



**Pakistan Institute of Public
Finance Accountants**

May Exam-2026

[05.May.2026] [09:30am – 12:15pm]

Additional time – 15 min for Paper Reading

General & Revenue Accounts of Railways (Application)

AGP | PRAD

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:

- Pakistan Government Railways Codes for the Accounts Department (Vol-I & II)
- Pakistan Railways Commercial Manual
- Manual of Instructions for the Guidance of Travelling Inspectors of Station Accounts (ICGs)
- Manual of Inspection Accounts (IA) Section of Traffic Accounts Branch
- Manual of Balance Sheet Section of Traffic Accounts Branch
- Manual of Accounts & Approximate Returns (A&AR) Section of Traffic Accounts Branch
- The Railways Act, 1890
- The Organization Manual of Pakistan Railways, 1930.
- Relevant portion of FAM and QMF

Q.1. During scrutiny of accounts, Accounts Officer detects a suspected fraud involving bogus store issues and forged acknowledgements. The case is sensitive and requires further probe in the matter as some original vouchers and supporting documents are scattered across files.

Required:

- (a) As the Accounts Officer, list EIGHT immediate actions you must take on detection/receipt of report of fraud, including handling of documents, secrecy and responsibility for disposal. **08**
- (b) Explain the registering and reporting requirements for serious irregularities; also mention the requirement of register maintained, key information recorded and periodic reporting/review. **05**
- (c) What THREE controls you will recommend to prevent recurrence of such irregularities? **03**
- Q.2.** (a) Explain the Commercial Accounts and Appropriation Accounts requirement for Pakistan Railways (PR). **05**
- (b) Explain how PR maintains both Commercial and Appropriation Accounts? **04**
- (c) Describe in detail the reporting standards for PR's Commercial Accounts. **04**
- (d) Define "Finance Accounts" of PR and state their purpose (Government Accounting side). **03**
- Q.3.** During station inspection, ICG finds some transactions recorded in initial documents that usually do not reach Head Office, indicating possible financial irregularity. The Station Master also requests the ICG to ignore issue and also asks staff to stay beyond duty for hours without approval. The station offers you "special facilities" during your visit.

Contd.....

(2)

In addition to above, ICG also observed that cash is held in two branches (Coaching and Goods). The station staff temporarily utilizes Goods cash to meet with any shortage in Coaching.

Required:

- (a) As Travelling Inspector of Accounts, write any TWELVE practical actions you will follow to comply with the rules on vigilance, conduct, dealing with staff and reporting of irregularities. **12**
- (b) Write any FOUR checks/actions you will take as Inspector on separate cash collection and remittance in respect of Coaching and Goods. **04**

Q.4. Consider the following information:

(A) Balance Sheet line items	(B) Account Heads in Trial Balance
(i) Revenue Reserves	(i) Permanent Debt with State Bank of Pakistan
(ii) Fixed Assets	(ii) Investment by Government
(iii) Inventories	(iii) Accrued liabilities
(iv) Security and Deposits	(iv) Balance in Workshop Suspense Account
(v) Long term liabilities	(v) Stores
(vi) Capital/Net worth	(vi) Cumulative Surplus
(vii) Current liabilities	(vii) Freight Deposit Account
-	(viii) Provident Fund
-	(ix) Improvement Fund
-	(x) Rolling Stock
-	(xi) Depreciation Reserve Fund
-	(xii) Staff Benefit Fund
-	(xiii) Structural and Engineering Works

Required:

- (a) Prepare a classification table by mapping each Trial Balance Head from list (B) to the most appropriate Balance Sheet line item from list (A) with brief justification of each. **13**
- (b) Explain the composition of gross earning of Pakistan Railways. **03**

Q.5. The Auditor General of Pakistan remarked in the latest audit report that “improper valuation of fixed assets, non-reconciliation of suspense balances, and incomplete implementation of IPSAS resulted in distorted financial reporting.”

Required:

Identify and explain how each of the above deficiencies affects the following: **16**

- Representation of Financial Position (Balance Sheet)
- Measurement of Performance (Profit & Loss Account)
- Reliability of Public Financial Information and Audit Opinion
