



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

PAPER: ACCOUNTANCY

POST: SENIOR 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 "Vouching" in the auditing process?
 - a) Signing a contract to hire a new auditor.
 - b) Examining supporting documents (like invoices or receipts) to verify that a recorded transaction actually happened.
 - c) The process of the auditor introducing themselves to the company's employees.
 - d) A method used by the company to pay its employees.
2. What is the main purpose of an audit?
 - a. To create new company policies.
 - b. To increase company sales.
 - c. To provide assurance that financial records are accurate.
 - d. To manage the company's daily banking
3. Who conducts an 'Internal Audit'?
 - a. Employees from within the company.
 - b. The government
 - c. The company's customers
 - d. An outside accounting firm.
4. What does 'Independence' mean for an auditor?
 - a. The auditor must work alone at all times.
 - b. The auditor should have no bias or conflict of interest
 - c. The auditor must be the boss of the company
 - d. The auditor must never speak to the client.
5. When an auditor checks to see if an asset like a car or machine actually exists, which assertion are they testing?

- a. Accuracy
 - b. Completeness
 - c. Existence
 - d. Valuation
6. What is a 'Material' error?
 - a. An error that is very small and doesn't matter.
 - b. An error large enough to change a decision.
 - c. An error made by the auditor themselves
 - d. An error in the physical building materials
 7. What happens if an auditor finds an error?
 - a. They delete the incorrect entry themselves
 - b. They immediately call the police
 - c. They report it to management for correction
 - d. They automatically shut down the business
 8. Which of these is a typical audit activity?
 - a. Helping setting the price of the company's products
 - b. Writing the company's weekly newsletter
 - c. Questioning employees
 - d. Giving suggestion on designing the company website
 9. What is the goal of 'Testing Internal Controls'?
 - a. To check if the company's safety rules are followed
 - b. To ensure policies are in place to stop errors or fraud
 - c. To count the physical office supplies
 - d. To make sure the company is efficient
 10. Who appoints Auditor General of CTA.
 - a. Sikyong.
 - b. Supreme justice commissioner.
 - c. Speaker of Parliament.
 - d. Parliament.

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 financial statement shows the financial position of a business?
 - a. Income Statement
 - b. Cash Book
 - c. Balance Sheet
 - d. Journal
2. Which accounting equation is correct?
 - a. $\text{Assets} = \text{Liabilities} - \text{Capital}$
 - b. $\text{Assets} + \text{Expenses} = \text{Capital}$

- c. $\text{Assets} = \text{Liabilities} + \text{Capital}$
 - d. $\text{Capital} = \text{Assets} + \text{Liabilities}$
3. Which of the following is an Income & Expenditure items:
- a. Real and Nominal Account
 - b. Personal & Real Account
 - c. Only Real Account
 - d. Only Nominal
4. Revenue represents:
- a. Money owed to suppliers
 - b. Income earned from business operations
 - c. Owner's investment
 - d. Office equipment
5. Which document is prepared before financial statements?
- a. Cash Book
 - b. Trial Balance
 - c. Voucher
 - d. Invoice
6. The Trial Balance is prepared to:
- a. Find profit
 - b. Check arithmetic accuracy
 - c. Calculate tax
 - d. Record transactions
7. Depreciation is charged on:
- a. Current Assets
 - b. Fixed Assets
 - c. Liabilities
 - d. Capital
8. Which of the following is an intangible asset?
- a. Building
 - b. Machinery
 - c. Inventory
 - d. Goodwill
9. Accounts Receivable represents:
- a. Bank loan
 - b. Money owed to suppliers
 - c. Cash in hand
 - d. Money owed by customers
10. Which principle states that business and owner are separate?
- a. Matching Principle
 - b. Business Entity Concept

- c. Going Concern
- d. Consistency

C) PRACTICAL

1. Pass the Journal entries from the following transaction: (2 x 10= 20)
 - a. Received cheque by selling of Machinery worth ₹ 150,000.00 for ₹ 200,000.00
 - b. Following fixed Deposit matured and transferred to bank:
Principal: ₹ 100,000 Interest: ₹ 7,500 TDS: ₹ 750
 - c. Goods purchased from Tashi for ₹ 200,000. ₹ 100,000 paid by cheque and balance purchased on credit.
 - d. Gross Salary of Sonam is ₹ 40,000. After deduction of ₹ 1,600 as Green book contribution and ₹ 800 as Medical contribution, the balance amount has been paid by cheque.
 - e. Depreciation amount on Machinery is ₹ 12,000.
 - f. ₹ 10,000 declared bad debt and written off from Tashi A/c.
 - g. Outstanding Rent of ₹ 5,000 shown payable.
 - h. Purchase return of ₹ 30,000 goods to Tashi.
 - i. ₹ 10,000 Saving Interest received.
 - j. Sales goods worth ₹ 50,000 to Mr. X. ₹ 40,000 received by cheque and balance by cash.

2. Prepare the Bank reconciliation statement starting with balance as per cashbook. (8 marks)
 - a) Balance as per Cash Book is ₹ 60000
 - b) Cheque issued but not presented for payment: ₹ 8000
 - c) Bank Charges debited by bank but not accounted in Cashbook: ₹ 300
 - d) Cheque deposited but not realized: ₹ 6000
 - e) A cheque of ₹ 5000 deposited was dishonoured.

3. From the following trail Balance, prepare Trading and Profit & Loss A/c and Balance Sheet: (20 marks)

Particulars (Dr.)	Amount (₹)	Particulars (Cr.)	Amount (₹)
Opening Stock	20,000	Sales	2,50,000
Purchases	1,50,000	Purchase Returns	5,000
Wages	15,000	Capital	1,50,000
Carriage Inwards	3,000	Sundry Creditors	40,000
Salaries	18,000	Bank Loan	22,000
Rent	12,000	Discount Received	2,000
Sundry Debtors	60,000		
Furniture	25,000		

Particulars (Dr.)	Amount (₹)	Particulars (Cr.)	Amount (₹)
Machinery	80,000		
Cash in Hand	5,000		
Cash at Bank	22,000		
Sales Returns	4,000		
Advertisement	6,000		
Bad Debts	2,000		
Total ₹	469,000	Total ₹	469,000

Adjustments

- Closing Stock as on 31st March 2026 was valued at ₹35,000.
 - Depreciate Machinery by 10% and Furniture by 5%.
 - Provide for Doubtful Debts @5% on Sundry Debtors.
- Tashi invested Rs 200,000 in FD for the period of 18 months at 6% interest rate. Calculate the maturity amount if the interest is compounded quarterly. (3 marks)
 - The sum of ages of father and son is 60 years. The father is 25 years older than the son. Find their ages. (3 marks)
 - Rectify the following journal entry. (2x3=6 Marks)
 - Rs 10,000 spent on purchase of furniture was wrongly debited to Purchases Account.
 - Rs 6,500 sale of Goods by cash was recorded as Rs 5,600.
 - Rs 900 cash paid for the purchase of stationary was recorded as Rs 9000.

BEST OF LUCK