

Amrita Mullick .

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HALF-YEARLY DEPARTMENTAL EXAMINATION FOR OFFICERS OF THE
WEST BENGAL AUDIT AND ACCOUNTS SERVICE
December, 2022

PART-I

PAPER-I : PRINCIPLES OF CIVIL ACCOUNTS, AUDIT & FINANCE (WITHOUT BOOKS)

Time Allowed — 2 Hours 30 Minutes

Full Marks — 100

Pass Marks — 50

Answer any five questions.

1. Write short notes on the following:

5×4=20

(a) Standards of Financial Propriety

(b) Administrative Approval and Technical Sanction

(c) Muster Rolls

(d) Measurement Book

2. Please elaborate the following:

10×2=20

(a) Material issues to contractor

(b) Material issues direct to works

3. Please explain:

10×2=20

(a) General principles governing Reappropriation.

(b) Provisions for preparing Budget estimates for the Public Works Department.

4. Please explain general principles governing House building advances and advances on transfer. 20

5. What are the main principles for allocating the 'capital' and 'revenue' expenditure on a capital scheme? 20

6. Please describe Regularity audit and Propriety audit. 20

20

7. Write short notes on:

10×2=20

(a) Functions of Divisional Accountants

(b) Divisional Accounts

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**HALF-YEARLY DEPARTMENTAL EXAMINATION FOR OFFICERS OF THE
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December, 2022**

PART-I

PAPER-II : CIVIL AUDIT, ACCOUNTS & SERVICE RULES (WITHOUT BOOKS)

Time Allowed — 3 Hours

Full Marks — 100

Pass Marks — 50

Questions 1 & 2 are Compulsory and answer *any four* from the rest.

1. Write short notes: 5×4=20
 - (a) Special Disability Leave
 - ✓(b) Treasury Officer
 - (c) Plus and Minus Memorandum
 - (d) Journal and Ledger

- ✓ 2. Explain the following: 5×4=20
 - ✓(a) Major, Minor and Detailed Heads
 - ✓(b) Subsistence Allowances
 - (c) Efficiency Bar
 - ✓(d) Consolidated Fund

3. (a) What is the time limit for maximum period of continuous absence from duty of a Government servant and who can regularize the maximum continuous absence in which ground?
(b) Describe the action for unauthorized absence from duty of a Government servant for over stayal of leave. (1+2)+12=15

- ✓ 4. What are the checks to be applicable at the Treasury during payment of claims? 15

5. Describe the cases in which, classes of Government employees are exempted from producing medical certificate of fitness on appointment under West Bengal Service Rule. 15

- ✓ 6. (a) Describe the responsibility of Drawing and Disbursing Officer.
✓(b) Describe the responsibility of Controlling Officer. 7+8=15

- ✓ 7. (a) Describe rules relating to classification of losses in the Government Accounts. 5
(b) Explain criteria for writes-off of balances from Debt, Deposit, Suspense and Remittances heads closed to balance and classification thereof in accounts. 8+7=15

**HALF-YEARLY DEPARTMENTAL EXAMINATION FOR OFFICERS OF
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December-2022

PART-I

PAPER-III PUBLIC WORKS ACCOUNTS AND PROCEDURE (WITH BOOKS)

Full Marks-100

Pass Marks-50

Time - 3 Hours

Question No. 1 & 2 are compulsory and answer any three of the remaining questions

- 1. Write the Cash Book of Mr A, Executive Engineer, CPWD Resource Division for the month of December 2022. Indicate classification of each transaction and close the Cash Book.** 30

Date	Particulars	Rs
1-12	Opening Balance	
	(i) (a) Notes including soiled notes Rs 200	3500
	(b) Counterfeit Coins	30
	(ii) (a) Revenue Stamps	30
	(b) Service Postage Stamp	50
	(iii) Self Cheque dated 30.11.2022	1000
	(iv) Hand Receipt for Imprest with SDO A	500
	(v) Hand Receipt for Temporary Advance with SDO B	300
	(vi) NSC tendered by Contractor as Earnest Money Deposit	3750
3-12	Paid in cash Work Charged Establishment Bill	2500
5-12	SDO B renders account of Temporary Advance	
	(i) Sweeper's Salary- Rs 150	
	(ii) Repair of Typewriter - Rs 50	
	(iii) Repair to Chair- Rs 10	
	(iv) Cash Refunded - Rs 90	300
7-12	Cheque No-0001 issued to GPO for purchase of Revenue Stamp	100
9-12	Issued fresh cheque in lieu of lost cheque issued on October 2022	5000
11-12	SDO A renders account for Imprest	
	(i) Purchase of Petrol- Rs 250	
	(ii) Cash Lost- Rs 50	
	Imprest was recouped and increased to Rs700 by drawing cheque No-0002	
17-12	Received Earnest Money from tenderer and refunded on the same day	5000
20-12	Paid 2 nd Running A/c Bill to Contractor 'X' for work done by Cheque	
	(i) Value of work done since Last Bill- Rs60000	
	(ii) Advance Payment- Rs 5000	
	(iii) Recoveries	
	(a) Security Deposit- Rs 3000	
	(b) Income Tax- Rs 1200	
	(c) Cost of Cement- Rs 3000	
	(d) Fine for bad work- Rs 500	
30-12	Cash Balance Remitted to Bank	

2. From the data given below, prepare the 2nd Running Bill of Contractor 'X' for construction Engineering College Building. 25

Sl. No	Name of Work	Estimated unit Rate	Qty. in Cu. Metre UpToDate	Qty. in Cu. Metre paid in 1 st RA Bill
1.	Earth Work	10	8000	5000
2.	Brick Work	500	2200	1200
3.	RCC Work	800	900	400

Contract provides for allowing premium at 10% over estimated rates.

In the 1st RA bill, Advance Payment of Rs10000 and Rs15000 on items 2 and 3 above respectively were made.

In the 1st RA bill, Maximum Secured advance was also made on Bricks 5,50,000 valued @ Rs 800 per 1000 (assessed rate).

Consumption of Bricks may be calculated at 500 bricks per cubic Metre.

The following further recoveries are to be made from 2nd R.A Bill

- Cement- 10 MT @ Rs 1000/MT
- Hire of T&P- Rs1200
- Security Deposit- 10 %
- Income Tax- 2 %

$$\frac{10000}{1000} = 10$$

$$\frac{15000}{1000} = 15$$

$$\frac{1200}{1000} = 1.2$$

$$\frac{12100}{492} = 2090$$

3. Write short notes-

5 x 3 = 15

- Contractor's Ledger ³⁵²
- Works Contingencies ¹²
- Item Rate Tender ⁶
- Advance Payment ¹²
- Mobilization Advance ¹⁹

4. Distinguish between-

5 x 3 = 15

- Tender and Quotation
- Preliminary and Detailed Estimate ¹¹
- Earnest Money and Security Deposit ⁶
- On account Payment and Advance Payment ⁶³⁺¹²
- Minor Work and Petty Work ¹⁴

Contd/-P 3

5. Classify the following-

5 x 3 = 15

- (i) Fine for delay in completion of Hospital Building by PWD. *50*
- (ii) Construction of Headmaster's Quarter in a School Building. *39*
- (iii) Contribution paid by the State Govt. to a municipality for construction of a hospital. *61*
- (iv) Expenditure on opening ceremony of a commercial irrigation project.
- (iv) Cash found surplus in a PWD Division.

6. Prepare Transfer Entries for adjustment of the following transaction-

5 x 3 = 15

- (i) Transfer of surplus material worth Rs 4000 (Market Value Rs 3500) from work "Construction of Medical College Building" to stores. *500/41*
- (ii) Balance of Rs 5000 remaining outstanding as due to the contractor at the time of closing of accounts of the work "Construction of State Highway". *492*
- (iii) Departmental Charges levied in respect of Deposit Work of Rs 40000 done by a CPWD. *499*
- (iv) Surplus Cement of 4 tonnes valued at Rs 18000 held at work "Construction of Hospital Building" transferred to work "Construction of School Building". Market Rate of cement Rs 4300 per tonne. *501*
- (v) Timber costing Rs 20000 received from the forest department was issued direct to work "Construction of Residence for Executive Engineer". *489*

7. Post the following transaction in the Work Abstract for a Major Work for the month of December 2022.

5 x 3 = 15

- (i) Paid 2nd on account bill to contractor 'X' as under

Earth Work- Rs 40000

Brick Work- Rs 60000

RCC Work- Rs 80000

Woodwork- Rs 30000

Secured Advance of Rs 30000 allowed in last on account bill was recovered. -

Amount withheld for removal of defects Rs 3000

- (ii) Muster Roll passed for Earth work amounting to Rs 4200 and Rs 600 remained unpaid.
- (iii) 100 bags of cement issued to contractor @ Rs160/bag, issue rate @ Rs 120/bag and storage charges Rs 10/bag.
- (iv) Cement valued Rs 2000 erroneously adjusted in July 2022 as direct issue to work now readjusted as issue to contractor. Issue Rate- Rs 2400, Agreement Rate- Rs 2600.

(v) Cartage charges for cement to site of work Rs 800 to be borne by the department.

8. (i) What are the different classes of stores?

3 x 5 = 5

(ii) Give a brief account of Good Receipt Sheet, Stores Indent and Priced Store Ledger and Form No. in which they are maintained.

(iii) How is issue rate of stock fixed?

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HALF-YEARLY DEPARTMENTAL EXAMINATION FOR OFFICERS OF
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PART-II

PAPER-I : BUSINESS ORGANISATION, MERCANTILE LAW ETC.
(Without Books)

Time Allowed — 3 Hours

Full Marks — 100

Pass Marks — 50

Group-A

Answer question no. 1 and any two from the rest.

1. Explain briefly the following items:

4×5=20

- ✓(a) Consumer Price Index
- (b) Dark Pool
- (c) Digital Option
- (d) Fair Value
- (e) Hedge

2. (a) What is Trade and Transport?

- (b) What is the relationship between Trade and Transport?
- (c) What is the importance of Logistics in Global Trade?

4+5+6

✓3. (a) What is foreign exchange? Give examples.

- (b) What are the type of foreign exchange?
- (c) Why foreign exchange is important?

7+2+6

✓4. (a) What is warehousing?

- (b) What are the four types of warehousing?
- (c) What is value added services?
- (d) What is KPI in warehousing?

3+2+6+4

5. (a) What are the main shipping terms? Explain the shipping term FOB.

- (b) What is Trade Finance? How it works?

2+6+3+4

Group-B

Answer question no. 6 and any two from the rest.

6. (a) "A stranger to consideration can sue, but a stranger to contract cannot sue".- Comment.

- (b) Distinguish between Indian Law and English Law regarding consideration. 10+10

7. (a) Distinguish between the Sale and Bailment.
(b) Under what circumstances can a breach of condition be treated as breach of warranty?
6+9
8. Enumerate the different steps to be taken by the promoters from the formation of a company to the commencement of business. 15
- ✓ 9. Distinguish between Memorandum of Association and Article of Association. 15
10. Explain the principle of "Doctrine of Indoor Management" and state the exceptions, if any, to the doctrine. 9+6

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**HALF-YEARLY DEPARTMENTAL EXAMINATION FOR OFFICERS OF
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PART-II

PAPER-II : ADVANCED ACCOUNTANCY AND AUDITING
(WITHOUT BOOKS)

Time Allowed — 3 Hours

Full Marks — 100

Pass Marks — 50

Group-A

Answer Question No. 1 and any two from the rest.

1. The following is the trial balance of Mr. X as on 31.12.2021. Prepare a trading and profit & loss account for the year, 2021 and balance sheet as at 31.12.2021 from it:

	Dr. ₹	Cr. ₹
Purchases	1,80,000	
Opening Stock	10,000	
Salaries less provident fund	5,400	
Provident fund remittance including proprietor's contribution 50%	1,200	
Rent @ ₹ 250 p.m.	2,750	
Machinery	29,000	
Wages	3,000	
Furniture & Fittings	5,000	
Electricity	550	
Trade Expenses	1,500	
Debtors	10,500	
Interest on Loan	900	
Commission	200	
Buildings	30,000	
Sales	—	2,05,000
Loans at 10% interest (balance on 01.01.2021)	—	10,000
Creditors	—	16,000
Capital	—	55,000
Cash	1,000	—
Drawings	5,000	—
	2,86,000	2,86,000

On 01.01.2021 machinery worth ₹ 5,000 was sold for ₹ 4,000 and credited to machinery account. Wages include ₹ 1,000 paid for machinery erection charges. Purchases include cost of a moped scooter acquired on 01.01.2021 for ₹ 5,000. Proprietor has taken goods costing ₹ 1,000 for which

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(2)

New

no entry has been made. Sundry Debtors include ₹ 500 which have become bad. Provide 10% reserve for bad debts. Electricity outstanding ₹ 50. Goods costing ₹ 5,000 was destroyed by fire, an insurance claim was received for ₹ 4,000 and debited to cash. Provide depreciation at 10% on machinery, furniture and moped. Provide depreciation @ 5% on buildings. Closing stock is ₹ 12,000. 5+8+7=20

2. X of Kolkata consigned 100 boxes of goods costing ₹ 30 per box to his agent Y of Mumbai to be sold by the later for a commission of 5% on sales. He paid ₹ 750 as freight and insurance in sending the goods. The agent sold 80 boxes for ₹ 3,500. He paid ₹ 150 on various accounts before the goods arrive his godown and ₹ 200 as selling expenses. The agent sent a bank draft for the amount due from him and informed that owing to the arrival of a substitute product in the market the current market price of the goods had come down to ₹ 35 per box. Show consignment account and Y account in the books of X. 16

3. There was a serious fire in the premises of A Ltd. on 1st September, 2021. The business activities were interrupted until 31st December, 2021, when the normal trading conditions were re-established. A Ltd. is insured under the loss of profit policy for ₹ 42,000, the period of indemnity being six months.

You have been able to ascertain the following information:

- The net profit for the year ended 31st December, 2020 was ₹ 20,000.
- The annual insurable standing charges amounted to ₹ 34,000 of which ₹ 6,000 were not included in the definition of insured standing charges under the policy.
- The additional cost of working in order to mitigate the damage caused by the fire amounted to ₹ 1,200, but for this expenditure, the business would have had to be shut down.
- The saving in insured standing charges in consequence of the fire amounted to ₹ 1,500.
- The turnover for the periods of four months ended 30th April, 31st August and 31st December in each of the years 2020 and 2021 were as under:

	₹	₹	₹
2020	65,000	80,000	95,000
2021	70,000	80,000	15,000

You are required to compute the relevant claim under the terms of the loss of profit policy. 16

4. The balance sheet of A and B as on 31st March, 2022 is given below:

Liabilities	₹	Assets	₹
Capital Accounts:			
A	1,20,000	Freehold property	40,000
B	60,000	Furniture	12,000
		Stock	24,000
General Reserve	48,000		
		Debtors	1,60,000
Creditors	32,000	Cash	24,000
	<u>2,60,000</u>		<u>2,60,000</u>

A and B share profits and losses in the ratio of 2 : 1. They agree to admit C into the firm subject to the following terms and conditions:

- C will bring in ₹ 42,000 of which ₹ 18,000 will be treated as his share of goodwill to be retained in the business.
- C will be entitled to $\frac{1}{4}$ th share of profits of the firm.
- A provision for bad and doubtful debts is to be created at 3% of the debtors.
- Furniture is to be depreciated by 5%.
- Stock is to be revalued at ₹ 21,000.

Prepare revaluation account, capital accounts and opening balance sheet of the new firm. 16

5. Z Ltd. issued 50,000 equity shares of ₹ 10 each issued at a premium of 10% payable as under:

On application	₹ 2	on first call	₹ 3
On allotment	₹ 3 (including premium)	on final call	₹ 3

The entire amount of the issue was called up by the company and all the money were duly received, except the first call on 300 shares and the final call on 500 shares (including the 300 shares on which the first call was not paid). These shares were, therefore, forfeited and later on reissued at ₹ 9 per share as fully paid.

Pass the necessary journal and cash book entries to record the above transactions. 16

Group-B

Answer any three questions.

- What are the difference between Internal check and Internal control?
 - What are the steps to be taken before commencement of audit? 8+8
- How as an auditor would you verify the following items? 4×4
 - Land and Building
 - Patent Right
 - Closing Stock
 - Sundry Debtors
- Explain how auditor is appointed in company.
 - Write notes on removal and registration of company auditor. 8+8
- What are the steps to be followed by an auditor in respect of audit of? 8+8
 - a club
 - a cinema hall

10. Write short notes on:

- (a) Audit notebook
- (b) Audit-in-depth
- (c) Contingent liabilities
- (d) Propriety audit

**HALF-YEARLY DEPARTMENTAL EXAMINATION FOR OFFICERS OF THE
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PART-II

**PAPER-III : COST ACCOUNTING, FACTORY ORGANISATION AND
MANAGEMENT ACCOUNTING (WITHOUT BOOKS)**

Time Allowed — 3 Hours

Full Marks — 100

Pass Marks — 50

Answer Question No.1 and any five from the rest.

✓ 1. Write short notes on the following (*any four*): 5×4=20

- ✓(a) Break Even Point
- ✓(b) Cost of Production
- (c) Indifference Point
- ✓(d) FIFO method of issue of materials
- (e) Contribution Margin Ratio
- ✓(f) Treatment of Joint Product in Process Costing

✓ 2. (a) S Ltd. uses three types of materials X, Y and Z for the production of 'A'. The relevant monthly data for the components is as follows:

	X	Y	Z
Normal usage (in units)	200	150	180
Minimum usage (in units)	100	100	90
Maximum usage (in units)	300	250	270
Reorder quantity (in units)	750	900	720
Reorder period (in months)	2 to 3	3 to 4	2 to 3

Calculate for each component:

- (i) Reorder Level
- (ii) Minimum Level
- (iii) Maximum Level
- (iv) Average Stock Level

(b) From the following particulars calculate the earnings of X, Y and Z under

- (i) Halsey Scheme
- (ii) Rowan Scheme
- (iii) Straight piece rate based on standard hours

	Hours Actually Worked	Number of Units Produced
X	45	400
Y	40	440
Z	36	380

Total hours worked in a week : 48 hours;

Standard Production per hour : 8 units;

Rate per hour : ₹ 20

Rate per piece : ₹ 25

6+10=16

3. (a) ABC Ltd. manufactures a product which passes through two processes — P and Q and then it is transferred to Finished Stock Account. From the following particulars, prepare the Process Accounts.

	Process P	Process Q
Input (units)	30,000	26,000
Materials (₹)	60,000	8,000
Labour (₹)	36,000	30,550
Overhead (₹)	18,000	21,900
Normal Loss	10%	?
Scrap value per unit (₹)	2	3

$$P = \frac{114,000 - 6,000}{30,000 - 3,000} = 4$$

There was no opening or closing stock of work-in-progress. The final output from Process Q transferred to Finished Stock was 25000 units. The finished goods were sold at ₹ 7.50 per unit with a profit of Re. 1 per unit. Also calculate the normal loss rate in Process Q.

- (b) Explain the treatment of 'By Product' in Process Costing with an example. 12+4=16

4. The following information is available from the financial books of a company, having a normal production capacity of 60,000 units for the year ended 31st March, 2021.

- (i) Sales ₹ 10,00,000 (50,000 units)
- (ii) There was no opening and closing stock of finished goods.
- (iii) Direct material and direct wages cost were ₹ 5,00,000 and ₹ 2,50,000 respectively.
- (iv) Actual factory expenses were ₹ 1,50,000 of which 60 per cent are fixed.
- (v) Actual administration expenses were ₹ 45,000 which are completely fixed.
- (vi) Actual selling and distribution expenses were ₹ 30,000 of which 40 per cent are fixed.
- (vii) Interest and dividends received ₹ 15,000.

You are required to:

- (a) Find out profit as per financial books for the year ended 31st March, 2021.
- (b) Prepare the cost sheet and ascertain the profit as per cost accounts for the year ended 31st March, 2021 assuming that the indirect expenses are absorbed on the basis of normal production capacity; and
- (c) Prepare a statement reconciling profits shown by financial books and cost books. 16
5. (a) ABC Ltd. sold goods for ₹ 30,00,000 in a year. In that year the variable costs were ₹ 6,00,000 and fixed costs were ₹ 8,00,000. Find out
- (i) PV Ratio;
- (ii) Break even sale if selling price was reduced by 10 per cent and fixed costs were increased by ₹ 1,00,000.
- (b) Using the following information, calculate labour variances:
Gross Direct Wages — ₹ 3,000; Standard hours produced — 1600 hours; Standard Rate per hour — ₹ 1.50; Actual hours paid — 1500 hours out of which hours not worked (idle time) are 50 hours. 6+10=16
6. (a) Explain the functions of a foreman.
- (b) Describe the perpetual Inventory System. How is it different from periodic inventory system? 6+(6+4)=16
7. (a) Differentiate between Cost Accounting, Management Accounting and Financial Accounting by creating a comparison table.
- (b) What is budgetary control? Why is it important? 12+(2+2)
8. P Ltd. has four departments, A, B, C and S which are production departments and one service department, S respectively. The actual costs are as follows for the month of January 2022:
Rent — ₹ 1000; Repairs to Machinery — ₹ 600; Depreciation of Machinery — ₹ 450; Employers liabilities for insurance — ₹ 150; Supervision Cost — ₹ 1500; Fire Insurance premium for stock — ₹ 500; Power — ₹ 900; Light — ₹ 120. The following information is available in respect of the four departments:

	Production Departments			Service Department
	A	B	C	S
Area (Sq.mt.)	1500	1100	900	500
No. of employees	20	15	10	5
Total Wages (₹)	6000	4000	3000	2000
Value of Machinery (₹)	24000	18000	12000	6000
Value of Stock (₹)	15000	9000	6000	—
Horse Power of Machinery	24	18	12	6

You are required to apportion the costs to the various departments on equitable basis.

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(4)

9. The following expenses have been incurred in respect of a workshop having five identical machines and occupied equal space. Each machine consumes 10 units of power per hour. Supervisor and attendants spent equal time on each machine. Calculate Machine Hour Rate per machine.

Rent and Rates of workshop (p.a.)	— ₹ 80,000	
Repairs and Maintenance of 5 machines (p.a.)	— ₹ 10,000	
Lighting for workshop (p.a.)	— ₹ 15,000	
Power charges of 5 machines @ ₹2 per unit	— ₹ 1,20,000	
One Supervisor's salary (p.m.)	— ₹ 30,000	
Two Attendant's salary (p.m.)	— ₹ 20,000	
Annual Interest on Hire Purchase for machines	— ₹ 25,000	
Cotton for cleaning the workshop (p.a.)	— ₹ 1,000	
Depreciation on each machine (p.a.)	— ₹ 6,000	
Direct wages	— ₹ 1,60,000	16

10. ABC Ltd. provided the following information regarding the budgeted and actual production for the six months ending 31st March, 2021.

	Budgeted Units (40,000)	Actual Units (50,000)
Materials Consumed (45,000 units)	1,35,000	1,90,000
(55,000 units)		
Wages of 3 hours per units (@ ₹ 1.5 per hour)	1,80,000	2,45,000
Variable Overhead (@ ₹ 2 per unit)	80,000	1,25,000
Fixed Overheads	75,000	1,00,000
Total	<u>4,70,000</u>	<u>6,60,000</u>

During the budgeted period—

- Production is expected to increase to 60000 units.
- The prices of materials are expected to increase further in the same manner as they had increased during the budgeted period already given.
- Labour charges are expected to increase by 50 paise per hour above the actual rate shown above.
- Efficiency is expected to decline by 20%.
- Fixed overheads are expected to increase by 10%.

Prepare a production budget for the six months ending September, 2021.

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