



**Pakistan Institute of Public
Finance Accountants**

May Exam-2026

[04.May.2026 [09:30 am – 12:15 pm]

Additional time – 15 min for Paper Reading

**Public Financial Management, Financial Rules & Budgeting (Federal)
(Application)**

AGP | CGA | PMAD | PUBLIC | KPG

Marks-80

Subjective

Duration: 02 Hours 30 Minutes

[Instructions]

- Ensure that the question paper delivered to you is the same, in which you intend to appear.
- Read the instructions given on the title page of Answer Script.
- Start each question from fresh page.

Books Allowed:

- The Constitution of the Islamic Republic of Pakistan, 1973
- GFR Vol-I & Vol-II
- Treasury Rules Vol-I & Vol-II
- Revised System of Financial Controls and Budgeting
- Hand Book for Drawing and Disbursing Officers
- Public Procurement Rules and Guidelines by PPRA
- Income Tax Ordinance
(Withholding Tax applicable to Public Sector)
- Sales Tax and Provincial Sales Tax
(Provisions applicable to Public Sector)
- Staff Car Rules and G.P. Fund Rules
- All relevant Provincial Laws, Rules, O.Ms and S.R.Os

Attempt all Questions

- Q.1.** Being member of the Bid Evaluation Committee, what do you think why preliminary evaluation of bids is a necessary procurement procedure? During evaluation what aspects of the bids for an engineering project will you look into, on the basis which the bid can be rejected, enumerate at least SIX such aspects. **10**
- Q.2.** Critically examine the current NFC Award and give your opinion whether a revision is required in the NFC Award and will this revision be in the best interest of the Federation? **10**
- Q.3.** System of Financial Control and Budgeting states “The delegation of greater financial powers to the PAO entails greater responsibility also”. Critically examine this statement expressing your personal views. **10**
- Q.4.** (a) What is LPC and what are its purposes? **05**
- (b) Prepare LPC for the following case: **10**
- **Mr. XYZ**, a Medical Officer (BS-18) (56,880-4,260-142,060) transferred from DHQ Hospital Kasur to DHQ Hospital Attock.
 - He relinquished his charge on 22.09.2025.
 - He was paid for the whole month of September.
 - He was (monthly) drawing Basic Pay @ Rs. 73,920, Adhoc Relief @ 35% of running basic pay, HRA amounting to Rs. 6,649 and NPA of Rs. 10,000.
 - Besides deduction of BF (Rs. 500 per month) and GI (Rs. 800 per month), recovery of Rs. 20,833 per month was being made on account of motor car advance of Rs. 1,000,000. Out of the advance only ten installments have been paid up to September 2025.

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Q.5. An employee under your administrative control committed fraud and ultimately the Court has attached his salary for recovery of Government dues. How will you execute the court orders taking into view all the precautions as per rules? **10**

Q.6. **Mr. ABC** is a BPS-20 Officer. Details of his income for the period from 1st July, 2024 to 30th June, 2025 are given below:

S.No.	Description	Amount (Rs.)
1.	Monthly basic salary	155,990
2.	Monthly medical allowance	18,000
3.	Monthly fuel allowance	25,000
4.	Official residence allotted. House rent allowance for the post, which is surrendered	45,000

Required:

Calculate Income Tax liability for the year 2024-25 and amount of tax amount to be withheld on monthly basis. **15**

***Tax rates for three income slabs are given below, one of which is applicable:

Taxable income from Rs. 1,200,001 to Rs. 2,200,000	Rs. 30,000 + 15% on amount exceeding Rs. 1,200,000
Taxable income from Rs. 2,200,001 to Rs. 3,200,000	Rs. 180,000 + 25% on amount exceeding Rs. 2,200,000
Taxable income from Rs. 3,200,001 to Rs. 4,100,000	Rs. 430,000 + 30% of the amount exceeding Rs. 3,200,000

Q.7. POL expense of the official car pool of your office has increased as compared to previous years. The Principal Accounting Officer has asked you, being head of the office, to identify causes and suggest remedial measures. Identify at least FIVE causes of increasing expenditure and FIVE practical recommendations to be submitted to the PAO for reduction in expenditure under this head. **10**
