A Fire occurred on 25th March 2006 in the Godown and Stock of the value Rs.5000 was destroyed. It was fully insured and the insurance Company admitted the claim in full.

(20 marks)

- (b) X Ltd. forfeits 100, 12 per cent preference shares of Rs.25 each, fully called upon which Rs.1500 have been received and reissues them as fully paid up, to one of the Directors upon payment of Rs.2300. Give necessary journal entries.

- 5 C and B are in partnership in a manufacturing business sharing profits in the ratio of 2:1 respectively. As, from the 1st April 2006, they agreed to accept L as a partner, C becoming a sleeping partner, his capital to Rs.50,000 and the shares of the partners in the new firm to the C¹/₄ and L³/₄. L is to contribute a sum of Rs.45,000 as his capital. B and L being considered equal in all respects. The Balance Sheet C and B as on 31st March 2006 was as follows:

Capitals	Rs.		Rs.
C 62,500		Cash at Bank	6,250
B 37,500		Stock in trade	50,000
-----	1,00,000	Sundry debtors	31,250
		Plant & Machinery	25,000
Sundry Creditor	50,000	Free hold premises	37,500
	<u>1,50,000</u>		<u>1,50,000</u>

The assets are to be revalued as follows:

Stock in trade Rs.46,875, Plant and Machinery Rs.18,750. Free hold premises Rs.43,750 and debtors at 10 per cent less than the book value. It is further agreed that C is to be charged with any loss arising from the revaluation. On 1st April 2006 L paid in his capital. Give journal entries to record the transactions and also give the balance sheet of the new firm.

- 6 (a) Trial Balance of Niranjana as at March 31, 2007 is given below:

	Debit (Rs.)		Credit (Rs.)
Niranjana's Current Account	15,000	Capital Account	5,00,000
Adjusted purchases	69,92,000	Loan from Kapur	2,00,000
Salaries	42,000	(@ 9% taken on	
Carriage on purchase	4,000	1.10.2005):	
Carriage on sales	5,000	Sales	72,00,000
Lighting	3,000	Discount	5,000
Rates and Insurance	4,000	Sundry Creditors	2,00,000
Buildings	2,70,000		
Furniture	60,000		
Sundry Debtors	80,000		
Cash in hand	2,500		
Cash at Bank	15,000		
Stock (31 st March 2007)	6,12,500		
	<u>81,05,000</u>		<u>81,05,000</u>

The following further information is given:

- Rates have been prepaid to the extent of Rs.1750.
- Bad debts totaling Rs.5,000 have to be written off.
- A provision for doubtful debts @ 5 per cent of debtors is required.
- Building have to be depreciated at 2 per cent and furniture @ 10 per cent.
- The Manager is entitled to a Commission of 5 per cent of net profits before charging such Commission.

Prepare Trading Account and Profit and Loss Account for the year ended 31st March 2007 and Balance Sheet as at the date.

- (b) Write brief note on any two of the following:

- Business Entity Concept
- Going Concern Concept
- Dual Aspect Concept

7

The following information has been abstracted from the annual accounts of ABC Limited.

	Rs. (in lakh)
Share Capital: 20,00,000 Equity Shares of Rs.10 each	200
General Reserve	150
Investment Allowance Reserve	50
15 per cent Long Term Loan	300
Profit before Tax	140
Provision for Tax	84
Proposed Dividend	10

Calculate:

- (i) Return on Capital Employed
- (ii) Return on Net Worth

8

(a) Pass necessary entries to rectify the following:

- (i) Stock at the end does not include the goods (cost Rs. 2320, invoice Rs. 2900) returned by customer for which the entry has already been passed.
- (ii) During the year some goods (invoiced at Rs. 48000) were sent to sundry customers on 'sale on approval' basis. On 31st March, 20% of those goods remained with the customer, as the period of approval did not expire as yet. Goods are invoiced at cost plus 25%.
- (iii) Legal charges include Rs. 1000 for cost of stamps and registration of new plot of land acquired during the year.
- (iv) Factory building was constructed on land purchase for Rs. 10000 but this purchase was wrongly posted to purchases account.

(b) On 1st July 2004 a Company purchased a plant for Rs.20,000. Depreciation was provided at the rate of 10 per cent per annum on Straight Line Method on 31st December every year. With effect from 1st January 2006, the Company decided to change the method of depreciation to the Diminishing Balance Method @ 15 per cent per annum. On 1st July 2007, the plant was sold for Rs.12,000. You are required to work out profit/loss on sale of plant.

9

XYZ Ltd a paper manufacturing concern purchases a machine on March 1, 2004 for Rs.6,10,000 for its laboratory with a view to improving the quality of art paper manufactured by the Company. What will be the amount of deduction under section 35 of the Income Tax Act 1961 on account of Capital expenditure of Rs.6,10,000 for the assessment year 2004-05.

10

A product passes through two distinct processes A and B and thereafter it is transferred to finished stock. From the following information, you are required to prepare Process Accounts:

	Process A (Rs.)	Process B (Rs.)
Materials consumed	12,000	6,000
Direct labour	14,000	8,000
Manufacturing Expenses	4,000	4,000
Input in Process A (units)	10,000	-
Input in Process A (value)	10,000	-
Output (units)	9,400	8,300
Normal wastage (percentage of input)	5 %	10 %
Value of normal wastage (per 100 units)	8	10

Ideal Manufacturers Ltd. Operates multiple piece rate plans in its Gwalior Plant as below:

(i)	Upto 85 per cent efficiency	Basic piece rate
(ii)	Between 90 per cent and 100 per cent efficiency	115 per cent of basic piece rate
(iii)	Above 100 per cent efficiency	130 per cent of basic piece rate

Calculate the labour cost per piece at 5 per cent intervals between 75 per cent and 105 per cent efficiency. The workers are entitled to a guaranteed day rate which is equal to 80 per cent efficiency and the piece rate is Rs.10 per piece. At 100 per cent efficiency, 200 pieces are produced per day:

12 Delta Engineering Ltd. owns a factory where manual labour is almost nil and work is done by using ten machines of same make and specifications. The following information is available from the books of the factory.

- i) There are three attendants for the ten machines, each paid at Rs.4,000 per month.
 - (ii) The Supervisor of the attendants is paid at Rs.25,000 per month.
 - (iii) Income Tax paid by the Company during the year – Rs.5,00,000.
 - (iv) Lubricants, Jute, cotton waste and other supplies used in the factory – Rs.4,000 per month.
 - (v) Electric charges for lighting the factory – Rs.51,000 (Annual).
 - (vi) Hire purchase instalments payable per month – Rs.1,00,000.
 - (vii) Rent and rates proportional to the floor space occupied by the factory – Rs.4,80,000 (Annual).
 - (viii) Power consumed (as per meter) @ Rs.2.50 per unit for the factory – Rs.6,00,000 (Annual).
 - (ix) Repairs and maintenance for all the machines – Rs.1,00,000 (Annual).
 - (x) Depreciation on each machine – Rs.60,000 (Annual).
- Each machine uses 20 units of power per hour.
You are required to calculate the machine hour rate for a machine.

13

- (a) ABC Ltd. Uses material 'Alpha' in its manufacturing process. As on 1 April 2007, 500 kg. of Alpha were in stock valued at Rs.456 per kg. The following purchases were made during April.

April 4	6,000 kg @ Rs.460 per kg.
April 10	4,000 kg @ Rs.445 per kg.
April 15	9,000 kg @ Rs.466 per kg.
April 29	2,500 kg @ Rs.470 per kg.

As on 30 April 2007, 5,000 kg. of Alpha were in stock.

You are required to calculate the value of inventory of 'Alpha' as on 30 April 2007 under (i) last in first out and (ii) first in first out methods.

- (b) The following information is obtained from the books of Gamma Ltd. for the month of June 2007.

Machine hours worked	5,000
Direct labour hours worked	10,000
Direct wages	5,00,000
Production overheads	3,00,000

In respect of an order No.JX 245 executed during the month, the following information is available.

Material consumed	2,50,000
Direct labour hours	1,500
Direct wages	78,500
Machine hours	1,000

You are required to calculate the factory cost of the order using Direct Labour Hour Rate for recovery of Production Overheads.

14

The cost records of Omega Ltd. show the following data in respect of Job Order No. E-825.

Direct materials	Rs.25,000
Direct wages:	
Department M	20 hours @ Rs.40 per hour
Department N	65 hours @ Rs.40 per hour
Direct expenses on the Job	Rs. 9,500
Overheads for the two Departments are estimated as follows:	
Fixed overheads	
Estimated at Rs.1,00,000 for 10,000 normal working hours	
Variable Overheads:	
Department M	Rs.10,000 for 400 direct labour hours
Department N	Rs.80,000 for 4,000 direct labour hours

It is the Policy of the Company to charge $33\frac{1}{3}$ per cent profit on selling price. You are required to calculate the selling price to be charged.

- 15(a) Modern Electricals Ltd. operates integral system of accounting. The following transactions took place in the month of May 2007.

	Rs.
Raw materials purchased (40 per cent on credit)	5,50,000
Materials issued to Production	3,20,000
Wages paid to workers	1,00,000
Factory overheads incurred	75,000
Factory overheads charged to production	1,05,000

Pass Journal entries.

- (b) The contribution to sales ratio of Unique Exporters Ltd. is 50 per cent and the margin of safety is 40 per cent. If the sales volume is Rs.5,00,000. Calculate the Fixed Costs.

- 16 Goa Industries Ltd. manufactures a standard product using three materials, viz. A, B and C. The following further information is available.

Material	Standard price per Kg	Standard weight per unit of output Kg	Actual usages for output of 180 units kg	Actual price per Kg.
A	50	3	630	40
B	100	2	360	120
C	10	4	540	10
		9	1530	

You are required to calculate:

- Material cost variance
- Material price variance
- Material mix variance
- Material yield variance
- Material usage variance

17 (a) 'A' contracts with 'B' to execute certain builder's work for a fixed price. 'B' supplying the scaffolding and timber necessary for the work. 'B' refuses to furnish any scaffolding or timber, and the work cannot be executed. Referring to provisions of Indian Contract Act 1872 discuss: What is the remedy for 'A'.

(b) 'A' sells to 'B' 100 bales of cotton. 60 bales having come into 'B's possession and 40 being still in transit. B becomes insolvent and 'A' being still unpaid stops the 40 bales in transit. Referring to the provisions of the sales of Goods Act 1930 decide whether 'A' is correct in stopping the part of consignment.

18 (a) There was a contract for a sale of two Cars X and Y, for Rs.8.50 lakhs (Rs.3.5 lakhs and Rs.5 lakhs for X & Y respectively). The buyer deposited Rs.1 lakh but afterwards did not pay the remainder price, despite reasonable notice. The seller then tried to resale, but could find a customer only for Car 'X' and sold it for Rs.2 lakhs. He then claimed damages of Rs.5.5 lakhs representing the balance price and Rs.50 thousand as advertising expense. Decide according to the provisions of the sales of Goods Act 1930

(b) 'A' signs his name on a blank but stamped instrument. He gives the paper to 'B' with authority to fill it up as a promissory note for Rs.250 only. But 'B' fraudulently fills the paper for Rs.1,000 the stamp put upon it being sufficient to cover the amount. He then hands it to H for Rs.1,000 who takes it without notice of fraud. Discuss the liability of 'A' to 'H' as per the Negotiable Instrument Act 1881.

19 (a) State whether the following are True or False as pr provision of section 138 of the Negotiable Instruments Act 1881:

(i) The criminal liability cannot be fastened on the heirs and legal representatives of a person who is said to have been guilty of the offence under Section 138.

(ii) No offence in terms of Section 138 is committed even if the cheque is returned on the ground of closure of accounts.

(iii) Till the time the cheque is returned by the bank unpaid, no offence under Section 138 is made out.

(iv) A cheque can't be presented any number of times during the period of its validity.

(v) There is nothing in Section 138 to hold that the payee alone can file a complaint.

(b) A Company XYZ set up in 2003-04, earned a profit of Rs.10 crore in 2003-04, Rs.10 crore in 2004-05 and Rs.5 crore in 2005-06. It paid bonus worth Rs.5 crore in 2003-04 and 2004-05 and Rs.2.5 crore in 2005-06. In 2006-07 it suffered a loss of Rs.10 crore. It did not pay any bonus for 2006-07. Decide according to the provisions of the Payment of Bonus Act 1965.

Service Regulations

Sample Questions for the revised SAS syllabus which will be implemented from Exam-II of 2025.

Below are some samples of case study/application based questions that may be asked in the form of MCQs. These can be framed around practical case studies in the form of MCQs.

1 Calculate the retiring pension and gratuity from the following particulars:

- | | | |
|----|--|-----------|
| 1. | Basic pay w.e.f. 1.10.2006 | Rs.12,000 |
| 2. | Dearness pay | Rs.6,000 |
| 3. | Date of birth | 1.8.1947 |
| 4. | Date of appointment | 1.1.1973 |
| 5. | He remained on extra ordinary leave without medical certificate from 7.5.2000 to 15.5.2001 | |
| 6. | He remained on unauthorised leave from 1.1.2002 to 30.6.2002 | |
| 7. | He was suspended from service w.e.f. 7.7.2002 and was reinstated on 1.9.2002 and was awarded minor penalty | |
| 8. | He was on extra ordinary leave due to illness of father from 1.10.2002 to 31.12.2002 | |

Note: DA is admissible at the rate of 35 per cent of pay plus dearness pay.

2 (a) Calculate the joining time admissible in the following case and indicate the date on which the official should join the new post at Bangalore.

Relieved on 28.9.2007 (Friday) at Mumbai

Road journey by bus to Railway Station

Railway journey

Road journey to residence at Bangalore

50 km

1221 km

25 km

(b) Calculate the interest on GPF on the closing balance at the end of the year 31.3.2007 in an account with the following particulars:

(i) Closing balances as on 31.3.2006 : RS.1,20,000

(ii) Monthly subscription Rs.5,000

(iii) Rate of interest 8 per cent per annum.

(iv) An advance was drawn by him of Rs.20,000 during July 2006 which is recoverable in 10 equal instalments.

3 From the particulars given below:

- (a) Prepare the salary bill of Mr. 'X' a group 'A' officer of Zonal Railway Accounts Department posted at A class city for the month of February 2008 in the form supplied to you, and
- (b) Calculate the taxable income and income tax recoverable from him for the financial year 2007-08
- (i) The officer was drawing pay of Rs.15,100 in the scale of Rs.14,300-400-18,300 with date of next increment on 1st April.

- (ii) 50 per cent of pay was admissible as Dearness pay in addition to pay.
- (ii) He was drawing Dearness Allowance at 35 per cent from 1.1.2007 and 39 per cent from 1.7.2007.
- (iii) He lives in Government house.
- (iv) He was drawing CCA at Rs.240 per month, Transport allowance at Rs.800 per month and reimbursement of Tuition fee at Rs.100 per month for his child.
- (v) D.A. arrears for the period from 1.1.2007 to 28.2.2007 amounting to Rs.2,718 were paid in March 2007.
- (vi) He also received Honorarium of Rs.2,000 and TA of Rs.2,500 in December 2007.
- (vii) Following recoveries were being made from his monthly pay bills:
- | | |
|------------------|-------------|
| GPF subscription | Rs.6,000 pm |
| CGEGIS | Rs. 120 pm |
| Licence fee | Rs. 750 pm |
| Water charges | Rs. 300 pm |
- (viii) Following amounts were also paid by him during the financial year 2007-08:
- | | |
|----------------------|-----------|
| LIC Premium for self | Rs.15,500 |
| PPF account | Rs.10,000 |
- (ix) He also contributed Rs.15,000 towards Prime Minister National Relief Fund.
- (x) His HBA loan installments during the year was Rs.23,000 towards loan and Rs.30,500 towards interest
- (xi) Income tax from salary was being recovered at Rs.2,000 per month through out the year upto January 2008.
- (xii) Rates of Income tax for 2007-08 (Assessment year 2008-09) are as under:

Upto Rs.1,00,000	NIL
Rs.1,00,001 to Rs.1,50,000	10 per cent of the amount by which the income exceeds Rs.1,00,000
Rs.1,50,001 to Rs.2,50,000	Rs.5,000 plus 20 per cent of the amount by which the income exceeds Rs.1,50,000
Above Rs.2,50,000	Rs.25,000 plus 30 per cent of the amount by which the income exceeds Rs.2,50,000

- (xiii) Education cess @ 2 per cent on income tax payable is recoverable after allowing rebate under section 88/80c.

(xiv) HRA exemption admissible is the least of the following;

- (a) HRA received
- (b) Rent paid in excess of 10 per cent of salary
- (c) 50 per cent of salary

4 From the particulars given below construct the leave account of Shri 'A' a railway officer and calculate cash payment in lieu of unutilised LAP on the date of his superannuation.

1.	Date of birth	30.12.1947
2.	Leave at his credit as on 31.12.2005	
3.	LAP	180
4.	LHAP	370
5.	Availed LAP 8 days from 1.4.2006 to 8.4.2006	
6.	Availed commuted leave for 20 days from 4.7.2006 to 23.7.2006	
7.	Availed EOL with Medical Certificate for 28 days from 11.10.2006	
8.	Availed LAP for 16 days from 1.3.2007 to 16.3.2007	
9.	Availed LHAP for 12 days from 13.8.2007 to 24.8.2007	
10.	On the date of superannuation he was drawing the following pay and allowances:	
	Basic pay	Rs.13,500
	D.	Rs. 6,750
	D.A.	39 per cent of B. pay plus
	HRA	15 per cent
	CCA	Rs.240
	Transport allowance	Rs.800

DP

5. From the particulars of Shri 'A' a railway officer given below calculate

(i) Pension (ii) Retirement gratuity and (iii) Maximum commuted value of pension admissible.

- (i) Date of birth 30.12.1947
- (ii) Date of appointment 12.8.1975
- (iii) He availed EOL without medical certificate from 1.3.1980 to 28.3.1980.
- (iv) He remained absent on 16.7.1983 on account of his participation in strike and his absence has been treated as Dies Non.
- (v) He remained under suspension from 7.7.1997 to 30.10.1997. This period was regularised by competent authority.
- (vi) He was on EOL with Medical Certificate for 31 days from 15.2.2007 to 17.3.2007.
- (vii) Officer was drawing Rs.10,500 from 1.6.2007 in the scale of Rs.6,500-200-10,500.
- (viii) On date of superannuation he was entitled for 50 per cent of pay as D.P. and D.A. at 39 per cent.

6 Prepare the transfer travelling allowance of an officer transferred from Kolkata to New Delhi on the basis of the following information.

- (a) Pay at the time of transfer Rs.13,500.
- (b) His family consists of wife, two unmarried daughters, aged 20 years and 15 years respectively, one son aged 18 years, his widowed mother in law and his brother aged 24 years. All of them are stated to be dependant on him. All reside with him except his elder daughter who is studying at Nagpur there is a domestic servant residing with him.
- (c) The distance by road between Kolkata and Delhi is 1441 km. Distance between residence and railway station at Kolkata and Delhi are 9 and 11 km respectively.
- (d) The officer along with his wife, mother in law, son and younger daughter travelled on 1.7.2007 by AC 2-tier leaving Kolkata at 16.30 hrs and reaching Delhi at 09.30 hrs the following morning.
- (e) At both places they travelled by taxi between residence and railway station. The taxi rate is Rs.10 per km.
- (f) His elder daughter went to Delhi during winter vacation in October and travelled by train in AC 2-tier on 1.10.2007 leaving Nagpur at 10.15 am and reaching Delhi at 5 am on 2.10.2007.
- (g) His car was taken by road from Kolkata to Delhi by his brother. He left Kolkata at 8.00 hrs. on 2.7.2007 and reached Delhi at 16.00 hrs on 5.7.2007. The actual expenditure incurred on fuel was Rs.7856. The prescribed rate of transport of Car by road is Rs.10 per km.
- (h) His personal effects weighing 65 quintals were carried by road through a transport agency which was paid Rs.14,000 by the officer. He spent Rs.900 for packing his personal effects and Rs.400 on loading and unloading.
- (i) Rates/fares
- | | |
|--|------------|
| Rail fare (Kolkata to Delhi) | Adult fare |
| AC 2-tier | Rs.2,250 |
| Nagpur to Delhi (1095 km) | Rs.1,630 |
| Freight charges by goods train from Kolkata to Delhi per quintal | Rs. 78 |
| Charges of transport of car by passenger train from Kolkata to Delhi | Rs.6,800 |
| The officer draws a TA advance of | Rs.39,000 |

7 a) A AAO drawing the pay of Rs.7675 from 1.9.2002 in the scale of Rs.7450-225-11,500 was promoted to officiate as Accounts Officer in the scale of Rs.7500-250-12,000 from 21.10.2002 to 3.1.2003. He was subsequently promoted to the same post on regular basis from 20.9.2003.

(a) Regulate the pay

(b) Calculate the DNI in the new post

(b) An Assistant in the scale of Rs.4,500-125-7,000 was drawing the pay of Rs.5000 from 1.1.2000 was awarded the punishment of reduction of his pay by two stages to Rs.4750 without Cumulative effect for a period of two years from 1.4.2000. Regulate his pay from time to time.

(c) An official working in the scale of Rs.12,000-375-16,500 is drawing Rs.14,250 from 1.1.2005 and is appointed in the scale of Rs.14,300-400-18,300 to a post not involving higher responsibilities w.e.f. 1.10.2005. How the pay will be fixed in the new scale?

8 Calculate the earned leave balance with the help of following particulars:

(i) EL at credit as on 2.1.2001 : 215

(ii) Availed EL for 19 days from 7.7.2003 to 25.7.2003 and encashed earned leave for ten days

(iii) Taken EOL for 12 days from 14.11.2005 to 25.11.2005

(iv) Superannuation on 31.5.2007.

- 9 Mr. Ram, a lower division clerk, whose substantive pay on 1.1.2004 in the scale of Rs.3050-75-3950-80-4590 was Rs.3800 per month, with date of next increment as 1.1.2005 was appointed to officiate as upper division clerk in the scale of Rs.4000-100-6000 from 1.3.2004. He proceeded on 30 days earned leave from 1.6.2005, on 1.7.2005 he was appointed to officiate as a Supervisor in the scale of Rs.4500-125-7000. But for the leave and his higher officiating appointment he would have continued to officiate as upper division clerk. He took earned leave for 120 days from 1.4.2006. It was certified that he would have officiated in the upper division clerical post and as supervisor but for his leave. He returned from leave on 10.9.2006 after overstayal of 42 days. He was reverted to the post of upper division clerk from 10.9.2006 and was reappointed as officiating Supervisor from 20.12.2006. Fix his pay from time to time and indicate the dates of next increment in the three posts.
- 10 An officer drawing basic pay of Rs.14,300 travelled from station 'X' to station 'Y' by air and claimed full reimbursement of air fare. The distance between X and Y is 610 km. There is a train which leaves station 'X' every day at 20.00 hrs and reaches station Y at 7.00 hrs next day. Comment.

Below are some samples of case study/application based questions that may be asked in the form of MCQs. These can be framed around practical case studies in the form of MCQs.

Public Works

- 1 An officer of the Government of West Bengal (Police Department) draws his leave salary Rs.23,500 from Alwar Treasury in Rajasthan. Payment of Rs.23,500 was correctly classified by the Treasury as debit under 8793 – ISS – Inter State Settlement Account between West Bengal.

Prepare the Transfer Entries entered further in the Accounts of Accountant General, Rajasthan and Accountant General, West Bengal to show how the adjustment will take place.

- 2 Prepare transfer entries in rectification of the errors given below:
- (i) Interest payment of Rs.2550 on time barred State Development Loan (Market Loan) debited to 2049-01-101 (Accounts for the year are yet to be closed).
 - (ii) Loan of Rs.4,50,000 to State Industrial Finance Corporation booked as Capital Investment in 2005-06 to be rectified in the same financial year.
 - (iii) Recovery of income tax Rs.12,500 made from the salary bill of State Police Headquarters in June 2006 classified under 0021 Taxes on income other than Corporation Tax – 101 – Income Tax on Union Emoluments including pension (to be corrected in the accounts of August 2006)
 - (iv) Receipt of Rs.150 for providing information under the RTI Act 2005 credited in February 2006 under 0070 – other Administrative services 60 – other services – 800 – other receipts to be rectified in the accounts of March 2006.
 - (v) Accounting of grant of ways and means advances of Rs.26,50,000 to State Government by RBI.

3

Post the following transactions in the Cash book of the Executive Engineer, Irrigation Project Division for the month of July 2007 giving classification of each item and work out the closing balance. Also record the certificate by the Executive Engineer.

Details of the closing balance as on 30th June 2007:

		(Rupees)
(i)	Notes and coins	500
(ii)	Stamps:	
	Revenue	20
	Service postage	10
(iii)	Self cheque dated 21.6.2007	1,000
(iv)	Cheque dated 29.6.07 in favour of a contractor lying undelivered	4,000
(v)	Bank deposit receipt from a contractor as earnest money	10,000
(vi)	Permanent imprests	
	'A' Assistant Engineer	100
	'B' Assistant Engineer	100

1.7.2007 Received and disbursed the salary bill of the permanent staff of the Division:

Net amount 12,080
Balance remaining unpaid 1,182

	Rent of Govt. buildings realized from the staff in the bill	220
2.7.2007	Cashed self cheque dated 21.6.2007	1,000
	Delivered cheque dated 29.6.2007 to a contractor	4,000
3.7.2007	Paid to a contractor by cheque for the work construction of Dam as below:	
	(i) Total value of work done	40,000
	(ii) Deductions:	
	Cost of material issued	4,000
	Security Deposit	4,000
	Court attachment order	6,000
	Hire charges of concrete mixer	400
	Excess payment made in connection with another work on the main canal	1,000
4.7.2007	Issued, by cheque, a temporary advance to Assistant Engineer 'C' for payment to labour	4,000
5.7.2007	Recouped permanent imprest of Assistant Engineer 'A' on receipt of paid muster rolls chargeable to work construction of Dam	80
6.7.2007	Renewed time expired cheque to a Contractor for supplies for the work construction of Dam	10,000
7.7.2007	Cancelled a cheque dated 16.5.2007 in favour of the Contractor for construction of Dam	10,000
8.7.2007	Received from auctioners on account of sale proceeds of special Tools and Plant put to auction-	
	Gross amount Rs.20,000	
	Less auctioner's commission at the rate of 2 per cent	
9.7.2007	Cash collections to date during the month remitted into Treasury	
10.7.2007	Assistant Engineer 'B' report loss of Rs.20 out of his permanent imprest of Rs.100	
26.7.2007	Paid General Provident Fund advance to a clerk by cheque	15,000
27.7.2007	Cash found short in the chest	20

4

Prepare the 2nd Running Account Bill of Contractor 'A' for construction of Government building from the following particulars:

	Item of work	Units	Quantity as per previous bill	Upto date quantity	Rate (Rupees)
(i)	Earthwork in foundations	M ³	25,000	1,00,000	100 Per 1000 M ³
(ii)	Filling with concrete in foundations	M ³	2,000	6,000	160 Per 100 M ³
(iii)	Brick work in lime		4,000	8,500	240 Per 100 M ³
(iv)	Brick work in cement	M ³	400	1,500	320 Per 100 M ³
(v)	Wood work in Beams	M ³	--	600	40 Per M ³
(vi)	Wood work in doors and windows	M ²	--	900	12 Per M ²

- Advance payment made in the first running account bill for brick work in lime not measured Rs.6,000 and for brick work in cement not measured Rs.1,200.
- Secured advance paid in the first running account bill for 1,00,000 bricks for which full assessed value is Rs.200 per 1000. Bricks used up out of these since previous bill were 45,000. Another secured advance was paid for 50,000 bricks brought to site since payment of the previous bill.
- Value of cement issued to the contractor since payment of the 1st running account bill was Rs.3,000 and Railway freight payable by the contractor was Rs.200.
- Rs.300 are to be recovered from the contractor from 2nd running account bill on account of hire charges of a concrete mixer taken from another division.
- Security deposit recovered from 1st running account bill at 10 per cent. Recovery at this same rate is to be made from 2nd running account bill.
- The Contractor was fined Rs.400 for bad work.

5

Post the following transactions of a contractor 'A' in contractor's ledger for the month of July 2007 and close the ledger.

Opening balance:

Transactions relating to the work "Construction of Government quarters"

	Rs.
Advance payment for work done but not measured	1,200
Secured advance for materials brought to site	1,600
Value of materials issued to be recovered	400
1.7.2007 Value of cement supplied to the contractor	1,200
10.7.2007 Advance payment for work done but not measured	2,000

15.7.2007	Secured advance paid in respect of materials brought to site	1,600
20.7.2007	The following running account bill was paid for the work:	
(i)	Value of work done and measured	10,000
(ii)	Advance payment recovered	1,200
(iii)	Recovery towards materials supplied	400
(iv)	Secured advance recovered	1,600
(v)	Security deposits withheld	1,000
(vi)	T and P hire charges recovered	200
(vii)	Fine for bad work	200
(viii)	Net amount of cheque	5,400

6

- (a) The information in the compiled Accounts in the office of the Accountant General is as follows:

Accounts figures as per consolidated abstract on closure of March(S) for the year 2006-07			Budget provisions (in Rs)		
Classification	Expenditure Voted (all)	Grant No.	Original	Supplementary	Reappropriation (+) surrender (-)
2406-01-070-01	2,15,36,782	10	2,00,00,000	50,00,000	(-)30,000
2406-01-102-01	11,87,82,000	10	13,21,89,000		(-)9,00,000
2406-01-101-03	1,93,23,215	10	1,50,00,000	40,00,000	
2406-01-102-02	1,77,00,389	10	5,00,00,000		(-)3,24,99,000
4406-01-070-01	73,35,206	10	1,00,90,000		

Prepare the detailed Grant/Appropriation statement for Grant No.10 — Forest, upto the subhead for inclusion in the annual detailed Appropriation Accounts.

- (b) (i) In which statements of Part-II of Finance Account will the transaction of Rs.73.35 lakh in 1(a) above appear at (a) Major head level (b) Minor head level. (2+2=4 marks)
- (ii) In which statement of Part-II of Finance Accounts will the revenue transaction of Rs.1.93 crore in 1(a) above appear at minor head level.

7

Based on the following calculate the closing balance in the GPF Account of the subscriber at the end of 2006-07.

- Opening balance in 2006-07 is Rs.19,500.
- Subscription is at a rate of 12 per cent of basic pay. Basic pay is Rs.10,500.
- The subscriber took a temporary advance of Rs.10,000 in July 2006. Recovery was deducted @ 500 p.m. w.e.f. August 2006.
- Subscriber had taken a Part final drawal of Rs.15,000 in October 2005 but it was adjusted in his Account/brought into his account in April 2006.
- The rate of interest of GPF for 2005-06 and 2006-07 is 8 per cent per annum.

8. Prepare monthly account for May 2007 of a CPWD Division from the following particulars:

		Rs. Amount
1.	Opening balance	4,000
2.	Cash receipts during the month:	
	(i) Rent realized for Inspection Bungalow (A/c head 0059 credit)	5,000
	(ii) Security deposit by contractors (A/c head 8443 credit)	8,000
	(ii) Deposits from Municipality for work to be done (A/c head 8443 credit)	20,000
3.	Payments made by cheque during the month:	
	(i) For construction of school building (A/c head 4202 Debit)	30,000
	(ii) For maintenance of Residential Building (A/c head 2216 Debit)	5,000
	(iii) Refund of security deposit of contractors	9,000
	(iv) For deposit works carried out	10,000
4.	Cash remitted into treasury (Bank) during the month (A/c head 8782)	31,000

- (b) From following particulars calculate issue rate per fan. These fans were kept in central store for 5 months. The storage charges fixed for issue of stores from central store is 15 per cent.

- (i) 100 fans were purchased for Delhi at the rate of Rs.1000 per fan.
- (ii) Carriage paid for bringing to central store- Rs.4,000.
- (iii) Insurance charges paid for transit period from Delhi to central store- Rs.5,000.
- (iv) Wags paid for unloading and stacking in central store- Rs.500.
- (v) Godown rent is paid at the rate of Rs.1,000 per month.
- (vi) Insurance charges for Godown- Rs.100 per month.
- (vii) Salary of watch and ward staff at central store – Rs.5,000 per month.

9

Prepare 3rd Running Account Bill of a contractor from the following particulars relating to construction of a Hospital Building.

Sl. No.	Items of work done & measured	Unit	Rate per unit (in Rs.)	Quantity paid in 2 nd Bill	Upto date quantity
1.	Earthwork in excavation	Cu M.	100	200	1300
2.	Concrete work in foundation	Cu M.	500	50	70
3.	Brick work in foundation	Cu M.	800	40	160
4.	R.C.C. work	Cu M.	1900	10	20
5.	Brick work in cement super structure	Cu M.	1200	20	40
6.	Woodwork- doors & windows	Cu M.	7000	1	3

On the second running bill, following further payments were made:

- (i) Advance Payment for unmeasured Brick work : Rs.5,000
- (ii) Advance payment for unmeasured RCC work : Rs.4,000
- (iii) 75 per cent secured advance for material brought to site by the Contractor as below:

(a) 50000 bricks – Market Rate Rs.800 per 1000 bricks

(b) 100 Cu M stone – Market Rate Rs.300 per Cu M

(c) 5 wood planks – Market Rate Rs.1000 per plank

A further consignment of 20,000 bricks has been brought to site by the contractor subsequent to the last payment and secured advance is admissible on the consignment at the same rate as before. The Contractor has requested for the secured advance on this consignment. The wood planks were used up on the work fully. Consumption of Bricks was 300 bricks per cubic meter of brick work. One cubic meter of RCC work and of concrete work each consumes 0.8 cubic meter stone.

Advance payment of Rs.10,000 for unmeasured wood work is to be allowed.

Recoveries to be adjusted are as under:

- 2 tonne of cement issued to Contractor from stock. The stipulated rate in contract is Rs.2,000 per tonne.
- Security deposit – Rs.10,000
- Income tax – Rs.5,000
- Cost of material issued for another work – Rs.15,000

Below are some samples of case study/application based questions that may be asked in the form of MCQs. These can be framed around practical case studies in the form of MCQs.

Railway Audit

1 A Special train (BG) of 4 bogies along with dining car and brake van were indented by a movie company for shooting of a film at station B. The details of the train and itinerary are as follows. Calculate the charges payable by the Movie Company.

- a. Number of 2nd AC coach:- : one (Capacity= 46 berths)
- b. Number of 3rd AC coach : one (Capacity= 64 berths)
- c. Number of sleeper coaches : two (Capacity= 72 berths each)

d. Itinerary of special train :-

Left station A at 23:00 hours on	03-12-2006
Arrived Station B at 10:30 hours on	04-12-2006
Left Station B at 20:00 hours on	05-12-2006
Arrived station A at 07:00 hours on	06-12-2006

e. Distances : Station A to B (600 Kms)

f. The special train was detained at the halts at the request of the party. The Engine for the special train was required to run light to and from a depot 60 Kms away from Station A.

2 Some of the articles indicated below must be loaded in luggage or brake van and are not allowed to be taken by the owners in their carriages. No free allowance is also given for these articles. They are charged at prescribed parcel rate when booked as parcels or 80% higher on Scale-P rate if booked as luggage on actual weight, subject to minimum weight prescribed in the rule:-

Indicate the correct minimum acceptable weight in respect of the following articles:

Name of the articles	(a)	(b)	(c)	(d)
A. Chairs, invalid	1.25 qntls	1.50 qntls	50 kgs	1.00 qntls
B. Motor Cycle >60 CC but <350 CC	2 qntls	1.50 qntls	1.75 qntls	2.50 qntls
C. Perambulators	50 kgs	60 kgs	70kgs	75 kgs
D. Bicycles	40 kgs	30 kg	20 kgs	15 kgs
E. Go-carts	10 kgs	15 kgs	20 kgs	30 kgs

3 Prepare a Goods Balance Sheet of Station 'X' for the month of December 2006 from the particulars given as under:-

Balance brought forward from November 2006

Rs.

1.	Freight outstanding	450000
2.	Wharfage	120000
3.	Admitted debits	35000
4.	Debits not admitted	41000

B. Transactions for the month of December 2006

1.	Goods outward-paid	846000
2.	Goods inward-Paid	264200
3.	Goods outward to pay	1343200
4.	Goods inwards to pay as per MPAs	1673000
5.	Freight against entries appearing in the MPAs but not in the delivery book	54100
6.	Freight against entries appearing in the delivery book but not in the MPAs	63200
7.	Debits raised by Accounts Office of which Rs.3800 admitted	24200
8.	Wagon registration fee deposit	120000
9.	Wagon registration fee refunded	190000
10.	Wharfage on consignment delivered during the month	60000
11.	Wharfage accrued on consignments not delivered at the end of the month	120000
12.	Wagon registration fee forfeited	50000
13.	Wharfage forgone authority received from the Commercial Department	23000

14.	Admitted debits recovered through pay sheets	2000
15.	Freight collected in the form of credit notes	543000
16.	Freight on consignment booked to this station but delivered short of destination. Certified over charge sheet received for Rs.30000	80000
17.	Admitted debits cleared in cash	21200
18.	Re-weighment charges	12000
19.	Crane charges collected	8700
20.	Refund allowed at the time of delivery	14700
21.	Chief Cashier's debits	1100
22.	Payments made against pay orders for compensation claims received from the commercial department	111600
23.	Amount paid from station earnings to discharged labour	49800
24.	Chief Cashier's debits made good	1000
25.	Consignment booked to Lost Property office-	
	(a) Freight	32000
	(b) Wharfage	20600
26.	Overcharge sheets of Station 'Y' certified by this station on account of 'Forced Entries' at station 'Y' but consignments correctly received and taken into the delivery book at this station	50000
27.	Credit advices from Traffic Accounts Office	11700
28.	Cash collected against 'To-Pay' Consignments	894600
29.	Debits not admitted turned into admitted debits during the month	3000
30.	Excess cash found at the time of stations inspection	1000

Show the working of cash remittances and the outstandings at the end of month

- 4 (a) Calculate the percentage of working expenses to earnings of 'X' Railway for the 2005-06 from the data given below:

Sl. No.	Items	Figures in lakh of Rupees
i)	Coaching Earnings	
	(a) Passenger	14112.54
	(b) Other Coaching	990.28
ii)	Goods Earnings	30778.40
iii)	Sundry Earnings	1157.03
iv)	Unrealized earnings	331.96
v)	Gross Traffic Receipts	47370.21
vi)	Expenditure on repairs and maintenance of Permanent Way & Works	3295.63
vii)	Operating Expenses - Fuel	8781.31
viii)	Misc. Working Expenses	1395.84
ix)	Expenditure on repairs and maintenance of Carriages & Wagons	3424.53
x)	Operating Expenses on Rolling Stock & Equipment	2691.21
xi)	Expenditure on Staff Welfare and amenities	1396.76
xii)	Expenditure on repairs and maintenance of Locomotives	1662.90
xiii)	Expenditure on PF, Pension & other retirement benefits	35.48
xiv)	Miscellaneous Transactions	
	(a) Receipts	1676.37
	(b) Payments	1014.16
xv)	Appropriation to SRSF	771.20
xvi)	Suspense-working expenses	36.63
xvii)	Expenditure on general superintendence and services	1791.67
xviii)	Operating Expenses -Traffic	7147.88
xix)	Expenditure on repairs and maintenance of Plant and Equipment	1802.30
xx)	Appropriations to Funds	
	(a) DRF	2700.00
	(b) Pension Fund	6670.00