



**Pakistan Institute
of Public Finance Accountants**

Model Solutions

PS Accounting (Application)

AGP | PG | PMAD | KP Govt. | SINDH Govt. | Public Sector

Summer Exam-2024

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Summer Exam-2024
PS Accounting (Application)

Q.1. Answer at 62/74 (Chart of Accounts)
a(i)

Q.1. Answer at 25/74 (Chart of Accounts)
b(i)

Q.1. Answer at 67/74 (Chart of Accounts)
c(i)

Q.1. Answer at 18/74 (Chart of Accounts)
d(i)

Q.1. Answer at 27/74 (Chart of Accounts)
b(i)

Q.1. Answer at 55/74 (Chart of Accounts)
b(ii)

Q.1. Answer at 65/74 (Chart of Accounts)
b(iii)

Q.1. Answer at 17/74 (Chart of Accounts)
b(iv)

Q.2. Answer at 4.6.10 of AP&PM
a

Q.2. Answer at 4.7.3 of AP&PM
b

OR Answer at 4.6.9 of AP&PM

Q.3. Rule 14 of General Provident Fund (Federal Services) rules of the Federal Government, Government of Pakistan, Finance Division updated edition 2017. Also referred to 4.8 of AP&PM

Government decision.—Under the existing orders as contained in part-III para 23 of Finance Division O. M. No. F.1(1)Imp-I/83, dated 18.08.1983, a Government servant can avail the facility of interest free loan(s) such as House Building, Motor Car/Motorcycle advances from Government, if he does not claim interest on his G.P Fund balance. 2. A question has arisen as to whether a Government servant after availing interest free loan(s) on the basis of non-interest bearing G.P Fund account can change his option to claim interest on G.P. Fund account and if so to what extent the amount of interest on loan(s) is to be remitted/recovered. 3. The position has been reviewed in the light of Rule 14(5) of General Provident Fund (Civil Services) Rules, according to which a Muslim subscriber, at his own free will, can exercise option to have a non-interest bearing G.P. Fund account as well as can change his option to have interest bearing G.P. Fund account at any later or subsequent stage. 4. The change of option from non-interest bearing to interest bearing G.P. Fund Account, however, involves the question of protection of interest on loan(s) drawn from Government. Keeping this purpose in view the following decision has been taken:— —Except for interest free cycle advance and House Building advance admissible to Government servants B-15 and below, all 17[**] subscribers who opt not to claim interest on G.P.

Fund account to avail interest free House Building, Motorcycle or Motor Car Advance from Government, if subsequently, change their option into interest bearing G.P. Fund account either during or after the currency of the recovery of principal amount, shall be charged the amount of interest on loan(s) equal to the difference between the amount of interest accrued on loan(s) and the amount of interest foregone on G.P. Fund account. 15 Substituted vide Finance Division O. M. No. F. 1(2)-MUC/82, dated 12-02-1983. 16 Substituted vide Finance Division O. M. No. F. 1(2)-MUC/82, dated 12-02-1983. 17 The word “Muslim” deleted vide Ministry of Finance’s O.M.No.2(1)R-7/96-1327/99, dated 22-11-1999. 10 185. The above decision is effective from 01.07.1999 and Finance Division’s U.O. No. F.2 (1) R-7/96-726, dated 07-10-1996 may be treated as amended to the above extent with effect from the same date i.e. 01-07-1999. [Finance Division O. M. No.F.2(1)R.7/96-1103/99, dated 29-09-1999.] Government decision.—Refer to Finance Division’s O. M. No.F.2(1)-R.7/96- 1103/99, dated 29-09-1999 and No. F. 2(1)-R.7/96-1327/99, dated 22.11.1999, the existing policy regarding change of option for conversion of G. P. Fund balances from interestbearing to interest-free and vice versa has been reviewed in the light of Rule 14 (5) of G. P. Fund (Central Services) Rules in consultation with Law, Justice and Human Rights Division. (2) It has been decided to withdraw Finance Division’s U. O. No.F.2(1)-Reg. 7/96-726, dated 07.10.1996 ib-initio thereby allowing Government servants to change their option under Rule 14(5) of G. P. Fund *(Central Services) Rules; from the year they so opt. Further Government servants who applied to change their option after issuance of U.O. ibid and their request were not entertained to revise their option, would be allowed to do so and interest added to their G. P. Fund account from the year in which they opted to revise their option. However, they shall not be entitled to any interest for the period their option for not receiving interest was valid; further that their account shall be charged to the extent of the interest foregone by the Government on the loans obtained by them, if any during this period when their option was valid. (3) The instructions contained in Finance Division’s O.M. No.F.2(1)-R.7/96- 1103/99, dated 29-09-1999 and No. F.2(1)-R.7/96-1327/99 dated 22.11.1999 stand modified to the extent of the above decision. [Finance Division O.M. No. F.2 (1)-R.7/96-183/2002, dated the 2nd April, 2002.] (4) The interest on amounts which under sub-rule (3) of rule 13, sub-rule (5) of rule 16, sub-rule (3) of rule 19, sub-rule (4) of rule 21, sub-rule (1) of rule 23, sub-rule (1) or (2) of rule 24, rule 29 or rule 30 are replaced at the credit of the subscriber in the Fund, shall be calculated at such rates as may be successively prescribed under sub-rule (1) of this rule and so far as may be in the manner described in this rule. 19[NOTE.—The adjustment of overpayment from the balance outstanding in the Provident Fund of the subscriber to the extent of interest in that amount but not from the contribution made by the official from his salary.] Government decision—A question was raised as to how the rate of interest should be allowed on current accounts as well as in the case of final payment of Provident Funds. It has been decided that in the case of final payment of Provident Fund Accounts, 18 Substituted vide Finance Division O. M. No. F.2 (1) R-7/96-1327/99, dated 22-11-1999. 19 Added by the S.R.O. 388 (I)/2001 [F.1(5)-Reg.7/87-D.566/2001] , Islamabad the 20th January, 2001, the Gazette of Pak., Extr., Pt. II, P. No. 389, dated February 20, 2001. * The word “Central” has been substituted with the word “Federal” by Ministry of Law Notification No.F.24(2)/75-Pub., dated 01-8-1975, Gaz. of Pak., Extra., Pp.435-436, dated 01-8-1975. 11 the Accounts Officer should not calculate and pay interest for the year for which the rate of interest has not actually been intimated by the Government and that the residual payment may be allowed later on as and when the orders regarding the fixation of rate of interest for that year are issued by the Government. As regards the current accounts, the interest for the year should be calculated and added to the accounts as and when the rate of interest for the year has been announced by the Government. [G. P., .M. F., letter No. F. 9(2)-R3/67, dated 25-02-1967 addressed to the Comptroller and Auditor-General of Pakistan, Lahore.]

Q.4. [Auditor General’s Manual of Standing Orders]

Q.5. Answer at 15.3 of AP&PM

Q.6.

**Direct Cash Flow Statement
For the year ended June 30, 2023**

	2023	2022
Receipts from customers	3,540,305,104	2,487,015,505
Cash paid to supplier, services providers and employees	(3,720,021,079)	(2,509,275,565)
WPPF paid	133,420	(9,137,786)
Taxes paid	(33,167,967)	(46,247,562)
Finance costs paid	(27,814,925)	(3,120,998)
Retirement and other service benefits paid	(716,467)	(207,287)
Net cash used in operating activities	(241,281,914)	(80,973,693)
Cash Flows From Investing Activities		
Capital expenditure	(5,090,713)	(3,333,889)
Proceeds from disposal of operating assets	182,036	122,344
Dividends received	555,839	1,121,079
Net Cash Used in Investing Activities	(4,352,838)	(2,090,466)
Short-term borrowings - net	265,572,592	106,762,412
Lease payments	(1,578,125)	(1,001,458)
Dividends paid	(4,612,011)	(4,719,432)
Net Cash Generated From Financing Activities	259,382,456	101,041,522
Net Increase in Cash and Cash Equivalents	13,747,704	17,977,363
Cash and cash equivalents at beginning of the year	12,060,789	(5,916,574)
Cash and Cash Equivalents at End of the Year	25,808,493	12,060,789

[Also referred to Appendix-3 Cash basis – IPSAS – 2017]

Q.7. For answer refer to Cash basis – IPSAS – 2017 under the heading Presentation and Disclosure Requirements

OR Chapter 10 of AP&PM
