



**Pakistan Institute
of Public Finance Accountants**

Model Solutions

**Public Sector-Accounting
(Application)**

Summer Exam-2023

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Solutions – Public Sector Accounting (Application)

Q.1. _____
(a)

Coding:	074102S4202A02201
Function Element:	074102
Entity Element Sindh:	S4202
Object Element (Expenditure):	A02201

Q.1. Coding: 046102F521PSD2G07112
(a) Function Element: 046102(Post offices)
Entity Element (Federal): F521PSD2
Object Element (Liabilities): G07112

Q.1. Coding: 046102F521PSD2G07112
(a) Function Element: 046102(Post offices)
Entity Element (Federal): F521PSD2
Object Element (Liabilities): G07112

Q.1. Coding: 042203P705510E01110
(a) Function Element: 042203 (canal irrigation)
Entity Element (Punjab): P705510
Object Element (Capital receipts): E01110

Q.1.
(b) 5810 (Adjustment Qualification pay)
List of adjustment codes serial no. 203

Q.1. 00002919 (Plantation Officer)
(b) List No. 6 Designation codes Sr. No. 4226

Q.1. Adhoc Relief Allowance (Wage type 1502)
(b) List no. 14 Recurring Payments and Deductions

Q.1. Commerce College Z6
(b) List no. 17 Education Codes Sr. No. 7

Total Marks 20

Q.2. Marking Plan: 02 marks for correct comment and 03 marks for exact reference:

(a)
Reference: APPM Chapter Receipts 5.5.10.1

5.5.10. Receipt adjustments

5.5.10.1 If a cheque is received which is subsequently dishonoured by the bank, it will not appear in the bank scroll (Direction **Error! Reference source not found.**) and therefore does not require an adjustment by the accounting office. However, the administrative entity must be advised to ensure appropriate follow up action to be taken with the payer.

Comment: Inadmissible: The action of the account office is not as per NAM guidelines (5.5.10.1), there is no need of adjustment however an appropriate follow up action should be taken against payer.



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Q.2. Reference: APPM Chapter General Accounting 16.4.1.2

(b)

16.4.1.2 Suspense accounts shall not be used for transactions relating to contingent expenditures. Such expenditures shall only be certified and authorised if the correct budget head is mentioned on the claim voucher, as set out in chapter 4 of this Manual.

Comment: **Inadmissible** as suspense account shall not be used for transactions relating to contingent expenditures

Q.2. Reference: APPM /Bank Reconciliation / monthly procedures by DAO/AGPR for reporting cash balances (APPM 6.5.3.10)

(c)

6.5.3.10 The delegated officer in the office of the Accountant General send a copy of the Daily Balances Exception List to the SBP - HQ in order to reconcile the differences and take the necessary follow-up actions in consultation with the Accountant General.

Comment: **Admissible** as per APPM above quoted clause.

Q.2. Reference: APPM /Expenditures /Final Payment APPM 4.6.8.2

(d)

4.6.8.2 Where an employee is leaving the service of the Government due to retirement, the last payment of salary and allowances shall not be held up merely to verify that no outstanding amount is due from the employee. The employee shall agree in writing that any valid outstanding amount coming to notice within a period of one year from the date of retirement may be recovered from the pension payments.

Comment: **Inadmissible** as per APPM 4.6.8.2

Total Marks 20

Q.3.

Journal Entry

Reference: APPM /Receipts/5.6.2.4

Recoveries of loans and advances - where the Government provides loans to Provinces, local bodies or other institutions, the recovery of principal is recorded as a capital receipt. Where Government servants take out an advance, such as a house or motor vehicle advance, the recovery is also a capital receipt and will be recognized when repayments are made by salary deduction.

DR. | A01| Employee related expenses

CR. |E02502| Motorcar Advance (Recoveries of Loan and Advances)

Total Marks 10

Q.4. Marking Plan: 02 Marks for threshold and 03 marks for its adjustment.

As per APPM 13.4.1.4

Every fixed asset purchased or improvement/extension made **above Rs. 100,000** shall be recorded in the Fixed Assets Register. This threshold should be subsequently adjusted in the light of experience and better defined management information requirements.

Total Marks 05



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- Q.5. Steps of Solving with proper format: 20
 (a) Calculation of Cash at the end of year 02
 Correct Answer: 03

FEDERAL GOVERNMENT
Statement of Cash Receipts and Payments
For the Year Ended 30 June 20XX
Federal Consolidated Fund

RECEIPTS

Taxation

Income Tax
Sales Tax
Federal Excise, Custom duty
Other Taxes

Rs. in
million

698,608
897,166
444,818
16,990
2,057,582

Non Tax Revenue and Other Receipts

General Administration & Economic receipts
Defence Services receipts
Development Surcharge & Royalties
Dividend and profit share
Citizenship, nationalization, passport and copyright
Interest on Loans and Advances

11,453
15,041
457,374
730,967
13,120
101,306
1,329,261

Borrowings

Foreign Debt Borrowing
Domestic Borrowings

2,111,879
3,918,276
6,030,155

Capital Receipts

Investment Recovery

162,652
162,652

TOTAL RECEIPTS (Consolidated Fund)

9,579,650

PAYMENTS

Operations

Salaries and employees benefits
Operating Expenses

**Rupees
(In Million)**

1,229,118
784,049
2,013,167

Transfers

Grants ,Subsidies and write off of Loans
Other Transfer payments

1,442,807
78,076
1,520,883

Expenditures on

Expenditure on physical assets,
Expenditure on civil works
Others

381,175
221,348
7,873
610,396

Debt and Interest Payments

Principle repayment of Debts
Servicing of Debts

1,917,773
2,761,031
4,678,804



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Other Payments

Loan and Advances

417,980

417,980

9,241,230

TOTAL PAYMENTS (Consolidated Fund)

NET Receipts of FEDERAL CONSOLIDATED FUND

(Total consolidated Fund Receipts - Total Payments) (9579650-9241230)

338,420

Add Public Receipts

-

NET INCREASE/(DECREASE)IN CASH

338,420

Cash at the Beginning of the Year

500,805

Increase /decrease in Cash during the year

338,420

Cash at the End of the Year

839,225

Total Marks 25

Q.6. Marking Plan: 10 marks for the correct statement of GP Fund, 05 marks for the calculation of Interest and 05 marks for the closing balance.

GP Fund LEDGER CARD (INTEREST APPLIED) 2021-2022

GPF A/c No : xxxx

Name: Mr. Zubair

Father's Name: XYZ

Designation: Audit Officer

Month/Year	Monthly Subscription	Refund of GP Fund Advance	Withdrawals	Progressive Balance
Opening Balance				412,500
Jul-21	5,360		-	417,860
Aug-21	5,360		-	423,220
Sep-21	5,360		-	428,580
Oct-21	5,360		330,000	103,940
Nov-21	5,360	6,875	-	116,175
Dec-21	5,360	6,875	-	128,410
Jan-22	5,360	6,875	-	140,645
Feb-22	5,360	6,875	-	152,880
Mar-22	5,360	6,875	-	165,115
Apr-22	5,360	6,875	-	177,350
May-22	5,360	6,875	-	189,585
Jun-22	5,360	6,875	-	201,820
Total	64,320	55,000	330,000	2,645,580
Opening Balance on 30 th June 2021				412,500
Deposits and Refunds				119,320
Interest for the Year @ 12.4% (Progressive total * Interest rate /12) (2645580*12.4% ÷12)				27,338
Withdrawals during the year				330,000
Balance on 30 th June-2018				229,158

Total Marks 10
