



**Pakistan Institute of Public
Finance Accountants**

May Exam-2026

[04.May.2026] [02:00 – 05:15pm]

Additional time – 15 min for Paper Reading

Public Sector - Accounting (Application)

CGA | PRAD

Marks-100

Subjective

Duration: 03 Hours

[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.
- **Quote reference of relevant para/section with the name of relevant manual.**
- Start each question from fresh page.

Books Allowed:

- CGA's Ordinance 2001 and AGP's Ordinance 2001
- Manual of Accounting Principles by Auditor General of Pakistan
- Accounting Policies and Procedures Manual by Auditor General of Pakistan
- Chart of Accounts
- IPSAS(Cash Basis) by IPSASB (IFAC)
- IPSAS-1 and 2 (Accrual Basis) by IPSASB (IFAC)

Q.1. (a) Codify/de-codify the following by giving function, entity and object elements of Chart of Accounts and HR codes:

- (i) Pakistan Railway received revenue from Military Passenger. **03**
- (ii) Chief Engineer, Public Health Engineering South Zone incurred expenditure on Urban Water Supply. **03**
- (iii) The Secretary, Sports and Youth Affairs Department, Sindh, received funds for the Olympic stadium. **03**
- (iv) B01302011205N05501. **03**
- (v) 156 5251. **02**

(b) The Building Department of the province is responsible for executing public infrastructure projects such as the construction of Government Offices, Hospitals, Schools, and other public facilities.

During the current Financial Year, it has undertaken the following transactions:

- (a) Rs. 500 million spent on the construction of a new Provincial Government Hospital from Grant No. 037, financed from Capital Receipts of the Government.
- (b) Rs. 120 million spent on salaries, operating costs, purchase of office equipment, and repair & maintenance of existing public buildings from Grant No. 009 titled Public Buildings Maintenance, financed from Revenue Receipts of the province.
- (c) Rs. 15 million spent on administrative office expenses (Secretary Office) from Grant No. 010 titled General Administration.
- (d) All expenditures are to be debated in the Provincial Assembly and are subject to increase/decrease after discussion.

Required:

Give a complete fund classification as mentioned in chart of accounts of each grant.

06

Contd.....

(2)

- Q.2.** Following financial information relates to the Provincial Government's Consolidated Fund for the year ending 30th June 20XX, the cash balance at the beginning of the Financial Year stood at Rs. 437,609 million:

Transactions During Year	Rs. (m)
Grants and Aid	22,594
Expenditure on physical Assets and civil works	849,886
Principal repayment of debt	695,608
District Government receipts	3,824
Depreciation expenditure	536,240
Taxation (Own Collection)	298,000
Servicing of Debt	129,890
Payment of District Authorities	491,578
Recoveries of Loans and Advances	3,576
Taxation from Federal Government	2,065,150
Provision created for advances	765,942
Receipt of Domestic and Foreign Debt	540,055
Transfer payments	394,709
Investments done	10,500
Operating expenses	921,604
Net Receipt of Public Account	36,105
Payments of Loans and Advances	27,142
Non tax revenue	91,277
Trading Receipts	486,006

Required:

Prepare the Statement of Cash Flows from the above data and determine the net increase or decrease in cash, as well as the closing cash balance at the end of the Financial Year. **25**

- Q.3.** For each of the actions described below, identify any violations and state whether they are prohibited under the NAM, with reference to the relevant rule.

- (a) An authorised officer submits a requisition for cheque books directly to the bank branch maintaining the account, while an assignment account holder submits the requisition to the AG/AGPR. **05**
- (b) During the Financial Year 2024–25, the Ministry of Housing paid compensation of Rs. 5 million to a contractor for damages caused to Government Property. The amount was recoverable from the insurance company. However, due to processing delays, the insurance company settled the claim in August 2025. Upon receipt of the insurance claim, the Ministry of Housing utilized the amount to meet its ongoing repair and maintenance expenses. **05**
- (c) The Main Designated Branch prepared the Monthly Statement for March and sent it to the DAO on 2nd April. The Delegated Officer in the DAO reviewed the statement, signed and stamped it on 6th April, and returned a copy to the bank after 5 working days. **05**

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(3)

Q.4. The Mines and Minerals Department decided to replace an old generator with a new one under a trade-in arrangement. The supplier agreed to provide a trade-in value of Rs. 200,000 for the old generator. The cost of the new generator was Rs. 800,000 and the department paid the remaining amount through bank. The transaction was approved by a delegated officer who is authorized to incur expenditure up to Rs. 1,000,000.

Required:

- (a) Determine whether the approval of the trade-in arrangement by the Delegated Officer is in accordance with the prescribed rules. Justify your answer. **02**
- (b) Calculate the Gross Value of the Purchase Transaction for approval purposes. **02**
- (c) Pass the necessary journal entries to record:
 - (i) The net expenditure incurred. **02**
 - (ii) The addition of the new asset and removal of the old asset. **02**
- (d) Briefly explain the accounting treatment of trade-in transactions in Government accounts. **02**

Q.5. The following information relates to the interest free General Provident (GP) Fund of Mrs. Tahmina, Audit Officer:

Opening GP Fund balance as on 30 th June 2025	Rs. 812,500
Monthly GP Fund subscription	Rs. 6,350 per month
Withdrawal of non-refundable GP Fund advance	Rs. 650,000 in October 2025 on attaining age of 50
Interest rate	12.46% for the Provident Fund and 17.74% for loans and advances

Required:

- (a) Calculate the GP Fund balance as on 31st December 2025 assuming subscriptions continue regularly from July to December 2025. **07**
- (b) Make a journal entry for non-refundable GP Fund withdrawal. **03**

Q.6. The Finance Department of a Public Sector entity provides the following information for Financial Year 2024-25:

Revenues and Expenditures	Rs. (m)
Tax Revenue:	
Major Object	75,798
Minor Object	59,264
Non-Tax Receipt:	
Major Object	56,296
Minor Object	25,798
Expenditure met from Revenue	97,289
Expenditure met from Capital	90,745

Required:

- (a) Prepare a Statement of Revenues and Expenditures. **07**
- (b) Comment on whether the entity had a surplus or deficit and what it indicates about financial performance. **03**

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(4)

Q.7. A Section Officer working in the Finance Department, Government of Punjab was sanctioned a motor car advance of Rs. 1,000,000 in May 2025 under the applicable Government Rules. The advance is recoverable in 60 equal monthly installments.

The applicable rates for the Financial Year 2024–25 are as follows:

- GP Fund Interest Rate: 12.46% per annum
- Loans & Advances Interest Rate: 17.74% per annum

Required:

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|----------------------------------------------------------------------------------------------------------------------------|-----------|
| (a) Calculate the Monthly Principal Installment of the motor car advance. | 02 |
| (b) Compute the Total Interest Payable on motor car advance assuming that the Officer has interest applied GP Fund. | 08 |
