



**Pakistan Institute
of Public Finance Accountants**

Model Solutions

**Public Sector Accounting
(Application)**

CGA | PRAD

Summer Exam-2024

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Q.1. Coding: 082101 F571NHI1 G12605

- (a)** Function Element: Cultural Services 0821 082101 to 082105
i Entity Element (Federal): 571NHI1
Object Element (Liabilities): G12605

Q.1. Coding: 011103P515025A0120N

- (a)** Function Element: 011103
ii Entity Element (Punjab): P51 5025
Object Element (Expenditure): A0120N

Q.1. Object Element: Non tax revenue

- (a)** Coding : C013aa
iii

Q.1. Object Element: Expenditures

- (a)** Coding: A0620
iv

Q.1. Object Element: Tax Revenues:

- (a)** Coding: B01142
v

Q.1. Object Element: Capital receipts

- (a)** Coding: E0210A
vi

Q.1. List of Adjustment Codes Sr. No. 83

- (b)** Wage Type 5083
i

Q.1. List No. 07 Organizational Units Federal

- (b)** SR. 36 Org. Unit Code:00000036
ii

Q.1. List No. 14 Recurring Payments and Deductions

- (b)** SR. No. 295 Wage Type: 3645
iii

Q.2. As per APPM 5.6.2.3 under heading Proceeds from sale of Stock and Assets.

proceeds from the sale of stores and surplus assets are to be treated as Consolidated Fund revenue, where the initial purchase was made from the Consolidated Fund. If initial purchase was made from the Public Account the amount should be credited back to the relevant Public Account head. Sale proceeds should not be shown net of selling costs.

- a) **DR.** F01101 Non Food Account/ Bank Account 750,000/-
CR. Consolidated Fund Account 750,000/-

(Recording of sale proceed on gross value and revenue recorded in the account of initial purchase consolidated fund account)

- b) **DR.** F01101 Non Food Account/ Bank Account 750,000/-
CR. Public Fund Account 750,000/-



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(Recording of sale proceed on gross value and revenue recorded in the account of initial purchase Public fund account)

Selling cost entry in both above cases is given below:

DR. A03910 Commission paid 50,000/-
Cr. F01101 Non Food Account 50,000/-
(Recording of commission paid)

Q.3.

PROVINCIAL GOVERNMENT Statement of Cash Flows For the Year Ended 30 June 20XX

	Rs. (m)
Cash Flows from Operating Expenses	
Taxation: Transfer from Federal Govt.	61,341
Taxation: Own Collection	2,302
Non Tax revenue	10,424
Transfer to others	(5,676)
Grants and Aids	20,397
Salaries and employees benefit	(553)
Operation payments	(47,924)
Trading receipts	15,377
Receipt of District Govt	463
Revenue Payment of District Govt.	(33,143)
Cash from Operating Activities	23,008
Cash Flows from Investing Activities	
Recoveries of loans and advances	104
Proceeds from sale of Investment	23
Investment	(303)
Expenditure on Civil work	(24,427)
Expenditure on Plant and Equipment	(1,460)
Cash used in Investing Activities	(26,063)
Cash Flows from Financing Activities	
Receipts foreign debt	2,926
Receipt of domestic debt	77
Principal repayments of Debt	(3,678)
Net receipt of Public Accounts	4,894
Cash from Financing Activities	4,219
Net increase/(decrease) in Cash and Cash Equivalents	1,164
Cash and Cash Equivalents at the beginning of the year	4,193
Cash and Cash Equivalents at the end of the year	5,357



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Q.4.

AG Monthly Bank Reconciliation Statement	
Bank Account No. 1258	
For the Month of April 2024	
	Rs. (m)
Cash balance as per Accountant General Office	1,050
Add: Un-presented (un-cleared) cheque/payments:	
Item 1	350
Item 2	155
Sub-total	505
Receipts in bank statement but not in AG Sindh record:	
Item 1	450
Item 2	100
Sub-total	550
Less: Payments in bank statement but not in AG record:	
Item 1	175
Item 2	250
Sub-total	425
Adjusted cash balance as per Accountant General Sindh	1,680
Cash balance as per bank statement	1,680

Q.5.

Reconciliation of Actual Amounts on a Comparable Basis and Actual Amounts in the Financial Statements

1.7.41 The actual amounts presented on a comparable basis to the budget in accordance with paragraph 1.7.25 shall, where the financial statements and the budget are not prepared on a comparable basis, be reconciled to total cash receipts and total cash payments, identifying separately any basis, timing and entity differences. The reconciliation shall be disclosed on the face of the statement of comparison of budget and actual amounts or in the notes to the financial statements.

1.7.42 Differences between the actual amounts identified consistent with the comparable basis and the actual amounts recognized in the financial statements can usefully be classified into the following:

- (a) Budgetary basis differences, which occur when the approved budget is prepared on a basis other than the accounting basis. For example, where the budget is prepared on the accrual basis or modified cash basis and the financial statements are prepared on the cash basis;
- (b) Timing differences, which occur when the budget period differs from the reporting period reflected in the financial statements; and
- (c) Entity differences, which occur when the budget omits programs or entities that are part of the entity for which the financial statements are prepared.

There may also be differences in formats and classification schemes adopted for presentation of financial statements and the budget.



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Q.6. Monthly principal installment = $1000000/60 = \boxed{16667.67/-}$
a

Q.6. Motor car advance Interest:

b Amount of Advance: 1000,000/-
No. of installments: $5 \times 12 = 60$
Interest Formula: $\text{Amount of Advance} \times (\text{Number of installments} + 1) \times \text{interest rate} / 2400$
Interest Amount = $1000,000/- \times (60+1) \times 14.22\% / 2400$
= 361,425

Note: the rate of interest will be applied for the year 2022-23 as in which financial year the advance is taken that year interest rate is applied.

Q.7.

Statement of Financial Performance For the Year ended 30th June 20XX

Revenue:

Taxes	215
Fee, fines and penalties	55
Revenue from exchange transactions	30
Transfer from the Govt. entities	50
Other Revenue	5
Total Revenue	<u>355</u>

Expenses:

Wages , Salaries and Employees benefits	186.6
Grants and other transfer payments	20.1
Supplies and consumables	12.9
Depreciation and amortization expense	5.6
Impairment of Property Plant and Equipment	4.3
Finance Cost	33
Total Expenses	<u>262.5</u>

Surplus for the period (T. revenue- T. expenses)	<u><u>92.5</u></u>
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Note: Cash and cash equivalents are not expenses nor a revenue, it is the item of Statement of Financial Position
