

*held on 27/2/2022*

# ACCOUNTS TEST (HIGHER) PAPER II (WITH BOOKS)

Time Allowed : Three Hours

Maximum Marks : 100

Minimum Marks: 40

Answer Question No. 1 and any FOUR of the rest

I Post the following transactions in the Cash Book of Executive Engineer, Building Division No. 1 of P W Department for the month of June, 2019. Close the Cash Book giving analysis of the closing balance. Also record the classifications and certificate of the Executive Engineer about the closing balance.

1-6 Opening Balance:	Rs.
i) Cash and coins	1050
ii) Imprest with Junior Engineer x	200
iii) Revenue Stamps	25
iv) Temporary Advance with SDO Y	250
v) A private cheque No. 222 of Executive Engineer (amount was paid to him from chest as it could not be cashed from the Bank)	250
vi) Self Cheque dated 29-5-2019	280

2-6 Encashed private cheque no. 222

2-6 Payment to Contractor K by Cheque no. 21 for repairs of High Court Building (2<sup>nd</sup> Running Account Bill) details of which are given below:

a) Total value of work measured	60000
b) Total up-to-date Advance Payment	10000
c) Payment on actual measurement in 1 <sup>st</sup> R.A. Bill	20000
d) Recoveries:	
i) Amount recovered for another (Major) work 'Construction of Hospital'	750
ii) Amount recovered in connection with this work	500
iii) Security Deposit	2.5%

5-6 Junior Engineer x gives account of Imprest as follows:

i) Wages paid	50
ii) Conveyance Charge for bringing furniture to office	80
iii) Receipt of Rs 22 was shown as realized as sale of grass of the office building	

Imprest of Junior Engineer recouped by cash and increased to Rs 250 from Rs 200

10-6 Divisional Officer, while going on tour, took Rs 500 as advance for payment to labourers employed for urgent repair to Office Building.

16-6 Self Cheque dated 29-5-2019 encashed.

17-6 Cash counted and found Rs 5 short on surprise check.

20-6 Labour charges for white washing Office Building	200
Amount remitted into Treasury	200

22-6 Imprest issued to Overseer P through cheque no.22	100
28-6 Divisional Officer returned with muster rolls for Rs 500, Rs 80 remained as unpaid wages	
28-6 Cheque drawn for chest	200

(20 Marks)

II. Post the contractor's ledger of M/s Johnson & Co. for May 2019 from the following particulars. Close the ledger and work out the closing balance. All recoveries and advances out-standing at the end of April, 2019 were adjusted in May, 2019.

2-5 Paid on Account Bill for Work 'A' on lump sum contract basis:

i) Value of work measured up-to-date	130000
ii) Value of work done since previous bill	70000
iii) Up-to-date payment made in first bill	58500
iv) Up-to-date Secured Advance	20000

Recoveries made from this bill:

a) Cost of steel	9000
b) Security Deposit	1750

9-5 Issued from stock 10 MT of cement to contractor for work 'B'. Stipulated rate of Rs 70 per standard bag at stores. Stock issue rate is Rs 60 per bag. Carriage paid for above material from stores to site of work Rs 900.

13-5 i) Tools and Plant purchased for work 'C' issued to contractor for which hire charges of Rs 2000 per month have been adjusted for 3 months in contractor's account.

ii) Transferred from work 'B' to work 'C' 2 MT of cement at stock issue rate in the interest of work.

15-5 i) 2 MT steel angles received from Steel Authority of India and issued to contractor for use on work 'D' Rs12000.

ii) Paid first and final bill for supplies made Rs 22000.

18-5 Paid 2 <sup>nd</sup> Running Account Bill for work 'B'	Rs
i) Value of work done since last bill	96000
ii) Secured Advance recovered	12000
iii) Advance payment for work done since last bill but not measured	15000

Recoveries indicated above made in full .

Security Deposit recovered at 5%

22-5 Maximum Advance admissible was paid against 3<sup>rd</sup> on Account Bill in respect of Work 'D' which was under check in Divisional Office as delay was anticipated in its payment

Value of work done since last bill	90000
Recoveries: Security Deposit	4500

Cost of materials to be recovered in full.

(20 Marks)

III. What is an Imprest and how it is accounted for? How do you distinguish it from Temporary Advance?

(20 Marks)

IV. Write short notes on :-

1. Schedule of Rates
2. Secured Advances to Contractors
3. Muster rolls
4. Suspense – Miscellaneous Work Advance

(20 Marks)

V State the procedure and precautions to be observed in issuing materials to contractors. Explain the accounting procedure and procedure for recovery. How are surplus materials treated?

(20 Marks)

VI All recoveries of the expenditure appearing in the accounts of the Public Works Offices should be treated as Revenue Receipts and not as minus expenditure. Explain. Are there any exceptions to this general rule?

(20 Marks)

VII a) Describe the main unit of classification in Government accounts which constitute a five tier arrangement.

(10 Marks)

b) Mention the main principles governing the allocation of expenditure on a Capital Scheme, between Capital and Revenue accounts

(10 Marks)

VIII Comment on the following:-

1. Materials were issued to a contractor largely in excess of reasonable requirements as determined by reference to actual quantities of work done and authorized formulae in general use for the calculation of quantities of materials required for issue to works.
2. It is discovered after 31<sup>st</sup> March, 2019 that 4 tonnes of cement issued to a contractor during 2018-19 were under charged. Divisional Officer orders its adjustment in 2018-19 accounts by debit to the contractor's account and credit to stock, as soon as the error came to notice on 29<sup>th</sup> May, 2019.
3. Accounts department approved the proposal to record the value of the claim relinquished on the expenditure side of accounts as a specific loss.
4. An Executive Engineer allowed payment of Rs 800 to a contractor on account of increase in price of steel used in the work.

(20 Marks)

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