

RECEIPT SIDE

PAYMENT SIDE

Date	Rec'tN o./Nr. No	Particulars of receipt	Cash Receipt by Rs.	Receipt Adj. Rs.	Classi- fication	Date	Vr.No	Particulars of Payment	Cash Payment In Rs.	Bank Payment Cheq.No. Amount Rs.	Pay- ment by Adj Rs..	Classi- fication
1.3.2023		Opening Balance: 1)Currency Note & Coins: 4380 2)UndeclaredRevenue Stamps: 50 3)Self Cheque : 5000 4)Deposit of Call Receipt: 3000	12430		24.110	2.3.2023	1	By amount paid to Sh. RameshJE for the transportation of damage machinery	900			76.190
1.3.2023	BA16	1.To Cheque EMD of M/S Orion entered 2.self cheque encashed.	10000		46.101	4.3.2023	2	By Imprest to Raj singh JE		001	2000	24.220
						6.3.2023	3	By payment made to M/S"Z" by Cheque		002	35400	Gh-14
						10.3.2023	PIS-1	By Deposit at Call receipt remitted in to Bank	3000			24.501
10.3.2023	4c	By adjustment /recoupment of Imprest of Sh. Raj Singh JE		1800	24.220	10.3.2023	4	By adjustment /recoupment of Imprest of Sh. Raj Singh JE		003	1800	76.153 76.141
12.3.2023	BA16	To sale of Tender form	500		62.903	16.3.2023	PIS-2	By EMD of Contractor "X" remitted into Bank	1,00,000			24.501
16.3.2023	BA16	To EMD received from contractor "Y"	1,00,000		46.101	23.3.2023	4	By purchase of petty item of stationery	300			76.153
						31.3.2023	5	By Purchased Service Postage Stamps		004	1500	76.112
						31.3.2023	PIS-3	By Cash Balance/cheque remitted into Bank	13050			24.501
						31.3.2023		Closing Balance	25			
		<b>Total</b>	<b>1,22,930</b>	<b>1800</b>					<b>1,22,930</b>	<b>40700</b>	<b>1800</b>	

Certified that I have this day the 31<sup>st</sup> March, 2023 checked and Counted the cash in the chest and found Rs. 25 which is correct.

Sd/-Sr. Xen

(b) **Monthly Statement of General Expenses:** - As per chapter 14 of Expense accounting manual on the basis of Expense Bill Registers- Material and other Expenses and other relevant registers, a consolidated monthly statement of general expenses is prepared at Divisional Level. Items are segregated as per account code wise with details i.e Voucher number & date, particulars of charges, amount and remarks. Sanction given by competent authority is also recorded. All vouchers exceeding amount Rs.100/-are attached with this statement. An abstract is also made indicating Account code, Budget grant, expenditure upto the end of the previous month, expenditure during the month and progressive total. The statement in duplicate is sent to Circle office for countersignature where the amount of the bill exceeds 750/- or any amount fixed by the corporation. In circle office, this statement is scrutinized and countersigned by the SE/DyCE and countersigned statement is forwarded to CAO/WAD wing by divisional office. In case any Item is held under objection, the statement is returned to Divisional office for settlement/removal of such objections.

**Model Solution to Question-2nd:-**

- (a) As per Reg 29.8 of CEFA, for all assets constructed/acquired by the Division/accounting units and classified under account code 10.1 to 10.6, an asset card in form CE-2A is maintained sub division/office wise. The asset account/record is kept for each capital work estimate which envisages erection/construction or acquisition of an asset. On the asset card details of assets having different lives are given distinctly in the asset card and major input materials are recorded for physical verification, augmentation etc. When an asset is first put to use, all the expenditure is transferred to appropriate fixed asset account from capital WIP and asset card is prepared. The subsequent expenditure incurred for finishing, touches etc. is also accounted for and added to the cost of asset capitalized earlier. Asset card consists of four parts. Part-I of card shows expenditure as per accounts classification and details of major input. It also shows charges on account of general estt., Head office establishment and interest to be capitalized. It is signed by the accountant and Xen/AO. Part -II is written whenever there is any addition/augmentation to the existing asset. Part-III is used when the asset is transferred or disposed off. Part-IV of card is completed from particulars given in part-I and depreciation is calculated and is signed by the accountant. One asset card is kept for estimates providing General Service connections, Industrial service connections/Tubewells for each sub division or sub office.
- (b) Reg 11.1(i) of CEFA provides that Secured Advance upto an amount not exceeding 75% of the value of material brought at site can be sanctioned to contractor whose contract is for finished work. In the instant case Add.SE has allowed 75% secured advance of value of material which is required at work. As the material, in actual, has not brought to site, so secured advance in such case could not be allowed.
- (c) IUT Bill (Inter Unit Transfer Bill) is prepared in respect of transactions regarding transfers between one accounting units and another. IUT bill is settled by issue of U-cheque by the receiving division their against. For settlement of IUT bill, the bill is verified by the receiving division with the relevant record quoting reference of such records on the IUT bill giving name of work and account head to which the expenditure is chargeable. The IUT bill is to be verified for full amount of IUT bill.
- In the instant case Add.SE has been asked to clear the IUT bill subject to verification which is not in order.

## Model Solution to Question-3rd:-

**(a) As per Reg-17 of Works Regulations following types of tenders are liable to be rejected: -**

1. Tenders from contractors, who are blacklisted or with whom business dealings are suspended by pspcl.
2. Tenders submitted by contractors, who did not purchase a set of tendering documents/specifications as required.
3. Tenders submitted by a person in service under the Govt/pspcl or local authority.
4. Tenders not accompanied by the required amount of Earnest Money.
5. Tenders received telegraphically/through fax/through telex.

**(b)** As per purchase regulations Reg-6(vi)(b) items valuing upto Rs.10000/- can be purchased against each cash purchase after conducting oral enquiries in the market, subject to annual limits as specified in relevant clauses of DOP. So, the view of Add.SE that urgently required items valuing Rs.12000/- could be cash purchased after conducting oral enquiry in the market is not as per purchase regulations.

**(c)**

1	Unpaid Salary of Regular employees	44.210
2	Earned leave encashment at retirement	75.617
3	Security Deposit from Supplier	46.101/46.102
4	Work in progress for office buildings	14.211
5	Computers	14.904/10.904

**(d)** As per Chart of Accounts Coding Scheme is as under:-

The Account head bears a five-digit code comprising of Account Group, Main Account Code and Sub Account Code. The coding Scheme is explained below:-

1. The 1st and 2nd digits indicate the Account Group.
2. The 1st and 2nd digits along with 3rd digit indicate the Main Account Code.
3. The 4th and 5th digits are used for coding sub accounts within each Main Account Code.
4. Main Account code along with the sub account code forms the specific account code for an Account Head.

## Model Solution to Question-4th:-

(a) **Operation:** - Used in respect of the accounts of manufacture and workshop transactions, this term indicates the charges incurred on the manufacture/operations connected with specific jobs.

**Outturn:** - Used in respect of the accounts of manufacture and workshop transactions, this term denotes the value of the finished products (or of the work done, in cases in which the articles bought are not supplied departmentally) of manufacture operations connected with specific jobs.

(b) **As per 2.11 and 2.12 of BAPP the following expenses are chargeable to Capital Works:-**

1. All expenses in respect construction units are fully chargeable as cost of capital assets.
2. At an O&M cum Capital location (where both capital and O&M work is being carried out) only the following expenses are capitalized:-
  - (i) Insurance on assets under constructions.
  - (ii) Legal charges and stamp fees in connection with agreements with capital suppliers/contractors.
  - (iii) Fees payable to foreign technician for capital projects.
  - (iv) Expenses incurred for foreign technician for capital projects.
  - (v) Technical documentation and design charges.
  - (vi) Other consultancy charges-Projects (which includes architectural fees).
  - (vii) Power consumed for construction.

No part of any other Administrative and general expenses is charged to capital works.

(c) **As per 2.77-79 of BAPP** Gain or loss arising on sale of assets is treated as a revenue item. The gain is credited to revenue account for year in which the asset is sold and loss on sale of asset is debited to revenue account for the year in which the asset is sold. The gain on sale of assets is treated as revenue item only to extent of total depreciation charged on sold assets. Gain if any in excess of the accumulated charged on sold asset is treated as capital gain and credited to capital reserve. For the purpose of computing gain or loss on sale of an asset, the contributions, grants and subsidies towards cost of any capital asset sold is not reduced from the cost of asset sold.

**Model Solution to Question-5th:-**

- (a) Accounting Entry for Collection of energy charges from consumers and its deposit into Bank:-

Sr. no	Event	Debit	Credit
1	Collection of energy charges from consumers	Cash in Hand-24.110 and Other modes	Sundry Debtors Collection Account 23.3
2	Deposit into Bank	Remittance to HO in transit account 24.5	Cash in Hand 24.110 and other modes

- (b) **Completion Report:-** As and when the work is completed, the executive authority prepared a completion report. This report is prepared if the actual expenditure on work is more than the sanctioned amount of estimate. In this report besides the relevant details, names of officials who supervise the work is also mentioned. Estimated quantity of material, estimated rates of material and actual quantity, rates are also stated in this report. The completion report is approved by the competent authority.
- (c) **Rate of Cost:-** Rate of cost means generally the total cost of a work or supply divided by its quantity. In the accounts it is represents the recorded cost per unit as arrived at by dividing the up to date final charges on a sub head by the upto date progress thereof.
- Inclusive Rate of Cost:-** Inclusive rate of cost means the rate of cost of the entire work relating to sub head, including the cost of materials if recorded separately in the accounts.
- (d) **Depreciation** means decrease in value of an asset at specified annual rate due to its wear and tear over period of its use. It is the systematic allocation of the depreciable amount of an asset over its useful life. Assets are depreciated upto 90% of original cost of asset at straight lone method. Depreciation is provided on straight line method over useful life at specified rates. Remaining depreciable value as on 31<sup>st</sup> march of the year closing after a period of 12 years from the date asset put to use, is spread over the balance useful life of the asset. On additions/deductions of assets, during the FY, proportionate depreciation is charged.

SolutionQ No 1 (a)

1. As per Regulation 7 (i) (iii) of MSRPart-2, 14 days special casual leave to Female employee for undergoing tubectomy operation ( in case of Non- puerperal) are admissible. Hence rejection of leave by Addl SE is not correct.

2. As per Works Regulations the power to open Limited and Single tender are as under:-

Accepting Authority	Open Tender	Limited Tender	Single Tender
BOD	Full Powers	Full Powers	Full Powers
WTD	4 Cr	2 Cr	2 Cr
PWC	2 Cr	Rs,80 Lacs	Rs, 40 Lacs
CE	1 Cr	40 Lacs	Rs. 20 Lacs
SE	10 Lacs	5 Lacs	2 Lacs
XEN	5 Lacs	2 Lac	NIL

**1 (b) (i)** Preferring by Board employee of false Travelling Allowance claims is strictly deprecated. The following categories of cases are covered under false TA claims.

1. Charging Travelling Allowance for a journey not actually performed.
2. Charging by a higher class to which one is entitled according to status for a journey performed in a lower class.
3. Charging Travelling Allowance on transfer by submitting false certificate and bogus receipts in respect of transportation of luggage.

The normal punishment shall be dismissal

(i) **(b) (ii)** As per MSR Vol 1, 8.35, In case a Board employee is recalled to duty before the expiry of his leave, he is entitled:-

(a) If the leave from which he is recalled is out of India.

- i) to receive a free passage to India; and provided that he has not completed half the period of his leave by the date of leaving for India on recall, or 90 days, whichever period is shorter, to receive a refund of the cost of his passage from India.
- ii) to count the time spent on the voyage to India as duty for purposes of calculating leave; and
- iii) to receive leave-salary during the voyage to India and for the period from the date of landing in India to the date of joining his post to be paid leave salary at the same rate at which he would have drawn it, had he not been recalled but returned in the ordinary course on the termination of his leave and for the latter period travelling allowance under the Punjab State Electricity Board, Main Service Regulations, Vol. III (Travelling Allowance Regulations)

(b) If the leave from which he is recalled is in India to be treated as on duty from the date on which he starts for the station to which he is ordered, and to draw travelling allowance under the Punjab State Electricity Board Travelling Allowance Regulations for the journey, but to draw until he joins his post leave-salary only.

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

Solution Q No 2 (a)

When an employee is suspended from his duties he is paid subsistence allowance while under suspension. This allowance is called subsistence allowance. It is granted @ 50% of the last pay drawn immediately before suspension.

Various kinds of recoveries which can be made from subsistence allowance are as under:-

1. Compulsory recoveries :- Such as Income Tax, House Rent recovery and any kind of Taxes etc. These are obligatory recoveries to be made for subsistence allowance.
2. Optional Recoveries:- Optional recoveries can be made only with the consent of Officials these are GPF Subscription, GPF Advance and LIC premium.
3. Misc Recoveries:- These recoveries pertains to loans and advances. These recoveries can be postponed with the approval of competent authorities. These are HBA Advance, Conveyance Advance etc.
4. Other Recoveries:- Such as excess drawl of pay and allowances. These recoveries can be made but total recoveries should not be more than 1/3th of the total amount of subsistence.

(b) Pay as on 11.3.2019 = Rs. 35230/- + GP Rs 6850/- = Rs. 42080/-

If he opts for pay to be fixed on the date of promotion

Then his pay will be fixed as under:-

3 % increment on the Rs. 42080/- is Rs.1262.4 or say 1270

Pay on the date of promotion

Old pay 42080+1270-6850+8500= Rs. 45000/-

On the date of Next Increment i.e 01.03.2020

Increment on Rs. 42080+1270 = 43350 \* 3% = Rs. 1300.5

Pay to be fixed on 01.03.2020 = Rs. 45000+1300.5= 46300.5 or say Rs. 46310/-.

In second case if opted for pay to be fixed on the date of next increment

Pay as on date of promotion= Rs. 42080-6850+8500= Rs. 43730/-

On the date of next increment i.e 01.04.2019

Two increments on Rs. 42080 @ 3%= 1270+1310=2580= Rs. 46310/- as on 01.04.2019

Solution Q No 3

(a) 1. As per appendix 8 (ii) of MSR Part-2 Vol-I, Quarantine leave of absence from duty necessitated by orders not to attend office in consequence of the presence of infectious diseases in the family or household of a Board employee. Such leave may be granted by the head of the office on the certificate of a Medical or Public Health Office for a period not exceeding 21 days or in exceptional circumstances, 30 days. Any leave necessary for quarantine purposes in excess of this period shall be treated as ordinary leave. Quarantine leave may also be granted, when necessary, in continuation of other leave, subject to the above maximum except as provided in the Note below. No substitute should be appointed in place of Board Employee absent on quarantine leave.

Explanation 1. Quarantine leave is not admissible in the case of a Board employee himself contacts an infectious disease.

Explanation 2. The maximum limits of 21 and 30 days prescribed in this regulation refer to each occasion on which leave is applied and granted.

Cholera, small pox, plague, Diphtheria, Typhus fever and cerebrospinal Meningitis and Chicken Pox may be considered as infectious disease for the purpose of the regulation.

2. As per instructions issued by Secretary Finance PSEB Patiala vide Finance Circular no 36/98 dt 4.9.98 and 4/2009 dt 5.2.2009 the daughter including divorced /widowed daughter of deceased employee is eligible for the grant of family pension even after attaining in age of 25 years. This pension will not be allowed if on her remarriage or till she starts earning her livelihood which ever is earlier she will be deemed to be earning her livelihood if her income is Rs. 2620/- per month (Now Rs.9000+ DA). The divorcee daughter above the age of 25 years shall be payable only after the other eligible children below the age of 25 years have ceased to be eligible to receive family pension and that there is no disabled child to receive family pension.

⑤

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

3. **Qualifying service** for pension is calculated by deducting date of joining from the date of retirement. Further, if there is period of EOL if any it will be deducted and if premature retirement is taken by an employee, then a maximum of 5 years or service left whichever is lower shall be added to the service.

4. There is no instructions to charge interest on LTC advance even if the TA is submitted after a period of 3 months from the date of journey. As such the employee can submit LTC Bill with in one year.

## ⑥ Model solution of ME/S-10/23/P-2 (E)

### Solution Q No 4 (a)

(1) Total refundable advances to be granted to a subscriber may be limited to Ten (10) only during the entire service. However the subscriber who have already availed eight or more refundable advances up to date of issue of these regulations may also be allowed to withdraw Refundable advance for three more occasions. DDO/Head of office may ensure that the total numbers of advances sanctioned are not more than prescribed limits as mentioned above. In this case the Refundable advance is admissible.

(2). As per GPF Regulations 15 (1) An advance shall be recovered from the subscriber in such number of equal monthly installments as the sanctioning authority may direct, but such number shall not be less than twelve, unless the subscriber so elects and not more than thirty-six. The advance in respect of Scooter, Motor Cycle, Moped or a Motor Car under Regulation 14 shall be recovered in monthly installments not exceeding sixty. A subscriber may, at his option, repay more than one installment in a month. Each installment shall be a number of whole rupees, the amount of the advance being raised or reduced, if necessary, to admit of the fixation of such installments. As such the action of DDO is not justified

(3) A non-refundable advance may be granted to a subscriber at any time, after the completion of 8 years of service (including broken period, if any) from the amount standing to his credit in the Fund by the competent authority for Building or acquiring a suitable house/flat for his residence including the cost of the site or purchase of house/flat in his own name or in name of his/her spouse.

But as per Note- (1): - Advance for the purchase of built house/flat or plot/construction of house shall be admissible only once during the entire service. As such the Audit is justified.

(4) in this case the next Two kids are Twin as such LTC is admissible.

⑦ Model solution of ME/S-10/23/P-2 (E)

Solution Q No 5. (a)

(i) The PSPCL employee is entitled to draw TA at tour rates to appear for an obligatory departmental examination as per Regulation 36 of MSR Vol 111 of PSPCL. But if examination has been cancelled and he did not appear, he will not be allowed any TA. He will be allowed TA only on appearing the exams which will be allowed maximum two times.

(ii) In this case even if the husband is self-dependent and income tax Payee, employee can claim LTC for his spouse. As son is dependent Female officer can claim LTC for her son.

(b)

(1) As per regulations male employee is allowed 20 casual leave after completion of 20 years of service. Controlling officer is not justified.

(2) As per regulations female employee is allowed 20 casual leave irrespective tenure of service. Controlling officer is not justified.

Answer 1(a)

PSPCL has decided to launch One Time Settlement Scheme for its esteemed consumers to give an opportunity to all categories of defaulting consumers (except AP) to settle the default of payment/defaulting amount existing as on 30.09.2022. This scheme shall be applicable for a period of three months from the date of issue of this circular. Processing fee for consumers opting OTS under Industrial category shall be Rs. 5000/- and for non-industrial category Rs. 2000/-, which shall be adjustable towards the final settled amount under OTS scheme. In case consumer fails to deposit the settled amount intimated through the subsequent notice then the processing fee deposited with the PSPCL shall be forfeited and the consumer's request for settlement of default under OTS shall be deemed to be cancelled.

All those Govt. Connections who deposited their defaulting amount by 31<sup>st</sup> March, 2023 as per PSPCL letter no. 127/131 dt. 24.03.2023, shall be included in the present OTS scheme.

Various consumer associations/ individual consumers should be informed about the scheme directly also so that maximum no. of eligible consumers can avail the benefit of the scheme. The field officers shall contact such effected consumers through various means such as social media, personal contact, advertisement etc. who qualify for this scheme to give wide publicity for the same.

Cases will be processed on a first-come, first-served basis, with seniority determined by the date of processing fee deposit. Priority will be given to cases involving disconnections where the consumer/applicant seeks reconnection.

The detailed terms & conditions of this One Time Settlement Scheme as approved by PSERC is attached herewith as Annexure-A.

*Further, to expedite the matter for finalization of the settlement amount under OTS, normally, the case be processed and cleared at the earliest not exceeding within 60 days from the date of deposit of processing fee along with the requisite documents by the applicant. However, it may be extended further upto 30 days i.e in total 90 days, by issuance of speaking order by the same committee giving justification for the extension.*

Meticulous compliance of the instructions may please be ensured.

This issues with the approval of competent authority.

**Annexure-A**

A) **Eligibility Criteria:** One Time Settlement Policy shall be applicable to all categories of consumers (except AP) who opt for this scheme. The eligibility criteria is as under:-

- i). All consumers who have defaulted in payment of energy bills and surcharge/ interest thereon, Additional Security (consumption) / interest thereon, arrears of Voltage Surcharge and interest thereon, etc. but have not been disconnected due to subsequent payments against energy bills.
  - ii). Govt. Department's connections who have defaulted in payment of energy bills for supply of electricity but could not be disconnected in public interest and are ready for One Time Settlement.
  - iii). All consumers who are disconnected due to any type of default before the issue of One Time Settlement Policy.
  - iv). All consumers who are under any type of dispute and are willing for out of Court settlement of the outstanding dues/ defaulting amount. The disputed outstanding amount may include arrears/ sundries charged on account of Wrong Metering, Load Surcharge, Demand Surcharge, Power Factor Surcharge, Supply Voltage Surcharge, PLEC, Overhauling of Account of previous period as per General Conditions of Tariff & Schedules of Tariff but shall not include amount assessed on account of theft of electricity/UUE.
- However, the cases in which some issues stand decided by any Court, that particular issue/decision of the Dispute Settlement Mechanism/Court shall not be covered under the scheme. Further, the cases pending before the courts which have not yet been finalized would have to be withdrawn before the defaulters are considered under OTS scheme and then arrears can be settled under present OTS scheme.
- v). All consumers who have been disconnected on account of any default and want to clear the outstanding amount only and do not want reconnection but only NOC.
  - vi). This scheme shall be applicable to those consumers whose default of payment/defaulting amount existed as on 30.09.2022 and default is outstanding till the date of issue of Commercial Circular.
  - vii). All those Govt. Connections who deposited their defaulting amount by 31st March, 2023 as per PSPCL letter no. 127/131 dt. 24.03.2023, shall be included in the present OTS scheme.
  - viii). This scheme shall be valid for a period of three months from the date of issue of commercial circular.

B) Terms and conditions of the scheme

- i). For all consumers who have not been disconnected under Para (A), the unpaid outstanding amount/ defaulting (single default or more than one) amount except on account of Additional Security (Consumption) shall be payable with simple rate of interest @ 9% per annum from the date it became due till the issue of notice to the consumer opting OTS, regarding final settlement. For calculation of defaulting amount, it may be ensured that the amount paid by a consumer against subsequent energy bill after default is adjusted first against the current energy bill only and then against arrears on account of previous bills/ interest.
- ii). For consumers who have been disconnected, the amount payable shall be the defaulting amount computed as per Para B(i) with simple rate of interest @ 9% per annum from the date it becomes due along with fixed charges/MMC payable as approved by the Commission for the period of disconnection subject to following:-
- a). If PDCO is effected for less than 6 months from the date of applicability of this scheme i.e. 30.09.2022, then no Fixed Charges/MMC for such period is to be leviable. In addition to this, the consumer shall pay Security (Consumption) as applicable in accordance with Schedule of General Charges alongwith reconnection fee. No Service Connection Charges (SCC) are payable.
- b). If PDCO is effected for more than 6 months from the date of applicability of this scheme i.e. 30.09.2022, then Fixed Charges/MMC shall be leviable for maximum period of six months. Fresh technical feasibility clearance shall be required in this case. In addition to this, the consumer shall pay Security (Consumption) as applicable in accordance with Schedule of General Charges alongwith reconnection fee. Regarding Service Connection Charges (SCC) following provisions shall be followed:-
- i) If the reconnection can be done from the existing line/system, no Service Connection Charges (SCC) would be recovered.
- ii) In case service line has been dismantled or otherwise stands utilized for other consumers, then the actual expenditure incurred by PSPCL for reconnection shall be recovered from the consumer.
- NOTE: - Reconnection charges are to be paid in all cases where connection stand disconnected.**
- iii). For the defaulting amount of Additional Security (Consumption), if the consumer deposits the same in lumpsum then there shall be no penalty for delay in depositing the Additional Security (Consumption).
- iv). In case of request for installments, of the settled amount along with Additional Security (Consumption) under the policy, the same may be allowed along with simple rate of interest @ 9% per annum. Recovery of settled dues shall be through a maximum of four installments over a period of one year. However, for Govt. Connections, the period of installments for recovery of pending

amount after settlement in above scheme may be three years to take the benefit of the RDSS scheme of Govt. of India.

In case of installments, the amount shall first be adjusted against the outstanding bills, then interest and lastly against Additional Security (Consumption), if any. However, the consumer shall deposit post dated cheques for the balance installments in advance at the time of deposit of first instalment.

- v). The Govt. levies such as Electricity Duty, Octroi, Municipal Tax, Cow Cess & Infrastructure Development Cess, etc. shall be payable as assessed and billed in the first instance being State Government levies.
- vi). The consumer willing to settle the arrears/defaulting amount shall be required to submit an option/undertaking for One Time Settlement and relevant documents to the respective Operation Subdivision. The complete detail of charges as recoverable from the consumer as per terms & conditions of the policy for One Time Settlement shall be forwarded by the Sub division office to the Authority for approval only after pre-audit by AO/Field.
- vii). The benefits of this scheme shall be allowed to any consumer only once by the following Committees for the total outstanding amount of arrear/ defaulting amount specified against each.

Sr. no.	Authority to approve the Settlement Amount	Total Outstanding/ Defaulting Amount
1)	Committee consisting of Addl.SE/ Sr.Xen/DS concerned and AO/Field.	Upto Rs.10 lacs
2)	Committee consisting of Dy.CE/ SE/DS concerned and Dy.CAO/ Dy.CA of Zone.	Above Rs.10 lacs & upto Rs.20 lacs
3)	Committee consisting of EIC/CE / DS concerned along with CAO/CA of concerned ZDSC.	Above Rs.20 lacs & upto Rs.50 lacs
4)	CE/Commercial with the approval of Director/C & Director/Finance	Above Rs.50 lacs

In case the payment of settled amount is allowed by the Committee/ CE/Commercial in installments, the payment of first installment shall not be later than one month from the date of receipt of intimation of settled amount by the consumer.

- viii). After approval of the case by the Competent Authority, the consumer shall be intimated through registered post/by hand for depositing the requisite charges under One Time Settlement.
- ix). Once a relief under this scheme is availed, no further review/relief shall be admissible and the case finalized under this scheme shall not be referable to any DSC/Forum for Redressal of Grievances of consumer/ Ombudsman/ Judicial

⑤ Model solution of ME/S-10/23 / P-3 (E)

Courts etc.

- x). The cases of Theft and Unauthorized use of Electricity as per Reg-36 & 37 of Supply Code shall not be covered in this scheme.
- xi). Dy.CE/SE Operation and Addl.SE/Sr.Xen Operation shall give wide publicity of the scheme to apprise the Consumers about the consumer friendly One Time Settlement Scheme introduced by PSPCL.
- xii). Processing fee for consumers opting OTS under Industrial category shall be Rs. 5000/- and for non-industrial category Rs. 2000/-, which shall be adjustable towards the final settled amount under OTS scheme.
- xiii). However, 100% Principal amount is to be recovered.
- xiv). In case the consumer fails to pay the due principal amount in lumpsum or specified installments, the full LPS/LPI amount as per PSERC regulations shall be revived and consumer will be considered out of scheme.
- xv). The approval process shall be made as simple as possible without harassment to the Consumers for finalization of the settlement amount.
- xvi). Revenue which would have accrued to PSPCL from late payment surcharge as per clause 27(c) of PSERC MYT Regulations 2022 will be treated as notional interest under non tariff income to avoid burden of loss/expense on this account to other consumers. This shall be settled on the account of PSPCL and will not be a pass through in the ARR.
- xvii). PSPCL shall furnish the case-wise information i.e. payments recoverable as per PSPCL record, amount realized, benefit of LPS / LPI provided to the consumers under the OTS scheme etc. to the Commission within one month from the date of end of the scheme.

⑥ Model solution of ME/S-10/23/P-3(E)

Answer 1(b)

**Unbilled Revenue:-** Where the sale of power prior to period of year end as on 31st march is not billed a reversible provision is created on account of such unbilled revenue in annual accounts . Every Year on 31st march last date of meter reading against each billing ledger for each category of consumers is noted down by UDC(rev) of Op sub Division. Number of days falling after the meter reading date till 31st march, are calculated. Number of days and revenue & units assessed for each billing ledger of the immediately preceding billing cycle are also noted/calculated. Unbilled Revenue and units are calculated by multiplying number of unbilled days with units and revenue assessed of immediately preceding cycle. In case where meter reading of a billing cycle falls in month of March ( for which bills are not issued in the month of march) the entire period of billing cycle plus the period between the last date of meter reading and 31st march is taken for working out unbilled revenue & units. Unbilled revenues accounted for at head office level in account Head 23.4 per contra credit to account Head 61. This entry is reversed in next year's account.

⑦ Model solution of ME/S-10/23/P-3(E)

Answer 2(a)

**Job Order:**

PSPCL being the commercial organization is committed to power supply and services to its valuable consumers. For this purpose, the field staff has to perform multiple functions such as erection of poles, lines, resealing of meter, change of meter, reconnection of disconnected connections, disconnection of defaulting consumers, etc. For these purposes specific orders are issued by the concerned officer of sub division to the specific field staff such as JE-1/JE, these orders are called job orders.

There are many specific job orders which are issued for the completion of specific work, these are discussed as below:

- (i) **Installation Order:** When a perspective consumer applies for new connection after using all formalities, the estimates are prepared and approved by the competent authority, after depositing all dues/charges then installation order issued by the sub division officer to the concerned JE/area in charge. Then he draws the material from store and starts the erection of line/service line for providing the connection to the consumer. After completing the work the area in charge records the entries on the installation order and submits the same in the sub division office for further necessary action.
- (ii) **Service Connection Order:** Service connection order is issued in favour of area in charge for connecting the consumer apparatus with the PSPCL. The detail of consumer's name, address, application number, estimate number, account number is mentioned on the SCO. After giving the connection, the area in charge complete the usual formalities such as Sr. No. of meter, make, Sr. No. of ME, Amps, Volts, Phase, Initial Reading, Feeder Ref. etc. and returns to the office with dated signature.
- (iii) **Meter Test Order:** As and when the consumer challenges the accuracy of meter of his connection or otherwise suspected by PSPCL authorities then the meter test order is issued in favour of JE/Meter inspector. After testing the meter, he reports on the MTO, the meter Sr. No., make, Amps, Phase, Volts, Meter Multiplier (if any), reading of meter, etc. The same is submitted in the accounts wing for charging/refunding the dues if any.
- (iv) **Meter Change Order:** As and when the meter of any connection is found defective reported by PSPCL authorities or by the consumer himself, the meter change order is issued. After changing the meter, the area in charge records the full particulars of old meter such as make, type, Sr. No., reading, phase, amps, meter multiplier, etc. as well as of the new meter. The same is submitted the ARA/RA of the sub division for further charging the dues regarding meter cost/billing, if any.
- (v) **TDCO/PDCO:** When any consumer of PSPCL defaults due to non payments of bills/unauthorized use of supply/theft of energy cases then temporary disconnection order is issued. The area in charge disconnects the connection from the T-pole/from the service line. The full particulars of meter are recorded on the TDCO with dated signatures.  
After the TDCO when the consumer does not remove his default/does not deposit the due amount then permanent disconnection order is issued. The area in charge removes the meter after dismantling the service line, returns material to store and meter for checking in ME lab.
- (vi) **RCO:** Where connections are disconnected whether temporarily or permanently in some cases they are required to be reconnected on the request of the consumer after removing the default/depositing the dues of PSPCL, then reconnection order is issued. The JE installed the meter and records the complete entries of meter particulars such as Meter Sr. No., make, name, reading, meter multiplier, etc.

Answer 2(b)

**THE SUPPLY OF ELECTRICITY TO RESIDENTIAL COLONIES OF CO-OPERATIVE GROUP HOUSING SOCIETIES/ EMPLOYERS, INDIVIDUALS CONSUMERS IN RESIDENTIAL COLONIES/COMPLEXES DEVELOPED UNDER BYE-LAWS/RULES OF THE STATE GOVT./ PRIVATE EDUCATIONAL INSTITUTIONS/ UNIVERSITIES/ COLLEGES/HOSPITALS ETC. AND FRANCHISEE APPOINTED BY THE GOVT. FOR SHOPPING MALLS /INDUSTRIAL ESTATES ETC.**

**36.1 Single point supply for residential purposes including common services to co-operative group housing societies/employers:** The single point supply for residential purposes including common services to co-operative group housing societies/employers shall be allowed as per Reg-6.6.1 of Supply Code-2014.

The procedure for release of such connections is given below:

**General Provisions**

a. PSPCL shall give supply of electricity for residential purposes including common services on an application by a Housing Society which owns the premises at a Single Point for making electricity available to the members of such Society residing in the same premises. Provided that this shall not in any way affect the right of a person residing in the Housing Unit sold or leased by such a Housing Society to demand supply of electricity directly from the PSPCL.

b. Housing Society will be obliged to seek supply of electricity from the PSPCL at a Single Point for common services in its premises even if no application is submitted to the PSPCL as per 36.1 above.

c. PSPCL shall give supply of electricity for residential purposes including common services on an application by an Employer at a Single Point for making electricity available to his employees residing in the Employers" colony.

d. The terms and conditions of domestic supply will be applicable to supply of electricity under (a) and (c) above. In case of supply of electricity for common services under (b) above, the terms and conditions of non-residential supply will be applicable.

e. A person carrying on any business/commercial activity in the premises of a housing society/employers" colony getting supply of electricity at a single point will require separate direct supply of electricity from the PSPCL for such activity on the terms and conditions of non-residential supply. The housing society/employer will provide adequate space at a convenient place for installing transformer(s), allied equipment and meter(s).

f. Release of connection for supply of electricity will be subject to such terms & conditions as specified in the Punjab State Electricity Regulatory Commission (Electricity Supply Code & Related Matters) Regulations, 2014 & Schedule of General Charges approved by the Commission.

**Terms & Conditions for Supply at a Single Point to cooperative group housing societies /employers:**

a. The PSPCL will give supply of electricity at a single point only to a housing society/ employer having building plans approved by the competent authority.

b. The housing society/employer will submit the application online for supply of electricity at a single point to the PSPCL. The PSPCL will supply electricity at a Single Point at 11KV or higher voltage depending on the load/demand of colony.

c. The housing society/employer will install, operate & maintain all infrastructure, including step down substation, required for distribution of electricity within the premises of the housing society/employers" colony at its own cost.

d. The housing society/employer will install transformer(s)/sub station(s) and meter(s)/metering equipment, for supply of electricity at a Single Point at a convenient and easily accessible place. All installed equipments must meet with the safety requirements as per Electricity Rules, 1956 or Regulations notified by the Central Electricity Authority under Section 53 of the Electricity

Act, 2003. The isolating device will be placed near the boundary of the premises.

⑨ Model solution of ME/S-10/23/P-3(E)

- e. The housing society/employer will not charge its residents for electricity supplied at a tariff higher than the rates for domestic supply approved by the Commission.
- f. The housing society/ employer will provide meters for measuring electricity consumption of all the residents. The housing society/ employer will also be responsible for all liabilities & obligations including individual metering, billing, collection of charges from individual users & payment of all energy bills to the PSPCL.
- g. The total consumption of electricity recorded at the Single Point connection of a Housing Society / Employers" colony will be billed at a rate equal to the highest slab rate of Schedule Domestic Supply. The Housing Society/Employer will be eligible for a rebate of twelve percent in addition to any other rebate on electricity consumption charges as admissible under General Conditions of Tariff and Schedules of Tariff approved by the Commission.
- h. The housing society/employer will be charged monthly minimum charges on the basis of contract demand sanctioned for each housing society / employer. The rate of monthly minimum charges will be as specified in the Tariff Order for the relevant year.
- i. The housing society / employer will be governed by all other provisions of The General Conditions of Tariff and Schedules of Tariff.
- j. In the event of any dispute arising between a user of electricity and the owner/developer/association of residents/users, either party may approach the Consumer Grievances Redressal Forum and the Ombudsman as per procedure laid down in Consumer Complaint Handling Procedure (CCHP) approved by the Commission and PSERC (Forum & Ombudsman) Regulations, 2016.

**Direct Supply of electricity by the PSPCL to a person residing in the premises of Housing Society on demand.**

- a. Any person residing in the residential unit sold or leased by a housing society getting supply of electricity at a single point may demand direct supply of electricity from the PSPCL. Such person will be required to submit an application for direct supply of electricity to the PSPCL in accordance with the terms and conditions specified in the Punjab State Electricity Regulatory Commission (Electricity Supply Code & Related Matters) Regulations, 2014.
- b. The housing society will make available adequate space at a convenient place for installing transformer(s), allied equipment and meter(s) for effecting direct supply of electricity to such person/ persons. Transformer, allied equipment and meter(s) as required for effecting direct supply of electricity will be installed & maintained by the PSPCL at its own cost.
- c. Release of connection for direct supply of electricity will be subject to and on such terms & conditions as specified in the Punjab State Electricity Regulatory Commission (Electricity Supply Code & Related Matters) Regulations, 2014 & Schedule of General Charges approved by the Commission.
- State Govt. / Private educational institutions/ universities/colleges/hospitals etc. :** Single point supply under bulk supply (Schedule-SVII) category shall be allowed to the Govt./ Private educational institutions / universities / colleges/ hospitals etc. for their own use and to run the affairs connected with the functioning of such educational institutions/universities/colleges/hospitals. The provision of Reg-9.1.1(a) of the Supply Code-2014 shall be applicable in such cases for recovery of service connection charges/security (works) as applicable to bulk supply connection.

**Single point supply to a franchisee.**

PSPCL may appoint a franchisee for a particular area in its area of supply as per 7<sup>th</sup> proviso to section 14 of the Act. PSPCL may provide single point supply on an application by the franchisee for making electricity available within the particular area to the following categories:

- a. Residential colonies
- b. Commercial Complexes
- c. Industrial Complexes
- d. IT Parks
- e. Other single point supply consumers.

⑩ Model solution of ME/S-10/23/P-3(E)

The franchisee thus appointed for single point supply shall have to abide by the terms and conditions of Franchisee Agreement (Annexure-45) to be signed with PSPCL for supply of electricity to individual consumers in his area of supply.

**Supply of Electricity to Individual Consumers in the Residential Colonies / Multi- Storey Residential Complexes Developed under bye-laws/rules of the State Govt.:** In the event of residential colonies/ complexes developed by developers/ builders/ societies/ owners/ associations of residents/ occupiers under bye-laws /rules of the State Govt. not covered under 36.1, 36.2 and 36.3 above, the residents/ occupiers of such colonies /complexes shall obtain individual connections directly from the PSPCL. The release of connections shall be governed by the provisions of Reg-6.7 of the Supply Code-2014 as follows.

a) The developer/ builder/society/owners/ association of residents/ occupiers shall submit the complete lay out plan of the electrical network proposed to be erected in the colony and other documents prescribed by the licensee along with the processing fee as per Schedule of General Charges and obtain the preliminary NOC from the licensee. The NOC shall be issued by the licensee within 45 days of the receipt of proposal complete in all respects along with requisite documents. In case the developer/ builder/ society/ owners/ association of residents/ occupiers withdraw his request or fails to comply with the conditions within stipulated time, the processing fee shall be forfeited.

**Note: The developer/builder/society/owner/association includes any agency whether Govt./ Local body or private that constructs the colony/ complex.**

b) For planning the L.D system of such colonies/complexes or to issue NOC, the following guidelines may be adopted for assessment of expected connected load/ demand of such colonies/complexes:-

Distribution Licensee for erection of 11 kV feeder(s) including breaker from the feeding sub-station to the connection point of the internal distribution system shall also be borne by the developer/builder/society/owners/association of residents/ occupiers. The expenditure of L.D system, including service cable up to the metering point of each consumer & 11 kV system shall include cost of the material, labour plus 16% establishment charges there on. If the connection is released to the colony/complex by tapping the existing 11kV feeder, the cost of service line and proportionate cost of common portion of line including breaker shall be recoverable. The phase wise development of LD system may be carried out by PSPCL as per requirement but any cost escalation over a period of time shall be borne by the PSPCL. PSPCL shall be responsible to release individual connections within the time frame specified in Regulation 8.

However, the developer/builder society/ owners/ association of residents/ occupiers shall have the option to execute the works of internal L.D system of the colony/complex of its own in accordance with the approved layout plan/sketch approved by the PSPCL subject to payment of 15% supervision charges on the labour cost to PSPCL. After its completion and inspection by the Chief Electrical Inspector to Govt. of Punjab, the PSPCL will take over the L.D system which will be connected to its distribution system. The PSPCL shall thereafter maintain L.D system at its own cost. In case the developer requests for energisation of incomplete LD system, the same shall be allowed provided the developer furnishes a Bank Guarantee (BG valid for 5 years) equivalent to 150% of the estimated cost of balance works. This amount of Bank Guarantee shall keep on reducing with the completion of remaining works of the L.D system. After submission of Bank Guarantee to the satisfaction of PSPCL, it shall be the responsibility of the PSPCL to release connections to the residents/occupiers of the colony/complex according to the time frame specified in Regulation 8 of the Supply Code-2014.

d) In case the expected demand of the colony/complex computed as per (b) above exceeds 4000 kVA, the developer/ builder/ society/ owners/ association of residents/occupiers shall also pay the „System Loading Charges“ as provided in the cost data approved by the Commission in addition to the charges payable as per clause (c) above. In such a case, the erection or augmentation of grid sub-station, if required, shall be carried out by the PSPCL at its cost. However, in case the grid sub-station is required to be erected in the colony, the developer/ builder/ society/ owners/association of residents/ occupiers shall provide the space and right of way free of cost, if permissible or at nominal token money @ of Rs. 1/-per sq. metre. In case the cost of grid sub-station and/or HT/EHT line including bay/breaker has been deposited by an authority under the State Act viz. PUDA/GMADA/GLADA etc., the „System Loading Charges“ for the same shall not be recovered from the developer of such colony/complex.

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## ① Model solution of ME/S-10/23/P-3(E)

e) Each resident/occupant shall submit A&A form for supply of electricity to the Distribution Licensee (PSPCL) in accordance with Regulation 6 of Supply Code and connected load of each applicant shall be determined/ computed as per Regulation 4.5 of the Supply Code. The Distribution Licensee shall release the connections within time limits prescribed in Regulation 6.8 & 8 of the Supply Code-2014.

f) A developer/builder/society/owner/ association of residents/ occupiers shall obtain separate connection for common services under relevant category. The developer shall also be responsible to lay service cables up to the metering point of individual occupier's premises/common service connection points at its cost. In case meter is installed outside the consumer's premises, the service cable from the meter up to the main switch of the consumer shall also be provided at its own cost by the developer. PSPCL shall not recover any Service Connection Charges from individual consumers. However, applicant shall deposit Security (consumption) and Security (meter) as per Schedule of General Charges.

As per new EWS Policy of the Govt., the EWS sites reserved in private housing projects are to be transferred to the concerned Development Authority of the area,

hence the infrastructure such as roads, water supply, sewerage, parks, electricity etc. within sites reserved for EWS housing, will be provided by the concerned Development Authority or any other Agency authorized by the Govt. to construct housing for Economically Weaker Section of the society.

Answer 3

(i) **Power Factor**:- means the ratio of kilowatts to the kilovolt amperes drawn by any electrical appliance/equipment.

(ii) **Connected load**" means the sum of the manufacturer's rated capacities of all the energy consuming devices in a consumer's premises connected with Distribution Licensee's (PSPCL's) service line and determined as per procedure laid down in these Regulations. This shall not include the standby or spare energy consuming apparatus installed through a changeover-switch;

(iii) **Open access**" means the non-discriminatory provision for the use of transmission lines or distribution system or associated facilities with such lines or system by any licensee or consumer or a generating company in accordance with these regulations and includes long-term access, medium-term open access and short-term open access;

(iv) **Demand Charge**" shall mean the amount chargeable per month (irrespective whether any electricity is consumed or not), based upon either connected load or the maximum demand or contract. Demand as the case may be and as prescribed in the relevant Schedules of Tariff.

(13) Model solution of ME/S-10/23/P-3(E)

Answer 4 (a)

The Accounts of a consumer shall be overhauled/billed for the period meter remained defective/dead stop and in case of burnt/stolen meter for the period of direct supply subject to maximum period of six months as per procedure given below:

- a) On the basis of energy consumption of corresponding period of previous year,
- b) 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 was functional, shall be adopted for overhauling of accounts.
- c) 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 month shall be taken for overhauling the account of the consumer,
- d) 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 LDHF 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.

4(b) light point  $30/2 \times 40 = 600$  watts

Fans  $10/3 \times 60 = 240$  watts

Wall socket  $20/4 \times 60 = 300$  watts

Power socket (single phase)  $7/4 \times 1000 = 2000$  watts

Air conditioners  $1 \times 1980 = 1980$  watts

**Total Load 5.12 KW**

Answer 5 (a) Difference between BA16 and RO4

BA 16	RO4
1. It is issued to the consumer for the deposit of amount other than the energy bill. 2. It is directly entered into the cashbook. 3. It is used for multiple purpose such as deposit of energy theft, ACD, SCC etc. 4. One copy of this is issued to consumer and other is kept in the BA16 book for official use.	1. It is issued to the consumer for the energy bill where manual billing is followed. 2. It is entered in the CCR book and total of CCR book is entered in the cash book. 3. It is used only for energy charges . 4. In RO4 an original copy is issued to the consumer and carbon copy is kept in RO4 book for official use.

5.b

Un-authorized use of electricity	Theft of electricity
Under section 126 of the act, the unauthorized use of electricity means usage of electricity:- a) By any artificial means; or b) by a means not authorized by the concerned person or authority or licensee; or (c) Through a tampered meter; or (d) for the purpose other than for which the usage of electricity was authorized ;or (e) for the premises or areas other than those for which the supply of electricity was authorized.	A consumer or any person shall be guilty of theft of electricity within the meaning of section 135 of the act, whoever, dishonestly:- a) taps, makes of causes to be made any connected with overhead, underground or under water lines or cables, or services wires, or service facilities of a licensee or supplier, as the case may be; or b) tempers a meter, installs or uses a tampered meter, current reversing transformer, loop connection or any other device or method which interferes with accurate or proper registration, calibration or metering of electric current or otherwise results in a manner whereby electricity is stolen or wastes; or (c) Damages or detroys an electric meter, apparatus, equipment or wire or causes or allows any of them to be so damaged or destroyes as to interfere with the proper or accurate metering of electricity or as to interfere with the proper or accurate metering of electricity; or (d) use electricity through a tampered meter; or (e) Uses electricity for thr purpose other than for which the usage of electricity was authorised; so as to abstract or consume or use electricity shall be punishable with imprisonment for a term which may extent to three years or with fine or with both.

**Model Solution**  
**MINISTERIAL ESTABLISHMENT**  
**PAPER-4<sup>th</sup> (Book Keeping and Accountancy)**  
**Session 10/2023**

**Q no. 1 Solution:**

**Trading and Profit & Loss Account**  
**For the year ended 31st March, 2022**

Dr	Rs	Cr.	Rs
<b>Particulars</b>		<b>Particulars</b>	
To Purchases (Adjusted) (Note 1)	54,750	By Sales	1,54,500
To Wages	2,850		
To Gross Profit c/d	96,900		
(Transferred to Profit & Loss A/c)			
	<b>1,54,500</b>		<b>1,54,500</b>
To Salaries	33000	By Gross Profit b/d	96,900
Add: Outstanding	3000	By Commission Received	3,750
To General Expenses	7,820	Less: Received in Advance	1250
To Outstanding Municipal Taxes	1,200		2,500
To Insurance	12500		
Less: Prepaid	1000		
To Interest	1180		
Add: Outstanding interest on Bank Loan	850		
To Advertising	4,500		
To Rent	5,000		
To Bad Debts	1250		
Add: Further Bad Debts	1000		
Add: Provision For Doubtful Debts (New)	1850		
Less: Existing Provision	2000		
To Depreciation:			
5% on Building	3750		
10% on Furniture and Fixtures	640		
20% on Vehicles	12500		
To Net Profit Transferred to Capital A/C	<b>12,360</b>		
	<b>99,400</b>		<b>99,400</b>

**Balance Sheet as at 31st March, 2022**

Liabilities	Rs.	Assets	Rs.
<b>Current Liabilities</b>		<b>Current Assets</b>	
Sundry Creditors	25,000	Cash	6,500
Bank Loan	30,500	Sundry Debtors	38000
Add Outstanding Interest	850	Less: Further Bad Debts	1000
Outstanding Municipal Taxes	1,200		
Outstanding Salaries	3,000	Less: Provision for Doubtful Debts	1,850
General Expenses outstanding (Note 2)	9,250	Prepaid Insurance	1,000
Commission Received in Advance	1,250	Closing Stock (Note 1)	34,600
<b>Capital</b>		Prepaid Rent (Note 2)	4,150
Opening Balance	1,25,000	<b>Fixed Assets</b>	
Add: Net Profit	12,360	Furniture and Fixtures	6400
	<b>1,37,360</b>	Less: Depreciation	640
		Vehicles	62500
	<b>2,08,410</b>	Less: Depreciation	12,500
		Building	75,000
		Less: Dereciation	3,750
	<b>2,08,410</b>		<b>71,250</b>
			<b>2,08,410</b>

**NOTES:**

1. Purchase (Adjusted) means Opening Stock and Closing Stock are already adjusted in Purchases hence these two items are not showr in Trading Account, And Closing Stock is shown in the asstets side of Balance Sheet.
2. As Prepaid Rent and General Expenses Outstanding appear in Trial Balance ,the adjustment entries of these items have already beer passed. Therefore, these items will be shown in the Balance Sheet.

② Model solution of ME/S-10/23/P-4 (E)

**Q NO.2 (A)**

**Solution:**

**TRUCK ACCOUNT**

Dr			Cr.		
Date	Particulars	Rs	Date	Particulars	Rs
2020			2021		
Apr-01	To Bank A/C	2,00,000	Mar-31	By Dereciation A/C	40,000
			Mar-31	By Balance c/d	1,60,000
		<b>2,00,000</b>			<b>2,00,000</b>
2021			2021		
Apr-01	To Balance b/d	1,60,000	Oct-01	By Bank-Sale Proceeds	1,60,000
Oct-01	To Gain (Profit) on Sale of Truck A/C (WN)	16,000	Oct-01	By depreciation (Depreciation for 6 months)	16,000
		<b>1,76,000</b>			<b>1,76,000</b>

**Working Note:**

Gain (Profit) on Sale = Sale Value - Book Value as on Date of Sale      160000-144000=16000

**Q NO.2 (B)**

**Solution:**

- Errors of Omission:** A transaction, if completely or partially omitted from being recorded in the books of account, is categorized as an error of Omission. The error of Omission arises if a transaction is not recorded in the books of account or a transaction recorded in the General Journal (or Journal proper) is not posted in the Ledger. Such errors do not affect the Trial Balance. Examples of Error of Complete Omission:
  - Goods purchased on credit from Peeyush not recorded in the Purchases Book.
  - Goods sold on credit to Rakesh not recorded in Sales Book.
  - Furniture sold on credit to Mahesh recorded in Journal proper but not posted.
- Errors of Commission:** Errors of Commission are those errors that arise due to wrong recording, wrong posting, wrong carrying forward, wrong casting of subsidiary books, wrong balancing etc. Errors of Commission may be of following types:
  - Error of Recording:** This error arises when any transaction is incorrectly recorded in the books of the original entry. This error does not affect the Trial Balance. Example: Goods of 5,000 purchased on credit from Mohan are recorded in the Purchases Book as 50,000.
  - Error of Casting:** This error arises when a mistake is committed in totaling. This error affects the Trial Balance. Example: Purchases Book is totalled as 10,000 instead of 1,00,000.
  - Error in Carrying Forward:** This error arises when a mistake is committed in carrying forward a total of one page to the next page. This error affects the Trial Balance. Example: Total of Purchases Book is carried forward as 10,000 instead of ₹1,000.
  - Error of Posting:** This error arises when transaction recorded in the books of original entry is incorrectly transferred or posted in the Ledger. Examples: 1. Posting total of the Sales Book in the Purchases Account instead of Sales Account.

### ③ Model solution of ME/S-10/23/P-4 (E)

- 3. Errors of Principle:** When a transaction is recorded in contravention of accounting principles, it is known as Error of Principle. Such errors do not affect the Trial Balance as amounts are placed on the correct side but in a wrong account. For example,
- I. Treating revenue expense as a capital expense. Example: Repair expenses of machinery debited to Machinery Account.
  - II. Treating capital expense as a revenue expense. Examples: Commission paid for purchase of land is debited to Commission Account instead of Land Account.
- 4. Compensating Errors:** Compensating errors are those errors in which effect of one error is nullified by the effect of another error, eg. Shyam's Account was debited with 100 instead of 1,000 while Ram Prasad's Account was debited with 1,000 instead of 100. Thus, Shyam's Account which was debited by 900 less was compensated by another error in Ram Prasad's Account whose account was debited in excess of 900. Take another example, Purchases Book was undercast by 2,000 and Sales Return Book was overcast by the same amount. Compensating errors do not affect the Trial Balance. Such errors will remain even though the Trial Balance matches. These errors are of the following two categories
- I. Errors affecting the Trial Balance or One-sided Errors, and
  - II. Errors not affecting the Trial Balance or Two-sided Errors

**Q NO.3 (A)**

**Solution:**

- I. Central Processing Unit
- II. Full form of RAM is Random Access Memory
- III. A modem transforms digital information from your computer into analog signals that can transmit over wires (and vice versa)
- IV. Control+P command is used to Print a document.
- V. Wrap Text Command is used for wrapping text in a cell.

**Q NO.3 (B)**

**Solution:**

**BANK RECONCILIATION STATEMENT  
as on 31 st March 2023**

Particulars.	Amount Details	Amount
Balance as per Cash Book (Dr)		79,140
<b>Add:</b>		
(b) Cheques issued on 28th March but not presented for payment	5,000	
(d) A cheque deposited into bank but not recorded in the Cash Book	1,200	
(f) Rebate on bill not entered in Cash Book (Note)	300	
(g) Cheue wrongly credited by Bank	5,000	
(i) Cheque drawn on Savings Bank A/c but wrongly recorded in Current Account	400	11,900
<b>Less:</b>		
(a) Cheuques deposited on 25th March but not collected till 31st March	15,000	
(c ) A cheque entered in Cash book but not yet banked	2,000	
(e ) Discounted Bills Receivables dishonoured but not recorded in Cash Book	1,040	
(h) Amount wrongly Debited by Bank.	10,000	28,040
<b>Balance as per Bank Pass Book (Cr.)</b>		<b>63,000</b>

**Note:** The Bank retired the bill of Rs 20,000/- at a rebate of Rs 300/- ie Bank Paid only 19,700/- . However the amount of bill ie 20000/- was recorded on the Payment side of Cash Book. Therefore, Rs 300/- will be added in the Cash Book Balance.

# 5 Model solution of ME/S-10/23/P-4 (E)

Q no. 4

**Solution:**

## (A) Straight Line Method of depreciation (SLM)

Under this method, depreciation is charged at the given rate of depreciation on the original cost of the asset every year. Due to this reason, depreciation charged annually remains the same. Suppose, an asset costs 20,000 and 10% depreciation is to be charged Rs 2,000 will be charged every year. The assumption in this case is that the estimated life of the asset is 10 years and that at the end of 10 years it will not have scrap or realisable value. In this method, the amount to be written off every year is determined as follows:

$$\text{Annual Depreciation} = \frac{\text{Cost of Asset-Scrap or Realisable Value}}{\text{Estimated life of Asset}}$$

Rate of Depreciation can also be calculated with the help of following formula:

$$\text{Rate of Depreciation (r)} = \frac{\text{Amount of Depreciation}}{\text{Total Cost of Asset}} \times 100 = \dots\%$$

### Advantages (Merits) of the Straight Line Method:

1. It is a simple method of calculating depreciation as the amount of depreciation.
2. In this method, assets can be depreciated up to the estimated scrap value or each year is same. In this method, it is easy to know the amount of depreciation

### Limitations (Demerits) of the Straight Line Method:

1. This method assumes that the amount of depreciation is same for all years. This is unrealistic assumption as the usefulness of an asset to the business is maximum in the initial years as compared to later years.
2. With the passage of time, work efficiency of assets decreases and repair expenses increase. In comparison to earlier years, higher repair expenses are debited to Profit & Loss Account in later years.

## 4 (B) Accrual Concept:

According to the Accrual Assumption, a transaction is recorded in the books of account at the time when it is entered into and not when the settlement takes place. Thus revenue is recognized when it is realized, ie, when the sale is complete or services are rendered; it is immaterial whether cash is received or not. Similarly, expenses are recognised as expenses in the accounting period in which the revenue related to it a recognised, whether paid in cash or not.

## (6) Model solution of ME/S-10/23/P-4 (E)

The concept is particularly important because it recognizes assets, liabilities, incomes, and expenses as and when transactions relating to them are entered into. Under the concept, profit is regarded as earned at the time the goods or services are sold or rendered to a customer, i.e., the legal title is passed to the customer, who, in turn, has an obligation to pay for them. Similarly, expense is regarded as incurred when the goods or services are purchased or availed and an obligation to pay for them is assumed. Let us take examples to understand the Accrual Concept. Examples:

M/s. RSM & Co. purchased computers on 1st January, 2023 amounting to 5,00,000 to be paid on 15th April, 2023. Since the asset has been acquired by the enterprise and has in the process incurred a liability to the extent of that amount on 1st January, 2023, it must record the transaction in its books of account on 1st January, 2023. The transaction on recording shall reflect that the enterprise owns assets (computers) worth ₹5,00,000 and also owes an equal amount of money to the supplier.

Similarly, if M/s. RSM & Co. makes a sale of goods to M/s. VS & Co. on 27th February 2023 for 15,000 on the credit of two months, the sale must be recorded on 27th February 2023 although the amount will be received on 27th April, 2023. The transaction is recorded because the revenue has been earned, although the amount has not been received. M/s VS & Co. should also record the purchase in its books of account on 27th February 2023 because goods have been purchased although the amount has not been paid.

### 4 (C) Going Concern Concept

Going Concern Assumption prescribes that transactions should be recorded and reported on the basis that business shall continue for a foreseeable period and there is no intention to close the business or scale down its operations significantly.

It is because of this concept that a distinction is made between capital expenditure, i.e., expenditure that will give benefit for a long period and revenue expenditure, i.e., one whose benefit will be consumed or exhausted within the accounting period. On the basis of this concept, fixed assets are recorded at their original cost and they are depreciated in a systematic manner over their expected useful life. For example, a machine purchased for 1,10,000 (residual value \* 10,000) has an expected useful life of 10 years. 1,00,000 is written off in the next 10 years to determine profit/loss for each year. Thus, 1,10,000 will be recorded and reported (shown in the Balance Sheet) at 1,10,000 as an asset. Total cost of the machine is not treated as an expense in the year of purchase itself.

### 4 (D) Full Disclosure Principle

According to the Principle of Full Disclosure, "There should be complete and understandable reporting on the financial statements of all significant information relating to the economic affairs of the entity." Apart from legal requirements, good accounting practice requires all material and significant information to be disclosed. Disclosure of material information will result in better understanding. For example, the reasons for low turnover should be disclosed.

**Q no. 5 (A):**

**Solution:**

**(a) Cut, Copy and paste data:**

Step 1. Select the Cells that you want to move or copy.

Step 2. Click on Cut/Copy command in Clipboard group on Home tab to move/copy the content of the selected cell.

- To move cell, click Cut
- To copy cells, click Copy

Step 3. Click on the cell where you would like to paste the information.

Step 4. Click on the paste command in the Clipboard group on the Home tab to paste.

**(b) Inserting Rows and columns:**

**(i) To insert a row in the worksheet follow these steps:**

Step 1. Click the heading where you want to insert a new row.

Step 2. Click on the Insert command under the **Cells** group on the **Home** tab.

Step 3. Select the **Insert Sheet Rows** option from the drop-down list

A new row will be inserted above the selected row.

**(ii) To insert a column in the worksheet follow these steps:**

Step 1. Click the column heading where you want to insert a new column.

Step 2. Click on the Insert command on the **Home** tab.

Step 3. Click on Insert Sheet Columns

A new column will be inserted to the left of the selected column.

**(c) Merging Cells:**

Step 1. Select two or more adjacent Cells that you want to merge.

Step 2. Click on **Merge & Centre** Command in the **Alignment** group on the **Home** tab.

The cells will be merged in a row or column, and the cell content will be centered in the merged cell.

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

**(d) Splitting Cells:**

Splitting cells means to separate two cells that were previously merged. To split merged cells, follow these steps:

Step 1. Select merged cells you want to split.

Step 2. Click on the arrow of the **Merge & Centre** Command in the **Alignment** group on the **Home** tab.

Step 3. Select the **Unmerge Cells** option.

**Q no. 5 (B): Journal Entries****Solution:****JOURNAL OF NITIN**

Date	Particulars	Dr (Rs.)	Cr (Rs)
2023			
April 1	Cash A/c ... Dr. To Capital A/c (Capital Introduced by Nitin)	1,00,000	1,00,000
April 2	Furniture A/c ....Dr To Cash A/c (Furniture Purchased)	5,000	5,000
April 5	Cash A/c ....Dr To Sales A/c (Goods sold for Cash)	20,000	20,000
April 7	Salary A/c ....Dr To Cash A/c (Salary Paid)	15,000	15,000
April 23	Ramesh and Co. A/c ....Dr To Sales A/c (Goods Sold on credit)	75,000	75,000