



**Winter Exam-2023**  
**Solutions – Public Sector Accounting (Theory)**

<b>Q.1.</b>	The Public Sector Enterprises means the sector of economic system which is based upon the principle of companies and administratively controlled by the State and not by the public.	03
<b>(a)</b>		
	The main objectives are to provide services to the public and are funded by the Government in the areas such as Health, Education, Local Government and Services Department, Housing and Social Work etc.	
<b>Q.1.</b>	1. Funded by the Government	03
<b>(b)</b>	2. Administratively controlled and managed by the State	
	3. Financial Independence	
	4. Function as Rendering Public Services	
	5. Monetary and specialized help particularly in terms of foreign exchange	
	6. Massive help in Implementing government plans	
	7. Autonomous or Semi-independent Bodies	
<b>Q.1.</b>	Answer at Section-15 of the AGP Ordinance, 2001	04
<b>(c)</b>		
	<b>Total Marks</b>	<b>10</b>
<b>Q.2.</b>	Reference: IPSASB Hand Book-2017	
	<b>Total Marks</b>	<b>15</b>
<b>Q.3.</b>	Answer at 3.5.3.6 of MoAP	
	<b>Total Marks</b>	<b>10</b>
<b>Q.4.</b>	Answer at 4.6 of MoAP	
	<b>Total Marks</b>	<b>10</b>
<b>Q.5.</b>	Section- 3 of the CGA Ordinance, 2001	05
<b>(a)</b>		
<b>Q.5.</b>	Section- 5 of the CGA Ordinance, 2001	05
<b>(b)</b>		
	<b>Total Marks</b>	<b>10</b>
<b>Q.6.</b>	Answer at 2.3.2.2 and 2.3.3.1 of MoAP	
	<b>Total Marks</b>	<b>10</b>
<b>Q.7.</b>	Answer at 13.6.1.1 to 13.6.2.1 of the AP&PM	
	<b>Total Marks</b>	<b>10</b>
<b>Q.8.</b>	Answer at 4.2.1 and 4.3.1 of MoAP	
	<b>Total Marks</b>	<b>10</b>



## Winter Exam-2023

### Solutions – Public Sector Accounting (Theory)

**Q.6. Marking Plan: 02 marks for calculation of expenses 08 marks for journal entries**

**Total Petty cash expenses:** Initial Float – (Remaining balance + receipts (if any))  
=45,000-5,500 01  
=39,500/- 01

Journal Entries:

DR. Expenditures 39,500/- 02  
CR. Petty cash account 39,500/- 02  
(Record expenditures on receipt of petty cash vouchers)

DR. Petty cash account 39,500/- 02  
CR. Payment Clearing Account 39,500/- 02  
(To reimburse the original petty cash float made simultaneously with above entry)

**Total Marks 10**

**Q.7. Marking Plan: 05 marks for explanation 05 marks for corrected statement**

As per IPSAS cash basis, we need to adjust prior year amending opening cash balance and so Rs. 78 million overstatements of cash payments in the previous year will increase the closing cash balance but not affect the overall increase in cash during the year.

The overall cash movement is unchanged from the amount shown in question because the error does not affect the current year.

Cash at the beginning of the year needs to be increased by Rs. 78 million.

The revised statement will be as follows:

	Receipts/ Payments controlled by entity (Rs. In millions)
Cash Receipts	1,833
Cash payments	(1,950)
Increase/ (Decrease ) in cash	(117)
Cash at the beginning of the year (127+78)	205
Cash at the end of year	88

**Total Marks 10**

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