



PUBLIC SERVICE COMMISSION  
CENTRAL TIBETAN ADMINISTRATION

STAFF RECRUITMENT EXAMINATION, NOVEMBER 2024

PAPER: ACCOUNTANCY

TIME: 3HRS

POST: UNDERSECRETARY (OAG)

MAX MARK: 100

- Q.1:** Write four limitation of a Trial Balance and explain it briefly? **(4Marks)**
- Q.2:** Who can receive foreign contribution? **(3Marks)**
- Q.3:** Can foreign contribution be received in rupees, Explain? **(3Marks)**
- Q.4:** From the following information, prepare a Bank Reconciliation Statement as at 31st December 2023 for GHF Co. Ltd: **(10 Marks)**
- (i) Bank overdraft as per cash book on 31st December 2023 Rs. 245,900
  - (ii) Interest debited by bank on 26th December 2023 but no advice received Rs. 27,870
  - (iii) Cheque issued before 31st December but not yet presented to bank Rs. 66,000
  - (iv) Transport subsidy received from the State Government directly by the bank but not advised to the company Rs. 42,500
  - (v) Draft deposited in the bank, but not credited till 31st December Rs. 13,500
  - (vi) Bills for collection credited by the bank till 31st December but no advice received by the company Rs. 83,600
  - (vii) Amount wrongly debited to company account by the bank, for which no details are available Rs. 7,400
- Q.5:** The following are extracts from the financial statement of XYZ Co. Ltd on 31st March, 2023 and 2024 respectively: **(10Marks)**

| Particulars                           | 31/3/2023 in Rs. | 31/3/2024 in Rs. |
|---------------------------------------|------------------|------------------|
| Stock                                 | 10,000           | 25,000           |
| Debetors                              | 20,000           | 20,000           |
| Bills receivable                      | 10,000           | 5,000            |
| Advance (recoverable in cash or kind) | 2,000            |                  |
| Cash in hand                          | 18,000           | 15,000           |
| Creditors                             | 25,000           | 30,000           |
| Bills payable                         | 15,000           | 20,000           |
| Bank overdraft                        |                  | 2,000            |
| 9% Debentures                         | 500,000          | 500,000          |
| Sales for the year                    | 350,000          | 300,000          |
| Gross profit                          | 70,000           | 50,000           |

You are requested to compute for both these years: (i) Current ratio, (ii) Liquid ratio, (iii) Stock turnover ratio, (iv) Number of days outstanding of debtors, (v) Stock working capital ratio.

**Q.6:** From the following Trial Balance and additional information pertaining to Mr. Tenzin Co. Ltd, prepare a Trading and Profit and Loss Account and Balance Sheet: **(20 Marks)**

**TRIAL BALANCE as on 31st March 2024**

|                                   | Rs.            |                   | Rs.            |
|-----------------------------------|----------------|-------------------|----------------|
| Stock on 1.4.2023                 | 15,000         | Sales             | 107,800        |
| Purchase                          | 62,400         | Return outwards   | 2,400          |
| Wages                             | 10,600         | Sundry creditors  | 32,500         |
| Carriage in                       | 1,400          | Outstanding wages | 1,400          |
| Plant & machinery                 | 35,000         | Capital           | 100,000        |
| Coal, gas, water                  | 2,500          | Discount          | 1,800          |
| Trade expenses                    | 1,500          | Bank overdraft    | 20,000         |
| Furniture                         | 5,000          |                   |                |
| Loose tools                       | 3,200          |                   |                |
| Depreciation on Plant & Machinery | 2,000          |                   |                |
| Salaries                          | 4,500          |                   |                |
| Bank charges                      | 500            |                   |                |
| Sundry debtors                    | 15,000         |                   |                |
| Factory premises                  | 100,000        |                   |                |
| Commission                        | 1,000          |                   |                |
| Sales returns                     | 2,800          |                   |                |
| Drawings                          | 3,000          |                   |                |
| Insurance                         | 500            |                   |                |
|                                   | <b>265,900</b> |                   | <b>265,900</b> |

**Adjustments:-**

- Stock on 31st March 2024 is valued at Rs. 30,000
- Interest on overdraft outstanding Rs. 1,000
- Three months insurance paid in advance.
- Loose tools are to be valued at Rs. 2,000
- Provide 10% depreciation on furniture and 5% on factory premises.

**Q.7:** Rectify the following errors. Calculate difference in trial balance. Prepare suspense account and find out effect of these errors on profit: **(15 Marks)**

- Purchased goods from Lobsang Rs. 300, passed through Sales book.
- Received one bill from Tenzin Rs. 500, passed through Bills payable book.
- An item of Rs. 150 relating to prepaid rent account was omitted to be brought forward.
- An item of Rs. 40 in respect of purchases return, instead of being debited to the personal account from returns outward book, had been wrongly entered in the purchases book and posted therefrom wrongly to the debit of personal account.
- Rs. 500 paid to Phuntsok against our acceptance were debited to Phurbu's account
- Received final dividend of Rs. 20 from Wangdu, whose account had already been written off as bad debt, was credited to a newly opened account and was included in the list of creditors.
- Bills received from Sonam for repairs done to radio Rs. 150, and radio supplied for Rs. 950, was entered in the purchases book as Rs.1000.

**Q.8:** Mr. Tashi borrows Rs. 2,550 to be paid back with compound interest at the rate of 4% per annum by the end of 2 years in two equal yearly instalments. How much will each instalment be? **(5 Marks)**

**Q.9:** Mr.Gyalpo invests Rs. 10,000 in a high-yield savings account that earns an annual interest rate of 5%. The interest is compounded annually. **(5 Marks)**

- i) How much will Mr.Gyalpo's investment grow to in 5 years?
- ii) If Mr. Gyalpo adds Rs. 2000 to his investment annually, how much will he have after 10 years?

**Q.10:** A company, Green Cycle, produces recyclable bottles. They have two machines, Machine A and Machine B, which produce bottles at different rates. **(5 Marks)**

**Machine A:**

- 1) Produces 250 bottles per hour
- 2) Operates 8 hours a day
- 3) Production cost per bottles: Rs.0.50

**Machine B:**

- 1) Produces 300 bottles per hour
- 2) Operates 6 hours a day
- 3) Production cost per bottles: Rs.0.40

Answer the Question: - If Green Cycle needs to produce 4500 bottles per day, how many days will it take to meet this demand using: (i) Only Machine A. (ii) Only Machine B.(iii) Both machines together

**Q.11:** Tsering is driving her car from her home to a business meeting in a neighboring city. The total distance she needs to cover is 150 kilometers. She plans to drive at an average speed of 100 km/h and expects to arrive in about 1.5 hours.

However, while driving on the highway, Tsering notices that the speed limit is marked as 80 km/h. She begins to wonder if she is driving too fast and risks getting a speeding ticket if the police monitor her speed.

To ensure she doesn't exceed the speed limit and still arrives on time, she calculates the time it would take her to drive the entire 150 km at the speed limit of 80 km/h.

Question:

**(5 Marks)**

- i) How long would it take Tsering to reach her destination if she drives at the speed limit of 80 km/h?
- ii) If Tsering is currently traveling at 100 km/h, how much faster will she arrive compared to driving at 80 km/h?

**Q.12:** What are the important points to remember while drafting CTA department's audit report? **(5 Marks)**

**Q.13:** Imagine you were deputed to audit the accounts of a Tibetan Settlement Office (TSO). While carrying out the audit procedures, you came across a payment voucher attached with only an invoice of Rs. 500,000 towards 5,000 nos. of marble slabs, each measuring 2' x 2', for the floor of the on-going construction of a meeting hall.

As auditor should employ audit techniques such as, inspection of documents, physical inspection, inquiry, analytical procedures, etc., you did the physical inspection and found that the floor of the hall measured 150' x 100' and also that there was no balance of marble slabs at the site.

Now, make notes of all your findings to add to your audit report.

**(10 Marks)**

.....All the Best .....