



PUBLIC SERVICE COMMISSION

CENTRAL TIBETAN ADMINISTRATION

STAFF RECRUITMENT EXAMINATION, JULY 2026

PAPER: ACCOUNTANCY

POST: JUNIOR CLERK (OAG)

TIME: 3 HRS

MARKS: 100

A) AUDITING

Select one option from each question. Instead of writing the whole answer, you can simply answer by writing A, B, C or D. (Marks 20 (10 x 2))

1. **What is the primary role of an auditor?**
 - a. To sell the company's products.
 - b. To hire new employees for the firm.
 - c. To verify that financial records are accurate.
 - d. To prepare the company's daily tax forms.
2. **An 'external audit' is performed by:**
 - a. An independent third-party firm.
 - b. The company's main customer.
 - c. The company's Board of Directors.
 - d. The company's own managers.
3. **Why is 'Independence' important for an auditor?**
 - a. It allows the auditor to rewrite the financial statements.
 - b. It makes the audit go faster.
 - c. It keeps the auditor from getting bored.
 - d. It ensures the auditor provides an unbiased opinion.
4. **What is an 'Internal Control'?**
 - a. A secret meeting between managers.
 - b. The physical lock on the office door.
 - c. A system of rules to prevent errors and fraud.
 - d. A type of financial statement
5. **What is 'Materiality' in auditing?**
 - a. A threshold of significance for errors.
 - b. The speed of the company's computers.

- c. The number of pages in the audit report.
 - d. The cost of building materials.
- 6. What is the purpose of 'Vouching'?**
- a. To sign a legal contract.
 - b. To introduce the auditor to the client.
 - c. To calculate the number of company's voucher.
 - d. To verify that a transaction is real.
- 7. Who appoints Auditor General of CTA.**
- a. Sikyong.
 - b. Supreme justice commissioner.
 - c. Speaker of Parliament.
 - d. Parliament.
- 8. Office of Auditor General, CTA Falls under:**
- a. Kashag
 - b. Tibetan Parliament in exile.
 - c. Department of Finance.
 - d. None of the above.
- 9. Which of these is a typical audit activity?**
- a. Writing marketing advertisements.
 - b. Setting product prices.
 - c. Counting inventory.
 - d. Managing the company's payroll.
- 10. What is the goal of an audit report?**
- a. To express an opinion on the financial statements.
 - b. To increase company growth.
 - c. To file taxes for the company.
 - d. To write a new business plan for company.

B) ACCOUNTANCY

Select one option from each question. Instead of writing the whole answer, you can simply answer by writing A, B, C or D. (Marks 20 (10 x 2))

- 1. What is the primary purpose of accounting?**
- a. To increase Profit
 - b. To record, classify, and summarize financial transactions
 - c. To calculate taxes
 - d. To prepare budgets
- 2. Which of the following is a Real Account?**
- a. Loan payable
 - b. Cash

- c. Capital
 - d. Rent expense
3. **Which accounting equation is correct?**
- a. $\text{Assets} = \text{Liabilities} - \text{Capital}$
 - b. $\text{Assets} = \text{Liabilities} + \text{Capital}$
 - c. $\text{Capital} = \text{Assets} + \text{Liabilities}$
 - d. $\text{Assets} + \text{Expenses} = \text{Capital}$
4. **Which of the following is a liability?**
- a. Furniture
 - b. Cash
 - c. Accounts Payable
 - d. Inventor
5. **Which book is known as the book of original entry?**
- a. Ledger
 - b. Journal
 - c. Trial Balance
 - d. Balance Sheet
6. **Which of the following is an Income & Expenditure items:**
- a. Real and Nominal Account
 - b. Nominal & Personal Account
 - c. Personal & Real Account
 - d. Nominal Account
7. **Which financial statement shows the financial position of a business?**
- a. Income Statement
 - b. Cash Book
 - c. Balance Sheet
 - d. Journal
8. **Which account is increased by a debit?**
- a. Revenue
 - b. Capital
 - c. Asset
 - d. Liability
9. **Which account normally has a credit balance?**
- a. Cash
 - b. Equipment
 - c. Capital
 - d. Prepaid Rent
10. **Purchasing office furniture for cash affects:**
- a. Assets increase and liabilities increase
 - b. One asset increases while another asset decreases

- c. Capital increases
- d. Expenses increase

C) PRACTICAL

1. Pass the Journal entries from the following transaction: (1.5 x 10= 15)
 - a. Tashi Started a business by investing ₹ 50,000.00 by cash.
 - b. Purchased goods worth ₹ 10,000.00 by cash.
 - c. Deposited ₹ 30,000.00 cash in Bank.
 - d. Purchased Furnitures worth ₹ 15,000.00 by Cheque.
 - e. Received ₹ 7,500.00 by sale of goods in Cash.
 - f. Paid rent ₹ 5,000.00 in cash.
 - g. Received saving Interest ₹ 100.00
 - h. Purchased goods worth ₹ 15,000.00 on credit from Sonam.
 - i. Sale of ₹ 5,000.00 goods on credit to Chime.
 - j. Partial payment of ₹ 5,000.00 to Sonam by Bank.

2. Write down the effect of following transactions in Bank reconciliation Statements, if the balance is taken as per the cashbook. (You can answer simply by writing add or subtract) (1x5=5) Marks)
 - a) Interest Received in Bank but yet to account in Cashbook.
 - b) Cheque issued but not presented for payment
 - c) Bank Charges debited by bank but not accounted in Cashbook.
 - d) Cheque deposited but not realized
 - e) Amount Received in bank but not accounted in cash book

3. Rectify the following journal entry. (2x5=10)
 - a) Wages paid ₹ 1,000.00 by cash but wrongly deducted from Bank.
 - b) Stationary purchased for ₹ 2,000.00 but yet to account in book.
 - c) Salary paid ₹ 10,000.00 by Bank but wrongly entered in Honorarium account.
 - d) Saving Interest ₹ 500.00 received were not recorded in Book.
 - e) Furniture purchased worth ₹ 10,000.00 were recorded in Machinery A/c.

4. **From the ledger abstract given below, prepare Trial Balance: (10 marks)**

S.No.	Accounts	Amount
1	Capital	100,000
2	Cash in hand	15,000
3	Cash at Bank	25,000
4	Fixed Assets	60,000
5	Debtors	30,000
6	Creditors	20,000
7	Wages & Salary	6,000

8	Bank Charges	1,000
9	Sales	85,000
10	Purchases	70,000
11	Rent	6,000
12	Postage	5,000
13	Bank Interest	5,000
14	Salary	12,000
15	Purchase Return	20,000

5. Prepare Trading and Profit & Loss A/c and Balance Sheet: (20 marks)

S.No.	Accounts	Debit	Credit
1	Capital		200,000
2	Cash in hand	1,000	
3	Cash at Bank	20,000	
4	Opening Stock	80,000	
5	Purchase	100,000	
6	Sales		150,000
7	Wages	20,000	
8	Salary	40,000	
9	Land & Building	100,000	
10	Furniture & Fixture	40,000	
11	Debtors	20,000	
12	Creditors		50,000
13	Sundry Payables		21,000

Note: Closing stock is valued at ₹ 70,000

BEST OF LUCK