

# Board of Departmental Examination

HRTC-Finance & Accounts Services

Part-II

Session: July, 2022

**Paper-1 Financial Rules and Accounting Procedure**

(With Books)

Time Allowed: 3 Hours

Total Marks: 100

1. This Question Paper consists of three parts, Part-I and Part-II and Part-III.
2. In all five questions are to be answered.
3. Part-I is compulsory. Attempt any three questions from Part-II and any one question from Part-III.
4. Only bare Acts/ bare Rules and Notifications/ Reference Books are allowed. Help Books, hand-outs, guides, made easy editions are not allowed.
5. All the parts of a question must be attempted at one place.
6. Indicate the same question No. and its part as assigned in the question paper while answering the same, failing which such answers may not be evaluated.
7. Quote rules(s)/authorities/instructions etc. in support of your answers where necessary.
8. Use of any other electronic device is not allowed. However, simple calculator may be used.

## Part-I

1. (a) The Himachal Pradesh Road Transport Corporation intends to make bulk purchase of the spare parts for its fleet consisting of the buses of different manufactures. An advertisement is needed to be published. You have been assigned the job of drafting the tender document for the said purchase. What points will you keep in mind while drafting the tender document? (10)

(b) Paid the following Pay Bill for August: (Rs.) (10)

|  |          |
|--|----------|
| 1. Gross Amount                                    | 5,00,000 |
| 2. Income Tax                                      | 5,000    |
| 3. CGHS Contribution                               | 10,000   |
| 4. General Provident Fund                          | 50,000   |
| 5. Undisbursed amount of Pay Bill for May '22      | 3,000    |
| 6. Undisbursed amount of Pay Bill for February '22 | 2,000    |
| 7. Recovery of Festival Advance                    | 10,000   |
| 8. Net Payable                                     | 4,20,000 |

How will it appear in the Cash Book if it is paid by cheque to the Sub Divisional Officer for disbursement?

## Part-II

2. Describe in detail the procedure to report the losses. What additional action is required to be taken in cases of losses of Government Property due to fire, theft, robbery, extortion or fraud and losses of immovable property due to natural calamity? How the responsibility for the loss is fixed and such cases disposed of? (20)

P.T.O.

3. 1. What are the responsibilities of the Controlling Officer in respect of the budget allocation? (05) (20)  
2. Describe the procedure for communication of sanctions. (05)  
3. Define Liability Register? Why and how the Liability Register is maintained? (05)  
4. Define and Differentiate between Capital Expenditure and Revenue Expenditure. (05)
4. 1. Describe the procedure for paying money into the Treasury. (05) (20)  
2. What is Personal Ledger Account (PLA)? What is the purpose of maintaining a PLA. (5)  
3. What is Deposit Register? Describe its purpose. (05)  
4. What action DDO will take on the Monthly Schedule of Withdrawals and Receipts (05)?
5. What are the duties of Comptroller & Auditor General (CAG) of India? (20)  
What powers CAG have to perform his duties? How the independence of CAG is ensured?

### Part-III

7. Explain the duties of a Divisional Accountant with regard to:- (20)  
1. Tenders for works or supplies (10)  
2. Works expenditure (10)
8. Write short notes on the following: (20)  
1. Muster Roll  
2. Measurement Book  
3. Secured Advance  
4. Running Account Payment

**HIMACHAL PRADESH BOARD OF DEPARTMENTAL EXAMINATIONS**

**HRTC-Finance & Accounts Service-Part-II Session July-2022**

**PAPER-II: Service and Conduct Rules (Without Books)**

**TIME ALLOWED: 3 Hours**

**MAXIMUM MARKS: 100**

**Notes:**

- i) Attempt five questions. Marks are shown against each question.**
- ii) Indicate the same question number and its parts as assigned in the question while answering the same failing which such answer shall not be evaluated.**
- iii) All parts of a question should be attempted at one place.**
- iv) Quote rules(s)/ authorities/instructions etc. in support of your answer where necessary.**

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**PART-I (60 Marks)**

(Attempt any three questions from this part)

**Question No. I:** "It is essential to frame such recruitment rules that satisfy the needs of governers and it is equally important to amend these rules from time to time in accordance with the changing demography, technology and nature of work of the organization" In the light of this statement, discuss constitutional provisions and procedures for framing and amendment of recruitment rules.

(20)

**Question No. II:** (i) What is probation? Why a government servant is kept on probation and how long a Government Servant remains on probation?

(ii) Elucidate the procedure of confirmation of a government servant. What are the eligibility criteria for confirmation?

(10+10)

**Question No. III:** Discuss in detail the role, constitution and functions of Departmental Promotion Committee (DPC) for different group of posts. In which cases Public Service Commission should be associated in DPC.

(20)

**Question No. IV:** Discuss relevant provisions of the Constitution which govern reservation in services for SC, ST and OBCs and quantum thereof. In which kind of appointments, reservations do not apply?

(20)

P.T.O.

**Question No. V:** (i) Under what circumstances Review Departmental Promotion Committee is convened and what are the scopes and procedures of the review DPC?

(ii) Write short notes on the following; (a) Fixation of Seniority of Direct recruits, and (b) Application of the reservation in case of single vacancy.

(10+5+5=20)

**PART-II (40 Marks)**

(Attempt any two questions from this part)

**Question No. VI:** (i) What is Charge Sheet?  
(ii) What are basic ingredients of a valid Charge Sheet?  
(iii) What are the penalties under CCS(CCA) Rules,1965?  
(iv) Whether vagueness of the Charge will vitiate Inquiry?  
(v) What is the effect on pay of a Government Servant whose 'one increment for three years' has been stopped?

(4\*5=20)

**Question No. VII:** Differentiate between Suspension and Deemed Suspension. Explain the entitlements of Government Servant during his suspension including recoveries which are permissible from subsistence allowance and other deductions which are not permissible under the rules.

(20)

**Question No. VIII:** Discuss the provisions of CCS(Conduct) Rules,1964 with respect to acquisition and disposal of movable and immovable property by a Government Servant and his family. What are the restrictions in relation to acquisition and disposal of movable and immovable property outside India and transactions with foreigners?

(20)

**Question No. IX:** Can a Government Servant accept 'Gift' or permit his family members to accept gift on his behalf? What are the rules regarding acceptance of Gift by a Government Servant under CCS(Conduct) Rules,1964? Explain.

(20)

**HIMACHAL PRADESH BOARD OF DEPARTMENTAL EXAMINATION (HPBODE)  
HRTC- FINANCE & ACCOUNTS SERVICES PART-II SESSION JULY, 2022**

**PAPER-III: COST ACCOUNTING AND AUDITING (WITHOUT BOOKS)**

TIME ALLOWED: 3 HOURS

MAX. MARKS: 100

**NOTE:**

- Question paper comprise of three Parts i.e. Part-I, II and III.
- In all five questions are to be attempted. Question No.1 of Part-1 is compulsory. Attempt any three Questions from Part-II and one question from Part-III.
- Marks are shown against each question.
- Indicate the same question number and its part as assigned in the question while answering the same, failing which such answer shall not be evaluated.
- All parts of question should be attempted at one place.

**PART-1 COST ACCOUNTING & AUDITING (15+5 Marks)**

**Q.No.1**

- (a) Calculate Prime cost, Factory cost, Cost of Production, Cost of Sales and Profit from the following particulars:

|                                |          |                      |          |
|--------------------------------|----------|----------------------|----------|
| Direct material                | 1,00,000 | Depreciation:        |          |
| Direct Wages                   | 20,000   | Factory Plant        | 500      |
| Direct Expenses                | 10,000   | Office premises      | 1,250    |
| Electric Power                 | 500      | Consumable stores    | 2,500    |
| Lighting:                      |          | Managers salary      | 5,000    |
| Factory                        | 1,500    | Directors Fee        | 1,250    |
| Office                         | 500      | Office Stationary    | 500      |
| Store Keeper's wages           | 1,000    | Telephone charges    | 125      |
| Oil & water                    | 500      | Postage & Telegraph  | 250      |
| Rent:                          |          | Salesman's salary    | 1,250    |
| Factory                        | 5,000    | Travelling Expenses  | 500      |
| Office                         | 2,500    | Advertising Expenses | 1,250    |
| Repairs & renewals:            |          | Warehouse charges    | 500      |
| Factory Premises               | 3,500    | Sales                | 1,89,500 |
| Office premises                | 500      | Carriage Outward     | 375      |
| Transfer to reserve            | 1,000    | Income Tax           | 10,000   |
| Discount on shares written off | 500      |                      |          |
| Dividend                       | 2,000    |                      |          |
| Wages of foreman               | 2,500    |                      |          |

(Marks-15)

- (b) Differentiate between Internal Control and Internal Check.

(05)

P.T.O.

## PART-II COST ACCOUNTING (60 Marks)

### Q.No.2

- (a) Explain the characteristics of an Ideal Costing System. (10)
- (b) Distinction between Financial Accounting and Cost Accounting. (10)

### Q.No.3

- (a) What are the methods of pricing of the material issued to production department? What are the advantages of "Last in First out". (10)
- (b) What is meant by ABC inventory Control System? What are its limitations? (10)

### Q.No.4

- (a) Explain the nature and significance of Labour Turnover. (10)
- (b) What is the difference between allocation and apportionment of overheads? (10)

### Q.No.5

- (a) What is job costing? How does it differ from Contract costing? (10)
- (b) What is cost plus contract? State its advantages. (10)

### Q.No.6

- (a) Define the main features of Process Costing. (10)
- (b) What do you understand by the term Cost Centre? Give five factors to be taken into consideration for selection of a suitable Cost Centre. (10)

## Part-III AUDITING (20 Marks)

### Q.No.7

- (a) What are the basic concepts of Auditing? (10)
- (b) Differentiate between Audit principals, Procedures and Techniques. (10)

### Q.No.8

- (a) Explain the limitations of Audit. (10)
- (b) Explain the essential features of a good audit Programme. (10)

**HIMACHALPRADESH BOARD OF DEPARTMENTAL EXAMINATION  
HRTC- FINANCE & ACCOUNTS SERVICE (PART-II) EXAMINATION  
SESSION : JULY 2022  
PAPER (IV) : ADVANCED COMMERCIAL ACCOUNTS & TAXATION  
(WITHOUT BOOKS)**

**MAXIMUM MARKS : 100**

**TIME ALLOWED: THREE HOURS**

**Note :**

1. Attempt three questions from Part I and two from Part II out of which Q No 1 & 6 are compulsory.
2. Maximum marks are indicated against each question. Use of calculator allowed.

**PART I (75 Marks)**

**Q. No.1** From the following trial balance of MRF Ltd. Prepare a Statement of Profit & Loss for the year ending 31st March, 2014 and a Balance Sheet as that date as per Schedule III

| Dr.                 | Rs.      | Cr.                                | Rs.      |
|---------------------|----------|------------------------------------|----------|
| Plant and Machinery | 70,000   | Discount Received                  | 3,200    |
| Free hold premises  | 1,05,000 | Sales                              | 1,65,000 |
| Sundry Debtors      | 32,500   | General Reserves                   | 18,000   |
| Purchases           | 90,000   | Sundry Creditors                   | 18,250   |
| Salaries            | 13,500   | Transfer Fees                      | 250      |
| Wages               | 8,000    | P & L Account (1.4.2013)           | 47,000   |
| Rent                | 2,300    | Share Capital:                     |          |
| Bad debts           | 850      | 13,000 Equity shares of Rs.10 each | 1,30,000 |
| Stock (1.4.2013)    | 14,500   | Dividend                           | 6,650    |
| Income Tax          | 8,000    |                                    |          |
| Dividend            | 9,000    |                                    |          |
| Interim Dividend    | 12,000   |                                    |          |
| Insurance Premium   | 300      |                                    |          |
| Cash at Bank        | 19,500   |                                    |          |
| Cash in Hand        | 2,900    |                                    |          |
|                     | 3,88,350 |                                    | 3,88,350 |

The following adjustments are necessary:

- a. Depreciate Plant & Machinery at 8.5%
- b. Stock on 31st March, 2014 amounted to Rs 42,000
- c. Bad debts Reserve at 4% on Debtors.
- d. One quarter of insurance premium is to be provided for. **(25)**

**Q. No.2. (a)** Explain the factors to be considered before selecting the pre packaged accounting software. (9)

**(b)** What are the advantage and disadvantages of ERP package? (8)

**(c)** Name the major heads under which the following items will be presented in the Balance Sheet of a company as per Schedule III of Companies Act, 2013.

- |                                     |                     |     |
|-------------------------------------|---------------------|-----|
| i) Provision for Employees Benefits | ii) Unpaid Dividend |     |
| iii) Interest on Calls-in-Advance   | iv) Patents         |     |
| v) Short term loans                 | vi) Trade Payables  |     |
| vii) Stores and Spare parts         | viii) Goodwill      | (8) |

**Q. No.3 (a)** What is the difference between provision and reserve? (9)

**(b)** State the advantages and limitations of analysis of Financial Statements. (8)

**(c)** Following information was extracted from the Statement of Profit and Loss for the years ended 31st March, 2012 and 2013. Prepare comparative statement of Profit and Loss.

| Particulars                | 31.3.2013 (Rs.) | 31.3.2012 (Rs.) |
|----------------------------|-----------------|-----------------|
| Revenue from Operations    | 10,00,000       | 8,00,000        |
| Employees Benefit Expenses | 5,00,000        | 4,00,000        |
| Other Expenses             | 50,000          | 1,00,000        |
| Tax Rates                  | 50%             | 50%             |

(8)

**Q. No.4 (a)** What is cash flow statement? What are the objective of preparing it? (12)

**(b)** Following is the Balance Sheet of Minerva Limited as at 31<sup>st</sup> March, 2017. **Minerva Limited. Balance Sheet as at 31<sup>st</sup> March, 2017**

| Particulars                       | Note No | 31 <sup>st</sup> March, 2017 (Rs.) | 31 <sup>st</sup> March, 2016 (Rs.) |
|-----------------------------------|---------|------------------------------------|------------------------------------|
| <b>I EQUITY AND LIABILITIES</b>   |         |                                    |                                    |
| <b>1. Shareholders Funds</b>      |         |                                    |                                    |
| a) Share Capital                  |         | 3,00,000                           | 1,00,000                           |
| b) Reserves and Surplus           | 1       | 25,000                             | 1,20,000                           |
| <b>2. Non Current Liabilities</b> |         |                                    |                                    |
| Long term Borrowings              | 2       | 80,000                             | 60,000                             |
| <b>3. Current Liabilities</b>     |         |                                    |                                    |
| a) Trade Payables                 |         | 6,000                              | 20,000                             |
| b) Short term provisions          | 3       | 68,000                             | 70,000                             |
| <b>Total</b>                      |         | <b>4,79,000</b>                    | <b>3,70,000</b>                    |



|  |   |  |  |
|--|---|--|--|
| <b>II Assets</b>                                     |   |  |  |
| <b>1. Non Current Assets</b>                         |   |  |  |
| Fixed Assets   | 4 | 3,36,000                                     | 1,92,000                                     |
| <b>2. Current Assets</b>                             |   |  |  |
| a) Inventories                                       |   | 67,000                                       | 60,000                                       |
| b) Total Receivables                                 |   | 51,000                                       | 65,000                                       |
| c) Cash and Cash Equivalents                         |   | 25,000                                       | 49,000                                       |
| d) Other Current Assets                              |   | ---  | 4,000  |
| <b>Total</b>   |   | <b>4,79,000</b>                              | <b>3,70,000</b>                              |
| <b>Notes to Accounts</b>                             |   |  |  |
| <b>Particulars</b>                                   |   | <b>31<sup>st</sup> March,<br/>2017 (Rs.)</b> | <b>31<sup>st</sup> March,<br/>2016 (Rs.)</b> |
| <b>I. Reserves and Surplus</b>                       |   |  |  |
| Surplus i.e. Balance in Statement of Profit and Loss |   | 25,000                                       | 1,20,000                                     |
| <b>II. Long term Borrowings</b>                      |   |  |  |
| 10% long term loan                                   |   | 80,000                                       | 60,000                                       |
| <b>III. Short term Provisions</b>                    |   |  |  |
| Provision for tax                                    |   | 68,000                                       | 70,000                                       |
| <b>IV. Fixed Assets</b>                              |   |  |  |
| Machinery  |   | 3,84,000                                     | 2,15,000                                     |
| Accumulated Depreciation                             |   | (48,000)                                     | (23,000)                                     |
|  |   | <b>3,36,000</b>                              | <b>1,92,000</b>                              |

**Additional Information**

- a) Additional loan was taken on 1<sup>st</sup> July, 2016.
  - b) Tax of Rs. 53,000 was paid during the year.
- Prepare Cash Flow Statement.

(13)

**Q No. 5 (a)** Distinguish between cash basis and accrual basis of accounting? (9)

(b) What are Accounting Standards? What are its advantages? (8)

(c) Discuss in detail the Accounting Standard (AS2) for valuation of inventories. (8)

**PART II (25 marks)**

**Q No.6 (a)** Mr Rohit is a Government Servant of the State of Himachal Pradesh. He received following Pay and Allowances per month for the financial year 2021-22.

|                             |                        |
|-----------------------------|------------------------|
|                             | <b>(Figure in Rs.)</b> |
| Basic Pay                   | 50,000                 |
| HRA                         | 2,000                  |
| Dearness allowance          | 18,000                 |
| Hill Compensatory Allowance | 250                    |
| Capital Allowance           | 275                    |
| Entertainment Allowance     | 500                    |

contd.

4

He is residing in a private accommodation and paying rent @ Rs. 10,000 p.m. He has paid Rs. 1,60,000 as interest for house loan taken from PNB during the year which was constructed during the year 2018. He has also received an honorarium of Rs. 20,000 for paper setting and evaluation from University during the year. Calculate the income tax payable by him for the Assessment Year 2022-23. (8)

(b) Explain the provisions of Section 87A and Section 89 of the Income Tax Act in detail with examples. (7)

**Q No. 7 (a)** How is the residential status of the individual determined? What is the relationship between the residential status and incidence of tax? (5)

(b) Explain briefly the provisions for taxability of house rent allowance. What will be the House rent allowance exemptions available to a Government Servant posted at Shimla, who received salary @ Rs. 50,000 per month, HRA @ Rs. 2000/- per month and paid actual rent @ Rs. 9000/- per month during financial year 2021-22. (5)

**Q No. 8 (a)** Discuss the provisions under the income tax for carry forward or set off the losses of previous years under different heads of income. (5)

(b) Mr Madan is a Section Officer at Jaipur. He owns two residential houses, The first house is in Delhi and was constructed on 31.12.1993. This has been let out on a rent of Rs.30,000 p.m. to a company for its office. The second house is in Jaipur which was constructed on 1.3.2017 and has been occupied by him for his own residence since then. He took a loan of Rs. 9,00,000 on 1.8.2015 @ 8% per annum interest for the purpose of construction of this house. The entire loan is outstanding,

Other relevant particulars in respect of these houses are given below:

|                     | House I (Rs.)          | House II (Rs.)        |
|---------------------|------------------------|-----------------------|
| Municipal valuation | 2,40,000               | 1,80,000              |
| Municipal taxes     | 10% of municipal value | 8% of municipal value |
| Expenses on repairs | 20,000                 | 60,000                |
| Interest on Loan    | ---                    | 72,000                |

Municipal taxes of Jaipur are unpaid.

Mr. Madan was transferred from Mumbai on 1.12.2017 where he resides in a house at a monthly rent of Rs. 40,000 and his house at Jaipur was let out on the same day on a rent of Rs. 20,000 per month.

Calculate the "Income from house property" in respect of Mr. Madan for the assessment year 2018-19. (5)