



**Pakistan Institute
of Public Finance Accountants**

Model Solutions

**Postal Accounts Rules and Procedures
(Application)**

AGP | CGA

May Exam-2026

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Q.1. If a depositor, who has left Pakistan and is residing in a country with which there is no money order exchange, sends his pass-book to the office at which his account is open with a letter applying for the withdrawal of money from the account, the orders of the Head of the Circle should be taken. On receipt of orders from the Head of the Circle to grant the withdrawal, the amount, *less* the actual cost of remittance, should be remitted in the manner specified by the Head of the Circle. If, however, a money order exchange exists with the country to which the amount sought to be withdrawn by a depositor who has left Pakistan, is to be sent, the head postmaster will himself dispose of the application. The amount withdrawn should in such cases be sent by money order after deducting the usual commission. The depositor's letter, together with a copy of the postmaster's order or the order of the Head of the Circle and the money order receipt or other receipt for the remittance, as the case may be, should be forwarded with the s.b. journal, as vouchers for the payment.

Q.1. If there is a discrepancy of Rs. 15 or more between the amounts entered in a money order by the remitter and by the issuing office, or if there is any ground for suspecting fraud, such as the absence of the issuing postmaster's or the money order clerk's signature or of the impressions of any of the prescribed stamps, or an alteration in the name of the payee or the amount, the postmaster's attention should be drawn to the irregularity and payment should be withheld pending the result of a reference by telegraph to the office of issue. If there is a discrepancy of less than Rs. 10 between the amounts entered by the remitter and by the issuing office, the amount entered by the remitter should be paid, the irregularity being reported by post to the office of issue. The erroneous entry in the money order should be corrected under the postmaster's initials.

Q.2. 1. <u>Money Order Excess Payment.</u>	DR.	CR.
F02151-04 overpayment of Money Order	250	
G07113-01 Ordinary Money Order		250
2. <u>Wrong Payment.</u>		
a) Recovery from wrong payee:		
F01508 Cash	2,100	
G07106-24 Wrong payment of MO		2,100
b) Payment to actual payee:		
G07106-24 Wrong payment of MO	2,100	
F01508 Cash		2,100
3. <u>Short Payment.</u>		
G07113-01 Ordinary MO	65	
G07106-03 Short Payment of MO		65
4. <u>Recovery of overpayment of Money order.</u>		
F01508 Cash	2,500	
F02151-04 Over payment of MO		2,500
5. <u>Refund of short payment of Money order.</u>		
G7106-03 Short payment of MO	3,500	
F01508 Cash		3,500



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Q.3. The Renewal Reserve Fund:

The entire cost of replacing an asset, like by like (i.e by an asset of similar character) including the share of revenue establishment and the cost of posts specifically created for such a work will be charged to the Renewals Reserve Fund, irrespective of its being more or less than the original cost of the old asset. In cases in which the replacement involves large amount of outlay which is of a capital nature in the ordinary sense but is unremunerative, e.g in connection with a large rebuilding program after an earthquake, expenditure may, under the specific orders of the Government of Pakistan in each case, be charged to Capital provided arrangements are made to write back the capital expenditure to working expenses over a reasonable period.

All expenditure on Renewals and Replacements including the cost of dismantlement and carriage back of stores will be recorded in the first instance. All other credits and debits to the Renewals Reserve Fund, for instance, the annual contribution and the debits raised on account of relieving Capital of the block value of assets which are dismantled without replacement, or are replaced by assets other than like by like, will be taken to the Fund direct.

A work cannot be classed as a renewal if it involves the replacement of an asset in one locality by one in another for the purposes of this rule petty charges in situation are not regraded as constituting separate localities. The replacement of an alignment on one side of a railway track by one on the other side or the replacement of a telephone exchange by one in the same locality or area.

Q.4. ACCIDENT INSURANCE

Holder of a Postal Life Insurance/Endowment Assurance Policy or policies may apply to the General Manager within a year of the issue of the policy for a supplementary contract providing for accidental death or accidental combined with permanent disability benefits insurance. Benefits under the supplementary contract and premia payable therefore will be as follows. These benefits will be in addition to the benefits under Life Insurance/Endowment Assurance Policy.

Exception (i):

Notwithstanding the above provisions of the Rule, a policy holder may apply for supplementary contract after the expiry of one year from the date of issue of policy provided he pays all the arrears premiums of the supplementary contract as if it had come into force from the date of issue of the policy in combination with which it is to be issued. If the proposal is accepted by the General Manager, the date of issue of the supplementary contract will be the date of payment of

all the arrears of the premium due. The supplementary contract in such cases shall, however, cover risk only from the actual date of its issue. i.e it will not cover risk that has occurred between the issue of the original policy and issue of the supplementary contract. No interest shall be charged on arrear premiums.

Exception (ii):

Supplementary contracts are not admissible in case of non medical policies, in case of Defence personnel the supplementary contract shall not cover the risks of death, disability or injuries caused by war, war-like operations and occupational aviation engagement etc but Air Travel as a passenger in commercial Airlines over an established route will be covered.



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Death by Accident:

Rate of premium-Rs.3 per annum, for every Rs.1,000 or part thereof payable in advance.

Benefits:

In case of death of the person insured before maturity of the policy or before his attaining the age of 55 years. Whichever is earlier, as a direct result of drowning or of external bodily injuries caused by external, violent and accidental means of which, there is evidence of a visible contusion or wound on the exterior of the body, of internal injury revealed by autopsy, payment of the face amount of Insurance under the supplementary contract will be made to the Executors, Administrators or assignees of the insured provided death occurs within ninety days from the date of such injuries.

Q.5. (Chapter-XII, Post Office Manual Vol-II)

Non-development Budget after 5% cut

S. No.	Description	Budget as on 01.07.2025	5% Cut imposed by GoP	Revised Budget
01	Pay & allowances	110,000,000	5,500,000	104,500,000
02	House Requisition	45,000,000	2,250,000	42,750,000
03	TA / DA	25,000,000	1,250,000	23,750,000
	Total	180,000,000	9,000,000	171,000,000

Development Budget after 10% cut

S. No.	Description	Amount as on 01.07.2025	10% Cut imposed by GoP	Revised Budget
01	Purchase of Machinery & Equipment	90,000,000	9,000,000	81,000,000
02	Purchase of Furniture & Fixture	50,000,000	5,000,000	45,000,000
03	Purchase of Building	10,000,000	1,000,000	9,000,000
04	Construction of staff quarters	18,000,000	1,800,000	16,200,000
	Total	168,000,000	16,800,000	151,200,000

Q.6. Railway Mail Vans:

a

Cost including overhead charges	=	80,000
Residual Value	=	-
Net Value of Assets	=	80,000
Annual depreciation	=	3,200 (80,000/25)
Total depreciation for 5 years	=	16,000 (3,200 x 5)
Depreciated Value after 5 years	=	64,000 (80,000 – 16,000)



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Q.6. Iron Wire Telephone Circuits

b

Cost including overhead charges	=	95,000	
Residual Value	=	11,400	(95000x12/100)
Net Value of Assets	=	83,600	
Annual depreciation	=	5,573	(83,600/15)
Total depreciation for 5 years	=	27,865	(5,573 x 5)
Depreciated Value after 5 years	=	55,735	(83,600 – 27,865)

Q.6. Automatic Exchange:

c

Cost including overhead charges	=	207,000	
Residual Value	=	20,700	
Net Value of Assets	=	186,300	
Annual depreciation	=	9,315	(186,300/20)
Total depreciation for 5 years	=	46,575	(9,315 x 5)
Depreciated Value after 5 years	=	139,725	(186,300 – 46,575)

Q.7.

Description	Amount Due	Amount Drawn	Difference
Pay for the month of March	98,665	84,360	14,305
Pay for the month of April	98,665	84,360	14,305
Pay for the month of May	98,665	84,360	14,305
Pay for the month of June	98,665	84,360	14,305
Total difference of Pay			57,220
Less Income tax @ 15%			8,583
Net amount payable			48,637
