

**Solution of Department Accounts Examination for
Ministerial Establishment(General)
Paper-1(Works Accounts) for session 10/2023**

Ans.1 a) Mention description of following heads:-

(i)	GH-10.623	Service Connections-Tubewell	(1)
(ii)	GH-28.402	Amount recoverable from ex-employees	(1)
(iii)	GH-24.402	Disbursement Bank - SBI	(1)
(iv)	GH-79.531	Comp. for injuries,death and damages(staff)	(1)
(v)	GH-75.860	Pensionary charges	(1)
(vi)	GH-12.801	Furniture and fixtures- office	(1)
(vii)	GH-23.501	Dues from disconnected consumers-DS	(1)
(viii)	GH-27.201	Loans and advances-Pay	(1)
(ix)	GH-57.126	Provident Fund Trust	(1)
(x)	GH-78.601	Interest to consumers-Security deposits	(1)

b) The detailed instructions have been laid down in Part-I of Chart of Accounts regarding introduction and deletion of account heads. If it is observed that any transaction can not be booked under any account head or that it needs to be booked with greater analysis, new account code may be introduced by Chief Accounts Officer. However, purpose and usage of each new account must be clearly defined. Moreover, any main account code or subcode so introduced must confirm to the framework of classification and coding of the Chart of Accounts and may at the Board's discretion , be reclassified within the same account group or deleted at any time thereafter.

The Board / PSPCL shall not be permitted to delete any account from the prescribed chart of accounts. This prohibition shall apply even in case where PSPCL does not have the type of transactions covered by an account.

Ans:2a) As per Reg.3.33 of Capital Assets and Fixed Assets Manual, when it is not possible to support a payment by voucher, a certificate of payment in manuscript, signed by the disbursing officer and endorsed, if necessary, by his superior officer should always be placed on record. Full particulars of the claim should invariably be set forth and where this necessitates the use of regular bill form certificate itself may be recorded thereon.

b) On receipt of advice from bank for dishonour cheque, a line is drawn across the cheque by R.A. and handed over to official handling cash immediately who will prepare the negative CRV and get it approved from the office-in-charge. Then he will enter its detail in amount column for cash receipts of cash book as minus entry and make contra entry on cash payment and then get it signed by office-in-charge in CRV and Cash book. A separate dishonour cheque is required to be maintained.

On receipt of list of stale cheque from AO/ Banking & Drawing, Divisional Supdt. (Accounts) will verify the details of each cheque no. and amount in the Stale cheque register, then pass the JV by debiting GH24.402 Disbursement Bank A/C and crediting stale cheque Account GH46.910.

Ans 3.i) **Late Tenders:-** Tenders received after the due date and time fixed for opening of the tenders shall be rejected. These shall, however be entered in the register of tenders and the words "Tender not to be considered" shall be written on the envelope.

ii) **NEGOTIATIONS:-** As per regulation 21 of Purchase Regulation 1981 normally no negotiations affecting prices or basic features of N.I.T./Specifications shall be conducted with the tenders/after opening of tenders except under specific orders of the Competent Authority, with reasons to be recorded. The negotiations can only be held with L-T (Lowest Tender).

(b) i) **MOBILISATION ADVANCE:-** As per regulation 8(B) of Work Regulation 1997, In case of works exceeding Rs.one crore, mobilization advance can be considered if so requested by the contractor in his bid, on the following term & conditions:-

- (i) Advance will be upto 7.5% of the net value of the work (value after deducting the cost of the material, issued by the Board) and interest bearing. Interest will be charged at principal lending rate of R.B.I at reducing amount of the advance.
- (ii) The advance shall be given against irrevocable bank guarantee, (numbers to be decided by C.E.); valid for the period of contract. In case of extension of the Contract agreement period, validation of the bank guarantee of the balance amount, one month prior to its expiry will be sole responsibility of the contractor otherwise without referring to the contractor, the Board will be within its rights to encash the bank guarantee.

ii) **FORFEITURE OF SECURITY DEPOSIT:-** As per regulation 24(C) of Works Regulation 1997, In the event of default on the part of Contractor in the faithful execution, the security deposit shall be forfeited by an order of the Contracting Agency under intimation to other SEs, CE and Secretary Board. In the case of field Sr. XENs, an order of forfeiture of Security deposit shall be issued by them provided they are Contracting Agency, under intimation to their SEs, who in turn shall circulate the same to other SEs. CE and Secretary Board.

The forfeiture of security deposit shall be without prejudice to any other rights arising or accruing to the Board under relevant provision of the contract like penalty/ damages for delay in delivery or risk execution of work including suspension of business dealings with Board for a specific period.

④

Model Sol. of ME(G)/S-10/23/P-I (M)

10+5+5=20

Ans:4.a) Govt. of India has laid down the following criteria for departure from the prescribed accounting policies:

1. A Board may make a departure from the prescribed accounting policies only in the following circumstances, namely:

a) situations in which, for reasons to be recorded in writing, the prescribed accounting policies are considered impracticable or unnecessary

b) by adoption of the prescribed accounting policies, the Board's accounts would fail to give a true and fair view.

2. Any departure from prescribed policies or any change in policies adopted by Board shall be disclosed in annual accounts for the first two years immediately thereafter. Such disclosure shall also include the reason for the said departure or change and its effect on the surplus for the year or on capital base to be considered for the purpose of computation of the minimum surplus under sec.59 of the Act.

3. Where the departure involves deviation from the account heads as prescribed in the Chart of Accounts or introduction of new account heads, the fact shall be reported to the Govt. of India and Comptroller and Auditor General of India.

b) Delayed payment charges recovered from consumers should not be clubbed with the revenue from sale of power but shown separately since these are more in the nature of a financial charge.

c) Cash discounts allowed to consumers as an incentive for timely payment by the due date should, when allowed, be treated as a cost and shown separately as such in the Revenue Account.

Ans:5a) As per Regulation 17.2(i) of chapter 11 of Cash & Bank Manual, an entry once made can not be erased in any circumstances. If the mistake is discovered before the submission of Cash Book to Divisional office, the mistake should be corrected by drawing the pen through the incorrect entry by inserting the correct one in red ink between lines and the disbursing officer should initial every such correction with date. However when the mistake is discovered too late, intimation should be sent to divisional office along with proposed JV immediately. After the authorization by divisional office rectifying entry should be passed.

As per Reg. 17.2.(ii), if the monthly accounts for that particular month has been closed the no correction in respect of amount, classification and name of work should be done in Cash Book. Only a Journal entry should be prepared for the necessary correction and a suitable remark should be recorded in red ink against the original entry in Cash Book.

b) As per Reg. 1.18 of Basic Accounting Principles and Policies, PSPCL is required to reflect the full amount of the loss, if any, to it due to any natural calamities like cyclone, flood etc. non recurring events like fire or possibly recurring events like receipt of inferior grade of coal. No part of loss should be deferred to write off over the future years.

c) All the prior period expenses or losses on account of a difference between an accounting estimate made for accrual and the actual values involved or on account of any other reason shall be accounted for prospectively and no retrospective restating of past years' figure shall be permitted.

① Model solution of ME /S- 10/23/P-2 (1)
ME/P-2

Ans.1(a)

Joining time may be granted to an employee under following circumstances :

1. To join a new post either at the same or a new station, without availing himself of any leave on relinquishing charge of his old post;
2. To join a new post in a new station on return from earned leave not exceeding 180 days
3. (a) to proceed on transfer or on expiry of leave from a specified station to join a post in a place in a remote locality which is not easy of access;
- (b) to proceed on relinquishing charge of a post on transfer or leave, in a place in a remote locality which is not easy of access to a specified station.

Ans.1(b)

"FAMILY" means :-

(i) In the case of a male subscriber, the wife or wives and children of subscriber and the widow or widows and children of subscriber and the widow or widows and children of a deceased son of the subscriber:

Provided that if a subscriber proves that his wife has been judicially separated from him or has ceased, under the customary law of the community to which she belongs, to be entitled to maintenance, she shall henceforth be deemed to be no longer a member of the subscriber's family in matters to which these regulations relate, unless the subscriber subsequently indicates by express notification in writing to the Accounts Officer, that she shall continue to be so regarded;

(ii) In the case of a woman subscriber, the husband and children of a subscriber and the widow or widows and children of a deceased son of

the subscriber:

Provided that if a subscriber by notification in writing (through DDO/Head of office) to the Accounts Officer expresses her desire to exclude her husband from her family, the husband shall henceforth, be deemed to be no longer a member of the subscriber's family in matters to which these regulations relate, unless the subscriber subsequently cancels formally in writing, her nomination in question so excluding him.

Ans.1(c)

These regulations shall apply to all categories of employees of the Corporation, other than those cases, which are governed by the Industrial Laws and the standing Orders framed there-under. Employees who have joined erstwhile PSEB or will be joining the Corporation on or after 01.01.2004 are also not covered in this regulation because these employees are covered under the Defined Contributory Pension Scheme(DCPS).

Ans.1(d)

(1) Restrictions regarding marriage

(1) No PSPCL employee who has a wife living shall contract another marriage without first obtaining the permission of the PSPCL, notwithstanding that such subsequent marriage is permissible under the personal law for the time being applicable to him.

(2) No female PSPCL employee shall marry any person who has a wife living without first obtaining the permission of the PSPCL.

(3) A PSPCL employee who has married or marries a person other than of Indian Nationality, shall forthwith intimate the fact to the PSPCL.

(2) Theft of energy, Help or connivance of an employee in theft

Theft of energy, help or connivance of an employee in theft are offences under the law. If any PSPCL employee is found stealing energy or helping /conniving in theft of energy by any consumer in any way including by recording of perfunctory readings and/or insertion of wrong status of meter and/ or tampering of prescribed/relevant record where the details of consumption of units by each consumer are recorded by the concerned employee and the charge(s) is/are successfully established against him, the minimum punishment in such cases shall be dismissal from service.

Ans 2.(a)

- i) Headquarters: Headquarters of a PSPCL employee are :
 - (a) If he is attached to head-office of the PSPCL, the headquarters for time being of the PSPCL; and.
 - (b) In other cases, the station which has been declared to be his head-quarters by the competent authority or , in the absence of such declaration , the station where the records of his office are kept.
- ii) Lien: It means the right or title of a PSPCL employee to hold a regular post , whether permanent or temporary ,either immediately or on the termination of the period of absence.
- iii) Active Service: it is for the purpose of pension, includes besides time spent on duty:
 - (a) Earned leave not exceeding 120 days in ordinary cases and 180 days in the case of sick leave or leave preparatory to retirement in any one spell of leave taken. Disability leave is included in Active Service.
 - (b) Time spent on the voyage to India by a PSPCL employee who is recalled to duty before the expiry of any recognise leave out of India; provided his return to duty is compulsory.
 - (c) The period of absence from India of PSPCL employee deputed or detained out of India on duty.
- iv) Head of Department : It means the secretary of the PSPCL , Chief Accounts Officer , Chief Engineers, and other equivalent rank non engineering officers in the pay scale of Chief engineers or any Authority specially appointed by the PSPCL to exercise the powers of the head of the department.
- v) Ministerial Staff : It means a PSPCL employee belonging to the Punjab State Electricity PSPCL Ministerial Services class iii , whose duties are entirely clerical , and any other class of PSPCL employees specially defined as such by general or special order of the PSPCL.

Ans 2.(b)

Special Pay : means an addition, of the nature of pay to the emoluments of a post or of PSPCL employee, granted in consideration of :-

- (a) the specially hazardous nature of the duties :
- (b) a specific addition to the work or responsibility and includes non-practising allowance granted to Doctors in lieu of private practise. Special pay is different from Compensatory allowance as

Compensatory Allowance: is the allowance granted to meet personal expenditure necessitated by the special circumstances in which duty is performed. It includes travelling allowance, dearness allowance but does not include a sumptuary allowance.

4 Model Sol. of ME/S-10/23/P-2 (M)

Ans 2.(c)

Special Disability Leave:

(1) The competent authority may grant special disability leave to a PSPCL employee who is disabled by injury intentionally inflicted or caused in, or in consequence of, the due performance of his official duties or in consequence of his official position.

(2) Such leave shall not be granted unless the disability manifested itself within three months of the occurrence to which it is attributed, and the person disabled acted with due promptitude in bringing it to notice. But the competent authority if it is satisfied as to the cause of the disability, may permit leave to be granted in cases where the disability manifested itself more than three months after the occurrence of its cause.

(3) The period of leave granted shall be such as is certified by the Authorised Medical Attendant of the PSPCL employee to be necessary. It shall not be extended except on the certificate of that authority, and shall in no case exceed 24 months.

(4) Such leave may be combined with leave of any other kind.

(5) Such leave may be granted more than once if the disability is aggravated or reproduced in similar circumstances at a latter date, but not more than 24. months of such leave shall be granted in consequence of any one disability.

Ans 3.(a)

If a PSPCL employee is appointed to a new post while in transit from one post to another, his joining time begins on the day following that on which he receives the order of appointment.

A second period of 6 days for preparation should not be included in calculating the joining time of a PSPCL employee whose appointment is changed while he is in transit.

Ans 3. (b)

As per MSR Vol. I Part-I Reg.2.33" Honorarium" means a recurring or non-recurring payment granted to a PSPCL employee from the PSPCL funds as remuneration for special work of an occasional nature or intermittent character.

No Honorarium is payable to PSPCL officers/ employees under following circumstances:

1. No honorarium should be paid in respect of any work can fairly be regarded as part of the legitimate duties of the PSPCL employee concerned.
2. No honorarium should ordinarily be given for working extra hours, but continues working out of office hours may justify a claim to honorarium.
- 3: No honorarium should be paid to PSPCL employees for attending meetings of PSPCL and committees financed wholly or partly from PSPCL revenues.
4. No honorarium should be granted to gazetted officers engaged on work in connection with the setting up of companies, corporations etc which forms a apart of thier normal duties even if they work beyond office hours.

⑥ Model Sol. of ME/S-10/23/P-2 (M)

Ans 3(c).

Pension is granted as per provision of Punjab CSR Vol.II and instructions issued from time to time by the Punjab Govt. and adopted by PSEB (now PSPCL). It is a monthly payment made to a retired employee of the Corp. There are different kinds of pensions payable to retired/expired employees:

1. Superannuation Pension : Presently it is payable @ 50% of last pay drawn if the service rendered is 25 years or more. It will be proportionately reduced if the retiree has less than 25 years of service. It is payable for life.

2. Family Pension : It is payable to the family of an employee who dies while in service or after retirement. It is payable @ different %age rates related to the pay last drawn by the deceased. In the case of employees who die in harness, differit will be paid @ 60% or 50% linked with their pay last drawn for payment upto 7 years from the date of death or the date on which the deceased would have attained the age of 58 years whichever is earlier. After this period and also in the case of death of retired persons it will be payable at reduced percentage rate of 40% or 30% linked with their pay last drawn. It will be payable to the family members who come under the definition of 'family' as per Pb.CSR Vol.II.

3. Compensation Pension : When a post is abolished and the employee holding that post is not posted against an alternative post, or is transferred from pensionable post to non-pensionable post, compensation pension is granted with certain conditions.

4. Invalid Pension : It is granted to an employee who by bodily or mental infirmity is permanently incapacitated for public service and is retired,

5. Retiring Pension : It is granted to an employee who retires or is required to retire under Premature Retirement Rules/Regulations.

Ans 4(a)

Model Sol. of ME/S-10/23/P-2 (M)

Last date of increment : 1/8/2022

EOL without medical certificate: 17/10/2022 to 28/11/2022

Dies non period : 15/3/2023 to 31/3/2023

EOL on medical grounds: 8/12/2022 to 10/2/2023

EOL without medical certificate : 17/10/2022 to 28/11/2022 = 43 days

Dies non period : 15/03/2023 to 31/03/2023 = 17 days

60 days

Next DNI : 1-08-2023 + Interruption (60 days = 2 months)

01-08-2023

Add 02

01-10-2023

Next DNI : 01-10-2023

Ans 4.(b)

Leave may not be granted to PSPCL employee under suspension.

No casual leave is granted / allowed to the persons under suspension. However in exceptional circumstances, like illness etc leave of absence could be granted and this period of absence while under suspension is treated as continued suspension.

Ans 4.(c)

If the claim for TA bill is not submitted within one year of the date of travel then the claim will be forfeited but in case of retirement a retiree can submit transfer TA Bills in 2 years from the date of retirement, as such TA is admissible.

⑧ Model sol. of ME/S-10/23/P-2 (M)

Ans.5

	Y	M	D	
Date of Retirement	2023	4	30	
less Date of Joining	1989	5	25	
Gross Qualifying Service	33	11	6	(1)

Less Interruption Period

(1) EOL on Private Affair

2 3 3

(2) Dies non-period

3 10

2 6 13

Net Qualifying Service (1) - (2)

31 4 23

Half yearly = 31 year x 2 = 62

4 months 3 days = 1

63

Basic Pay = 128000/-

Earned Leave = 280

$$(1) \text{ PENSION: } \frac{128000 * 50}{2 * 50} = 64000/-$$

$$(2) \text{ GRAUITY} = \frac{(128000 + 43520) * 63}{4} = 2701440/- \quad (\text{max} = 20 \text{ lac})$$

$$(3) \text{ Leave Encashment : } \frac{(128000 + 43520) * 280}{30} = 1600853/-$$

$$(4) \text{ Commutation : } 64000 * 30\% * 8.371 * 12 = 1928678/-$$

Solution to Q1.

Q1. A

- (i) The rate of security consumption for new DS consumer applying connection during February 2023 with load of 25 KW is Rs. 550 per KW.
- (ii) The rate of security consumption for new NRS consumer (covered under spot billing) applying connection during February 2023 with load of 5 KW is Rs. 880 per KW.
- (iii) The charges for changing the position of a LT meter with CTs on the request of the consumer in the same premises when no additional material is required are Rs. 2000.
- (iv) The rental of a LT single phase static meter is Rs. 11 per month.
- (v) The rate of security consumption for new NRS consumer applying connection during February 2023 with demand of 35 KVA is Rs. 700 per KVA.

B

- (i) **'Advanced Metering Infrastructure'** is an integrated system of smart meters, communication networks and data management systems that enables two way communication between the utilities and energy meters, and the functional blocks of Advanced Metering Infrastructure typically include Head end system, Wide area network, Neighbourhood area network, Data concentrator unit and Home area network.
- (ii) **"Interface Meter"** means a meter used for accounting and billing of electricity, connected at the point of inter connection between electrical systems of generating company, licensee and consumers, directly connected to the Inter-State Transmission System or Intra-State Transmission System or Distribution System and who have been permitted open access by the Appropriate Commission

- C The categories of loads/consumers for which single phase supply voltage is the admissible supply voltage are mentioned below:-
- a) DS/NRS loads not exceeding 7 kW (including motive load not exceeding 2 BHP).
 - b) DS loads not exceeding 22.5 kW (including motive load not exceeding 2 BHP) in Dhera/Dhanis situated outside the phirni of village through single phase transformer
 - c) Industrial demand including general demand not exceeding 7 kVA at consumer's option.
 - d) AP load not exceeding 2 BHP.
 - e) Street lighting load not exceeding 7 kW

② Model solution of ME/S-10/23/P-3 (M)

Solution to Q2.

A Energy consumption = 1378 Kvah (12540 – 11162)

So energy charges = Rs. 9136 (1378 * 6.63)

Fixed charges = Rs. 12575 (102 * 125 * 12*30/365)

Voltage surcharge = Rs. 1370 (9136 * 15%)

Total amount = Rs. 23081

ED/IDF/MT @ 20% = 4616 (23081 * 20%)

Total bill amount = Rs. 27697

Assumption:- Tariff rates as per tariff order for FY 2022-23.

B (i) Subsidy = Rs. 1525 (610 * 2.50)

(ii) In this case, the consumption is below 300 units per month so the subsidy in this case on the basis of tariff rates as per tariff order for FY 2022-23 is calculated as below:-

Energy charges:-	first 200 Kwh	=	200*3.74 = 748
	Next 390 Kwh	=	390*5.84 = 2278
	Total	=	Rs. 3026

Fixed charges = Rs. 473 (5*0.80*60*12/365*60)

So, total subsidy = Rs. 3499 (3026+473)

Solution to Q3.

- i. **"Designated Consumer"** means consumer using or engaged in any of following processes i.e Arc Furnace, Induction Furnace, Chloro alkaline unit, Billet heaters with total connected rating above 100 kVA, Surface hardening Machine & Electrolytic process industry, Electric Bell furnaces for annealing, Electro-slag refining/re-melting processes, IT/ITES, Malls, Petro-Chemical units, Railways, Pharmaceuticals and connected at a supply voltage of 11 kV & above or as may be decided by the Commission from time to time.
- ii. **"Distribution System"** means the system of wires and associated facilities between the delivery points on the transmission lines or the generating station connection and the point of connection to the installation of the consumers. It shall also include electric line, substation and electrical plant that are primarily maintained for the purpose of distributing electricity in the area of supply of such distribution licensee notwithstanding that such line, substation or electrical plant are high pressure cables or overhead lines or associated with such high pressure cables or overhead lines; or used incidentally for the purposes of transmitting electricity for others
- iii. **'Point of Common Coupling (PCC)'** means the point of metering, or any other point on supply system of distribution licensee, electrically nearest to the particular load at which other loads are, or could be, connected. For service to industrial users (i.e., manufacturing plants) via a dedicated service transformer, the PCC is usually at the HV side of the transformer. For commercial users (office parks, shopping malls, etc.) supplied through a common service transformer, the PCC is commonly at the LV side of the service transformer.

- iv. **'Supply Voltage Interruption'** is a condition in which the voltage at the supply terminals is lower than 5% of the nominal voltage condition. It can be classified as: a) Planned or Pre-arranged Supply Interruptions means a supply interruption when network users are informed in advance;
- b) Forced or Accidental Supply Interruptions, caused by permanent or transient faults, mostly related to external events, equipment failures or interference.

An Accidental or forced supply interruption is classified as:

- 1) Sustained or long interruption means supply interruption is longer than 3 min;
- 2) Short interruption means supply interruption is upto & including 3 min.;
- 3) For poly-phase systems, a supply interruption occurs when the voltage falls below 5% of the nominal voltage on all phases (otherwise, it is considered to be a dip).

④ Model solution of ME/S-10/23/P-3(M)

Solution to Q4.

A	Light points	$15 * 40$	$= 600 \text{ watts}$
	Fan points	$8 * 60$	$= 480 \text{ watts}$
	Wall socket	$17 * 1/3 \text{ i.e. } 6 * 60$	$= 360 \text{ watts}$
	Power socket (single phase)	$5 * 1/2 \text{ i.e. } 3 * 1000$	$= 3000 \text{ watts}$
	Power socket (three phase)	$2 * 1/2 \text{ i.e. } 1 * 6000$	$= 6000 \text{ watts}$
	1.50 ton AC (non standard)	$5 * 2500$	$= 12500 \text{ watts}$
	ISI marked ACs (2 ton as per nameplate)	$3 * 2000$	$= 6000 \text{ watts}$
	Total		$= 28940 \text{ watts}$ say 28.940 KW

B Defective (other than inaccurate)/Dead Stop/Burnt/Stolen Meters

The accounts of a consumer shall be overhauled/billed for the period meter remained defective/dead stop subject to maximum period of six months. In case of burnt/stolen meter, where supply has been made direct, the account shall be overhauled for the period of direct supply subject to maximum period of six month. The procedure for overhauling the account of the consumer shall be as under:

- On the basis of energy consumption of corresponding period of previous year.
- In case the consumption of corresponding period of the previous year as referred in para (a) above is not available, the average monthly consumption of previous six (6) months during which the meter as functional, shall be adopted for overhauling of accounts.
- If neither the consumption of corresponding period of previous year (para-a) nor for the last six months (para-b) is available then average of the consumption for the period the meter worked correctly during the last 6 months shall be taken for overhauling the account of the consumer.
- Where the consumption for the previous months/period as referred in para (a) to para (c) is not available, the consumer shall be tentatively billed on the basis of consumption assessed as per para -4 of Annexure-8

(i.e. on the basis of LDHF formula) and subsequently adjusted on the basis of actual consumption recorded in the corresponding period of the succeeding year.

e) The energy consumption determined as per para (a) to (d) above shall be adjusted for the change of load/demand, if any, during the period of overhauling of accounts. 21.5.3 Any evidence provided by the consumer about conditions of working and/or occupancy of the concerned premises during the said period(s) which might have a bearing on computation of electricity consumption shall, however be taken into consideration by the distribution licensee."

⑤ Model solution of ME/s- 10/23/P-3 (M)

Solution to Q5.

A Exceptions from Duty to Supply

The periods for providing supply specified in the Regulation shall not be operative where the Commission is satisfied that:-

a) the distribution licensee is prevented from providing supply of electricity on account of cyclones, floods, storms and other occurrences beyond its control.

b) delay in providing supply of electricity is on account of time taken for statutory clearances, acquisition of land, or in obtaining right of way or approval of the Chief Electrical Inspector for installations at the applicant's or distribution licensee's end or for other reasons beyond the reasonable control of the distribution licensee

B Accredited news paper printing presses shall be treated as industrial premises and therefore the supply to these consumers shall be considered as industrial supply and shall be charged under relevant industrial tariff. However, the lighting load in the premises of accredited news paper presses shall be metered separately and charged as per rates under Schedule Non-Residential Supply.

C Conditions for use of electricity exclusively during night hours are as below:-

Reduced tariffs as may be decided by the Commission in the Tariff Order for the year shall be applicable to Industrial consumers who opt to use electricity exclusively during night hours from 10.00 PM to 06.00 AM

next day. They shall also be entitled to use electricity also from 06:00 AM to 10:00 AM at normal tariff rate of energy charges applicable to the respective category.

Other conditions shall be as under:

- i) ToD rebate shall not be allowed on the reduced tariff under this category, as the tariff rate is already reduced.
- ii) A maximum of 10% of total units consumed during night hours (10:00 PM to 06:00 A.M. next day) in a billing period can be availed during the period of 10.00 AM to 10.00 PM. However, ToD surcharge, as applicable, shall be chargeable for the consumption, if any, during the peak hours.
- iii) In case the consumer exceeds the %age specified in condition no. (ii) above during any billing month, then fixed charge and energy charges for the entire energy consumption during the relevant billing month shall be billed as per normal tariff applicable to the respective category.
- iv) This tariff shall be applicable if the consumer opts to be so charged in place of normal tariff by using electricity exclusively during night hours as above. The option can be exercised to switch over from normal tariff to exclusive night time tariff by giving not less than one month's notice in writing.
- v) Other terms and conditions shall remain the same as applicable to the respective categories as per the relevant Schedule of Tariffs.

Solution to Q No 1 (A)

Errors are not disclosed by a trial balance and they are:

1. Errors of Principle:

An error of principle is an error which violates the fundamentals of book-keeping. For instance, purchase of furniture is debited to Purchase Account, instead of Furniture Account; Wages paid for the erection of plant is debited to Wages Account, instead of Plant Account; the amount spent on extension of building is debited to Repairs Account instead of Building Account etc. These types of errors do not affect the total debits and total credits but affect the principle of book-keeping.

2. Errors of Omission:

If a transaction is completely omitted, there will be no effect on the Trial Balance. When a transaction goes completely unrecorded in both aspects or a transaction after being recorded in the books of primary entry is not at all posted in the ledger, the error is an error of omission. For instance, if a credit purchase is omitted to be recorded in the Purchase Day Book, then it will be omitted to be posted both in the Purchase Account and the Supplier's Account. This error will not, however, result in the disagreement of Trial Balance.

3. Posting to Wrong Account:

Posting an item to wrong account, but on the correct side. For instance, if a purchase of Rs 200 from Ramu has been credited to Raman, instead of Ramu and this error will not affect the agreement of Trial Balance. Thus, Trial Balance will not detect such an error.

4. Error of Amounts in Original Book:

If an invoice for Rs 632 is entered in Sales Book as Rs 623, the Trial Balance will come out correctly, since the debit and credit have been

6) recorded as Rs 623. The arithmetical accuracy is there, but in fact there is an error.

5. Compensating Errors:

If one account in the ledger is debited with Rs 500 less and another account in the ledger is credited Rs 500 less, these errors cancel themselves. That is, one error is neutralized by similar error on the opposite side.

Solution to Q No 1 (B)

Depreciation:-

Depreciation is an accounting practice used to spread the cost of a tangible or physical asset over its useful life. Depreciation represents how much of the asset's value has been used up in any given time period.

Depreciation on fixed asset is charged to ascertain the correct profit or loss on its sale, to show asset at correct value in the Balance Sheet and to provide for its replacement.

Straight Line Method (SLM)

According to the Straight line method, the cost of the asset is written off equally during its useful life. Therefore, an equal amount of depreciation is charged every year throughout the useful life of an asset. After the useful life of the asset, its value becomes nil or equal to its residual value. Thus, this method is also called Fixed Installment Method or Fixed percentage on original cost method.

Solution to Q No 2 (A)

Interest on Capital:-

Every business owner will be looking out for getting a return on the money invested in the business in the form of a fixed rate interest. This is known as the interest on capital.

In other words, interest on capital is the interest paid to owners for providing a firm with the required capital to start a business. It is similar to obtaining a loan from any financial institution.

Bad Debts:-

Bad debt is a type of account receivable for an organisation that has become uncollectible from the customer due to the customer's inability to pay the amount of money taken on credit from the organisation.

The reasons that debtors are unable to repay can vary from the individual or organisation going bankrupt or having severe financial problems, or it can be due to unwillingness of the debtor to pay the debt.

Bad debts are recorded in the financial statements as a provision for credit losses.

Prepaid Expenses:-

Prepaid expenses are payments made in advance for products or services to be used in the future. Prepaid expenses are recognized as an asset because they provide future economic benefits to a company.

Income Received in Advance:-

Sometimes earned revenue that belongs to a future accounting period is received in the current accounting period, such income is considered as income received in advance. It is also known as **Unearned Revenue, Unearned Income, Income Received but not Earned** because it is received before the related benefits are provided.



(4)

Model Sol. of ME/S-10/23/P-4 (M)

Solution to Q No 2 (B)

1. Advantages and disadvantages of Double Entry System

Double entry accounting is a form of accounting that records both debit and credit transactions. There are two facets of any transaction: debit and credit. Each transaction is recorded on both the debit and credit sides.

Advantages of double entry system

- In contrast to a single entry, this is a scientific method of tracking business transactions. It assists in the rechecking and cross-checking of accounting documents.
- Both sides of a transaction are registered as debit and credit in this system, so we keep separate accounts for the purchase and payment.
- When we pass an entry on both sides, the account is automatically reviewed in this method. We will quickly find the error if both sides of the trial balance are not balanced.
- The profit and loss account indicates how much profit or loss was made over a given time.
- As long as we have the accounting books, we can analyse the profit and loss report and balance sheet of any two or more years.
- Since any transaction has two records, misappropriations and frauds can be easily identified.
- We will calculate the financial status of the company at the end of the year by preparing a profit and loss report and a balance sheet.

Disadvantages of double entry system

- The double-entry system is complex in nature since it must respond to various accounting standards and principles.
- Maintaining accounting books takes more time, that necessitates the recruitment of more staff, leading to a cost increase.
- Since their fees are too high, small companies cannot afford to hire anyone with proper accounting skills.
- Every transaction must be documented twice, resulting in larger books or the need for a more efficient computer to process data in electronic form.

⑤ Model sd. of ME/S-10/23/P-4 (M)

Solution to Q No 2 (B0 (2))

Going Concern Concept

Going concern concept is one of the accounting principles that states that a business entity will continue running its operations in the foreseeable future and will not be liquidated or forced to discontinue operations for any reason.

In other words, a going concern is expected to have the following things working in their favour:

1. The business is capable of running the daily operations and has capital and raw materials to do so.
2. A business has the ability to pay off the debt during the accounting period.
3. There should be demand in the market for the products or services offered by the company.
4. There should be no changes in the law governing the business.

Solution to Q No 3

Journal Entries

Date	Particulars	Dr (Amount in Rs)	Cr (Amount in Rs)
01.04.2000	Machinery Account	300000	
	To Bank		300000

Date	Particulars	Dr (Amount in Rs)	Cr (Amount in Rs)
31.03.2001	Depreciation Account	30000	
	To Machinery		30000

Date	Particulars	Dr (Amount in Rs)	Cr (Amount in Rs)
31.03.2002	Depreciation Account	27000	
	To Machinery		27000

Date	Particulars	Dr (Amount in Rs)	Cr (Amount in Rs)
01.10.2002	Machinery Account	66000	
	To Bank		66000

Date	Particulars	Dr (Amount in Rs)	Cr (Amount in Rs)
31.03.2003	Depreciation Account	27600	
	To Machinery		27600



Solution to Q No 3

Machinery Account for the year 01.04.2000 to 31.03.2001

Dr

Cr

Date	Particulars	Amount	Date	Particulars	Amount
01.4.2000	To Bank	300000	31.03.2001	By Depreciation	30000
			31.03.2001	By Balance c/d	270000
Total		300000	Total		300000

Machinery Account for the year 01.04.2001 to 31.03.2002

Dr

Cr

Date	Particulars	Amount	Date	Particulars	Amount
01.4.2001	To Bal B/F	270000	31.03.2002	By Depreciation	27000
			31.03.2002	By Balance c/d	243000
Total		300000 270000	Total		270000

300000

⑧ Model Solution of ME/c-10/23/p-4 (M)

Machinery Account for the year 01.04.2002 to 31.03.2003

Dr

Cr

Date	Particulars	Amount	Date	Particulars	Amount
01.4.2002	To Bal B/F	243000	31.03.2003	By Depreciation	27600
01.10.2002	To Bank	66000	31.03.2003	By Balance c/d	281400
Total		309000	Total		309000

Calculation of Depreciation for the Year

2000-2001 = 10 % of Rs.300000 = Rs.30000

2001-2002 = 10% of Rs.270000 = Rs. 27000

2002-2003

Old machinery Balance = Rs. 243000

Dep @ 10% for full year = Rs.24300

New Machinery purchased on 01.10.2002 for Rs. 66000

Dep @ 10% for half year = Rs.6600/2 = Rs.3300

Total Dep = 24300 + 3300 = Rs. 27600

⑨ Model Sol. of ME/S-10/23/P-4 (M)

Solution to Q No 4

Rectification of Errors

Journal

	Particulars	Amount	Amount
(i)	Malvika To Sales a/c (Sale to Malvika omitted to be entered in Sales Book is corrected)	2,000	2,000
(ii)	Salary A/c To Accountant (By Name) (Salary paid to Accountant was debited to his personal account in now corrected)	7,500	7,500
(iii)	Sales A/c To Furniture A/c (Old furniture sold was entered in the sales book in now corrected)	2,800	2,800
(iv)	Machine A/c To Carriage A/c (Amount paid for carriage on purchase of machine is debited to carriage A/c is now corrected)	500	500
(v)	Atulya Ghosh To Praful Ghosh (Amount paid to Atulya Ghosh was debited to Praful Ghosh is corrected)	50,000	50,000

(10) Model solution of ME/S-10/23/P-4 (M)

Solution to Q No 4 (B)

Bank Reconciliation Statement as on March 31, 2005

	Particulars		
Add:	Balance as per Cash Book		1,80,000
	1. Cheques issued but not cashed	11,000	
	2. Int. allowed by bank	2,500	13,500
			1,93,000
Less:	1. Cheques paid into bank but not yet cleared	7,900	
	2. Cheques entered into cash book	1,000	
	3. Interest charged by bank	500	9,400
	Balance as per pass book		1,84,100

Solution to Q No 5Trading and Profit and Loss Account for the year ended 31st December 2006

Particulars	Amount (in Rs)	Particulars	Amount (in Rs)
To opening stock	7,300	By Sales	
To Purchase	32,400	88,200	
(-) Returns	2,150	(-) Returns	
	30,250	2,300	85,900
		By Closing Stock	5,100
To Carriage inwards	1,500		
To Water & Gas	3,400		
To Wages & Salaries	2,500		
(+) Outstanding	700		
	3,200		
To Lighting & heating	800		
To Gross profit c/d	44,550		
	91,000		91,000
To Rent	900	By Gross Profit b/d	44,550
(+) Outstanding	300	By Interest earned	
	1,200	390	
To Electricity	1,300	(+) Interest earned but not received	490
To Postage	200	100	
To Printing charges	700		
(-) Prepaid	200		
	500		
	480		
To Legal charges			
To Depreciation on			
Buildings	700		
Machinery	3,000		
Furniture	1,910		
	5,610		
To Net Profit	35,750		
(Transferred to Capital a/c)	45,040		45,040

Model solution of ME/s-10/23/P-4 (M)

Balance Sheet of Mr. Das as on 31.12.2006

Liabilities	Amount (in Rs)	Assets	Amount (in Rs).
Capital		Cash in hand	5,600
86,140		Furniture	
(+) Net Profit		19,100	
35,750		(-) Depreciation	17,190
		1,910	

121,890		----	
(-) Drawing		Machinery	
3,400		60,000	
	1,18,490	(-) Depreciation	57,000
		3,000	
		Buildings	
		35,000	
Wages outstanding	700	(-) Depreciation	
Rent outstanding	300	700	

		Closing stock	5,100
		Prepaid printing	200
		Interest earned	100

	1,19,490		1,19,490