



Winter Exam-2022

Solutions – PS Accounting (Application)

KINDLY REVIEW THIS SOLUTION BEFORE STARTING THE MARKING

Q.1. [Chapter 2 of CoAs Book issued February 1999 by the DAGP]

08

a Monthly / year end Journal Entries relating to Assets, Liabilities, and Equity

Examples of the journal entries required to facilitate this are shown in the table below.

Transaction	Journal entry to reflect the initial transaction (1)	Year end journal to account for assets and liabilities (2)
Purchase of Fixed Asset	DR Fixed assets (expenditure object) CR Bank (asset object)	DR Fixed assets (asset object) CR Residual equity (equity object)
Disposal of Fixed Asset	DR Bank (asset object) CR Disposal of fixed assets (revenue object)	DR Residual equity (equity object) CR Fixed assets (asset object)
Issue of Loans and Advances	DR Loans and advances (expenditure object) CR Cash (asset object)	DR Loans and advances (asset object) CR Residual equity (equity object)
Repayment of Loans and Advances	DR Cash (asset object) CR Loans and advances (revenue object)	DR Residual equity (equity object) CR Loans and advances (asset object)
NOTES : (1) Initial entry to be performed by the entity/person initiating the transaction. (2) Year end entry to be performed by AG/AGPR.		

**Q.1. Answer at 13/74 of CoA
b(i)**

03

**Q.1. Answer at 20 & 21/74 of CoA
b(ii)**

03

**Q.1. Answer at 67/74 of CoA
b(iii)**

03

**Q.1. Answer at 65/74 of CoA
b(iv)**

03

Total Marks 20

Q.2. Five elements of CoAs

10

Entity element

The entity element enables reporting of transactions by the organisational structure or in other words the organisational unit which is creating the transaction. The use of the entity element is mandatory for all accounting transactions.

There are a number of sub elements contained within the entity element. These allow for capturing transaction data at more detailed levels. The sub elements contained in entity are government, division / department, attached department, district and Drawing and Disbursing Officer (DDO).

Object Element

The object element enables the collection and classification of transactions into expenditure and receipts and also to facilitate recording of financial information about assets, liabilities and equity. The use of the object element is mandatory for all accounting transactions.

The object element consists of two sub elements, the accounting element and the account number.



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Fund Element

The fund element enables financial reporting by fund being either the Consolidated Fund or the Public Account. The use of the fund element is mandatory for all accounting transactions.

The fund element consists of three sub elements, fund; sub-fund; and grant / public account number.

Function Element

The function element provides reporting of transactions by economic function and program. The function code is mandatory for transactions relating to expenditure and revenue.

The function element consists of four sub elements, major function, minor function, detailed function and program (program sub element will only be used by computerised entities if the Federal and Provincial Government decides to introduce program accounting).

Project Element

The project element enables transactions to be aggregated and reported at a project level (generally equivalent to “sub-grant” level in the project development budget).

The project code will be used for all development projects and the use of this code for all such projects will be mandatory.

The project element consists of the project number, which is identified by four numeric characters.

Each project will have a unique project number.

OR

Report	Components	Responsibility	Due Date
1.Monthly Accounts Consolidation Pack	Summary Schedule - Consolidated Fund Division / Department Schedule - Consolidated Fund Public Account Summary Schedule Statement of Cash Flows Grant Expenditure Analysis Programs Report	DAO / SAE / AG / AGP	7 th of each month
2.Consolidated Monthly Accounts (CMA)	Components as above Additional components include: Project Expenditure Statement Revenues Analysis Debt Report Losses Report	AG/AGPR	15 th of each month
Consolidated Monthly Accounts (contd.)	-	See above	See above
3.Consolidated Quarterly Accounts (CQA)	(see above)	AG/AGPR	20 th of month following end of each quarter
4.Financial Statements of the Federation, Provinces and the Republic	Comprehensive Financial Statements of the Provincial and Federal Governments These comprise : Statement of Assets and Liabilities Statement of Revenues and Expenditure Statement of Cash Flows Notes to the Financial Statements Summary of Appropriation Accounts by Grants and Appropriations Appropriation Accounts by Economic Functions and Department / Division Consolidated financial statements of the Republic. These comprise all of the above statements. Separate disclosures shall be made for each of the entities and for the consolidated entity	Auditor General/ AG's / AGPR	February 20 th

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5.Revenue Confirmation Statement	Not applicable	DAO/AG/AGPR	5 th of each month
6.Disbursement Confirmation Statement	Not applicable	DAO	5 th of each month
7.Division / Department Statement	Not applicable	AG/AGPR	5 th of each month

Total Marks 10

Q.3. 4.12.2.1 APPM

The following double entry shall be made to record the transaction relating to grants-in-aid and contributions.

Dr Grants and subsidies account **Rs. 10 million**
Cr Cheque clearing account **Rs. 10 million**

[to record the amount charged to the relevant detailed expenditure head under grants and subsidies. This entry shall be recorded in the General Ledger on the date the cheque is issued.]

Dr Cheque clearing account **Rs. 10 million**
Cr Bank account **Rs. 10 million**

[to record the amount cleared from the bank account. This will be the date as per the Bank Return.]

Total Marks 10

Q.4. Answer at 4.7.9.2 of AP&PM

If a pension remains undrawn for three years, it cannot be paid without the authority of the Accountant General.

Total Marks 10

Q.5. a 04

Dr Bank account **Rs. 1,000**
Cr Revenue account (detailed head) **Rs. 1,000**

Dr Commission expense **Rs. 100**
Cr Bank account **Rs. 100**

Q.5. b 06

Dr Bank account
Cr Revenue account (detailed head)

[to record receipts or advances collected, and placed into the Consolidated Fund]

OR (i) 06

Federal accounts

Dr Federal/Provincial settlement account
Cr Cheque clearing account

(ii)

Provincial accounts

Dr Expense head account
Cr Federal/Provincial settlement account



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(ii)

Federal accounts

Dr Bank Account

Cr Federal/Provincial settlement account

Provincial accounts

Dr Federal/Provincial settlement account

Cr Bank Account

Total Marks 10

Q.6. Defined in Articles 78 and 118 of the Constitution, refers to all revenues received by the Federal/ Provincial Government, all loans raised and all moneys received in repayment of any loan by that Government. **04**

Q.6. The following moneys will form the Public Account:

- a(ii)**
- received by or on behalf of the Government, other than those belonging to the Consolidated Fund
 - deposited with the Supreme / High Court or any other court established under authority of the Government

Q.6. It is a requirement of the Constitution that no expenditure from the Consolidated Fund shall be deemed to be duly authorised unless it is specified in the Schedule of Authorised Expenditure.

a(iii)

The Constitution also requires that the Schedule of Authorised Expenditure lapse with the passing of each financial year.

However, as expenditure can only be charged against the Consolidated Fund when a cash payment is made. This in no way precludes commitments and accruals being recognised and brought to account, as they are recognised against a non-cash or accrual item eg. commitments or creditors, not against the Consolidated Fund (until such time as the cash payment is made).

While the Constitution does not preclude the bringing to account of accruals or commitments, it does prevent the accruals or commitments from being paid against a prior year's Schedule of Authorised Expenditure. For this reason, entities with accruals or commitments from a previous period should ensure that they have allowed for the payment of these accruals and commitments against that year's Schedule of Authorised Payments.

Q.6. The president will be the appointing Authority of the AGP. **03**

b

Q.6. The Auditor General shall not be removed from Office except in the like manner and on the like ground as a Judge of the Supreme Court **03**

c

Total Marks 10

Q.7. Answer at 4.4.6 of AP&PM

(i) **Dr** Expenditure head account
Cr Cheque clearing account

(ii) **Dr** Cheque clearing account
Cr Bank account

(iii) **Dr** Cheque clearing account
Cr Expenditure head account



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(iv) **Dr** Cheque clearing account
 Cr Unclaimed money account

(v) **Dr** Refunds account (revenue)
 Cr Cheque clearing account

Dr Cheque clearing account
Cr Bank account

Total Marks 10
