



**Pakistan Institute
of Public Finance Accountants**

Model Solutions

**Postal Accounts Rules
and Procedures
(Application)**

Summer Exam-2023

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Solutions – Postal Accounts Rules and Procedures (Application)

Q.1. Rule 33A(1), Post Office Guide

i

Q.1. Note-3 below Rule 440, Post Office Manual Vol-VI

- ii (3) If a depositor, who has left Pakistan and is residing in a country with which there is no money order exchange, sends his pass-book to the office at which his account is open with a letter applying for the withdrawal of money from the account, the orders of the Head of the Circle should be taken. On receipt of orders from the Head of the Circle to grant the withdrawal, the amount, *less* the actual cost of remittance, should be remitted in the manner specified by the Head of the Circle. If, however, a money order exchange exists with the country to which the amount sought to be withdrawn by a depositor who has left Pakistan, is to be sent, the head postmaster will himself dispose of the application. The amount withdrawn should in such cases be sent by money order after deducting the usual commission. The depositor's letter, together with a copy of the postmaster's order or the order of the Head of the Circle and the money order receipt or other receipt for the remittance, as the case may be, should be forwarded with the s.b. journal, as vouchers for the payment.

Q.1. Rule 254 (2), Post Office Manual Vol-VI

- iii If there is a discrepancy of Rs. 10 or more between the amounts entered in a money order by the remitter and by the issuing office, or if there is any ground for suspecting fraud, such as the absence of the issuing postmaster's or the money order clerk's signature or of the impressions of any of the prescribed stamps, or an alteration in the name of the payee or the amount, the postmaster's attention should be drawn to the irregularity and payment should be withheld pending the result of a reference by telegraph to the office of issue. If there is a discrepancy of less than Rs. 10 between the amounts entered by the remitter and by the issuing office, the amount entered by the remitter should be paid, the irregularity being reported by post to the office of issue. The erroneous entry in the money order should be corrected under the postmaster's initials.

Total Marks 15

Q.2. Rule 298, Post Office Manual Vol-VI

05

i

Money order lost before payment

- (1) If a money order is lost—(a) 'in' transit between the offices of issue and payment, and intimation of the; loss or a complaint regarding it is received by the office of payment, or (b) in the office of payment before payment can be effected, the postmaster of the office of payment should carefully satisfy himself by reference to the register of money orders received and to the register of missent and misdirected money orders that the money order was either not received in his office or, if received, that it was not redirected to another office. If the register shows that the money order was received and was not redirected, the journals of money orders paid should also be examined to ascertain that the money order was not paid and intimation by telegraph should then be given to the office of issue. If the money order is found to have been redirected to another office, the enquiry should be transferred to that office. The postmaster will be held personally responsible if payment of the amount of a money order is made twice in consequence of any neglect of these instructions.
- (2) If intimation of the loss, or a complaint regarding the loss of a money order before payment, is received by the office of issue otherwise than through the office of payment within 20 days of the issue of the money order, the postmaster should satisfy himself by telegraphic reference to the office of payment that the order has not been paid. In this case, and also in cases where he receives intimation of the loss from the office of payment, the postmaster should satisfy himself by carefully examining the journal of money orders issued and the register of money orders received and the book of money orders receipts that the money order has not been repaid to the remitter.



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He should then prepare a duplicate money order by reference to the book of money order receipts and the journal of money orders issued, the name of the remitter also being entered if it is known. The words "Duplicate: original cancelled" should be written on the duplicate money order and it should be sent to the office of payment in a separate cover registered on service. If the office of payment redirects the duplicate money order, it should be sent to the office to which it is redirected in a separate cover registered on service under intimation to the office of issue.

Q.2. Rule 402/13, Post Office Manual Vol-VI

05

ii

402/13. Loss or theft of unsold Pakistan postal orders.—(1) When Pakistan postal orders are lost or stolen from the stock of a post office, an immediate report should be made by telegraph to the Head of the Circle, and to the Home Audit Office, the full particulars, including the amounts and the index numbers and letters followed by the serial number of the missing orders being stated. The telegram should be confirmed by air post by next post. The missing orders should continue to be included in the balance of unsold orders entered in the stock book, until authority is received from the Audit office to write them off.

(2) IN HEAD OFFICES, a record should be kept of the serial numbers including the index number and letters and values of the missing orders, and these particulars should be noted at the foot of the memo, of unsold orders submitted to the Audit office against an entry " Missing orders" so long as they are included in the closing balance of the memo.

(3). Heads of Circles should, after making necessary enquiries about the loss of the orders, forward a final report to the Home Audit Office in order to enable the latter to issue necessary instructions to the postmaster concerned for writing off the missing Pakistan postal orders from the stock. When authority is received from the Audit office to write off the missing orders they should be shown in the stock book as sold, and their particulars should be entered in red ink in the journal and list of Pakistan postal orders sold.

Q.2. Rule 291, Post Office Manual Vol-VI

05

iii

291. Payment of money orders after one year.—(1) No inland money order, whether original or duplicate, should be paid and no claim for short payment or excess credit on account of a money order adjusted after the expiry of one year from the date of issue, without the previous permission of the Audit Office. This applies to all classes of inland money orders. *Exception.*—The restriction regarding the limit of time {viz. one year) prescribed in this rule does not apply to money orders issued by Field Post offices for payment in Pakistan. In these cases the period for effecting payment or adjustment under this rule' has been fixed at two years instead of one year. (2) The postmaster must be very careful to see that these instructions are strictly carried out.

Q.2. Rule 272/1, Post Office Manual Vol-VI

05

iv

272/1. Payment of money orders by cheques.—(1) Post Offices which are authorised to issue cheques under Article 93 of P. & T. Initial Account Code, Volume I, may, under the authority of the Head of the Circle, pay money orders by means of cheque to payee who usually receive large sums by means of money order and want to take payment of such money orders by cheques. Cheques may also be issued by Head Postmasters for the amount of money orders to be paid at subordinate offices in direct account with their Head Offices. Conditions laid down in Article 93*ibid* are applicable in this case as well.(2) (a) Lists for money orders to be paid by cheque should be prepared in the same way as the lists of money orders to be paid by Pay Orders.(b) The original and duplicate copies of the list in form M.O.-2C (a) along with the money orders will be delivered to the payee for scrutiny who after satisfying himself that all the money orders entered in the list are intended for him and that the total of the amounts in the lists are correct inform the Postmaster who will then issue the cheque.(c) When the cheque is delivered to the payee he will return all the money orders duly receipted on the acknowledgement portion thereof and a receipt for the amount of cheque on the reverse of the original list in the space provided for the purpose retaining the duplicate copy for his own record. Each money order will be impressed by the payee



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with the special stamp with the words "Paid by cheque onto.....(payee's name)" in the space provided on the reverse of the money order for the signature of the payee.

Total Marks 20

Q.3. $50,000 \times 13.5\% = 6,750$

$56,750 \times 13.5\% = 7,661$

$64,411 \times 13.5\% = 8,695$

$73,106 \times 13.5\% = 9,869$

Interest:

$6,750 + 7,661 + 8,695 + 9,869 = 32,975$

Total Amount due

$50,000 + 32,975 = \underline{82,975}$

Please verify this solution with the Question. Students complained about it.

Total Marks 10

Q.4. 20. ACCIDENT INSURANCE

Holder of a Postal Life Insurance/Endowment Assurance Policy or policies may apply to the General Manager within a year of the issue of the policy for a supplementary contract providing for accidental death or accidental combined with permanent disability benefits insurance. Benefits under the supplementary contract and premia payable therefore will be as follows. These benefits will be in addition to the benefits under Life Insurance/Endowment Assurance Policy.

Exception (i):

Notwithstanding the above provisions of the Rule, a policy holder may apply for supplementary contract after the expiry of one year from the date of issue of policy provided he pays all the arrears premiums of the supplementary contract as if it had come into force from the date of issue of the policy in combination with which it is to be issued. If the proposal is accepted by the General Manager, the date of issue of the supplementary contract will be the date of payment of all the arrears of the premium due. The supplementary contract in such cases shall, however, cover risk only from the actual date of its issue. i.e it will not cover risk that has occurred between the issue of the original policy and issue of the supplementary contract. No interest shall be charged on arrear premiums.

Exception (ii):

Supplementary contracts are not admissible in case of non medical policies, in case of Defence personnel the supplementary contract shall not cover the risks of death, disability or injuries caused by war, war-like operations and occupational aviation engagement etc but Air Travel as a passenger in commercial Airlines over an established route will be covered.

Death by Accident:

Rate of premium-Rs.3 per annum, for every Rs.1,000 or part thereof payable in advance.

Benefits:

In case of death of the person insured before maturity of the policy or before his attaining the age of 55 years. Whichever is earlier, as a direct result of drowning or of external bodily injuries caused by external, violent and accidental means of which, there is evidence of a visible contusion or wound on the exterior of the body, of internal injury revealed by autopsy, payment of the face amount of Insurance under the supplementary contract will be made to the Executors, Administrators of assignees of the insured provided death occurs within ninety days from the date of such injuries.

Total Marks 10



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Q.5.

Date	Opening Balance	Deposit	Withdrawal	Closing Balance	Interest bearing Balance	
01.07.2017	726,490	-	-	726,490	726,490	7/17
				726,490	726,490	8/17
01.09.2017	726,490	70,000	-	796,490	796,490	9/17
					796,490	10/17
					796,490	11/17
01.12.2017	796,490	-	30,000	766,490	766,490	12/17
					766,490	01/18
					766,490	02/18
15.03.2018	766,490	126,700		893,190	766,490	03/18
					893,190	04/18
					893,190	05/18
					893,190	06/18
					9,587,980	

DISCLOSURES:

Opening Balance 1.7.2017 Rs 691,220
 Add: Interest for the year Rs 26,770
 Add: Arrears Rs 8,500
 Rs 726,490

$\frac{9,587,980}{12} \times 11\% = \text{Rs } 87,889$

Closing Balance as on 30.06.2018 Rs 893,190 + 82,889 =Rs. 976,079/=

Please verify this solution with the Question. Students complained about it.

Total Marks 10

Q.6. (Rule-44, Note-III, Appendix-A IAC Vol-I)

Item No.01:

Railway Mail Vans:

Cost including overhead charges = 70,000
 Residual Value = -
 Net Value of Assets = 70,000
 Annual depreciation = 2,333 (70,000/30)
 Total depreciation for 5 years = 11,665 (2,333 x 5)
 Depreciated Value after 5 years = 58,335 (70,000 – 11,665)

Item No.02:

Iron Wire Telephone Circuits

Cost including overhead charges = 100,000
 Residual Value = 10,000
 Net Value of Assets = 90,000
 Annual depreciation = 9,000 (90,000/10)
 Total depreciation for 5 years = 45,000 (9,000 x 5)
 Depreciated Value after 5 years = 55,000 (70,000 – 11,665)

Item No.03:

Automatic Exchange:

Cost including overhead charges = 265,000
 Residual Value = 31,800
 Net Value of Assets = 233,200
 Annual depreciation = 9,328 (233,200/25)
 Total depreciation for 5 years = 46,640 (9,328 x 5)
 Depreciated Value after 5 years = 218,360 (265,000 – 46,640)

Total Marks 15
