



PUBLIC SERVICE COMMISSION
CENTRAL TIBETAN ADMINISTRATION
STAFF RECRUITMENT EXAMINATION, JULY 2026

PAPER: ACCOUNTANCY

POST: OFFICE SUPERINTENDENT (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 a "Fixed Asset Register" and why is it important for an audit?**
 - a. A detailed record of the institute's long term assets and their depreciation.
 - b. A list of employee names and their home addresses.
 - c. A brochure listing the products the company sells.
 - d. A daily log of office cleaning supplies used.
2. **Which financial statement would you examine to determine if the office has sufficient liquid cash to cover its immediate short-term obligations for the upcoming month?**
 - a. The Balance Sheet
 - b. The Income Statement
 - c. The Cash Flow Statement
 - d. The Statement of Changes in Equity.
3. **A charitable society has a high total of cash in its Bank Account [Asset] on the Balance Sheet, but its "Restricted Endowment Fund" [Equity/Liability] is equally high. How should an Office Superintendent interpret this?**
 - a. The society has significant extra cash that can be freely used for immediate staff salary hikes or office renovations.
 - b. The society is in a state of financial crisis because it has no "real" assets.
 - c. The society has high liquidity, but the cash is legally committed to specific purposes and cannot be used for general administrative or operational expenses.
 - d. The society is likely over-reporting its wealth, and the cash amount should be ignored in favor of the Income Statement.

4. **During the monthly bank reconciliation process, you notice that a cheque received from a donor for Rs.5,000.00 was recorded in the society's Cash Book on the 28th of the month, but it does not appear on the Bank Statement until the 3rd of the following month. How must this be handled in the BRS as of the 30th of the month?**
- Subtract Rs. 5,000.00 from the Bank Statement balance.
 - Add Rs. 5,000.00 to the Bank Statement balance as a 'Deposit in Transit'(or Uncredited Cheque.)
 - Correct the Cash Book by deleting the Rs. 5,000.00 entry since it wasn't in the bank on the 30th.
 - Record the Rs. 5,000.00 as a bank error and contact the bank for an explanation.
5. **An audit reveals an excess of Rs. 500.00 in the petty cash box. The cashier suggest it was likely from a donor who forgot to collect a receipt. As the Office Superintendent, what is the most professional immediate action?**
- Keep the Rs. 500.00 in the cash box as a "cushion" for future small expenses.
 - Update the Cash Book immediately as "Miscellaneous Income" to balance the books.
 - Place the Rs.500.00 in a Suspense Account, document the finding, and launch a search for the missing receipt or entry.
 - Give the Rs.500.00 to the charity fund since it obviously belongs to the society.
6. **During your audit, you find that the vehicle logbook shows a trip to the airport for an official visit, but the fuel voucher for that same day is from a petrol station located in the opposite direction of the airport. What is the most appropriate next step?**
- Ignore it, as long as the fuel total is within the monthly budget.
 - Flag the discrepancy, request the driver's explanation and cross-check against other travel documents like flight tickets or meeting invites.
 - Assume the driver made a mistake in the logbook and simply correct it to match the fuel receipt.
 - Report the driver for theft of society fuel immediately without further investigation.
7. **If a society's Receipts and Payments account shows a closing cash balance of Rs.50,000.00, but its Income & Expenditure account shows a significant Deficit of Rs.20,000.00, which of the following is the most likely explanation?**
- The society made a profit of Rs.30,000.00
 - The society likely received a large capital injection (e.g., a building fund donation) that is not recorded as "Income" but shows up as "Cash" while operating cost have been high.
 - The accountant made a mathematical error in the Income & Expenditure account.
 - The society has no debts and is extremely wealthy.
8. **During an audit, you find that an employee has been inflating petty cash vouchers by small amount every month. The total over the year is Rs.5000.00, which is is**

immaterial the society's Rs.5,000,000.00 budget. As the auditor, what is your most appropriate action?

- a. Ignore it. since the amount is immaterial to the overall financial statements.
- b. Document it as a weakness in internal control and report it to the governing committee, regardless of the small amount.
- c. Confront the employee directly and demand they pay the money back immediately.
- d. Conclude that the society's internal control is perfectly fine since the error was so small.

9. What is the primary purpose of an internal auditor's report to the management committee?

- a. To guarantee the society has no financial risks.
- b. To evaluate the effectiveness of internal controls and suggest improvements.
- c. To prepare the society's annual tax filings for the government.
- d. To take over the daily responsibilities of the Office Superintendent.

10. Why is a formal "Management Action Plan"(a response) required after receiving an internal audit report?

- a. To show the auditor that their work was easy.
- b. To prove the organization is taking steps to fix identified risks.
- c. To argue with the auditor about their findings.
- d. To delay the audit process until next year.

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. Which accounting equation is correct?

- a. $\text{Assets} + \text{Expenses} = \text{Capital}$
- b. $\text{Assets} = \text{Liabilities} + \text{Capital}$
- c. $\text{Capital} = \text{Assets} + \text{Liabilities}$
- d. $\text{Assets} = \text{Liabilities} - \text{Capital}$

2. Which of the following is the Balance Sheet items:

- a. Real and Nominal Account
- b. Personal & Real Account
- c. Nominal & Personal Account
- d. Only Real Account

3. Goods returned by customers are called:

- a. Purchase Returns
- b. Sales Returns
- c. Discounts
- d. Expenses

4. Depreciation is recorded because of:

- a. Matching Principle

- b. Money Measurement Principal
- c. Business Entity Principal
- d. Going Concern Principal

5. Which transaction does not affect the accounting equation?

- a. Purchased furniture for cash
- b. Collected cash from a debtor
- c. Paid salary in cash
- d. Received bank loan

6. Which of the following is a personal account?

- a. Supplier's Account
- b. Rent Account
- c. Cash Account
- d. Machinery Account

7. Which transaction will increase profit but not increase cash immediately?

- a. Cash sales
- b. Owner's investment
- c. Credit sales
- d. Bank loan received

8. A trial balance agrees, but there is still an error. Which error is possible?

- a. Wrong addition of Trial Balance
- b. Error of omission (both debit and credit omitted)
- c. Debit posted as credit
- d. One-sided posting

9. The ledger is used to:

- a. Record original transactions
- b. Classify transactions by account
- c. Prepare invoices
- d. Calculate depreciation

10. Which transaction decreases both assets and liabilities?

- a. Purchased equipment on credit
- b. Paid a creditor in cash
- c. Received cash from debtor
- d. Owner withdrew cash

C) PRACTICAL

- 1. Pass the Journal entries from the following transaction: (2 x 10= 20)
 - a. Purchased Machinery for ₹ 150,000.00 from Mr. X. Paid ₹ 20,000.00 by cash & by ₹ 30,000.00 by cheque. The balance remains payable to supplier.
 - b. Machinery whose written down value is ₹ 200,000.00 sold to Mr. Y for ₹ 150,000.00 by cheque.

- c. FD Matured with following details and matured amount is transferred to Bank.
Principal: ₹ 200,000 Interest: ₹ 15,000 TDS: ₹ 1,500
- d. Interest of ₹ 5,000 earned on investments but not yet received.
- e. From Receivable amount of ₹ 10,000 from Mr. Z, ₹ 8,000 received by cash and the balance amount written off.
- f. Of ₹ 15,000 electricity bill paid by cheque, ₹ 10,000 is of current year and balance amount is prepaid of following year.
- g. Depreciation amount on Machinery at the end of year is ₹ 10,000.
- h. Gross Salary of Mr X. is ₹ 40,000, the Salary is paid by cheque after deduction of Rs ₹ 1,600.00 as GB and Rs ₹ 800 as MC.
- i. Sale of Goods worth ₹ 50,000 to Mr. X on credit. Damaged goods worth ₹ 5,000 returned.
- j. Shortage of goods worth ₹ 20,000 show receivable from Mr. X.

2. From the following Information Prepare the Bank Reconciliation Statement by taking balance as per Cash Book (10 Marks)

AS PER BANK PASS BOOK			AS PER BANK LEDGER/CASH BOOK		
Narration	Withdraw	Deposit	Narration	Deposit	Withdraw
Opening Balance		25,000.00	Opening Balance	25,000.00	
Rent	3,000.00		Rent Received by Cheque		3,000.00
Sales deposit		15,000.00	Sales	15,000.00	
Furniture	8,000.00		Furniture		8,000.00
Ramesh		12,000.00	Ramesh (Debtor)	12,000.00	
			Salaries		10,000.00
			Suresh (Debtor)	8,000.00	
Bank Charges	500.00		Supplier (Cheque)		6,000.00
Interest received		2,500.00	Interest	2,000.00	
Dividend received		5,000.00	Drawing		4,000.00
Total	11,500.00	59,500.00	Total	62,000.00	31,000.00
Closing Balance	48,000.00		Closing Balance		31,000.00

3. From the following Trial Balance, Prepare the Trading A/c, Profit & Loss A/c and Balance Sheet A/c of XYZ Co-operative unit as on 31st March 2026. (Marks 20)

PARTICULARS	DEBIT	CREDIT
Capital FundCr.		300,000.00
Current Liabilities Cr.		
Sundry Creditor		85,000.00
Bank Loan		100,000.00
Provision:		
Provision for Doubtful debt		5,000.00
Fixed Assets Dr.	250,000.00	
Current Assets: Dr.		
Sundry Debtor	120,000.00	
Opening Stock	40,000.00	
Cash & Bank Balance: Dr.		
Cash Balance	15,000.00	
Bank Balance	45,000.00	
Direct Expenses:		
Wages	35,000.00	

Carriage Inward	5,000.00	
Administrative Expenses:		
Carriage Outward	4,000.00	
Rent	18,000.00	
Miscellaneous Expenses	6,000.00	
Bad Debt	3,000.00	
Printing & Stationary	9,000.00	
Interest on Bank Loan	5,000.00	
Traveling & Daily Allowance	12,000.00	
Water & Electricity	20,000.00	
Salary & Benefits:		
Staff Salary	77,000.00	
Purchase:		
Stock Purchase	280,000.00	
Purchase Return		8,000.00
Sale:		
Stock Sale		450,000.00
Sales Return	10,000.00	
Other Income:		
Interest Received		2,000.00
Discount Received		4000.00
Total ₹	954,000.00	954,000.00

Adjustment: -

- Closing Stock ₹ 60,000.00.
- Wages Outstanding ₹ 6,000.00
- Salary Outstanding ₹ 10,000.00
- Depreciation is to be provided @5%.

- From the information available in Question no. 3, calculate Gross Profit ratio & Net profit ratio. (4 Marks)
- Find the difference amount between Simple interest and Compound interest on Rs 600,000 in FD for 3 years at 6.5% per annum. (6 marks)

BEST OF LUCK