

# **MODEL TEST PAPERS WITH SOLUTIONS FOR BSNL**

## **JAO Part-II (Examination)**

### **Under old Syllabus**

### **Covering All the Five Papers**

AIBSNLOA is thankful to Institute of Financial Training and Com.V.Kannan, CAO & Circle Auditor of AIBSNLOA Tamilnadu for agreeing to publishing of this e-Edition in our website. All candidates appearing for the examination will appreciate the tremendous efforts put in by Com.V.Kannan and his team in compiling this edition, when they go on to read this compilation. AIBSNLOA CHQ wishes all candidates success in the examination.

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## Preface

The purpose of this Guide is to take you to the success in JAO-Part-II Exam under old syllabus as one time measure, last opportunity to become JAO- the Executive cadre of BSNL. The approach in this book is very simple language, easy to understand and self motivation to read.

We, the publishers, are extremely happy and satisfactory to release this book as Third one for the benefit of BSNL Employees Previously we published the guide for JAO Part-I for Screening Test and many of the takers of that book passed in that Examination. It shows the success of our publication. And during 2009, we published Guide for BSNL JAO Part II and many of the takers of that guide became JAO of BSNL. Now also this edition is under sales.

We published through our editorial board consisted under the full co-operation and assistance of experienced and eminent officers of BSNL in the Accounts cadres.

We must thank Sri.V.Kannan, Auditor of Tamil Nadu Circle, AIBSNLOA and Chief Accounts Officer in Tamil Circle for his contribution and advice to bring this guide and his team mates consisting of Accounts executives and Non-Executives. Without the help of Sri.V.Kannan and his team mates, we could not bring the publication with the style, approach to the old syllabus and guiding factors to the path of success.

It may please be noted that as per BSNL Corporate Office letter dated 17.09.2012, CPWD Works Manual 2012 has been recommended instead of CPWD Manual Vol.II and reference given as CPWD Manual Vol.II in the guide is to be suitably modified and verified with the CPWD Works Manual 2012.

For any doubt, mistakes, clarifications etc in this guide is required, candidates are requested to refer the prescribed Original Volumes/Manual should be referred and it will be the final.

All the best,

PUBLISHERS

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**MODEL TEST PAPERS 6 SETS EACH ON TRA THEORY, TRA PRACTICAL, WORKS THEORY, WORKS PRACTICAL AND CPWD ACCOUNTS.**

e-Edition by NBSNLOA

**JAO PART II MODEL TEST PAPER FOR DECEMBER 2012 MAIN EXAMINATION**

**PAPER I [TELECOM ACCOUNTS-I] [WITHOUT THE AID OF BOOKS]**

**TIME ALLOWED : 2 HOURS      QUESTION PAPER NO.1      MAXIMUM MARKS : 100**

**NOTE:**

- 1. ANSWER ANY FIVE QUESTIONS.**
  - 2. ALL QUESTIONS CARRY EQUAL MARKS.**
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**1. Write short notes:**

- a. Press Trunk Calls**
- b. Lapsed Telephone Deposits**
- c. Subscriber's Record Card**
- d. Particular Person Call.**

**2. a. What is Demand Note? How are paid demand notes disposed off at the office of AOTR?**

**b. What action would be taken in case the Refund Money Order is returned undelivered?**

**3. What are the general rules regarding the billing under measured rate system and preparation of bimonthly meter reading statement?**

**4. Describe the guiding principles of Financial propriety and financial principles to be followed by the Government Officers who are empowered to incur or authorize the expenditure from Public Sector Funds.**

**5. Describe the procedure in postal recovery section in TRA Branch as regards checking and reconciliation of daily list of Telephone Revenue (TR) collections and paid telephone bills received from authorized post offices and cash collection centers.**

**6. What are the items of revenue for which telephone revenue accounting branch of the telephone division/telephone district is responsible for collection and accounting in the accounts of the department?**

**7. How will a watch be kept in TRA branch on the receipt of Advice Notes?**

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**JAO PART II MODEL TEST PAPER FOR DECEMBER 2012 MAIN EXAMINATION**

**PAPER I [TELECOM ACCOUNTS-I] [WITHOUT THE AID OF BOOKS]**

**TIME ALLOWED : 2 HOURS      QUESTION PAPER NO.2      MAXIMUM MARKS : 100**

**NOTE:**

- 1. ANSWER ANY FIVE QUESTIONS.**
  - 2. ALL QUESTIONS CARRY EQUAL MARKS.**
- 

**1. Write Short Notes on the following:**

- a. Outstanding Pursuit Cell**
- b. Monthly Sub-ledger Accounts**
- c. Refund of OYT deposit on closed connection**
- d. Custody of used-up cash books.**

**2. a. What deposits are collected at the time of registration for telephones in Metro Cities under OYT and Non-OYT. How interest is calculated on such deposits and procedure of clearance at the time of opening of telephones.**

**b. Whether any person can, without a license, establish, maintain and operate a telegraph system? What are governing principles?**

**3. Every Government Officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his post. What are the instructions for regulating the enforcement of such responsibility?**

**4. a. What are unadjusted credits and how they are disposed off?**

**b. Describe briefly how the demand notes and advice notes are interlinked?**

**5. a. Describe the tendering procedure followed in purchases in the department.**

**b. Can lowest tender be rejected. If so, on what grounds?**

**6. a. What are the general conditions prescribed for grant of refund of amount recovered towards telecom receipts?**

**b. Describe the procedure for refund of telecom revenue through cheques.**

**7. What are the rules for upkeep of cash book, its verification and balancing?**

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**JAO PART II MODEL TEST PAPER FOR DECEMBER 2012 MAIN EXAMINATION**

**PAPER I [TELECOM ACCOUNTS-I] [WITHOUT THE AID OF BOOKS]**

**TIME ALLOWED : 2 HOURS      QUESTION PAPER NO.3      MAXIMUM MARKS : 100**

**NOTE:**

- 1. ANSWER ANY FIVE QUESTIONS.**
  - 2. ALL QUESTIONS CARRY EQUAL MARKS.**
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**1. Write Short Notes on the following:**

**Register of Trunk Call Reconciliation**

**Private Public Telephone**

**STD Barring Facility**

**Register of Advice Notes**

- 2. a. When can a telephone be restored without payment of reconnection charges and by whom?**
- b. When can the amount of telephone bill be recovered in instalments from subscribers?**
- c. How is the Operating Ratio of a Division/District calculated? What is its significance?**
- d. How is average revenue per DEL calculated? How is the number of DELs arrived at for the purpose of Financial MIS Report?**
- 3. What are the general instructions regarding the preparation of bills to be observed by the Drawing officers in the BSNL?**
- 4. a. What are the resources of receipts for telephone branch of telecom department?**
- b. What are the conditions for renting of telephone circuits? How is chargeable distance calculated?**
- 5. a. Describe the procedure of reconciliation of the amount in the bill register after the bimonthly telephone bills are prepared.**
- b. What are the checks to be exercised and action to be taken by the Disbursing officer in dealing with bills presented for payments?**
- 6. Describe the procedure for refund of amount of telephone rent, call charges etc., to be made in cash through postal money order.**
- 7. a. Describe the procedure for maintenance and clearance of unadjusted credits relating to telephone bills paid by the subscribers.**
- b. What are the powers of telegraph authority to levy and to recover security deposit in respect of telecom services provided to subscribers?**

**JAO PART II MODEL TEST PAPER FOR DECEMBER 2012 MAIN EXAMINATION**

**PAPER I [TELECOM ACCOUNTS-I] [WITHOUT THE AID OF BOOKS]**

**TIME ALLOWED : 2 HOURS      QUESTION PAPER NO.4      MAXIMUM MARKS : 100**

**NOTE:**

- 1. ANSWER ANY FIVE QUESTIONS.**
  - 2. ALL QUESTIONS CARRY EQUAL MARKS.**
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**1. Write short notes on the following:**

- a. **Guaranteed telephone connection**
- b. **Local Area**
- c. **Register of trunk call reconciliation**
- d. **Subscriber's Record Card**

**2. What are the sources of receipts of Telephone Branch?**

**3. Explain in detail Demand Note.**

**4. What are the rules for upkeep of cash book, its verification and balancing?**

**5. What are the safe guards that should be observed by all drawing and controlling officers against fraudulent use of the sub vouchers relating to the contingent expenditure?**

**6. Explain in detail safe custody of telephones.**

**7. Describe the procedure for dealing with the old claims the connected records of which have been destroyed.**

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**JAO PART II MODEL TEST PAPER FOR DECEMBER 2012 MAIN EXAMINATION**

**PAPER I [TELECOM ACCOUNTS-I] [WITHOUT THE AID OF BOOKS]**

**TIME ALLOWED : 2 HOURS      QUESTION PAPER NO.5      MAXIMUM MARKS : 100**

**NOTE:**

- 1. ANSWER ANY FIVE QUESTIONS.**
  - 2. ALL QUESTIONS CARRY EQUAL MARKS.**
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**1. Write Short Notes on the following:**

- a. Reversed charge calls**
- b. Register of advice notes**
- c. Lapsed deposits**
- d. Particular person call.**

**2. Describe the main functions of TRA unit.**

**3. Explain in detail the document to be issued to authorize for opening, closing of telephone connections and its accessories.**

**4. a. What are the general instructions regarding preparation of bills to be observed by drawing officer?**

**b. What are the checks to be exercised and actions to be taken by the disbursing officer in dealing with bills presented for payment?**

**5. Describe contingent charges. Explain briefly the various types of contingent charges.**

**6. Describe the procedure to split up the telephone bills on receipt of excess metering complaints.**

**7. Explain in detail about the advance deposit scheme and its interest payable.**

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**JAO PART II MODEL TEST PAPER FOR DECEMBER 2012 MAIN EXAMINATION**

**PAPER I [TELECOM ACCOUNTS-I] [WITHOUT THE AID OF BOOKS]**

**TIME ALLOWED : 2 HOURS      QUESTION PAPER NO.6      MAXIMUM MARKS : 100**

**NOTE:**

- 1. ANSWER ANY FIVE QUESTIONS.**
  - 2. ALL QUESTIONS CARRY EQUAL MARKS.**
- 

**1. Write Short Notes on the following:**

- a. Review of sub-ledger of railway/canal bills.**
- b. Register of objection categorized**
- c. STD Barring Facility**
- d. Non-Exchange Lines**

**2. List the telephone lines exempted from disconnection.**

**3. a) What are the conditions for renting of telephone circuits? How is chargeable distance calculated?**

**b) What are the conditions for leasing of a telephone circuit for daily part time use?**

**4. What are the standards of financial propriety?**

**5. What are the safe guards exist to prevent the irregular withdrawal of money from public exchequer?**

**6. What is internal review? What are the items which are to be checked during such review and how deficiencies noticed are got rectified?**

**7. Why and how a telephone directory is checked?**

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**JAO PART II MODEL TEST PAPER FOR DECEMBER 2012 MAIN EXAMINATION**

**PAPER II [TELECOM ACCOUNTS-I] [WITH THE AID OF BOOKS]**

**TIME ALLOWED : 2 ½ HOURS      QUESTION PAPER NO. 1      MAXIMUM MARKS : 100**

**NOTE:**

- 1. QUESTION NO. 1 IS COMPULSORY. ANSWER ANY OTHER FOUR QUESTIONS**
- 2. ALL QUESTIONS CARRY EQUAL MARKS.**
- 3. RELEVANT RULES MAY BE CITED IN YOUR ANSWERS AND SUMMARIZED, BUT NOT REPRODUCED VERBATIM.**

**1. Prepare a sub-ledger Account of X Telecom District for the month of September 1998:**

<b>1</b>	<b>Opening Balance (Telephones)</b>	<b>2560000</b>
<b>2</b>	<b>Amount Billed during the month:</b>	
	Rental charges	50000
	Local Call charges	2550000
	Accessories charges	50000
	Trunk call charges	15000
	Miscellaneous charges	5000
	<b>Total</b>	<b>3120000</b>
<b>3</b>	<b>Amount collected at the Divisional Office cash counter – Rs. 3225000, the details are as follows:</b>	
	OYT Deposits	45000
	Non-oyt deposits	60000
	Demand Note Payments (shifting charges, reconnection charges)	15000
	Telephone bills	3105000
<b>4</b>	<b>Amount collected at the post offices -- Rs. 500000 -- It is noticed that one daily list containing paid bills for Rs. 5000 relating to the current month is not received and at the same time some daily lists of the previous months for Rs. 8000 have been received.</b>	
<b>5</b>	<b>Amount collected at the telegraph office</b>	<b>10000</b>
<b>6</b>	<b>Adjustments made from various credit registers</b>	<b>40000</b>
<b>7</b>	<b>Value of bills cancelled</b>	<b>25000</b>
<b>8</b>	<b>Value of bills written off</b>	<b>5000</b>

**2. Define any FOUR of the following:**

- a) Interpolated Public Call Office. b) Private Exchange c) Reverse Charged Call d) Private Wires e) Loop Mileage.

**3. Comment on the following:**

a) A telephone was disconnected on 05.05.93 for non-payment of a bill amounting to Rs. 400. On 02.07.93 the party paid the amount and requested for restoration. The DE ordered the connection to be restored from that date after the recovery of reconnection fee only.

b) A subscriber refused to pay his trunk call bill amounting to Rs. 45. He challenged to the DET who disconnected his phone that the DE may do what ever he pleases, but he will not make the payment.

c) The incharge of PCO claimed late fee for a trunk call booked in his office, half an hour before the closure of the office. The claim is disallowed by AOTR.

d) A GMT authorizes installation of a free telephone connection from departmental exchange for 3 months to familiarize the public of telephone to induce them to become regular subscribers.

d) AOTR of a division decides to disconnect the telephone of a member of Parliament held in his personal capacity due to non payment of three telephone bill amounting to Rs. 1000

4. What measures are adopted to realize the outstanding amount of telephone bills and which are the categories exempted from the scope of disconnection due to non-payment of dues.

5. a) A telephone was installed on 05.08.99 on casual basis for 30 days for a subscriber in a city where the exchange capacity is more than 3 lakh lines. It was closed on the due date. Calculate the amount refundable/recoverable to/from the subscriber with the following data:

The subscriber paid Rs. 1445 on demand note as due charges including SD Rs. 500. Opening and Closing Meter Reading 10524 and 14845.

Tariff : First 200 calls @ Rs. 0.80; Next 300 calls @ Rs. 1.00 and remaining calls @ 1.20. Service Tax @ 5%

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b) Prepare a demand note dated 01.06.1999 for a subscriber who has been sanctioned a temporary telephone connection for 75 days at Delhi from 01.07.1999. The internal fittings are to be provided by the Department and it was decided to claim Rs. 5000 as STD Deposit.

6. An OYTT telephone was opened on 14.05.95 for a subscriber on payment of intital deposit of Rs. 15000. The phone was disconnected on subscriber's request on 14.11.95. Work out the amount to be refunded to the subscriber on the basis of the following details:

1. Rent paid up to 31.12.95
  2. Local call charges paid upto 31.10.95. Meter Reading 01.11.95 8087 and Meter reading 14.11.95 8297. Testing calls from 1.11.95 to 14.11.95 10.
  3. Internal extension with ICF was opened on 1.10.95 and its charges are yet to be billed for.
  4. The following trunk call bills are still payable: Bill dated 11.09.95 Rs. 40 and Bill dated 11.10.95 Rs. 256.
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4. a) Calculate the rent and minimum period hire for a PCO extension to a private businessman with the following data:

Installed on 01.06.1994; Actual length 8.5 kms and Radial distance 6 Kms.

b) Prepare a demand note to be issued to Shri Ranganathan who has been sanctioned a casual telephone connection for a period of 30 days with internal extension with ICF at Chennai (exchange capacity of more than 3 lakhs). Deposit against trunk call as security may be obtained to the extent of Rs. 3000 from the party. The demand note to be issued on 30.09.96.

5. Calculate the charges:

a) A subscriber booked an urgent PP call from his telephone. Calculate the trunk call charges from the following data:

Date of booking : 07.08.1994 (Wednesday); Matured at 2030 hours; Disconnected at 2035 hours and Unit call rate Rs. 72.

b) An urgent PP press call from New Delhi to Bombay was put through for 7 minutes at 0500 AM on a week day. The basic rate of ordinary call is Rs.90.

c) Calculate the rent and guarantee period for a PCO extension from a PCO from the data:

Extension provided on 01.05.93; Radial Distance 5 KMs; Actual Distance 5.5 KMs and Actual cost of Lines and Wires during 1992-93:- Cash Rs. 3520 and Stores Rs. 35200 [Freight 2%; Estt. 10% and SKC 5%]

6. An OYT connection was provided on 01.05.1994 to Mr. Z in New Delhi (Exchange capacity > 1 Lakh lines). He got the registration on 01.06.1993. The connection was closed on 31.10.1994 at the subscriber's request. Indicate the amount of registration, amount of credit to be afforded on account of waiting charges and additional waiting charges when the rate of interest payable by SBI on FD was 7% and calculate the refund admissible after adjusting the rental as well as the bills payable as under:

Bill dated 15.07.1994 Local Calls Rs. 750 and Trunk Calls Rs. 415

Bill dated 15.09.1994 Local calls Rs. 1100 and Trunk calls Rs. 300

Bill dated 15.11.1994 Local calls Rs. 3000 and Trunk calls Nil.



5. a) A casual connection was provided at Kolhatta for 3 days on 26.05.2009. The demand note was paid the subscriber as follows: Rent Rs. 180 Installation Rs. 150 Security Deposit Rs. 2000 Service Tax 10.3% on Rs. 330. The OMR is 52120 and the CMR is 52580 and the phone is disconnected after 3 days. Calculate the amount recoverable/refundable to the subscriber.
- b) Prepare a demand note to be issued for a subscriber for providing casual phone connection having more than 300000 capacity for 6 days from 01.06.2009 to 06.06.2009. Security deposit of Rs. 2000 is to be collected and service tax is also included.
6. A Telephone connection was installed on 05.09.99 on casual basis for 20 days to Mr. A at New Delhi Exchange measure rate system with two lakh lines. It was closed on due date. Calculate the amount refundable/recoverable to/from the subscriber with the following data:
- (i) Mr A paid Rs. 2510 on Demand Note with break up as under :  
TC Deposit Rs. 2000; Installation Rs. 150; Rent for 20 days Rs. 360.
- (ii) OMR 24930 CMR 27560 -- Trunk call made to UK Rs. 310.  
Tariff : Rent Bi-monthly Rs. 500 First 200 calls @ 0.80 Next 300 calls @ 1.00  
Balance @ 1.20 Service Tax @ 5%

**JAO PART II MODEL TEST PAPER FOR DECEMBER 2012 MAIN EXAMINATION**

**PAPER II [TELECOM ACCOUNTS-I] [WITH THE AID OF BOOKS]**

**TIME ALLOWED : 2 ½ HOURS      QUESTION PAPER NO.4      MAXIMUM MARKS : 100**

**NOTE:**

- 4. QUESTION NO. 1 IS COMPULSORY. ANSWER ANY OTHER FOUR QUESTIONS**
  - 5. ALL QUESTIONS CARRY EQUAL MARKS.**
  - 6. RELEVANT RULES MAY BE CITED IN YOUR ANSWERS AND SUMMARIZED, BUT NOT REPRODUCED VERBATIM.**
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**1. Say the statement True or False**

- a) Lowest tender can be rejected under the circumstances mentioned in the Para 443 of P&T Manual Vol. II.**
- b) Interest on advance deposit payable upto the date of installation.**
- c) Collection of Telephones bills is the most important function of TRA Unit.**
- d) Reconciliation Register is maintained in TR 4 form and the purpose is for trunk call reconciliation.**
- e) Sub ledger is prepared every month and it is a progressive account.**
- f) Morning alarm calls in respect of electronic exchanges are exempted from debit calls and not chargeable.**
- g) CLIP is Calling Line Identification Presentation and the instrument shall be provided to subscribers.**
- h) FLPP is called Fixed Line Pre Paid (Telephones) which is useful to make calls from a prepaid account linked to telephone number.**
- i) All India shifting can be permitted only after working of 18 months of NOYT connections and 6 months of OYT connections in a particular exchange.**
- j) Tatkal deposits are non-interest bearing deposit and will be treated as Highest Priority in providing connection.**

**2. Prepare a sub-ledger of D Divisional Office Telecom for the month of March 1999.**

<b>1. Opening Balance as on 01.03.99.</b>	<b>Rs. 200,000</b>
<b>2. ABF (including DN and PCO Collection)</b>	<b>Rs. 506,000</b>
<b>3. PO Collection (including previous month's bills Rs,8000)</b>	<b>Rs.</b>
<b>244,000</b>	
<b>4. Divisional Office cash counter collection (including DN &amp; PCO Collection Rs.26,000 and Deposit Rs. 18,000)</b>	<b>Rs. 348,000</b>
<b>5. Amount cancelled due to wrong billing</b>	<b>Rs. 12,000</b>
<b>6. Amount written-off</b>	<b>Rs. 9,000</b>

3. Describe in detail the procedure prescribed to be followed in Telecom Circle Office to maintain the connected records for checking the half yearly returns of wires and instruments and how the half yearly returns of wires and instruments checked upto the stage of preparation of rent bills.

4. What is the prescribed procedure for allowing refund to the subscriber of telephone by money order?

5. An OYT connection was provided on 01.04.1998 on payment of initial deposit of Rs. 15000 on 01.06.1997. Indicate the waiting charges for which credit is admissible to the subscriber . The rate of interest payable by SBI for one year fixed deposit is 9%.

6. A casual line was provided at Chennai (> 3 lakh lines) on 01.10.08 for 10 days. In the demand note, the due charges including SD of Rs. 1000 was claimed and paid by the party before installation of telephone. The line was duly disconnected on 11.10.2008. It is an electronic exchange. OMR 5250 CMR 8650. Test Calls allowed 5. Morning alarm calls made 10. Trunk call charges due Rs. 800. Calculate the charges recoverable/refundable by the department.

**Note:**

Tariff: Rent Rs. 360 bi-monthly. First 300 calls @ Rs.1.00 and balance @ Rs. 1.20 monthly. Service tax @ 12.24%. Installation Fees Rs. 150.

**JAO PART II MODEL TEST PAPER FOR DECEMBER 2012 MAIN EXAMINATION**

**PAPER II [TELECOM ACCOUNTS-I] [WITH THE AID OF BOOKS]**

**TIME ALLOWED : 2 ½ HOURS QUESTION PAPER NO. 5 MAXIMUM MARKS : 100**

**NOTE:**

**1. QUESTION NO. 2 IS COMPULSORY. ANSWER ANY OTHER FOUR QUESTIONS**

**2. ALL QUESTIONS CARRY EQUAL MARKS.**

**3. RELEVANT RULES MAY BE CITED IN YOUR ANSWERS AND SUMMARIZED, BUT NOT REPRODUCED VERBATIM.**

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**1. A casual line was provided on 01.09.98 for a period of 20 days at Station X, having an exchange capacity of 35000 lines. It was closed on the due date.**

**1) The subscriber paid Rs. 5000 towards TC deposit, installation fee, rent and Service tax.**

**2) Opening meter reading as on 01.09.98 : 21500**

**3) Closing meter reading as on 20.09.98 : 23800**

**4) Trunk call charges due : Rs. 800**

**5) Morning alarm calls made : 5 times**

**6) One internal extension with ICF facility was provided on 01.09.98, the charges of which are yet to be realized.**

**On the basis of the above data, work out the amount recoverable/refundable from/to the subscriber.**

**Tariff: Bi-monthly - First 500 calls Rs. 0.80, Next 1000 calls Rs. 1.00, Next 2000 calls Rs. 1.20 & Balance calls Rs. 1.40.**

**Bi-monthly rent – Rs. 275 Installation charges – Rs. 150 Internal extension Annual rent is Rs. 250 and installation charges is Rs. 800. Service Tax @ 5%.**

**2. (a) What are the telephones exempted from disconnection due to non payment of telephone dues? (8 Marks)**

**(b) Comment on the following : (3 x 4 = 12 Marks)**

**i) Due to heavy rain in Calcutta, the telephones were interrupted continuously for period of 18 days. The TDE allowed rebate in rental charges for this period ie., 18 days at departmental initiative.**

**ii) The Accounts Officer (TR) Division decides to disconnect the telephone of a Member of Parliament held in the personal capacity due to non payment of telephone bill amounting to Rs. 3000**

**iii) A claim received after one year for a refund in respect of trunk call bills paid and refund was sanctioned.**

**iv) A PCO attendant claims late fee for a trunk call booked at 0530 PM. The PCO works upto 0600 PM.**

3. Prepare the sub-ledger account for the month of January 1999 with the following details:

1. CB of December 1998 Rs. 5,00,000
2. Amount Billed for Rs. 15,00,000
3. Written-off Sanction Rs. 30,000
4. Balance under EPR Rs. 5,000
5. Total collection by Divisional office Rs. 7,00,000 which include the following items: OYT deposit Rs. 1,20,000 and the other division's collection Rs. 10,000; Double payment (EPR) Rs. 5,000; PCO and Demand Note Collection Rs. 20,000 and Rs. 3,000 towards dishonoured cheque.
6. PO Collection Rs. 9,80,000 out of which one list for Rs. 5,000 not received and one list for Rs. 8,000 kept under suspense in the previous month received now.
7. PO unadjusted credit balance Rs. 40,000 carried over now.
8. ATC for TR collection from other Division received Rs. 10,000
9. Adjustment from excess payment register Rs. 3,000
10. Cancellation Rs.15,000
11. Adjustment from refund register Rs. 25,000

4. A temporary telephone without STD facility was opened for Shri Sadhu Ram for six months from 10.09.01 to 09.03.02 at Bombay ( Exchange system more than 3 lakh lines). It was closed on 10.03.02 at subscriber's request. Work out the amount recoverable/refundable from/to the subscriber based on the following data:

Paid Rs. 5990 as initial deposit on demand note (Rs. 800 installation fee Rs. 3000 Rent for 6 months, Rs. 190 Service Tax and Rs. 2000 TC deposit).

STD facility was provided on 01.12.01 on payment of Rs. 5000 as STD deposit. Charges for STD installation, if any, are yet to be billed for.

Local call charges paid upto 31.01.01 and 1000 calls recorded in this bimonthly bill. Meter reading on 01.02.02 : 85000 Meter reading 10.03.02 : 93105.

A tarunk call was made on 10.02.02 for Rs. 300 is yet to be billed for.

Overseas call bill dated 01.06.2000 for Rs. 160 for call made on 07.04.2000 was issued to Shri Sadhu Ram which was disputed by him and not paid.

Tariff: Monthly Rental charges Rs. 250. Bimonthly Local Call charges – First 150 calls @ Rs. 0.00, Next 400 calls @ Rs. 0.80, Next 1000 calls @ Rs. 1.00, Remaining calls @ Rs. 1.20. Service Tax @ 5%. STD provision/barring -- No charges wef 09.03.99.

5. Explain in detail Demand Note.

6. From the particulars furnished below work out the amount refundable to the subscriber of an OYT telephone connection with an exchange capacity of <1 lakh lines but >30000 lines.

Amount of OYT Deposited on 01.05.93	15000
Date of opening of telephone	01.06.93
Rent paid upto	30.06.01
Telephone closed at the request of the subscriber	31.08.01
Local call charges paid upto	30.06.01
OMR 01.07.01	26450
CMR 31.08.01	32347
Test calls admissible	10
Bimonthly free calls	150

Bills outstanding : TC Bill dated 11.05.01 Rs. 615.00 plus surcharge RS. 10

An intercom facility was provided on 01.03.01 and a coloured instrument were also provided on 01.08.01 and these items are yet to be billed.

Tariff: Rent Rs. 120 per month after rebate for OYT deposit. Bimonthly Local call charges : First 150 calls – Free, Next 250 calls - @ Rs. 0.80, Next 600 calls @ Re.1.00, Remaining calls @ Rs. 1.20. Internal extension with ICF Rent for 6 months – Rs. 500 and Installation Fees Rs. 800.

**JAO PART II MODEL TEST PAPER FOR DECEMBER 2012 MAIN EXAMINATION**

**PAPER II [TELECOM ACCOUNTS-I] [WITH THE AID OF BOOKS]**

**TIME ALLOWED : 2 ½ HOURS      QUESTION PAPER NO.6    MAXIMUM MARKS : 100**

**NOTE:**

- 1. QUESTION NO. 4 IS COMPULSORY. ANSWER ANY OTHER FOUR QUESTIONS**
  - 2. ALL QUESTIONS CARRY EQUAL MARKS.**
  - 3. RELEVANT RULES MAY BE CITED IN YOUR ANSWERS AND SUMMARIZED, BUT NOT REPRODUCED VERBATIM.**
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**1. Prepare a sub-ledger account of X Telecom District for the month of September 1998.**

i) Opening Balance (Telephones)	Rs. 25,60,000
ii) Amount Billed during the month:	
Rental Charges	Rs. 5,00,000
Local Call Charges	Rs. 25,50,000
Accessory Charges	Rs. 50,000
Trunk Call Charges	Rs. 15,000
Misc Charges	Rs. 5,000
iii) Amount collected at the Divisional Office Cash Counter – Rs. 32,25,000, the details of which are as follows:	
OYT Deposits	Rs. 45,000
Non-OYT Deposits	Rs. 60,000
Demand Note Payments (shifting Charges, reconnection charges etc)	Rs. 15,000
Telephone Bills	Rs. 31,05,000
iv) Amount collected at the Post Offices : Rs. 5,00,000. It is noted that one daily list containing paid bills for Rs. 5,000 relating to the current month is not received and at the same time some daily lists of the previous months for Rs. 8,000 have been received.	
v) Amount collected at the Telegraph Office	Rs. 10,000
vi) Adjustments made from various credit registers	Rs. 40,000
vii) Value of bills cancelled	Rs. 25,000
viii) Value of bills written-off	Rs. 5,000

**2. A. Define any five of the following : (10 Marks)**

- a. External Extension    b. Non-Exchange Line    c. Late Fee    d. Fixed Time Call  
e. Direct Exchange Line    f. Casual Connection    g. Local circuits    h. Capital Cost.**

B. Prepare a demand note dated 01.06.1999 for a subscriber who has been sanctioned a temporary telephone connection for 75 days at Delhi from 01.07.1999. The internal fittings are to be provided by the Department and it was decided to claim Rs. 5000 as STD Deposit. (10 Marks)

3. A. Distinguish between the following: (10 Marks)

- a. Private Exchange and Private Branch Exchange
- b. Short duration safe custody and Long duration safe custody .

3. B. An OYT connection was provided on 01.04.1998 on payment of initial deposit of Rs. 15000 on 01.06.1997. Indicate the waiting charges for which credit is admissible to the subscriber . The rate of interest payable by SBI for one year fixed deposit is 9%. (10 Marks)

4. A. What is the normal periodicity of issue of consolidated telephone bills and what are the charges claimed in the consolidated telephone bills?

B. How the trunk call reconciliation is made? (5 Marks)

5. A. Comment on the following: (15 Marks)

- i) A Press Trunk call made from PCO after closing hours of PCO. 12.5% rebate was allowed inclusive of Late Fees.
- ii) The radial distance for a circuit is 22 Kms and AOTR charged for 28 Kms.
- iii) Due to heavy rain in Chennai, the telephones were interrupted continuously for a period of 18 days. DE allowed rental rebate for 18 days on his own initiative.
- iv) The incharge of PCO claimed late fee for a trunk call booked half an hour before the closure of his office and matured 10 minutes after the closure. The claim is disallowed by AOTR.
- v) A casual connection extended beyond 30 days for another 25 days. Comment on the rent payable.

B. Calculate the rent and minimum period hire for a PCO extension to a Private Businessman with the following data:

Instaltd on 01.06.1994; Actual Length 8.5 Kms and Radial distance 6 Kms.

Tariff : First Km Rs.300 pa; Next each Km upto 5 Km Rs. 250 pa and Balance Kms each Km Rs. 1500 pa.

6. A telephone was installed on 05.07.1999 on casual basis for 30 days for a subscriber at New Delhi Exchange having capacity of > 3 lakh lines. It was closed on due date. Calculate the amount refundable/recoverable to/from the subscriber with the following data:

i) The subscriber paid Rs. 1445 in demand note as detailed below:

TC Deposit Rs. 500; Installation Fee Rs. 150; Rent for 30 days Rs. 750 and ST @ 5% Rs. 45.

ii) Opening Meter Reading : 22854 and Closing Meter Reading : 30432.

Tariff : Normal rent per month : Rs. 250; Monthly Call Charges - First 200 calls @ 0.80 Next 300 calls @ 1.00 and remaining calls @ 1.20.

**JAO PART II MODEL TEST PAPER FOR DECEMBER 2012 MAIN EXAMINATION**

**PAPER III [TELECOM ACCOUNTS-II] [WITHOUT THE AID OF BOOKS]**

**TIME ALLOWED : 2 HOURS      QUESTION PAPER NO.1      MAXIMUM MARKS : 100**

**NOTE:**

**ANSWER ANY FIVE QUESTIONS.**

**ALL QUESTIONS CARRY EQUAL MARKS.**

**1. Define the following:**

- a. Imprest
- b. Ledger
- c. Advance Payment
- d. Accounting Unit
- e. EMD
- f. Advance Payment
- g. Work Order
- h. Allocation of Expenditure
- i. Store Dump
- j. Imprest Stocks

**2. Write short notes on the following:**

- a. Supplementary Estimates.
- b. Loss of Government funds or property
- c. Demands Payable register
- d. Appropriation Accounts.

**3. Describe the procedure of preparation and allocation of estimates in the department.**

**4. Briefly discuss the provisions of rules regarding grant of advance payment to the private firms for supply of stores/service and maintenance of machines etc.**

**5. Discuss the detailed procedure to be followed for collection of telephone revenue through department of telegraph offices/telecom centres.**

**6. Explain the detailed procedure is to be followed and relevant records are to be maintained for reconciliation of payments to and drawings from bank transactions in the Circle Accountant's Office.**

**7. a) What are the registers maintained in Telecom Engineering Divisional Office for control of expenditure on work?**

**b) Describe any two of the registers with reference to how it helps to achieve the above objective.**

**8. What are the standards of financial propriety?**

**JAO PART II MODEL TEST PAPER FOR DECEMBER 2012 MAIN EXAMINATION**

**PAPER III [TELECOM ACCOUNTS-II] [WITHOUT THE AID OF BOOKS]**

**TIME ALLOWED : 2 HOURS      QUESTION PAPER NO.2      MAXIMUM MARKS : 100**

**NOTE:**

- 1. ANSWER ANY FIVE QUESTIONS.**
  - 2. ALL QUESTIONS CARRY EQUAL MARKS.**
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**1. Define the following:**

- a. Secured Advance**
- b. Depreciation**
- c. Attached Officer**
- d. Abbreviated addresses**
- e. Establishment charges**
- f. Cash projects**
- g. Contribution works**
- h. Accounting Units**
- i. Telephone Deposits**
- j. Work Order.**
- k. Write Short Notes on the following:**
  - l. Subsidiary cash book**
  - m. Contractor's ledger**
  - n. Annual Open Estimate**
  - o. Retrenchment Register**

**2. a) Mention any five components of a project estimate for opening a telephone exchange.**

**b) Enumerate ten important points to be checked in a project estimate.**

**3. a) What are the conditions for sanctioning of temporary advance?**

**b) Enumerate the difference between cash imprest and temporary advance.**

**4. What is a contribution work? How the expenditure incurred on it is accounted for? Is the same procedure followed for works of defence department?**

**5. What are unserviceable and obsolete stores? How are they disposed off?**

**6. What is imprest stock? Explain the methods of obtaining and recoupment of stores and keeping Accounts of this stock?**

**JAO PART II MODEL TEST PAPER FOR DECEMBER 2012 MAIN EXAMINATION**

**PAPER III [TELECOM ACCOUNTS-II] [WITHOUT THE AID OF BOOKS]**

**TIME ALLOWED : 2 HOURS      QUESTION PAPER NO.3      MAXIMUM MARKS : 100**

**NOTE:**

- 1. ANSWER ANY FIVE QUESTIONS.**
  - 2. ALL QUESTIONS CARRY EQUAL MARKS.**
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- 1. Define the following:**
  - a. Head of Circle**
  - b. Depreciated value**
  - c. Works expenditure**
  - d. Earnest Money Deposit**
  - e. Book transfer**
  - f. Running Account**
  - g. Production Shops**
  - h. Cash Project**
  - i. Depreciation**
  - j. Secured Advance**
- 2. Distinguish between the following:**
  - a. Temporary imprest and temporary advance**
  - b. Establishment charges and indirect charges**
- 3. Write Short Notes on:**
  - a. Completion Report**
  - b. Final Payment of GPF**
  - c. Searching Fees**
  - d. Register of allotment**
- 4. Describe the detailed procedure for purchase, inspection and testing of stores purchased locally by the head of the circle.**
- 5. How the funds are made available to SDOs to meet the works expenditure? Explain in detailed procedure for accounting such expenditure.**
- 6. What are the important points on which information is to be furnished while placing store indents? Who are the officers, authorized to pass such indents?**
- 7. Enumerate the more significant points that much be attended to be the disbursing officer while verifying the cash book. What action needs to be taken if a mistake made in the cash book is found before the accounts of the month are closed?**
- 8. What are expense cards? How is the reconciliation is done?**

**JAO PART II MODEL TEST PAPER FOR DECEMBER 2012 MAIN EXAMINATION**

**PAPER III [TELECOM ACCOUNTS-II] [WITHOUT THE AID OF BOOKS]**

**TIME ALLOWED : 2 HOURS      QUESTION PAPER NO.4      MAXIMUM MARKS : 100**

**NOTE:**

- 1. ANSWER ANY FIVE QUESTIONS.**
  - 2. ALL QUESTIONS CARRY EQUAL MARKS.**
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- 1. Describe the function of Cost Card. Explain its importance.**
- 2. Explain the procedure to be followed for collection of Telephone Revenue in Post Offices.**
- 3. What are the conditions for sanction of Temporary advances?**
- 4. What do you understand by the term 'Standards of Financial Propriety'?**
- 5. Explain the provisions containing the payment of advance payment.**
- 6. Explain in detail (FST) Financial Stock Taking.**
- 7. Explain the provisions for works which is to be undertaken for which cost is recoverable wholly or partly from the department of Government or outsider.**

**JAO PART II MODEL TEST PAPER FOR DECEMBER 2012 MAIN EXAMINATION**

**PAPER III [TELECOM ACCOUNTS-II] [WITHOUT THE AID OF BOOKS]**

**TIME ALLOWED : 2 HOURS      QUESTION PAPER NO.5      MAXIMUM MARKS : 100**

**NOTE:**

- 1. ANSWER ANY FIVE QUESTIONS.**
  - 2. ALL QUESTIONS CARRY EQUAL MARKS.**
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- 1. (a) Describe briefly how cash account current is compiled in an engineering division.**  
**(b) Mention the important schedules to be attached along with cash account current.**
- 2. What is a completion report? Describe its preparation and disposal.**
- 3. What are the basic check an Accounts Officer is supposed to ensure before He/She endorsed a pay order on any claims on enterprise ? Enumerate in brief.**
- 4. Explain cost card.**
- 5. What are important points to be kept in view by a disbursing officer in verifying cash book?**
- 6. How are the accounts of circles are compiled every month?**
- 7. Explain the detailed procedure is to be followed and relevant records are to be maintained for reconciliation of payment to and drawings from bank transactions in the circle accountant's office.**

**JAO PART II MODEL TEST PAPER FOR DECEMBER 2012 MAIN EXAMINATION**

**PAPER III [TELECOM ACCOUNTS-II] [WITHOUT THE AID OF BOOKS]**

**TIME ALLOWED : 2 HOURS      QUESTION PAPER NO.6      MAXIMUM MARKS : 100**

**NOTE:**

- 1. ANSWER ANY FIVE QUESTIONS.**
  - 2. ALL QUESTIONS CARRY EQUAL MARKS.**
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- 1. (a) What are the registers maintained in Telecom Engineering Divisional Office for control of expenditure on work?  
(b) Describe any two of the registers with reference to how it helps to achieve the above objective.**
- 2. State the safeguards provided in the rules to prevent irregular withdrawal of money from the enterprise fund.**
- 3. Describe the procedure for the stock verification in stores depot.**
- 4. Describe expense card.**
- 5. Explain the standards of financial propriety.**
- 6. How are the accounts of Head quarters compiled every month and every year?**
- 7. Explain in detail about contribution work.**



CCA	3300	Cycle Advance	900
		Int on Cycle Adv	80
		Co-Op dues	8200
		Court attachment	150
		HBA	3800
		Festival Advance	2500
<b>Note: Cash drawn from the Bank for the net amount.</b>			

2. From the particulars given below, post the contractors ledger and close it on 31.03.98. Name of the contractor Z.

Opening Balance on 01.03.98:

a. Secured Advance for work Rs. 90000      b. 10% of payment for work done in previous bill Rs.90000      c. Value of steel issued for work A Rs. 35000

Transactions during March 98 as follows:

a. 14.03.98, 14 tons of cement was issued to contractor on work. The agreement provided for supply of cement @ Rs. 2000 per ton. The market rate is being Rs. 2200 per ton.

b. 15.03.98, further secured advance on work for supply of bricks of 5 Lakhs at reduced rate of 75% of the market value of Rs.1200 per thousand.

c. 16.03.98, in the second R/A Bill of the work the following items were paid. Value of work done and measured:

- i. Earth work 1200 cum @ of 30 per cum
- ii. Brick work in foundation 820 cum @ 50 per cum
- iii. Brick work infrastructure 1160 cum @ Rs. 500 cum
- iv. Damp proof course 750 cum @ Rs. 70 per cum
- v. RCC work 1200 cum @ Rs. 100 per cum
- vi. Deductions:

Secured advance granted before 15.03.98

Recovery of value of materials issued for the works

Security deposit @ 10% & Income Tax @ 2%

Hire charges for Tools and Plants Rs. 1000

Fine for defective work Rs. 2500

Recovery of another work Rs. 2000

3. Comment on the following:

a. Divisional Engineer makes a payment relating to a work which is in charge of another division. The local audit party objected of this payment.

b. V Division executed a work requisitioned by a Semi-Government and debited the cost of the work to Misc. Telecom Advances.

c. A Telephone subscriber deposited his telephone bill along with a outstation cheque. But concerned AO TRA did not accept it and asked him to pay a cheque on local bank.

d. No salary for establishment pay bill was booked in the month of March as there was no payment.

4. a) What procedure should be followed if an error or omission in the recorded expenditure of a work come to light after its accounts have been closed?  
b) What are the checks to be adopted by a disbursing officer in respect of bills presented for payment?

5. a) A Telephone line was shifted on the request of Railway authorities. Calculate the amount recoverable from Railway authorities on the basis of following data:

i) Cash expenditure Rs. 2000 ii) Stores (Ordinary Store) Rs. 4000 iii) Freight 2% Estt. Charges 10% Store Keeping charges 5%.

6. The ITI Bangalore purchased 5000 Telephone poles from TF Mumbai. The rate list of the item is Rs. 120 against the purchase rate of Rs. 135. Calculate the amount chargeable from ITI Bangalore. Overhead charges to be adopted as below:

i) Store Keeping Charges 5% ii) Freight charges 2.5% iii) Handling charges 0.5% iv) Surcharge 7.5%

ITI Bangalore have made their own arrangement to carry the stores.

**JAO PART II MODEL EXAMINATION FOR DECEMBER 2012 MAIN EXAMINATION**

**PAPER IV [TELECOM ACCOUNTS-II] [WITH THE AID OF BOOKS]**

**TIME ALLOWED : 2 HOURS      QUESTION PAPER NO. 2    MAXIMUM MARKS : 100**

**NOTE:**

1. QUESTION NO. 1 IS COMPULSORY. ANSWER ANY OTHER FOUR QUESTIONS
2. ALL QUESTIONS CARRY EQUAL MARKS.
3. RELEVANT RULES MAY BE CITED IN YOUR ANSWERS AND SUMMARIZED, BUT NOT REPRODUCED VERBATIM.

1. Write up the cash book of ----- Division for the month of July 2000 with the following particulars:

	The cash chest contains the following on the 1 <sup>st</sup> of July:	
	Cash	2000
	Revenue Stamp	200
	IPO	300
	Cheque received from the subscribers on 28.06	4000
	Imprest with staff	7000
	Ty Advance with staff	5000
	Court attachment	300
	Co-operative due recovered	
	From pay bill	10000
	NSC of Rs. 5000 deposited by a contractor as security	
01.07	Encashed IPO in PO and Purchased Revenue Stamps Rs. 1000	
03.07	Remitted cheque from the subscriber to bank	
06.07	A fresh cheque issued for Rs. 2000 against a cheque dated 02.02.2000.	
07.07	Temporary advance granted to a SDO Rs. 3000 by cheque.	
09.07.	Imprest increased by Rs. 500 by cheque to an JTO	
11.07.	SDO submits Ty Advance account and passed for Rs. 2500 out of which Rs. 200 was disallowed.	
13.07.	SDEs salary was paid for June 2000 Gross Rs. 9700 Recoveries: IT – Rs. 800, HBA – Rs. 1000 & GPF – Rs. 3000	
15.07	ATD received for Rs. 5000 for purchase of stores for another division	
18.07.	SDO intimated that a JTO was absconding holding an imprest of Rs. 1000	
19.07.	Cash received for TRA collection	5000
21.07.	Imprest account of an officer passed for Rs. 850 and is reduced by Rs. 250 payment made by cheque.	
24.07.	Issue of cheque to PM for Outstation SMOs	50000
25.07.	ATD received from X division for transfer of imprest of Rs. 1000 on account on an employee transferred to this	

	division.	
27.07.	In course of checking a 50 rupee not found counterfeited.	
30.07.	Payment of establishment pay bill: Gross pay Rs. 720,000 DA Rs. 450,000 HRA Rs. 225,000 CCA Rs. 50,000 Recoveries: IT 3000 SD 300 GPF 100000 GPF advance 50000 Overpayment 1000 Co-Op dues 20000 Court attachment 500 Net amount paid in division cash counter Rs. 1220200 Cheque drawn for Rs. 1222000	

2. Post the contractor ledger for Mr. A from the following for May 98:

1. Security Deposit @ 10%
2. Income Tax @ 2%
3. First bill claimed for work done at schedule rate Rs. 20000
4. Work done as per II running account bill passed on 30.05.98 and cheque issued.
  - a. Earthe work 10000 cft Rs. 25 for 100 cft.
  - b. Masonary work 10000 cft Rs. 150 for 100 cft
  - c. Plastering work 8000 cft Rs. 100 for 100 sft
  - d. Wood work 500 cft Rs. 50 per cft

The rates quoted and accepted 10% above schedule rate in every bill.

5. 01.05.98: 200 bags of cement supplied against 150 bags provided in contract agreement. Book value Rs. 100 per bag as against market value Rs. 200 per bag.
6. Cut imposed on this bill 2.5% for bad workmanship of plastering work.
7. Water charges 1% on earth and masonry work.
8. Advance of Rs. 5000 paid on 10.05.98 for materials brought to site.
9. Fine for delayed completion @ Rs. 200 per day for 7 days.
10. Measurement book reveals plastering work of 8000 sft.

3. Comment on the following citing relevant rules:

1. Unpaid wages of labourer on completion of a works was paid after 6 months by a SDE with the sanction of the AO of the Division.
2. An inspecting officer objected to the absence of fresh sanction by Government in respect of a work not completed within 5 years from the date of original sanction.

3. An account officer made advance payment to a supplier of stores for supplies made to outstation retail store depot of other accounting jurisdiction and recorded the amount in the register of advance payment to contractor.
4. Late fee collected on telegrams booked during closing hours was paid to the concerned official on the date of collection by the authority.

4. (a) A Telecom work was proposed to be undertaken at Chennai on the request of the Railway Administration. Calculate the capital cost of the project and estimating fee payable by the Railway Administration with the following data:

Cash : Lines and Wires Rs. 2000 A&P 3000

Stores: Lines and Wires Rs.1000 A&P 4000

Overhead: Freight 2% Establishment 10% (Lines and Wires) 11% (A&P)

Storekeeping Charges 5% Estimating Fee as applicable.

(b) If the above said work is entrusted by Private Party, calculate the capital cost of the project and estimating fee payable by the party:

5. Prepare a manufacturing account for Telecom Factory, Calcutta for the month of August 99

1	Value of work-in-progress on first of the month	1369430
2	Value of work-in-progress on last day of the month	3342190
3	On cost on work-in-progress on first of the month	9940180
4	On cost on work-in-progress on last of the month	8563330
5	Raw materials drawn from the stores	3243410
6	Components drawn from stores	1821120
7	Labour earnings drawn from stores:	
	i) Direct Labour	320130
	ii) Indirect Labour	812990
8	On cost of finished goods	1510820
9	By value of stores:	
	i) General Stores	3841980
	ii) Factory Stores	267870
	iii) Sales within the department	1314770
	iv) Sales outside the department	1125920
10	Maintenance:	
	i) Labour	8390
	ii) Stores	15920
11	Working Expenses:	
	i) Office expenses	792340
	ii) Contingent expenses	40420
12	Petty works	3950

6. Calculate the compensation recoverable from the Civil Aviation Department for premature surrender of a wireless station with the following data:

1	Original cost of assets constructed	100000
2	Depreciated value of assets	64000
3	Cost of dismantlement including departmental charges	2100
4	Cost of carrying back of recovered stores	200
5	Depreciated value of recovered stores	40000
6	Sale proceeds of unserviceable stores	5000

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**JAO PART II MODEL EXAMINATION FOR DECEMBER 2012 MAIN EXAMINATION**

**PAPER IV [TELECOM ACCOUNTS-II] [WITH THE AID OF BOOKS]**

**TIME ALLOWED : 2 HOURS      QUESTION PAPER NO. 3    MAXIMUM MARKS : 100**

**NOTE:**

1. QUESTION NO. 1 IS COMPULSORY. ANSWER ANY OTHER FOUR QUESTIONS
2. ALL QUESTIONS CARRY EQUAL MARKS.
3. RELEVANT RULES MAY BE CITED IN YOUR ANSWERS AND SUMMARIZED, BUT NOT REPRODUCED VERBATIM.

1. Write up a cash book for a division for the month of June 2002 with the following particulars

Date	Particulars	Amount
01.06	OB Contains: Cash including revenue stamp Self cheque for misc cash receipts Imprest with SDE Temp Advance with JTO EMD on account by a contractor DD in favour of a contractor	1000 5000 4000 20000 3000 6000
01.06	Self cheque & EMD remitted into bank and DD sent to contractor	
04.06	Self cheque drawn	6000
08.06	Recouped imprest by cheque	2500
10.06	Cheque received from the contractor on 31.05 returned back as dishonoured Rs. 3000	
13.06	Sale proceeds of unserviceable stores	2100
15.06	Collection of Telephone revenue: Cash 5000 Cheque: 40000	
18.06	Cheque for TRA collection sent to bank	
20.06	Paid medical bill to staff	3000
22.06	Pay and allowances for O/S staff by SMO	18000
24.06	A fresh cheque in issued for 10000 in lieu of cheque for Rs. 1000 issued on 15.05.	
26.06	One SDE submitted temporary advance: Cost of labour 5000 Refund of cash 500	
27.06	Temporary advance paid to SDE by cheque	10000
30.06	Pay and allowances to staff Gross pay 70000 Recoveries: GPF 11000 CGEGIS 2000 Festival 1500 Cycle 1000 Society 4500	

	Net pay	32000	
30.06	Misc receipts sent to bank		7100

2. Post the contractor's ledger for the month of Mach 93 from the following particulars:

1. Security deposit recovery will be 5% on every bill.
2. Opening balance of 3<sup>rd</sup> and final bill Rs. 1000
3. Advance paid on 4.3.93 on 75% of value of the bricks worth Rs. 9000 brought to the site of the work.
4. Work done as per 3<sup>rd</sup> and final bill dated 24.03.93:
  - a. Brick work in line 12000 cft @ Rs.90 per 100 cft
  - b. Brick work in cement 8000 cft @ Rs. 105 per 100 cft
  - c. Iron work 300 cft @ Rs. 15 per cft
  - d. Plastering with cement 8500 sft @ Rs. 35 per 100 sft
  - e. White washing 8000 sft @ Rs. 8 per sft
5. Cut imposed by DE for bad plastering Rs. 175 and water and electricity charges consumed by the contractor Rs. 230 are to be recovered.
6. Penalty of Rs. 100 was imposed for delay in execution of the work in the final bill.
7. Income Tax recoverable @ 2% on every bill.
8. Measurement book shows plastering area 8000 sft.

3. Comment on the following:

- a. The pay and allowances of Mr. A for the month of February 94 were drawn by AO of X drawn upto 16.02.94 as Mr. A had died at 3 AM on 17.02.94.
- b. At the time of submitting the claim for payment, a contractor was advised to use the prescribed form ACE 18 for preparation of bills. In spite of this, the contractor prepared the claim in his own form and insisted for payment.
- c. The Railway Administration requested the Telecom Department to replace an Iron Wire on an existing alignment by Cadmium Wire before the expiry of effective life of Iron Wire. The telecom department proposes to recover the compensation from Railways for premature surrender of the iron wire.
- d. During the execution of their duty, the Jawans of Indian Army damaged a Telephone Post in Kashmir Valley. The telecom authorities demanded Rs. 400 as compensation which the Army authorities refused to pay.
- e. An amount of Rs. 600 was received by SDOT as charges for carrying out a shift and included in his ACE 2 Account on receipt side.

4. A telephone line leading to subscriber premises was damaged during the construction work of the subscribers bungalow during January 1999. The lines were re-erected by the department. Calculate the charges recoverable from the party from the following data:

1	Cost of dismantling the line	2250
2	Gross stores issued	10000
3	Sale proceeds of unserviceable stores after paying auctioneers	1350

	commission ie., 10% of sale proceeds	
4	Surplus stores returned to stock	1500
5	Cost of erection of new line and carriages for return of surplus stores	2600
6	Returned stores reused on the same work	2000
7	Overhead charges are as under: Freight 2%, Establishment 10% and Store keeping 5%	

5. a. Calculate the charges recoverable from the Defence Department in respect of L&W works estimated to cost Rs. 120000 for which firm demand was placed but cancelled when the work was actually in progress:

		1994-95	1995-96
1	Expenditure incurred (cash)	300	7800
2	Stores issued	15000	39000
3	Stores rendered unserviceable on dismantlement		2400
4	Stores lost in transit		1200
5	Sale proceeds of recovered materials		420
6	Overhead Charges: Freight 2% Estt 9% Store Keeping 4%		

b. Will there be any difference if the above work is requisitioned and subsequently cancelled by a private party?

6. a. Calculate the charges recoverable from Private organization for sale of unserviceable copper wire and zic dross with the following:-

1. Market value of the stores Rs. 100000
2. Book value of Stores Rs. 80000
3. Cost of carriage of stores to the premises of the organization Rs. 1000
4. Overhead charges - Freight 2% and SKC 5%

b. The half-yearly return of the of wires and instruments leased to a Railway administration for the period ending 30.09.88 sent by X Telecom Engineering Division showed:

i) OB as on 01.02.88 100.8 Kms of Iron wire and 2 Telephone Magnet table set with HMT instrument.

ii) Addition on 12.6.88 4.5 Kms Iron Wires.

Work out the amount of rent recoverable from Railway administration through half yearly rent bill for April to September 1988. Rent of iron wire Rs. 41.37 per km per year, Rent of above telephone Rs. 48 per annum per number. Accepted advice note was received in respect of all items.

**JAO PART II MODEL EXAMINATION FOR DECEMBER 2012 MAIN EXAMINATION**

**PAPER IV [TELECOM ACCOUNTS-II] [WITH THE AID OF BOOKS]**

**TIME ALLOWED : 2 HOURS      QUESTION PAPER NO. 4    MAXIMUM MARKS : 100**

**NOTE:**

- 1. QUESTION NO. 1 IS COMPULSORY. ANSWER ANY OTHER FOUR QUESTIONS**
  - 2. ALL QUESTIONS CARRY EQUAL MARKS.**
  - 3. RELEVANT RULES MAY BE CITED IN YOUR ANSWERS AND SUMMARIZED, BUT NOT REPRODUCED VERBATIM.**
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**1. Write up a cash book of divisional officer, telecom division B, Engineering division of May 2000 from the following particulars and close the same at the end of the month:**

<b>Date</b>	<b>Particulars</b>	<b>Amount</b>
<b>01.05</b>	<b>OB contains the following:</b>	
	<b>Cash including revenue stamps 500</b>	<b>10500</b>
	<b>DD for contractor X</b>	<b>10000</b>
	<b>Recovery from pay bill for court attachment</b>	<b>2500</b>
	<b>Postal order dated 12.04</b>	<b>200</b>
	<b>Imprest with JTOs</b>	<b>20000</b>
	<b>Ty advance with SDE</b>	<b>8000</b>
<b>05.05</b>	<b>DD of contractor X sent to bank</b>	
<b>08.05</b>	<b>Paid pay bill of SDE</b>	
	<b>Gross pay                      15800</b>	
	<b>IT                                      400</b>	
	<b>GPF                                  3500</b>	
<b>11.05</b>	<b>SDE reports loss of cash of Rs. 500 in his temp. advance</b>	
<b>14.05</b>	<b>JTO A returns his imprest of Rs. 600 by MO</b>	
<b>16.05</b>	<b>JTO K holding imprest of Rs. 1000 died.</b>	
<b>18.05</b>	<b>Pay of an clerk for April 2000 returned by MO by</b>	

	<b>SDE for Rs. 5600</b>	
<b>20.05</b>	<b>Recouped imprest account of JTO H Rs. 3000</b>	
<b>25.05</b>	<b>Cheque drawn in favour of PM on account of pay and allowances for outstation staff for May Rs. 125000</b>	
<b>27.05</b>	<b>Cheque issued in lieu of time barred cheque dated 20.07.1998 Rs. 5000</b>	
<b>31.05</b>	<b>Cheque drawn for pay and allowances for establishment staff</b>  <b>Rs. 258900</b>  <b>Pay                    300000</b>  <b>DA                     90000</b>  <b>HRA                   22500</b>  <b>Deductions:</b>  <b>IT                      8600</b>  <b>GPF                   15000</b>  <b>PLI                    2000</b>  <b>Pay advance        3000</b>  <b>Net Salary         258900</b>	

2. Prepare a cost card of a work order of a Telecom Factory with the following:

Job : Tele Handle    Head of Account : 5225 BB Work order no. & Date : 5304/87 dt 05.09.87

Quantity Order : 200000    Estimated Labour Charges : Rs. 200000    Estimated Labour Hour : 4000 Hrs.    Estimated Store Charges : Rs. 300000    On Cost : 400% on Labour  
 Estimated Components Cost : Rs. 1500000    Estimate No. : 4    Date : 15.07.87.

Labour, Materials and Out-turn booked by the Machine Shop as follows:

Month	Labour Hours	Labour Amount (Rs.)	Net Stores (Rs.)	Components (Rs.)	Outturn
October '87	2000	100000	1800000	600000	90000
November '87	500	30000	300000	200000	25000
December '87	1500	80000	1000000	500000	80000
January '88	200	20000	-5000	300000	5000

3. Prepare a half yearly rent bill for a Canal Department for the period ending 30.06.1998 with the following details:

- a) Opening Balance on 01.01.98 : Iron Wire 200.9 Kms, Copper Wire 100.8 Kms.
  - b) On 19.03.1998, Copper Wire erected 20.7 Kms and Iron Wire dismantled 15.4 Kms on 27.03.1998.
  - c) Opening Balance on Telephone Desk Sets 15 Nos, Buzzers 8 Nos and Switch 4-way 10 Nos.
  - d) 2 Additional Telephone Desk Sets were provided on 16.02.1998.
- Tariff: Iron Wire Rs. 522 /Km/Year Copper Wire Rs. 630/Km/Year  
Telephone Desk Set Rs. 21/Set/Year Switch 4-Way Rs. 21/Each/Year Buzzers Rs. 6/Each/Year

4. A Railway Administration requested the Telecom Department for repairs their cables, the supervision and maintenance of which is entrusted to the Telecom Department: The details of repairing work done in Jan 98: Cash Rs. 5000. Stores Rs. 15000. Surplus stores on completion of the work Rs. 2000. Recovered Cables sold at site for Rs. 1500. Overhead charges : Freight @ 2%, Estt @ 10% and SKC @ 5%. What are the charges are recoverable?

5. Prepare Stores Account Current of Telecom Engineering Division B for the month of February 98 from the following details of stores vouchers received with Holl II statement:

1	For posts, wires and insulators issued on work of constructing local telephone exchange (Manual)	300000
2	Cables to coaxial cable project	1000000
3	Stores indented for works carried out on AOE (Annual Open Estimate) in Sub-Division	50000
4	Received stores on a work of reconstructing damaged trunk line leading to Auto Exchange	25500
5	Cables issued for construction work of laying cables for Southern Railway	180000
6	Maintenance stores in respect of Apparatus & Plants in Telephone Exchange (Automatic)	30000
7	Apparatus & Plants for Private construction work	300000
8	Masts & Aerials for Microwave Radio Relay System	450000
9	Iron wire issued for Petty Works	30000
10	Antenna issued for Satellite System	120000
11	Apparatus and Plants for Telex Exchange	750000
12	Cables for Optical Fibre System	300000
13	Test Equipments for Open wire and carrier systems	450000
14	Cables for STD & other Trunk Dialing System	120000
15	Total shown in ACE-155A	4054000

6. Post the contractor ledger for Mr.X from the following for the month May 2006.

- 1) SD-10 %
  - a. IT-2%
- 2) First bill claimed for work done at schedule rate Rs.30000
- 3) Work done as per 2<sup>nd</sup> RA bill passed on 30.05.2006 & cheque issued.
  - i. Earth work 9000 cft Rs.30/100 cft
  - ii. Masonry 12000 cft Rs.120/100 cft
  - iii. Plastering work 9000 sft Rs.100/100 sft
  - iv. Wood wok 600 cft Rs.50/ cft.
- 4) The rate quoted and accepted 10 % above scheduled rate in every bill.
- 5) 01.05.2006-300 bags of cements supplied against 250 bags provided in contract agreement. Book value Rs.100 per bag, Market Value Rs.200/ bag
- 6) Cut imposed on the bill 2.5% for bad workmanship of plastering work.
- 7) Water charges 1% on earth work & masonry work
- 8) Advance of Rs.6000 paid on 10.05.2006 for materials brought to site.
- 9) Fine for delayed completion @ 250/ day for 7 days.

**JAO PART II MODEL EXAMINATION FOR DECEMBER 2012 MAIN EXAMINATION**

**PAPER IV [TELECOM ACCOUNTS-II] [WITH THE AID OF BOOKS]**

**TIME ALLOWED : 2 HOURS      QUESTION PAPER NO. 5    MAXIMUM MARKS : 100**

**NOTE:**

- 1. QUESTION NO. 1 IS COMPULSORY. ANSWER ANY OTHER FOUR QUESTIONS**
  - 2. ALL QUESTIONS CARRY EQUAL MARKS.**
  - 3. RELEVANT RULES MAY BE CITED IN YOUR ANSWERS AND SUMMARIZED, BUT NOT REPRODUCED VERBATIM.**
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**1. What are the steps to be taken in case of loss of Govt- Enterprise funds or property.**

**2. Comment on the following items appearing in the ACE 2 Account of an attached officer of X Division:**

- 1. Rs. 500 received from Railways on account of rent of Lines & Wires.**
- 2. Rs. 50 received an undelivered MO towards labour charges.**
- 3. Temporary advance paid to JTO Rs. 1000**
- 4. Paid Contractor's Bill Rs. 3800.**
- 5. Received sale of old newspaper Rs. 100.**
- 6. Paid TA advance to JTO Rs. 500.**
- 7. An amount of Rs. 150 disallowed by DE in the previous account was shown in the receipt side of ACE 2 account.**
- 8. Paid Rs. 500 unpaid wages of a labour for which the work has already been completed and completion report released.**

**3. Comment on the following citing rules in support:**

**a) A work was sanctioned by Government in Feb 92 at an estimated cost of Rs. 5 crores was not commenced till April 97. The work was commenced in May 97 and actual expenditure booked under the estimate during the month was to the tune of Rs. 550 lakhs. In reply to an audit objection, it was stated that cancellation of the previous and issued of fresh sanction was not necessary because the expenditure has not exceeded 10% of the original estimate.**

**b) A work was sanctioned by Head of the Circle on 8<sup>th</sup> Feb 1997. On 14<sup>th</sup> April 1997, it was known that some components of the work were not taken into account while sanctioning the work. The inclusion of extra works required sanction of an authority higher than that of Head of the circle.**

**c) What would be the criteria for determining the authority to sanction a reconstruction work?**

**d) In anticipation of sanction of a project estimate by the Board of Directors of BSNL some expenditure was incurred. The project estimated was not approved by the Board of Directors. Who is the competent authority to cancel the Project Estimate, if it so required?**

4. On receipt of an estimating fee a detailed estimate was prepared and the details are as follows. Calculate the charges recoverable from Private party before the work is commenced.

Cash : Lines and Wires Rs. 2200 A&P Rs. 2800

Gross Stores : L&W Rs. 6000 A&P Rs. 42000

OH: Freight - L&W 1% A&P 1%

Estt : L&W 11% A&P 7%

SK Charges : L&W 5% A&P 5%

5. Calculate the charges recoverable from defence department in respect of lines and wires work estimated to cost Rs. 80000.00 for which firm demand was placed but was cancelled when the work was actually in progress. Expenditure incurred:

Cash Rs. 7000 Stores Issued Rs. 40000

Stores rendered unserviceable on dismantlement Rs. 1600

Freight 2% Establishment 9% SkC 4%

Stores lost in transit Rs. 500

Sale proceeds of recovered unserviceable Stores Rs. 400

Note: Unserviceable stores material year 1985-86.

6. An Electricity Board owned by a State Government made a demand for shifting telephone line and the work was completed in December 1990. Prepare bill for the charges recoverable from the Board from the particulars given below as per verified completion report:

1. Cash Expenditure			500
2. Stores used on work (Including Rs. 800 value of stores recovered and And reused)			5800
3.	Posts	Iron Wire	
Gross Stores	2200	3600	
Recovered Stores	200	600	
4. Recovered Serviceable stores returned to stock			1600
(Original value Posts : Rs. 400 Iron Wire : Rs. 1200)			

5. Unserviceable stores recovered and sold at site Estimated Sale 200

6. Original date of construction of line October 1970.

7. Work of shifting commences on October 1990 and completed on Dec 1990.

8. Departmental Percentage:

Freight 3% Establishment 7% Store keeping charge 6%

9. Effective Life:- Post 60 years Iron Wire 30 Years.

The iron wire in item (2) is of an improved class used purely the departmental purpose, the difference in value between the improved class and that original being Rs. 1200.

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**JAO PART II MODEL EXAMINATION FOR DECEMBER 2012 MAIN EXAMINATION**

**PAPER IV [TELECOM ACCOUNTS-II] [WITH THE AID OF BOOKS]**

**TIME ALLOWED : 2 HOURS      QUESTION PAPER NO. 6    MAXIMUM MARKS : 100**

**NOTE:**

- 1. QUESTION NO. 1 IS COMPULSORY. ANSWER ANY OTHER FOUR QUESTIONS**
  - 2. ALL QUESTIONS CARRY EQUAL MARKS.**
  - 3. RELEVANT RULES MAY BE CITED IN YOUR ANSWERS AND SUMMARIZED, BUT NOT REPRODUCED VERBATIM.**
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- 1. Enumerate 10 important points to be checked in project estimate.**
- 2. (a) Name three instances in which the projects are required to be executed in order to maintain an existing service, without necessity of showing remunerativeness.**  
**(b) A telephone line leading to a subscriber's premises was damaged during the construction work of the subscriber's own bungalow. The lines were reerected by the Department. Calculate the compensation recoverable from the party from the following details:**

<b>1. Cost of stores issued to re-erect the line</b>	<b>27000</b>
<b>2. Cost of pulling down damaged line</b>	<b>4500</b>
<b>3. Serviceable recovered stores and surplus stores sent to stock depot</b>	<b>11000</b>
<b>4. Anticipated sale proceeds of recovered unserviceable stores after paying Auctioneer's commission of 10% of sale proceeds</b>	<b>1000</b>
<b>5. Cost of erection of new line</b>	<b>35000</b>
<b>6. OH: Freight 3%, Estt 7% and SKC 6%</b>	
<b>7. Cost of carriage of surplus stores for Rs. 1000 sent to another work</b>	<b>100</b>

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- 3. Comment on the following:**
  - a) A TDE undertakes the shifting of telephone lines free of cost when EE of State Electricity Board request him to do so.**
  - b) An amount of Rs. 600 was received by SDOT as charges for carrying out a shift and included in the ACE 2 Account on receipt side.**
  - c) A SDO is able to find labour at Rs. 15 per day in his town. The rate approved by the DE for that town is however Rs. 17 per day. The SDO therefore pays labour at the rate of Rs. 17 per day.**

d) A departmental work was sanctioned for Rs. 60000 by the head of the circle. The total expenditure for this work was Rs. 62000. The DE did not obtain the revised sanction of the Head of the Circle and submitted the completion report of the work.

4. The railway administration has awarded a cable laying work for their use. The details for completion report are as follows:

Cash expenditure	10000.00
Allied stores supplied from Stock	4000.00
Cable supplied by railway at departmental rates	80000.00
Surplus stores returned	1000.00
Overhead charges: Freight 2% Establishment 9% SKC 4%	

5. a) The ITI Bangalore purchased Steel brackets 2500 Nos from Telecom Factory, Jabalpur for which rate as per list is Rs. 200 and purchase rate is Rs. 230 per unit. Carriage onward incurred in the value of Rs. 500. Calculate the amount payable by ITI Store keeping charges @ 4%, Freight @ 2% Handling @ 0.5%, Surcharge @ 7.5%.

b) Will there be any difference if above supply is made to other than ITI.

6. Prepare a manufacturing account for Telecom Factory, Calcutta for the month of August 99

1	Value of work-in-progress on first of the month	1369430
2	Value of work-in-progress on last day of the month	3342190
3	On cost on work-in-progress on first of the month	9940180
4	On cost on work-in-progress on last of the month	8563330
5	Raw materials drawn from the stores	3243410
6	Components drawn from stores	1820120
7	Labour earnings drawn from stores:	
	i) Direct Labour	320130
	ii) Indirect Labour	812990
8	On cost of finished goods	1510820
9	By value of stores:	
	i) General Stores	3541980
	ii) Factory Stores	267870
	iii) Sales within the department	1314770
	iv) Sales outside the department	1125920
10	Maintenance:	
	i) Labour	8390
	ii) Stores	15920
11	Working Expenses:	
	i) Office expenses	792340
	ii) Contingent expenses	40420
12	Petty works	3950

**JAO PART II MODEL EXAMINATION FOR DECEMBER 2012 MAIN EXAMINATION**

**PAPER V [CPWD ACCOUNTS] [WITH THE AID OF BOOKS]**

**TIME ALLOWED : 3 HOURS      QUESTION PAPER NO.1      MAXIMUM MARKS : 150**

**NOTE:**

1. ANSWER QUESTION 1 & 2 WHICH ARE COMPULSORY AND ANY FOUR OF THE REST.
2. QUESTION NO. 1 CARRIES 50 MARKS, QUESTION NO. 2 CARRIES 40 MARKS AND REST THE QUESTIONS ARE OF 15 MARKS EACH.

1.

Post the following transactions in the Cash book of Shri A Executive Engineer of Building Division for August 2004 indicating the classification of each item and Close the Cash book giving analysis of the closing balance.

01.08	Opening Balance:- Cash including counterfeit coins worth Rs.25 Service Postage Stamps Revenue Stamps Postal order in favour of Divisional office on account of Tender documents Self-cheque no.488 dated 30-7-2004 Imprest with Sub-Divisional Officers M & N Rs.2500 each	Rs. 6551 150 70 640 7500
02.08	Self-cheque no.488 dated 30-7-2004 encashed	
04.08	Cheque no.4905 dated 3-8-2004 from Sh. R on account of rent of Government non-residential buildings	1300
05.08	Paid by Cheque no.489 to Contractor Y for construction of bridge on National Highway Value of work done since previous bill Recoveries:- Security Deposits Value of cement issued Fine of delay in completion of work "Construction of Hospital Building" Net Payment	30000 3000 4000 3000 20000
06.08	Cheque no.4905 for Rs.1300 remitted to bank	
07.08	Temporary Imprest issued to Section Officer P vide Cheque no.490	7250
08.08	SDO M renders account of imprest as under: a) repairs to office furniture b) Safaiwala's wages The amount of Imprest is reduced to Rs.2000	370 1975
11.08	Cheque no.4905 for Rs.1300 received back dishonoured	
12.08	Section Officer P renders account of Temporary	

	<b>Advance</b> <b>As per details below :</b> <ul style="list-style-type: none"> <li>a) Maintenance and Repair to Commissioner's bungalow</li> <li>b) Pay of chowkidar for vacant civil surgeon's house</li> <li>c) Maintenance &amp; Repair of Hospital Building</li> <li>d) Cash refunded</li> </ul>	2745 2300 1750 455
14.08	Cheque no.138 dated 30-4-2004 issued in favour of contractor A for rs.800 cancelled and a fresh cheque no.491 Issued in lieu thereof	
18.08	Received cash on account of rent of Inspection bungalow	1100
19.08	Purchased Service Stamps vide Cheque no.492	300
20.08	SDO N renders account of Imprest for Rs2500 (Rs.1250 on muster Roll Payment to labourers engages on repair to Distric Road and Rs.1250 on repairs to road roller) The Imprest is recopued and increased to Rs.3000	
21.08	Drew self cheque no.493 for cash	8250
22.08	Payment made to work charged establishment relating to maintenance of National Highway Road	4255
23.08	1/3 <sup>rd</sup> of cash balance (excluding imprests) remitted to bank	
24.08	Paid by cheque no.494 to contractor X first running account bill for construction of overhead tankof IIT Total value of work done Secured Advance Recoveries <ul style="list-style-type: none"> <li>i) Security deposits 10%</li> <li>ii) Income Tax 2%</li> <li>iii) Recovery of cost of cement Rs.50000</li> <li>iv) Court attachment Rs.12000</li> </ul>	400000 40000
25.08	Remitted into Treasury	1500
31.08	Drew salary of regular establishment as per details given below: Net amount of cheque Recoveries: <ul style="list-style-type: none"> <li>Income Tax Rs. 4000</li> <li>GPF Rs.44650</li> <li>CGHS Rs. 540</li> <li>Licence Fees Rs. 1676</li> <li>HBA Rs. 5400</li> <li>Cash found short</li> </ul>	210654

2.

Prepare the second running account bill of Contractor R for the construction of school building from the particulars given below.

Sl.no	Item of work done	Estimated rate (Rs)	Work done to date Cum	Work done as per 1 <sup>st</sup> RA bill Cum
1	Earth work in foundations	2000/1000cum	8000	5000
2	Masonry work in foundations	4200/100cum	500	200
3	Masonry work in super	4400/100cum	800	300
4	structure RCC in beams in 1:2:4 ratio;50	300/cum	110	30
5	Kg steel per Cum	4000/100cum	650	350
6	Brick work Wood work	1000/cum	10	-

Contractors rates are subject to a premium of 20% in respect of RCC and woodwork.

Other particulars are as under:

i) In the first running bill, the contractor was paid secured advance for 100cum Grit required for RCC work and for 100000 bricks for brick work. The full assessed rate was Rs.120/cum and Rs.200 per 1000 number respectively.

ii)The standard norm for consumption of Grit per 100cum of work are 80 cum and of bricks per 100cum of work are 12000 number.

iii)The advance of Rs.5000 was paid in the first bill for work done but not measured.

iv)Security deposit @ 10% and Income tax @ 2% were recovered from the first bill and were also to be recovered from the second bill.

v) Other recoveries to be made from the bill are:-

a)Cost of steel and cement issued to the work Rs.8000

b) Hire charges of Tools and Plants Rs.800.

Fine for bad work Rs.2000

3. Define any three of the following:

- (a) Deposit Works (b) Final Payment (c) On Account Payment (d) Rate of cost and inclusive rate of cost (e) Storage Charge

4. Distinguish between the following (any three).

- (a) Market rate and issue rate (b) Grant and appropriation (c) Advance payment and On account Payment (d) Storage and supervision charge.

5. Write short notes on any three of the following:

- (a) Bin Cards    (b) Measurement Books    (c) Lapsed and confiscated Deposits  
(d) Sale of stores to private parties.

6. What is Earnest Money? What is the mode of deposit? How the Earnest Money is refunded?

7. What is the Scope and duties of Internal Audit Organization?

8. What are the rules to be observed with regard to advance payment to contractors for work done but not measured?

9. Explain briefly the points to be observed while stock taking and physical verification of stores by the Executive Engineers in their Divisions.

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9) security deposits @ 10% and Income tax @ 2% is to be recovered from each bill subject to limitations provided in the rules. The contractor has deposited Rs.20000 as Earnest money at the time of submission of tender. Performance guarantee had been duly received from him.

10) Extra items sanctioned by the competent authority to be paid in this bill-“Excavation trenches of required width for pipe cable etc; rate Rs.22 per metre; Quantity 134 metres” In the first running account bill part rate of Rs.1080 was allowed in respect of item no (4)

11) The following recoveries are to be made from this bill:

a) Cement 20MT @ Rs.2500 per MT

b) Water charges @ 1% of work done.

c) Cost of three empty bitumen drums not returned to the store of the division @ Rs.100 per drum.

d) Recovery under clause 36 of the agreement for not employing Graduate Engineer by the contractor Rs.3000

3. Define any three of the following:

a) Expenditure Sanction      b) Technical Sanction      c) Deposit Works

d) Extra substituted and deviated items of work Estimate      e) Preliminary Estimate

4. Write short notes on three of the following:

a) Scrutiny, safe custody and surrender of cheque books.

b) Measurement Books      c) Unpaid wages      d) Stock taking

e) Lapsed and confiscated deposits.

5. a) Under what circumstances Advances to contractors can be paid

b) How these advances are shown in the accounts of the works and how are their adjustments effected?

6. What are the initial records upon which accounts of works are based? Describe Briefly.

7.(a) How errors in the compiled accounts are corrected in accounts of the year in which

Errors occurred?

(b) How such errors are corrected if they are noticed after the accounts for the years  
Have been closed?

8. Describe the procedure and precautions to be observed in issuing materials to

Contractors and explain the accounting procedure and the procedure for recovery.

9. Describe briefly how the monthly accounts are compiled in Divisional Officer.

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**JAO PART II MODEL EXAMINATION FOR DECEMBER 2012 MAIN EXAMINATION**

**PAPER V [CPWD ACCOUNTS] [WITH THE AID OF BOOKS]**

**TIME ALLOWED : 3 HOURS      QUESTION PAPER NO.3      MAXIMUM MARKS : 150**

**NOTE:**

**ANSWER QUESTION 1 & 2 WHICH ARE COMPULSORY AND ANY FOUR OF THE REST. QUESTION NO. 1 CARRIES 50 MARKS, QUESTION NO. 2 CARRIES 40 MARKS AND REST THE QUESTIONS ARE OF 15 MARKS EACH.**

**1.**

**Post the following transactions in the cash book of Executive Engineer, CPWD Division**

**No.1 for July 2004 from the data given below and also indicate the classification of each item. Close the Cash book giving the analysis of the closing balance.**

<b>Date</b>	<b>Particular of transactions</b>	<b>Rs.</b>
<b>01.07</b>	i) opening balance ii) Revenue Stamps iii) Temporary advance with Assistant Engineer M i) Undisbursed amount of pay and allowances of work charge staff converted into regular establishment. ii) Undelivered Cheque on account of scooter advance to sh. A Junior Engineer iii) Permanent Imprest with Assistant Engineer S/shri M R iv) Deposit Receipt of Punjab National Bank towards Earnest Money Deposit received from Contractor X for the work construction of Over-head tank for Kendriya Vidyalaya Sangathan (Autonomous Body)	2,008 100 16,000 1,800 13,000 1,000 1,000 15,000
<b>02.07</b>	<b>Delivered Cheque of Shri A Junior Engineer for scooter Advance</b>	<b>13,000</b>
<b>04.07</b>	<b>Purchased Stationery for making schedules for tender documents</b>	<b>500</b>
<b>07.07</b>	Assistant Engineer M renders a/c of Temporary Adv. i) paid for labour engaged on maintenance of a) Central Government Residential Buildings b) Central Government Non-residential Buildings ii) Paid Pay and Allowances of work charged	1,500 1,500

	<p>staff Engaged on the maintenance of Central government Residential buildings Net Amount paid Rs.11500</p> <p>RECOVERIES; GPF Rs .2,000 Licence Fees Rs. 300 CGEIS Rs 150 Bicycle advance Rs. 100 Undisbursed Amount</p>	1,500
11.07	<p>Assistt.Engr R's Permanent Imprest recouped as under :</p> <p>a) Payment to part-time sweeper engaged for sweeping Divisional office Premises</p> <p>b) Purchased sanitary fittings to be used for maintenance of residential quarters of IncomeTax Department Pool</p>	500 315
12.07	<p>Assistant Engineer M's Permanent Imprest was reduced and adjusted as under:</p> <p>a) Purchased weights for weighing balance placed in The stores godown</p> <p>b) Petrol bill of jeep used by Executive Engineer. I Imprest was reduced from Rs.1000 to Rs.500</p>	400 500
14.07	<p>Purchased Steel Furniture from J.K.Co.for Central Govt. MP Hostel and issued cheque No.5022</p>	1,45,000
16.07	<p>Received from Assistant Engineer R</p> <p>i) cost of sale of tender forms</p> <p>ii) undisbursed salary of Sub-Divisional Clerk</p>	1,000 1,520
17.07	<p>Sold Old Newspapers for Cash</p>	200
21.07	<p>Salary of an Upper Division Clerk drawn in February 04 And sent by Money Order received back undelivered)</p>	1,620
23.07	<p>Surprise check revealed a shortage of cash in chest</p>	120
25.07	<p>Paid by cheque no.5023 to contractor X First Running Account Bill for construction of over-head tank for Kendriya Vidyalaya Sangathan</p> <p>Total Value of work done Rs.2,00,000 Secured Advance Rs. 20,000</p> <p>Recoveries</p> <p>i) Security Deposits 10% ii) Income Tax 2% iii)Recovery of cost of cement Rs.25,000 iv) Court attachment (remitted the amount by cheque no.C4024 in favour of the Accounts Officer District</p>	

	Court B) Rs.5000 Received a Cheque no.0310 dated 21-2-2004 from S & Co. for Rs. 20,022 and a fresh Cheque issued in lieu of the same no.5024	
28.07	Self Cheque no.1447 for Cash Chest	42,000
31.07	Temporary Advance to Assistant Engineer S/Shri M R	15,520 22,480

• Cash received during the month except self-cheque amount was remitted into the accredited bank. The deposit Receipt of Punjab National Bank Was encashed on 3-7-2004 and deposited through chalan in the Division's bank on next day.

2.. From the particulars given below, prepare the 2<sup>nd</sup> running account bill (in forms CPWA 26 and CPWA 26-A) of contractor X for the work of "construction of a Hospital Building". (i) Date of start of works 5-2-2004 (ii) Stipulated date of completion 4-2-2005 (iii) Agreement NO.M/026 of 2004-2005

Work done and measured	Unit	Rate Rs.	Quantity paid in	
			First bill	Up to date
1)Earth work in excavation	Cum	140	300	600
2)Lime concrete work in foundation	Cum	550	50	130
3)Brick work in foundation	Cum	950	20	80
4)RCC work	Cum	1750	15	20
5)Brick work in cement in super structure	Cum	1300	55	100
6)Wood work doors & window frames	Cum	8500	2	4

On the 1<sup>st</sup> R.A.Bill, the following further payments were made:

(i)Advance Payment for Brickwork in foundation not measured Rs.10000

(ii) Advance Payment for RCC work not measured – Rs.3000 (iii) Maximum advance for material brought to site by the contractor

(a) 1,00,000 Bricks – Market rate assessed was Rs.800 per 1000 No.

(b) 150 M-3 of Stone – market assessed rate was Rs.320 per M-3

(c) 5 wood planks – market rate assessed being Rs.2,000 per each.

A further consignment of 50,000 bricks was brought to site by the contractor subsequent to the last payment and Secured Advance is admissible on the consignment at the same rate as before. Consumption of bricks was 350 bricks per cubic metre of brickwork. The wood planks were used up on the work fully. One cubic metre each of lime concrete work and RCC work requires 0.9 cubic metre and 0.8 cubic metre respectively of stone ballast. The cost of material actually used up-to-date is to be

adjusted in this bill. Advance Payment of Rs.15,000 for wood work done but not measured is to be allowed in the 2<sup>nd</sup> RA Bill.

Recoveries to be adjusted are as under:-

a) 5.5 MT of cement issued to contractor from Stock. Issue rate Rs.2,000 per MT. Stipulated rate in the Contract Rs.2,250 per MT.

(b) Hire Charges of concrete mixer Rs.1,200.

© Security Deposit and Income Tax at 10% and 2% respectively.

(d) Court attachment Rs.1,400

(e) Cost of material issued for another work B Rs.500

(f) Payment to 4 labourers employed for 3 days @ Rs.60 per day to set right defects in the work.

(g) At the time of passing the 2<sup>nd</sup> RA Bill test check revealed that contractor had used inferior type of bricks for which rate was reduced by Rs.50 per cubic metre of brickwork in foundation.

(h) A sum of Rs.500 withheld for removal of minor defects in the first RA Bill released in this bill as the defects stand removed.

3. What are the principles governing the allocation of expenditure on a capital scheme between capital and revenue accounts?

4. Explain the term cash. What categories of bills are permitted by the Divisional Officer for making payment?

5. Explain the following briefly:

- a. Register of Works
- b. Contractor's Ledger

6. Explain briefly about Measurement Book and the general instructions for recording the Detailed Measurements in the measurement book.

7. Explain the various purposes of Transfer Entries.

8. Explain briefly:

- a. Bin Cards
- b. Priced Stores Ledger

9. What is Works Abstract and explain its preparation in a Divisional Office.

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**JAO PART II MODEL EXAMINATION FOR DECEMBER 2012 MAIN EXAMINATION**

**PAPER V [CPWD ACCOUNTS] [WITH THE AID OF BOOKS]**

**TIME ALLOWED : 3 HOURS      QUESTION PAPER NO.4      MAXIMUM MARKS : 150**

**NOTE:**

1. ANSWER QUESTION 1 & 2 WHICH ARE COMPULSORY AND ANY FOUR OF THE REST.
2. QUESTION NO. 1 CARRIES 50 MARKS, QUESTION NO. 2 CARRIES 40 MARKS AND REST THE QUESTIONS ARE OF 15 MARKS EACH.

1.

Post the following transactions in the Cash Book of Executive Engineer, Building Division of CPWD for the month April 2004 and work out details of the closing balance.

01.04	<b>Opening balance</b> cash in chest Revenue Stamps Temporary advance with Assistant Engineer A Temporary advance with Assistant Engineer B Permanent imprest with Assistant Engineer B Undisbursed amount of GP Fund advance of a Clerk of the Division Self cheque dated 31-3-2004 Assistant Engineer A renders account of Temporary Advance : a) Paid muster roll of labour engaged on behalf of Contractor to de-water foundation of a road bridge b) paid repair charges of a departmental jeep c) Balance returned in cash	<b>Rs.</b> 1000 10 2500 1200 20 100 1000 2000 50
03.04	Issued temporary advance of Rs.2900 to Assistant Engineer A on passed work charged Establishment bills	
08.04	All Revenue Stamps reported lost	
11.04	Paid by cheque to Contractor X for the work "strengthening the right bank of the canal" as below : Value of work done up-to-date Recoveries : i) Security deposits at 10% of work done. EMD of Rs.7000 which had been furnished by the contractor with the tender is adjustable towards security deposits ii) Cost of materials issued to work from stock iii) Amount creditable to Exec.Engr Irrigation	20000 3000

	<b>Division I</b>	<b>830</b>
	<b>iv) Hire charges of departmental machines</b>	<b>500</b>
<b>13.04</b>	<b>Assistant Engineer renders account of the Imprest as follows:</b>	
	<b>i) Railway freight</b>	<b>5</b>
	<b>v) Sweepers wages</b>	<b>5</b>
	<b>iii) Loss of cash</b>	<b>10</b>
	<b>The Imprest was recouped in cash in full</b>	
<b>23.04</b>	<b>Issued cheque in favour of Contractor Y in lieu of time Expired cheque surrendered</b>	<b>10000</b>
<b>24.04</b>	<b>Receipts by sale of tender forms</b>	<b>50</b>
<b>30.04</b>	<b>Assistant Engineer B renders a/c of temporary advance</b>	
	<b>payment of labour engaged on maintenance of canal works (of canal banks)</b>	<b>790</b>
	<b>payment of work charged Establishment of chowkidars (on canal gates) paid to him fresh Temporary Advance of Rs.1200 on passed muster rolls</b>	<b>350</b>

2. Prepare the 2<sup>nd</sup> R.A. Bill of contractor X for the work "Construction of 100 type IV Quarters at Jaipur" from the following.

Details of payments made in the 1<sup>st</sup> Running Account Bill

(i) Earth work 3,000 Cubic Metres at Rs.12 per Cubic Metre

(ii) Cement concrete work in foundations 200 Cubic Metres at Rs.480 per Cum

(iii) Brickwork in cement superstructure 220 Cubic Metres at Rs.325 per Cubic Metre.

(iv) Advance payment of Rs.40,000 for "Reinforced cement concrete work for Roof" was made for work done but not measured.

(v) Secured Advance for following materials brought to site of work:

a) 2 lakh bricks market rate being Rs.800 per thousand

b) 60 wooden Planks market rate being Rs.1,200 per plank.

c) 3,000 cubic metre of ballast market rate being Rs.200 per cubic metre

(vi) Rs.500 were with-held and kept in the accounts of the work pending clearance of site.

II. The contract provides for premium of 60% over the unit rates.

III. Details of work done and other Transactions after the 1<sup>st</sup> On A/c Bill

(a) (i) Cement concrete work in foundations 600 Cubic Metres.

(ii) Brick work in cement in superstructure 500 Cubic Metres.

(iii) Reinforced Cement Concrete work for Roof 1,000 Cubic Metres at Rs.600 per Cubic Metre

(iv) Supplying and Stacking of road metal 200 Cubic Metres at Rs.120 per Cubic Metre

b) the brickwork in cement is to be paid at part rate of Rs.300 per Cubic Metre as bricks used in the entire work were of inferior quality.

c) Deduct 10% for voids in respect of supply of road metal

d) Rs.500 withheld in the 1<sup>st</sup> On A/c Bill are to be released.

e) (i) Advance Payment of Rs.30,000 is to be allowed for wood work done but not measured.

(ii) Further Secured Advance on 2 lakh bricks brought to site of work is also to be allowed in this bill.

IV. Consumption of bricks is 350 no. per cubic metre. 80 cubic metre of ballast is required for 100 cubic metres of cement work in foundations and roof.

V. Following further recoveries are to be made from the 2<sup>nd</sup> On A/c Bill.

Security Deposit of 10% of value of work done and measured, but in the previous bill recovery was made erroneously on the amount (K) of that bill.

Income Tax at 2%

Water charges at 1%

Interest on Mobilisation advance relating to another work Rs.5,000

20 tonnes of MS Bars issued from Stock at Rs.12,000 per tonne, out of which one tonne left in cut pieces could not be used on the work

Labour engaged on behalf of contractor to rectify defect in work Rs.2200.

Hire Charges of Concrete Mixers not stipulated in the contract for 20 days.

Economic Rate Rs.150 per day. Normal rate is Rs.120 per day.

3. What are the rules for setting right the errors?

4. "It is an important function of the Divisional Officer to keep a constant watch on the progress of expenditure. How does he discharge this function in practice?"

5. "It is not sufficient that an Officer's accounts should be correct to his own satisfaction" Amplify the statement

**6.. Comment the following:**

**a) A Temp Advance of Rs500 was granted to a subordinate on the 1<sup>st</sup> June 2004.**

**He returned it intact on 4<sup>th</sup> Sept 2004 having in the mean time been on leave for 15 days.**

**b) On a request by the contractor the recovery to the extent of Rs.50,000 on account of cost of materials issued to him for use on the work was not made by the Executive Engineer from the 1<sup>st</sup> and 2<sup>nd</sup> On Account bills of the contractor. The Executive Engineer ordered that the recovery should be made from his next bill in lump sum.**

**c) An Executive Engineer utilized the departmental receipts towards departmental expenditure in the month and explained that this procedure has spared unnecessary transactions with the treasury/bank.**

**7. What are the important duties of Disbursing Officer in respect of verification of entries in his Cash Book?**

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**JAO PART II MODEL EXAMINATION FOR DECEMBER 2012 MAIN EXAMINATION**

**PAPER V [CPWD ACCOUNTS] [WITH THE AID OF BOOKS]**

**TIME ALLOWED : 3 HOURS      QUESTION PAPER NO.5      MAXIMUM MARKS : 150**

**NOTE:**

1. ANSWER QUESTION 1 & 2 WHICH ARE COMPULSORY AND ANY FOUR OF THE REST.
2. QUESTION NO. 1 CARRIES 50 MARKS, QUESTION NO. 2 CARRIES 40 MARKS AND REST THE QUESTIONS ARE OF 15 MARKS EACH.

1.

Post the following transactions in the Cash Book of sh. K. Executive Engineer, Buildings and Roads Division, CPWD New Delhi, for May 2004 and close it by giving full details of closing balance. Give necessary explanatory notes.

01.05	Opening balance Notes and Coins (including counterfeit coins Rs.20 Revenue Stamps Rs.30 Service Postage Stamps Rs.50 Cheque No.50 dated 30-4-2004 in favour of self Undisbursed Pay and TA of Work Mistry borne on Regular establishment Hand receipt towards advance of pay and TA given to Junior Engineer of K Sub Division on 30-4-2004 On transfer in view of emergency Cheque No.51 dated 28-4-2004 drawn in favour of Contractor A in lieu of cancelled cheque Cheque No.5 dated 28-9-02 received from Contractor B on 30-4-2004 for issue of new Cheque against this time barred cheque	Rs. 1270  80 4200 600  1200 9000 3000
02.05	Encashed self cheque dated 30-4-2004 and Delivered cheque of Rs.9000 to Contractor A Refunded Security Deposits to Contractor B by Cheque No52	1800
03.05	Received outstation cheque no.12 dated 28-4-2004 For rs.2060 including Bank Commission of rs.10 From a firm X towards rent of land leased out to him. Receipt by sale of tender forms	2000
06.05	Sent the cheque received from the firm on 3-5-2004 To the bank Issued fresh cheque no.53 in lieu of time barred Cheque dated 28-9-02 received from contractor B	
08.05	Assistant Engineer K Sub Division holding permanent Imprest of Rs.400 rendered account with following details:	

	a) cost of wood for repair to Sun Shades of residential buildings	300
	b) Transportation of cement from Railway station to Stores Godown. The imprest was settled fully. The imprest was also increased to Rs.500 in cash	125
10.05	i) Paid by cheque no.54 to supplier B towards cost of furniture for Divisional Office after deducting 10% Security Deposits	27000
	ii) Sale proceeds of auction of old Tools and Plant	1800
14.05	Earnest Money received – from contractor D in cash - from contractor E by bank chalan All tenders were rejected on the same day. Earnest Money Was refunded to contractor D by cheque no. 55	6000 6000
*16.05	The Receipt Scroll received from the Bank indicated that The cheque of firm X has been credited to Division's a/c	
18.05	i) issued to staff Revenue Stamps ii) Received by Assistant Engineer H Sub Division Rent of residential buildings in cash on 9-5-2004 and remitted to bank on 12-5-2004. Received chalan in Divisional office and incorporated in the Cash Book	10 4000
22.05	i) Executive Engineer drew cheque no.56 while in camp on 22-5-2004 in favour of Supplier P for purchase of GI Sheets for Store sheds	12000
	ii) Executive Engineer accounted for Rs.1700 out of Rs 2500 taken on tour from chest on 20-5-2004 as below: a) Cartage charges for GI sheets	800
	b) wages of chowkidar for April 2004 Balance returned to chest	900
24.05	Paid to Contractor C 2 <sup>nd</sup> on a/c bill for construction of Staff quarters by cheque no.57 Gross value of work done Amount paid in 1 <sup>st</sup> Running Bill DEDUCTIONS: Cost of steel supplied for work Recovery from contractor advised by another division Hire charges of vibrator Cost of (same) work executed on behalf of Contractor Departmentally Security Deposits 10%	220000 80000 12000 2000 800 9000
26.05	i) Overpayment of salary refunded by staff in cash and deposited in Bank ii) Issued fresh cheque no.58 in favour of contractor for supply of cement for stock in lieu of cheque no.23 dated 23-4-2004 issued erroneously for rs.69000	1400 96000
30.05	i) Received through subsidiary Cash Book advance	

	<p>pay and TA given to Junior Engineer on 30-4-2004</p> <p>ii) Remitted into Bank Miscellaneous Receipts in cash</p> <p>Balance Miscellaneous Receipts remitted into Bank by cheque in favour of self and endorsed for credit to PWD</p> <p>amounts are 2000 of 3/5; 1800 of 10/5 and 6000 of 14/5 = Rs.9800</p>	6000
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2.

Prepare 2<sup>nd</sup> Running Account Bill for the work of "Construction of type li – 30 Quarters In R K Puram" under Construction Division X from the following details:-

Items of work	Unit	Estimated Unit rate	Qty executed Upto date	Qty executed In pre bill
1) Earth work	Cum	7	5000	2000
2) Brick work	Cum	320	600	300
3) RCC	Cum	950	400	--
4) Steel work	Kgm	7	32MT	16MT

(i) Advance Payment of Rs.20,000 for wood work made in this bill.

(ii) Advance Payment of Rs.1,00,000 was made for work done and not measured in the first running bill for R. C. C. Work.

(iii) Secured Advance for 1,50,000 bricks was given in 1<sup>st</sup> R. A. Bill, the assessed rate is Rs.600 per 1000 bricks. Consumption of bricks to be assumed as 500 per cubic metre of brick work.

(iv) Security Deposit to be deducted @ 10% and Income Tax @ 1%

(v) Cost of 250 MT cement (for this work) be deducted @ Rs.1000 per MT.

(vi) In 1<sup>st</sup> RA Bill Rs.500 was withheld for non-submission of labour reports. It is now decided to release Rs.300 to contractor and balance credited to Govt.

Also fill up Account of Secured Advances form CPWA 26-A

3. Prepare the transfer entries to set right the following errors in the accounts of the same year in which the error occurred.

i) Income tax received in July 2004 from a work charged Establishment employed on the maintenance of road economic importance and erroneously credited to the work during the month Rs.150.

ii) Income Tax recovered from work charged establishment employed on maintenance of State Highway road and erroneously credited to the work Rs.200

iii) A sum of Rs.2000 recovered from a Mistri on account of licence fee has been wrongly credited to maintenance work of primary school.

iv) Schedule of Public Works Receipt received from the treasury for May 2009

includes Rs.615 on account of the following items but no entry exists in the cash book.

Security deposit of Contractor Rs.500

Remittance of SDO of another division Rs.100

Sale proceeds of Grass office compound Rs.15

4. What are the precautions to be taken when writing detailed Measurement Books:

5. Give brief description of duties and functions of a Divisional Accountant.

6. What is an Imprest and how is it accounted for? How do you distinguish it from Temporary Advance?

7. Comment the following:

(a) The wages of labourers remain unpaid after the completion of the work, and are claimed five months later.

(b) Expenditure had been incurred on a deposit work in excess of deposit received.

(c) A balance of minus Rs.75 is outstanding in the Register of Works in the column "Suspense Accounts" of a work that was noted as completed.

**JAO PART II MODEL EXAMINATION FOR DECEMBER 2012 MAIN EXAMINATION**

**PAPER V [CPWD ACCOUNTS] [WITH THE AID OF BOOKS]**

**TIME ALLOWED : 3 HOURS      QUESTION PAPER NO.6      MAXIMUM MARKS : 150**

**NOTE:**

1. ANSWER QUESTION 1 & 2 WHICH ARE COMPULSORY AND ANY FOUR OF THE REST.
2. QUESTION NO. 1 CARRIES 50 MARKS, QUESTION NO. 2 CARRIES 40 MARKS AND REST THE QUESTIONS ARE OF 15 MARKS EACH.

1.

From the details given below write up the cash book of Sh.RG exexutive Engineer building division, for the month of November 2004 indicating the classification and close it giving analysis of the closing balance.

<b>Date</b>	<b>Nature of Transactions</b>	<b>Amount</b>
01.11	Contents of the cash chest (a)Notes and coins (b)Service postage stamps (c)Revenue stamps (d)Cheque dated 31-10-2004 on the local branch of State bank of India from Sh.X on account of rent (e) Undisbursed amount of TA Advance of a clerk belonging to Executive Engineers Office (f) Hand Receipt for temporary imprest with overseer A (g) Hand receipt for temporary Imprest Imprest to SDO 'B' (h) Receipt of Imprest with SDO 'C'	100 20 5 145 100 50 400 100
02.11	Remitted the cheque received from X inte treasury	145
04.11	Temporary Advance was rendered by SDO 'B" and particulars were as follows: (i) Muster roll for the construction of Staff quarters. (ii) Charges incurred for conveyance of materials. (iii) Cash returned (iv) Shortage unaccounted for	300 50 45 5
05.11	SDO 'C' submitted an Imprest account of Rs.40 towards payment of charges in connection with repairs to non-residential buildings.The amount was recouped and the Imprest was increased from Rs.100 toRs.150	
07.11	Drew cash for chest	150
08.11	Paid 'Y' in cash for materials supplied for stock in July 2004	200
09.11	Received temporary advance account from overseer A with the following particulars: Charges incurred in connection with electric installation in the residence of Sub-Collector Cash returned	45 5

14.11	Paid by cheque On account Bill of contractor 'P' for constructing Quarters for staff on revenue department;the particulars being as follows:- Net Payment by cheque Deductions to be made Court attachment Over Payment made on another minor work-construction of Primary school Security Deposit Total Deductions	7950   500 100 650 1250
15.11	Received from Sdo"b" cash-chalan for Rs. 100 remitted by him into the treasury on account of sales proceeds of procedure from public buildings	100
21.11	Cheque for Rs.1000 issued to contractor 'Q' on 15-04-2003 was revalidated	
22.11	Cash found in chest	5
23.11	Cxash receipt on account of rent of buildings and furniture	1000
28.11	SDo "C" rendered a Imprest account of Rs.75 towards payment made to work charged establishment in connection with repairs to residential buildings. The amount was recouped to him in cash	75
30.11	Remitted into treasury the receipts received upto 23.11.2004 by remitting the entire physical cash balance on hand and drawing a self cheque for the balance under para 6.3.5 of CPWA Code	

2.

Date of start of work 16 – 2 – 2004

Stipulated date of completion 15 – 2 – 2005

Agreement No. & date B/250 of 2004 – 2005

Items of work	Unit	Estimated Unit rate Rs	Qty executed Upto date	Qty executed In pre bill
1)Earth work in foundation	Cum	10	8000	5000
2)Filling in foundation in lime concrete	Cum	400	800	500
	Cum	500	1200	600
3)Brick work in cement foundation	Cum	600	1000	600
4)Brick work in super structure	Cum	800	900	400
5)RCC for roof slab				

Contract provides for allowing premium at 10% over estimated.

In the first on account bill, advance payment of Rs.10,000 and Rs.17,000 on items 4 and 5 above respectively were made, and maximum secured advance was also paid on the following materials brought to site.

(i)Bricks 5,50000 valued at rate of Rs.800 per 1000 ( assessed rate)

(ii) Steel 40 M.T valued at rate of Rs10,000 per M.T

In the second Running Account Bill, further secured advance on 1,00,000 bricks brought to site was allowed. The cost of bricks and steel actually used since previous bill was recovered from the second running account bill. Bricks may be calculated at 500 bricks per Cubic Metre. Quantity of steel may be determined at 1% of RCC work done and taking the weight of steel at 7.8 M.T. per cubic metre.

The following further recoveries are to be made from the 2<sup>nd</sup> R.A. Bill;

(i) Cement – 15 M.T at Rs. 1000 per M.T.

(ii) Hire of T & P Articles – Rs.1120

(iii) Security Deposit -10%

(iv) Income Tax at 2% of value of work done.

3. Two girders costing Rs.6000 were received for the work of constructing office of Director of Public Health in July 2004. The work was allotted to contractor on labour rate only. The work on the building was stopped in Aug 2004. These girders were taken on stock of the CPWD Division in Sept 2004. What account adjustments are necessary if market rate of girders was Rs.2254.50 p each.

4. What is the procedure for award of work without call of tenders?

5. Comment the following:

a) A cheque issued to a Contractor remaining unpaid for over a year. The account of the work for which this payment was made has since been closed.

b) A supplier to whom money is payable refuses to give receipt in proper form

c) Balance in the materials at site account – Rs 3000

6. State briefly the distinctive features of Public Works accounts. Bring out clearly how the Public Works System of accounts differs from the accounting system of other Civil Departments.

7. How are time-expired and cancelled cheques treated in a Public Works Division?

**SOLUTION TO TRA THEORY**

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**JAO PART II MODEL TEST PAPER FOR DECEMBER 2012 MAIN EXAMINATION**  
**PAPER I [TELECOM ACCOUNTS-I] [WITHOUT THE AID OF BOOKS]**  
**TIME ALLOWED : 2 HOURS SOLUTION TO QUESTION PAPER NO.1**

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1(a)

- 1) Para 69 of P&T Manual Vol. XIV and Para 196 of P&T Manual Vol. XII deal with the Press Trunk Calls.
- 2) Matter intended for publication in a Newspaper or broadcasting over Radio. That type of trunk call is termed as Press Call and the caller should specify the call as Press Call at the time of booking the call.
- 3) A rebate of 12.5% shall be allowed on such calls and the rebate shall not be allowed on supplementary charges like PP Charge, PCO Charge, Late Fee and also on rentals and local call charges. This rebate is also allowed on reversed charge calls also.
- 4) Press Trunk Call can be booked from any number and even from PCO but that called number should be a registered Press Number with TRA unit.
- 5) TRA unit under whose jurisdiction the Head Office falls shall issue the Card of Authority/Renewal on payment of prescribed fee/security. The currency of the Card shall be for three years from the date of issue and renewable after every three years.

1. (b)

- 1) Rule 480 to 482 of FHB Vol. I deal with Lapsed Deposit.
- 2) Deposits not exceeding Rs.5 unclaimed for one whole account year, balance not exceeding Rs. 5 of deposits partly repaid during the year than closing and all balances unclaimed for more than three complete account years shall be treated as Lapsed Deposit.
- 3) The above said amount shall at the close of March in each year be credited to Government by means of transfer entries in Circle Accountants Office by debiting the Deposit Head and crediting the Lapsed Deposit Head.
- 4) For refund of such Lapsed Deposit shall be made under the sanction of Circle Accountant Office when the detailed accounts are not kept in the Telecom Accounting Units whereas refund can be made without the sanction of Circle Accountant Office when the detailed accounts are kept in the Telecom Accounting Units.
- 5) While making payment of refund from Lapsed Deposit, the amount shall be charged to refunds and not debited to Deposits.

1(c)

- 1) Para 92 to 95 of P&T Manual Vol. XIV deals with Subscribers' Record Card (SRC).
- 2) SRC is a ledger account in form ACE-91 for every telephone connection to a departmental exchange or to PBX, for every non-exchange system or guaranteed telephone line, long distance telephone circuit rented out to Defence Services, Canals, Railways etc.
- 3) It contains the full details regarding the subscriber namely, name, address, indicator number, date of installation, details of deposit collected, details of facilities provided, details of bills sent, details of amount collected, date of disconnection for non-payment, date of restoration/reconnection, date of permanent closure etc.
- 4) SRC Cards can be kept in Steel Cabinets or in loose leave binders and in different colors according to category wise (like service connection, Government Connection, Heavy Callers connection etc) and according to exchange wise.

1(d)

- 1) Para 13 of P&T Manual Vol. XIV deals with the Particular Person Calls.
- 2) This trunk telephone call booked to call a particular person. Call is put through only when particular person is available at the called station.
- 3) This PP facility is not permitted on Fixed Time or Subscription Fixed Time.
- 4) A supplementary charge (ie., 50% of the ordinary call charges) shall be levied on PP Calls.
- 5) Caller has the option of giving either two names or two telephone numbers.
- 6) It can also be booked from and to a PCO for which other than above said charges, the PCO fee, late fee, messenger fee etc., on both the ends as the case may be shall be levied.

2(a) Paras 87 and 88 of P&T Manual Vol. XIV deals about the Demand Notes.

1. Engineering authorities shall issue the demand note to the prospective subscribers for installation of telephone connection and for provisioning of accessories thereof.
2. It authorizes to collect the amount towards telephone rent, deposit, rent for accessories, installation fee etc.
3. It authorizes to collect the amount of deposit on the basis of category under which it has been applied namely, OYT, Non-OYT, Tatkal.
4. It is prepared in quadruplicate and three copies are issued to the subscribers retaining one copy in subscriber's file.
5. Payment of Demand Note can be made either Post Officer or in Cash Counter of the SSA.
6. One copy of paid Demand Note shall be handed over to the subscriber, one copy shall be retained for Voucher and one copy shall be made over to the TRA Unit along with Post Office Daily List/Cash Counter of SSA Daily List.
7. On payment of Demand Note, the Engineering authorities shall issue the advice note to authorize a person to execute the work quoting the demand note particulars in the advice note.
8. When paid demand note available in the Daily List of Post Office/Cash Counter, the particulars of the Demand Note Number, Date of Payment. Mode of Payment, Where it has been paid, Reference of Daily List in which it has been shown etc shall be noted in the Register of Demand Notes and Advice Notes maintained in Form Eng. 53 (a).
9. This Register of Demand Notes and Advice Notes shall contain other than the above said particulars of Demand Note, the Advice Note Number, Date of Issue, Date of execution of work etc.
10. When the Advice Note received, it has to be verified with the Demand Note Particulars entered in the Register of Demand Notes and Advice Notes Register.
11. In the demand note, the payment of deposit shall be collected on the basis of category in which telephone connection applied, namely, OYT, Non-OYT, Tatkal etc. Further the demand note payment contains installation charges and annual rental deposit etc.
12. After getting the Advice Note, the deposit amount available in the Demand Note shall be entered in the concerned Deposit Register namely, OYT Deposit Register, Non-OYT Deposit Register, Tatkal Deposit Register, Annual Rental Deposit Register etc along with a entry in the Subscriber's Record Card.

13. If any outstanding bills paid by the subscriber through the demand, the same is entered in the concerned Bill Register or Register of Outstanding.

2(b) 1. Rule 52 of FHB Vol V deals with action to be taken on the Money refund undelivered.

2. On getting the undelivered money order/cheque, the address noted will be checked and if it is found wrong, the money order/cheque to be sent to the correct address.

3. In all other cases, refund of money order shall be taken to the head Other Receipts and will be included in the Daily List of Collection under appropriate column.

4. In the case of return of cheque, the same shall be cancelled and taken to Other Receipts through Journal Slip and will be included in the Daily List of Collection under appropriate column.

5. On getting the Daily List, the particulars shall be noted in the SRC, Register of Refunds, Office copy of sanction of Refunds.

3.

1. Rules 30 to 35 of FHB Vo. V deals with preparation of bills under Measured Rate System.

2. In the case of Measured Rate System, when bimonthly bills are issued, Local call statement of duplicate copy is being received well before the time for issue of bills.

3. The calls made by the subscriber to the exchange in respect of trunk enquiry, complaints etc are not metered.

4. The calls made by the departmental staff in connection with the testing faults will be allowed as credit calls.

5. Morning Alarm Calls or Reminder Service Calls etc are metered as debit calls.

6. A 5% test check of local call statement is being conducted at the exchange by Supervisor.

7. Any unusual number of credit calls allowed in any particular indicator shall be brought to the notice of higher authorities.

8. In TRA unit, a test check of 25% of the entries are done and a reconciliation of gross calls minus credit/free calls plus debit calls which is equivalent to chargeable calls and chargeable amount worked out is being done.

4.

1) Rule 60 of FHB Vol. I deal with Standards of Financial Propriety

2) Strict guidelines for every officer incurring the expenditure from public funds are given under Standards of Financial Propriety.

He should exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.

The expenditure should not be prima facie more than the occasion demands.

He should not exercise his powers of sanctioning expenditure to pass on order which will be directly or indirectly to his own advantage.

Public money should not be utilized for the benefit of a particular person or section of the people, unless a claim for the amount could be enforced in a court of law or the expenditure is in pursuance of a recognized policy or custom.

The amount of allowances granted to meet the expenditure of any type should not be on the whole a source of profit to the recipient.

Responsibility and accountability is total and indivisible. Public interest should be uppermost in mind while making a purchase procurement decision. The responsibility is

not discharged merely by the selection of cheapest offer but must confirm the following yard-sticks of financial propriety: (a) Whether the reasonable procedures have been followed, (b) Whether the purchase shall meet the adequate requirement, (c) Whether the purchase shall meet the reasonable quality and (d) Whether the selected offer is most appropriate one.

Usually or at least whenever it is necessary, the concerned authority must record its precise terms, the conditions which weighted with it while taking the procurement decision.

5. 1) Paras 291 & 296 of P&T Manual Vol XIV deals with the procedure of daily list checking and reconciliation.
- 2) When a subscriber pays a telephone bill at post office and cash counter, the counter clerk shall affix a date stamp for receipt of payment and return one copy to the subscribers.
- 3) Immediately necessary entry is made in the daily list.
- 4) At the end of the day, daily list is closed by totaling it and will be sent to TRA Unit along with all vouchers of payment ie., telephone bills and demand notes etc.
- 5) In the TRA unit, all the daily lists are handed over to TR recovery section. The daily lists are noted in the relevant post office allotted page. Any missing daily list of the concerned post offices are called for immediately.
- 6) Each amount entered in the daily list should be checked with reference to relevant vouchers.
- 7) Thereafter, the vouchers are segregated and sorted according to exchange wise. The same is sent to TR Accounting clerk who in turn will note down in the SRC and relevant registers. A certificate to that effect shall be given by the TR Accounting clerk.
- 8) After getting back all the vouchers, the same shall be entered in the bill register and outstanding bill register and then the vouchers given to sub-ledger section for compilation of sub-ledger.
- 9) In TR 30 Form, full details of daily lists are entered on daily basis and monthly consolidation done in TR 31 Form.
- 10) Total monthly payments (Consolidated in TR 31) should agree with the Sub-Ledger. This sub-ledger is prepared with the help of bill register and outstanding register.
- 11) To check the correctness of bill register and outstanding register payments and the posting done subscriber's record card, at the time of issue of disconnection list, the list is prepared through SRC and compared with the Bill Register and Outstanding Register.

6. The sources of receipts for Telephone Branch are being dealt in Rule 8 of FHB Vol. V and are as follows:

**Rental and Local Call Fees:**

In this category, the receipts are as follows:

Rent of Telephone Connection to Departmental Exchange.

Local Call Fees for the Telephone Connection.

Installation Charges.

Shifting Charges.

Rent of Private and other exchange, non-exchange lines.

Installation Charges for accessories, Fees for accessories and Rent of accessories.

Rent of Telephone Wires/Circuits and instruments leased to Railways, Canals, Defence and other Government Departments and Private Bodies.

**Trunk Call and PCO Call Fees:**

In this category, the receipts are as follows:

Charges for Telephone Calls made long distance including the overseas calls.

Charges for Local Calls on PCO connections.

Registration Fees from prospective telephone subscribers under various schemes like OYT, Non-OYT, Tatkal.

License Fee on value added services like Radio Paging, VSAT Service, E-Mail, Video Conferencing, Voice Mail, FAX, Videotex Service, Broadcast via Satellite and public mobile radio service.

Recoveries from Guarantors.

Royalty on License for Private Telephone Lines and Systems.

Fee and Other Misc. Receipts:

Receipts from Advertisements.

Sale of Telephone Publication.

Sale of Telephone Application Forms.

Rent of Buildings.

Surcharge on Delayed Payment.

Residential Service Connection Charges billed exceeding the prescribed limit.

7. 1. Paras 81 of P&T manual Vol. XIV deals with the importance of advice note register.

2. To keep a watch on timely receipt of advice note and to see further action in TRA branch a register of advice notes is maintained.

3. Advice note register is maintained ACE-90 form.

4. Advice note is issued by the engineering officers in chronological order on serial number.

5. Receipt of advice note is watched through this register.

6. There should not be any gap in the serial order.

7. Every advice note issued or cancelled are entered in the advice note register.

8. Once serial number allotted to the engineering officers, all the advice note numbers should be filled in the column against advice note number.

9. On receipt of advice note, the relevant particulars be filled against the advice note numbers already entered.

10. Column no: 7 meant of date of disposal. The advice note register shall be sent to Accounting clerk atleast once in a week, so that the accounting clerk shall enter the date of disposal that is for confirming the advice note particulars entered in the subscriber's record card and rent control register.

11. Column No.9 meant for dated signature of the accounting clerk. This is for having checked the address of the subscriber for issue of bills.

12. On the first week of the month, engineering officers shall issue a monthly statement of advice note issued upto the previous month but not submitted.

13. With this statement, the gap in the serial numbers should be checked.

If any missing serial number of advice note is noticed, the same shall be taken up with the engineering officers and get it solved.

14. After the checking of monthly statement of advice notes issued but not submitted, a certificate should be given by the Accounting clerk for having checked and missing serial numbers are brought to the notice of the engineering officers, in the advice note register.

**JAO PART II MODEL TEST PAPER FOR DECEMBER 2012 MAIN EXAMINATION  
PAPER I [TELECOM ACCOUNTS-I] [WITHOUT THE AID OF BOOKS]  
TIME ALLOWED : 2 HOURS SOLUTION TO QUESTION PAPER NO.2**

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1. (a)

- 1) Para 287 ibid of P&T Manual Vol. XIV deals with the Outstanding Pursuit Cell.
- 2) Outstanding Pursuit Cell shall receive the defaulters' list after the closure of connection and adjustment of deposit for the telephone bills due from the TRA Unit for taking necessary action till the outstanding amount is settled or written-off.
- 3) While transferring the defaulters' list to Outstanding Pursuit Cell, following records are also transferred: Subscribers' Record Card, Trunk Call Tickets, Outstanding Bills etc.

Outstanding Pursuit Cell will pursue the collection of outstanding amount through outdoor staff. Monthly progress will be watched.

Every month they will put up the case to Board of Liquidation for considering the write-off cases.

They will pursue the matter with legal authorities for initiation of legal action against defaulters.

1. (b)

- 1) Para 305 & 306 of P&T Manual Vol. XIV deals with the Monthly Sub-Ledger Accounts.
- 2) Sub-Ledger Accounts for the month is prepared in form ACE-103 in each SSA.
- 3) This work will start after closure of monthly accounts and recoveries etc are noted.
- 4) This is progressive account and shows the amount billed for, collections made, cancellation/written off during the month and the closing balance.
- 5) Preparation of Monthly Sub-Ledger Accounts:
  - a) Opening Balance will be posted from the closing balance of previous month which represent outstanding bills.
  - b) Amount bills issued during the month (including Demand Notes and PCO Collection but excluding service telephone connection bills) being the total amount of bills.
  - c) Amount Collected by Post Offices/Banks/Cash Counters etc as per Bill register.
  - d) Refund as per Register of Refund, Cancelled as per Cancelled bill register and Written-off as per the sanctions.
  - e) Discounts.
  - f) Closing Balance being the outstanding of bills at the end of the month as per Outstanding Bill Register.
- 6) This is being separate independent account which is useful for reconciliation of all the registers in TRA Unit and it shows the correctness of the payment entries made in the register and also useful for seeing the trend in collection.
- 7) Separate sub-ledger is being prepared for Deposits and Circuits also.

1. (c)

- 1) Para 179 of P&T Manual Vol. XIV deals with the refund of OYT Deposit of Closed Connection.
- 2) The telephone connection given under the OYT Scheme is surrendered within the period which is fixed for rebate in rental in consideration of OYT Deposit is comes under the case of refund of OYT Deposit of closed connection.
- 3) In this case, a refund shall be made out of the OYT Deposit after deducting there from sum total of rebate in rental is allowed for every year or part of the year as is admissible as per the terms of the deposit.
- 4) The said refund in any case shall not exceed the  $\frac{3}{4}$ <sup>th</sup> of the initial OYT Deposit.

5) Telephone Bills due shall also be deducted after making the above said calculation of refund of deposit.

1. (d)

- 1) Below Rule 119 of FHB Vol I deals with the custody of used up Cash Book.
- 2) The Cash Book are preserved permanently and there is no uniform procedure for the custody of used by Cash Book in Telecom Units.
- 3) However, Disbursing Officer who is responsible for up keep and maintenance of cash book should also be responsible for the safe custody of used up cash books also.
- 4) Used up Cash Books should be serially numbered and kept in a cup board under lock and key in the custody of Disbursing Officer.
- 5) Whenever used up cash book taken out, entries with regard should be made in the register and should be watched for its return.
- 6) On his transfer, entry should be made under the signatures of both relived and relieving officer.

2. (a)

1) Para 215 of P&T Manual Vo. XIV deals with the different types of deposits collected from the subscriber.

2) Following are the different types of deposits are made by the Telephone subscribers:-

- a) Advance Deposits
- b) OYT Deposits
- c) One Year Advance Rental from Non-OYT subscribers.
- d) Deposits for temporary or casual connection.
- e) Security Deposits.
- f) Deposits for Coin Box Attended Type PCO.
- g) Deposits for reversed Charge Trunk Call.
- h) Deposits of intelx Credit Cards.
- i) Voluntary Deposits.

With regard to interest calculation for Advance Deposit and procedure of clearance at the time of opening of telephones, following are the instructions:

1) Advance deposit scheme was introduced w.e.f. 1<sup>st</sup> Septemeber 1975.

2) Under this scheme, the applicant for telephone is required to deposit the advance deposit as indicated in the Tariff.

3) The deposit shall carry interest at the bank rates.

4) The name of interest has been changed as waiting charge w.e.f. 1.4.92.

5) Advance deposit shall earn interest from the date preceding the date of installation of the telephone w.e.f. 9.681. (Prior to this period, interest was allowed upto the date preceding the date of issue of orders for installation of telephone).

6) Interest is calculated for completed number of months from the date of payment of such deposit.

7) At the time of installation of telephone, second demand notes indicating the amount of advance deposit already paid, interest thereon, amount of advance rental for one year in the case of Non OYT connections and OYT deposit in the case of OYT connections, installation fee and net amount payable/refundable, are issued. This second demand notes are to be prepared by the TRA Branch.

8) The advance deposit registers are cleared by transferring them to advance rental for one year of OYT Deposit Registers. The refund, if any, is allowed by the adjustment in the telephone bills.

**2. (b)**

- 1) Rule 1 to 8 of FHB Vol. I and Para 1 of P&T Manual Vol. XIV deals with the rules regarding establishing, maintaining and working of Telephone and grant of licences to private persons or bodies.**
- 2) The exclusive privilege of establishing, maintaining and working telephones within India vests with the President of India.**
- 3) The same is administrated by Chairman, Telecom Commission in Department of Telecommunications, Government of India on behalf of President of India.**
- 4) Granting of licences to private firms for erection and operation of Telephone system of Telephone System is allowed subject to certain conditions laid down in the Indian Telegraph Rules.**
- 5) The licences to operate Telephone System on profit to private persons can be granted at the discretion of the President of India as he may think fit and the Chairman, Telecom Commission is authorized to grant licences on behalf of President.**
- 6) The licences to operate Telephone System without profit to private persons in a Circle, Circle Head is authorized to issue such licences whereas if it involves more than a Circle, the same is issued by the Chairman, Telecom Commission on specific condition and is subject to payment of the prescribed royalties.**
- 7) Telephone system is controlled by the Telephone Branch of BSNL and therefore, the collection of revenue vests with the TRA Unit and it can be collected through the Cash Counters, Post Offices, Customer Service Centers, Banks etc.**

**3.**

- 1) Rules 10 to 16 of FHB Vol. I deals with the safeguards exist to prevent the irregular withdrawal of money from public exchequer.**
- 2) Money can be withdrawn only under the written authority of Accounts Officer or Disbursing Officer.**
- 3) An Accounts Officer may not permit withdrawal at a place outside his jurisdiction.**
- 4) The following are the only specified purpose for which disbursing officer may permit withdrawal at his own authority:-**
  - a) To pay sum due from the Government to the Drawing Officer.**
  - b) To provide the drawing officer with funds to meet claim likely to presented against the Government in the immediate future.**
  - c) To enable the drawing officer to supply to another Government Officer to meet similar claims.**
  - d) To pay sums on account of loans and advances.**
- Withdrawal of money for any other purpose mentioned above shall require the express authorization of the Accounts Officer.**
- 5) A disbursing officer shall not permit withdrawal of any purpose unless the claim for withdrawal comprise with the provision of the rule.**
- 6) Except where specifically provided payment can only be made in the office under the jurisdiction of which the claim arises.**
- 7) No authority may incur any expenditure or enter into any liability involving expenditure from public funds until the expenditure has been sanctioned by the competent authority and necessary provision exists.**

**However disbursing officer shall not refuse the payment for which sanction particulars not noted, the responsibility for incurring unsanctioned expenditure rest with drawing officer.**

- 8) A disbursing officer has no general authority to make payment; his authority is limited by the financial rules.**

9) A disbursing officer has no authority to act under an order of Government sanctioning a payment, unless it is an express order to him to make the payment.

10) If a demand is presented at a disbursing officer for payment, it is not authorized by or under the rules or is not covered by a special order from the Accounts Officer; the disbursing officer shall decline payment.

4. (a)

(1) Para 297 of P&T Manual Vol. XIV deals with Unadjusted Credits.

(2) Unadjusted credits are one for which payment noting could not be done either on the bill register or in the outstanding register.

(3) Unadjusted credits arise on the following reasons:

(a) Details attached with the vouchers of Daily List may be sufficient enough.

(b) Vouchers may be missing in the Daily List.

(4) Details of unadjusted credits are entered in a separate register and cleared off in the following manner:

(a) by adjusting in the concerned outstanding bill register cited relevant serial item of the credit of the unadjusted register.

(b) by transferring unadjusted credit amount to the excess payment register in case the bill has been paid more than one time.

(c) by making fresh entry in the bill register in case original entry was missed at the time of issue of bill and form unadjusted credit. The amount now be cleared.

4. (b)

1) Para 87 of P&T Manual XIV deal with the interlinking of demand notes and advice notes.

2) Engineering authorities shall issue the demand note to the prospective subscribers for installation of telephone connection and for provisioning of accessories thereof.

3) It authorizes to collect the amount towards telephone rent, deposit, rent for accessories, installation fee etc.

4) It authorizes to collect the amount of deposit on the basis of category under which it has been applied namely, OYT, Non-OYT, Tatal.

5) It is prepared in quadruplicate and three copies are issued to the subscribers retaining one copy in subscriber's file.

6) Payment of Demand Note can be made either Post Officer or in Cash Counter of the SSA.

7) One copy of paid Demand Note shall be handed over to the subscriber, one copy shall be retained for Voucher and one copy shall be made over to the TRA Unit along with Post Office Daily List/Cash Counter of SSA Daily List.

8) On payment of Demand Note, the Engineering authorities shall issue the advice note to authorize a person to execute the work quoting the demand note particulars in the advice note.

9) When paid demand note available in the Daily List of Post Office/Cash Counter, the particulars of the Demand Note Number, Date of Payment, Mode of Payment, Where it has been paid, Reference of Daily List in which it has been shown etc shall be noted in the Register of Demand Notes and Advice Notes maintained in Form Eng. 53 (a).

10) This Register of Demand Notes and Advice Notes shall contain other than the above said particulars of Demand Note, the Advice Note Number, Date of Issue, Date of execution of work etc.

11) When the Advice Note received, it has to be verified with the Demand Note Particulars entered in the Register of Demand Notes and Advice Notes Register.

12) Demand Notes which are issued for recovery of advertisement charges in the telephone directory, charges for damaged instruments, restoration fee and outstanding bills should not be entered in the Demand and Advice Note Register.

5. (a)

1) Para 443 of P&T Manual Vol. II deals with the tendering procedure.

2) There are four systems of tendering procedure for purchase.

3) Open Tender System:-

(a) Inviting tender by advertisement in newspapers.

(b) This system should be adopted for estimated value of tender is above Rs. 2 Lakhs.

(c) For estimated value from 2 Lakhs to 5 lakhs, the advertisement should be in the local newspapers whereas for the estimated value above Rs. 5 lakhs, the medium of advertisement should be in National daily and Indian Trade Journal.

4) Limited Tender System:-

a) Inviting directly to the suppliers in the approved list.

b) This system will be adopted for an estimated value less than Rs. 2 Lakhs.

c) It should be invited to the past successful suppliers plus at least 15 firms in the list on rotational basis or actual numbers available in the list, if the number is less than 15.

This limited tender system will be adopted even when the estimated value exceeds Rs. 2 Lakhs in the following circumstances:

a) When sufficient reasons are available to not to call open tender system and the same should be recorded in writing;

b) When there is sufficient reasons for urgency in procurement, the same should be recorded in writing; and

c) When the sources of supply definitely known and possibility of outside supply beyond the list available is remote, then the Limited Tender System may be followed.

For all the above cases, approval of the competent authority is must.

5) Single Tender System:-

a) Inviting only one firm.

b) Articles specifically certified as of proprietary nature by the Department or to the knowledge of the procuring agency that only particular firm is the manufacturer of the said article demanded.

6) Negotiations:-

a) When the quantity is high and cannot be procured at the competitive nature due to shortage of supply or any other reasons or there is no competition, in such kind of situation this method should be adopted.

5. (b)

1) Para 443 of P&T Manual Vol. II deals with the rejection of lowest tender.

2) When the authority competent to accept the tender is doubtful about the ability of the lowest tenderer to execute the work satisfactorily, can order for rejection of his tender.

3) When the tenderer have no previous experience for the type of work tendered, then the competent authority can order for rejection of his tender.

4) When the tenderer is not willing to execute agreement in the prescribed form, then the competent authority can order for rejection of his tender.

5)When the tender other than the lowest one accepted, the reasons for the rejection of all the tenders lower than the accepted one, should be recorded.

6)When an authority below the rank of the Head of the Circle intends to accept a tender other than the lowest one, the approval of Head of the Circle is to be obtained.

6. (a)

(1) Para 214 of P&T Manual Vol.XIV deals with the general conditions for grant of refund of amount towards telecom receipts.

(2) Double or excess payment made by the subscriber in respect of Rental and Trunk Call bills should be entered in a separate register for the said purpose. This register is maintained in Form TR 23 and is called Excess Payment Register. Entries in the register should be attested by the Head of the Section.

When the excess payment is adjusted in the subsequent bills, the particulars should be noted against the column provided in red ink and should be attested by Accounts Officer.

(3) Double or excess payment should also be noted in the Subscriber Record Card and the adjustment should also be noted in the SRC.

6. (b)

Para 212 ibid of P&T Manual Vol. XIV deals the procedure for refund of telephone revenue.

Amount of refund to be made to subscriber can be arrived from Excess Payment Register and Register of Deposits.

The refund order shall be prepared in form ACE 109 in triplicate.

It contains the sanction of payment to be made to the subscriber along with name, indicator number, address etc.

It will put up to Accounts Officer and he will sign first two copies and also he will sign in the concerned deposit register and excess payment register.

The third copy will be certified by the Section Supervisor and he certifies that the first two copies signed by Accounts Officer.

The first copy and third copy shall be forwarded to Cashier and the second copy will be retained as office copy in TRA Unit.

Then Cashier will prepare the Pay Order for refund by cheque.

A crossed cheque will be issued to the subscriber.

After issue of cheque to the subscriber, Cashier will intimate the cheque particulars, namely, cheque number, date of cheque, amount of cheque to TRA Unit along with the third copy.

This third copy will be kept along with second copy already in file in TRA Unit.

7.

I. UPKEEP:

1) Rule 114 to 119 of FHB Vol. I deals with the upkeep of cash book.

2) Cash Book should be maintained in prescribed form by the officer who is authorized to receive money and make payments on behalf of Government of India.

3) Head of the SSA or nominated officer should count the blank pages of the cash book and record a certificate in the front page of the cash book before the cash book put into use.

4) Those who are having imprest or Temporary Advances should not maintain a cash book but render accounts in the prescribed form.

5) Only cash receipts and cash payments are to be entered in the cash book on the appropriate column with details of receipts and payments.

- 6) Transactions should be entered in the chronological order in the order of occurrence.
- 7) Receipt entries should be serially numbered with Receipt Number and the same has to be noted in the voucher. Payment entries are also serially numbered and the voucher number should be noted in the bill or voucher.

**Exceptions:**

- 1) In the office of the Chairman, Telecom Commission, all the contingent expenditure shall be entered in the Register of Contingent Expenditure and a single entry for each day's lump sum amount shall be entered in the cash book.
- 2) In the Telephone Districts, even though all the payments are to be entered immediately in the order of occurrence but can be entered on the order of occurrence at least on the same day.
- 3) Normally erasures are prohibited. If any correction is to be made, the wrong entry should be cancelled and in between the lines, a new entry in red ink should be made with attestation of DDO. However, if accounts are closed and submitted, then the wrong entries can be corrected only after getting the sanction from the authority to whom the accounts were submitted.

## **II. VERIFICATION:**

- 1) Rules 120 and 121 of FHB Vol.I deals with verification of cash book.
- 2) The cash book entries should be checked as soon as the date of occurrence and the DDO should affix dated initial on the last entry he checked. In the end of the month, he should sign in the cash book at the end of the last entry in the month.
- 3) Payment entries should be checked along with the payment vouchers. Each voucher should be checked whether the pay order has been signed by himself, whether the head of account charged is correct, whether the mode of payment done as per the instructions etc.
- 4) Receipt side entries which may reflect from the payment vouchers ie., gross amount booked in the payment side and the deductions charged in the receipt side. In that case, in the receipt side it should be checked whether the voucher has been quoted, whether the deductions have been charged in the correct head of account, whether the authority of the deductions are in order.
- 5) Entries of Bank accounts in the payment side should be checked with reference to the counterfoils of the cheque book whereas the bank entries in the receipt side should be checked with reference to challans of remittance to the bank.

## **III. BALANCING:**

- (1) Rules 123 to 125 of FHB Vol.I deals with the balancing of cash book.
- (2) Each month on 10<sup>th</sup>, 20<sup>th</sup> and last working day of the month, the cash book should be closed and balanced. He should certify the cash balance by actual counting. If 10<sup>th</sup> and 20<sup>th</sup> happens to be Sunday or holiday, it should be closed and balanced on the next working day.
- (3) If transactions are numerous then the closing and balancing on daily basis is advisable.
- (4) At the time of closing and balancing of cash book, the out of account money available in the UD register should also be checked and necessary immediate should be initiated to disburse the amount or to deposit in the Government accounts.
- (5) If any errors found, it should be rectified at once. If any short or excess cash balance found while balancing the cash book found, necessary entries should be made either in the Payment side (for short in the cash balance) or in the Receipt side (for excess in the cash balance) and further action to be taken to rectify the same.

**Exceptions:** Cash book need not be closed on no transaction day or on holidays/

**JAO PART II MODEL TEST PAPER FOR DECEMBER 2012 MAIN EXAMINATION**  
**PAPER I [TELECOM ACCOUNTS-I] [WITHOUT THE AID OF BOOKS]**  
**TIME ALLOWED : 2 HOURS      SOLUTION TO QUESTION PAPER NO.3**

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1. (a)

Para 61 of P&T Manual Vol. XIV and Rule 76 of FHB Vol. V deals with Reconciliation of Trunk Call Register.

This work has to be done only after the issue of bills.

First, number of tickets chargeable (including the chargeable Phonogram Tickets) should tally with the number of tickets charged as per the bill register.

Secondly, the sum of above said tickets as per listing list should tally with charged amount as per the bill register.

It should be maintained in Form TR-4 for exchange wise.

Discrepancies, if any noticed, should be recorded in the register.

A certificate to the effect of reconciliation on exchange wise should be entered by checker in the concerned Bill Register and the Register of Reconciliation.

1. (b)

1) Para 237 & 238 of P&T Manual Vol. XII deals with the Private Public Telephone.

2) Private Public Telephones are provided at non-residential places and suitable locations of public places like bus terminus, railway stations, Airports etc in consultation with the concerned authorities.

3) The said facility shall be opened with CCB without attendant and with ordinary instrument for making local calls and STD calls with attendant and with computer peripheral devices for valuing and recording the local and STD calls. It may be manned by ex-serviceman or by handicapped or by ordinary person.

1. (c)

1) Without assistance of operator, by the use of dial, subscriber can make the trunk call. This facility is called as STD facility.

2) When the subscriber does not want the STD facility, he can, by request in writing to the concerned Engineering Authorities to bar the facility of STD. In that case, he cannot make any trunk call without the assistance of operator.

1. (d)

1) Para 81 of P&T Manual Vol. XIV deals with the Register of Advice Notes.

2) Advice Note in form ACE-90 is maintained in TRA Unit.

3) Advice Note is the basis on which TRA Unit maintains records and issue bills.

4) It starts from the opening of new telephone connection. Advice Note is being prepared and issued by Engineering authorities and one copy is sent to the TRA Unit.

5) Being the important document, the check on chronological order on serial number of advice notes are watched in the TRA Unit through the Advice Note Register.

6) In the Advice Note Register, Advice Note Number, Name of the work, Date of installation/completion etc are written.

7) Any missing Serial Number in the Advice Note shall be brought into the notice of the Head of the SSA.

2. (a)

- 1) Para 170 of P&T Manual Vol.XIV deals with the reconnection of telephone without charges.
- 2) When a phone is disconnected for Non-Payment of dues but the subscriber has already paid the amount and intimation received in TRA Unit late, the connection can be reconnected without reconnection charges on the authorization of Accounts Officer (TR).
- 3) When the bills issued not paid subsequently noticed by raising of bills itself is found wrong, then the connection can be reconnected without reconnection charges on the authorization of Accounts Officer (TR).
- 4) When a subscriber complaint about the Excess/Wrong billing and the case is under investigation and till the result of the investigation, the connection can be reconnected without reconnection charges on the authority of Accounts Officer (TR).

2. (b)

- 1) Para 191 of P&T Manual Vol. XIV deals with the recovery in installment.
- 2) Accounts Officer at his discretion may recover outstanding amount in installments provided:- (a) the telephone of the subscriber has already been disconnected; (b) the installments fixed are not so small as to make the period of recovery of the dues unnecessarily long; and (c) This course is adopted sparingly so that the advantage of these facilities may not be extended to the subscribers who really possesses the means to pay in one installment.

2. (c)

Operating ratio is the ratio of the total operating expenses to the total income from the service.

$$\frac{\text{Operating expenses} \times 100}{\text{Operating income}}$$

Operating income includes revenue from main services and other miscellaneous services but excludes the income such as interest, dividend etc.

Operating expenses includes all the expenditures related to employees but excludes interest payable to other government departments/banks.

Operating ratio keeping at the high percentage should be avoided. This can be brought down by minimizing expenditure and generating more revenues.

The capacity utilization should be monitored so the maximum up to the level of capacity should be utilized by every month.

2. (d)

1. Average revenue per DEL will be calculated dividing total number of bills issued (ABF) during the month by the average number of DELs for the month.

$$\frac{\text{ABF (excluding cancelled and written-off)}}{\text{Average number of DELs}}$$

When average revenue is required to be calculated for more than one month, it shall be calculated by dividing total number of bills issued during the months by average number of DELs during the month.

Example:

$$\frac{\text{Total amount billed for three months}}{\text{Average DEL} \times 3}$$

The average number of DELs during a particular period will be the average of the mean of every month.

Calculation will be as follows:

No. of working DELs (Excluding service connections) as on

01.04.2000 – A

30.04.2000 – B

31.05.2000 – C

30.06.2000 – D

Average no. of DELs from April to June 2000

=  $( (A+B)/2 + (B+C)/2 + (C+D)/2 ) \times (1/3)$

3.

Rule 35 of FHB Vol.I deals with the general instruction regarding preparation of the bills to be observed by drawing officer to Telecom Dept.

Following are the general instructions:

As far as possible printed form of bill should be used for Debt head items bill should be drawn in the concerned form.

Bills normally should not be used purely on written on Regional languages. Atleast, the amount, the name of the payee and nature of payment should be written in either hindi or English.

Bills must be filled and signed in Ink. Ball points may be used if it is legible and clear. Amount should be written in figures and words followed by "only".

As far as possible, bills should be prepared without any correction or overwritten. If any correction is needed, the old entry should be cancelled and new entry to be inserted. All the corrections should be attested with dated signature.

When more than one copy of bill is prepared, only one copy should be signed in full whereas other copies are only initiated.

Correct classification, sub-classification should be given in the rule.

Charges more than one major head in one bill, may be avoided.

Bills should be signed only by the Head of SSA unless otherwise specifically authorized or delegated to subordinates.

No payment can be made on facsimile signatures.

If more than one copy is prepared, only one should be marked as duplicated Non payable.

Facsimile signature is allowed in Telephone bills likewise, facsimile signatures allowed in Electricity bills, Municipality or claims of corporation, Indian Airlines on account of their due etc were allowed for making payment.

Bills require counter signature should be presented only after counter signature.

Bills payment on special orders, Order number should be quoted.

Normally we should get the dated signature from the payee while making payment. If date is not mentioned, DDO may put date with initial in the bills.

The authority for deductions should be quoted.

Next higher rupee of total payment with the bills should be noted in red ink as "Under Rupees".

When drawing officer requires payment to be made to other than the person mentioned in the bill, he should enclose the copy of authorization.

The column left blank in money and particulars of bills should be invariably filled with oblique lines.

**4(a)**

The sources of receipts for Telephone Branch are being dealt in Rule 8 of FHB Vol. V and are as follows:

**Rental and Local Call Fees:**

In this category, the receipts are as follows:

Rent of Telephone Connection to Departmental Exchange.

Local Call Fees for the Telephone Connection.

Installation Charges.

Shifting Charges.

Rent of Private and other exchange, non-exchange lines.

Installation Charges for accessories, Fees for accessories and Rent of accessories.

Rent of Telephone Wires/Circuits and instruments leased to Railways, Canals, Defence and other Government Departments and Private Bodies.

**Trunk Call and PCO Call Fees:**

In this category, the receipts are as follows:

Charges for Telephone Calls made long distance including the overseas calls.

Charges for Local Calls on PCO connections.

Registration Fees from prospective telephone subscribers under various schemes like OYT, Non-OYT, Tatkal.

License Fee on value added services like Radio Paging, VSAT Service, E-Mail, Video Conferencing, Voice Mail, FAX, Videotex Service, Broadcast via Satellite and public mobile radio service.

Recoveries from Guarantors.

Royalty on License for Private Telephone Lines and Systems.

**Fee and Other Misc. Receipts:**

Receipts from Advertisements.

Sale of Telephone Publication.

Sale of Telephone Application Forms.

Rent of Buildings.

Surcharge on Delayed Payment. Residential Service Connection Charges billed exceeding the prescribed limit.

**4 (b)**

(1) Para 342 of P&T Manual Vol. XII deals with the Circuits.

(2) Telephone circuits are provided to Government Departments, Private Bodies etc.

(3) Telephone circuits are provided for communication between two offices or premises of the same subscriber without connecting to the departmental exchange or trunk system.

(4) The rental are payable in advance, annually or quarterly or monthly at the option of the subscriber.

(5) No rent will be charged on the stand by circuit if provided on the department's own initiative.

(6) The circuit shall be provided on service basis.

(7) No rental rebate shall be allowed on faulty circuit but spare circuit will be provided if the spare is available.

(8) The circuit will be guaranteed for the number of years based on the capital cost worked out subject to minimum of 3 months.

**Chargeable Distance of a Circuit:**

(A) Provided in the same town:

When the circuits are provided in the same town, the chargeable distance will be the radial distance plus 25% thereof.

**(B) Provided in the different places.**

Where the premises of the parties at different places and circuits are provided then the chargeable distance will be the radial distance between the two carrier stations plus 25% thereof.

In the both the cases, fraction of kilometer shall be rounded off the next higher integer.

**5. (a)**

- 1) Para 61 of P&T Manual Vol.XIV deals with Reconciliation.
- 2) The total number of chargeable trunk call tickets including the Phonogram tickets entered (as and when received from Exchanges) in the Register of Trunk Call Tickets and it should agree with the total number of tickets charged in the bill register.
- 3) The total chargeable value worked out in the listing sheet should agree with the total value shown in the Bill Register.
- 4) The trunk call reconciliation register is being done in Form TR-4.
- 5) The register is maintained in exchange wise.
- 6) A certificate of Reconciliation should be recorded by the checker in Billing section in the bill register.
- 7) It is the duty of the Section Supervisor to see that the Reconciliation Register is properly maintained and a certificate given on each billing period.
- 8) This register is submitted to Accounts Officer on the first week of every month.

**5. (b)**

Rule 37 & 38 of FHB Vol. I deals with the checks to be exercised and actions to be taken by the disbursing officer in dealing with bills presented for payment.

It has to be checked whether the rule is prepared as per rule.

Further whether the claim is admissible, the authoring good, the signature and counter signature whenever necessary genuine and in order and the receipt is legal quitance.

Whether the arithmetical calculation is accurate.

After the above said prescribed checks and is the disbursing officer is satisfied about the admissibility of the claim,

He should make necessary corrections if any required under his dated signature.

Endorse (sign) the pay order and should indicate the mode of payment by cheque /by DD/ by cash authorizing the cashier to make according to the mode of payment.

**6.**

- 1) Para 211 of P&T Manual Vo. XIV deals with refund by Postal Money Order.
- 2) The postal money order should be prepared in the prescribed form with reference to the Refund Sanction authorized by Accounts Officer on the basis of Excess Payment Register and the concerned Deposit Register.
- 3) This postal money order along with the refund sanction in Form ACE.109 (in triplicate) will be put up to Accounts Officer for his signature along with the concerned registers.
- 4) Accounts Officer will sign in the two copies (First and Third) of ACE.109, concerned deposit registers and postal money order form. Another copy (Second) will be certified by the section supervisor indicating that the Accounts Officer Sanctioned the Refund order and signed in the postal money order.
- 5) The postal money order may have the details of refund in the communication column.
- 6) First and second copy of ACE.109 along with postal money order shall be forwarded to cashier.

- 7) On getting the copies by cashier, he will obtain the order of payment from Accounts Officer in the First copy and will be treated as Voucher.
- 8) He will issue a crossed cheque in favour of Post Master and enclose the Postal Money Order.
- 9) The receipt particulars of postal money order will be noted in the Second Copy and forwarded to TRA Unit. He will retain the original receipt of Money order along with ACE 109 Pay Order.
- 10) Cashier will watch the acknowledgement of Postal Money Order.
- 11) In the TRA Unit, the relevant particulars about the refund will be noted in the concerned Registers.

7. (a)

- (1) Para 297 of P&T Manual Vol. XIV deals with Unadjusted Credits.
- (2) Unadjusted credits are one for which payment noting could not be done either on the bill register or in the outstanding register.
- (3) Unadjusted credits arises on the following reasons:
  - (a) Details attached with the vouchers of Daily List may be sufficient enough.
  - (b) Vouchers may be missing in the Daily List.
- (4) Details of unadjusted credits are entered in a separate register and cleared off in the following manner:
  - (a) by adjusting in the concerned outstanding bill register cited relevant serial item of the credit of the unadjusted register.
  - (b) by transferring unadjusted credit amount to the excess payment register in case the bill has been paid more than one time .
  - (c) by making fresh entry in the bill register in case original entry was missed at the time of issue of bill and form unadjusted credit. The amount now be cleared.

7 (b)

- (1) Rule 445 of Indian Telegraph Rules deals with powers of Telegraph authority to claim Security Deposit from the Telephone Subscribers.
- (2) Telegraph Authority may at any time before the connection is provided or during at the time of working of telephone connection any amount he may think fit may charge deposit which is called as Security Deposit may be levied.
- (3) Telegraph Authority may raise the security deposit along with the consolidated telephone bills issued at fixed frequent intervals or in a separate bill or demand note.
- (4) Telegraph Authority can order for disconnection of telephone and removal of instrument even if the subscriber pays telephone bills but without security deposit.
- (5) The security deposit shall be adjusted against telephone bills outstanding and balance amount refundable to the subscriber on closure of telephones.

**JAO PART II MODEL TEST PAPER FOR DECEMBER 2012 MAIN EXAMINATION**  
**PAPER I [TELECOM ACCOUNTS-I] [WITHOUT THE AID OF BOOKS]**  
**TIME ALLOWED : 2 HOURS      SOLUTION TO QUESTION PAPER NO.4**

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1 (a)

- 1) Para 36 of P&T Manual Vol. XIV defines the Guaranteed Telephone Connection.
- 2) It is a telephone connection for which the subscriber has executed a hiring contract with Guarantee Clause, according to which the subscriber will have to retain the connection for a stipulated period during which subscriber should invariably pay rent at a specified rate for it.

1 (b)

- 1) Rule 2 of Indian Telegraph Rules defines Local Area.
- 2) This definition is valid up to 14.08.1998.
- 3) Up to 14.08.1998, Local Area means 5 Kms Radial Distance from a Telephone Exchange and in case of Multi Exchange System all subscribers who were within the Municipality/Corporation boundary or those who were within 5 Kms Radial Distance of any local area exchange.
- 4) With effect from 15.08.1998, the definition is modified by an order of DOT dated 03.07.1998. Accordingly, Local Area of an exchange system will be the area co-terminus with short-distance charging area or where the telephone authority had decided any area served by multi exchange system to be the local area for the purpose of charging rent of and local calls put through telephone connection.

1 (c)

Para 61 of P&T Manual Vol. XIV and Rule 76 of FHB Vol. V deals with Reconciliation of Trunk Call Register.

This work has to be done only after the issue of bills.

First, number of tickets chargeable (including the chargeable Phonogram Tickets) should tally with the number of tickets charged as per the bill register.

Secondly, the sum of above said tickets as per listing list should tally with charged amount as per the bill register.

It should be maintained in Form TR-4 for exchange wise.

Discrepancies, if any noticed, should be recorded in the register.

A certificate to the effect of reconciliation on exchange wise should be entered by checker in the concerned Bill Register and the Register of Reconciliation.

1 (d)

- 1) Para 92 to 95 of P&T Manual Vol. XIV deals with Subscribers' Record Card (SRC).
- 2) SRC is a ledger account in form ACE-91 for every telephone connection to a departmental exchange or to PBX, for every non-exchange system or guaranteed telephone line, long distance telephone circuit rented out to Defence Services, Canals, Railways etc.
- 3) It contains the full details regarding the subscriber namely, name, address, indicator number, date of installation, details of deposit collected, details of facilities provided, details of bills sent, details of amount collected, date of disconnection for non-payment, date of restoration/reconnection, date of permanent closure etc.
- 4) SRC Cards can be kept in Steel Cabinets or in loose leave binders and in different colors according to category wise (like service connection, Government Connection, Heavy Callers connection etc) and according to exchange wise.

2.

The sources of receipts for Telephone Branch are being dealt in Rule 8 of FHB Vol. V and are as follows:

**Rental and Local Call Fees:**

In this category, the receipts are as follows:

Rent of Telephone Connection to Departmental Exchange.

Local Call Fees for the Telephone Connection.

Installation Charges.

Shifting Charges.

Rent of Private and other exchange, non-exchange lines.

Installation Charges for accessories, Fees for accessories and Rent of accessories.

Rent of Telephone Wires/Circuits and instruments leased to Railways, Canals, Defence and other Government Departments and Private Bodies.

**Trunk Call and PCO Call Fees:**

In this category, the receipts are as follows:

Charges for Telephone Calls made long distance including the overseas calls.

Charges for Local Calls on PCO connections.

Registration Fees from prospective telephone subscribers under various schemes like OYT, Non-OYT, Tatkal.

License Fee on value added services like Radio Paging, VSAT Service, E-Mail, Video Conferencing, Voice Mail, FAX, Videotex Service, Broadcast via Satellite and public mobile radio service.

Recoveries from Guarantors.

Royalty on License for Private Telephone Lines and Systems.

**Fee and Other Misc. Receipts:**

Receipts from Advertisements.

Sale of Telephone Publication.

Sale of Telephone Application Forms.

Rent of Buildings.

Surcharge on Delayed Payment.

Residential Service Connection Charges billed exceeding the prescribed limit.

3.

Paras 87 and 88 of P&T Manual Vol. XIV deals about the Demand Notes.

Engineering authorities shall issue the demand note to the prospective subscribers for installation of telephone connection and for provisioning of accessories thereof.

It authorizes to collect the amount towards telephone rent, deposit, rent for accessories, installation fee etc.

It authorizes to collect the amount of deposit on the basis of category under which it has been applied namely, OYT, Non-OYT, Tatkal.

It is prepared in quadruplicate and three copies are issued to the subscribers retaining one copy in subscriber's file.

Payment of Demand Note can be made either Post Officer or in Cash Counter of the SSA.

One copy of paid Demand Note shall be handed over to the subscriber, one copy shall be retained for Voucher and one copy shall be made over to the TRA Unit along with Post Office Daily List/Cash Counter of SSA Daily List.

On payment of Demand Note, the Engineering authorities shall issue the advice note to authorize a person to execute the work quoting the demand note particulars in the advice note.

When paid demand note available in the Daily List of Post Office/Cash Counter, the particulars of the Demand Note Number, Date of Payment, Mode of Payment, Where it has been paid, Reference of Daily List in which it has been shown etc shall be noted in the Register of Demand Notes and Advice Notes maintained in Form Eng. 53 (a).

This Register of Demand Notes and Advice Notes shall contain other than the above said particulars of Demand Note, the Advice Note Number, Date of Issue, Date of execution of work etc.

When the Advice Note received, it has to be verified with the Demand Note Particulars entered in the Register of Demand Notes and Advice Notes Register.

In the demand note, the payment of deposit shall be collected on the basis of category in which telephone connection applied, namely, OYT, Non-OYT, Tatkal etc. Further the demand note payment contains installation charges and annual rental deposit etc.

After getting the Advice Note, the deposit amount available in the Demand Note shall be entered in the concerned Deposit Register namely, OYT Deposit Register, Non-OYT Deposit Register, Tatkal Deposit Register, Annual Rental Deposit Register etc along with a entry in the Subscriber's Record Card.

If any outstanding bills paid by the subscriber through the demand, the same is entered in the concerned Bill Register or Register of Outstanding.

4.

#### **I. UPKEEP:**

- 1) Rule 114 to 119 of FHB Vol. I deals with the upkeep of cash book.
- 2) Cash Book should be maintained in prescribed form by the officer who is authorized to receive money and make payments on behalf of Government of India.
- 3) Head of the SSA or nominated officer should count the blank pages of the cash book and record a certificate in the front page of the cash book before the cash book put into use.
- 4) Those who are having imprest or Temporary Advances should not maintain a cash book but render accounts in the prescribed form.
- 5) Only cash receipts and cash payments are to be entered in the cash book on the appropriate column with details of receipts and payments.
- 6) Transactions should be entered in the chronological order in the order of occurrence.
- 7) Receipt entries should be serially numbered with Receipt Number and the same has to be noted in the voucher. Payment entries are also serially numbered and the voucher number should be noted in the bill or voucher.

#### **Exceptions:**

- 1) In the office of the Chairman, Telecom Commission, all the contingent expenditure shall be entered in the Register of Contingent Expenditure and a single entry for each day's lump sum amount shall be entered in the cash book.
- 2) In the Telephone Districts, even though all the payments are to be entered immediately in the order of occurrence but can be entered on the order of occurrence at least on the same day.
- 3) Normally erasures are prohibited. If any correction is to be made, the wrong entry should be cancelled and in between the lines, a new entry in red ink should be made with attestation of DDO. However, if accounts are closed and submitted, then the wrong entries can be corrected only after getting the sanction from the authority to whom the accounts were submitted.

#### **II. VERIFICATION:**

- 1) Rules 120 and 121 of FHB Vol.I deals with verification of cash book.

- 2) The cash book entries should be checked as soon as the date of occurrence and the DDO should affix dated initial on the last entry he checked. In the end of the month, he should sign in the cash book at the end of the last entry in the month.
- 3) Payment entries should be checked along with the payment vouchers. Each voucher should be checked whether the pay order has been signed by himself, whether the head of account charged is correct, whether the mode of payment done as per the instructions etc.
- 4) Receipt side entries which may reflect from the payment vouchers i.e., gross amount booked in the payment side and the deductions charged in the receipt side. In that case, in the receipt side it should be checked whether the voucher has been quoted, whether the deductions have been charged in the correct head of account, whether the authority of the deductions are in order.
- 5) Entries of Bank accounts in the payment side should be checked with reference to the counterfoils of the cheque book whereas the bank entries in the receipt side should be checked with reference to challans of remittance to the bank.

### **III. BALANCING:**

- (1) Rules 123 to 125 of FHB Vol.I deals with the balancing of cash book.
- (2) Each month on 10<sup>th</sup>, 20<sup>th</sup> and last working day of the month, the cash book should be closed and balanced. He should certify the cash balance by actual counting. If 10<sup>th</sup> and 20<sup>th</sup> happens to be Sunday or holiday, it should be closed and balanced on the next working day.
- (3) If transactions are numerous then the closing and balancing on daily basis is advisable.
- (4) At the time of closing and balancing of cash book, the out of account money available in the UD register should also be checked and necessary immediate should be initiated to disburse the amount or to deposit in the Government accounts.
- (5) If any errors found, it should be rectified at once. If any short or excess cash balance found while balancing the cash book found, necessary entries should be made either in the Payment side (for short in the cash balance) or in the Receipt side (for excess in the cash balance) and further action to be taken to rectify the same.

**Exceptions:**

Cash book need not be closed on no transaction day or on holidays/

5.

Rule 30 FHB Vol.I deals with the safe guards that should be observed by all Drawing and Controlling Officers against fraudulent use of the sub vouchers relating to contingent expenditure.

Following are the safe-guards:

Preservation of sub vouchers in 3 years. Therefore no sub-vouchers should be destroyed before 3 years without any specific order.

Sub vouchers recorded in the office is to be cancelled by the Drawing and Controlling Office. A stamp should be affixed on the sub-vouchers as cancelled and paid with dated initial of Drawing and Controlling officer. Sub-vouchers required to be forwarded to Accounts Officer should be cancelled.

Sub-vouchers for sums exceeding Rs.50 but not exceeding Rs.200 to be kept in Drawing and Controlling Office (not required to be forwarded to Accounts Officer) are to be cancelled after proper check and to be initialized by the Controlling Officer.

Sub-vouchers for sums not exceeding Rs.50 should be cancelled and defaced or mutilated so that it should not be used again except the payment vouchers of mazdoors.

All the sub-vouchers at the accounts office need to be cancelled and paid by using a Rubber stamp under the dated initial of SS/JAO/AAO.

On cases where the sub-vouchers are retained by Drawing Offices, a certificate to that effect that the sub-vouchers except those sent to Accounts office are duly paid and cancelled, be given in the main voucher.

6.

1) Paras 154 to 157 of P&T Manual Vol. XII deals with the Safe custody of Telephones.

2) Whenever a subscriber is likely to be away from his premises and does not require the facility of a telephone, the subscriber can keep the telephone under safe custody.

3) At the time of safe custody of telephone, the heat coil jumper shall be completely removed in the exchange.

4) The safe custody can be for short duration or long duration.

5) Short Duration:- (a) The period of short duration will be of minimum of 7 days and maximum of 90 days. (b) Full normal rent will be charged and cable pairs and telephone number is reserved. (c) The restoration of line can be arranged within a day or a week or the day specified by the subscriber whichever is later. (d) A prescribed restoration fee will be levied when the telephone is required to be restored after safe custody period.

6) Long Duration:- (a) The period of long duration will be of minimum of more than 90 days and maximum of 5 years and this 5 year period in practice may also exceed. (b) The application specifying the period in writing to be given by the subscriber to the commercial section within 8 days for which the safe custody is required. (c) 40% of normal rent would be levied and cable pair would be kept reserve for the subscriber. (d) The rent for the entire period of safe custody and for its extension would be payable in advance and a demand note will be issued for this purpose. (e) No rent/adjustment bill will be issued thereafter. (f) Restoration Fee would be levied if the connection is restored in the same place whereas shifting fee alone would be levied if the connection is restored in some other place. (g) Restoration of telephone connection after the safe custody would be given on top priority.

7.

1) Rule 27 and 28 of FHB Vol. I deal with the procedure for dealing with the old claims the connected records of which have been destroyed.

2) Old claims connected records of which have been destroyed in the Circle Accounts Office and which cannot, therefore be verified by the Circle Accounts Office may be paid only if the payment is sanctioned by the Government of India.

3) However, the departments of the Central Government may sanction adhoc payments in respect of (a) arrears of pay and allowances, if the pay fixation has been verified by the Accounts Officer and the amount is not exceeding Rs. 1000; and (b) claims are time barred but can be verified by the Audit but excluding (a) Leave salary; (b) Allowances other than due to fixation of pay; (c) Travelling Allowance; and (d) Other adhoc claims.

4) The certificate of non-availability of connected records from Circle Accounts Office is not necessary in case payment to be made in respect of non-executives for which pre-check is not required.

5) If the records are available in respect of executives but the claim is time barred, that is more than six years old then the sanction of the Head of the Circle is necessary.

1 (a)

Para 61 of P&T Manual Vol. XIV deals with the Reversed Charge Calls.

Reversed Charge Calls means a trunk call which a person is authorized to make from PCO to a specified telephone number without making payment for such call and the call charges shall be recovered from the called subscriber.

It is mainly intended for Newspapers whose representatives/reporters can call from any PCO without making payment and the amount shall be collected from the Newspaper Head Office.

TRA unit under whose jurisdiction the Head Office falls shall issue the Card of Authority/Renewal on payment of prescribed fee/security.

The currency of the Card shall be for three years from the date of issue and renewable after every three years.

6) The trunk call tickets shall be marked as 'RC' Calls.

1 (b)

1) Para 81 of P&T Manual Vol. XIV deals with the Register of Advice Notes.

2) Advice Note in form ACE-90 is maintained in TRA Unit.

3) Advice Note is the basis on which TRA Unit maintains records and issue bills.

4) It starts from the opening of new telephone connection. Advice Note is being prepared and issued by Engineering authorities and one copy is sent to the TRA Unit.

5) Being the important document, the check on chronological order on serial number of advice notes are watched in the TRA Unit through the Advice Note Register.

6) In the Advice Note Register, Advice Note Number, Name of the work, Date of installation/completion etc are written.

7) Any missing Serial Number in the Advice Note shall be brought into the notice of the Head of the SSA.

1 (c)

1) Para 217 of P&T Manual Vol. XIV deals with the Lapsed Telephone Deposit.

2) Lapsed Telephone Deposits are deposits which are unclaimed or unadjusted for over three years from the date of closure of connection.

3) Full particulars about the Lapsed Telephone Deposit shall be intimated to Circle Accountant.

4) Refund of Lapsed Telephone Deposit can be made only after getting the sanction from the Circle Accountant.

5) When the deposit taken to Lapsed Deposit, the accounting treatment shall be - Debit to Deposit Head and Credit to Lapsed Telephone Revenue Deposit ie., Revenue Head.

1 (d)

1) Para 13 of P&T Manual Vol. XIV deals with the Particular Person Calls.

2) This trunk telephone call booked to call a particular person. Call is put through only when particular person is available at the called station.

3) This PP facility is not permitted on Fixed Time or Subscription Fixed Time.

4) A supplementary charge (ie., 50% of the ordinary call charges) shall be levied on PP Calls.

5) Caller has the option of giving either two names or two telephone numbers.

6) It can also be booked from and to a PCO for which other than above said charges, the PCO fee, late fee, messenger fee etc., on both the ends as the case may be shall be levied.

2.

Para 11 of P&T Manual Vol.XIV deals with the main functions of TRA Unit.

**Maintenance of Subscriber's Record Card:**

In the SRC, the name and address of the subscriber, indicator number, date of installation, accessories provided, deposits collected, bills issued and paid etc are noted.

**Preparation and Issue of Bills:**

The consolidated bills are prepared and issued on the due dates. The bill should contain the Local Call Charges, Trunk Call Charges, Rent, Other Charges like shifting charges, reconnection charges, rental for accessories etc.

**Reconciliation Registers:**

Rent billed should agree with the Rent Control Register, Local Call Charges billed should agree with the Local Call Statement received from exchange, Trunk Calls billed should agree with the Listing Sheet. These registers are maintained exchange wise.

**Payment of Bills:**

Payment shall be available in the Daily List of Post Office Collection and Daily List of Cash Counter. On daily basis, daily list wise payment noted in the concerned bill register as well as in the outstanding bill register and shall be reconciled and agreed with total of daily list collection.

**Preparation of Sub-Ledger Accounts:**

Monthly preparation of sub-ledger is important function of TRA Unit. I. The preparation of the sub-ledger is discussed as follows:

a) Opening Balance will be posted from the closing balance of previous month which represent outstanding bills.

b) Amount bills issued during the month (including Demand Notes and PCO Collection but excluding service telephone connection bills) being the total amount of bills.

c) Amount Collected by Post Offices/Banks/Cash Counters etc as per Bill register.

d) Refund as per Register of Refund, Cancelled as per Cancelled bill register and Written-off as per the sanctions.

e) Discounts.

f) Closing Balance being the outstanding of bills at the end of the month as per Outstanding Bill Register.

II. This is being separate independent account which is useful for reconciliation of all the registers in TRA Unit and it shows the correctness of the payment entries made in the register and also useful for seeing the trend in collection.

Telephone Bills issued, Bills Cancelled, Refunded, Adjusted, Written-off, Amount collected etc are accounted in the TRA Unit.

TRA Unit shall ensure the service tax collected from the subscribers in the telephone bills are properly accounted in the concerned head and the same amount paid to the service tax department.

3. Advice Note is the authority to be issued by the officer in charge of the exchange to carry out the work in connection with telephone provisioning, closing, accessories provisioning or shifting etc of telephones.

Paras 36 to 43 of P&T Manual Vol. XII deals with preparation, authorization, particulars to be incorporated in the Advice Notes.

Advice Notes are prepared in Form Eng.45.

Advice Notes are serially machine numbered without any break and each book contains 100 Numbers.

Advice Notes are issued in triplicate to carry out the particular work and copy is being sent to concerned TRA Unit.

Since the Advice Notes constitutes an authority in all the said cases and therefore it can not be dispensed with in any circumstances.

The blank book of Advice Notes shall be issued by the office of the Head of the SSA on getting the requisition in writing.

Following details are conveyed through the Advice Notes:

Indicator Number.

Subscriber's Name.

Subscriber's Address.

Opening Meter Reading.

Closing Meter Reading.

Particulars of Demand Note Payment ie., Date of Payment, Amount Paid, Demand Note Number etc.

Radial distance of the connection.

Amount of Rent to be collected for every month/bi-month/annual.

Special instructions on Rent to be collected in the guaranteed telephone connection.

Details of accessories provided.

4 (a)

Rule 35 of FHB Vol.I deals with the general instruction regarding preparation of the bills to be observed by drawing officer to Telecom Dept.

Following are the general instructions:

As far as possible printed form of bill should be used for Debt head items bill should be drawn in the concerned form.

Bills normally should not be used purely on written on Regional languages. Atleast, the amount, the name of the payee and nature of payment should be written in either hindi or English.

Bills must be filled and signed in Ink. Ball points may be used if it is legible and clear. Amount should be written in figures and words followed by "only".

As far as possible, bills should be prepared without any correction or overwritten. If any correction is needed, the old entry should be cancelled and new entry to be inserted. All the corrections should be attested with dated signature.

When more than one copy of bill is prepared, only one copy should be signed in full whereas other copies are only initiated.

Correct classification, sub-classification should be given in the rule.

Charges more than one major head in one bill, may be avoided.

Bills should be signed only by the Head of SSA unless otherwise specifically authorized or delegated to subordinates.

No payment can be made on facsimile signatures.

If more than one copy is prepared, only one should be marked as duplicated Non payable.

Facsimile signature is allowed in Telephone bills likewise, facsimile signatures allowed in Electricity bills, Municipality or claims of corporation, Indian Airlines on account of their due etc were allowed for making payment.

Bills require counter signature should be presented only after counter signature.

Bills payment on special orders, Order number should be quoted.

Normally we should get the dated signature from the payee while making payment. If date is not mentioned, DDO may put date with initial in the bills.

The authority for deductions should be quoted.

Next higher rupee of total payment with the bills should be noted in red ink as "Under Rupees".

When drawing officer requires payment to be made to other than the person mentioned in the bill, he should enclose the copy of authorization.

The column left blank in money and particulars of bills should be invariably filled with oblique lines.

4 (b)

Rule 37 & 38 of FHB Vol. I deals with the checks to be exercised and actions to be taken by the disbursing officer in dealing with bills presented for payment.

It has to checked whether the rule is prepared as per rule.

Further whether the claim is admissible, the authoring good, the signature and counter signature whenever necessary genuine and in order and the receipt is legal quittance.

Whether the arithmetical calculation is accurate.

After the above said prescribed checks and is the disbursing officer is satisfied about the admissibly of the claim, he should.

He should make necessary corrections if any required under his dated signature.

Endorse (sign) the pay order and should indicate the mode of payment by cheque /by DD/ by cash authorizing the cashier to make according to the mode of payment.

5.

1. Rules 333, 340 and 358 of FHB VOL.I deals with the contingent charges.

2. The term contingent or contingent charges means and includes all incidental and other expenses which are incurred for the management or for running of office as an office or for the technical of an organization.

3. However it doesn't include the expenditure which fall under the category/head "works", "stocks", "tools and plans".

4. Examples of contingent charges.

Purchase of stationary items, purchase and repair of furniture etc.

5. The items of contingent charges shall be broadly classified under the five heads, except the expenditure incurred under contingent on special orders.

(i) Contract contingencies

(ii) Scale regulated contingencies.

(iii) Counter signed contingencies.

Fully vouched contingencies.

Special contingencies.

Contract contingencies.

These are charges incurred under the annual fixed sum allotted/sanctioned and to be at the disposal of disbursing officer.

For example hot and cold weather charges. These expenditures can be incurred up to the prescribed sanctioned limit.

No necessity of details of expenditure except the contingent charges need to be written in the voucher.

Beyond the limit, the expenditure can be incurred only after the getting the sanction of the expenditure.

Scale regulated contingencies.

These expenditures are regulated according to the scales or conditions prescribed to incur expenditure.

For example, chappals to Gr. D, uniform to Gr. C and Gr. D, TA and DA for witness in vigilance enquiry etc.

The prescribed conditions laid down for eligibility, signatures and counter signatures, sanction etc are to be followed strictly.

Counter signed contingencies.

These charges are incurred without a special sanction and the bills will be paid by the accounts officer and the counter signature obtained later.

The bills for this nature prepared in "Abstract Bill" form and counter signature obtained in the "Abstract Bills".

There is no need to attach the sub vouchers namely, paid bills to obtain the counter signature.

Fully vouched contingencies.

These are charges which does not require special sanction or counter signature.

It is routine nature and within the powers of head of SSA.

These charges should be supported by bills and the amount exceeding Rs. 100 need the signature of the accounts officer.

For example the purchase of electric bulbs, rubber stamps etc.

Special contingencies.

These expenditures may relate to recurring or non-recurring nature.

It requires special sanction from competent authorities.

The sanction copy should be attached with bills. In the bills, sanction letter number and purchase order number if any should be noted.

For example, purchase of a staff car.

6.

1) Para 454 of P&T Manual Vol. XIV deals with the split up the telephone on excess metering complaints.

2) The bills in respect of local calls are not generally split up. However, when a subscriber made an excess metering complaint for abnormal billing, the past billing pattern of the subscriber has to be analysed. If the highest number of local calls charged in any of the bill during the past one year (ie., 4 quarters in case of quarterly billing & 6 bi-monthly in case of bi-monthly billing) exceed by more than 100% in STD Stations then the splitting up of the bill has to be undertaken.

3) First, the original bill issued has to be cancelled. And then, two bills have to be issued. One bill for making payment and another bill comes under the category of disputed bill and the subscriber need not make the payment for disputed bill till the result of the investigation.

4) In the bill for payment, the average number of local calls charged during the above said period shall be the number of local call and charged in this bill plus all other charges mentioned in the consolidated bill.

5) In the disputed bills, the balance between the number of local calls charged in the original consolidated bill and the number of local calls in the split up bill for payment, shall be the number of local call and charged in this disputed bill.

6) Both these bills are entered in the Bill Register as well as in Subscriber's Record Card.

7) At the end of each month, the total of disputed bills will be struck and the total amount shall be deducted from the sub-ledger for the outstanding of the month.

- 7.
- 1) Advance deposit scheme was introduced w.e.f. 1<sup>st</sup> September 1975.
  - 2) Under this scheme, the applicant for telephone is required to deposit the advance deposit as indicated in the Tariff.
  - 3) The deposit shall carry interest at the bank rates.
  - 4) The name of interest has been changed as waiting charge w.e.f. 1.4.92.
  - 5) Advance deposit shall earn interest from the date preceding the date of installation of the telephone w.e.f. 9.681. (Prior to this period, interest was allowed upto the date preceding the date of issue of orders for installation of telephone).
  - 6) Interest is calculated for completed number of months from the date of payment of such deposit.
  - 7) At the time of installation of telephone, second demand notes indicating the amount of advance deposit already paid, interest thereon, amount of advance rental for one year in the case of Non OYT connections and OYT deposit in the case of OYT connections, installation fee and net amount payable/refundable, are issued. This second demand notes are to be prepared by the TRA Branch.
  - 8) The advance deposit registers are cleared by transferring them to advance rental for one year of OYT Deposit Registers. The refund, if any, is allowed by the adjustment in the telephone bills.

**JAO PART II MODEL TEST PAPER FOR DECEMBER 2012 MAIN EXAMINATION**  
**PAPER I [TELECOM ACCOUNTS-I] [WITHOUT THE AID OF BOOKS]**  
**TIME ALLOWED : 2 HOURS      SOLUTION TO QUESTION PAPER NO.6**

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**1 (a)**

Para 12.35 to 12.36 of Telecom Accounts Man. Vol I deals with the Review of Sub-Ledger of Railway/Canal Bills.

A consolidated register is maintained on Telecom District wise and month wise for this purpose and all the recoveries or refunds made in respect of bills issued to Railway/Canal Bills are posted for the purpose of reconciling Sub-Ledger figures.

Total will be struck on each month on Telecom District wise. This total should agree with the Detailed Book under the head "Recoveries from Guarantors". If not agreed, each telecom district wise total shall be arrived, agree with each telecom district wise total under the head "Recoveries from Guarantors" and the reconciliation will be done. The erring unit will be addressed and the rectification will be done.

This reconciliation register will be put up to AO/CAO for review every month.

The difference between amount billed for and amount recovered shall be carried over to next year with due attestation of JAO/AO after getting it agreed with the Sub-Ledger.

**1 (b)**

1) Para 421 of P&T Manual Vol. XIV deals with Register of Objections Categorised.

2) A register is maintained for the Audit Report received from the DG P&T Audit on Section wise as well as Category wise based on the objections raised.

3) All the objections on each category are placed in on section so that the uniform reply can be furnished to the Audit.

4) This register is to be submitted on quarterly basis for review to the Accounts Officer.

**1 (c)**

1) Without assistance of operator, by the use of dial, subscriber can make the trunk call. This facility is called as STD facility.

2) When the subscriber does not want the STD facility, he can, by request in writing to the concerned Engineering Authorities to bar the facility of STD. In that case, he cannot make any trunk call without the assistance of operator.

**1(d)**

1) Rule 2 of Indian Telegraph Rules define the Non-Exchange Lines.

2) Non-Exchange Line means lines which connect two subscribers without the intervention of departmental exchange.

**2.**

Para 164 of P&T Man. Vo. XIV deals with the list of telephone lines exempted from disconnection.

Following dignitaries and high Government officials are exempted from disconnection:

President of India (Including all Telephones in Rashtrapathi Bhavan)

Vice President of India.

Prime Minister of India.

All Heads of State and Union Territories.

Former Presidents.

Hon'ble Chief Justice of India.

Speaker of Lok Sabha.

Chairman of Rajya Sabha.

All Ministers and Deputy/State Ministers of Central Cabinet.  
All Chief Ministers and Deputy Chief Ministers.  
Deputy Chairman of Planning Commission.  
Leaders of Opposition in Lok Sabha and Rajya Sabha.  
Ambassadors/High Commissioners etc.  
Deputy Speaker of Lok Sabha.  
Deputy Chairman of Rajya Sabha.  
Hon'ble Judges of Supreme Court of India.  
Members of Planning Commission.  
Comptroller and Auditor General of India.  
Speaker of all State Legislature Assembly.  
Chairman of Legislative Council.  
Chairman of Regional Committee.  
Hon'ble Chief Justice of High Courts.  
Hon'ble Judges of High Courts.  
Registrars of Supreme Court and High Courts.  
All Secretaries to Government of India and State Governments.  
Commissioner in State Secretariat.  
Leaders of all opposition of all the State Legislative.  
Chief of Army Staff.  
Chief of Air Staff.  
Chief of Naval Staff.

3 (a)

- (1) Para 342 of P&T Manual Vol. XII deals with the Circuits.
- (2) Telephone circuits are provided to Government Departments, Private Bodies etc.
- (3) Telephone circuits are provided for communication between two offices or premises of the same subscriber without connecting to the departmental exchange or trunk system.
- (4) The rental are payable in advance, annually or quarterly or monthly at the option of the subscriber.
- (5) No rent will be charged on the stand by circuit if provided on the department's own initiative.
- (6) The circuit shall be provided on service basis.
- (7) No rental rebate shall be allowed on faulty circuit but spare circuit will be provided if the spare is available.
- (8) The circuit will be guaranteed for the number of years based on the capital cost worked out subject to minimum of 3 months.

**Chargeable Distance of a Circuit:**

(A) Provided in the same town:

When the circuits are provided in the same town, the chargeable distance will be the radial distance plus 25% thereof.

(B) Provided in the different places.

Where the premises of the parties at different places and circuits are provided then the chargeable distance will be the radial distance between the two carrier stations plus 25% thereof.

In the both the cases, fraction of kilometer shall be rounded off the next higher integer.

**3 (b)**

- 1) Rule 498 and 499 of Indian Telegraph Rules specifies the conditions for leasing of a Telephone Circuit for daily part-time use.**
- 2) A Telephone Circuit, if available as spare, may be leased for part time use between 7 pm to 7 am on daily basis. Therefore a telephone circuit shall not be provided on peak hours between 7 am to 7 pm on daily basis.**
- 3) A part time circuit can be provided only if spare is available.**
- 4) Junction line between private exchange or private branch exchange shall not be leased on part time basis.**

**4.**

- 1) Rule 60 of FHB Vol. I deal with Standards of Financial Propriety.**

**2) Strict guidelines for every officer incurring the expenditure from public funds are given under Standards of Financial Propriety.**

**He should exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.**

**The expenditure should not be prima facie more than the occasion demands.**

**He should not exercise his powers of sanctioning expenditure to pass on order which will be directly or indirectly to his own advantage.**

**Public money should not be utilized for the benefit of a particular person or section of the people, unless a claim for the amount could be enforced in a court of law or the expenditure is in pursuance of a recognized policy or custom.**

**The amount of allowances granted to meet the expenditure of any type should not be on the whole a source of profit to the recipient.**

**Responsibility and accountability is total and indivisible. Public interest should be uppermost in mind while making a purchase procurement decision. The responsibility is not discharged merely by the selection of cheapest offer but must confirm the following yard-sticks of financial propriety: (a) Whether the reasonable procedures have been followed, (b) Whether the purchase shall meet the adequate requirement, (c) Whether the purchase shall meet the reasonable quality and (d) Whether the selected offer is most appropriate one.**

**Usually or at least whenever it is necessary, the concerned authority must record its precise terms, the conditions which weighted with it while taking the procurement decision.**

**5.**

- 1) Rules 10 to 16 of FHB Vol.I deals with the safeguards exist to prevent the irregular withdrawal of money from public exchequer.**

**2) Money can be withdrawn only under the written authority of Accounts Officer or Disbursing Officer.**

**3) An Accounts Officer may not permit withdrawal at a place outside his jurisdiction.**

**4) The following are the only specified purpose for which disbursing officer may permit withdrawal at his own authority:-**

**a) To pay sum due from the Government to the Drawing Officer.**

**b) To provide the drawing officer with funds to meet claim likely to presented against the Government in the immediate future.**

**c) To enable the drawing officer to supply to another Government Officer to meet similar claims.**

**d) To pay sums on account of loans and advances.**

Withdrawal of money for any other purpose mentioned above shall require the express authorization of the Accounts Officer.

5) A disbursing officer shall not permit withdrawal of any purpose unless the claim for withdrawal comprise with the provision of the rule.

6) Except where specifically provided payment can only be made in the office under the jurisdiction of which the claim arises.

7) No authority may incur any expenditure or enter into any liability involving expenditure from public funds until the expenditure has been sanctioned by the competent authority and necessary provision exists.

However disbursing officer shall not refuse the payment for which sanction particulars not noted, the responsibility for incurring unsanctioned expenditure rest with drawing officer.

8) A disbursing officer has no general authority to make payment; his authority is limited by the financial rules.

9) A disbursing officer has no authority to act under an order of Government sanctioning a payment, unless it is an express order to him to make the payment.

10) If a demand is presented at a disbursing officer for payment, it is not authorized by or under the rules or is not covered by a special order from the Accounts Officer; the disbursing officer shall decline payment.

6.

1) Paras 400, 402 to 404 of P&T Manual Vol. XIV deals with the Internal Review.

2) Internal Review is a system through which the Subscriber's Record Cards are checked:-

a) To ensure that there is no omission in billing;

b) To ensure that the rent is collected after taking into consideration of shift, accessories provisioning, accessories closing etc. and

c) To ensure that there is no leakage of revenue or loss of revenue.

3) While checking the Subscriber's Record Cards, the internal reviewer should check the following particulars:-

a) To check the sanction particulars of the competent authority and also check the limit prescribed for the free calls etc in respect of service telephone connections;

b) To check the internal or external extension with or without ICF, loop length, distance etc of Private Connections along with the rent levied thereof.

c) To check the periodicity as well as rent fixed in case of guaranteed telephone connections. Further, on expiry of guaranteed period whether the rent is revised or not, to be checked.

d) To check whether the entries in the SRC are properly noted and attested.

e) To check whether the deposit entries are made and attested. and

f) To check that there is no omission in collection of rental charges for main connection as well as accessories provided thereof.

4) The deficiencies pointed out will be rectified on the following ways:-

a) The report shall be written in the Review Register on the left hand side of each page (leaving the right hand page for the reply) on exchange wise.

b) As far as possible, all the objections are got settled on the spot.

c) The register shall be given to the Head of the Section who will arrange for making correspondence to the exchange, if required and the action taken shall be entered in the register and returned to reviewer within 10 days from the date of receipt of the register.

d) Then the register will be put up to JAO for the balance items in the register who will in turn will get the reply from the available sources on his personal efforts.

e) Then the reviewer shall put up the register to AO with a remark about the instances in which the correspondence made is delayed, instances of serious irregularities noticed etc., during the course of internal review.

7.

1) Rules 55 to 57 of FHB Vol. V and Paras 425 to 427 deals with the checking and their importance in respect of Telephone Directory.

2) The purpose of checking Telephone Directory is to ensure that every connection shown in the Directory appears in the subscriber's record cards and no unauthorized telephone connection exists for which rent is not being recovered.

3) Telephone Directories are published periodically (yearly or half yearly or at frequent intervals) and few copies of each Directory along with numerical list are made available to TRA Branch.

4) The checking should be done (a) Comparing the numerical list with the subscriber's record card and (b) tracing every entry in the alphabetical list into the numerical list.

5) Check mentioned at (b) above is important as it ensures that the name of any subscriber is not omitted from the alphabetical directory as well as numerical list.

6) The result of check should be recorded in a separate register which should be reviewed and pursued vigorously.

Note:

1) In order to keep a watch over the punctual receipt of directories and their disposal, a register in form TRA 24 should be maintained.

2) In case of small exchange (telephone connection below 100) the numerical list is not printed with the Directory. In such cases the numerical list should be prepared with the help of alphabetical list in TRA Branch.

3) A list of all connections given from PBX or PABX and Non-Exchange System should be obtained once a year in April or May from the concerned exchange and checked with subscriber's record card to see that rent is being recovered every year.

**SOLUTION TO TRA PRACTICAL**

e-Edition by ABSNLOA

**JAO PART II MODEL TEST PAPER FOR DECEMBER 2012 MAIN EXAMINATION  
PAPER I [TELECOM ACCOUNTS-II] [WITH THE AID OF BOOKS]  
TIME ALLOWED : 2 ½ HOURS SOLUTION TO QUESTION PAPER NO. 1**

<b>I. Amount Billed For:</b>	
Rental Charges	Rs. 5,00,000
Local Call Charges	Rs. 25,50,000
Accessory Charges	Rs. 50,000
Trunk Call Charges	Rs. 15,000
Misc Charges	Rs. 5,000
ADD : Demand Note Collection	Rs. 15,000
<b>Total Amount Billed For</b>	<b>Rs. 31,35,000</b>
<b>II. Divisional Office Collection:</b>	
At Cash Counter	Rs. 32,25,000
Less: OYT Deposit + Non-OYT Deposit	Rs. 1,05,000
Add: Collected at Telegraph Office	Rs. 10,000
<b>Total Divisional Office Collection</b>	<b>Rs. 31,30,000</b>
<b>III. Post Office Collection:</b>	
PO Collection	Rs. 5,00,000
Less: Value of list not received	Rs. 5,000
Add: Value of list now received	Rs. 8,000
<b>Total Post office Collection</b>	<b>Rs. 5,03,000</b>

ACE.103

**Sub-Ledger Account of X Telecom District for the month of September 1998.**

Opening Balance	Rs. 25,60,000
Amount Billed for during September 1998	Rs. 31,35,000
<b>Total</b>	<b>Rs. 56,95,000</b>
<b>Recoveries:</b>	
Post Office Collections	Rs. 5,03,000
District Office Collection	Rs. 31,30,000
Bills Cancelled	Rs. 25,000
Adjusted in various cr. Repr.	Rs. 40,000
Written-off	Rs. 5,000
-----	Rs. 37,03,000
<b>Closing Balance as on 30.09.1998</b>	<b>Rs. 19,92,000</b>

Sd/ x x x x  
Signature of Accounts Officer (TR)  
[Rule 149-150 FHB Vol.V]

**2 (a)**

**Interpolated Public Call Office means a PCO which is opened on a trunk line between two exchanges [ITR 2(s)]**

**2 (b)**

**1) Rule 2 of Indian Telegraph Rules define Private Exchange.**

**2) Private Exchange means a telephone exchange provided exclusively for the use of an organization or an individual and is not connected to the public network.**

**2 (c)**

**Reversed charge call means a trunk call which a person is authorized to make from any PCO to a specified telephone number without prepayment of the charges for which call, the charges being recoverable from the called subscriber instead of calling person/subscriber.**

**2 (d)**

**1) Rule 2 of Indian Telegraph Rules define Private Wire.**

**2) Private Wire means wires are those which connect two subscribers through a departmental exchange but are not connected to the Local Telephone System and to the general trunk net work.**

**2 (e)**

**Loop Mileage of a telephone connection in the total length of double wire used for the connection. The term is used in the case of connections where the return circuit is also metallic. The loop mileage of connection is equal to one half of its wire mileage. [Para 36 (45) of P&T Man. Vol. XIV]**

**3 (a)**

**As per Rule 443 of ITR, the restoration charges is recoverable from the subscriber to get the connection reconnected and therefore the action of the DE is in order.**

**3 (b)**

**When there is ground to believe that the subscriber is deliberately avoiding to pay the telephone dues, the DE may file a suit against him even though the amount is less Rs. 50 after consulting the Head of Circle. [Para 13 of P&T Manual Vol. XII]**

**3 (c)**

**As per Para 70 of P&T Manual Vol. XII Pt. (II), the late fee is chargeable only if the call matures after 15 minutes of the closing time of PCO and therefore, the action of AOTR is in order.**

**3 (d)**

**As per Para 68 of P&T Manual Vol. XII, the sanction of the Head of the Department is required and therefore, the action of the GM is not in order.**

**3 (e)**

**The private telephone of MP's can only be disconnected on obtaining the orders of the Head of Circle. Hence the decision of the AOTR of a Telecom Division/District for disconnecting the telephone held by a MP in his personal capacity is not in order. [Para 164 (iii) of P&T Man. Vol. XIV]**

4.

- 1) Paras 159 and 160 of P&T Manual Vo. XIV deals with the realization of money from defaulters.
- 2) The telephone bills are required to be paid within 15 days from the date of issue of bills.
- 3) After posting of payments in respect of Daily Lists collection upto 15 days in Subscriber's Record Card, a list of outstanding bills will be taken and a Telephone reminder shall be made by a TRA Branch intimating the subscriber to make the payment within 7 days. If a subscriber is a Registered Subscriber, a Registered Notice shall be issued to the subscriber by giving 7 days to make considering the transit time of Registered Notice.
- 4) A disconnection list is prepared after 7 days of Telephonic / Registered Notice reminder by intimating to the Exchange that the telephones mentioned in the list may be disconnected on date mentioned subject to issue of final warning to the subscriber over phone by the Exchange.
- 5) For outstation subscribers, 7 days period will be allowed to make the payment i.e., transit period and 7 days period and for the time required for giving telephone reminders.
- 6) On receipt of closure advice notice from the exchange, action will be taken in TRA unit to adjust the amount from the deposits and issue a defaulter's list to Outstanding Pursuit Cell/Legal Section to pursue for recovery/initiate legal proceedings.
- 7) Immediate action will be taken to disconnect other working telephone connection to the defaulting subscriber.
- 8) Due dates for issue of Telephone reminders, disconnection list and finalization of accounts of closed connection must be observed to avoid accumulation of outstanding dues.
- 9) While final closing of accounts, it must be ensured that Local Call Charges and Trunk Call Charges are accounted upto the date of disconnection.

1. Para 164 of P&T Man. Vo. XIV deals with the list of telephone lines exempted from disconnection.

2. Following dignitaries and high Government officials are exempted from disconnection:

- 1 President of India (Including all Telephones in Rashtrapathi Bhavan)
- 2 Vice President of India.
- 3 Prime Minister of India.
- 4 All Heads of State and Union Territories.
- 5 Former Presidents.
- 6 Hon'ble Chief Justice of India.
- 7 Speaker of Lok Sabha.
- 8 Chairman of Rajya Sabha.
- 9 All Ministers and Deputy/State Ministers of Central Cabinet.
- 10 All Chief Ministers and Deputy Chief Ministers.
- 11 Deputy Chairman of Planning Commission.
- 12 Leaders of Opposition in Lok Sabha and Rajya Sabha.
- 13 Ambassadors/High Commissioners etc.
- 14 Deputy Speaker of Lok Sabha.
- 15 Deputy Chairman of Rajya Sabha.
- 16 Hon'ble Judges of Supreme Court of India.
- 17 Members of Planning Commission.

- 18 Comptroller and Auditor General of India.
- 19 Speaker of all State Legislature Assembly.
- 20 Chairman of Legislative Council.
- 21 Chairman of Regional Committee.
- 22 Hon'ble Chief Justice of High Courts.
- 23 Hon'ble Judges of High Courts.
- 24 Registrars of Supreme Court and High Courts.
- 25 All Secretaries to Government of India and State Governments.
- 26 Commissioner in State Secretariat.
- 27 Leaders of all opposition of all the State Legislative.
- 28 Chief of Army Staff.
- 29 Chief of Air Staff.
- 30 Chief of Naval Staff.

5 (a)

CMR = 14845 OMR = 10524 Therefore, Gross Calls = 4321

Calculation of Local Call Charges:

200 x 0.80	= Rs. 160.00
300 x 1.00	= Rs. 300.00
3821 x 1.20	= Rs.4585.20
<b>Total</b>	<b>= Rs.5045.20</b>

Amount due from the subscriber:

Local Call Charges	Rs. 5045.20
Service Tax 5%	Rs. 252.26
<b>Total bill value</b>	<b>Rs. 5297.46</b>
Less: TC Deposit	Rs. 500.00
<b>Net amount recoverable</b>	<b>Rs. 4797.46 Say Rs. 4797.00</b>

5 (b)

Demand Note for Temporary Telephone Line for 75 days

Demand Note :

Date:

[Valid Upto ----- (15 days from the date of issue)]

1. Rent for 3 months (minimum)	Rs. 500 x 3	Rs. 1500.00
2. Installation charges		Rs. 800.00
3. STD Deposit		Rs. 5000.00
4. Service Tax 5% on Rs. 2300		Rs. 115.00
5. Total		Rs. 7415.00

(Rupees Seven Thousand Four Hundred and Fifteen only)

Signature of Issuing Officer

6.

1. Since the capacity of the exchange from which the telephone was provided is not mentioned being recovery of Rs. 15000 for OYT connection, the telephone is presumed to have been provided from exchange of more than 10000 lines but not more than 30000 lines and the calculation made accordingly. (Bimonthly normal rental charges Rs. 200

Free calls 150 Next 350 calls @ 0.80 Next 500 calls @ 1.00 remaining calls @ 1.20  
Service Tax @ 5%)

2. Even though Plan 103 worked for a period less than 4 months, the annual rental charges of Rs. 500 will be charged since it is not a temporary connection category.

Since the OYT connection worked less than 5 years, maximum refundable amount is 3/4<sup>th</sup> of the deposit ie., Rs. 11250.00

Rent paid upto 31.12.1995 (Rs. 200-120=Rs. 80) but due only upto 13.11.1995 which is  $\{(200-120) \times 13/60\}$  Rs. 17.33

Therefore, unexpired rent (Rs. 80- 17.33) Rs. 62.67 is available in credit of the subscriber.  
Total credit available (11250+62.67) Rs. 11312.67

LCC : CMR 8297 – OMR 8087 – Test calls 10 = 200 calls

33 calls (150x13/60)	Free
76x0.80 (350x13/60)	Rs. 60.80
91 x1.00	Rs. 91.00
Total call charges	Rs. 151.80

Amount due from the subscriber:

Local call charges	Rs. 151.80
Internal Extn with ICF Rent	Rs. 500.00
Acc. Installation Fee	Rs. 800.00
Trunk call charges	Rs. 396.00
Service Tax @ 5%	Rs. 92.39
Total due	Rs.1940.19

Net amount due to the subscriber (11312.67-1940.19) = Rs. 9372.48 Say Rs. 9372.00

**JAO PART II MODEL TEST PAPER FOR DECEMBER 2012 MAIN EXAMINATION  
PAPER II [TELECOM ACCOUNTS-I] [WITH THE AID OF BOOKS]  
TIME ALLOWED : 2 ½ HOURS  
SOLUTION TO QUESTION PAPER NO. 2 MAXIMUM MARKS : 100**

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1.

Working Sheet to Q.1:

I. Divisional Office Collection	35,00,000
Less: OYT Deposits + Non OYT Deposit + Tatkal Deposit	3,00,000
Other Unit's Collection	25,000
Double Payment	9,500
Total Divisional Office Collection	31,65,500

Solution to Q.1:

ACE.103

**SUB-LEDGER ACCOUNT OF Q TELECOM DISTRICT FOR THE MONTH OF December 1998.**

Opening Balance	5,20,000
Amount Billed for during December 1998	34,00,000
Total	39,20,000

Recoveries:

Divisional Office Collection	31,65,500
Post Office Collection	6,20,000
Written-Off	20,000
Cancelled	20,000
Adj. in Refund Register	15,000
Total Recoveries	38,40,500
Closing Balance as on 31.12.1998	79,500

Signature of Accounts Officer (TR)  
(Rule 149 & 150 of FHB Vol. V)

2.

- 1) Para 211 of P&T Manual Vo. XIV deals with refund by Postal Money Order.
- 2) The postal money order should be prepared in the prescribed form with reference to the Refund Sanction authorized by Accounts Officer on the basis of Excess Payment Register and the concerned Deposit Register.
- 3) This postal money order along with the refund sanction in Form ACE.109 (in triplicate) will be put up to Accounts Officer for his signature along with the concerned registers.
- 4) Accounts Officer will sign in the two copies (First and Third) of ACE.109, concerned deposit registers and postal money order form. Another copy (Second) will be certified by the section supervisor indicating that the Accounts Officer Sanctioned the Refund order and signed in the postal money order.
- 5) The postal money order may have the details of refund in the communication column.
- 6) First and second copy of ACE.109 along with postal money order shall be forwarded to cashier.
- 7) On getting the copies by cashier, he will obtain the order of payment from Accounts Officer in the First copy and will be treated as Voucher.

- 8) He will issue a crossed cheque in favour of Post Master and enclose the Postal Money Order.
- 9) The receipt particulars of postal money order will be noted in the Second Copy and forwarded to TRA Unit. He will retain the original receipt of Money order along with ACE 109 Pay Order.
- 10) Cashier will watch the acknowledgement of Postal Money Order.
- 11) In the TRA Unit, the relevant particulars about the refund will be noted in the concerned Registers.

**3 (a)**

As per DoT Lr no. 3-7/82 dated 05.02.1982, no charge is made for replacing colour instrument and therefore, the action of the AOTR is not in order.

**3 (b)**

A Telecom official on tour may use free service calls from PCO on urgent administrative matters only on the following conditions:

- i) A requisition in duplicate will be given by the officer requiring the call to the office in charge of PCO;
- ii) Such calls should be booked very sparingly and only when absolutely necessary.; and
- iii) Calls involving payment of late fee or messenger fee should be avoided as far as possible.

(Para 257 of P&T Manual Vol. XII)

**3 (c)**

In such a case reconnection is always subject to the condition that intervening rentals and restoration charges are payable by the subscriber as such the subscriber has to pay restoration charges of Rs. 100 thought it was not closed due to non-payment.

(DoT Lr No. 2-32/9 PHA dated 29.11.94)

**3 (d)**

In case the company after two years surrenders the circuit, it shall be liable to pay compensation for which was having guaranteed for six year, the unexpired period of gurantee ie., 4 years, at the prescribed rate. (Rule 153 (i) of P&T Manual Vol. XII)

**4 (a)**

Calculation of rent and minimum period of hire for a PCO extension to a Private Company.

Installed on 01.06.94 Actual Length 8.5 Kms ie., 9 Kms RD 6 Kms.

- i) Rent for First Km @ 300 per Km                      Rs. 300
- ii) Rent for next 4 Kms @ 250 per Km                      Rs. 1000
- iii) Rent for balance 4 Kms @ Rs. 1500 per Km                      Rs. 6000

Total rent chargeable Rs. 7300 or at a special rate whichever is higher. As no special rate of rent is given, the rent shall charged Rs. 7300 per annum and the minimum period of Guarantee is THREE years.

4 (b)

Demand Note No.

Date:

Valid Upto -----

Casual connection for 30 days (exchange capacity > 3 lakhs) only higher rental for 1 ½ times of bimonthly rental.

Rent for 30 days (500x1 ½)	Rs. 750.00
Installation Fee	Rs. 150.00
Internal Extension with ICF	Rs. 250.00
Extension Installation Fee	Rs. 800.00
TC Deposit	Rs.3000.00
Service Tax @ 5% on Rs. 1950	Rs. 97.50
Total	Rs.5047.50
	Say Rs.5048.00

(Rupees Five Thousand Forty Eight only)

5. a) Call Duration 5 minutes	Call units	3 units
Ordinary Call Charges per unit	Rs. 72	
Urgent Call Charges per unit	Rs. 72 x 2	= Rs. 144
Call charges for 3 units	Rs. 144 x 3	=Rs. 432.00
PP Charges 50% of Rs. 72		Rs. 36.00
Service Tax @ 5% pf Rs. 468		Rs. 23.40
Total charges		Rs. 491.40
	Say	Rs. 491.00

5. b) Basic Rate	Rs. 120
Call per minute 1+1	= 2 Units
For 7 minutes 1+7	= 8 units
Urgent 8x2	= 16 units
Call Charges 16 x 1.20	Rs.19.20
Less: Rebate @ 12 ½ %	Rs. 2.40
PP Charges 50% of Rs. 2.40	Rs. 1.20
Fixed Trunk Fee	Rs. 5.00
Service Tax @ 10.30% of Rs. 23	Rs. 2.35
Total Charges	Rs. 25.45
	Say Rs. 25.00

5. c) Actual distance 5.5 Kms Say 6 Kms. Only standard rental is charged and beyond 5 Kms rent at capital cost or standard rent whichever is higher is chargeable. Hence, to assess the advantageous, rent proportionate expenditure is to be computed as follows:

Cash Rs. 3520 x 1/11	Rs. 320.00
Stores Rs. 35200 x 1/11	Rs. 3200.00
Freight @ 2% on stores	Rs. 64.00
Estt. @ 10% on 3584	Rs. 358.40
SKC @ 5% on stores	Rs. 160.00
Total	Rs. 4102.40 Say Rs. 4102

Rent is 15% of Rs. 4102 ie., 615.50 say Rs. 616 whereas standard rent beyond 5 Kms is Rs. 1500. Therefore, standard rent beyond 5 Kms for each Km Rs. 1500 is charged.

Rent : 1 x 300 + 4 x 250 + 1x 1500	= Rs. 2800.00
Period of Guarantee Rs. 4102/1500	= 2.7 years Say 3 years

6.

Amount of Registration Fee is Rs. 15000.

Waiting and Additional Waiting Charges:

Date of Deposit : 01.06.1993 Date of Provision : 01.05.1994 Amount of Deposit : Rs. 15000

Waiting charges @ 7% from 01.06.1993 to 30.04.1994 :  $15000 \times 7 / 100 \times 11 / 12$

Rs. 962.50

Additional Waiting Charges @ 3% from 01.12.1994 to 30.04.1994 :  $15000 \times 3 / 100 \times 5 / 12$

Rs. 187.50

Total Amount credit to be given to the subscriber Rs. 1150.00

Since the connection is worked less than 5 years, maximum refund is allowed Rs. 11250 only i.e.,  $\frac{3}{4}$  th of Rs. 15000.

Bill dated 15.07.1994:

Rent for 01.05.1994 to 30.09.1994  $(360-120) \times 5 / 2$  Rs. 600.00

Installation Fee Rs. 800.00

Local call charges Rs. 750.00

Trunk call charges Rs. 415.00

Service Tax @ 5% on 2865 Rs. 143.25

Less: Waiting charge and additional waiting charge Rs. 1150.00

Amount due from the subscriber Rs. 1558.25 Say Rs. 1558.00

Bill dated 15.09.1994:

Rent for 01.10.1994 to 30.11.1994 Rs. 240.00

Local call charges Rs. 1100.00

Trunk call charges Rs. 300.00

Service tax @ 5% on 1760 Rs. 88.00

Amount due from the subscriber Rs. 1728.00

Rent to be cancelled along with service tax since the phone is surrendered on 31.10.1994. Therefore one month rent Rs. 120 plus service tax @ 5% on 120 that is, Rs. 9 in total Rs. 129 will be cancelled in the bill dated 15.09.1994.

Therefore net amount due in bill dated 15.09.1994 (Rs. 1728-129) Rs. 1599.00

Bill dated 15.11.1994:

Local call charges Rs. 3000.00

Service Tax 5% Rs. 150.00

Amount due from the subscriber Rs. 3150.00

Therefore, consolidated amount due from the subscriber (Rs.1558+1599+3150) Plus Rs. 40 each on first two bills for which the subscriber had not paid the amount in due date.

The amount outstanding is Rs. 6387.00

Total deposit refundable to the subscriber is Rs. 11250.00

Therefore net amount refundable to the subscriber is (Rs. 11250-6387) Rs. 4863.00

**JAO PART II MODEL TEST PAPER FOR DECEMBER 2012 MAIN EXAMINATION**

**PAPER II [TELECOM ACCOUNTS-I] [WITH THE AID OF BOOKS]  
TIME ALLOWED : 2 ½ HOURS SOLUTION TO QUESTION PAPER NO. 3**

1.

Working Sheet to Q. 1

1. Amount Billed For Rs. 8,40,000+Demand Note Rs. 50,000=Rs. 890,000
2. Collection at SSA counter: 500,000 – Deposit 100,000+ Telegraph office 150,000 = Rs. 550,000

Solution to the Question No.1

**ACE.103**

Sub-Ledger Account of D Telecom District for the month of July 2005.

Opening Balance	Rs. 160,000
Amount Billed for during July 2005	Rs. 890,000
Total	Rs.1050,000

Recoveries:

Post Office Collections	Rs. 250,000
District Office Collection	Rs. 550,000
Bills Cancelled	Rs. 80,000
Adjusted in RR	Rs. 50,000
Written-off	Rs. 20,000
	Rs. 950,000
Closing Balance as on 31.07.2005	Rs. 100,000

Sd/ x x x x  
Signature of Accounts Officer (TR)  
[Rule 149-150 FHB Vol.V]

2.

1) Paras 12.00 to 12.06 of Telecom Accounts Manual I and Rule 277 of P&T Manual Vol. III deals with the maintenance of records in connection with the issue of bills to Railways, canals and Other Central/State Government Departments and checking of half-yearly returns.

2) It is the duty of the Circle Accountant to issue bills for rent etc for wires, cables and instruments supplied to Railways, Canals and Hydro Electric Departments of Central/State Governments and to arrange for recovery of the amount due from them.

3) Circle Accountant shall get the half-yearly statement from the engineering authorities regarding the wires, cables and instruments supplied to Railways. Canals and Hydro Electric Departments of Central/State Governments. This will be the basis for issue of bills.

4) Bills for miscellaneous charges and charges for supervision or maintenance of under water cables etc will also be levied by the Circle Accountant on the basis of the particulars furnished by the engineering authorities.

5) A register shall be maintained for each Railway, Canal Projects etc and as soon as the returns are received from the Engineering Wing, the date of receipt along with the due date to be received etc will be noted. This register should be reviewed and any returns to be received, shall be got received through reminders etc.

As soon as intimation regarding new supply of wires, cables and instruments received, the same shall be entered in the register with full particulars.

As soon as intimation regarding termination of supply of wires, cables and instruments received, the same shall be entered in the register with full particulars.

6) The register shall be reviewed by Accounts Officer on the due date of returns to be received and thereafter every fortnight till all the returns are received.

7) A separate register shall be maintained to record full particulars regarding No and date of Order, Particulars of asset supplied and the administration to which they have been leased on special rate of rent etc., the date of completion of the work. On this basis only the bills for railway, canal etc are prepared.

This register is invariably be reviewed at the time of raising of bills.

8) Half-yearly returns are compared with previous returns and each addition and deletion shall be seen through the register. Addition and deletion/surrender should be through Advice Note and the same shall be available in the Register.

9) The calculation shall be checked and then the work of preparation of bills will be taken up.

10) Bills relating to Canal Administrations and Hydro-electric Projects should indicate details such as the total amount of the previous bills and particulars of the alterations of wire mileage made since the last bill etc working upto the total of the new bill.

11) The bills should be raised in each half-year in arrear, as per the name and address available in the register and bills will be issued in time.

3 (a)

1) Rule 2 of Indian Telegraph Rules define the external extension.

2) External Extension means an additional telephone connection provided in the same circuit as the main connection which involves the use of external wiring.

3 (b)

1) Rule 2 of Indian Telegraph Rules defines Fixed Time Call.

2) Fixed Time Call means a trunk call between two members which is to be put through at or about a specified time.

3 (c)

1) Rule 2 of Indian Telegraph Rules defines Local Area.

2) This definition is valid up to 14.08.1998.

3) Up to 14.08.1998, Local Area means 5 Kms Radial Distance from a Telephone Exchange and in case of Multi Exchange System all subscribers who were within the Municipality/Corporation boundary or those who were within 5 Kms Radial Distance of any local area exchange.

4) With effect from 15.08.1998, the definition is modified by an order of DOT dated 03.07.1998. Accordingly, Local Area of an exchange system will be the area co-terminus with short-distance charging area or where the telephone authority had decided any area served by multi exchange system to be the local area for the purpose of charging rent of and local calls put through telephone connection.

3 (d)

1) Rule 2 of Indian Telegraph Rules define the Local leads.

2) Local Leeds means the circuit provided between a voice frequency telephone station, carrier station or truck exchange on one side and subscriber's premises on the other side.

3 (e)

1) Rule 2 of Indian Telegraph Rules define Own Your Telephone.

2) It is a scheme under which the subscriber makes an initial lump sum payment towards the rent for the line connecting his telephone to any exchange within the

exchange system and in consideration thereof is allowed a reduction in the rent payable by the subscriber (bi-monthly/annually) for a specified period.

**3 (f)**

- 1) Rule 2 of Indian Telegraph Rules define Message Rate System.**
- 2) Message Rate System means a system of charging telephone under which a subscriber besides paying a fixed annual rental for the line connecting his telephone to any exchange within the exchange system is also required to pay local calls fees for each call from his telephone at rates prescribed for such calls.**

**3 (g)**

- 1) Rule 2 of Indian Telegraph Rules define the Late Fee.**
- 2) Late fee means any fee payable in addition to the prescribed call charges for a local call or a trunk call made from or to PCO outside the regular working hours.**

**3 (h)**

- 1) Rule 2 of Indian Telegraph Rules define the junction line.**
- 2) Junction Line means a line connecting two exchanges in an exchange system or connecting a departmental exchange with a PBX or exchange of a licensed or a privately owned exchange.**

**3 (i)**

- 1) Rule 2 of Indian Telegraph Rules define collect call.**
- 2) Collect call means a call for which the person booking the trunk call specifies while booking it that he wishes the call to be paid by the called subscriber.**

**3 (k)**

- 1) Rule 2 of Indian Telegraph Rules define the Non-Exchange Lines.**
- 2) Non-Exchange Line means lines which connect two subscribers without the intervention of departmental exchange.**

**4 (a)**

**As per Para 141(4) of P&T Manual Vol. XII Pt. (I), when a casual connection extended beyond the maximum prescribed period of 30 days then it should be treated as Temporary connection and therefore double the normal rental for the entire period is leveiable subject to a minimum of 3 months rent.**

**4 (b)**

- 1) Paras 154 to 157 of P&T Manual Vol. XII deals with the Safe custody of Telephones.**
- 2) Whenever a subscriber is likely to be away from his premises and does not require the facility of a telephone, the subscriber can keep the telephone under safe custody.**
- 3) At the time of safe custody of telephone, the heat coil jumper shall be completely removed in the exchange.**
- 4) The safe custody can be for short duration or long duration.**
- 5) Short Duration:- (a) The period of short duration will be of minimum of 7 days and maximum of 90 days. (b) Full normal rent will be charged and cable pairs and telephone number is reserved. (c)The restoration of line can be arranged within a day or a week or the day specified by the subscriber whichever is later. (d) A prescribed**

restoration fee will be levied when the telephone is required to be restored after safe custody period.

6) Long Duration:- (a) The period of long duration will be of minimum of more than 90 days and maximum of 5 years and this 5 year period in practice may also exceed. (b) The application specifying the period in writing to be given by the subscriber to the commercial section within 8 days for which the safe custody is required. (c) 40% of normal rent would be levied and cable pair would be kept reserve for the subscriber. (d) The rent for the entire period of safe custody and for its extension would be payable in advance and a demand note will be issued for this purpose. (e) No rent/adjustment bill will be issued thereafter. (f) Restoration Fee would be levied if the connection is restored in the same place whereas shifting fee alone would be levied if the connection is restored in some other place. (g) Restoration of telephone connection after the safe custody would be given on top priority.

4 (c)

The telephone provided under TATKAL Scheme can be surrendered at any time. In case of surrender of telephone, the amount of refunded out of a deposit of Rs. 30000 will vary as given below:

If surrendered during First Year, Rs. 12000 will be refunded. If surrendered during Second Year, Rs. 15000 will be refunded and if surrendered during Third Year and beyond, Rs. 18000 will be refunded.

4 (d)

As per Para 15 of P&T Manual Vol. XII Pt. (I), normal rent is to be charged in case of a telephone disconnected pending shift to another exchange area at the request of subscriber and therefore, the action of AOTR is not in order.

5 (a)

CMR = 52580 OMR = 52120 Therefore, Gross Calls = 460

Calculation of Local Call Charges:

460 x 1.00 = Rs. 460.00

Amount due from the subscriber:

Local Call Charges Rs. 460.00

Service Tax 10.3% Rs. 47.66

Total bill value Rs. 507.66

Less: TC Deposit Rs. 2000.00

Net amount refundable Rs. 1492.34 Say Rs. 1492.00

5 (b)

Demand Note for Casual Connection for 6 days.

Demand Note :

Date:

[Valid Upto ----- (15 days from the date of issue)]

1. Rent for 6 days

Rs. 180.00

2. Installation charges

Rs. 500.00

3. Security Deposit	Rs. 2000.00
4. Service Tax 10.3% on Rs. 680	Rs. 70.00
5. Total	Rs. 2750.0 Say Rs. 2750.00

(Rupees Two Thousand Seven Hundred and Fifty only)

Signature of Issuing Officer

6 .  
 CMR = 27560 OMR = 24930 Therefore, Gross Calls = 2630

Calculation of Local Call Charges:

133 x 0.80 (200x20/30)	= Rs. 106.40
200 x 1.00 (300x20/30)	= Rs. 200.00
2297 x 1.20	= Rs.2756.40
Total	= Rs.3062.80

Amount due from the subscriber:

Rent for 30 days	Rs. 500.00
Local Call Charges	Rs. 3062.80
Trunk call charges	Rs. 310.00
Installation Fee	Rs. 150.00
Service Tax @ 5%	Rs. 201.14
Total amount due	Rs. 4223.94
Less: Paid in Demand note	Rs. 2510.00
Net amount recoverable	Rs. 1713.94 Say Rs. 1714.00

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**JAO PART II MODEL TEST PAPER FOR DECEMBER 2012 MAIN EXAMINATION  
PAPER II [TELECOM ACCOUNTS-I] [WITH THE AID OF BOOKS]  
TIME ALLOWED : 2 ½ HOURS SOLUTION TO QUESTION PAPER NO.4**

1.

a) True. As per Para 443 of P&T Manual Vol. II, under the following circumstances, the lowest tender can be rejected:

When the authority competent to accept the tender is doubtful about the ability of the lowest tenderer to execute the work satisfactorily, can order for rejection of his tender.

When the tenderer have no previous experience for the type of work tendered, then the competent authority can order for rejection of his tender.

When the tenderer is not willing to execute agreement in the prescribed form, then the competent authority can order for rejection of his tender.

b) False. Advance deposit shall earn interest from the date preceding the date of installation of the telephone w.e.f. 9.681. (Prior to this period, interest was allowed upto the date preceding the date of issue of orders for installation of telephone) and interest is calculated for completed number of months from the date of payment of such deposit.

c) False. As per Para 11 of P&T Manual Vol.XIV, the main functions of TRA Unit includes maintenance of Subscriber Record Card, Preparation and issue of bills, Reconciliation of Registers, Payment Noting, Preparation of Sub-Ledger etc.

d) True. Para 61 of P&T Manual Vol. XIV and Rule 76 of FHB Vol. V deals with Reconciliation of Trunk Call Register.

e) True. Sub ledger is prepared on monthly basis and it is progressive, having opening balance and closing balance.

f) False. Morning alarm calls are debit calls as per Para 30 to 35 of FHB Vol. V.

g) False. CLIP is to be procured by Subscriber from market and installed by themselves.

h) True. FLPP is pre paid account linked to telephone number.

i) True.

j) True. Takkal deposits are non-interest bearing deposit only.

2.

ACE.103

**SUB-LEDGER ACCOUNT OF D TELECOM DISTRICT FOR THE MONTH OF March 1999.**

Opening Balance	200,000
Amount Billed for during March 1999	506,000
Total	706,000
Recoveries:	
Divisional Office Collection	330,000
Post Office Collection	252,000
Written-Off	9,000
Cancelled	12,000
Total Recoveries	603,000
Closing Balance as on 31.03.1999	103,000

Signature of Accounts Officer (TR)  
(Rule 149 & 150 of FHB Vol. V)

3.

1) Paras 12.00 to 12.06 of Telecom Accounts Manual I and Rule 277 of P&T Manual Vol. III deals with the maintenance of records in connection with the issue of bills to Railways, canals and Other Central/State Government Departments and checking of half-yearly returns.

2) It is the duty of the Circle Accountant to issue bills for rent etc for wires, cables and instruments supplied to Railways, Canals and Hydro Electric Departments of Central/State Governments and to arrange for recovery of the amount due from them.

3) Circle Accountant shall get the half-yearly statement from the engineering authorities regarding the wires, cables and instruments supplied to Railways, Canals and Hydro Electric Departments of Central/State Governments. This will be the basis for issue of bills.

4) Bills for miscellaneous charges and charges for supervision or maintenance of under water cables etc will also be levied by the Circle Accountant on the basis of the particulars furnished by the engineering authorities.

5) A register shall be maintained for each Railway, Canal Projects etc and as soon as the returns are received from the Engineering Wing, the date of receipt along with the due date to be received etc will be noted. This register should be reviewed and any returns to be received, shall be got received through reminders etc.

As soon as intimation regarding new supply of wires, cables and instruments received, the same shall be entered in the register with full particulars.

As soon as intimation regarding termination of supply of wires, cables and instruments received, the same shall be entered in the register with full particulars.

6) The register shall be reviewed by Accounts Officer on the due date of returns to be received and thereafter every fortnight till all the returns are received.

7) A separate register shall be maintained to record full particulars regarding No and date of Order, Particulars of asset supplied and the administration to which they have been leased on special rate of rent etc., the date of completion of the work. On this basis only the bills for railway, canal etc are prepared.

This register is invariably be reviewed at the time of raising of bills.

8) Half-yearly returns are compared with previous returns and each addition and deletion shall be seen through the register. Addition and deletion/surrender should be through Advice Note and the same shall be available in the Register.

9) The calculation shall be checked and then the work of preparation of bills will be taken up.

10) Bills relating to Canal Administrations and Hydro-electric Projects should indicate details such as the total amount of the previous bills and particulars of the alterations of wire mileage made since the last bill etc working upto the total of the new bill.

11) The bills should be raised in each half-year in arrear, as per the name and address available in the register and bills will be issued in time.

4.

1) Para 211 of P&T Manual Vo. XIV deals with refund by Postal Money Order.

2) The postal money order should be prepared in the prescribed form with reference to the Refund Sanction authorized by Accounts Officer on the basis of Excess Payment Register and the concerned Deposit Register.

3) This postal money order along with the refund sanction in Form ACE.109 (in triplicate) will be put up to Accounts Officer for his signature along with the concerned registers.

4) Accounts Officer will sign in the two copies (First and Third) of ACE.109, concerned deposit registers and postal money order form. Another copy (Second) will

be certified by the section supervisor indicating that the Accounts Officer Sanctioned the Refund order and signed in the postal money order.

- 5) The postal money order may have the details of refund in the communication column.
- 6) First and second copy of ACE.109 along with postal money order shall be forwarded to cashier.
- 7) On getting the copies by cashier, he will obtain the order of payment from Accounts Officer in the First copy and will be treated as Voucher.
- 8) He will issue a crossed cheque in favour of Post Master and enclose the Postal Money Order.
- 9) The receipt particulars of postal money order will be noted in the Second Copy and forwarded to TRA Unit. He will retain the original receipt of Money order along with ACE 109 Pay Order.
- 10) Cashier will watch the acknowledgement of Postal Money Order.
- 11) In the TRA Unit, the relevant particulars about the refund will be noted in the concerned Registers.

5.

Date of Demand Note Payment : 01.06.1997  
Date of provision of the connection : 01.04.1998

Period for which waiting charge is payable : From 01.06.1997 to 31.03.1998

Rate of waiting charge = 9% pa

Waiting Charge payable =  $15000 \times 9/100 \times 10/12 = \text{Rs.}1125.00$

Note : The subscriber is also eligible for credit for additional waiting charges @ 3% beyond the period of 6 months in respect of OYT connection, that is,  $15000 \times 3/100 \times 4/12 = \text{Rs.} 150.00$

6.

CMR = 8650 OMR = 5250 Therefore, Gross Calls = 3400 Less Test Calls = 5. Net Chargeable calls = 3395.

(Note: Morning alarm calls in electronic exchange - exempted)

Calculation of Local Call Charges:

$100 \times 1.00 (300 \times 10/60) = \text{Rs.} 100.00$

$3295 \times 1.20 = \text{Rs.} 3954.00$

Total = Rs.4054.00

Amount due from the subscriber:

Local Call Charges Rs. 4054.00

Trunk call charges Rs. 800.00

Service Tax 12.36% Rs. 599.95

Total bill value Rs. 5453.95

Less: TC Deposit Rs. 1000.00

Net amount recoverable Rs. 4453.95 Say Rs. 4454.00

**JAO PART II MODEL TEST PAPER FOR DECEMBER 2012 MAIN EXAMINATION**  
**PAPER II [TELECOM ACCOUNTS-I] [WITH THE AID OF BOOKS]**  
**TIME ALLOWED : 2 ½ HOURS SOLUTION TO QUESTION PAPER NO.5**

1.

CMR = 23800 OMR = 21500 Therefore, Gross Calls = 2300 Add: Morning Alarm Calls  
5x2 = 10, Net chargeable Calls = 2310.

Calculation of Local Call Charges:

167 x 0.80 (500x20/60)	= Rs. 133.60
166 x 1.00 (500x20/60)	= Rs. 166.00
334 x 1.25 (1000x20/60)	= Rs. 417.50
1643x1.40	= Rs.2300.20
<b>Total</b>	<b>= Rs.3017.30</b>

Amount due from the subscriber:

Local Call Charges	Rs. 3017.30
Rent for 20 days	Rs. 275.00
Installation Fee	Rs. 150.00
Trunk call charges	Rs. 800.00
ICF Rent	Rs. 250.00
ICF Installation	Rs. 800.00
Service Tax 5% on 5292.30	Rs. 264.61
<b>Total bill value</b>	<b>Rs. 5566.91</b>
Less: TC Deposit	Rs. 5000.00
<b>Net amount recoverable</b>	<b>Rs. 556.91 Say Rs. 557.00</b>

2 (a)

1. Para 164 of P&T Man. Vo. XIV deals with the list of telephone lines exempted from disconnection.

2. Following dignitaries and high Government officials are exempted from disconnection:

1. President of India (Including all Telephones in Rashtrapathi Bhavan)
2. Vice President of India.
3. Prime Minister of India.
4. All Heads of State and Union Territories.
5. Former Presidents.
6. Hon'ble Chief Justice of India.
7. Speaker of Lok Sabha.
8. Chairman of Rajya Sabha.
9. All Ministers and Deputy/State Ministers of Central Cabinet.
10. All Chief Ministers and Deputy Chief Ministers.
11. Deputy Chairman of Planning Commission.
12. Leaders of Opposition in Lok Sabha and Rajya Sabha.
13. Ambassadors/High Commissioners etc.
14. Deputy Speaker of Lok Sabha.
15. Deputy Chairman of Rajya Sabha.
16. Hon'ble Judges of Supreme Court of India.

2 (b) (i)

As per Para 207 of P&T Manual Vol.XIV, the action of TDE is in order.

2 (b) (ii)

The private telephone of MP's can only be disconnected on obtaining the orders of the Head of Circle. Hence the decision of the AOTR of a Telecom Division/District for disconnecting the telephone held by a MP in his personal capacity is not in order. [Para 164 (iii) of P&T Man. Vol. XIV]

2 (b) (iii)

As per Para 204 of P&T Manual Vol. XII, the claim is allowed only when it is made within 6 months from the date of the call, and therefore, the action of AO TR is not in order.

2 (b) (iv)

As per Para 70 of P&T Manual Vol. XII Pt. (II), the late fee is chargeable only if the call matures after 15 minutes of the closing time of PCO and therefore, the action of AOTR is in order.

3.

Working Sheet to Q.3:

I. Amount billed for	15,00,000
ADD: Demand Note Collection	20,000
Total Amount Billed For	15,20,000
II. Divisional Office Collection	7,00,000
Less: OYT Deposits	1,20,000
Other Division+EPR+Dishonoured Chq.	18,000
Total Divisional Office Collection	5,62,000
III. Post Office Collection	9,80,000
Less: List not received	5,000
Add: Last month voucher now received	8,000
Total PO Collection	9,83,000

Solution to Q.3:

ACE.103

SUB-LEDGER ACCOUNT OF \_\_\_\_\_ TELECOM DISTRICT FOR THE MONTH OF January 1999.

Opening Balance	5,00,000
Amount Billed for during January 1999	15,20,000
Total	20,20,000
Recoveries:	
Divisional Office Collection	5,62,000
Post Office Collection	9,83,000
Written-Off	30,000
Cancelled	15,000
Adj from RR	25,000
Adjustement from EPR	3,000
ATC from other unit	10,000
Total Recoveries	16,28,000
Closing Balance as on 31.01.1999	3,92,000

Signature of Accounts Officer (TR)  
(Rule 149 & 150 of FHB Vol. V)

4.

The connection worked for 6 months ie., from 10.09.2001 to 09.03.2002 and therefore, double the rental charges (Rs. 250x2) per month is recoverable and Installation charges are recoverable and the same had been recovered vide demand note. Therefore, no charges has to be recovered towards rent and installation.

Regarding the overseas call made on 07.04.2000, it doesn't relates to this subscriber and therefore not to be claimed.

Further STD provision facility done on 01.12.2001 will not attract any charges with effect from 09.03.1999 as per the orders of DoT.

CMR 93105 OMR 85000 Gross Chargeable calls 8105 Period of local call : 1 month and 9 days which is 39 days.

98 (150x39/60)	Free
162x0.80 (250x39/60)	Rs. 129.00
390x1.00 (500x39/60)	Rs. 390.00
7455x1.20	Rs. 8946.00
Total call charges	Rs. 9465.60
Amount recoverable/refundable from/to the subscriber:	
Local call charges	Rs. 9465.50
Trunk call charges	Rs. 300.00
Service tax @ 5%	Rs. 488.28
Total	Rs.10253.88
Less: Deposits (2000+5000)	Rs. 7000.00
Net amount recoverable	Rs. 3253.88 Say Rs. 3254.00

5.

Paras 87 and 88 of P&T Manual Vol. XIV deals about the Demand Notes.

Engineering authorities shall issue the demand note to the prospective subscribers for installation of telephone connection and for provisioning of accessories thereof.

It authorizes to collect the amount towards telephone rent, deposit, rent for accessories, installation fee etc.

It authorizes to collect the amount of deposit on the basis of category under which it has been applied namely, OYT, Non-OYT, Tatkal.

It is prepared in quadruplicate and three copies are issued to the subscribers retaining one copy in subscriber's file.

Payment of Demand Note can be made either Post Officer or in Cash Counter of the SSA.

One copy of paid Demand Note shall be handed over to the subscriber, one copy shall be retained for Voucher and one copy shall be made over to the TRA Unit along with Post Office Daily List/Cash Counter of SSA Daily List.

On payment of Demand Note, the Engineering authorities shall issue the advice note to authorize a person to execute the work quoting the demand note particulars in the advice note.

When paid demand note available in the Daily List of Post Office/Cash Counter, the particulars of the Demand Note Number, Date of Payment, Mode of Payment, Where it has been paid, Reference of Daily List in which it has been shown etc shall be noted in the Register of Demand Notes and Advice Notes maintained in Form Eng. 53 (a).

This Register of Demand Notes and Advice Notes shall contain other than the above said particulars of Demand Note, the Advice Note Number, Date of Issue, Date of execution of work etc.

When the Advice Note received, it has to be verified with the Demand Note Particulars entered in the Register of Demand Notes and Advice Notes Register.

In the demand note, the payment of deposit shall be collected on the basis of category in which telephone connection applied, namely, OYT, Non-OYT, Tatkal etc. Further the demand note payment contains installation charges and annual rental deposit etc.

After getting the Advice Note, the deposit amount available in the Demand Note shall be entered in the concerned Deposit Register namely, OYT Deposit Register, Non-OYT Deposit Register, Tatkal Deposit Register, Annual Rental Deposit Register etc along with a entry in the Subscriber's Record Card.

If any outstanding bills paid by the subscriber through the demand, the same is entered in the concerned Bill Register or Register of Outstanding.

6.

Date of provision of OYT connection: 01.06.1993

Date of surrender of OYT connection: 31.08.2001

Worked for 8 years 3 months Say 9 years (Fraction of a year shall be computed as one year).

Maximum refund is  $15000 \times 11/20 = \text{Rs. } 8250.00$

Rent due from 01.07.2001 to 30.08.2001 ie., 2 months which is (Rs. 360 – 120) Rs. 240

Local call charges: (for 2 months)

CMR 32347 – OMR 26450 – Test calls 10 = Gross chargeable calls = 5887.

150 calls	Free
250x0.80	Rs. 200.00
600x1.00	Rs. 600.00
4887x1.20	Rs. 5864.40
Total call charges	Rs. 6664.40

Amount due from the subscriber:

Rental charges	Rs. 240.00
Local call charges	Rs. 6664.60
Rent for Plan 103	Rs. 500.00
Installation for Plan 103	Rs. 800.00
Service Tax @ 5%	Rs. 410.22
TC Bill dated 11.05.93 + Surcharge Rs. 10	Rs. 625.00 (ST already been included)
Total amount due from the subscriber	Rs. 9239.62 Say 9240.00

Therefore net amount recoverable from the subscriber (Rs.9240-8250) Rs. 990.00

**JAO PART II MODEL TEST PAPER FOR DECEMBER 2012 MAIN EXAMINATION  
PAPER II [TELECOM ACCOUNTS-I] [WITH THE AID OF BOOKS]  
TIME ALLOWED : 2 ½ HOURS SOLUTION TO QUESTION PAPER NO.6**

1.

Working Sheet to the Question No.1

I. Amount Billed For:

Rental Charges	Rs. 5,00,000
Local Call Charges	Rs. 25,50,000
Accessory Charges	Rs. 50,000
Trunk Call Charges	Rs. 15,000
Misc Charges	Rs. 5,000
ADD : Demand Note Collection	Rs. 15,000
Total Amount Billed For	Rs. 31,35,000

II. Divisional Office Collection:

At Cash Counter	Rs. 32,25,000
Less: OYT Deposit + Non-OYT Deposit	Rs. 1,05,000
Add: Collected at Telegraph Office	Rs. 10,000
Total Divisional Office Collection	Rs. 31,30,000

III. Post Office Collection:

PO Collection	Rs. 5,00,000
Less: Value of list not received	Rs. 5,000
Add: Value of list now received	Rs. 8,000
Total Post office Collection	Rs. 5,03,000

Solution to the Question No.1

ACE.103

Sub-Ledger Account of X Telecom District for the month of September 1998.

Opening Balance	Rs. 25,60,000
Amount Billed for during September 1998	Rs. 31,35,000
Total	Rs. 56,95,000

Recoveries:

Post Office Collections	Rs. 5,03,000
District Office Collection	Rs.31,30,000
Bills Cancelled	Rs. 25,000
Adjusted in various cr. Repr.	Rs. 40,000
Written-off	Rs. 5,000
-----	Rs. 37,03,000

Closing Balance as on 30.09.1998	Rs. 19,92,000
----------------------------------	---------------

Sd/ x x x x  
Signature of Accounts Officer (TR)  
[Rule 149-150 FHB Vol.V]

**2 (A)**

**(a)**

- 1) Rule 2 of Indian Telegraph Rules define the external extension.
- 2) External Extension means an additional telephone connection provided in the same circuit as the main connection which involves the use of external wiring.

**(b)**

- 1) Rule 2 of Indian Telegraph Rules define the Non-Exchange Lines.
- 2) Non-Exchange Line means lines which connect two subscribers without the intervention of departmental exchange.

**(c)**

- 1) Rule 2 of Indian Telegraph Rules define the Late Fee.
- 2) Late fee means any fee payable in addition to the prescribed call charges for a local call or a trunk call made from or to PCO outside the regular working hours.

**(d)**

- 1) Rule 2 of Indian Telegraph Rules defines Fixed Time Call.
- 2) Fixed Time Call means a trunk call between two members which is to be put through at or about a specified time.

**(e)**

- 1) Rule 2 of Indian Telegraph Rules define Direct Exchange Line.
- 2) Direct Exchange Line is a telephone connection directly working on a Telephone Exchange of BSNL.

**(f)**

- 1) Para 36 of P&T Manual Vol. XIV defines the casual connection.
- 2) It is a exchange or a connection from PBX given for a short period at the specified rate of rent prescribed in this respect.

**(g)**

- 1) Rule 2 of Indian Telegraph Rules define Local Circuits.
- 2) Local Circuit means a circuit provided between a Telegraph office and the party's premises both situated within the same area.

**(h)**

- 1) Para 36 of P&T Manual Vol. XIV defines the Capital Cost.
- 2) Capital Cost of an installation is the actual cost, under cash and stores, of the installation together with indirect cost on account of stores keeping, freight and establishment which are calculated on prescribed percentage basis.

**2 (B)**

**Demand Note for Temporary Telephone Line for 75 days**

**Demand Note :**

**Date:**

[Valid Upto ----- (15 days from the date of issue)]

1. Rent for 3 months (minimum)	Rs. 500 x 3	Rs. 1500.00
2. Installation charges		Rs. 800.00
3. STD Deposit		Rs. 5000.00
4. Service Tax 5% on Rs. 2300		Rs. 115.00
5. Total		Rs. 7415.00

(Rupees Seven Thousand Four Hundred and Fifteen only)

Signature of Issuing Officer

3 (A) (a)

- 1) Rule 2 of Indian Telegraph Rules define Private Exchange.
- 2) Private Exchange means a telephone exchange provided exclusively for the use of an organization or an individual and is not connected to the public network.
- 1) Rule 2 of Indian Telegraph Rules define Private Branch Exchange.
- 2) Private Branch Exchange mean an exchange provided for any one party and connected to the departmental exchange (Public Network).

3 (A)(b)

Short Duration:- (a) The period of short duration will be of minimum of 7 days and maximum of 90 days. (b) Full normal rent will be charged and cable pairs and telephone number is reserved. (c) The restoration of line can be arranged within a day or a week or the day specified by the subscriber whichever is later. (d) A prescribed restoration fee will be levied when the telephone is required to be restored after safe custody period.

Long Duration:- (a) The period of long duration will be of minimum of more than 90 days and maximum of 5 years and this 5 year period in practice may also exceed. (b) The application specifying the period in writing to be given by the subscriber to the commercial section within 8 days for which the safe custody is required. (c) 40% of normal rent would be levied and cable pair would be kept reserve for the subscriber. (d) The rent for the entire period of safe custody and for its extension would be payable in advance and a demand note will be issued for this purpose. (e) No rent/adjustment bill will be issued thereafter. (f) Restoration Fee would be levied if the connection is restored in the same place whereas shifting fee alone would be levied if the connection is restored in some other place. (g) Restoration of telephone connection after the safe custody would be given on top priority.

3B.

Date of Demand Note Payment : 01.06.1997

Date of provision of the connection : 01.04.1998

Period for which waiting charge is payable : From 01.06.1997 to 31.03.1998

Rate of waiting charge = 9% pa

Waiting Charge payable =  $15000 \times 9/100 \times 10/12 = \text{Rs.}1125.00$

Note : The subscriber is also eligible for credit for additional waiting charges @ 3% beyond the period of 6 months in respect of OYT connection, that is,  $15000 \times 3/100 \times 4/12 = \text{Rs.} 150.00$

4 (A)

Paras 140,141,145 & 150 of P&J manual Vol. XIV deals with the issue of consolidated telephone bills.

Normally the periodicity of consolidated telephone bills of 2 months that is, every bi-monthly telephone bills are issued.

Charges to be claimed in the consolidated telephone bills:

a) LOCAL CALL CHARGES:

It shall contain the opening meter reading, closing meter reading, gross calls, free calls, credit calls, chargeable calls, chargeable amounts. Local call statement is being received from the concerned telephone exchange with duly filled.

**b.) TRUNK CALL CHARGES:**

Trunk call charges include phonogram charges and overseas calls. Trunk calls tickets received from exchange are duly agreed with the listing sheet. The total under trunk call charges in the bill register should agree with the listing sheet.

**c.) RENT CHARGES:**

The amount of rent is collected in advance. IT should be as per the subscriber's record card. Rent is claimed for telephone main connection and accessories including the extension etc.

**d.) MISCELLANEOUS CHARGES:**

1.) Charges for extra or bold entry in the telephone directory.

2.) Charges for damage of a connection or parts thereof, as per the report of the engineering authorities.

Local call charges, Trunk call charge and miscellaneous charges are noted in the subscriber's record card after the issue of bills whereas the rental charges are being billed on the consolidated bill from subscribers record card. Rent is the basic document for issuing consolidated bill.

Consolidate bills are prepared in duplicate, entries are made in the subscriber's record card, bill register and after which bills sent to subscriber for making payment.

**4 (B)**

Para 61 of P&T Manual Vol. XIV and Rule 76 of FHB Vol. V deals with Reconciliation of Trunk Call Register.

This work has to be done only after the issue of bills.

First, number of tickets chargeable (including the chargeable Phonogram Tickets) should tally with the number of tickets charged as per the bill register.

Secondly, the sum of above said tickets as per listing list should tally with charged amount as per the bill register.

It should be maintained in Form TR-4 for exchange wise.

Discrepancies, if any noticed, should be recorded in the register.

A certificate to the effect of reconciliation on exchange wise should be entered by checker in the concerned Bill Register and the Register of Reconciliation.

**5 (i)**

As per Para 69 of P&T Manual Vol. XIV and Para 196 of P&T Manual Vol. XII, a rebate of 12.5% shall be allowed on such calls and the rebate shall not be allowed on supplementary charges like PP Charge, PCO Charge, Late Fee and also on rentals and local call charges. Therefore rebate allowed on late fee is not in order.

**5 (ii)**

As per Para 342 of P&T Manual Vol. XII, the fraction of KM shall be rounded off to the next higher integer and therefore, the action of AO TR is in order. 1.25 times of 22 KMs comes to 27.5 KM and therefore AO TR charged for 28 KM.

**5 (iii)**

As per Para 207 of P&T Manual Vol. XIV, the action of DE is in order.

5 (iv)

As per Para 70 of P&T Manual Vol. XII Pt. (II), the late fee is chargeable only if the call matures after 15 minutes of the closing time of PCO and therefore, the action of AOTR is in order.

5 (v)

As per Para 141(4) of P&T Manual Vol. XII Pt. (I), when a casual connection extended beyond the maximum prescribed period of 30 days then it should be treated as Temporary connection and therefore double the normal rental for the entire period is leviable subject to a minimum of 3 months rent.

5 (B)

Actual Length 8.5 Kms ie., 9 Kms

Annual Rent for 1 <sup>st</sup> Km	Rs. 300
Annual Rent for 2 <sup>nd</sup> to 5 <sup>th</sup> Kms (Rs. 250x4)	Rs. 1000
Annual Rent for additional Kms (Rs. 1500x4)	Rs. 6000
Total Annual Rent Chargeable	Rs. 7300
Service Tax @ 5% on Rs. 7300	Rs. 365.00
Total amount recoverable	Rs. 7635.00

6.

CMR = 30432 OMR = 22854 Therefore, Gross Calls = 7578

Calculation of Local Call Charges:

200 x 0.80 = Rs. 160.00

300 x 1.00 = Rs. 300.00

7078 x 1.20 = Rs.8493.60

Total = Rs.8953.60

Amount due from the subscriber:

Local Call Charges Rs. 8953.60

Service Tax 5% Rs. 447.68

Total bill value Rs. 9401.28

Less: TC Deposit Rs. 500.00

Net amount recoverable Rs. 8901.28 Say Rs. 8901.00

**SOLUTION TO WORKS THEORY**

e-Edition by ABSNLOA

**JAO PART II MODEL TEST PAPER FOR DECEMBER 2012 MAIN EXAMINATION**  
**PAPER III [TELECOM ACCOUNTS-II] [WITHOUT THE AID OF BOOKS]**  
**TIME ALLOWED : 2 HOURS      SOLUTION TO QUESTION PAPER NO.1**

---

**1 (a)**

- 1) Rule 4 (xx) of FHB Vol. III Part (III) defines the term Imprest.**
- 2) Advances of money made by a disbursing officer to another officer to enable the latter to make payment on behalf of organization is called Imprest.**

**1 (b)**

- 1) Rule 140 of FHB Vol. III Part (II) defines the term ledger.**
- 2) The cash transaction of the entire stores organization should be abstracted in several ledgers. The receipts and payments of the organization are classified in those ledgers in full detailed heads of account. There should be a separate ledger for each detailed head of account for each financial year and posting in the ledger should be made from the cash book on day to day basis. At the end of the month, the postings should be totaled and the total of each ledger should be tallied with the cash book.**

**1 (c)**

- 1) Rule 4 (ii) of FHB Vol. III Part (II) defines the term advance payment.**
- 2) An advance payment means a payment on a running account to a contractor for work done or for material brought to the site of work by him but not acknowledged by or on behalf of the officer-in-charge of the work.**

**1 (d)**

- 1) Rule 1.1.2 (1) of FHB Vol. III Part (III) defines the Accounting unit.**
- 2) It denotes the centre or location for which initial accounts shall be compiled.**

**1 (e)**

- 1) Rule 476 of FHB Vol. I defines the term earnest money deposit.**
- 2) Earnest money is a deposit to be made by an intending tenderer as a safe guard against any loss to the Government. In case after his selection he fails to furnish the required security within the specified time after the acceptance of his tender, the earnest money deposited by him will be forfeited.**

**1 (f)**

- 1) Rule 4 (ii) of FHB Vol. III Part (II) defines the term advance payment.**
- 2) An advance payment means a payment on a running account to a contractor for work done or for material brought to the site of work by him but not acknowledged by or on behalf of the officer-in-charge of the work.**
- 3) Such advance payment can be done only in cases where it is absolutely necessary and should not exceed 90% of the total value of materials brought to site or supplies made.**

**1 (g)**

- 1) Rule 2.1.2.3 of FHB Vol. III Part (III) defines the term work order.**
- 2) A work order is the authorization of the job for manufacture of article in a Telecom Factory. For telephone facility of accounting, collection, analysis and control of expenses each job shall be identified by a work order number and specific series of numbers are allotted for each kind of job.**

1 (h)

- 1) Rule 4 (iii) of FHB Vol. III Part (I) defines the term allocation of expenditure.
- 2) The distribution of total cost of a work between the Heads of Accounts prescribed for the purpose by BSNL Board is termed as allocation expenditure.

1(i)

- 1) Rule 19 of FHB Vol. III Part (I) defines the term store dump.
- 2) A store dump is a place where stocking of serviceable line materials which are found surplus on works and expected to be utilized in future on other works.

1 (j)

- 1) Para 110 of P&T Manual Vol. X defines the term imprest stock.
- 2) Imprest stock are stores provided to the Engineering officers in charge of the Telephone Exchange to enable them to carry out petty works and the urgent need of maintaining equipment.

2 (a)

Para 217 of P&T Manual Vol-X deals with Supplementary Estimates. When a work is in progress and if it is noticed that any development or extension of a project is necessary, the supplementary estimates all come in to the picture. Following are the conditions for preparing Supplementary estimates. It should not arise directly out of the execution. It does not form part of essential part of the project. The anticipated cost should not exceed more than 10% of the total project sanctioned cost. This supplementary should accompany a detailed report containing the reasons for such inclusion and how it has been omitted at the time of original submission. Further it should certify the original sanctioned cost supplementary cost and the total modified cost requires for sanction.

2 (b)

Para 473 of P&T Manual Vol-X deals with the steps to be taken for Loss of government property. A loss of Government property should be immediately reported to Superior. Copy of the report shall be sent to Circle Office narrating the circumstances under which the loss occurred. Circle Office should monitor the investigation and proper prosecution. If the value of the loss due to fire, theft etc exceeds Rs. 10000 for buildings, communications and other assets, the same shall be reported to Police authorities for proper investigation. Reporting to the police should be sent within a reasonable time. However, if the loss occurred due to suspected sabotage, the same shall be reported to Police irrespective of the value of the loss. A formal investigation report should be obtained from Police authorities and copy of the report shall be forwarded to CMD, BSNL. When the matter has been fully investigated, a complete report regarding the nature and extent of loss, errors or neglect of rules due to which the loss incurred and the prospect of recovering the loss etc should be submitted. Competent authority shall sanction the write-off of the loss on receipt of the above report along with particulars. Accounts Officer shall properly classify the accounts for loss written-off and amount recoverable.

The officer receiving the full report should forward the same to the Government through proper channel with such comments as he considered necessary. Further the causes and the circumstances due to which the loss incurred should be commented and steps taken to prevent the same in future should be fully elucidated. The disciplinary action taken or proposed to be taken should be intimated.

Petty cases involving loss not exceeding Rs. 2000 need not be reported but a half-yearly statement shall be sent. However, if any special features attached for loss not exceeding Rs. 2000 the same can be reported.

2 (c)

Paras 3.23,3.29 & 3.30 of Telecom Accounts Manual Vo-I deals with the demands payable register.

This has been renamed in BSNL as liability Register.

Salary & others allowances of staff for the month of March & other Expenses such as electricity, rent, faxes etc payable upto the month of March are paid during the next financial year.

2 (d)

Para 7.1.1 of Telecom accounts Manual Vo-II deals with Appropriation accounts.

It means the amount of expenditure incurred during a financial year the amount granted on each head.

This appropriation account shall be useful for watching the expenditure periodically and also useful for controlling the expenditure within the allotment.

Re appropriation of grant from one head to another head shall be made only on the approval of competent authority.

This appropriation account shall indicate.

Whether the money disbursed were legally available.

Whether the expenditure confirm to the authority

The effect of expenditure made.

The reasons for excess/ savings in expenditure.

3.

Para 215,234 & 235 of P&T Manual Vol.X deals work Allocation of Estimates.

The officer preparing estimate shall allocate under different Heads of Account as per allocation rules.

The Expenditure can be allocated under Capital & Revenue heads.

Further it can be allocated under local purchases, establishment charges, unforeseen expenditure etc.

Further it has to be allocated under different areas of operation namely General area, Rural area & tribal area.

The allocation of expenditure under different heads of account shall be scrutinised and verified by the circle accountant and necessary certificate to be given for the estimates which need the sanction from Head Quarters.

Estimates are dismantlement, renewals, reconstruction etc need the credit for recovery of items.

Recovered items shall be credited to Capital a/c or Revenue a/c as the case may be.

Therefore the estimates need the particulars of the assets namely block value of the asset, Total accumulated depreciation and net value of the asset.

4.

Rule 390 of FHB Vol.I deals with payment of advances to Private firms for supply of stores/services.

The advance payment can be made to firms including Govt organisation for supply of stores etc and Mtce contract made with reputed firms.

The following are the conditions for making advance payment.

The adv amt required to be made in the cases of where the absolute necessity arises.

It should be made on the valid sanction issued by the competent authority.

90% of the total value or Rs.1 lakh which ever is less, is made as adv payment to private firms. However in respect of Central PSUs and State Govt PSUs the maximum advance amount shall be 90% of the total value or Rs.10 lakhs which ever is less. More over in respect of Central PSUs and State PSUs even 100% advance payment can be made subject to a ceiling of Rs.10 lakhs in spl cases.

In cases of service contract the advance payment should not exceed the one year payable amount.

The Pvt firm should be an established firm having fair reputation in the market.

When ever adv payment is being made necessary formal agreement is required to be executed, stipulating the terms & conditions under which adv payment being made.

Normally adv payment can be made either on proof of despatch or on immediate despatch of goods.

The time gap between the adv payment and the receipts of stores should be as minimum as possible.

The officer drawing adv is made responsible for the adjustment of the said adv within a period of one month by a detailed report in the prescribed form to the accounts officer.

Ilrd adv should not be made to a firm when the first adv itself is pending for adjustment

The adv amount should be taken to the liability head and it will be taken to final head only when the adjustment is made against the supply of materials of services.

5.

Rule 195 of FHB Vol-I deals with the procedure to be followed for collection of Telephone Revenue through DTO/Telecom centres.

In order to provide better accessibility for subscribers, it has been decided to accept the payment of Telephone Revenue at DTO/Telecom Centres.

No new post has been created to work in collection centres where as the surplus staff diverted to this job.

Acceptance of telephone bills restricted to one hour before closure of banking hours.

However the heads of Circle are authorised to fix the working hours.

DDs/Cheques can be accepted even beyond Banking hours but upto 17.00 Hrs on all working days except Sundays/ Telegraph Holidays.

Normally Telephone Bills for payment can be accepted upto the due date of payment. However the date of acceptance can be extended even beyond due date if Heads of Circles wishes.

The amount of daily collection should be incorporated in the concerned cash book on the same day itself.

Normal existing procedure for remitting cash/cheque/DD into bank should be followed.

Daily list should be prepared and long with vouchers (Copy of Telephone Bills) sent to concerned AO(TR).

6.

Para 11.59 of telecom Accounts Manual Vol-I deals with Banl reconciliation .

The debits and credits booked in the Trial Balance reflect the total amount paid from the bank and the total amount received from the banks.

The schedule of bank payment (now in operation account) and the schedule of bank remittance (now in collection account) should agree with the Trail Balance.

If not agreed, the reconciliation should be made in the following ways.

Issued cheques but not presented into Bank for payment.

Wrong debit given by the bank.

Bank charges mentioned in the Bank.

Cheques/DDS remitted into Bank but not accounted in the bank due to collection process.

Wrong credit given by the Bank.

Bank interest shown in the Bank Account but not reflected in our accounts.

The reconciliation work done through the Bank statement received every month and comparing this statement with our schedule as per Trial Balance.

Any wrong entry made by the Bank should got rectified through the correspondence with Bank Authorities.

Any entry missing our Bank schedule, namely Bank Charges, Bank Interest, TDS recovered etc should be got entered in our Bank Book.

7 (a)

The following register are maintained in Telecom Engineering Divisional office for control of expenditure on work:-

Register of allotment in Form ACE-12.

Register of Works in Form ACE-23.

Register of Liabilities in Form GFR-6.

Register of unpaid wages in Form ACE-13

Register of Railway credit notes.

Contractors ledger in Form-ACE-10.

7 (b)

Register of Works:-

Rules 201 to 205 of FHB Vol-III Pt (II) deals with records for expenditure in Capital Head.

A collective record of expenditure relating to the construction, Reconstruction, repairs& maintenance of Lines& Wires, Apparatus & Plants etc in division is maintained in a register which is called Register of Works.

Separate page will be allotted on each estimate.

In this register, the following particulars are noted

Name of the work, sanction No. & date, sanctioned cost under cash & Stores, Progressive expenditure on cash & stores etc.

From the expenditure schedule, month to month expenditure are being entered in the register.

For annual open estimates and maintenance estimate a separate register of works is maintained.

In the Index page of register works, the Name of the work, Estimate number & folio No. of the register are entered.

As soon as estimate is sanctioned, a folio in register of works will be allotted.

Each month, the register of works should got reconciled with the cash expenditure on capital Heads and Journal register for capital head, total figure available in the T.B.

It should be sent for review on monthly basis to Accounts Officer.

### **Register of Liabilities:-**

Rule 193 of FHB Vol-III Part-I deals with the Register of Liabilities.

The register is maintained in prescribed form and the sums which are due to the Contractors, Railways for freight etc are noted in the register.

It should be entered with the nature of payment, amount due, expected month of payment, the charges to be made on which work etc.

The allotment under the grant should be reduced by the liability.

Some of the liability may be discharged by Circle Accountant and some others by units for which we may receive ATD to book under work concerned.

When work is physically completed it is the responsibility to see whether the liability has been cleared either by payment or by receipt of ATD.

8.

1) Rule 60 of FHB Vol. I deals with Standards of Financial Propriety.

2) Strict guidelines for every officer incurring the expenditure from public funds are given under Standards of Financial Propriety.

He should exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.

The expenditure should not be prima facie more than the occasion demands.

He should not exercise his powers of sanctioning expenditure to pass on an order which will be directly or indirectly to his own advantage.

Public money should not be utilized for the benefit of a particular person or section of the people, unless a claim for the amount could be enforced in a court of law or the expenditure is in pursuance of a recognized policy or custom.

The amount of allowances granted to meet the expenditure of any type should not be on the whole a source of profit to the recipient.

Responsibility and accountability is total and indivisible. Public interest should be uppermost in mind while making a purchase or procurement decision. The responsibility is not discharged merely by the selection of the cheapest offer but must confirm the following yard-sticks of financial propriety: (a) Whether the reasonable procedures have been followed, (b) Whether the purchase shall meet the adequate requirement, (c) Whether the purchase shall meet the reasonable quality and (d) Whether the selected offer is the most appropriate one.

9) Usually or at least whenever it is necessary, the concerned authority must record its precise terms, the conditions which are weighted with it while taking the procurement decision.

**JAO PART II MODEL TEST PAPER FOR DECEMBER 2012 MAIN EXAMINATION**  
**PAPER III [TELECOM ACCOUNTS-II] [WITHOUT THE AID OF BOOKS]**  
**TIME ALLOWED : 2 HOURS      SOLUTION TO QUESTION PAPER NO.2**

---

1 (a)

- 1) Rule 4 (xxxviii) of FHB Vol. III Part (III) defines the term Secured Advance.
- 2) It is a term applied specifically to an advance made, on the security of materials brought to site of work, to a contractor whose contract is for the completed items of work.

1 (b)

- 1) Rule 1.1.2. (xviii) of FHB Vol. III Part (III) defines the term depreciation.
- 2) Depreciation means the gradual decrease in or expiry of, the capital value of an asset due to wear and tear, use or obsolescence.

1 (c)

- 1) Rule 2 (h) of FHB Vol. I defines the term Attached officer.
- 2) The term denotes the Head of the Department in relation to an office or offices under his administrative control means an authority or person as the concerned department in the Central Government may by order specify as a Head of the Department, provided that such a person is the Head of an identifiable organization and the minimum of his scale of pay is not lower than that of a Deputy Secretary to the Government of India.

1 (d)

- 1) Rule 40 of Indian Telegraph Rules, 1885 defines the term abbreviated addresses.
- 2) For smooth and correct delivery of telegrams, the abbreviated address are registered at Government Telegraph offices on payment of the prescribed fee and under stipulated conditions.

1 (e)

- 1) Rule 4 (xviii) of FHB Vol. III Part (I) defines the terms establishment charges.
- 2) This terms is ordinarily applied to the charges which are levied on works (other than works entirely chargeable to revenue) executed by the engineering and the wireless branches, in addition to the direct charges, and or intended to cover the expenditure on engineering or wireless personnel etc employed on such works.

1 (f)

Cash projects are projects for which bulk of materials are supplied direct to the site by Indian and Foreign manufacturers and the stores organization does not supply most of the items.

1 (g)

- 1) Rule 4 of FHB Vol. III Part (I) defines the term Contribution Works>
- 2) A contribution work is a work the cost of construction or repairs of which is not met out of the funds of the BSNL but is recoverable from the private parties, bodies, Government Departments etc. for which such works or repairs are carried out.

1 (h)

- 1) Rule 1.1.2 (1) of FHB Vol. III Part (III) defines the Accounting unit.
- 2) It denotes the centre or location for which initial accounts shall be compiled.

1 (i)

- 1) Para 7.10(%) of Telecom Accounts Manual Vol. I defines the term Telephone Deposit.
- 2) Deposits are taken from the telephone subscribers for providing the telephones and rendering services through telephones to them are called telephone deposits.

1 (j)

- 1) Rule 2.1.2.3 of FHB Vol. III Part (III) defines the term work order.
- 2) A work order is the authorization of the job for manufacture of article in a Telecom Factory. For telephone facility of accounting, collection, analysis and control of expenses each job shall be identified by a work order number and specific series of numbers are allotted for each kind of job.

2 (a)

Rules 114,116 & 117 of FHB Vol-I deals with Subsidiary Cash Book. The number of transactions are heavy in the telephone district and SSAs. Therefore they are allowed to maintained a Subsidiary cash book in addition to main Cash Book. When the payments are heavy, each transactions will be entered through subsidiary cash book and the total amount on each head of the accounts will be entered in the main cash book. Like wise when the receipts are heavy, each transaction will be entered through subsidiary cash book and the total amount on each head of account will be entered in the main cash book. In this case the SI.No of ACG 67 receipt is watched through the subsidiary cash book.

2 (b)

Rules 186 to 189 of FHB Vol-III Part-I deals with contractor ledger. A separate page shall be allotted for each contractor. This ledger account is credited with value of work done, materials supplied by him and debited with the amount paid to him, materials issued to him, any advance payment made to him. Normally both the Debit and Credit entries are passed in the ledger when the bill is passed and paid. Entry in the ledger should have reference of bill no, estimate No etc. No erasures are allowed in the ledger but the wrong entry should be corrected by striking out the wrong entry and inserting new entry with the initials of AO. Evert Contractor Account should be balance every month and net balance should be worked out. Amount remaining unpaid on completion of work should be taken to liability head and discharged therefrom. A copy of the Contractor Ledger should be enclosed in the Final Bill.

2 (c)

Para 219,220,222 & 224 of P&T Manual Vol.X deals with Petty Works Petty works are on nature of following works: New Construction, Additions, renewals or Shifting of Telephone Lines & Wires, Apparatus & Plants or Electrical installation etc. These petty works are included in the cost of Annual open Estimates. Annual Open Estimates are estimated expenditure likely to be incurred during a year and is charged under Working Expenses. The gross value does not exceed Rs.25000/- exclusive of Freight on Stores, Establishment Charges & Store Keeping Charges.

No work forming part of a project shall not be included in the Annual Open Estimate.  
A Construction work may not be included in the Annual Open Estimate.  
Construction of guaranteed line work shall not be included in the Annual Open Estimate.  
Work relating to abandonment of asset, dismantlement without replacement may be charged under Annual Open Estimate.  
Estimate for petty works chargeable to Annual Open Estimates are prepared in Eng-90.  
These estimates are called as RCR (Requisitions and Completion Reports) and no need to release completion reports but a certificate to be endorsed in the form Eng-90 about the date of completion.

**2 (d)**

Rule 88 of FHB Vo-I deals with Retrenchment register.

This is also known as Recovery Register and is maintained in Form ACG-60.

Advances granted to employees, the amount involved in Loss & theft and recoverable etc are noted in the register and also its recoveries are noted.

It contains the Name and designation, Nature of Advance, Amount Sanctioned and Paid, Recovery Amount, Month of Recovery, Balance Amount of Advance etc.

At the end of the month, Recovery register is closed and the amount should agree with Trial Balance Figure.

At the end of the year (ie 31<sup>st</sup> March), a certificate should be obtained from each of the employees for the Outstanding Balance as on 31<sup>st</sup> March.

**3 (a)**

The following are the components of a project for opening an exchange in a city.

Land:- for construction a bldg of telephone exchange.

Building:- which includes provision for water supply, drainage, Staff Qtrs and Keeping the equipments and space for working.

Apparatus & Plants:- Equipments for a telephone exchange like Battery, Power plant etc.

Cables:- for providing local telephone cable. Provisioning of long distance telephone-Cables, Provisioning of log distance telephone-Circuits, Connected to the nearest Truck Exchange.

Electrical Fittings.

Furniture.

Masts & Aerials.

**3 (b)**

Para 134 to 137 & 147 of P&T Manual Vol.X deals with the important points to be checked in a project estimate.

It is to be seen whether all the components under the project have been included and whether the project is complete in itself.

It is to be seen whether the project is sanctioned by the competent authority as per the schedule of Financial Powers.

It is to be seen whether the project is prepared next below authority competent to sanction the project.

It is to be seen whether the project is prepared in major 3 categories namely Lines including carrier installation, Trunk Exchange installation and local exchange installation.

It is to be seen whether the 1/3<sup>rd</sup> of the trunk call traffic had been assumed as revenue of the project for the calculation of the project.

Further it is to be seen that in all the detailed estimated a certificate to the effect that the estimate forms part of the project, had been mentioned.

Whenever the first detailed estimate sent for sanction necessary certificate such as the said project has already been sanctioned should be mentioned along with the copy of the project estimate.

Whenever the last detailed estimate sent for sanction necessary certificate such as all the detailed estimates mentioned in the project has been sanctioned for all the works mentioned in the project.

It is to be seen whether the project has got the administrative approval which it means for approval to incur expenditure.

It is to be seen whether it means has got the Technical Sanction which it means that the plans are structurally sound and the estimate are accurately calculated based on the sufficient data.

It is to be seen whether the project has got the expenditure sanction before going to the labour & expense of preparing detailed plans and estimates.

4 (a)

Rule 123 & 127 of FHB Vol.III Part ( I ) deals with conditions for sanction of Temp Advance.

Temp Advance is granted either separately or in addition to Imprest.

It is granted for specified purpose with known amount.

It is granted by the Head of the SSA and DE as the case may be.

No limit is prescribed for sanction of Temp Advance.

It should be adjusted as soon as expenditure is over or within one month or within the end of the Financial year which ever is earlier.

It forms part of the cash balance of the officer who grants the temp advance

4 (b)

Imprest:-

Rule 4 (XX), 119 120 & 127 of FHB of Vol.III part (I) deals with Imprest.

The Imprest is an advance amount paid by disbursement officer to another officer for making payment on behalf of the organisation

The Imprest amount form part of cash balance.

Its adjustment shown in the cash book.

Imprest may be either Permanent Imprest or Temporary Imprest.

Premanent Imprest:- The CGM in consultation with the IFA may sanction permanent Imprest and it should invariably be recouped before the end of each month.

Temporary Imprest:- This can be sanctioned by the Head of the SSA when heavy payments are anticipated on account of works or Mtce of lines etc No limit is prescribed and the time limit for its adjustment is within 3 months or at the close of the Financial year which ever is earlier. It forms a part of Cash balance.

Temporary Advance:-

1) Rule 123 & 127 of FHB Vol.III Part ( I ) deals with conditions for sanction of Temp Advance.

2) Temp Advance is granted either separately or in addition to Imprest.

3) It is granted for specified purpose with known amount.

4) It is granted by the Head of the SSA and DE as the case may be.

5) No limit is prescribed for sanction of Temp Advance.

6) It should be adjusted as soon as expenditure is over or within one month or within the end of the Financial year which ever is earlier.

7) It forms part of the cash balance of the officer who grants the temp advance.

5.

Rules 4 and 64 to 70 of FHB Vol-III Part (I) deals with the contribution works.

Contribution works is one for which the cost of the work is not met out of the the funds of BSNL but it is recoverable from the private party,Bodies,Govt department etc.

The cost of the work which is recoverable wholly or partly from private, partner, bodies or Govt department etc are generally known as “Contributory Works”

Following are the types of Contributory works:

Works executed for private persons. Local bodied and others

Works executed for state Govt and the Central Govt.

Erection of cables etc for Railways, Canals. Defence etc including repairs & renewals thereof.

No contribution work should be taken up unless the probable cost is worked out and intimated to the party and payment thereof deposited by the party of the BSNL.

The amount of the deposit for contribution work shall be debited in the Cash Book and per contra credit shall be to Claims Recoverable for Contribution Works.

When the expenditure is incurred for contributory work shall be credited in the Cash Book and per contra debit shall be to Claims recoverable for contribution works.

Accounts Officer should keep a watch that at no point of time, the excess expenditure should not be booked over and above the Deposit received.

No advance is recovers for the works mentioned at 4 (A) and (B) and therefore the full amount will be claimed on completion of the work or at the close of the Financial year which ever is earlier.

In respect of work executed for defence department, no advance is recovered. As soon as the work is ordered, three estimates are prepared namely, Lost of Original construction, Traffic charges and monthly cost of maintenances.

The monthly amount debitable to defence department is the total of all three estimates mentioned above. The vouchers for the defence work should be kept separately.

Details of debits for defence department work should be prepared in ACG-28 form and forwarded to circle accountant for raising the bills and collection of the amount.

6.

Paras 368 to 372 of P&T Manual VOL-X deals with the disposal of unserviceable stores and obsolete stores.

Stores which cannot give the due service or cannot be issued for the purpose they have been manufactures or purchase are called unserviceable stores.

Stores of pattern which no longer manufactured or purchased are called obsolete stores.

However the stores of obsolete can be utilized for the departmental works but the stores of unserviceable cannot be utilized for departmental works.

Obsolete stores which are not included in the Rate list are termed as unserviceable stores.

These unserviceable can be disposed-off after obtaining sanction from competent authority in ACE-9 form.

Any stores declared unserviceable and obsolete stores which are no longer useful can be brought on to a register of unserviceable stores.

ACE-9 shall be prepared for getting sanction of disposal. In ACE-9 the particulars like the condition of the stores, period upto which the stores are in stock, the cause of deterioration etc.

In respect of stores of Apparatus & Plants, a committee under the Chairman of DGM-Material Management should be formed and the committee only declare the unserviceable stores.

Unserviceable stores of Tools can be sold at site and being the price to the best advantage of the department.

Unserviceable Electric light, Fans, Battery Materials etc are also disposed-off the same procedure mentioned above.

Unserviceable Copper wire, Copper disc, Scrap Copper etc are sent to nearest main stores depot for their disposal.

The unserviceable Zinc etc shall be sent to Telecom Factory, Jabalpur for their disposal.

7.

Para 110 of P&T Manual Vol-X Part (III) deals with Imprest Stocks

The stores kept in the custody of SDOs/JTOs/Officers-in-charge of Telephone system for maintenance purpose and to carry out the urgent nature of work and other petty works, which is called Imprest Stock

The imprest stock shall be the part of divisional stores.

Imprest stock should be kept as small as possible.

It can be recouped as and when requires from the parent stock depot.

The number of imprest stocks, location its size and fixed by head of SSA with contribution of CGM Telecom stores Kolkatta.

Imprest stock holders should maintain a account, each page should be for each article and all the transaction should be entered if it affects the balance of the stock.

Imprest stcok holder should close the accounts on each month and submit a balance return in the prescribed form. Any difference of stock noticed should be explained clearly.

All the unserviceable stores available in the imprest stock should be disposed off after obtaining sanction form the competent authority.

In the case of loss, theft etc it should be reported to the Police authorities immediately and proper action should be taken to recover the same.

When imprest holder transferred, he/she should made over the imprest stock to his/her successor with due certification signed by both in the prescribed form.

**JAO PART II MODEL TEST PAPER FOR DECEMBER 2012 MAIN EXAMINATION**  
**PAPER III [TELECOM ACCOUNTS-II] [WITHOUT THE AID OF BOOKS]**  
**TIME ALLOWED : 2 HOURS      SOLUTION TO QUESTION PAPER NO.3**

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**1 (a)**

- 1) Rule 2 (g) of FHB Vol. I defines the term Head of Circle.**
- 2) Head of the Circle means the Chief General Manager Telecom/Telephones, Chief General Manager, Technical and Development Circle, Telecom Stores, Telecom Factories, Maintenance or Projects.**

**1 (b)**

**The term denotes the original value of asset less depreciation upto a certain date is the depreciated value of an asset on that date.**

**1 (c)**

- 1) Rule 4 (ix) of FHB Vol. III Part (I) defines the term works expenditure.**
- 2) This term is used to indicate the expenditure on the special services connected with the construction, reconstruction, repair and maintenance of lines and wires, apparatus and plants etc but it does not include the cost of general services, tools and tents and establishments or any other charges not taken to final heads of account but are kept under one of the suspense account. The charge falling under these categories should be net when, under rule, any receipts are taken in reduction of the charges.**

**1 (d)**

- 1) Rule 476 of FHB Vol. I defines the term earnest money deposit.**
- 2) Earnest money is a deposit to be made by an intending tenderer as a safe guard against any loss to the Government. In case after his selection he fails to furnish the required security within the specified time after the acceptance of his tender, the earnest money deposited by him will be forfeited.**

**1 (e)**

- 1) Rule 4 of FHB Vol. III Part (III) defines the term book term.**
- 2) The terms applied to the process whereby financial transactions which do not involve the giving or receiving of cash or stores are brought to account.**

**1 (f)**

- 1) Rule 4 (xxxvii) of FHB Vol. III Part (III) defines the term Running Account.**
- 2) It is terms applied specifically to the account with a contractor when payment for work or supplies is made to him at convenient intervals subject to final settlement of the account on the completion or determination of the contract.**

**1 (g)**

- 1) Rule 1.1.2. (xvi) of FHB Vol. III Part (III) defines the Production Shop.**
- 2) This term is used to distinguish the shops in which the principal function is to manufacture articles or to execute the orders preferred by a private or departmental agency outside the Telecom Factories Organisation.**

**1 (h)**

Cash projects are projects for which bulk of materials are supplied direct to the site by Indian and Foreign manufacturers and the stores organization does not supply most of the items.

**1 (i)**

1) Rule 1.1.2. (xviii) of FHB Vol. III Part (III) defines the term depreciation.

2) Depreciation means the gradual decrease in or expiry of, the capital value of an asset due to wear and tear, use or obsolescence.

**1 (j)**

1) Rule 4 (xxxviii) of FHB Vol. III Part (III) defines the term Secured Advance.

2) It is a term applied specifically to an advance made, on the security of materials brought to site of work, to a contractor whose contract is for the completed items of work.

**2 (a)**

**TEMPORARY IMPREST:-**

Rule 4 (XX), 119 120 & 127 of FHB of Vol.III part (I) deals with Imprest.

The imprest is an advance amount paid by disbursement officer to another officer for making payment on behalf of the organisation

The imprest amount form part of cash balance.

Its adjustment shown in the casg book.

Imprest may be either Permanent Imprest or Temporary Imprest.

Permanet Imprest:- The CGM in consultation with the IFA may sanction permanent imprest and it should invariably be recouped before the end of each month.

Temporary Imprest:- This can be sanctioned by the Head of the SSA when heavy payments are anticipated on account of works or Mtce of lines etc No limit is prescribed and the time limit for its adjustment is within 3 months or at the close of the Financial year which ever is earlier. It forms a part of Cash balance

**TEMPORARY ADVANCE**

Rule 123 & 127 of FHB Vol.III Part ( I ) deals with conditions for sanction of Temp Advance.

Temp Advance is granted either separately or in addition to imprest.

It is granted for specified purpose with known amount.

It is granted by the Head of the SSA and DE as the case may be.

No limit is prescribed for sanction of Temp Advance.

It should be adjusted as soon as expenditure is over or within one month or within the end of the Financial year which ever is earlier.

It forms part of the cash balance of the officer who grants the temp advance.

**2 (b)**

**ESTABLISHMENT CHARGES.**

Rule 4(XVIII) of FHB Vol-III part-I deals with Establishment charges.

Normally the Pay & Allowance of the employees are debited to working expenses.

The supervision of the work should be debited to Capital outlay on the percentage if the cost of the work is known as Establishment charges.

**INDIRECT CHARGES.**

Rule 4 (XXI) of FHB Vol-III Part-(I) deals with Indirect Charges.

Accordinging of Commercial accounting principles, any expenditure incurred directly (Cost & Purchase) and indirectly (Cost of Freight, Establishment, Store Keeping etc) are to be added to the Cost of Stores to find out the procurement cost and also to determine the cost of Transfer/Sales.

Therefore the cost incurred on Keeping and maintenance of Stores in store godown are debited to the stores issued for execution of any work.

The percentage rate is prescribed rate is fixed on year to year basis.

### 3 (a)

Para 239, 271 to 280 of P&T Manual Vol.X deals with the procedure of reporting formalities on completion of work.

When the work is completed in all respect, completion report is prepared on form ACE-26 by the work sanctioning authority and sent to next higher authority for verification and return.

If the work is sanctioned by the Head of Circle, the completion report received from the Head of SSA will be scrutinized by the Circle Accountant and sent to BSNL Head Quarters.

If the estimates need revision, the same may be got sanctioned from the competent authority and then only completion report is prepared and submitted.

The release of completion report should not delayed.

When the expenditure incurred on the work is more or less by more than 10% over the sanctioned cost, the estimate has to be revised citing the reasons for excess/savings and got sanctioned.

### 3 (b)

Paras 10.31 to 10.40 telecom accounts Manual Vol-I deals with the procedure of final payment of GPF.

Subscriber of GPF quits from service or on retire or dies while in service become accumulation in GPF accounts shall become payable to him or to his nominees or legal heir as the case may be.

After making the final payment the GPF account of the subscriber is closed.

A register is maintained for keeping a watch on the disposal of the accounts finally enclosed.

Before making final payment of GPF, it has to be thoroughly checked whether all the GPF advances are recovered in full.

When a subscriber had given no family nomination and subsequently retires/dies, the possibility of marriage etc has to be checked up.

### 3 (c)

Rules 92 to 93 of FHB Vol-IV deals with Searching Fees.

This fee is prescribed for collection of fees from sender who is requesting a certified copy of the message or requesting for statement of preservation of messages.

Enough particulars should be obtained to search the Telegram easily.

### 3 (d)

Rule 86, 87 & 87A of FHB Vol-III Part-I deals with Register of Allotment.

Every authority sanctioning the expenditure maintains a register for keeping a watch on the progress of expenditure and controlling it.

In this register, the particulars regarding sanctioned cost, allotment made during that Financial year, expenditure incurred etc are noted.

Register in ACE-11 form is maintained for "Works" and Register in ACE-12 is maintained for Other Account Heads.

The register enables every sanctioning authority to keep a watch over lump sum received, appropriation made there from and the balance arrived in each case.

4.

Para 96 to 99 of P&T Manual Vol-X Part (III) deals with the procurement of stores locally by the Head of Circle.

All the stores purchased locally are got inspected and tested by the Telecom inspection & Testing organisation, so that the quality standards of the items are ensured.

In respect of stores purchased at the level of SSAs a committee has to be formed and should ensure that the supplies are ordered in adequate quantities and according to the prescribed standards in specification.

Each SSA/Telephone district should have a purchase committee and DGM who is dealing with material management should be the chairman of the committee. In every procurement committee CAO or AO should be made as member of the committee.

Normally committee should meet once in a month with seven days notice. However in exceptional cases, even without 7 days notice, committee can meet.

When the committee rejects the lowest offer, the reasons should be recorded in writing.

No deviation from the recommendation of the committee should normally be made.

In the case of purchase directly from PSUs like ITI, HCL etc and in the case of purchase through DGS&D, the proposal need not pass through the committee since the standard procurement procedures already been signed by the BSNL Board.

5.

Rules 115 to 118 of FHB Vol-III Part-I deals with the funds allocation for working expenditure.

SDOs will obtain the funds for works expenditure by way of drawing cheques.

SDOs are authorised to draw the cheques on works expenditure on the following conditions.

Generally SDOs are authorised to draw, on any one day not more than Rs.750/- . This limit can be increased on the sanction of Head of Division/ SSA / Circle.

Normally Cash balance at the end of the month should not exceed Rs.50 unless it is specially necessary for anticipated specific expenditure.

Even a monthly drawal limit can be prescribed by the Head of the Division/ SSAs

Cheque intimation particulars, namely cheque No, Date to whom issued, amount, purposed in brief etc should be sent to Accounts Officer immediately for incorporation in the Main Cash Book.

For works expenditure, every week in Form ACE-2 should be prepared and sent to Accounts Officer.

At the end of each month, SDO should send the cash count certificate to Accounts Officer.

As soon as the receipt of cheque intimation particulars along with vouchers received, Accounts Officer in his Cash Book should enter the transaction according to the order of the receipt of cheque intimation from SDOs.

As soon as the receipt ACE-2 accounts for works expenditure on weekly basis from SDOs. Accounts Officer should check the entries made in the Cash Book.

6.

1) Para 301 to 305 of P&T Manual Vol-X and Rules 17 to 20, 22,24 & 26 of P&T Manual Vol-X Part-III deals with the procedure for placing store indents.

2) The store items already sanctioned in the Project can be indented to Telecom stores without any further sanction. When the stores to be purchased from other department or are to be purchased from CGMT stores, separate sanction is necessary.

In the indent form, the following particulars are provided.

Name of the work.

Whether Major/ Minor/ Petty/ Annual open Estimate or Maintenance work.

Head of account with description.

A complete distribution list where the stores to be supplied with name and full address of the consignee.

The nomenclature are number as per the rate list for each article.

The priority of the article to be supplied.

After submitting indent, if any of the column such as the delivery distribution list to be changed or the entire order to be cancelled, the same to be intimated by FAX or Telegram. If the stores have already been despatched then the indenting officer will be responsible to receive the stores.

The following officer are authorised to pass indents.

Heads of Telecom Circles/ Telephone district

Heads of SSAs

Officers in charge of sub-divisions and attached officers

Senior Electrical Engineers

The Manager of Telecom Factories.

Officer in charge of Telegraph Office.

7.

Significant Points:

1) Rules 120 and 121 of FHB Vol.I deals with verification of cash book.

2) The cash book entries should be checked as soon as the date of occurrence and the DDO should affix dated initial on the last entry he checked. In the end of the month, he should sign in the cash book at the end of the last entry in the month.

3) Payment entries should be checked along with the payment vouchers. Each voucher should be checked whether the pay order has been signed by himself, whether the head of account charged is correct, whether the mode of payment done as per the instructions etc.

4) Receipt side entries which may reflect from the payment vouchers i.e., gross amount booked in the payment side and the deductions charged in the receipt side. In that case, in the receipt side it should be checked whether the voucher has been quoted, whether the deductions have been charged in the correct head of account, whether the authority of the deductions are in order.

5) Entries of Bank accounts in the payment side should be checked with reference to the counterfoils of the cheque book whereas the bank entries in the receipt side should be checked with reference to challans of remittance to the bank.

If mistake found:

Rule 119 of FHB Vol-I deals with the action to be taken in case mistake is noticed before the accounts of the month are closed.

The mistake should be corrected by striking out the incorrect entry and inserting new entry in RED INK between the lined, and under the attestation of Disbursing officer or any other officer entrusted with the responsibility of maintaining Cash Book.

8.

Rules 5.4 to 5.7 of FHB Vol-III Part-III deals with “Expenses Cards”.

Over head charges in respect of indirect material and indirect labour are recorded in the cards in prescribed form by Costing Section. These overhead charges are at prescribed rates.

The Expenses Cards have the same number as the Expense order against which the expenses are initially booked.

The Expense Card have the pages for recording the indirect materials and in direct labour in different colours.

Reconciliation:-

1.After posting in “Expense Card”, the cards sorted on the basis o account heads and a reconciliation sheet is prepared on the following format.

Head of Accounts	Indirect Materials	Indirect labour
Expenses order No		
Total for the A/c Heads		
1.		
2.		
3.		
Total for all A/C Heads		

2. The total charges of indirect materials and indirect labour should tally with the expenses cards grand total.

1.

- 1) Rule 7.1 to 7.4 of FHB Vol.III Part (III) deals with Cost Card.
- 2) Cost Card is maintained in the factory for obtaining the cost of each product manufactured and also enables to determine the cost of sales.
- 3) Cost Card is do designed to determine the expenditure incurred, out turn challened against each work order and value of work-in-progress at the close of each month.
- 4) Separate card is maintained for each work order and entries are made till the work order is completed in all respects.
- 5) Each columns in the Cost Card is divided into Two parts namely Nature of information required to be recorded and source of obtaining the information.
- 6) It should contain the sanction reference for the manufacture of an article.
- 7) It shall also contain the work order number and date, the value of raw materials, labour hours booked and it charges, percentage of overhead charges and its value, head of account to be booked.
- 8) Further it will contain the number of articles for which out turn challenged and its value.
- 9) Postings on Cost Card are being done in the following method:-
  - i. The posting of cost card should be done on shop wise and its writings should be legible and reconciled.
  - ii. When the work order is to be distributed to different shops, then the copy of the work order should be made available in each shop.
  - iii. When the postings of all shops are completed for a month, the element wise materials namely labour, overhead and the total value of out turn should be noted in RED INK in column no 20, 22, 23 and 24 and deducted from the total cost of work order and the balance shows the net value of work to be done.
  - iv. Head of account wise abstract will be taken from all the shops are made on all the work orders.
- 10) Reconciliation:-

The reconciliation shall be made in the following points.

  - i. Total of materials and components should agree with the materials abstract.
  - ii. Total of labour and over head should agree with the labour and overhead abstract.
  - iii. Value of out turn challaned for General stores/ Factory Stores/ Sales should agree with register of out turn.

2.

- 1) Rule 195-B of FHB Vol-I deals with the procedure to be followed for collection of Telephone Revenue in Post Office.
- 2) Consolidated Bills for telephone charges are prepared by the TR Branch. Two parts of the bills are being sent to the subscriber. The subscriber can make the payment in selected Head Post Office or Sub-Post office.
- 3) Subscriber while making payment at Post Office, he is submitting Two parts of the Telephone Bills plus payment. In turn, Post Office will acknowledge the receipt of

payment by impress with date and stamp on the bill and one part will be handed over to the subscriber. Another part of paid bill will be attached with a daily list.

- 4) Daily list is prepared on the order of occurrence by Post Office and sent to TRA unit on the next day along with the paid bill as vouchers. Normally Sub-post office prepare the daily list and forwarding it to Head Post office, in turn, Head Post Office attaching this list along with their own daily list.
- 5) The collection amount is payable by the Head Post Office is settled through a cheque on the end of the month after deducting commission. This has to be watched carefully by AO(TR).

3.

- 1) Rule 123 & 127 of FHB Vol.III Part ( I ) deals with conditions for sanction of Temp Advance.
- 2) Temp Advance is granted either separately or in addition to impress.
- 3) It is granted for specified purpose with known amount.
- 4) It is granted by the Head of the SSA and DE as the case may be.
- 5) No limit is prescribed for sanction of Temp Advance.
- 6) It should be adjusted as soon as expenditure is over or within one month or within the end of the Financial year which ever is earlier.
- 7) It forms part of the cash balance of the officer who grants the temp advance.

4.

- 1) Rule 60 of FHB Vol. I deal with Standards of Financial Propriety.
- 2) Strict guidelines for every officer incurring the expenditure from public funds are given under Standards of Financial Propriety.
- 3) He should exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.
- 4) The expenditure should not be prima facie more than the occasion demands.
- 5) He should not exercise his powers of sanctioning expenditure to pass on order which will be directly or indirectly to his own advantage.
- 6) Public money should not be utilized for the benefit of a particular person or section of the people, unless a claim for the amount could be enforced in a court of law or the expenditure is in pursuance of a recognized policy or custom.
- 7) The amount of allowances granted to meet the expenditure of any type should not be on the whole a source of profit to the recipient.
- 8) Responsibility and accountability is total and indivisible. Public interest should be uppermost in mind while making a purchase procurement decision. The responsibility is not discharged merely by the selection of cheapest offer but must confirm the following yard-sticks of financial propriety: (a) Whether the reasonable procedures have been followed, (b) Whether the purchase shall meet the adequate requirement, (c) Whether the purchase shall meet the reasonable quality and (d) Whether the selected offer is most appropriate one.
- 9) Usually or at least whenever it is necessary, the concerned authority must record its precise terms, the conditions which weighted with it while taking the procurement decision.

5.

- 1) Rule 390 of FHB Vol.I deals with payment of advances to Private firms for supply of stores/services.
- 2) The advance payment can be made to firms including Govt organisation for supply of stores etc and Mtce contract made with reputed firms.
- 3) The following are the conditions for making advance payment.
  - i. The adv amt required to be made in the cases of where the absolute necessity arises.
  - ii. It should be made on the valid sanction issued by the competent authority.
  - iii. 90% of the total value or Rs.1 lakh which ever is less, is made as adv payment to private firms. However in respect of Central PSUs and State Govt PSUs the maximum advance amount shall be 90% of the total value or Rs.10 lakhs which ever is less. More over in respect of Central PSUs and State PSUs even 100% advance payment can be made subject to a ceiling of Rs.10 lakhs in spl cases.
  - iv. In cases of service contract the advance payment should not exceed the one year payable amount.
- 4) The Pvt firm should be an established firm having fair reputation in the market.
- 5) When ever adv payment is being made necessary formal agreement is required to be executed, stipulating the terms & conditions under which adv payment being made.
- 6) Normally adv payment can be made either on proof of despatch or on immediate despatch of goods.
- 7) The time gap between the adv payment and the receipts of stores should be as minimum as possible.
- 8) The officer drawing adv is made responsible for the adjustment of the said adv within a period of one month by a detailed report in the prescribed form to the accounts officer.
- 9) lrd adv should not be made to a firm when the first adv itself is pending for adjustment
- 10) The adv amount should be taken to the liability head and it will be taken to final head only when the adjustment is made against the supply of materials of services.

6.

- 1) Para 158( c ) to (f) of P&T Manual Vol.X deals with FST Reports
- 2) This report is furnished on half-yearly basis
- 3) At the end of each half year, it will carry the following particulars: Sanctioned Cost, Progressive Expenditure upto the half year period, Percentage of Physical completion etc.
- 4) This report is required to be sent to Head of the Circle. BSNL Corporate Office.
- 5) For the sanctioned project, cost of Rs.50 lakhs and above, the FST report are submitted by 30<sup>th</sup> November (for the half year period 1<sup>st</sup> April to 30<sup>th</sup> September and 31<sup>st</sup> May (1<sup>st</sup> October to 31<sup>st</sup> March) each year.
- 6) For the project which have been completed physically but accounts are yet to be closed, FST reports shall be submitted once in year ie 31<sup>st</sup> May (1<sup>st</sup> April to 31<sup>st</sup> March)
- 7) FST reports for project costing Rs.25 Lakhs to Rs.50 lakhs are also furnished to BSNL Corporate office on the due dates mentioned at Point (5) above.

- 8) However FST reports for projects costing Rs.10 Lakhs to Rs.25 lakhs on consolidated bases shall be submitted to BSNL Corporate office on 31<sup>st</sup> July (1<sup>st</sup> October to 31<sup>st</sup> March) and 31<sup>st</sup> January (1<sup>st</sup> April to 30<sup>th</sup> September) each year.

7.

- 1) Rules 4 and 64 to 70 of FHB Vol-III Part (I) deals with the contribution works.
- 2) Contribution works is one for which the cost of the work is not met out of the the funds of BSNL but it is recoverable from the private party, Bodies, Govt department etc.
- 3) The cost of the work which is recoverable wholly or partly from private, partner, bodies or Govt department etc are generally known as "Contributory Works"
- 4) Following are the types of Contributory works:
  - A. Works executed for private persons. Local bodied and others
  - B. Works executed for state Govt and the Central Govt.
  - C. Erection of cables etc for Railways, Canals. Defence etc including repairs & renewals thereof.
- 5) No contribution work should be taken up unless the probable cost is worked out and intimated to the party and payment thereof deposited by the party of the BSNL.
- 6) The amount of the deposit for contribution work shall be debited in the Cash Book and per contra credit shall be to Claims Recoverable for Contribution Works.
- 7) When the expenditure is incurred for contributory work shall be credited in the Cash Book and per contra debit shall be to Claims recoverable for contribution works.
- 8) Accounts Officer should keep a watch that at no point of time, the excess expenditure should not be booked over and above the Deposit received.
- 9) No advance is recovers for the works mentioned at 4 (A) and (B) and therefore the full amount will be claimed on completion of the work or at the close of the Financial year which ever is earljier.
- 10) In respect of work executed for defence department, no advance is recovered. As soon as the work is ordered, three estimates are prepared namely, Lost of Original construction, Traffic charges and monthly cost of maintenances.

**JAO PART II MODEL TEST PAPER FOR DECEMBER 2012 MAIN EXAMINATION  
PAPER III [TELECOM ACCOUNTS-II] [WITHOUT THE AID OF BOOKS]  
TIME ALLOWED : 2 HOURS      SOLUTION TO QUESTION PAPER NO.5**

1 (a)

Para 5.31 to 5.36 and 5.50 to 5.54 Telecom Accounts Manual Vol-I deals with the procedure of completion of monthly accounts in Circle Accountant office.

All the accounting units shall submit monthly account current along with head wise schedules to Circle Accountant.

These account currents are checked in the circle and any misclassification and booking unauthorised account heads are got rectified immediately.

The opening balance under each account head for all the SSAs are checked with reference to closing balance of previous months account current.

Then in the detail book which is maintained on each Account Head Schedule shall be posted all the debits and the credits. After postings of all the SSAs in the detail book, the total will be struck. Then adjustment entries if any, in the Circle Accountant office are also incorporated in the Detail Book.

**Circle Abstract:-**

There should be one such abstract for each month.

The totals of debit and credit in each account head shall be filled in the Circle Abstract along with progressive total of debit & credit.

The total filled in the Circle Abstract should agree with the total in details book and ledger.

In the same way, the stores circle abstract shall be filled from the Stores Detail book wherein the postings are made from the monthly Store Account Current received from Accounting units.

a) The total of receipts and expenditure in monthly circle abstract shall be filled in the Trial Balance along with the Opening Balance and Closing Balance of cases .

b) The grand total of receipt and expenditure including the OB & CB should be equal.

1 (b)

Following are the important schedule to be attached with Cash Account Current/ Trial Balance:-

General Provident Fund Schedule in Form TR-56 for debit and credit.

EPF Schedule is prescribed format for debit and credit.

Drawings from Bank Schedule.

Remittance to Bank Schedule.

Remittance to same Circle.

Remittance to other Circle.

Acceptance of Remittance for same Circle.

Acceptance of Remittance for other Circle.

2.

Para 239, 271 to 280 of P&T Manual Vol.X deals with the procedure of reporting formalities on completion of work.

When the work is completed in all respect, completion report is prepared on form ACE-26 by the work sanctioning authority and sent to next higher authority for verification and return.

If the work is sanctioned by the Head of Circle, the completion report received from the Head of SSA will be scrutinized by the Circle Accountant and sent to BSNL Head Quarters.

If the estimates need revision, the same may be got sanctioned from the competent authority and then only completion report is prepared and submitted.

The release of completion report should not be delayed.

When the expenditure incurred on the work is more or less by more than 10% over the sanctioned cost, the estimate has to be revised citing the reasons for excess/savings and got sanctioned.

Excess/ Savings should not be due to change of specification.

If Major portion of the work already been completed and it starts earning revenue, the accounts of the portion should be closed and completion report released for that portion. Dismantlement of asset without replacement should be given credit to the concerned estimate.

In the completion report, the following items requires a certificate:-

Alteration made in Line carrying pairs

Lines & Wires said/utilized in the case of works to Railways/Canal etc and formal acknowledgement from the concerned should be obtained.

When the work is completed, all claims need to be settled immediately or at least within a month and thereafter completion report must be released. Account should not be reopened when the past claims received for the works on which completion report is released and the amount involved is less than Rs.100 for debt or credit.

For maintenance works and for petty works, release of completion reports is not required.

3.

Rule 37 & 38 of FHB Vol. I deals with the checks to be exercised and actions to be taken by the disbursing officer in dealing with bills presented for payment.

It has to be checked whether the rule is prepared as per rule.

Further whether the claim is admissible, the authoring good, the signature and counter signature whenever necessary genuine and in order and the receipt is legal quittance.

Whether the arithmetical calculation is accurate.

After the above said prescribed checks and if the disbursing officer is satisfied about the admissibility of the claim, he should

He should make necessary corrections if any required under his dated signature.

Endorse (sign) the pay order and should indicate the mode of payment by cheque /by DD/ by cash authorizing the cashier to make according to the mode of payment.

4.

Rule 7.1 to 7.4 of FHB Vol.III Part (III) deals with Cost Card.

Cost Card is maintained in the factory for obtaining the cost of each product manufactured and also enables to determine the cost of sales.

Cost Card is designed to determine the expenditure incurred, out turn charged against each work order and value of work-in-progress at the close of each month.

Separate card is maintained for each work order and entries are made till the work order is completed in all respects.

Each column in the Cost Card is divided into Two parts namely Nature of information required to be recorded and source of obtaining the information.

It should contain the sanction reference for the manufacture of an article.

It shall also contain the work order number and date, the value of raw materials, labour hours booked and its charges, percentage of overhead charges and its value, head of account to be booked.

Further it will contain the number of articles for which out turn charged and its value.

Postings on Cost Card are being done in the following method:-

The posting of cost card should be done on shop wise and its writings should be legible and reconciled.

When the work order is to be distributed to different shops, then the copy of the work order should be made available in each shop.

When the postings of all shops are completed for a month, the element wise materials namely labour, overhead and the total value of out turn should be noted in RED INK in column no 20, 22, 23 and 24 and deducted from the total cost of work order and the balance shows the net value of work to be done.

Head of account wise abstract will be taken from all the shops are made on all the work orders.

**Reconciliation:-**

The reconciliation shall be made in the following points.

Total of materials and components should agree with the materials abstract.

Total of labour and over head should agree with the labour and overhead abstract.

Value of out turn challaned for General stores/ Factory Stores/ Sales should agree with register of out turn.

5.

1) Rules 120 and 121 of FHB Vol.I deals with verification of cash book.

2) The cash book entries should be checked as soon as the date of occurrence and the DDO should affix dated initial on the last entry he checked. In the end of the month, he should sign in the cash book at the end of the last entry in the month.

3) Payment entries should be checked along with the payment vouchers. Each voucher should be checked whether the pay order has been signed by himself, whether the head of account charged is correct, whether the mode of payment done as per the instructions etc.

4) Receipt side entries which may reflect from the payment vouchers ie., gross amount booked in the payment side and the deductions charged in the receipt side. In that case, in the receipt side it should be checked whether the voucher has been quoted, whether the deductions have been charged in the correct head of account, whether the authority of the deductions are in order.

5) Entries of Bank accounts in the payment side should be checked with reference to the counterfoils of the cheque book whereas the bank entries in the receipt side should be checked with reference to challans of remittance to the bank.

6.

Para 5.31 to 5.36 and 5.50 to 5.54 Telecom Accounts Manual Vol-I deals with the procedure of completion of monthly accounts in Circle Accountant office.

All the accounting units shall submit monthly account current along with head wise schedules to Circle Accountant.

These account currents are checked in the circle and any misclassification and booking unauthorised account heads are got rectified immediately.

The opening balance under each account head for all the SSAs are checked with reference to closing balance of previous months account current.

Then in the detail book which is maintained on each Account Head Schedule shall be posted all the debits and the credits. After postings of all the SSAs in the detail book, the total will be struck. Then adjustment entries if any, in the Circle Accountant office are also incorporated in the Detail Book.

**Circle Abstract:-**

There should be one such abstract for each month.

The totals of debit and credit in each account head shall be filled in the Circle Abstract along with progressive total of debit & credit.

The total filled in the Circle Abstract should agree with the total in details book and ledger.

In the same way, the stores circle abstract shall be filled from the Stores Detail book wherein the postings are made from the monthly Store Account Current received from Accounting units.

a) The total of receipts and expenditure in monthly circle abstract shall be filled in the Trial Balance along with the Opening Balance and Closing Balance of cases .

b) The grand total of receipt and expenditure including the OB & CB should be equal.

7.

Para 11.59 of telecom Accounts Manual Vol-I deals with Bank reconciliation .

The debits and credits booked in the Trial Balance reflect the total amount paid from the bank and the total amount received from the banks.

The schedule of bank payment (now in operation account) and the schedule of bank remittance (now in collection account) should agree with the Trail Balance.

If not agreed, the reconciliation should be made in the following ways.

Issued cheques but not presented into Bank for payment.

Wrong debit given by the bank.

Bank charges mentioned in the Bank.

Cheques/DDS remitted into Bank but not accounted in the bank due to collection process.

Wrong credit given by the Bank.

Bank interest shown in the Bank Account but not reflected in our accounts.

The reconciliation work done through the Bank statement received every month and comparing this statement with our schedule as per Trial Balance.

Any wrong entry made by the Bank should got rectified through the correspondence with Bank Authorities.

Any entry missing our Bank schedule, namely Bank Charges, Bank Interest, TDS recovered etc should be got entered in our Bank Book.

**JAO PART II MODEL TEST PAPER FOR DECEMBER 2012 MAIN EXAMINATION**  
**PAPER III [TELECOM ACCOUNTS-II] [WITHOUT THE AID OF BOOKS]**  
**TIME ALLOWED : 2 HOURS      SOLUTION TO QUESTION PAPER NO.6**

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1 (a)

The following registers are maintained in Telecom Engineering Divisional office for control of expenditure on work:-

- Register of allotment in Form ACE-12.
- Register of Works in Form ACE-23.
- Register of Liabilities in Form GFR-6.
- Register of unpaid wages in Form ACE-13
- Register of Railway credit notes.
- Contractors ledger in Form-ACE-10.

1 (b)

**Register of Works:-**

Rules 201 to 205 of FHB Vol-III Pt (II) deals with records for expenditure in Capital Head.

A collective record of expenditure relating to the construction, Reconstruction, repairs & maintenance of Lines & Wires, Apparatus & Plants etc in division is maintained in a register which is called Register of Works.

Separate page will be allotted on each estimate.

In this register, the following particulars are noted

Name of the work, sanction No. & date, sanctioned cost under cash & Stores, Progressive expenditure on cash & stores etc.

From the expenditure schedule, month to month expenditure are being entered in the register.

For annual open estimates and maintenance estimate a separate register of works is maintained.

In the Index page of register works, the Name of the work, Estimate number & folio No. of the register are entered.

As soon as estimate is sanctioned, a folio in register of works will be allotted.

Each month, the register of works should be reconciled with the cash expenditure on capital Heads and Journal register for capital head, total figure available in the T.B.

It should be sent for review on monthly basis to Accounts Officer.

**Register of Liabilities:-**

Rule 193 of FHB Vol-III Part-I deals with the Register of Liabilities.

The register is maintained in prescribed form and the sums which are due to the Contractors, Railways for freight etc are noted in the register.

It should be entered with the nature of payment, amount due, expected month of payment, the charges to be made on which work etc.

The allotment under the grant should be reduced by the liability.

Some of the liability may be discharged by Circle Accountant and some others by units for which we may receive ATD to book under work concerned.

When work is physically completed it is the responsibility to see whether the liability has been cleared either by payment or by receipt of ATD.

2.

- 1) Rules 10 to 16 of FHB Vol.I deals with the safeguards exist to prevent the irregular withdrawal of money from public exchequer.
- 2) Money can be withdrawn only under the written authority of Accounts Officer or Disbursing Officer.
- 3) An Accounts Officer may not permit withdrawal at a place outside his jurisdiction.
- 4) The following are the only specified purpose for which disbursing officer may permit withdrawal at his own authority:-
  - a) To pay sum due from the Government to the Drawing Officer.
  - b) To provide the drawing officer with funds to meet claim likely to presented against the Government in the immediate future.
  - c) To enable the drawing officer to supply to another Government Officer to meet similar claims.
  - d) To pay sums on account of loans and advances.

Withdrawal of money for any other purpose mentioned above shall require the express authorization of the Accounts Officer.

- 5) A disbursing officer shall not permit withdrawal of any purpose unless the claim for withdrawal comprise with the provision of the rule.
- 6) Except where specifically provided payment can only be made in the office under the jurisdiction of which the claim arises.
- 7) No authority may incur any expenditure or enter into any liability involving expenditure from public funds until the expenditure has been sanctioned by the competent authority and necessary provision exists.

However disbursing officer shall not refuse the payment for which sanction particulars not noted, the responsibility for incurring unsanctioned expenditure rest with drawing officer.
- 8) A disbursing officer has no general authority to make payment; his authority is limited by the financial rules.
- 9) A disbursing officer has no authority to act under an order of Government sanctioning a payment, unless it is an express order to him to make the payment.
- 10) If a demand is presented at a disbursing officer for payment, it is not authorized by or under the rules or is not covered by a special order from the Accounts Officer; the disbursing officer shall decline payment.

3.

Rules 100 to 109 of FHB Vol-III Part-(III) deals with the procedure for stock verification in Stock Depot.

Stock verification should be done by the officer-in-charge of stores continuously so that all the stocks are verified in a Financial year.

However in respect of stores of certain specified articles, verification should be carried on half yearly basis.

Whenever the verification of store items taking place, the items which are to be made unserviceable should be pointed out.

In the case of Telecom stores, the administrative official should conduct the stock verification of all telecom stores in the presence of storekeeper.

Administrative inspection team should prepare list showing the discrepancy in the store items, and got the signature of store keeper.

If the actual quantity on verification and balance shown in stock card is agreed, a certificate that the items verified and found correct should be given.

If the actual quantity on stock verification differs from the stock card, then the stock card balance should be corrected by inserting an entry for excess found or shortage noticed

Three copies of discrepancy sheet will be prepared and AO will value the store items of discrepancies noticed for follow-up action required namely getting writing off sanction etc.

4.

Rules 5.4 to 5.7 of FHB Vol-III Part-III deals with “Expenses Cards”.

Over head charges in respect of indirect material and indirect labour are recorded in the cards in prescribed form by Costing Section. These overhead charges are at prescribed rates.

The Expenses Cards have the same number as the Expense order against which the expenses are initially booked.

The Expense Card have the pages for recording the indirect materials and in direct labour in different colours.

Reconciliation:-

1. After posting in “Expense Card”, the cards sorted on the basis o account heads and a reconciliation sheet is prepared on the following format.

Head of Accounts	Indirect Materials	Indirect labour
Expenses order No		
Total for the A/c Heads		
1.		
2.		
3.		
Total for all A/C Heads		

2. The total charges of indirect materials and indirect labour should tally with the expenses cards grand total.

5.

1) Rule 60 of FHB Vol. I deal with Standards of Financial Propriety.

2) Strict guidelines for every officer incurring the expenditure from public funds are given under Standards of Financial Propriety.

He should exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.

The expenditure should not be prima facie more than the occasion demands.

He should not exercise his powers of sanctioning expenditure to pass on order which will be directly or indirectly to his own advantage.

Public money should not be utilized for the benefit of a particular person or section of the people, unless a claim for the amount could be enforced in a court of law or the expenditure is in pursuance of a recognized policy or custom.

The amount of allowances granted to meet the expenditure of any type should not be on the whole a source of profit to the recipient.

Responsibility and accountability is total and indivisible. Public interest should be uppermost in mind while making a purchase procurement decision. The responsibility is not discharged merely by the selection of cheapest offer but must confirm the following yard-sticks of financial propriety: (a) Whether the reasonable procedures have been followed, (b) Whether the purchase shall meet the adequate requirement, (c) Whether the

purchase shall meet the reasonable quality and (d) Whether the selected offer is most appropriate one.

9) Usually or at least whenever it is necessary, the concerned authority must record its precise terms, the conditions which weighted with it while taking the procurement decision

6.

Paras 5.83 to 5.86 of Telecom Accounts Manual Vol-I deals with consolidation of Accounts preparation in Telecom Directorate ie, in BSNL Head Quarters.

In the corporate office, Corporate Accounts unit processing the consideration of Telecom Accounts received from all the circles and including the foreign transaction.

It is consolidating the Stores Circle Abstract received from the Stores organisation of Telecom Department.

On receipt of Circle Abstract from Circles, the opening balance noted against of all the account heads are verified with reference to the closing balance of previous months circle abstract.

**Details Book, Journal and Ledgers:-**

All the circle abstracts received from circles are posted in the detail book, journal & ledger for Cash & Stores transactions.

For Cash & Stores, a separate detail book is being maintained.

Heads of Account entered horizontally and name of the circle mentioned vertically and the total of debit, credit, progressive debit, progressive credit noted in the column.

After that, adjustment amount also posted in the account in the Detail book.

The grand totals of all circles abstract should be struck and the detail book should be made over for posting in General Abstract.

**General Abstract:-**

The General Abstract of Receipt & Payment is prepared from the Detail Book as complied above.

Cash & Store transaction all incorporate in two separate General Abstracts.

The Grand totals including OB & CB of receipt and Payment should agree.

7.

Rules 4 and 64 to 70 of FHB Vol-III Part (I) deals with the contribution works.

Contribution works is one for which the cost of the work is not met out of the the funds of BSNL but it is recoverable from the private party, Bodies, Govt department etc.

The cost of the work which is recoverable wholly or partly from private, partner, bodies or Govt department etc are generally known as "Contributory Works"

Following are the types of Contributory works:

Works executed for private persons. Local bodied and others

Works executed for state Govt and the Central Govt.

Erection of cables etc for Railways, Canals. Defence etc including repairs & renewals thereof.

No contribution work should be taken up unless the probable cost is worked out and intimated to the party and payment thereof deposited by the party of the BSNL.

The amount of the deposit for contribution work shall be debited in the Cash Book and per contra credit shall be to Claims Recoverable for Contribution Works.

When the expenditure is incurred for contributory work shall be credited in the Cash Book and per contra debit shall be to Claims recoverable for contribution works.

Accounts Officer should keep a watch that at no point of time, the excess expenditure should not be booked over and above the Deposit received.

**No advance is recovered for the works mentioned at 4 (A) and (B) and therefore the full amount will be claimed on completion of the work or at the close of the Financial year which ever is earlier.**

**In respect of work executed for defence department, no advance is recovered. As soon as the work is ordered, three estimates are prepared namely, Lost of Original construction, Traffic charges and monthly cost of maintenances.**

e-Edition by AIBSN/LOA

**SOLUTION TO WORKS PRACTICAL**

e-Edition by AIBSN/LOA

**JAO PART II MODEL TEST PAPER FOR DECEMBER 2012 MAIN EXAMINATION**

**PAPER IV [TELECOM ACCOUNTS-II] [WITH THE AID OF BOOKS]**

**TIME ALLOWED : 2 ½ HOURS      SOLUTION TO QUESTION PAPER NO. 1**

**Solution: 1**

**CPWA-I**

**CASH BOOK OF DET A DIVION FOR THE**

<b>Date</b>	<b>RT No</b>	<b>From whom received</b>	<b>Amount</b>	<b>Classification</b>
01.08		To Opening Balance	17304	
06.08		To Shortage of cash made good	18	8447 Other Deposits
14.08		<i>Imprest account of a Lineman for Rs. 200 closed due to death of the official.</i>		
15.08		To cheque drawn for imprest to JE	300	8670 Drawing from bank
19.08		To cheque drawn in favour of contracto N	6600	8670 Drawing from bank
24.08		To cheque drawn in favour of Post Master for SMO	25800	8670 Drawing from bank
24.08		To sale of unserviceable materials	4100	1225 Other Receipts
31.08		To Cheque drawn for imprest holder	500	8670 Drawing from Bank
31.08		To Shortage of cash recovered	18	8554 DAOA
31.08		To Per contra entry for SMO	25800	8554 DAOA
		To cheque drawn for salary	64200	8670 Drawing from bank
		To recoveries from Pay Bill:		
		GPF	9200	
		PLI	1720	
		Advance of Pay	1800	
		HBA	3800	
		Cycle Advance	900	
		Festival Advance4	2500	
		Interest on cycle advance	80	
		<b>TOTAL</b>	<b>164640</b>	

MONTH OF AUGUST 1999.

Date	VT No	To whom paid etc.	Amount	Classification
01.08		By Draft remitted into bank for sale of old records	2400	8670 Remittance to Bank
06.08		By shortage of cash	18	8554 DAOA
14.08		By imprest for death of a line man	200	8554 DAOA
15.08		<i>By Imprest to JE Rs. 300 paid.</i>		
19.08		By contractor's bill	6600	Work concerned
24.08		By Salary of O/S staff	25800	8554 DAOA
24.08		By Remittance of Cheque into Bank	4100	8670 Remittance to bank
24.08		By Auctioneer's Commission	80	Concerned Estimate
31.08		By Shortage of cash paid to cashier	18	8447 Other Deposits
31.08		<i>Fresh Cheque issued in lieu of cheque dated -1.10.98 for Rs. 10000</i>		
31.08		By Imprest Bill charged and recouped	500	As in Imprest Account
31.08		By salary	110000	3225 Salaries
31.08		By Closing Balance	14924	
		<b>TOTAL</b>	<b>164640</b>	

Solution : 2

Work contractor ledger for the month of March 2008

ACE-19

1. Contractor ledger for the month of March 2008

Name of the contractor :-

Work order No:- dt for constructing estimated cost.....

For payment & advance made to him			Particular of work	For work done & materials supplied by him		
Date	Vrno	Amount		Qty	Rate	Amount
Dr				Cr		
01.03		35000	Balance Brought down (90000-90000+35000)			
14.03		28000	Supply of cement 14x2000			

15.03		450000	Secured advance:[500000x1200/100] x 75%			
			Value of Work done			
			1. Earth work 1200x30			36000
			2. B W in foundation 820x50			41000
			3. BW in infrastructure 1160x500/100			5800
			4. Damp proofing 750x70			52500
			5. RCC work 1200x100			120000
			Total value of work done 255300-2500 for defective work			-2500
			Net value of work done 252800			
			Amount passed for payment 227520			
		22752	Security deposit 10 %			
		1000	Hire charges for tools and plant			
		4550	IT 2%			
		2000	Recovery for another work			
		44218	Amt payable to the contractor (326072+275400)			
			Balance c/o (90000+25280-450000)			334720
		587520	Total			587520

**Solution : 3**

a) As per Rule 191 of FHB Vol. III Part (I), the action of the DE is in order and he has to raise an ATD for the expenditure incurred to the concerned division.

b) It will be debited to the head "Deposits" under 8447 as the amount deposited by the party previously was credited in this Head as per Rule 65 of FHB Vol.III Part. I. So the action is irregular.

c) The action of AOTR is not correct as per exception 1 under Rule 111 (a) of FHB Vo. I. He should accept the outstation cheque and any commission or charges, if any, is deducted by the bank should be recovered from the subscriber by preparing a supplementary bill or from subsequent bill.

d) Though the salary for the month of March is paid on 1<sup>st</sup> working day of April, the Salary for the month of March will be incorporated in the account of that month by debiting "Salary Head" and per contra credit "Demands Payable" through Journal Slip as per para 3.23 of Telecom Accounts Manual Vol. I.

4. a) Erasure of an entry once made in cash book is strictly prohibited. If a mistake has been made and is discovered before the month's accounts have been closed and submitted to the proper authority, the mistake should be corrected by striking out the incorrect entry and inserting the correct one in red ink between the lines. Every such correction should be attested invariably with the dated initials of the disbursing officer or officer responsible for maintaining the cash book.

If the mistake is discovered after the accounts have been submitted to the proper authority, it can be corrected only obtaining the sanction of the authority to whom the accounts are submitted and an application for this sanction should be submitted immediately the mistake is noticed, with a full statement describing the nature of the mistake and the circumstances in which it was committed. (Rule 119 of FHB Vo. I)

b)

1. Rule 37 & 38 of FHB Vol. I deals with the checks to be exercised and actions to be taken by the disbursing officer in dealing with bills presented for payment.
2. It has to checked whether the rule is prepared as per rule.
3. Further whether the claim is admissible, the authoring good, the signature and counter signature whenever necessary genuine and in order and the receipt is legal quittance.
4. Whether the arithmetical calculation is accurate.
5. After the above said prescribed checks and is the disbursing officer is satisfied about the admissibility of the claim, he should.
  1. He should make necessary corrections if any required under his dated signature.
  2. Endorse (sign) the pay order and should indicate the mode of payment  
by cheque /by DD/ by cash authorizing the cashier to make according to

the mode of payment

5. The amount recoverable from Railway authorities is calculated below:

Cash Charges	Rs. 2000
Stores (ordinary)	Rs. 4000
Freight @ 2% on Stores	Rs. 80
Total	Rs. 6080
Estt. Charges @ 10% of above	Rs. 608

Charges Recoverable:

Cash Charges (Rs. 2000) + Freight (Rs. 80) + Estt. Charges (Rs. 608) = Rs. 2688

[Para 455 A of P&T Manual Vol. X]

6. Sale Bill No.-----Date.-----

i) Book Value of Stores (Rs. 120X 5000)	Rs. 600,000
ii) Store Keeping Charges on (i) above (5%)	Rs 30,000
iii) Surcharge on (i) and (ii) above (7.5%)	Rs. 47,250
iv) Freight on (i) above (2.5%)	Rs. 15,000
v) Handling charges on (i) above (0.5%)	Rs. 3,000
(vi) Cash Expenditure	Rs. NIL
Total amount due from ITI Bangalore	Rs. 695,250

[Rule 51 & 52 of FHB Vol.III Part (II)]

**JAO PART II MODEL TEST PAPER FOR DECEMBER 2012 MAIN EXAMINATION**

**PAPER IV [TELECOM ACCOUNTS-II] [WITH THE AID OF BOOKS]**

**TIME ALLOWED : 2 ½ HOURS      SOLUTION TO QUESTION PAPER NO. 2**

**Solution : 1**

**Cash Book of a Engineering Division for the**

<b>Date</b>	<b>RT No</b>	<b>From Whom Received</b>	<b>Amount</b>	<b>Classification</b>
01.07.		To Opening Balance	18500	
09.07.		To cheque drawn for increase of imprest	500	
13.07.		To self cheque drawn	4000	
18.07.		To adjustment of absconding JTO holding an imprest of Rs.1000		
19.07.		To cash received for TRA collection	5000	
21.07.		To cheque drawn in favour of imprest holder	600	
24.07.		To issue of cheque to PM for O/S MOs.	50000	
25.07.		To ATD received for imprest	1000	
30.07.		To self cheque drawn	1222000	
		To Per contra entry SMO	50000	
		To Recoveries in pay bill:		
		IT	3000	
		SD	300	
		GPF	150000	
		Over payment	1000	
		<b>Total</b>	<b>1509800</b>	

Solution : 1

Month of July 2000.

Date	Vr No	To Whom paid etc	Amount	Classification
03.07.		By remittance to bank	4000	
06.07.		By issue of fresh cheque in cancellation of cheque dated Feb 2000.		
09.07.		<i>By increase of imprest money by Rs. 500.</i>		
11.07.		By SDO's work Account	2300	
13.07.		By SDE's salary	4900	
18.07.		By absconding of JTO holding imprest pending recovery	1000	
21.07.		By imprest account	850	
24.07.		By salary SMO to O/S staff	50000	
25.07.		By imprest through ATD 1000		
27.07.		By shortage of cash	50	
30.07.		By salary of staff	1424500	
31.07.		By closing balance	22200	
		Total	1509800	

Solution : 1

Daily Cash Balance:

	Cash & Rev Stamp	Imprest	Temp Advance	IPO	Cheque
OB	2200	7000	5000	300	4000
01.07.	+1000- 1000+300			-300	
03.07					-4000
09.07.		500	3000		
18.07.			-2300		
19.07.	5000	-1000			
21.07.		-250			
25.07.		1000			
27.07.	-50				
30.07.	-1800				
Total	9250	7250	5700		

Solution : 2

Work contractor ledger for the month of May 1998

ACE-19

1. Contractor ledger for the month of may 2006

Name of the contractor :- X

Work order No:- dt for constructing estimated cost.....

For payment & advance made to him Dr				For work done & materials supplied by him Cr		
Date	Vrno	Amount	Particular of work	Qty	Rate	Amount
01.05			Balance Brought down 10% of (20000+10% of 20000)			2200
01.05	1	25000	Supply of cement (150x100+50x200)			
10.05	2	5000	Advance for materials 75 %			
30.05.	3		Value of Work done 1. Earth work 10000x25/100 2. Masoning Work 10000x150/100 2. Plastering work 8000x100/100-2.5% of 8000 3. Wood work 500x50			2500 15000 7800 25000
			Total value of work done 50300			
	4		Add 10% of sch rate 50300+5530=55330			5030
			Amount passed for payment 90% of 55330=49797			

30.05	5	4980	Security deposit 10 %			
30.05	6	996	Income Tax 2 %			
30.05	7	193	Water charges 1% of (15000+10%+2500+10%) ie (1% of 17500+10% of 17500)			
	8	1400	Fine for delay 200x7			
30.05	9	12228	Amt payable to the contractor			
30.05	10	7733	Balance c/o (2200+5533)			
		57530	Total			57530

**Solution : 3**

1. As per Rule 177 of FHB Vol. III Part (I), the amount for unpaid wages should be entered in the Register of Unpaid Wages and it should be paid by the Cashier of the Disbursing Officer with the prior approval of AO only. Therefore, the payment done by SDE is not in order.

2. As per Para 150 of P&T Manual Vol. X, the work should have been commenced before 5 years ie., within the period of currency of sanction. Therefore, fresh sanction for the above work not needed. The objection raised by an inspecting officer is not in order.

3. The accounts officer is authorized to make such payment and after payment ATD should be raised to the concerned accounting unit. But this amount should not be recorded in the Advance Register but in the Remittance Head as note 2 under Rule 125 of FHB Vol. III Part. II.

4. Action of the authority is not correct as per Rule 168 of FHB Vol. IV. It should be paid at the end of the month after deducting necessary Income Tax, if any.

**Solution : 4 (a)**

No.	Particulars	Lines & Wires	A&P
1	Cash	2000.00	3000.00
2	Stores	1000.00	4000.00
3	Freight on Stores	20.00	80.00
4	Establishment on (Cash+Stores+Freight)	302.00	778.80
5	Store keeping charges on Stores	50.00	200.00
6	Total	3372.00	8058.80
8	Adhoc Increase 15%	505.80	1208.82
9	Total Estimated Cost	3877.80	9267.62

Total Estimated cost of the Project (3877.80+9267.62) Rs. 13145.42

Say Rs. 13145.00

Estimating Fee of the total estimated capital cost for Railways EXEMPTED AND THEREFORE NIL as per Para 71 of FHB Vol.III Part (I)

Para 152 of P&T Manual Vol. X Part Omitted.

Solution : 4 (b)

No.	Particulars	Lines&Wires	A&P
1	Cash	2000.00	3000.00
2	Stores	1000.00	4000.00
3	Freight 2% on Stores	20.00	80.00
4	Total (A)	3020.00	7080.00
5	Establishment Charges on (A)	302.00	778.80
6	Store keeping charges 5% on Stores	50.00	200.00
7	Surcharge 10% on Stores + SKC	105.00	420.00
8	Total Cost	3477.00	8478.80
9	Adhoc Increase @ 15%	521.55	1271.82
10	Total Cost	3998.55	9750.62
Total Capital Cost (3998.55+9750.62)		Rs. 13749.17	

Say Rs. 13749.00

Therefore, estimating fee vide Para 160 of P&T Manual Vol. X Part (II). 4% of total cost ie., Rs. 649.97

Say Rs. 650.00.

Solution : 5

MA-1

Manufacturing Account for the month of August 1999:

Particulars	Materials	Labour	Overheads	Total	Particulars	Materials	Labour	Overheads	Total
To Opening balance	1369430		9940180	11309610	5225 BB – 102 Stores Suspense				
Work in progress					01- Genl Stores				3541980
Charges during month:					02- Factory Stores				267870
Raw materials drawn from stores	3243410				04-Sales Within Dept Outside	1314770			2440690
Comp. drawn from stores					3225 – WE 03 Stores & Factories	1125920			
Direct Lab	1821120			5063530	103				

OH charges		320130		320130	Factories				
Indirect Lab			812990		05 OE				792340
On cost			1510820	2323810	800 Misc				40420
					40 Variation				
					05 Engg	15920	8390		24310
					053 Mtce				3950
					101 Petty				
Total				19017080	By CB	3342190		8563330	11905520
					WIP				
					Total				19017080

**Solution : 6**

**Debits:**

1	Depreciated value of abandoned assets	64000
2	Actual cost of dismantlement	2100
3	Actual cost of carrying back of recovered stores	200
	<b>Total Debits</b>	<b>66300</b>

**Credits:**

1	Depreciated value of assets can be reused	40000
2	Sale proceeds of unserviceable stores	5000
	<b>Total Credits</b>	<b>45000</b>

**Net amount recoverable (Rs. 66300 – Rs. 45000)**

**Rs. 21300**

**[Para 487 of P&T Manual Vol. X]**

**JAO PART II MODEL TEST PAPER FOR DECEMBER 2012 MAIN EXAMINATION**

**PAPER IV [TELECOM ACCOUNTS-II] [WITH THE AID OF BOOKS]**

**TIME ALLOWED : 2 ½ HOURS      SOLUTION TO QUESTION PAPER NO. 3**

**Solution : 1**

**Cash Book for the month of June 2002 for**

<b>Date</b>	<b>RT No</b>	<b>From Whom Received</b>	<b>Amount</b>	<b>Classification</b>
01.06		To Opening balance	28000	
04.06		To self cheque drawn	6000	
08.06		To cheque for recoupment of imprest	2500	
10.06.		To dishonour of cheque (EMD)	3000	
13.06.		To Sale proceeds of unserviceable stores	2100	
15.06		To telecom revenue collections	45000	
22.06		To cheque drawn in favour of SMO's	18000	
24.06		To cancellation of cheque dated 15.05	1000	
		To cheque drawn	10000	
26.06		<i>To adjustment of temp advance of SDE:</i> <i>To labour bill      5000</i> <i>To Cash refund    500</i>		
27.06		To cheque drawn in favour of SDE	10000	
30.06.		To per contra entry for SMOS	18000	
		To cheque drawn for Salary	36500	
		Recoveries:		
		GPF	11000	
		CGEGIS	2000	
		Festival Advance	1500	
		Cycle Advance	1000	
30.06		To cheque for Misc Cash Receipts	7200	
		<b>Total</b>	<b>202700</b>	

Solution : 1

----- Division.

Date	Vr No	To Whom paid etc	Amount	Classification
01.06		By remittance	3000	Remittance to bank
08.06		By recoupment of imprest	2500	
10.06.		By dishonour of cheque	3000	
18.06.		By TR Collection	40000	
20.06.		By Medical bill to staff	3000	
22.06		By salary to outstation staff June 2002	18000	
24.06		By cancellation of cheque dt 15.05	1000	
26.06.		By payment against cancelled cheque	10000	
26.06.		By temporary advance of SDE adjusted	5000	
27.06.		<i>Grant of temporary advance Rs. 10000 by cheque to SDE.</i>		
30.06.		By Establishment pay bill	70000	
30.06.		By remittance of cheque for Misc receipts	7100	
30.06.		By Closing balance	40100	
		<b>Total</b>	<b>202700</b>	

Solution : 1

Daily Cash Balance:

	Cash & Rev Stamp	Imprest	Temp Advance	EMD
OB	1000	4000	20000	3000
01.06.				-3000
04.06.	6000			
13.06.	2100			
15.06.	5000			
20.06.	-3000			
26.06.	500		-5500	
27.06.			10000	
30.06.	11600	4000	24500	

**Solution: 2**

**Contractor's Ledger**

Dr.

Cr.

Date	Vr No	Amount	Particulars	Qty	Rate	Amount
			Opening Balance			1000
		6750	Advance Paid 75% of 9,000			
			Value of work done -- Illrd & Final:			10800
			a)Brick work on Lime (12000x90/100)			8400
			b)Brick work on cement (8000x105/100)			4500
			c)Iron work (3000x15/10)			2800
			d)Plastering work (8000x35/100)			64000
			e)White washing (8000x8)			-175
			Less: Cut imposed on plastering work			
		230	Water and electricity charges			
		4567	SD 5% of (1000+90325)			
		1822	IT 2% of (1000+90325)			
		100	Penalty for delay in execution			
		77851	Amount payable to contractor			
		91325	Total			91325

**Solution: 3**

a) As per Rule 234 of FHB Vol. I pay and allowances can be drawn for the day of death, the hour at which the death takes place has no effect on the claim. Day for the purpose means a calendar day beginning and ending at mid night. Hence the action of AO is not in order. The pay and allowances of Mr. A for 17.2.94 should also be drawn and paid to the legal heirs/dependent of Mr. A.

b) As per Rule 182 of FHB Vol. III Part (I), a contractor may be allowed to prefer his own bill subject to (a) two copies of the bill should be submitted, one is marked as original and another one is marked as Duplicate; (b) Details of Quantity, Value of each item along with Rates already approved; and (c) Date of execution or date of supply made. The bill should be signed by the contractor. Therefore, if the above mentioned conditions fulfilled then the contractor can submit the bill on his own.

c) Whenever a Railway Administration requested BSNL for the replacement of an existing wire by a wire of different gauge or metal, such demand should, for the purpose of recovery of charges be treated as surrender of existing wire and erection of a new line. Accordingly, compensation for surrender of existing wire is recoverable. Hence if the Railway Administration agrees to pay the compensation, their request may be accepted. (Rule 487 of P&T Manual Vol. X)

d) As per Para 499 of P&T Manual Vol X – Under Exception to this para, claims in respect of not exceeding Rs. 500 should be written-off by the SSA. Therefore, the claim preferred by Telecom Department/BSNL SSA is not in order.

e) As per Rules 130 & 131 of FHB Vol. III (Part. I), no credit is allowed in ACE 2 Accounts. ACE 2 accounts meant for only the expenditure booking in the nature of Contingent and Works. Therefore, charges of shift accounted in ACE 2 accounts is not in order.

**Solution: 4**

No.	Particulars	Amount
1.	Cost of dismantlement of line	2250.00
	Cost of erection of new line and carriage for return of surplus stores	2600.00
	Commission to the sale proceeds [(1350x100/90)-1350]	150.00
	<b>Total cash outlay</b>	<b>5000.00</b>
2.	Value of stores issued	10000.00
3.	Freight on Stores 2%	200.00
4.	Establishment charges 10% on (1+2+3)	1520.00
5.	Store keeping charges @ 5% on Stores	500.00
6.	<b>Gross</b>	<b>17220.00</b>
7.	Less: Sale proceeds of Unserviceable Stores (Rs. 1500) + Surplus Stores returned to Stock (Rs.1500)	-3000.00
8.	<b>Net amount recoverable from the party</b>	<b>14220.00</b>

Solution: 5 (a)

No.	Particulars	Amount
1	Freight 2% on Gross Stores (15000+39000)	1080.00
2	Actual cash expenditure incurred (3000+7000)	10000.00
3	Establishment 9% (Gross Stores + Freight + Cash)	5929.20
4	Store keeping charges 4% on Gross Stores	2160.00
5	Estimating Fee as prescribed in Para 180 of P&T Manual Vol. X 3% on Rs. 120,000	3600.00
6	Stores rendered unserviceable less by sale proceeds	1980.00
7	Gross Amount	25549.20

Note: Interest is recoverable as per Note 2 below of Para 487 of P&T Manual Vol. X --  
When the commencement and cancellation taken in the same financial year – no interest is recoverable where as when the two events taken in more than one financial year, interest is recoverable.

Interest Calculation:

Particulars	1994-95	1995-96
Gross stores issued	15000.00	39000.00
Freight 2% on gross stores	300.00	780.00
Total (A)	15300.00	39780.00
Establishment Charges 3% on A	1377.00	3580.20
Store keeping charges 4% on gross stores	600.00	1560.00
Surcharge 10% on Gross stores+Store keeping	1560.00	4056.00
Total (B)	18837.00	48976.20
Cash	3000.00	7800.00
Establishment charges 9%	270.00	702.00
Adhoc Increase 15% on (B)	2825.55	7346.43
Total	24932.55	64824.83

Interest for 1994-95:

Opening Balance	NIL
Closing Balance	24932.55
Average = (OB+CB)/2 =	12466.28

Interest @ 7% of Rs. 12466.28 == Rs. 872.64

Interest for 1995-96:

Opening Balance : CB of 1994-95 + Int of 1994-95 :	25805.19
Closing Balance	64824.63
Average = (OB+CB)/2 =	Rs. 45314.91
Interest @ 7% of Rs. 45314.91 =	Rs. 3172.04
Amount other than interest recoverable	25549.20
Interest for the year 1994-95	872.64
Interest for the year 1995-96	3172.04
Net amount recoverable from defence department	29593.88

Say Rs. 29594.00

[Paras 442 and 487 (F) of P&T Manual Vol. X]

Solution: 5 (b)

There will be no difference in the recoverable amount of the work is requisitioned and subsequently cancelled by a private party as same Paras 442 and 487 (F) are applicable to the Private Party also.

Solution: 6 (a)

Sale Bill No. ----- Date.-----

SI No.	Particurs	Amount (Rs.)
1	Market value of Stores	100000.00
2	Handling charges @ 0.5% on (1)	500.00
3	Cash expenditure incurred on carriage outward	1000.00
4	Total amount recoverable	101500.00

[Note 1 & 2 below Rule 52 of FHB Vol. III Part (II)]

Solution : 6 (b)

The amount of rent recoverable from A Railway Administration for the half year period ending 30.09.1988:

Particulars	Chargeable Distance	Rate/annum (Rs.)	Amount (Rs.)
<b>1. Iron Wire:</b>			
Opening Balance 01.04.1988 (100x41.37/2)	100.8	41.37	2069.00
Additions 12.06.1988 (5x41.37x4/12)	4.5	41.37	68.95
<b>2. Table set with instrnment</b>			
Opening Balance 01.04.1988 (2x48/2)	2	48.00	48.00
<b>3. Total amount recoverable</b>			<b>2185.95</b>

Say Rs. 2186.00

[Para 434 of P&T Manual Vo. X]

Note : Any increase or decrease is taken into account from the 1<sup>st</sup> of same month if the lines, wires etc are provided on or before 15<sup>th</sup> and from the 1<sup>st</sup> of the following month if these are provided after 15<sup>th</sup> of the month as per Para 439 of P&T Manual Vol. X.

**JAO PART II MODEL TEST PAPER FOR DECEMBER 2012 MAIN EXAMINATION**

**PAPER IV [TELECOM ACCOUNTS-II] [WITH THE AID OF BOOKS]**

**TIME ALLOWED : 2 ½ HOURS      SOLUTION TO QUESTION PAPER NO.**

Solution : 1

**Cash Book of a Engineering Division for the**

<b>Date</b>	<b>RT No</b>	<b>From Whom Received</b>	<b>Amount</b>	<b>Classification</b>
01.05.		To Opening Balance	48700	
03.05		To Cheque drawn in favour of SDE	11900	
14.05		<i>To adjustment of imprest JTO A Rs. 300</i>		
16.05.		<i>To adjustment of imprest due to death of imprest holder JTO K Rs. 1000</i>		
18.05.		To U/D of unpaid wages of clerk	5600	
25.05.		To cheque in favour of PM for P&A	125000	
27.05.		To time barred cheque	5000	
27.05.		To cheque drawn against time barred cheque	5000	

31.05.		To cheque drawn	258900	
		To per contra for O/S bill	125000	
		To recovery from pay bill:		
		IT	8600	
		GPF	15000	
		Pay Advance	2000	
		PLI	3000	
31.05.		Total	613700	

Solution : 1  
Month of May 2000.

Date	Vr No	To Whom paid etc	Amount	Classification
05.05.		By remittance	10000	
08.05.		By salary to SDE	11900	
11.05.		By loss of temp advance by SDE	500	
16.05.		By death of Imprest holder JTO K	1000	
20.05.		By recoupment of imprest of JTO H	3000	
25.05.		By SMO salary for O/S Staff	125000	
27.05		By time barred cheque	5000	
27.05.		By fresh chq in lieu of time	5000	

		<b>barred cheque</b>	
<b>31.05.</b>		<b>By salary of staff</b>	<b>412500</b>
		<b>By closing balance</b>	<b>39800</b>
		<b>Total</b>	<b>613700</b>

**Solution : 1**

**Daily Cash Balance:**

	<b>Cash &amp; Rev Stamp</b>	<b>Imprest</b>	<b>Temp Advance</b>	<b>IPO</b>
	<b>10500</b>	<b>20000</b>	<b>8000</b>	<b>200</b>
	<b>600</b>	<b>-600</b>		
	<b>5600</b>	<b>-1000</b>	<b>-500</b>	
	<b>-3000</b>			
<b>Total</b>	<b>13700</b>	<b>18400</b>	<b>7500</b>	<b>200</b>

## 2. COST CARD

- |                              |                               |             |
|------------------------------|-------------------------------|-------------|
| 1. Work Order No.: 5304/87   | 8. Estimated Material Cost :  | Rs. 3000000 |
| 2. Work Order Date :05.09.87 | 9. Estimated Component Cost : | Rs. 1500000 |
| 3. Group : xxx               | 10. Estimated Labour Hrs :    | 4000 Hrs.   |
| 4. Description : Tele Handle | 11. Estimated Labour Cost :   | Rs. 200000  |
| 5. Head of Account :5225 BB  | 12. Estimated Overhead Cost : | Rs. 800000  |
| 6. Estimate No. 4            | 13. Estimated Total Cost :    | Rs. 5500000 |
| 7. Estimated Cost : 15.07.87 | 14. No. of Qty Ordered :      | 200000      |
|                              | 15. Estimate Rate per Unit :  | Rs. 27.50   |

**Actual:**

Month	Shop No.	Materials (Rs.)	Components (Rs.)	Total Materials (3+4)	Labour Hours	Labour Amount	Over-Heads	Total (7+8)	No. of Qty	Out-turn Value (5+9)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Oct '87		1800000	600000	2400000	2000	100000	400000	500000	90000	2900000
Nov '87		300000	200000	500000	500	30000	120000	150000	25000	650000
Dec '87		1000000	500000	1500000	1500	80000	320000	400000	80000	1900000
Jan '88		-5000	300000	295000	200	20000	80000	100000	5000	395000
<b>Total</b>		<b>3095000</b>	<b>1600000</b>	<b>4695000</b>	<b>4200</b>	<b>230000</b>	<b>920000</b>	<b>1150000</b>	<b>200000</b>	<b>5845000</b>

**Actual Cost per unit = 5845000/200000 = Rs. 29.23**

**[Rule 7.1 of FHB Vol. III Part (III)]**

## For Lines and Wires:

Rent & Mtce of Wire	Iron (KMs)	Copper (KMs)	Period	Rate/KM/PA	Amount
OB	200.9		01.01.98 to 30.06.1998	522	(522/12x6x200) = 52200.00
OB		100.8	01.01.98 to 30.06.1998	630	(630/12x6x100) =15750.00
Additions		20.7	01.04.98 to 30.06.1998	630	(630/12x3x21) =19057.50
Surrender	(-) 15.4		01.04.98 to 30.06.1998	522	(522/12x3x15) =(-) 1957.50
Net Total	185.5	121.5			85050.00

## For Instruments:

Rent & Mtce of Wire	Teleph one Desk Set	Switch 4-Way	Buzz ers	Period	Rate/set/e ach/year	Amount
OB	15		10	01.01.98 to 30.06.98	21	(21/12x6x25) = 262.50
OB		8		01.01.98 to 30.06.98	6	(6/12x6x8) = 24.00
Additions	2			01.02.98 to 30.06.98	21	21/12x5x2) = 17.50
Net Total	17	8	10			304.00

Total Amount Chargeable : Rs. 85050 + Rs. 304.00 = Rs. 85354.00

(Rupees Eighty Five Thousand Three Hundred and Fifty Four Only)

[Para 434 of P&T Manual Vo. X]

4.

Recoveries are to be made in accordance with Para 214 of P&T Manual Vol. X read with Rule 64 of FHB Vol. III Part I and Rule 49 of FHB Vol. III Part II.

SI No.	Particulars	Amount
1	Stores	15000.00
2	Freight @ 2%	300.00
3	Total	15300.00
4	Estt. @ 10%	1530.00
5	Store keeping charges @ 5%	750.00
6	Surcharge -- Exempted	0.00

7	Total	17580.00
8	Adhoc Increase @ 15%	2637.00
9	Total	20217.00
10	Cash	5000.00
11	Estt. @ 10%	500.00
12	Total	25717.00
13	Deduct: (i) Surplus Stores 2500 (ii) Sale of cable 1500	4000.00
14	Net amount recoverable	21717.00

5.

First of all we have to classify the transaction by noting down the head of account and then only store account current has to be prepared in the numerical order:

Head of Account	Value	Order in SA
5225 BB2 Local Telephone System 202 Manual Exchange	300000	5
5225 BB4 LD Transmission System 201 coaxial Cable System	1000000	8
3225 05 Engineering 101 Petty Works	50000	2
5225 BB3 LD Switching System 201 Trunk Auto Exchange	-25500	6
8554 Telecom Advances 101 Telecom Advances 300 Misc Advances	180000	14
3225 05 Engineering 053 Maintenance 3000 A&P	30000	1
8447 Telecom Deposits 101 Telecom Deposit 200 Other Deposit work	300000	13
5225 BB4 LD Transmission System 203 MW Radio Relay System 6500 M&A	450000	9
3225 05 Engineering 101 Petty Works	30000	3
5225 BB4 LD Transmission System 208 Satellite System 6500 M&A	120000	11
5225 BB1 Telegraph & Telex 202 Telex 3000 A&P	750000	4
5225 BB4 LD Transmission System 209 Optical Fibre Cable 4000 Cable	300000	12
5225 BB4 LD Transmission System 205 Open Wire and Carrier 6000 TE	450000	10
5225 BB3 LD Switching System 202 STD & Trunk Dialing 4000 Cables	120000	7

Store Account Current of B Division for the month of February '98

	Head of Account	Amount (Rs.)
Debits	3225 05 Engineering 053 Maintenance 3000 A&P	30000
	3225 05 Engineering 101 Petty Works	50000
	3225 05 Engineering 101 Petty Works	30000
	5225 BB1 Telegraph & Telex 202 Telex 3000 A&P	750000
	5225 BB2 Local Telephone System 202 Manual Exchange	300000
	5225 BB3 LD Switching System 201 Trunk Auto Exchange	-25500
	5225 BB3 LD Switching System 202 STD & Trunk Dialing 4000 Cables	120000

	5225 BB4 LD Transmission System 201 coaxial Cable System	1000000
	5225 BB4 LD Transmission System 203 MW Radio Relay System 6500 M&A	450000
	5225 BB4 LD Transmission System 205 Open Wire and Carrier 6000 TE	450000
	5225 BB4 LD Transmission System 208 Satellite System 6500 M&A	120000
	5225 BB4 LD Transmission System 209 Optical Fibre Cable 4000 Cable	300000
	8447 Telecom Deposits 101 Telecom Deposit 200 Other Deposit work	300000
	8554 Telecom Advances 101 Telecom Advances 300 Misc Advances	180000
	Total Debits	4054500
Credits	8782 Remittance to Telecom Stores	4054500
	Total Credits	4054500

**CHECKING OF THE STORES ACCOUNT CURRENT:**

Amount intimated by CAO CTS through Holl 11A Statement for Feb '98		Rs.
40,54,500		
Gross issue of Stores	Rs. 40,80,000	
Less Stores returned to stock	Rs. 25,500	
Net Issue of Stores	-----	Rs. 40,54,500
	[Rule 200 to 219 of FHB Vo. III Part (III)]	

6.

Work contractor ledger for the month of May 2006

ACE-19

1. Contractor ledger for the month of may 2006

Name of the contractor :- X

Work order No:- dt for constructing estimated cost.....

For payment & advance made to him Dr			For work done & materials supplied by him Cr			
Date	Vrno	Amount	Particular of work	Qty	Rate	Amount
01.05			Balance Brought down 10% of (30000+10% of 30000)			3300
01.05	1	26000	Supply of cement (250x100+50x200)			

10.05	2	6000	Advance for materials 75 %			
30.05.	3		Value of Work done 1. Earth work 9000x30/100 2. Masoning Work 12000x120/100 2. Plastering work 9000x100/100-2.5% of 9000 3. Wood work 600x50			2700 14400 8775 30000
			Total value of work done 55875			
	4		Add 10% of sch rate 55875+5588=61463			5588
			Amount passed for payment 90% of 61463=55317			
30.05	5	5532	Security deposit 10 %			
30.05	6	1106	Income Tax 2 %			
30.05	7	188	Water charges 1% of (14400+2700) ie (1% of 17100+10% of 17100)=18810 - 188			
	8	1750	Freight delay 250x7			
30.05	9	14741	Amt payable to the contractor			
30.05	10	9446	Balance c/o			
		64763	Total			64763

**JAO PART II MODEL TEST PAPER FOR DECEMBER 2012 MAIN EXAMINATION**

**PAPER IV [TELECOM ACCOUNTS-II] [WITH THE AID OF BOOKS]**

**TIME ALLOWED : 2 ½ HOURS      SOLUTION TO QUESTION PAPER NO. 5**

---

1.

- 1) Para 473 of P&T Manual Vol-X deals with the steps to be taken for Loss of government property.
- 2) A loss of Government property should be immediately reported to Superior. Copy of the report shall be sent to Circle Office narrating the circumstances under which the loss occurred. Circle Office should monitor the investigation and proper prosecution.
- 3) If the value of the loss due to fire, theft etc exceeds Rs. 10000 for buildings, communications and other assets, the same shall be reported to Police authorities for proper investigation.
- 4) Reporting to the police should be sent within a reasonable time.
- 5) However, if the loss occurred due to suspected sabotage, the same shall be reported to Police irrespective of the value of the loss.
- 6) A formal investigation report should be obtained from Police authorities and copy of the report shall be forwarded to CMD, BSNL.
- 7) When the matter has been fully investigated, a complete report regarding the nature and extent of loss, errors or neglect of rules due to which the loss incurred and the prospect of recovering the loss etc should be submitted.
- 8) Competent authority shall sanction the write-off of the loss on receipt of the above report along with particulars.
- 9) Accounts Officer shall properly classify the accounts for loss written-off and amount recoverable.
- 10) The officer receiving the full report should forward the same to the Government through proper channel with such comments as he considered necessary. Further the causes and the circumstances due to which the loss incurred should be commented and steps taken to prevent the same in future should be fully elucidated. The disciplinary action taken or proposed to be taken should be intimated.
- 11) Petty cases involving loss not exceeding Rs. 2000 need not be reported but a half-yearly statement shall be sent. However, if any special features attached for loss not exceeding Rs. 2000 the same can be reported.

2.

1. As per Rule 130 of FHB Vol. III Part (I), the amount of receipt should not be shown in the ACE 2 account.
2. As per Rule 130 of FHB Vol. III Part (I), the amount of receipt should not be shown in the ACE 2 account.
3. Temporary should be sanctioned by DE and the amount shall be paid by the Disbursing Officer as per Rule 123 of FHB Vol. I.
4. Contractor's bill should be paid by the disbursing officer only and that too by cheque only.
5. As per Rule 130 of FHB Vol. III Part (I), the amount of receipt should not be shown in ACE 2 Account.
6. TA advance being the establishment in nature, should be paid by the disbursing officer only.
7. As per Rule 129 of FHB Vol. III Part (I), the amount disallowed by DE should be shown as reduction in Opening Balance only.
8. As per Rule 177 of FHB Vol. III Part (I), the unpaid amount of completed works should be paid through the Register of Unpaid Wages at the Divisional Office.

3 (a)

As per Para 150 of P&T Manual Vol. X, the work should have been commenced before 5 years ie., within the period of currency of sanction. Therefore, fresh sanction for the above work should have been obtained. The release of CR based on 10% limit prescribed in the Para 218 of P&T Manual Vol. X is not in order.

3 (b)

As per Para 137 ibid of P&T Manual Vol. X, (ii) old sanction of project has to be cancelled; (ii) the entire project has to be revised based on the inclusion of the new component; (iii) detail explanation has to be given regarding how this component was missing while getting the previous project sanction; (iv) if the revised project cost exceeded the limit of Head of SSA, it has to be forwarded to Circle explaining the reasons for getting the project sanction now only after the expenditure incurred till date on this project.

3 (c)

For determining the authority to sanction a reconstruction work, the estimated cost will be calculated in the following manner as Rule 73 and 74 of FHB Vol. III Part I: (i) Cost of dismantlement of the existing asset and carriage back of stores; (ii) Depreciated value, if any, of the existing asset; (iii) deduct sale proceeds of unserviceable stores and value of recovered stores sent to stock/another work. And (iv) Value of the reconstructed assets.

3 (d)

In the event of cancellation of a work the estimate for which remains unsanctioned but some expenditure has already been incurred, the sanction of that authority who would

have sanctioned the work had it not been cancelled as per Note 2 of Para 143 of P&T Manual Vol. X. In the instant case Chairman should cancel the estimate to regularize the expenditure.

4.

The amount recoverable from a private party before the work is commenced are calculates as follows:

No.	Particulars	Lines & Wires	A&P
1	Cash	2200.00	2800.00
2	Gross Stores	6000.00	42000.00
3.	Freight on stores	60.00	420.00
4	Total	8260.00	45220.00
5	Establishment charges on (4)	908.60	3165.40
6	Store keeping charges on stores	300.00	2100.00
10	Surcharges on Stores + Store keeping charges	630.00	4410.00
11	Total	10098.60	54895.40
12	ADD: Adhoc 15% on total	1514.79	8234.31
13	Amount recoverable	11613.39	63129.71

Net amount recoverable (Rs.11613.39+Rs.63129.71)

Rs.74743.10

Say

Rs. 74743.00

[Rule 49 of FHB Vol. III Part (I)]

5.

No.	Particulars	Amount
1	Freight 2% on Stores	800.00
2	Actual cash expenditure	7000.00
3	Establishment charges 9% on (7000+40000+800)	4302.00
4	Store keeping charges 4% on stores	1600.00
5	Estimating fee of 2.5% on estimated value (Rs. 80000)	2000.00
6.	Stores becoming unserviceable and less in sale proceeds	1200.00
7	Net amount recoverable from Defence Department	16902.00

[Para 160 of P&T Manual Vol. X]

Note: It is presumed that the work is commenced and cancelled under the same year and therefore interest on capital outlay is not recoverable.

For the stores lost in transit, action should be taken to recover the amount from transport authority vide Para 108 of P&T Manual Vol. X Part. II.

6.

Depreciation is to be calculated from the year 1970-71 to 1990-91 ie., for 20 years. The calculation of depreciation is as under:

No.	Particulars	Issues		Diff in Cost	Recoveries	
		Post wire	Iron		Post wire	Iron
1	Original value	2000	3000	1200	400	1200
2.	Residual value	Nil	Nil	Nil	Nil	Nil
3.	Net value subject to Dep.	2000	3000	1200	400	1200
4	Effective Life	60	30	30	60	30
5.	Period in use	20	20	20	20	20
6	Depreciation	666.67	2000	800	133.33	800
7	Depreciated Value	1333.33	1000	400	266.67	400
		2333.33		400	666.67	

Calculation for amount recoverable:

1	Cash	500
2	Gross Stores	5000
3	Freight on Stores 3%	150
4	Establishment Charges 7% on (1+2+3)	395.50
5	Store keeping charges 6% on Stores	300

Amount debitale:

1	Cash	500
2	Stores (depreciated value)	2333.33
3	Freight	150
4	Establishment charges	395.50
5	Store keeping charges	300
	<b>Total Debit</b>	<b>3678.83</b>

Less Amount Creditable:

1	Depreciated value of recovered stores	666.67
2	Depreciated value of improved store	400
3	Sale proceeds of unserviceable stores	200
	<b>Total Credit</b>	<b>1266.67</b>

Net amount recoverable from Electricity Board

(Rs. 3678.83 – Rs. 1266.67)

Rs. 2412.16

Say Rs. 2412

[Para 155 of P&T Manual Vol. X]

**JAO PART II MODEL TEST PAPER FOR DECEMBER 2012 MAIN EXAMINATION**

**PAPER IV [TELECOM ACCOUNTS-II] [WITH THE AID OF BOOKS]**

**TIME ALLOWED : 2 ½ HOURS      SOLUTION TO QUESTION PAPER NO.6**

---

1.

- 1) Para 134 to 137 & 147 of P&T Manual Vol.X deals with the important points to be checked in a project estimate.
- 2) It is to be seen whether all the components under the project have been included and whether the project is complete in itself.
- 3) It is to be seen whether the project is sanctioned by the competent authority as per the schedule of Financial Powers.
- 4) It is to be seen whether the project is prepared next below authority competent to sanction the project.
- 5) It is to be seen whether the project is prepared in major 3 categories namely Lines including carrier installation, Trunk Exchange installation and local exchange installation.
- 6) It is to be seen whether the 1/3<sup>rd</sup> of the trunk call traffic had been assumed as revenue of the project for the calculation of the project.
- 7) Further it is to be seen that in all the detailed estimates a certificate to the effect that the estimate forms part of the project, had been mentioned.
- 8) Whenever the first detailed estimate sent for sanction necessary certificate such as the said project has already been sanctioned should be mentioned along with the copy of the project estimate.
- 9) Whenever the last detailed estimate sent for sanction necessary certificate such as all the detailed estimates mentioned in the project has been sanctioned for all the works mentioned in the project.
- 10) It is to be seen whether the project has got the administrative approval which it means for approval to incur expenditure.
- 11) It is to be seen whether it means has got the Technical Sanction which it means that the plans are structurally sound and the estimate are accurately calculated based on the sufficient data.
- 12) It is to be seen whether the project has got the expenditure sanction before going to the labour & expense of preparing detailed plans and estimates.

2 (a)

- 1) Para 157 of P&T Manual Vol-X deals with the project to be executed without showing remunerativeness.
- 2) Following are the 3 instance.
  - a) Construction of staff quarters, administrative building.
  - b) Providing Trunk Call and Long distance facilities in rural areas.
  - c) Maintenance of Telecom System, Replacing faulty cables etc

2 (b)

Charges Recoverable:

1	Cash (4500+111+35000)	39611.00
2	Stores	27000.00
3	Freight (3% on 27000)	810.00
4	Establishment charges (7% of 67421)	4719.47
5	Store keeping charges (6% of 27000)	1620.00
6	Total	73760.47
7	Deduct: i) Sale of unserviceable stores 1111	10111.00
	ii) Recovered and surplus stores 9000	
8	Net amount recoverable	63649.47 63649.00
	Say	

[Para 499 of P&T Manual Vol. X]

Note: !. Cost of carriage of surplus stores to another work shall be claimed in another work and not in this work.

3 (a)

Charges are to be recovered as per Para 155 (2) of P&T Manual Vol. X.

3 (b)

It is a receipt of the department and as per Rule 130 of FHB Vol. III Part I, receipt should not appear in any imprest account. It should be sent to DE office direct. So action is not regular.

3 (c)

If the local market rates are lower than the minimum wages prescribed by the Government, the Government will pay the minimum wages as prescribed as per note 5 under Para 195 (6) of P&T Manual Vol. X. So action of the SDE is correct.

3 (d)

There is no necessity for taking revised sanction as the amount does not exceed 10% of the sanctioned amount as per Para 217 of P&T Manual Vol. X. So action of the DE is in order.

4.

No.	Particulars	Cash	Stores
1	Cash expenditure	10000.00	
2	Value of stores supplied by Railways	80000.00	
3	Allied stores supplied by Dept		4000.00
4	Total	90000.00	4000.00
5	Freight 2% on Stores		80.00
6	Establishment charges 9% on (4+5)	8100.00	367.20
7	Store keeping charges 4% on Stores		160.00
8	Total	98100.00	4607.20
9	Adhock increase on stores 15% (Rs. 4607.20x15/100)		691.08
10	Less Value of cables supplied by Railway	80000.00	
11	Net amount recoverable from Railway	18100.00	5298.20

Net amount recoverable (Rs. 18100.00 + Rs. 5298.20) = Rs. 23398.20

Say Rs. 23398.00

[Para 152 of P&T Manual Vol. X]

5 (a)

Sale Bill No. ----- Date -----

SI No.	Particulars	Amount (Rs.)
1	Book value of stores (Rs. 200 X 2500)	500000.00
2	Store keeping charges 4% on (1)	20000.00
3	Freight charges 2% on (1)	10000.00
4	Handling charges 0.5% on (1)	2500.00
5	Surcharge 7.5% on (1+2)	39000.00
6	Cash expenditure incurred for outward journey	500.00
7	Total amount recoverable from ITI	572000.00

[Rule 51 & 52 of FHB Vol. III Part (II)]

5 (b)

Sale Bill No. ----- Date -----

SI No.	Particulars	Amount (Rs.)
1	Book value of stores (Rs. 200 X 2500)	500000.00
2	Store keeping charges 4% on (1)	20000.00
3	Freight charges 2% on (1)	10000.00
4	Handling charges 0.5% on (1)	2500.00
5	Surcharge 10% on (1+2)	52000.00
6	Cash expenditure incurred for outward journey	500.00
7	Total amount recoverable from other than ITI	585000.00

[Rule 51 & 52 of FHB Vol. III Part (II)]

6.

Manufacturing Account for the month of August 1999:

Particulars	Materials	Labour	Overheads	Total	Particulars	Materials	Labour	Overheads	Total
To Opening balance Work in progress	1369430		9940180	11309610	5225 BB – 102 Stores Suspense				
Charges during month:					01- Genl Stores				3541980
Raw materials drawn from stores	3243410				02- Factory Stores				267870
Comp. drawn from stores					04-Sales Within Dept	1314770			
Direct Lab	1821120			5063530	Outside	1125920			2440690
OH charges		320130		320130	3225 – WE 03 Stores & Factories				
Indirect Lab			812990		103 Factories				792340
On cost			1510820	2323810	05 OE				
					800 Misc				40420
					40 Variation				
					05 Engg				
					053 Mtce	15920	8390		24310
					101 Petty				3950
					By CB				
					WIP	3342190		8563330	11905520
Total				19017080	Total				19017080

[Rule 8.1 to 8.16 of FHB Vol. III Part. III]

## **SOLUTION TO CPWD ACCOUNTS**

e-Edition by ABSNLOA

**JAO PART II MODEL EXAMINATION FOR DECEMBER 2012 MAIN EXAMINATION**

**PAPER V [CPWD ACCOUNTS] [WITH THE AID OF BOOKS]**

**TIME ALLOWED : 3 HOURS**

**Solution to Question Paper No. 1**

CASH BOOK OF SHRI. _____, EXECUTIVE ENGINEER OF _____ B&R _____ DIVISION				
Date	RT. No.	From Whom Received.	Amount (Rs.)	Classification
(1)	(2)	(3)	(4)	(5)
01.08		To opening balance	19736	
04.08		To Rent of non residential building	1300	0059 PW General
05.08		To deductions from contractor Y Bill:		
		Security deposit	3000	8443 Civil Deposit
		Fine for delay in work	3000	0059 PW General OR
07.08		To Cash for chest	7250	Cash from bank
08.08		<i>Imprest of SDO M reduced to Rs. 2000</i>		
11.08		To cheque dishonoured	-1300	0059 PW General
18.08		To Rent of inspection bungalow	1100	0059 PW General
21.08		To cash from bank	8250	Cash from bank
24.08		To deduct from contractor X Bill:		
		Income tax	8000	0021 Taxes on income
		Security deposit	40000	8443 Civil Deposit
		Court attachment	12000	8443 Civil Deposit
31.08		To deductions from Salaries:		
		Income tax	4000	0021 Taxes on income
		GPF	44650	8009 GPF
		CGHS	540	0210 Medical
		License Fee	1676	0216 Housing
		HBA	5400	7610 Loans & Advances
			158602	
		<b>Details of closing balance:</b>		
		Notes and coins	8009	
		Revenue stamp	70	
		Postal order	640	
		Imprest M	2000	
		Imprest N	3000	
		<b>Total</b>	<b>13719</b>	
		<b>(Rupees Eight thousand nine only)</b>		
		<b>SD/xxx Executive Engineer</b>		
		<b>Certified that the cash has been counted this day, (last date of concerned month&amp;year)</b>		
		<b>with a balances of the sub cash chest found to be Rs. 8719 (Rupees Eight thousand seven hundred and nineteen only</b>		
		<b>Sd/ Executive Engineer</b>		

FOR THE MONTH OF AUGUST 2004						
Date	VR. No.	To Whom Paid etc	Cash (Rs.)	Che No.	Amount	Classification
(6)	(7)	(8)	(9)	(10)	(11)	(12)
05.08	1	By bill of Contractor Y	6000	489	20000	5054 Roads & Bridges
06.08		By Cheque deposited in bank	1300			Remitt into bank
07.08		By cash for chest		490	7250	cash from bank
		Temp Advance given to SDO P-7250				
08.08	2	By Imprest account of SDO M				
		Repair office furniture	370			2059 PW General
		Wages	1975			2059 PW General
11.08		By cheque dishonoured	-1300			Remittance to bank
12.08	3	By Temp advance account SDO P:				
		Mtce & Rep commissioner residence	2745			2216 Housing
		Watch vacant residence	2300			2216 Housing
		Mtce & Rep Hospital	1750			2059 PW General
14.08		New cheque issued in lieu of old cheque No. 138 dated 30.04. Rs.800		491		
19.08	4	By service stamps		492	300	2059 PW General
20.08	5	By recoupment of imprest N:				
		Repair district road	1250			3054 Roads
		Repair road roller	1250			3059 PW General
		Imprest of N increased to Rs.3000				
21.08		By cheque for chest		493	8250	Cash from bank
22.08	6	By Mtce of national highway	4255			3054 Roads
23.08		By cash to bank	5147			Remittance to bank
24.08	7	By bill of contractor X	60000	494	330000	8443 Civil Deposits
25.08		By cash to bank	1500			Remittance to bank
31.08	8	By salary bill	56266	495	210654	2059 Dir & Admn
31.08		By cash counted and found Rs.8719				
		instead of Rs. 8794				
		Cash found short	75			Misc works advances
		By closing balance	13719			
			158602		576454	

2.

Name of the contractor R, Name of the work: Constructing school building

Sl.no of the bill : Second running bill CCII &R

I Account of work executed

Name of the work	Unit	Rate	Qty upto date	Payment on the basis of actual measurement Upto date	Payment on the basis of actual measurement Since pre bill
Earth work in foundations	0%M <sup>3</sup>	2000	8000	16000	6000
Masonry work in foundations	%M <sup>3</sup>	4200	500	2100	12600
Masonry work in super structure	%M <sup>3</sup>	4400	800	35200	22000
RCC in beams in 1:2:4 ratio;50 Kg steel per Cum	Per M <sup>3</sup>	360	110	39600	28800
Brick work	%M <sup>3</sup>	4000	650	26000	12000
Wood work	Per M <sup>3</sup>	1200	10	12000	12000
Total value of work up to date (A)				149800	
Deduct value of work shown on previous bill				56400	
Net value of work since previous bill (F) (Rupees ninety three thousand four hundred only)				93400	93400

II. Form 26.A –Account of Secured advances.

Qty o/s From pre bill	Deduct Qty o/s from pre bill	Qty O/s	Full rate	Material	Unit	Reduced Rate	Upto date amt of Adv
100	64	36	120	Grit	Cum	90	3240
100000	36000	64000	200	Bricks	0%	150	9600
Total amount as per this account (C)							12840
Total amount outstanding as per previous bill							24000
Net amount since previous bill (Minus Rupees eleven thousand one hundred and sixty only) (E)							-11160

Notes:- Grit used =  $80 \times 80 / 100 = 64$ .

Bricks used =  $300 \text{ Cum} \times 12000 = 36000$ .

III Memorandum of payments

Rs

Rs

Fig for work abstract	1) Total amount of work actually measured [A]	149800
	2) Total up-to-date advance payments [B]	
	a) As per present bill RS.5000	12840
	b) As per previous bill Rs.(-)5000 [D]	162640
10000	3) Total upto date secured advance [C]	
	4) Total items 1+2+3)	
	5) Deduct amount withheld:	162640
	a) from previous bill	
	b) From this bill	
	6) Balance [K]	85400
	7) Total amount of payment already made as per Entry [K] of the last bill [56400+24000+5000-0]	
12008	8) Payment now to be made as below	
	a) Deduct recoveries creditable to this work	
	Cement-& Steel Rs	
	8000	
55232	Fine for bad work	
	Rs.2000	
	5(b) +8(a)=G	
67240	b) Recoveries creditable to other work or heads of account:	77240
	i) Income tax 2%	Rs.9340
	ii) Security deposit 10%	Rs.1868
	iv) Hire charges of Tools and plant	Rs.800
55232	c) Cheque	
	Rs.55232	
67240	8(b)+8(c)=H	

Pay Rs55232/- (Rupees Fifty five thousand two hundred and thirty two only) by Cheque

Sd/disbursing officers

3 (a)

Deposit Works:

Refer -> CPWD ACCOUNTS MANUAL Vol.II: PARAS 3.1 TO 3.3

3 )b)

Final Payment

Refer -> CPWD ACCOUNTS CODE: PARA 2.1.1(23)

3 (c)

On Account Payment

**Refer -> CPWD ACCOUNTS CODE: PARA 2.1.1 (37)**

3 (d)

Rate of cost and inclusive rate of cost

**Refer -> CPWD ACCOUNTS CODE: PARA 2.1.1.(44)**

3 (e)

Storage Charge

**Refer -> CPWD ACCOUNTS CODE: PARA 2.1.1 (52)**

4 (a)

Market rate and Issue rate

**Refer -> CPWD ACCOUNTS CODE: PARAS 7.2.19 TO 7.2.21**

4 (b)

Grant and appropriation

**Refer -> CPWD ACCOUNTS CODE: PARA 10.2.23**

4 (c)

Advance payment and On account payment

**Refer -> CPWD ACCOUNTS CODE : PARA 2.1.1**

4(d)

Storage and Supervision charge

**Refer -> CPWD ACCOUNTS MANUAL VOL.II: PARAS 4.54 TO 4.56**

5 (a)

Bin cards

**Refer -> CPWD ACCOUNTS CODE: PARAS 7.2.11 AND 7.2.12**

5 (b)

Measurement Books

**Refer -> CPWD ACCOUNTS MANUAL VOL.II PARAS 7.5 TO 7.11(OR) CPWD ACCOUNTS CODE: PARA 10.2.7**

5 (c)

Lapsed and confiscated deposits

**Refer -> CPWD ACCOUNTS CODE: PARAS 15.4.1 TO 15.4.3**

5 (d)

Sale of stores to private parties

**Refer -> CPWD ACCOUNTS MANUAL VOL.II PARAS 46.5 TO 46.8**

6. Earnest Money Deposit

**Refer -> CPWD MAN VOL. II PARAS 21.1, 21.4.1 & 21.6.1**

7.

Internal Audit Organisation

**Refer -> CPWD MAN VOL.II PARAS 59.3 & 59.31**

8.

Advance payment to contractors for work done but not measured

**Refer -> CPWD ACCOUNT CODE PARAS 10.2.22 AND 10.2.23**

9. Stock taking and physical verification

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**JAO PART II MODEL EXAMINATION FOR DECEMBER 2012 MAIN EXAMINATION**

**PAPER V [CPWD ACCOUNTS] [WITH THE AID OF BOOKS]**

**TIME ALLOWED : 3 HOURS**

**SOLUTION TO QUESTION PAPER No. 2**

1.

CASH BOOK OF SHRI. _____, EXECUTIVE ENGINEER OF _____				DIVISION
Date	RT. No.	From Whom Received.	Amount (Rs.)	Classification
(1)	(2)	(3)	(4)	(5)
01.09		To opening balance	3520	
04.09		To Recovery from Contractor T		
		Vr. 1 Security Deposit	4300	8443 Civil Deposit
		Hire of concrete mixer	1000	0059 PW General
		Tools and plant lost	3300	0059 PW General
10.09		To cash from bank	500	Cash from bank
11.09		To sale of fruits	1000	0059 PW General
14.09		To rent of inspection bungalow	500	0059 PW General
15.09		To Temp. advance of overseer closed under		
		Vr.No 2 RS.500		
22.09		To demand draft dishonoured	-300	Concerned Head
			13820	
		<b>Details of Closing Balance</b>		
		Cash in Hand Rs.700		
		Revenue Siamps Rs.20		
		Deposit at call receipt Rs.2000		
		<b>Total Rs.2720</b>		
		<b>Rupees Two Thousand Seven Hundred and Twenty only</b>		
		<b>Certified that the cash has been counted this day, (last date of concerned month&amp;year) with a balances of the sub cash chest found to be Rs. 720 (Rupees Seven hundred twenty only)</b>		
		<b>Sd/ Executive Engineer</b>		

FOR THE MONTH OF SEPTEMBER 2004.						
Date	VR. No.	To Whom Paid etc	Cash (Rs.)	Che No.	Amount	Classification
(6)	(7)	(8)	(9)	(10)	(11)	(12)
04.09	1	By contractor A for constructing office building	8600	86	29400	4059 PW General
10.09		By cash for chest			500	Cash from bank
11.09		By sale of fruit remitted to bank	1000			Remittance to bank
15.09	2	By account of Temp advance of JE: Muster roll	350			Work concerned
		Coollie charges	50			Work concerned
		Cash lost	100			Misc works Advances
19.09		By new cheque issued in lieu of che no. 85 for Rs. 3785		87		
25.09	3	By service stamps		88	500	2059 PW General
30.09		By cash sent to bank	1000			Remittance to bank
		By closing balance	2720			
			13820		30400	

Daily Cash Balance Statement.						
Date	Notes and Coins	Rev St.	Cash	Ty Adv	DD	Dep CR
OB	200	20	500	500	300	2000
10	500					
14	500					
15				-500		
22					-300	
30	-1000					
	200	20	500	0	0	2000

2.

- 1) Name of the contractor A
- 2) Name of the work: Constructing 200 type IIQrs for Cent Govt Pool accommodation at station D
- 3) Agreement No 7/DCD/03-04
- 4) Date of written order to commence the work: 17-02-2004
- 5) Due date of completion 16.02.2005
- 6) SI.No of this bill CCII & R

I Account of work executed

Name of the work	Unit	Rate Rs.	Qty upto date	Payment on the basis of actual measurement Upto date	Payment on the basis of actual measurement Since pre bill
1)Earth work excavation in foundation	Cum	19.95	755	15062.25	3092.25
	Cum	1695.75	3.80	6443.25	--
2)Providing and laying cement concrete in footings and base	Cum	1546.125	62	95859.75	95859.75
3) RCC work	Sqm	1177.05	98	115350.90	115350.90
4)a)Brick work	Sqm	1080	165	178200.00	--
b)Brick work	Sqm	748.125	98	73316.25	73316.25
5)Providing and fixing of 30mm thick door shutters made of fibre board	Sqm	39.90	98	(-)3910.20	(-)3910.20
6) Deduct if fixed shutters without hinges are provided on doors	mt	22	134	2948.00	2948.00
7)Excavation trenches for pipe					
Total value of work up to date (A)				483271	
Deduct value of work shown on previous bill				196614	
Net value of work since previous bill (F) (Rupees Two lakh eightysix thousand six fifty seven only)				286657	286657

II. Form 26.A –Account of Secured advances

Qty o/s From pre bill	DeductQty o/s from pre bill	Qty O/s	Full rate	Material	Unit	Reduced Rate	Upto date amt of Adv
45	45	--	701	Shutters	Sqm	@525	--
150000	49000	101000+80000	1100	Bricks	0%	825	149325
Total amount as per this account						(C)	149325
Total amount outstanding as per previous bill							147375
Net amount since previous bill(Rupees One thousand fifty only)							1950
(E)							

III Memorandum of payments

Rs

Rs

Fig for work abstract	1) Total amount of work actually measured [A]	483271
	2) Total up-to-date advance payments [B]	
	a) As per present bill RS.14750	149325
	b) As per previous bill Rs.(-)14750 [D]	632596
	3) Total upto date secured advance [C]	--
	4) Total items 1+2+3)	632596
	5) Deduct amount with held	358739
	6) balance	
50000	7) Total amount of payment already made as per Entry [K] of the last bill [196614+147375+14750]	
50000	8) Payment now to be made as below	
	a) Deduct recoveries creditable to this work	
	20 tonnes cement @.Rs2500 per tonne Rs50000	
	5(b) +8(a)=G	
37239	b) Recoveries creditable to other work or heads of account:	
	i) Income tax 2% Rs.5733	
	ii) Security deposit 10% Rs.25339	
	iii) water charges Rs2867	
	iv) Penalty for not engaging a G engr Rs3000	
	v) Cost of empty bitumen drums Rs 300	
186618	c) Cheque Rs186618	273857
223857	8(b)+8(c)=H	

Pay Rs. -( Rupees Two lakh twentythree thousand eight hundred and fifty seven only) by cheque

Sd/Disbursing officer

@Total security+EMD is limited to 5% of the tendered value of work ie 65000.

Security deducted plus EMD upto previous bill is Rs.19661+20000=39661.

Balance recoverable is Rs.25339.

3 (a)

Expenditure Sanction

**Refer -> CPWD ACCOUNTS CODE: PARA 2.1.1 (35)**

3 (b)

Technical Sanction

**Refer -> CPWD ACCOUNTS CODE: PARA 2.1.1 (59)**

3 (c)

Deposit Works

**Refer -> CPWD ACCOUNTS MANUAL Vol.II: PARAS 3.1 TO 3.3**

3 (d)

Extra substituted and deviated items of work

**Refer -> CPWD ACCOUNTS MANUAL VOL.II – PARAS 25.1 TO 25.3**

3 (e)

Preliminary Estimate

**Refer -> CPWD ACCOUNTS MANUAL VOL.II – PARAS 4.1 TO 4.2**

4 (a)

Scrutiny, safe custody and surrender of cheque books

**Refer -> CPWD ACCOUNTS CODE: PARA 6.2.8**

4 (b)

Measurement books

**Refer -> CPWD ACCOUNTS CODE : PARA 10.2.8**

5 (a)

Advances to the contractors

**Refer -> CPWD ACCOUNT CODE PARAS 10.2.22 AND 10.2.23**

5 (b)

Accounting of Advances to the contractors

**Refer -> CPWD ACCOUNT CODE PARAS 10.2.22 to 10.2.23, 10.5.1, 10.5.14 & 10.5.15**

6.

Initial records for works

**Refer -> CPWA ACCOUNT CODE: PARAS 10.1.1 & 10.1.5**

7 (a)

Error correction in the compiled accounts

**Refer -> CPWD ACCOUNT CODE: PARAS 8.1.2 TO 8.1.5**

7 (b)

Error correction after the closure of the accounts

**Refer -> CPWD ACCOUNT CODE: PARAS 8.1.2 TO 8.1.5**

8.

Procedure and precautions for issuing material to contractors

**Refer -> CPWD ACCOUNT CODE: PARAS 10.3.1 TO 10.3.7**

9.

Compilation of monthly accounts in Divisional Office

**Refer -> CPWD MANUAL VOL.II: PARAS 22.4.12 TO 22.4.16**

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**JAO PART II MODEL EXAMINATION FOR DECEMBER 2012 MAIN EXAMINATION**

**PAPER V [CPWD ACCOUNTS] [WITH THE AID OF BOOKS]**

**TIME ALLOWED : 3 HOURS**

**SOLUTION TO QUESTION PAPER No. 3**

1.

<b>CPWD Division No 1 CASH BOOK OF EXECUTIVE ENGINEER</b>				
<b>Date</b>	<b>RT. No.</b>	<b>From Whom Received.</b>	<b>Amount (Rs.)</b>	<b>Classification</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>	<b>(5)</b>
1.07		To Opening balance	20108	
3.07		To EMD of Contractor	15000	8443-Civil Deposits
7.07		To Recoveries of Vr.2		
		GPF	2000	8009-GPF
		Licence Fee	300	0216-Housing
		CGEGIS	150	8011-Insurance
		Bicycle advance	100	7610-Loans & Advances
		<i>Temp.Advance of AE M adjusted and closed</i>		
		<i>Vr.2 Net Amount</i>	<i>Rs.14500</i>	
		<i>Cash refunded</i>	<i>Rs.1500</i>	
			<i>Rs.16000</i>	
12.07		Permanent Imprest to AE M Reduced from		
		Rs.1000 to Rs.500		
16.07		To sale of tender forms	1000	0059-Public works
17.07		To sale of old News paper	200	0059-Public works
25.07		To Recoveries of Vr.6		
		Security deposit	20000	8443-Civil Deposits
		Court attachment	5000	8443-Civil Deposits
		Income tax	4000	0021-Taxes on Income
28.07		To cash from bank	42000	Cash from bank
31.07		To deductions from salary		
		Income tax	2000	0021-Taxes on Income
		GPF	19325	8009-GPF
		CGHS	270	210-Medical
		Licence Fee	838	0216-Housing
		House building advance	2700	7610-Loans & Advances
			134991	
		<b>Details of closing Balance</b>		
		Notes & Coins	Rs.5673	
		Revenue stamps	Rs.100	
		Permanent Imprest AE M	Rs500	
		Permanent Imprest AE R	Rs.1000	
		Temp.advance of AE M	Rs.15520	
		Temp.Advance of AE R	Rs.22480	
		<b>Total</b>	<b>Rs.45273</b>	
		<b>(Rupees forty five thousand two hundred and</b>		

	seventy three only)		
	Sd/ Executive Engineer		
	Certified that the cash has been counted this day, (last date of concerned month&year)		
	with a balances of the sub cash chest found to be Rs. 5773 (Rupees Five		
	Thousand seven hundred and seventy three only)		
	Sd/ Executive Engineer		

FOR THE MONTH OF JULY-2004						
Date	VR. No.	To Whom Paid etc	Cash (Rs.)	Che No.	Amount	Classification
(6)	(7)	(8)	(9)	(10)	(11)	(12)
4.07	1	By stationery	500			2059-PW General
		By deposit in bank	15000			Remitt in to bank
7.07	2	By Temp adv of AE M adjusted				
		Labour for non residential buildings	1500			2059-PW works
		Labour for Govt building	1500			2216-Housing
		WC.estt.Res Qtrs Of IT Dept	14050			2216-Housing
11.07	3	By recoupment of Imp of AE R				
		Officer sweeper	500			2059-PW General
		Mtce of Residential Qtrs	315			2216-Housing
12.07	4	By Adjustment of Imprest of AE M				
		Weights for stores(Para13.3.4CPWA)	400			2059-PW General
		Petrol for Jeep	500			2059-PW General
14.07	5	By Furniture of MP's Hostel		5022	145000	4059-Other Buildings
23.07		By cash counted & found Rs2973 against Rs.3093				2059-PW General
		By cash short	120			Suspense
25.07	6	By First RA bill of Contractor X	29000	5023	166000	8443-Civil deposits
	7	By payment to District court B		4024	5000	8443-Civil deposits
26.07		New cheque issued in lieu of old Cheque no.0310 Rs.20022				
28.07		By cash for chest		1447	42000	Cash from bank
31.07	8	By salaries for establishment	25133	1448	105327	2059-PW General
		By remitted into bank	1200			Remitt in to bank
		Temp.Advance paid to AE M RS.15520				
		AE R Rs.22480				
		By closing balance	45273			
			134991		463327	

Daily Cash Balance Statement.						
Date	Notes and Coins	Rev St.	Ty.Adv	Imprest	Imprest	Ty Adv
OB	2008	100	16000	1000	1000	
03	15000					
04	-15500					
07	1500		-16000			
11	-815					
12	-400			-500		
16	1000					
17	200					
23	-120					
28	42000					
31	-39200		15520			22480
	5673	100	15520	500	1000	22480

2.

1) Name of the contractor X, 2) Date of start of work 05.02.2004 3) SIno of this bill CC II & R 4) Stipulated date of completion of work 04.02.2005 5) Agreement no and date M/026 of 2004-2005

I Account of work executed

Name of the work	Unit	Rate Rs.	Qty upto date	Payment on the basis of actual measurement	
				Upto date	Since pre bill
1) Earth work in excavation	Cum	140	600	84000	42000
2) Lime concrete work in foundation	Cum	550	130	71500	44000
3) Brick work in foundation	Cum	900	80	72000	53000
4) RCC work	Cum	1750	20	35000	8750
5) Brick work in cement in super structure	Cum	1300	100	130000	58500
6) Wood work doors & window frames	Cum	8500	4	34000	17000
Total value of work up to date (A)				426500	
Deduct value of work shown on previous bill				203250	
Net value of work since previous bill (F) (Rupees Two lakhs twenty three thousand two hundred and fifty only)				223250	223250

II. Form 26.A –Account of Secured advances

Qty o/s From pre bill	DeductQty o/s from pre bill	Qty O/s	Full rate	Material	Unit	Reduced Rate	Upto date amt of Adv
100000	36750	63250+50000	800	Bricks	000	600	67950
150	76	74	320	Stone	Cum	240	17760
5	5	--	2000	planks	per	1500	---
Total amount as per this account						(C)	85710
Total amount outstanding as per previous bill							103500
Net amount since previous bill(Minus Rupees Seventeen thousand seven hundred and ninety only)						(E)	-17790

III Memorandum of payments

Rs

Rs

Fig for work abstract	1) Total amount of work actually measured [A]	426500
	2) Total up-to-date advance payments [B]	15000
(-)500	a) As per present bill RS.13000	85710
	b) As per previous bill Rs.2000 [D]	527210
	3) Total upto date secured advance [C]	
	4) Total items 1+2+3)	-----
	5) Deduct amount with held	527210
	(a) from previous bill Rs.500	319250
	(b) from this bill Rs.(-) 500	
	6) balance	
	7) Total amount of payment already made as per Entry [K] of the last bill [203250+103500+13000-500]	
13095	8) Payment now to be made as below	
12595	a) By recoveries creditable to this work	
	cement 5.5 Mt @ Rs.2250/Mt Rs.12375	
	Expenditure to set right defective work Rs.720	
	5(b) +8(a)=G	
29890	b) By recoveries of amount creditable to other work or heads of account:	
	i) Income tax Rs.4465	
	ii) Security deposit Rs.22325	
	iii) material fer another work Rs.500	207960
	iv) Hire charges for concrete mixers Rs.1200	
164975	v) Court attachment Rs.1400	
	c) Cheque Rs164975	
194865	(H)	

Pay Rs. -( Rupees One lakh sixty four thousand nine hundred and seventy five only) by cheque

Sd/Disbursing officer

**Notes:**

1. Reduced rate(Brick work foundation). It is presumed that the rate was reduced for the entire quantity of work done. Upto date is Rs72000. Already paid Rs.19000;Since previous bill Rs.53000.
2. Consumption of materials in respect of Secured advance  
Bricks(60+45)x350=36750.Stone [0.9x80]+[0.8x5]=72+4=76cum

**Checks:-**

- (a) H-F=194865-223250=(-)28385
- (b) D+E-G=2000+(-)17790-12595= (-)28385 Agreed
- (c) Figure in line 8=2000+(-)17790+223250-(-)500=207960

3.

Allocation of Expenditure

**Refer -> CPWD ACCOUNTS CODE: PARA 3.1.8**

4.

Cash and categories of bills

**Refer -> CPWD ACCOUNTS CODE: PARAS 6.1.1. AND 6.2.2.**

5 (a)

Register of works

**Refer -> CPWD ACCOUNTS CODE: PARAS 10.6.1 AND 10.6.2**

5 (b)

Contractor's Ledger

**Refer -> CPWD ACCOUNTS CODE: PARAS 10.7.1 TO 10.7.4**

6.

Measurement Book and recording details in Measurement Book

**Refer -> CPWD ACCOUNTS CODE: PARAS 10.2.7 AND 10.2.8**

7.

Purpose of transfer entries

**Refer -> CPWD ACCOUNTS CODE PARAS 8.1.1 TO 8.1.4**

8 (a)

Bin Cards

**Refer -> CPWD ACCOUNTS CODE: PARAS 7.2.12 TO 7.2.15**

8 (b)

Priced store ledger

**Refer -> CPWD ACCOUNTS CODE : PARAS 7.2.31 TO 7.2.33**

9.

Works abstract

**Refer -> CPWD ACCOUNTS CODE: PARAS 10.5.1 TO 10.5.11**

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**JAO PART II MODEL EXAMINATION FOR DECEMBER 2012 MAIN EXAMINATION**

**PAPER V [CPWD ACCOUNTS] [WITH THE AID OF BOOKS]**

**TIME ALLOWED : 3 HOURS**

**SOLUTION TO QUESTION PAPER No. 4**

1.

CASH BOOK OF SHRI. _____, EXECUTIVE ENGINEER OF _____			DIVISION _____	
Date	RT. No.	From Whom Received.	Amount (Rs.)	Classification
(1)	(2)	(3)	(4)	(5)
01.04		To Opening Balance	5730	
		To Temporary Advance of Asst. Engineer A adjusted and closed as under		
		Vr.1 Rs. 2050		
		Cash Rs. 450		
		Rs.2500		
03.04		To Cash from Bank	2900	Cash from Treas/Bank
11.04		To Recoveries from vr.3		
		i) Hire of Machines	500	0059 PW General
		ii) for another Division	830	8443 PW Deposits
		iii) Security Deposits	2000	8443 PW Deposits
24.04		To sale of tender forms	50	0059 PW General
30.04		To T.Adv of A E B adjusted/closed		
		vr.5 Rs. 1140		
		Cash Rs. 60		
		Rs.1200		
			12010	
		Details of closing balance:		
		Notes and coins 1340		
		Imprest 20		
		Temp Advance A 2900		
		Temp Advance B 1200		
		Total 5460		
		(Rupees Five thousand four hundred and sixty only)		
		Sd/ Executive Engineer		
		Certified that the cash has been counted this day, (last date of concerned month&year)		
		with a balances of the sub cash chest found to be Rs. 1340/- (Rupees One thousand three hundred and forty only)		
		Sd/ Executive Engineer		

FOR THE MONTH OF						
Date	VR. No.	To Whom Paid etc	Cash (Rs.)	Che No.	Amount	Classification
(6)	(7)	(8)	(9)	(10)	(11)	(12)
01.04	1	By A/c of Temp.Adv of AE A				4701 Capital Outlay on Irrigation etc
		i) Wages recoverable from contractor	2000			2059 Dir & AD
		ii)Repairs of Jeep	50			Cash from Bank/treas
03.04		By Cash for chest			2900	2059 PW General
		By Temporary Advance of Rs.2900 granted to AE A				2059 Misc Works.Adv
08.04	2	By Rev Stamps lost	10			
11.04	3	By Bill of Contractor X for Strengthening right bank of canal	3330		15670	4701 Irrigation
13.04	4	By A/c of Impt of B				
		i) Office Expenses	10			2059 Dir & Adm
		ii) Loss of cash	10			2059 Misc Works Adv
23.04		By Issue of fresh cheque in lieu of expired cheque Rs.10000				
30.04	5	By A/c of temp.Adv of AE B				
		i) Wages	790			2701 Irrigation
		W.C. Estt	350			2701 Irrigation
		By Granted Temp.Adv to AE B Rs.1200				
		By Closing balance	5460			
			12010		18570	

Daily Cash Balance Statement.							
Date	Notes and Coins	Rev St.	Self Chq	Ty Adv	Temp.Adv	Imprest	Ty Adv
OB	1000	10	1000	2500	1200	20	
01	1450		-1000	-2500			
03							2900
08		-10					
13	-20						
24	50						
30	60						
	-1200						
	1340	0	0	0	1200	20	2900

2.

Name of the contractor X

Name of the work Constructing 100 typell Qtrs at Jaipur

Sl.no of this bill CCII & R

I Account of work executed

Name of the work	Unit	Rate Rs.	Qty upto date	Payment on the basis of actual measurement	
				Upto date	Since pre bill
Earth work	Cum	19.20	3000	57600	
Cement concrete in foundation	Cum	768	800	614400	460800
Brickwork in super structure	Cum	480	720	345600	*231200
Reinforced cement concrete roof	Cum	960	1000	960000	960000
Supply/stacking road metal	Cum	192	180	34560	34560
Total value of work up to date (A)				2012160	
Deduct value of work shown on previous bill				325600	
Net value of work since previous bill (F) (Rupees Sixteen lakhs Eighty Six thousand Five hundred sixty only)				1686560	1686560

II. Form 26.A –Account of Secured advances

Qty o/s From pre bill	DeductQty o/s from pre bill	Qty O/s	Full rate	Material	Unit	Reduced Rate	Upto date amt of Adv
200000	175000	25000+200000	800	Bricks	000	600	135000
60	--	60	1200	W.plank	per	900	54000
3000	1280	1720	200	Ballest	Cum	150	258000
Total amount as per this account (C)							447000
Total amount outstanding as per previous bill							624000
Net amount since previous bill(Rupees Minus One lakh Seventy seven thousand only) (E)							(-)177000

III Memorandum of payments

Rs

Rs

Fig for work abstract	1) Total amount of work actually measured [A]	2012160
	2) Total up-to-date advance payments [B]	30000
(-)500	a) As per present bill RS.40000	447000
	b) As per previous bill Rs.(-) 10000[D]	2489160
	3) Total upto date secured advance [C]	
	4) Total items 1+2+3)	--
	5) Deduct amount with held	2489160
	(a) from previous bill Rs.500	989100
	(b) from this bill Rs.(-)500	
	6) balance	
	7) Total amount of payment already made as per Entry [K] of the last bill [325600+624000+40000-500]	
242200	8) Payment now to be made as below	
241700	a) By recoveries creditable to this work	
	Value of MS bars	
	Rs.240000 Labour to rectify defects	
	Rs.2200 5(b) +8(a)=G	
160903	b) By recoveries of amount creditable to other work or heads of account:	1500060
	i) Income tax Rs.33731	
	ii) Security deposit Rs.102306	
	iii) Water charges 1% Rs.16866	
	iv) Interest on mobilization advance Rs.5000	
	v) Hire of mixers Rs.3000	
1096957	c) Cheque Rs.1096957	
1257860	(H)	

Pay Rs. -( Rupees Ten lakh Ninety six thousand Nine hundred and Fifty seven only) by cheque

Sd/Disbursing officer

Notes;

1) Brickwork Rs.300 in place of 325 became 480 with 60% premium

2) Bricks consumed since previous bill are (500x350)=175000, ballest consumed is (600+1000)X80/100=1280CUM

3. Refer -> CPWA code PARAS ara's 8.1.2, 8.1.3, & 8.1.4

4. Refer -> CPWA Code PARA 5.5.2

5. Money at the disposal of a Divisional Officer is not private money. It is Government money for which he publicly responsible. He should, therefore, not only be satisfied himself with the accounts but also should be able to satisfy his superiors, Audit department and the public at large through the State Legislature that the accounts have been correctly maintained.

The Main points to be kept in mind in maintaining accounts of public money by the Divisional Officer are the following:-

(1) That the claim, which has been accepted, is valid; that the voucher is a complete proof of payment; and the account is correct in all respects.

(2) That the accounts have been so kept and accounts so fully recorded that they can satisfy any enquiry about economy and bonafides of the transactions.

(3) That the record of payments, record of measurements, and record of transactions has been so kept that it can be produced as satisfactory and convincing proof in a Court of law.

(4) That all transactions of cash, stores, other properties (including rights, privileges and concessions) which have money value are brought to account.

(5) That a transaction is classified to the head of account to which relates. If that is not immediately known, it should be kept under "Miscellaneous Works Accounts" (if it is a Charge) or "Miscellaneous Deposits" (if it is a Receipt)

6 (a) Refer -> CPWA Code PARA 6.6.12

6 (b) Refer -> CPWA code PARA 10.3.7

6 (c) Refer -> CPWA Code PARAS 6.3.5 & 6.2.3

7. Refer -> CPWA Code PARA 6.6.5 to 6.6.7

**JAO PART II MODEL EXAMINATION FOR DECEMBER 2012 MAIN EXAMINATION**

**PAPER V [CPWD ACCOUNTS] [WITH THE AID OF BOOKS]**

**TIME ALLOWED : 3 HOURS**

**SOLUTION TO QUESTION PAPER No. 5**

1.

CASH BOOK OF SHRI. _____, EXECUTIVE ENGINEER OF _____			DIVISION _____	
Date	RT. No.	From Whom Received.	Amount (Rs.)	Classification
(1)	(2)	(3)	(4)	(5)
01.05		To Opening Balance	7080	
03.05		To Rent of Leased Land	2060	0059 PW General
		To Sale of Tender Forms	2000	0059 PW General O/R
10.05		To Auction of Tools and Plant	1800	0059 PW General O/R
		To Security Deposits deducted from vr.3	3000	0059 PW Deposits
14.05		To earnest Money of D & E	12000	0059 PW Deposits
18.05		To Rent of Residential Bldgs	4000	0216 Housing
22.05		To A/c of temp Adv of Ex.Engr adjusted & closed		
		Vr. 7 Rs.1700		
		Cash Refund Rs.800		
		Rs.2500		
24.05		To Recovery from Cont.C. vr 8		
		i) Security Deposits	14000	8443 PW Deposits
		ii) Recovery for other Divn	2000	8443 PW Deposits
		iii) Hire charges of vibrator	800	0059 PW General
26.05		To Recovery of salary	1400	2059 PW General
30.05		To Temporary advance of JE closed by realisation of cash from him Rs.1200		
			50140	
		Details of closing balance:		
		Notes and coins 8235		
		Revenue stamp 20		
		Imprest 500		
		Total 8755		
		(Rupees Eight thousand seven hundred and fifty five only)		
		Sd/ Executive Engineer		
		Certified that the cash has been counted this day, (last date of concerned month&year)		
		with a balances of the sub cash chest found to be Rs. 8255/- (Rupees Eight thousand		
		two hundred and fifty five only)		
		Sd/ Executive Engineer		

FOR THE MONTH OF						
Date	VR. No.	To Whom Paid etc	Cash (Rs.)	Che No.	Amount	Classification
(6)	(7)	(8)	(9)	(10)	(11)	(12)
02.05	1	By Security Deposits refunded to Cont. B		52	1800	8443 PW Deposits
06.05		By Deposit in bank	2060			Remittance into Bank
		By Fresh cheque in lieu of time barred cheque of Cont B Rs.3000		53		
08.05	2	By a/c of P.I. of AEK				
		i) Rep. Res. Bldgs	300			2216 Housing
		ii) Carriage cement	125			2059 PW General
		Permanent Imprest of AE K Sub.Divn raised to Rs.500				
10.05	3	By Cost of Furniture	3000	54	27000	2059 PW General
14.05	4	BY EMD deposit in bank	6000			Remittance into Bank
		Refund of EMD to Contractor D		55	6000	8443 PW Deposits
18.05		By rent dep.in.bank by AE H Sub Divn	4000			Remittance into Bank
20.05		By TempAdv to Ex.Engr Rs.2500				
22.05	6	By GI Sheets for shed		56	12000	2059 PW General
	7	By Ty.Ad a/c of EE				
		i) Carriage	800			2059 PW Dir & AD
		ii) Chowkidar	900			2059 PW Dir & AD
24.05	8	By Constg Qrs by Cont. C	16800	57	102200	4216 Housing
26.05		By Deposit in bank	1400			Remittance into Bank
		BY Ch.23 Cancelled		23	-69000	2059 PW Suspense
	9	By Payment cement		58	96000	2059 PW Suspense
30.05		By Deposit in bank	6000	59	3800	Remittance into Bank
		By Closing Balance	8755			
			50140		179800	

**Daily Cash Balance Statement.**

Date	Notes and Coins	Rev St.	Chq	Ty Adv	Imprest	Ty Adv
OB	1250	30	4200	1200	400	
02	4200		4200			
03	4060					
06	-2060					
08	-525				100	
10	1800					
14	6000					
18	10	-10				
20	-2500					2500
22	800					-2500
30	1200			-1200		
30	-6000					
	8235	20	0	0	500	0

2.

Name of the work construction of Qtrs in RA puram

Sl.No of this bill CCII&R

I Account of work executed

Name of the work	Unit	Rate Rs.	Qty upto date	Payment on the basis of actual measurement	
				Upto date	Since pre bill
1) Earth work	Cum	7	5000	35000	21000
2) Brick work	Cum	320	600	192000	96000
3) RCC	Cum	950	400	380000	380000
4) Steel work	Kgm	7	32000	224000	112000
Total value of work up to date (A)				831000	
Deduct value of work shown on previous bill				222000*	
Net value of work since previous bill (Rupees Six lakh nine Thousand only) (F)				609000	609000

\*Rs.14000+96000+112000 of item 1,2 & 4

II. Form 26.A –Account of Secured advances

Qty o/s From pre bill	DeductQty o/s from pre bill	Qty O/s	Full rate	Material	Unit	Reduced Rate	Upto date amt of Adv
150000	150000	--	600	Bricks	1000	450	--
Total amount as per this account (C)							--
Total amount outstanding as per previous bill							67500
Net amount since previous bill (Minus Rupees Sixty Seven thousand five hundred only) (E)							(-)67500

III Memorandum of payments

Rs

Rs

Fig for work abstract	1) Total amount of work actually measured [A]	831000
	2) Total up-to-date advance payments [B]	20000
(-)500	a) As per present bill RS.10000	--
	b) As per previous bill Rs.(-)80000 [D]	851000
250000	3) Total upto date secured advance [C]	--
	4) Total items 1+2+3	851000
249500	5) Deduct amount with held	389000
	(a) from previous bill Rs.500	
	(b) from this bill Rs.(-)500	
	6) balance	
	7) Total amount of payment already made as per Entry [K] of the last bill []	
	8) Payment now to be made as below	
	a) By recoveries creditable to this work	
	Value of Cement 250MT @Rs.1000/MT Rs.250000	
	5(b) +8(a)=G	
67190	b) By recoveries of amount creditable to other work or heads of account:	
	i) Income tax Rs.6090	
	ii) Security deposit Rs.60900	462000
144810	iii) Penalty for labour reports Rs.200	
	c) Cheque Rs.144810	
212000	(H)	

Pay Rs.144810 ( Rupees One lakh Forty four thousand eight hundred and ten only) by cheque

Sd/Disbursing officer

3.

150	Dr. 3054 Roads & bridges , Roads of inter State of economic importance, Road work Maintenance	
	To 0021 taxes on income, income tax on union emoluments including pensions Cr.	150

Being Income tax recovered from work charged staff in July 2004 vide Vr no.....

Was wrongly credited to work. The error is now corrected

(ii)

200	Dr 3054 – Roads and bridges, state highways – maintenance	
	To 0021 taxes on income, Income tax on union emoluments Including pensions Cr.	200

(iii)

2000	Dr 2059 Public Works, Other Buildings, Maintenance	
	To 0216 Housing Govt Residential buildings, general pool Accommodation, licence fee Cr.	2000

Being the licence fee recovery from .....in Vr..No was credited to work now credited.

(iv)

615	Dr 8782 cash remittances etc PW Remittances, Remittances Into treasury/bank	
	To 8443 Civil Deposit, PWD Deposit, cash deposit of contractors as securities Cr To 8443 Civil deposit: PWD Deposit, Misc Deposit To 0059 – Public Works General, other receipts, Other items Cr	500 100 15

Being the amount deposited in the treasury/bank in May 2004 not appearing in the cash book now adjusted. Details are as under.

1) 4(iv) It is corrected by making entries in the cash book of the day on which it is decided to correct the error.

4(ii) In state division. Income Tax is creditable to 8658 suspense, tax deducted at

Source (TDS) suspense instead of 0021 Taxes on Income.

4.

Refer -> CPWA Code Para 10.2.8

5.

Refer -> CPWA Code PARAS 4.2.2 to 4.2.5

6.

**Imprest: - Imprest is a standing advance of a fixed sum of money given to an individual to enable him to make certain classes of disbursement, which may be entrusted to his charge. The amount of an imprest is to be kept as low as possible and in no case should exceed Rs.5,000 without the sanction of Government.**

**The Account of Imprest Cash is kept by the holder in duplicate in Form 2 Imprest Cash Account. The copy is retained by the Imprest Holder and the original, along with the paid vouchers, is sent to the Officer from whom the imprest is held. This account of his imprest should be submitted at the time of closure of monthly account by the Divisional Officer.**

**The account of imprest may be closed earlier also if:-**

- (i) the balance of imprest is small and needs recoupment; or**
- (ii) increase/decrease the amount of the imprest is proposed, or**
- (iii) the account of the imprest is to be closed altogether.**

**The amount spent by the imprest holder out of his imprest is brought to account by the disbursing officer in his Cash Book, and generally an equivalent amount is paid to the imprest holder by him so that the amount available with the imprest holder is again equal to the amount of imprest originally granted.**

**(Para 6.6.8 and 6.6.9 of C.P.W.A. Code)**

#### **TEMPORARY ADVANCE;**

**When a Disbursing Officer makes a remittance to a subordinate officer to enable to make specific petty payments on vouchers, which have been already passed for payment, the amount remitted is treated as a Temporary Advance. After making payment, the subordinate submits an account of the advance along with the unspent balance, if any. The following are also treated as Temporary Advance:-**

- (i) Money taken out by the Disbursing Officer himself for making disbursement at outstations when on tour**
- (ii) Advance on transfer to a Government servant pending drawal of the advance from the treasury/bank in the normal course. (para 6.6.12 & 18.4.2 and notes in Form CPWA 1)**

**Distinction: The distinction between the two is clear. The former is a standing advance of a fixed sum for making payments left to the charge of a subordinate While the latter is an advance made temporarily to a subordinate to make a number of specific petty payments on Muster rolls and Vouchers, which have already been passed for payment.**

7 (a)

**Refer -> CPWA Code PARA 10.5.18 ( and Note under it)**

7 (b)

**Refer -> CPWA Code PARA 13.4.3 & 7 and note below form 65.**

7 (c)

**Refer -> CPWA CODE PARA 10.5.19, PARA 10.3.18 ibid & PARA 10.5.18 ibid.**

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**JAO PART II MODEL EXAMINATION FOR DECEMBER 2012 MAIN EXAMINATION**

**PAPER V [CPWD ACCOUNTS] [WITH THE AID OF BOOKS]**

**TIME ALLOWED : 3 HOURS**

**Solution to Question Paper No.6**

1.

CASH BOOK OF SHRI. _____, EXECUTIVE ENGINEER OF _____				DIVISION
Date	RT. No.	From Whom Received.	Amount (Rs.)	Classification
(1)	(2)	(3)	(4)	(5)
01.11		To Opening balance	800	
04.11		To Account of temporary advance from B		
		received and adjusted as under :		
		Vr.1 Rs.355		
		Cash refunded 45		
		400		
07.11		To cash from treasury/bank	150	cash from treasury/bank
09.11		To temporary Imprest account received from A and adjusted:		
		Rs.		
		Vr 4:		
		45		
		Cash refunded :		
		5		
		50		
14.11		To Amount recovered from Cont. P in Vr.no. 5		2202 General Education
		Recovery of Overpayments	100	Elementary Education
				Govt. Primary Schools
		Court Attachment	500	8443 Civil Deposits
				Public Works Deposits
				Miscellaneous Deposits
		Recovery of Security Deposits	650	cash deposits of contractors as Security
15.11		To Sale proceeds of produce from		
		Public buildings	100	0059 Public works general
				Other Receipts

23.11		To Receipts on account of rents of Buildings	1000		0216 Housing: General Residential Buildings	
					General Pool Accommodation: Rents	
			3300			
		<b>Details of Closing Balance:</b>				
		Revenue Stamp	5			
		Imprest C	150			
		Total	155			
		(Rupees One hundred and Fifty Five only)				
		Sd/ Executive Engineer				
		Certified that the cash has been counted this day, (last date of concerned month&year)				
		with a balances of the sub cash chest found to be Rs. 5/- (Rupees Five only)				
		Sd/ Executive Engineer				
<b>FOR THE MONTH OF</b>						
Date	VR. No.	To Whom Paid etc	Cash (Rs.)	Che No.	Amount	Classification
(6)	(7)	(8)	(9)	(10)	(11)	(12)
02.11		By Cheque of 'X' remitted to treasury	145			Remitted into Bank
04.11	1	By Adjust B's advance				
		(i) Muster Roll	300			4216 Housing
		(ii) Conveyance of Materials	50			2059 PW General
		(iii) Shortage of cash	5			2059 PW Genl Sus
05.11	2	Recouped & adjusted imprest a/c of C				2059 Public Works Other Buildings
		Repairs to non-reidential buildings	40			Maintenance & repairs;c works
		Imprest with 'C' raised to Rs.150 from Rs.100				
07.11		By Cash for chest			150	Cash from bank
08.11	3	By Material purchased for stock in July 2004	200			8658 Suspense
09.11	4	By Adjust of Ty.Adv of 'A' as under Electric installation at the residence of Sub-Collector	45			4216 Housing
14.11	5	By On A/c Bill of Contractor 'D' for constructing staff Qtrs of Revenue Dept	1250		7950	4216 Housing
15.11		By Amount deposited in to Treasury by 'B'	100			Remittance to bank
21.11		By Cheque issued to Contractor Q				

		revalidated Rs.1000				
22.11		Cash counted and found Rs.10(Rupees ten only) instead of Rs.15(Rupees fifteen only)				2059 PW Suspense
				5		
28.11	6	By C's Imprest recouped		75		2216 Housing
30.11		By Deposit in bank/ty		930	70	Remittance to Bank
		By Closing balance		155		
				3300		8170

**Daily Cash Balance Statement.**

Date	Cash	Rev Stamp	Imprest	Ty Adv	Ty Adv	Chq
OB	100	5	100	50	400	145
02.11						-145
04.11	45				-400	
05.11	-90		50			
07.11	150					
08.11	-200					
09.11	5			-50		
22.11	-5					
23.11	1000					
28.11	-75					
30.11	-930					
	0	5	150	0	0	0

2.

**I Account of work executed**

Name of the work	Unit	Rate Rs.	Qty upto date	Payment on the basis of actual measurement	
				Upto date	Since pre bill
1)Earth work in foundation	Cum	11	8000	88000	33000
2)Filling in foundation in lime concrete	Cum	440	800	352000	132000
3)Brick work in cement foundation	Cum	550	1200	660000	330000
4)Brick work in super structure	Cum	660	1000	660000	264000
5)RCC for roof slab	Cum	880	900	792000	440000
<b>Total value of work up to date</b>			<b>(A)</b>	<b>2552000</b>	
<b>Deduct value of work shown on previous bill</b>				<b>1353000</b>	
<b>Net value of work since previous bill (Rupees Eleven lakh Ninety nine thousand only) (F)</b>				<b>1199000</b>	<b>1199000</b>

**II. Form 26.A –Account of Secured advances**

Qty o/s From pre bill	DeductQty o/s from pre bill	Qty O/s	Full rate	Material	Unit	Reduced Rate	Upto date amt of Adv
550000	500000	50000+100000	800	Bricks	1000	600	90000
40	*39	1	10000	Steel	MT	7500	7500
	1000	--	160	ballest	cum	120	--
Total amount as per this account						(C)	97500
Total amount outstanding as per previous bill							630000
Net amount since previous bill(Minus Rupees Five lakh Thirty two thousand five hundred only)						(E)	(-)532500

### III Memorandum of payments

Rs

Rs

Fig for work abstract	1) Total amount of work actually measured [A]	2552000
	2) Total up-to-date advance payments [B]	--
	a) As per present bill Rs.27000	97500
	b) As per previous bill Rs.(-)27000[D]	2649500
	3) Total upto date secured advance [C]	
	4) Total items 1+2+3)	--
	5) Deduct amount with held (a) from previous bill Rs. (b) from this bill Rs.(-)	2649500
	6) balance	2010000
7) Total amount of payment already made as per Entry [K] of the last bill [1353000+630000+27000-0]		
8) Payment now to be made as below		
a) By recoveries creditable to this work		
Cement 15 MT @Rs1000 per MT Rs.15000		
5(b) +8(a)=G		
145000	b) By recoveries of amount creditable to other work or heads of account:	
	i) Income tax Rs.23980	
	ii) Security deposit Rs.119900	639500
	iii) Hire of tools and plants Rs.1120	
479500	c) Cheque Rs479500	
624500	(H)	

Pay Rs.479500 ( Rupees Four lakh seventy nine thousand five hundred only) by cheque

Sd/Disbursing officer

3.

(1) On receipt of Girders

Rs.6000	Dr. Capital outlay on PW; office buildings, Medical & public Health; name of work ; materials	
	To 8658 suspense accounts; material purchase settlement A/c Purchase pending payment/adjustment Cr.	Rs.6000

Receipt of girders in July 2004 for office building of Director Public Health.

(ii) On their transfer to stock in Sept 2004 (under para 10.3.13 of CPWA Code)

The account of the work will get credit through the summary of stock receipts. No transfer entry will be needed. The effect will be as below.

Rs.4509	Dr. 0059 Public works; suspense, stock	
	To 4059 Capital outlay on PW; office building Medical & Public health ; name of the work materials Cr.	Rs.4509

The head material purchase settlement suspense will be cleared when payment is made.

4.

Refer -> CPWD ACCOUNTS MANUAL: PARAS 16.1 TO 16.4.6

5 (a)

Refer -> CPWA Code PARA 6.2.13 read with 10.5.19

5 (b)

Refer -> CPWA Code PARA 6.48

5 (c)

Refer -> CPWA Code PARA 10.3.13 & Refer -> CPWA Code PARA 10.5.10

6.

Refer -> CPWA CODE: PARA 3.2.1

Refer -> CPWA Code and Instruction 1 on Form 1 PARASs 6.2.12 and 6.2.13

**ADDITIONAL PROBLEMS WITH SOLUTIONS ON TRA PRACTICAL**

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## TRA PRACTICAL ADDITIONAL PROBLEMS

### I. Trunk Call Ticket Valuation:

#### Important Points:

1. Rs. 1.20 per unit plus Service Tax upto 31.03.2007 and Re.1 inclusive of Service Tax per unit from 01.04.2007.
  2. Minimum Unit is 2 units.
  3. Part of a minute is rounded off to next higher integer.
  4. Ordinary -- Single Rate; Urgent -- Two Times; Important -- Four Times and Lightning – Eight Times.
  5. Additional Fee of Rs. 5 is levied uniformly for all calls.
  6. No speed trunk call.
  7. For Inland Trunk Calls -- Supplementary charge like PP/FT/SFT etc, the charge equal to 50% of one minute of ordinary trunk call rate only is levied.
  8. For Overseas Calls -- Surcharge for PP and FT calls 25% of one minute. In case of cancellation, Rare Reporting Fee Rs. 8 is levied.
  9. Call Cancellation – Rs. 5 if cancelled within the prescribed time of 1 hour for Ordinary Call and within 1 ½ hour for Urgent Call.
  10. Service Tax Rates : Upto 17.04.2006 -- 10.2%; 18.04.2006 to 11.05.2007 -- 12.24%; 12.05.2007 to 23.02.2009 – 12.36% and 24.02.2009 onwards -- 10.30%.
- 

#### Problem : 1

An urgent call was booked from Agra to Lucknow on 10.06.2006 at 1800 hrs and connected at 1920 hours. Duration 2.8 minutes. Calculate the charges.

Tariff: Per unit rate = Rs. 1.20 Service Tax 12.24%

#### Solution : 1

Ordinary call for one minute = 1+1 = 2 Units

Urgent call for one minute = 2x2 = 4 units.

For 2.8 minutes Say, 3 minutes = 4x3 = 12 units.

- |                                   |             |
|-----------------------------------|-------------|
| a) Trunk call charges = 12 x 1.20 | = Rs.14.40  |
| b) Fixed Trunk Fee                | = Rs. 5.00  |
| c) Service Tax 12.24% of a+b      | = Rs. 2.38  |
| d) Total Charges a+b+c            | = Rs. 21.38 |

#### Problem : 2

In the above problem, if the call is PP, calculate the charges.

#### Solution : 2

- |   |            |
|---|------------|
| a) Trunk call charges = 12 x 1.20         | = Rs.14.40 |
| b) Fixed Trunk Fee                        | = Rs. 5.00 |
| c) PP Charge 50% of Rs. 2.40 (one minute) | = Rs. 1.20 |
| d) Service Tax 12.24% of a+b+c            | = Rs. 2.64 |

e) Total Charges a+b+c+d = Rs. 23.24

**Problem : 3**

An immediate PP call booked and connected at 2035 hours for 2.2 minutes on 10.02.2007 (Sunday) and the RD between the 2 stations namely, Delhi and Jaipur being 650 Kms.

Tariff : Tariff: Per unit rate = Rs. 1.20 Service Tax 12.24%

**Solution : 3**

Ordinary call for one minute = 1+1 = 2 Units

Immediate call for one minute = 2x4 = 8 units.

For 2.2 minutes Say, 3 minutes = 8x3 = 24 units.

a) Trunk call charges = 24 x 1.20 = Rs. 28.80

b) Fixed Trunk Fee = Rs. 5.00

c) PP Charge 50% of Rs. 2.40 = Rs. 1.20

d) Service Tax 12.24% of a+b+c = Rs. 4.28

d) Total Charges a+b+c+d = Rs. 39.28

**Problem : 4**

An ordinary PP Trunk call called from Jaipur to Chandigarh on week day for 1.2 minutes for booked time of 2145 hours and connected time of 2210 hours on 01.10.2007. Calculate the charges for per unit rate is Rs. 1.20 and Service Tax is 12.36%.

**Solution : 4**

Ordinary call for one minute = 1+1 = 2 Units

For 1.2 minutes Say, 2 minutes = 2x2 = 4 units.

a) Trunk call charges = 4 x 1.20 = Rs. 4.80

b) Fixed Trunk Fee = Rs. 5.00

c) PP Charge 50% of Rs. 2.40 = Rs. 1.20

d) Service Tax 12.36% of a+b+c = Rs. 1.35

d) Total Charges a+b+c+d = Rs.12.35

**Problem : 5**

Most important call from Delhi to Chennai on 20.04.2007 and the call made for 6.2 minutes and the connected time is 1430 hours.

Tariff : Pulse Rate 30 Sec, Rate per Unit is Rs. 1.20 and Service Tax 12.24%

**Solution : 5**

Ordinary call for 30 Sec = 1+1 = 2 Units

For one Minute Call = 2+1 = 3 units

For most important call per minute = 3x4 = 12 units

For 6.2 minutes Say, 7 minutes = 7x12 = 84 units.

a) Trunk call charges = 84 x 1.20 = Rs. 100.80

- |                              |              |
|------------------------------|--------------|
| b) Fixed Trunk Fee           | = Rs. 5.00   |
| c) Service Tax 12.24% of a+b | = Rs. 12.05  |
| d) Total Charges a+b+c       | = Rs. 118.75 |

**Problem : 6**

Lightning PP call from Delhi to Madurai on 21.01.2009 for 6.7 minutes.  
Tariff : Rs. 1.20 per unit and 12.36% Service Tax.

**Solution : 6**

- |   |                    |
|---|--------------------|
| One minute ordinary call                      | = 1+1 = 2 units    |
| One minute Lightning call                     | = 2x8 = 16 units   |
| For 6.7 minutes, say 7 minutes lightning call | = 7x16 = 112 Units |
| a) Trunk call charges = 112 x 1.20            | = Rs. 134.40       |
| b) Fixed Trunk Fee                            | = Rs. 5.00         |
| c) PP Charge 50% of Rs. 2.40                  | = Rs. 1.20         |
| d) Service Tax 12.36% of a+b+c                | = Rs. 17.21        |
| d) Total Charges a+b+c+d                      | = Rs. 157.81       |

**Problem : 7**

Ordinary call from New Delhi booked to Chennai at 1775 hours as PP call on 24.08.2009. The call cancelled at 1820 hours. What is the charges to be levied?  
Tariff : Service Tax 10.30% and call per unit Rs.1.20

**Solution : 7**

Cancellation charges of Rs. 5 plus service tax 10.30% on cancellation charges is levied.

**Problem : 8**

In the above problem, PP is connected at 1845 hours but the calling party wishes to cancel.

**Solution : 8**

- |  |                 |
|--|-----------------|
| One minute ordinary call   | = 1+1 = 2 units |
| a) Trunk call charges = 2 x 1.20   | = Rs. 2.40      |
| b) Fixed Trunk Fee   | = Rs. 5.00      |
| c) PP Charge (when calling party wishes to cancel, no PP charge is levied) |                 |
| d) Service Tax 10.30% of a+b   | = Rs. 0.90      |
| d) Total Charges a+b+d   | = Rs. 8.30      |

**Problem : 9**

In the above problem, the call is cancelled by the subscriber at 1830 hours.  
Calculate the charges to be levied?

**Solution : 9**

No charge is levied being ordinary call cancelled after 1 hour.

**Problem : 10**

Calculate the charges to be levied for and urgent PP trunk call out through from New Delhi to Bhubaneshwar at 0500 hours. The call was booked at 0300 hours. Duration of call is 4 minutes.

Tariff : Per unit Rate is Rs. 1.20; Service Tax 5% and Pulse Rate is 16 Seconds.

**Solution : 10**

Call units for one minute duration =  $60/16 + 1 = 3+1 = 4$  units

(Note: Only round figure will be taken and balance seconds in a minute will be left)

For urgent call units for one minute =  $4 \times 2 = 8$  units For 4 minute =  $4 \times 8 = 32$  units

a) Trunk call charges = $32 \times 1.20$	= Rs. 38.40
b) Fixed Trunk Fee	= Rs. 5.00
c) PP Charge for one unit 100% = $4 \times 1.20$	= Rs. 4.80
d) Service Tax 5% of a+b+c	= Rs. 5.90
e) Total Charges a+b+c+d	= Rs. 54.10

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## II. PREPARATION OF DEMAND NOTES:

1. Prepare a demand note dated 01.06.1999 for a subscriber who has been sanctioned a temporary telephone connection for 75 days at Delhi from 01.07.1999. The internal fittings are to be provided by the Department and it was decided to claim Rs. 5000 as STD Deposit.

**Solution : 1**

**Bharat Sanchar Nigam Limited**

**Demand Note for Temporary Telephone Line for 75 days**

**Demand Note :**

**Date:**

[Valid Upto ----- (15 days from the date of issue)]

1. Rent for 3 months (minimum)	Rs. 500 x 3	Rs. 1500.00
2. Installation charges		Rs. 800.00
3. STD Deposit		Rs. 5000.00
4. Service Tax 5% on Rs. 2300		Rs. 115.00
5. Total		Rs. 7415.00

(Rupees Seven Thousand Four Hundred and Fifteen only)

Signature of Issuing Officer

**Problem : 2**

Prepare as on 01.01.2002 a Demand Note for X who has been sanctioned temporary telephone connection for 70 days at Chennai (> 10 lakh lines). It was

decided to claim Rs. 5000 STD Deposit. The internal fittings are arranged by the Department.

**Solution : 2**

**Bharat Sanchar Nigam Limited**

**Demand Note for Temporary Telephone Line for 70 days**

**Demand Note :**

**Date:**

[Valid Upto ----- (15 days from the date of issue)]

1. Rent for 3 months (minimum)	Rs. 500 x 3	Rs. 1500.00
2. Installation charges		Rs. 800.00
3. STD Deposit		Rs. 5000.00
4. Service Tax 5% on Rs. 2300		Rs. 115.00
5. Total		Rs. 7415.00

(Rupees Seven Thousand Four Hundred and Fifteen only)

Signature of Issuing Officer

**Problem : 3**

Prepare a demand note to be issued to Shri Ranganathan who has been sanctioned a casual telephone connection for a period of 30 days with internal extension with IC facility at Chennai (Exchange capacity > 3 lakh lines). Deposit against truck call as security may be obtained to the extent of Rs. 3000 from the party. The demand note was issued on 30.09.1999.

**Solution : 3**

**Department of Telecommunications**

**Demand Note for Casual Connection for 30 days at Chennai**

**Demand Note :**

**Date:**

[Valid Upto ----- (15 days from the date of issue)]

1. Rent for 30 days (1 ½ times bi-monthly rental)	Rs. 500 x 1 ½	Rs. 750.00
2. Installation charges		Rs. 150.00
3. STD Deposit		Rs. 3000.00
4. Internal Extn with ICF 50% of annual rental		Rs. 250.00
5. Installation fee for accessories		Rs. 800.00
4. Service Tax 5% on Rs. 1950		Rs. 97.50
5. Total		Rs. 5047.50 Say Rs. 5048.00

(Rupees Five Thousand and Forty Eight only)

Signature of Issuing Officer

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### III. WAITING CHARGE CALCULATION:

**Problem : 1**

An OYT connection was provided on 01.04.1998 on payment of initial deposit of Rs. 15000 on 01.06.1997. Indicate the waiting charges for which credit is admissible to the subscriber . The rate of interest payable by SBI for one year fixed deposit is 9%.

**Solution : 1**

**Date of Demand Note Payment : 01.06.1997**

**Date of provision of the connection : 01.04.1998**

**Period for which waiting charge is payable : From 01.06.1997 to 31.03.1998**

**Rate of waiting charge =9% pa**

**Waiting Charge payable =  $15000 \times 9/100 \times 10/12 = \text{Rs.}1125.00$**

**Note : The subscriber is also eligible for credit for additional waiting charges @ 3% beyond the period of 6 months in respect of OYT connection, that is,  $15000 \times 3/100 \times 4/12 = \text{Rs.} 150.00$**

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#### **IV. CASUAL CONNECTION:**

1. Maximum period = 30 days.
2. Rent upto 10 days = 1 month normal rent  
Rent upto 20 days = 2 months normal rent  
Rent upto 30 days = 3 months normal rent
3. No free calls.
4. Installation Fee Rs. 150
5. Minimum SD Rs. 500
6. Local call charges and trunk call charges are calculated as per the regular line tariff. Local call charges based on the number of days for which rent is collected and not on the basis of the number of days actually worked.
7. For provision of internal extension with or without ICF, half of annual rental and full installation fee is levied.
8. Service Tax will be claimed only on rent and installation fee in the Demand Note.

**Problem : 1**

A casual line was provided at Chennai (> 3 lakh lines) on 01.10.08 for 10 days. In the demand note, the due charges including SD of Rs. 1000 was claimed and paid by the party before installation of telephone. The line was duly disconnected on 11.10.2008. It is an electronic exchange. OMR 5250 CMR 8650. Test Calls allowed 5. Morning alarm calls made 10. Trunk call charges due Rs. 800. Calculate the charges recoverable/refundable by the department.

**Note:**

**Tariff: Rent Rs. 360 bi-monthly. First 300 calls @ Rs.1.00 and balance @ Rs. 1.20 monthly. Service tax @ 12.24%. Installation Fees Rs. 150.**

**Problem : 2**

A casual line was provided on 01.09.98 for a period of 20 days at Station X, having an exchange capacity of 35000 lines. It was closed on the due date.

- 1) The subscriber paid Rs. 5000 towards TC deposit, installation fee, rent and Service tax.
- 2) Opening meter reading as on 01.09.98 : 21500
- 3) Closing meter reading as on 20.09.98 : 23800
- 4) Trunk call charges due : Rs. 800
- 5) Morning alarm calls made : 5 times
- 6) One internal extension with ICF facility was provided on 01.09.98, the charges of which are yet to be realized.

On the basis of the above data, work out the amount recoverable/refundable from/to the subscriber.

Tariff: Bi-monthly - First 500 calls Rs. 0.80, Next 500 calls Rs. 1.00, Next 1000 calls Rs. 1.25 & Balance calls Rs. 1.40.

Bi-monthly rent – Rs. 275 Installation charges – Rs. 150 Internal extension Annual rent is Rs. 500 and installation charges is Rs. 800. Service Tax @ 5%.

**Problem : 3**

A telephone was installed on 05.07.1999 on casual basis for 30 days for a subscriber at New Delhi Exchange having capacity of > 3 lakh lines. It was closed on due date. Calculate the amount refundable/recoverable to/from the subscriber with the following data:

- i) The subscriber paid Rs. 1445 in demand note as detailed below:  
TC Deposit Rs. 500; Installation Fee Rs. 150; Rent for 30 days Rs. 750 and ST @ 5% Rs. 45.
- ii) Opening Meter Reading : 22854 and Closing Meter Reading : 30432.  
Tariff : Normal rent per month : Rs. 250; Monthly Call Charges - First 200 calls @ 0.80 Next 300 calls @ 1.00 and remaining calls @ 1.20 Service Tax @ 5%

**Problem : 4**

A casual connection was provided at Kolhatta for 3 days on 26.05.2009. The demand note was paid the subscriber as follows: Rent Rs. 180 Installation Rs. 150 Security Deposit Rs. 2000 Service Tax 10.3% on Rs. 330.

The OMR is 52120 and the CMR is 52580 and the phone is disconnected after 3 days. Calculate the amount recoverable/refundable to the subscriber.

**Problem : 5**

A telephone was installed on 05.08.99 on casual basis for 30 days for a subscriber in a city where the exchange capacity is more than 3 lakh lines. It was closed on the due date. Calculate the amount refundable/recoverable to/from the subscriber with the following data:

The subscriber paid Rs. 1445 on demand note as due charges including SD Rs. 500. Opening and Closing Meter Reading 10524 and 14845.

Tariff : First 200 calls @ Rs. 0.80; Next 300 calls @ Rs. 1.00 and remaining calls @ 1.20. Service Tax @ 5%

**Problem : 6**

A telephone subscriber paid Rs. 1445 including Rs. 500 an advance deposit on demand note to GMT New Delhi for a casual connection for 30 days from Jor Bagh Exchange. His telephone was installed on 2.5.99 but he got it disconnected on 31.5.99. He did not made any trunk call during this period. The opening and closing meter readings were 00898 and 03000 respectively. Calculate the total charges recoverable/refundable from/to the subscriber.

Tariff : First 200 calls @ Rs. 0.80; Next 300 calls @ Rs. 1.00 and remaining calls @ 1.20. Service Tax @ 5%

**Problem : 7**

A telephone subscriber had desired casual telephone connection for 30 days at Jamshedpur (exchange having capacity of more than 10000 lines). His telephone was installed on 01.08.99 and was disconnected on 31.08.99. Opening MR was 10298 and Closing MR was 10500. He had deposited Rs. 1036 including Rs. 500 as TC deposit in demand note. Calculate the amount refundable/recoverable to/from the subscriber.

Tariff : First 200 calls @ Rs. 0.80; Next 300 calls @ Rs. 1.00 and remaining calls @ 1.20. Service Tax @ 5%

**Problem : 8**

A casual telephone connection was provided on 02.07.2001 at Sonipet (Haryana) (Exchange capacity 3000 lines) under rural category for a period of 16 days. It was closed on its due date. A sum of Rs. 1389 was paid on demand note as per details given below :

Installation Fee Rs. 150; Rent for 16 days Rs. 220; Service Tax @ 5% Rs. 18.50 and Security Deposit Rs. 1000.00 Say Rs. 1389.00.

1000 calls were registered during 16 days. Prepared the bill dated 01.08.01 and pay by date 21.08.2001 for the amount recoverable.

Tariff : (Bimonthly) First 450 Calls @ 0.60; Next 50 calls @ 0.80; Next 500 calls @ 1.00 and remaining calls @ 1.20.

**Problem : 9**

A casual telephone was installed on 01.11.1999 to American Embassy in Chennai for 30 days for a subscriber from an exchange system with an equipped capacity of 2 lakh lines. The said telephone was closed on due date. Calculate the amount recoverable/refundable from the party on the basis of the following data:

OMR on 01.11.99 380400 CMR on 30.11.99 382000 Trunk call and phonogram charges Rs. 500. Amount paid on demand note towards TC deposit, rent and installation fee Rs. 3000.

Tariff : Normal rent per month : Rs. 250 LCC (Monthly) First 200 calls @ Rs. 0.80; Next 300 calls @ Rs. 1.00 and remaining calls @ 1.20. Service Tax @ 5% (exempted for diplomatic mission)

Problem : 10

A Telephone connection was installed on 05.09.99 on casual basis for 20 days to Mr. A at New Delhi Exchange measure rate system with two lakh lines. It was closed on due date. Calculate the amount refundable/recoverable to/from the subscriber with the following data:

(i) Mr A paid Rs. 2510 on Demand Note with break up as under :

TC Deposit Rs. 2000; Installation Rs. 150; Rent for 20 days Rs. 360.

(ii) OMR 24930 CMR 27560 -- Trunk call made to UK Rs. 310.

Tariff : Rent Bi-monthly Rs. 500 First 200 calls @ 0.80 Next 300 calls @ 1.00

Balance @ 1.20 Service Tax @ 5%

Solution : 1

CMR = 8650 OMR = 5250 Therefore, Gross Calls = 3400 Less Test Calls = 5. Net Chargeable calls = 3395.

(Note: Morning alarm calls in electronic exchange - exempted)

Calculation of Local Call Charges:

100 x 1.00 (300x10/60) = Rs. 100.00

3295 x 1.20 = Rs.3954.00

Total = Rs.4054.00

Amount due from the subscriber:

Local Call Charges Rs. 4054.00

Trunk call charges Rs. 800.00

Service Tax 12.36% Rs. 599.95

Total bill value Rs. 5453.95

Less: TC Deposit Rs. 1000.00

Net amount recoverable Rs. 4453.95 Say Rs. 4454.00

Solution : 2

CMR = 23800 OMR = 21500 Therefore, Gross Calls = 2300 Add: Morning Alarm Calls 5x2 = 10, Net chargeable Calls = 2310.

Calculation of Local Call Charges:

167 x 0.80 (500x20/60) = Rs. 133.60

166 x 1.00 (500x20/60) = Rs. 166.00

334 x 1.25 (1000x20/60) = Rs. 417.50

1643x1.40 = Rs.2300.20

Total = Rs.3017.30

Amount due from the subscriber:

Local Call Charges	Rs. 3017.30
Rent for 20 days	Rs. 275.00
Installation Fee	Rs. 150.00
Trunk call charges	Rs. 800.00
ICF Rent	Rs. 250.00
ICF Installation	Rs. 800.00
Service Tax 5% on 5292.30	Rs. 264.61
Total bill value	Rs. 5566.91
Less: TC Deposit	Rs. 5000.00
Net amount recoverable	Rs. 556.91 Say Rs. 557.00

**Solution : 3**

**CMR = 30432 OMR = 22854 Therefore, Gross Calls = 7578**

**Calculation of Local Call Charges:**

200 x 0.80	= Rs. 160.00
300 x 1.00	= Rs. 300.00
7078 x 1.20	= Rs.8493.60
Total	= Rs.8953.60

**Amount due from the subscriber:**

Local Call Charges	Rs. 8953.60
Service Tax 5%	Rs. 447.68
Total bill value	Rs. 9401.28
Less: TC Deposit	Rs. 500.00
Net amount recoverable	Rs. 8901.28 Say Rs. 8901.00

**Solution : 4**

**CMR = 52580 OMR = 52120 Therefore, Gross Calls = 460**

**Calculation of Local Call Charges:**

460 x 1.00	= Rs. 460.00
------------	--------------

**Amount due from the subscriber:**

Local Call Charges	Rs. 460.00
Service Tax 10.3%	Rs. 47.66
Total bill value	Rs. 507.66
Less: TC Deposit	Rs. 2000.00
Net amount refundable	Rs. 1492.34 Say Rs. 1492.00

**Solution : 5**

**CMR = 14845 OMR = 10524 Therefore, Gross Calls = 4321**

**Calculation of Local Call Charges:**

200 x 0.80	= Rs. 160.00
300 x 1.00	= Rs. 300.00
3821 x 1.20	= Rs.4585.20
Total	= Rs.5045.20

**Amount due from the subscriber:**

Local Call Charges	Rs. 5045.20
Service Tax 5%	Rs. 252.26
Total bill value	Rs. 5297.46
Less: TC Deposit	Rs. 500.00
Net amount recoverable	Rs. 4797.46 Say Rs. 4797.00

**Solution : 6**

**CMR = 03000 OMR = 00898 Therefore, Gross Calls = 2102**

**Calculation of Local Call Charges:**

200 x 0.80	= Rs. 160.00
300 x 1.00	= Rs. 300.00
1602 x 1.20	= Rs.1922.40
Total	= Rs.2382.40

**Amount due from the subscriber:**

Local Call Charges	Rs. 2382.40
Service Tax 5%	Rs. 119.12
Total bill value	Rs. 2501.52
Less: TC Deposit	Rs. 500.00
Net amount recoverable	Rs. 2001.52 Say Rs. 2002.00

**Solution : 7**

**CMR = 10500 OMR = 10298 Therefore, Gross Calls = 202**

**Calculation of Local Call Charges:**

133 x 0.80 (200x20/30)	= Rs. 106.40
69 x 1.00 (300x20/30 limited to 69)	= Rs. 69.00
Total	= Rs. 175.40

**Amount due from the subscriber:**

Local Call Charges	Rs. 175.40
Service Tax 5%	Rs. 8.77
Total bill value	Rs. 184.17
Less: TC Deposit	Rs. 500.00
Net amount refundable	Rs. 315.83 Say Rs. 316.00

**Solution : 8**

**Gross Calls = 1000**

**Calculation of Local Call Charges:**

150 x 0.60 (450x20/60)	= Rs. 90.00
17 x 0.80 (50x20/60)	= Rs. 13.60
166 x 1.00 (500x20/60)	= Rs. 166.00
667 x 1.20	= Rs. 800.40
Total	= Rs. 1070.00

**Amount due from the subscriber:**

Local Call Charges	Rs. 1070.00
--------------------	-------------

Service Tax 5%	Rs. 53.50
Total bill value	Rs. 1123.50
Less: TC Deposit	Rs. 500.00
Net amount refundable	Rs. 123.50 Say Rs. 124.00

Solution : 9

CMR = 382000 OMR = 380400 Therefore, Gross Calls = 1600

Calculation of Local Call Charges:

200 x 0.80	= Rs. 160.00
300 x 1.00	= Rs. 300.00
1100 x 1.20	= Rs.1320.00
Total	= Rs.1780.00

Amount due from the subscriber:

Rent for 30 days	Rs. 750.00
Local Call Charges	Rs. 1780.00
Trunk call charges	Rs. 500.00
Installation Fee	Rs. 150.00
Total amount due	Rs. 3180.00
Less: Paid in Demand note	Rs. 3000.00
Net amount recoverable	Rs. 180.00 Say Rs. 180.00

Solution : 10

CMR = 27560 OMR = 24930 Therefore, Gross Calls = 2630

Calculation of Local Call Charges:

133 x 0.80 (200x20/30)	= Rs. 106.40
200 x 1.00 (300x20/30)	= Rs. 200.00
2297 x 1.20	= Rs.2756.40
Total	= Rs.3062.80

Amount due from the subscriber:

Rent for 30 days	Rs. 500.00
Local Call Charges	Rs. 3062.80
Trunk call charges	Rs. 310.00
Installation Fee	Rs. 150.00
Service Tax @ 5%	Rs. 201.14
Total amount due	Rs. 4223.94
Less: Paid in Demand note	Rs. 2510.00
Net amount recoverable	Rs. 1713.94 Say Rs. 1714.00

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#### IV. RENT AND GUARANTEE: (PCO EXTENSION)

1. Annual Rent for 1<sup>st</sup> Km is Rs. 300
2. Annual Rent for 2<sup>nd</sup> Kms to 5<sup>th</sup> Kms Rs. 250 for each Kms.
3. Annual rent for more than 5 Kms for each Km in excess of 5 Kms Rs. 1500 per Km.
4. The above rates are standard rates.
5. Kms should be taken only on the basis of actual distance. If actual distance is not available then the radial distance will be deemed to be the actual distance.
6. Distance should be round figure of next higher integer.
7. When we are having the capital cost of actual expenditure, then the proportionate charges for additional KMs beyond 5 Kms will be taken and capital cost will be worked out.
8. Minimum period of hire shall be worked on capital cost without Establishment and Store keeping charges divided by standard rent ie., Rs. 1500 per Km.
9. Rent shall be calculated as 15% of the capital cost.
10. The standard rent ie., Rs. 1500 Kms for each additional beyond 5 Kms or the rent calculated on the above basis whichever is higher will be taken into account for charging the rent.
11. Suppose if we are not having the actual expenditure, then 30% will be added to find out the capital cost.
12. However after 01.08.1988, only standard rates are taken as per the DOT letter no. 4-31/86 N(Pt) dated 17.06.1988.
13. Minimum guarantee period is 3 year as per ITR 434 Section XII.
14. Service Tax shall be levied with effect from 01.04.1994 @ 5% and afterwards at the rate prescribed from time to time.

#### Problem : 1

Calculate the rent and minimum period of hire for a PCO extension to a private businessman with the following data:

Installed on 01.06.1994 Actual Length 8.5 Kms Radial Distance 6 Kms.

#### Solution : 1

Actual Length 8.5 Kms ie., 9 Kms

Annual Rent for 1 <sup>st</sup> Km	Rs. 300
Annual Rent for 2 <sup>nd</sup> to 5 <sup>th</sup> Kms (Rs. 250x4)	Rs. 1000
Annual Rent for additional Kms (Rs. 1500x4)	Rs. 6000
Total Annual Rent Chargeable	Rs. 7300
Service Tax @ 5% on Rs. 7300	Rs. 365.00
Total amount recoverable	Rs. 7635.00

#### Problem : 2

Calculate the rent and guarantee period for a PCO extension from a PCO from the following data:

1. Extension Provided on 01.05.1993 2. Radial Distance 5 Kms 3. Actual distance 5.5 Kms  
 4. Actual cost of line and wires during 1992-93 : Cash Rs. 3520 and Stores Rs. 35200 (Freight @ 2%, Estt @ 10% and SKC @ 5%)

**Solution : 2**

Actual Distance 5.5 Kms Say 6 Kms. Upto Kms only Standard rental and in excess only rent at Capital cost or standard rent whichever is higher.

Proportionate expenditure : Cash 3520 x 1/11 Rs. 320.00

Proportionate expenditure : Stores 35200 x 1/11 Rs. 3200.00

Freight @ 2% Rs. 640.00

Establishment @ 10% on Rs. 4160 Rs. 416.00

SKV @ 5% on stores Rs. 160.00

Total capital cost Rs. 4736.00

Rent @ 15% on capital cost basis Rs. 710.40 Say Rs. 710 or at the standard rate Rs. 1500 -- whichever is higher.

Guarantee Period =  $\text{Rs. } 4160 / 15 = 2.7 \text{ years say } 3 \text{ years.}$

Therefore, annual rent is  $(300+1000+1500) = \text{Rs. } 2800$  and Minimum Period of Hire is 3 Years.

**Problem : 3**

A departmental exchange connection was given on 01.08.1993 from a flat rate telephone exchange of less than 100 lines capacity having 24 hour service. Annual rental for local area is Rs. 750. Actual distance of the connection was 8 Kms beyond local area. The cost of the construction of line beyond local area was as follows:

Cash Rs. 1600 Stores (Lines and Wires) Rs. 6400.

Calculate the annual rental and fix the guarantee based on the following data:

Freight @ 2% Estt @ 10% SKC @ 5%.

**Solution : 3**

(With effect from 01.08.1988 rental for all departmental exchange telephone connections irrespective of their actual distance beyond local area are to be charged on flat rate basis and not on capital cost basis. However if the telephone connection is provided with new construction beyond 10 Kms from the local area the period of guarantee is 3 Years. For distance in excess of 10 Kms from local area standard rate is Rs. 1500 per Km per annum with the guarantee period of 3 years.)

Since the connection after 01.08.1988, the calculation is based on the following only:

Flat rate telephone exchange of less than 100 lines having 24 hours of service:

Annual rent for local area Rs. 750.00

8 Km beyond local area  $(\text{Rs. } 600 \times 5 + \text{Rs. } 800 \times 3) \text{ Rs. } 5400.00$

Total rental per annum Rs. 6150.00

Minimum period of guarantee is 2 months.

Problem : 4

Calculate the rental, minimum period of hire and installation fee of extension from PCO at New Delhi (Exchange system of more than 300000 lines). The extension was installed on 01.02.1994 and RD was 10 Kms. The actual length from PCO was 11.5 Kms.

Solution: 4

Actual Length 11.5 Kms ie., 12 Kms

Annual Rent for 1<sup>st</sup> Km

Rs. 300

Annual Rent for 2<sup>nd</sup> to 5<sup>th</sup> Kms (Rs. 250x4)

Rs. 1000

Annual Rent for additional Kms (Rs. 1500x7)

Rs. 10500

Total Annual Rent Chargeable

Rs. 11800

Service Tax @ 5%

Rs. 590

Total amount recoverable

Rs. 12390

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#### V. RENT AND GUARANTEE: (CABLE PAIRS SUPPLIED)

1. Normally rent is calculated on percentage basis of the total capital cost. The percentage shall be for Interest @ 13%, for Depreciation @ 10%, for Maintenance @ 1% and for profit margin of 10% on interest+depreciation+maintenance (13+10+1) ie., 2.4% and therefore rent shall be 26.4% of the total capital. However interest rate shall be changed year after year and upto 31.03.97 it was 13%, from 01.04.97 to 31.03.2000 it was 15% and from 01.04.2000 it is 14%.

2. Minimum period of hire for cable pairs provided shall be 10 years which is fixed by the department.

3. Suppose if we are not having the actual expenditure, then 30% will be added to find out the capital cost.

Problem : 1

50 pair cable was provided to M/s. IRE Limited during 1995-96 for their exclusive use. Calculate the rent and guarantee with the following data:

Estimated Cash expenditure Rs. 20,00,000 Estimated Stores Expenditure Rs. 350,000 Radial distance of cable 10 Kms

Freight @ 3% Estt @ 10% SKC @ 5% Rent on capital cost basis 25%.

Solution : 1

Estimated cash expenditure

20,00,000.00

Estimated stores expenditure

3,50,000.00

Freight 3% on stores

10,500.00

Total

23,60,500.00

Estt. @ 10% on above

2,36,050.00

Storekeeping charges 5% on Stores

17,500.00

Total estimated capital cost

26,14,050.00

Add: 30% towards inflation of stores value and lab cost 7,84,215.00

Assumed capital cost for rental calculation 33,98,265.00  
Rent at capital cost 25% 8,49,566.25 say Rs. 849566 per annum.  
Service Tax @ 5% shall also be levied.  
Minimum period of hire is 10 Years (Fixed)

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## VI. TEMPORARY TELEPHONE CONNECTION:

Problem : 1

A temporary telephone sanctioned for a period of one year at New Delhi (Exchange system having >3 lakh lines) and was installed on 09.04.2001 with Red push button telephone instrument. The telephone was closed on 06.06.2001 on subscriber's request as he has to leave the country all of a sudden after installation of telephone, the following accessories were also provided on the telephone at subscriber's request and their charges are yet to be claimed from him:-

Internal Extension with ICF on 15.04.2001 One plug and three sockets with extra bell on 25.04.2001

Long cord 6 meters on 28.04.2001

Work out the amount refundable to the subscriber on the basis of the data given below:

- (i) Meter reading on 09.04.2001 27542 Meter reading on 06.06.2001 28202
- (ii) The meter was routine tested by making total 10 local calls on 26.04.2001 and 28.04.2001.
- (iii) The subscriber paid the following charges on demand note at the time of opening of telephone:

Installation Fee Rs. 800 Rent for one year Rs. 4560 TC Deposit Rs. 1500 Service Tax 5% on Rs. 5360 Rs. 268 Total amount paid Rs. 7128.

Tariff : (Bi-monthly) First 150 calls Free Next 250 calls @ 0.80 Next 600 calls @ 1.00 Balance calls @ 1.20 Service Tax @ 5% Intl Extn with ICF Annual Rent @ 500 Installation Fee (Accessories) Rs. 800 Installation Fee (Main) Rs. 800 Plug and 3 Socket with extra bell Rs. 300+100 Long cord Rs. 75+30. Rent for main at higher rate @ Rs. 500 per month.

Solution : 1

Date of installation : 09.04.2001

Date of closure 06.06.2001

Minimum period for which rent to be collected is 3 months.

CMR 28202 – OMR 27542 = Gross calls 660 minus test calls 10 = Chargeable calls 650.

Free Calls 150x90/60) 225

375x0.80 (250x90/60) Rs. 300.00

50x1.00 Rs. 50.00

Total local call charges	Rs. 350.00
Amount due from the subscriber:	
Local call charges	Rs. 350.00
Rent for 3 months	Rs.1500.00
Installation Fee	Rs. 800.00
50% annual rent of Intl Extn ICF	Rs. 250.00 (worked less than 4 months)
Installation Fee for accessories	Rs. 800.00
One time payment for one plug and 3 sockets with extra bell	Rs. 400.00
One time payment for Long cord 6 mtrs (75+30)	Rs. 105.00
Total	Rs.4205.00
Service Tax @ 5%	Rs. 210.00
Total amount due	Rs.4415.00
Less: Paid in Demand Note	Rs.7128.00
Amount refundable to the subscriber	Rs.2713.00

**Problem : 2**

A temporary telephone connection was sanctioned and installed for a period of one year at the residence of Mr. James at X station with a exchange capacity of > 10000 lines on 01.06.1999 and had to be closed on 31.07.1999 before its due date. OMR 10369 and CMR 15370. The subscriber paid the following charges on

Demand Note:

TC Deposit Rs. 3000 Installation Fee Rs. 800 Rent for one Year Rs. 2880 Service Tax Rs. 184 Total Rs. 6864.

Tariff : (Bi-monthly) First 150 calls Free Next 250 calls @ 0.80 Next 600 calls @ 1.00 Balance calls @ 1.20 Service Tax @ 5% Rent for main at higher rate @ Rs. 500 per month.

**Solution : 2**

Local call charges : 15370-10369=5001 calls

Rent for 3 month (minimum period of rent to be collected) (2880x3/12)  
Rs. 720.00

Installation Fee Rs. 800.00

Call charges (225 calls x0+375x0.80+900x1.00+3501x1.20)  
Rs. 5401.20

Total Rs.6921.20

Service Tax @ 5% Rs. 346.00

Gross amount due from the subscriber  
Rs.7267.20

Less: Amount paid in demand note Rs.6864.00

Net amount recoverable from the subscriber

Rs. 403.20 Say Rs. 403.00

**Problem : 3**

A temporary telephone was sanctioned for a period of 6 months at New Delhi (exchange system having > 3 lakh lines) installed on 09.04.2000. The telephone was closed on 06.06.2000 on subscriber's request. After installation of the telephone, internal extension with ICF was provided on 15.05.2000 and the charges to be claimed from the subscriber. Work out the amount recoverable from the subscriber on the basis of the data given below:

Meter reading on 09.04.2000 23456 Meter reading on 06.06.2000 24680

The subscriber paid the following charges on demand note at the time of opening of the temporary line:

Installation fee Rs. 800 TC deposit Rs. 1500 Rent for six months Rs. 2280 and Service Tax @ 5% Rs. 154 Total Rs. 4734

Tariff : (Bi-monthly) First 150 calls Free Next 250 calls @ 0.80 Next 600 calls @ 1.00 Balance calls @ 1.20 Service Tax @ 5% Intl Extn with ICF Annual Rent @ 500 Installation Fee (Accessories) Rs. 800 Installation Fee (Main) Rs. 800 Rent for main at higher rate @ Rs. 500 per month.

**Solution : 3**

(From 01.05.1999 onwards, rent is based on calling rate. When calling rate is more than 400 calls per bi-month then the rent will be claimed at higher rate ie., Rs. 500 per month)

Date of installation : 09.04.2000

Date of closure 06.06.2000

Minimum period for which rent to be collected is 3 months.

CMR 24680 – OMR 23456 = Gross calls 1224

Free Calls 150x90/60) 225

375x0.80 (250x90/60) Rs. 300.00

624x1.00 Rs. 624.00

Total local call charges Rs. 924.00

Amount due from the subscriber:

Local call charges Rs. 924.00

Rent for 3 months Rs.1500.00

Installation Fee Rs. 800.00

50% annual rent of Intl Extn ICF Rs. 250.00 (worked less than 4 months)

Installation Fee for accessories Rs. 800.00

Total Rs.4274.00

Service Tax @ 5% Rs. 214.00

Total amount due Rs.4488.00

Less: Paid in Demand Note Rs.4734.00

Amount refundable to the subscriber Rs. 246.00

**Problem : 4**

A temporary telephone without STD facility was opened for Shri Sadhu Ram for six months from 10.09.2001 to 09.03.2002 at Mumbai (Exchange capacity more than 3 lakh lines). It was closed on 10.03.2002 at subscriber's request. Work out the amount recoverable/refundable from/to the subscriber based on the following data:

Paid Rs. 5990 as initial deposit on demand note (Rs. 800 installation fee, Rs. 3000 Rent for six months, Rs. 190 Service Tax and Rs. 2000 TC deposit).

STD facility was provided on 01.12.2001 on payment of Rs. 5000 as STD deposit.

Charges for installation of STD facility, if any, are yet to be billed for.

Local call charges paid upto 31.01.2002 and 1000 calls recorded in this bimonthly bill.

Meter reading on 01.02.2002 85000 Meter reading on 10.03.2002 93150.

A trunk call was made on 10.02.2002 for Rs. 300 is yet to be billed for.

Overseas call bill dated 01.06.2000 for Rs. 160 for call made on 07.04.2000 was issued to Shri Sadhu Ram which was disputed by him and not paid.

**Tariff: (Bi-Monthly) First 150 calls Free Next 250 calls @ 0.80 Next 500 calls @ 1.00 remaining calls @ 1.20 Service Tax 5%.**

**Solution : 4**

The connection worked for 6 months i.e., from 10.09.2001 to 09.03.2002 and therefore, double the rental charges (Rs. 250x2) per month is recoverable and installation charges are recoverable and the same had been recovered vide demand note. Therefore, no charges has to be recovered towards rent and installation.

Regarding the overseas call made on 07.04.2000, it doesn't relate to this subscriber and therefore not to be claimed.

Further STD provision facility done on 01.12.2001 will not attract any charges with effect from 09.03.1999 as per the orders of DoT.

CMR 93105 OMR 85000 Gross Chargeable calls 8105 Period of local call : 1 month and 9 days which is 39 days.

98 (150x39/60)	Free
162x0.80 (250x39/60)	Rs. 129.00
390x1.00 (500x39/60)	Rs. 390.00
7455x1.20	Rs. 8946.00
<b>Total call charges</b>	<b>Rs. 9465.60</b>
<b>Amount recoverable/refundable from/to the subscriber:</b>	
Local call charges	Rs. 9465.50
Trunk call charges	Rs. 300.00
Service tax @ 5%	Rs. 488.28
<b>Total</b>	<b>Rs.10253.88</b>
<b>Less: Deposits (2000+5000)</b>	<b>Rs. 7000.00</b>
<b>Net amount recoverable</b>	<b>Rs. 3253.88 Say Rs. 3254.00</b>

**Problem : 5**

A temporary telephone was sanctioned for a period of 3 months in favour of Shri A.K. Patnaik (Exchange system having above 10000 lines but below 30000 lines) and installed on 01.04.2000. The telephone was closed on 10.06.2000 at the request of the party.

The following accessories were also provided at the request of the party after installation of the temporary telephone and their charges are yet to be realized from him.

- (1) Internal extension with ICF provided on 20.04.2000
- (2) Long Cord 5 meters
- (3) One plug and two sockets with extra bell Provided on 25.04.2000

Work out the amount refundable/recoverable to/from the party on the basis of the following data:

OMR 01.04.2000 680765 CMR 10.06.2000 684265

The meter was tested by making 10 local calls from each period from 01.04.2000 to 30.04.2000 and 01.05.2000 to 10.06.2000.

The party paid Rs. 5000 on demand note towards the installation fee, rent and TC deposit at the time of opening.

**Tariff : (Bi-monthly) First 150 calls Free Next 250 calls @ 0.80 Next 600 calls @ 1.00 Balance calls @ 1.20 Service Tax @ 5% Intl Extn with ICF Annual Rent @ 500 Installation Fee (Accessories) Rs. 800 Installation Fee (Main) Rs. 800 Plug and 2 Socket with extra bell Rs. 300 Long cord 5 mtrs Rs. 75+30. Rent for main at higher rate @ Rs. 200 per bi-month.**

**Solution : 5**

**Demand Note collection shall be segaragated as follows:**

Rent for 3 months at double the rate	Rs. 600
Installation Fee	Rs. 800
Service Tax @ 5%	Rs. 70
Security Deposit	Rs.3530
Total amount collected	Rs.5000

**Local call charges: CMR 684265 OMR 680765 Gross calls 3500 Less Test calls**

**20 Chargeable Calls 3480**

**Rent paid upto 30.06.2000 Therefore call tariff shall be for the period 01.04.2000 to 30.06.2000 (3 months- Min period)**

225 calls (150x90/60)	Free
375x0.80 (250x90/60)	Rs. 300.00
900x1.00 (600x90/60)	Rs. 900.00
1980x1.20	Rs. 2376.00
Total local call charges	Rs. 3576.00

**Amount due from the subscriber:**

Local call charges	Rs. 3576.00
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Internal extension with ICF – Rent 50% of annual rent	Rs. 250.00 (worked less than 4 month)
Installation of accessories	Rs. 800.00
Long cord for 5 meters	Rs. 75.00
One plug and 2 socket with extra bell	Rs. 300.00
Service Tax @ 5%	Rs. 250.05
Total amount recoverable	Rs.5251.05
Less amount deposited by the party	Rs.3530.00
Net amount recoverable from the party	Rs.1721.05 Say Rs. 1721.00

**Problem : 6**

A temporary telephone connection was sanctioned and installed for a period of one year at the residence of Mr. X at New Delhi (MR Exchange system with 20000 lines) on 01.06.1994 and had to be closed before its due date on 31.07.1994 with 10369 and 15370 as opening and closing meter readings respectively. The subscriber was asked to pay the following charges on demand note: Installation Fee Rs. 800 TC deposit Rs. 3000 Rent for one year Rs. 2400 Service Tax @ 5% on 3200 ie., Rs. 160.

**Tariff : (Bimonthly) Rent Rs. 200 First 150 calls Free Next 350 calls @ 0.80 Next 500 calls @ 1.00 Next 1000 calls @ 1.25 remaining calls @ 1.40 Service Tax @ 5% w.e.f. 01.04.1994.**

**Solution : 6**

CMR 15370 OMR 10369 Gross calls 5001

Rent paid upto 31.08.1994 Therefore call tariff shall be for the period 01.06.1994 to 31.08.1994 (3 months- Min period)

225 Calls (150x90/60)	Free
525x0.80 (350x90/60)	Rs. 420.00
750x1.00 (500x90/60)	Rs. 750.00
1500x1.25 (1000x90/60)	Rs.1875.00
2001x1.40	Rs.2801.40
Total call charges	Rs.5846.40

Amount due from the subscriber:

Rent for 3 months (double the normal rent for 3 months – 100x2x3):	Rs. 600.00
Installation Fee	Rs. 800.00
Local call charges	Rs.5846.40
Service Tax @ 5%	Rs. 362.32
Total	Rs. 6208.72
Less: Amount paid in demand note	Rs. 6360.00
Net amount refundable to the subscriber	Rs. 151.28 Say Rs. 151.00

## VII. OYT CONNECTION:

### Problem : 1

An OYT telephone was opened on 25.01.1990 for Mr. X at New Delhi (Exchange capacity of > 3 lakh lines) against OYT deposit of Rs. 8000 made on 25.07.1989. The phone was closed on subscriber's request on 06.09.1993. Work out the amount to be refunded:

OMR on 31.07.1993 21090 CMR 06.09.1993 29870 Test calls from 26.08.1993 to 05.09.1993 10

Internal extension without ICF was opened on 18.04.1993 and its charges are yet to be billed for.

The following bills are outstanding: 01.05.1993 Rs. 290 and 01.07.1993 Rs. 840.

Tariff : (bi-monthly) Rent Rs. 380 First 150 Free calls Next 350 calls @0.80 Next 500 calls @ 1.00 Next 1000 call @ 1.25 remaining calls @ 1.40 Internal extension without ICF annual rent Rs. 500 & Installation Fee Rs. 800.

### Solution : 1

Here in the question lot of ambuquity about the bill date and outstanding amount etc are there. Therefore following assumptions are taken:

1. In the bill dated 01.05.1993 and 01.07.1993, party has paid the rental charges and only call charges are outstanding.
2. With regard to 01.09.1993 bill, nothing is mentioned and therefore, it is taken as rent claimed and paid by the subscriber.
3. Even though LCC meter reading statement OMR and CMR does not reflect the exact billing schedule, we may take this as it is and claim as outstanding.

### Debits:

#### Local call charges:

88 calls (150x35/60)	Free	
204x0.80 (350x35/60)		Rs. 163.20
291x1.00 (500x35/60)		Rs. 291.00
584x1.25 (1000x35/60)		Rs. 730.00
7603x1.40		Rs. 10644.20
<b>Total Local call charges</b>		<b>Rs. 11828.40</b>
Internal extension annual rent		Rs. 500.00
Internal extension installation fee		Rs. 800.00
Outstanding bill dated 01.05.1993		Rs. 290.00
Outstanding bill dated 01.07.1993		Rs. 840.00
<b>Total Debits</b>		<b>Rs.14258.00</b>

### Credits:

Rent paid in bill dated 01.09.1993 which meant for 01.10.1993 to 30.09.1993: Rs. 316.00

(Rs. 380 – Rebate @ Rs. 8 per thousand ie., 64 = 316.00)

Rent due upto 05.09.1993 (316x5/60) Rs. 26.33

Net rental amount due to the subscriber Rs. 289.67

OYT Deposit due to the subscriber Rs.6000.00

(Less than 5 years and therefore,  $\frac{3}{4}$  th of the amount refundable)

Total credits available with the subscriber Rs.6289.67

Therefore net amount recoverable from the subscriber (14258.00 – 6289.67 = 7968.33) Rs.7968.00

**Problem : 2**

An OYT connection was provided on 01.06.2001 to Mr. Z in New Delhi (Exchange capacity > 8 Lakh lines). He got the registration on 01.10.2000. The connection was closed on 31.10.2001 at the subscriber's request. Indicate the amount of registration, amount of credit to be afforded on account of waiting charges and additional waiting charges when the rate of interest payable by SBI on FD was 8.5% and calculate the refund admissible after adjusting the rental as well as the bills payable as under:

Bill dated 16.07.2001 Local Calls Rs. 750 and Trunk Calls Rs. 415

Bill dated 16.09.2001 Local calls Rs. 1100 and Trunk calls Rs. 300

Bill dated 16.11.2001 Local calls Rs. 3000 and Trunk calls Nil.

**Solution : 2**

Amount of Registration Fee is Rs. 15000.

Waiting and Additional Waiting Charges:

Date of Deposit : 01.10.2000 Date of Provision : 01.06.2001 Amount of Deposit : Rs. 15000

Waiting charges @ 8.5% from 01.10.2000 to 31.05.2001 :  $15000 \times 8.5 / 100 \times 8 / 12$   
Rs. 850.00

Additional Waiting Charges @ 3% from 01.04.2001 to 31.05.2001 :  
 $15000 \times 3 / 100 \times 2 / 12$  Rs. 75.00

Total Amount credit to be given to the subscriber  
Rs. 925.00

Since the connection is worked less than 5 years, maximum refund is allowed Rs. 11250 only ie.,  $\frac{3}{4}$  th of Rs. 15000.

Therefore total credit available with the subscriber is (925+11250) Rs. 12175.00

Amount due from the subscriber:

Rent for 01.06.2001 to 30.10.2001 : (Rs. 500-120 = 380 per bi-month)= (190x5)=  
Rs. 950.00

Installation Fee Rs. 800.00

Service Tax 5% on 1750	Rs. 87.50
Bill dated 16.07.2001 outstanding	Rs. 1165.00
Bill dated 16.09.2001 outstanding	Rs. 1400.00
Bill dated 16.11.2001 outstanding	Rs. 3000.00
Total amount due from the subscriber	Rs.7402.50 Say Rs. 7403.00
Therefore net amount refundable to the subscriber (12175-7403)	Rs. 4772.00

**Problem : 3**

An OYT telephone was opened on 14.06.2001 for a subscriber on payment of initial deposit of Rs. 15000. The phone was disconnected on subscriber's request on 16.12.2001. Work out the amount to be refunded to the subscriber on the basis of the following details:

1. Rent paid upto 30.11.2001
2. Local call charges paid upto 30.11.2001. Meter reading on 01.12.2001 8087 and Meter reading on 16.12.2001 8297 Test calls during this period 10.
3. Internal extension with ICF was provided on 01.10.2001 and its charges are yet to be billed for.
4. Trunk call charges to the value of Rs. 396 is to be billed.

**Solution : 3**

**Important Points:**

1. Since the capacity of the exchange from which the telephone was provided is not mentioned being recovery of Rs. 15000 for OYT connection, the telephone is presumed to have been provided from exchange of more than 10000 lines but not more than 300000 lines and the calculation made accordingly. (Bimonthly normal rental charges Rs. 240 Free calls 150 Next 350 calls @ 0.80 Next 500 calls @ 1.00 remaining calls @ 1.20 Service Tax @ 5%)
2. Even though Plan 103 worked for a period less than 4 months, the annual rental charges of Rs. 500 will be charged since it is not a temporary connection category.

Since the OYT connection worked less than 5 years, maximum refundable amount is  $\frac{3}{4}$ <sup>th</sup> of the deposit ie., Rs. 11250.00

Rent paid upto 30.11.2001 but due from 01.12.2001 to 15.12.2001 which is  $\{(240-120) \times 15/60\}$  Rs. 30.00

LCC : CMR 8297 – OMR 8087 – Test calls 10 = 200 calls

38 calls (150x15/60)	Free
87x0.80 (350x15/60)	Rs. 69.60
75 x1.00	Rs. 75.00
Total call charges	Rs. 144.60
<b>Amount due from the subscriber:</b>	
Local call charges	Rs. 144.60
Rental charges	Rs. 30.00
Internal Extn with ICF Rent	Rs. 500.00

Acc. Installation Fee	Rs. 800.00
Trunk call charges	Rs. 396.00
Service Tax @ 5%	Rs. 93.53
Total due	Rs.1964.13 Say Rs. 1964.00
Net amount due to the subscriber (11250-1964)	= Rs. 9286.00

**Problem : 4**

An OYT telephone was opened on 14.05.1995 for a subscriber on payment of initial deposit of Rs. 15000. The phone was disconnected on subscriber's request on 14.11.1995. Work out the amount to be refunded to the subscriber on the basis of the following details:

1. Rent paid upto 31.12.1995
2. Local call charges paid upto 31.10.1995  
Meter reading on 01.11.1995 8087 Meter reading on 14.11.1995 8297 Test calls from 01.11.1995 to 14.11.1995 10
3. Internal extension with ICF was opened on 01.10.1995 and charges are yet to billed for.
4. The following trunk call bills are still payable by the subscriber: Bill dated 11.09.1995 Rs. 40 and Bill dated 11.10.1995 Rs. 356.

**Solution : 4**

1. Since the capacity of the exchange from which the telephone was provided is not mentioned being recovery of Rs. 15000 for OYT connection, the telephone is presumed to have been provided from exchange of more than 10000 lines but not more than 30000 lines and the calculation made accordingly. (Bimonthly normal rental charges Rs. 200 Free calls 150 Next 350 calls @ 0.80 Next 500 calls @ 1.00 remaining calls @ 1.20 Service Tax @ 5%)
2. Even though Plan 103 worked for a period less than 4 months, the annual rental charges of Rs. 500 will be charged since it is not a temporary connection category.

Since the OYT connection worked less than 5 years, maximum refundable amount is  $\frac{3}{4}$ <sup>th</sup> of the deposit ie., Rs. 11250.00

Rent paid upto 31.12.1995 (Rs. 200-120=Rs. 80) but due only upto 13.11.1995 which is  $\{(200-120) \times \frac{13}{60}\}$  Rs. 17.33

Therefore, unexpired rent (Rs. 80- 17.33) Rs. 62.67 is available in credit of the subscriber.

Total credit available (11250+62.67) Rs. 11312.67

LCC : CMR 8297 – OMR 8087 – Test calls 10 = 200 calls

33 calls (150x13/60)	Free	
76x0.80 (350x13/60)		Rs. 60.80
91 x1.00		Rs. 91.00
Total call charges		Rs. 151.80

**Amount due from the subscriber:**

Local call charges	Rs. 151.80
Internal Extn with ICF Rent	Rs. 500.00
Acc. Installation Fee	Rs. 800.00
Trunk call charges	Rs. 396.00
Service Tax @ 5%	Rs. 92.39
Total due	Rs.1940.19

Net amount due to the subscriber (11312.67-1940.19) = Rs. 9372.48 Say Rs. 9372.00

**Problem : 5**

From the particulars furnished below work out the amount refundable to the subscriber of an OYT telephone connection with an exchange capacity of < 1 lakh line but > 30000 lines.

Amount of OYT deposited on 01.05.1993 Rs. 15000

Date of opening of telephone 01.06.1993

Rent stand paid upto 30.06.2001

Telephone closed at the request of the subscriber 31.08.2001

Local call charges stand paid upto 30.06.2001

OMR on 01.07.2001 26450

CMR on 31.08.2001 32347

Test calls admissible 10

Bi-monthly free calls 150

Bills outstanding TC Bill dated 11.05.2001 Rs. 615 + Surcharge Rs. 10

An intercom facility provided on 01.03.2001 and a coloured instrument were also provided on 01.08.2001 and these items are to be billed.

Tariff : Normal Bi-monthly rental Rs. 360 Bi-monthly 150 calls Free Next 250 calls @ 0.80 Next 600 calls @ 1.00 remaining calls @ 1.20 Plan 103 annual rental Rs. 500 & its installation Fee Rs. 800 Service Tax @ 5%.

**Solution : 5**

Date of provision of OYT connection: 01.05.1993

Date of surrender of OYT connection: 31.08.2001

Worked for 8 years 3 months Say 9 years (Fraction of a year shall be computed as one year).

Maximum refund is  $15000 \times \frac{11}{20} = \text{Rs. } 8250.00$

Rent due from 01.07.2001 to 30.08.2001 ie., 2 months which is (Rs. 360 – 120) Rs. 240

Local call charges: (for 2 months)

CMR 32347 – OMR 26450 – Test calls 10 = Gross chargeable calls = 5887.

150 calls

Free

250x0.80

Rs. 200.00

600x1.00	Rs. 600.00
4887x1.20	Rs. 5864.40
<b>Total call charges</b>	<b>Rs. 6664.40</b>
<b>Amount due from the subscriber:</b>	
Rental charges	Rs. 240.00
Local call charges	Rs. 6664.60
Rent for Plan 103	Rs. 500.00
Installation for Plan 103	Rs. 800.00
Service Tax @ 5%	Rs. 410.22
TC Bill dated 11.05.93 + Surcharge Rs. 10Rs.	625.00 (ST already been included)
<b>Total amount due from the subscriber</b>	<b>Rs. 9239.62 Say 9240.00</b>
<b>Therefore net amount recoverable from the subscriber (Rs.9240-8250)</b>	<b>Rs. 990.00</b>

**Problem : 6**

An OYT telephone connection with Rs. 15000 as OYT deposit is working at Hyderabad (Exchange capacity > 3 lakh lines) provided on 01.05.1998. Billing cycle 11.03.2001. Prepare a bi-monthly telephone bill based on the following data:

1. Rent paid upto 31.12.2000
2. LCC paid upto 31.12.2000 with CMR 30922
3. Plan 103 internal extension with ICF provided on 01.01.2001 and charges to be billed for.
4. Telephone with extension shifted to another exchange area within Hyderabad on 31.01.2001.
5. CMR on 31.01.2001 in the old exchange meter 42920.
6. OMR in the new exchange meter 31254 as on 31.01.2001 and CMR also same as no recorded that day.
7. CMR on 28.02.2001 51073
8. Test calls upto 31.01.2001 20 and in Feb 2001 10 calls.
9. Morning alarm calls during the period upto 31.01.2001 5 times and upto 28.02.2001 10 times.
10. Trunk calls amounting Rs. 1000 were booked during 01.01.2001 to 28.02.2001.

**Tariff:** Bimonthly normal rent Rs. 500 Bimonthly 150 calls Free Next 250 calls @ 0.80 Next 600 calls @ 1.00 remaining calls @ 1.20 Shifting charges main and accessories Rs. 600 each Plan 103 annual rent Rs. 500 and its installation fee Rs. 800 Service @ 5%.

**Solution : 6**

**Important Points:**

1. Even though it appears to be an electronic exchange, no where it has been given in the problem. Therefore, Morning alarm calls are charged.
2. Service tax shall be leviable on Normal rental charges and not on reduced rental charges.

**Local Call charges calculation:**

CMR 42920 – OMR 30922 – Credit Calls 20 + Morning Alarm calls 10. Therefore chargeable calls 11988

CMR 51073 – OMR 31254 – Credit calls 10 + Morning Alarm calls 20. Therefore chargeable calls 19829

Total chargeable calls for two months 31817

150 calls	Free
250x0.80	Rs. 200.00
600x1.00	Rs. 600.00
30817x1.20	Rs.36980.40
Total local call charges	Rs.37780.40

Telephone Bill date: 11.03.2001 Due Date: 25.03.2001 Pay by date : 31.03.2001

Rent 01.01.2001 to 28.02.2001 (Rs. 500-Rs. 120) Rs. 380.00

Local call charges Rs. 37780.40

Internal extension with ICF annual rent Rs. 500.00

Internal extn installation charges Rs. 800.00

Main and extension shifting charges Rs. 1200.00

Trunk call charges Rs. 1000.00

Service Tax @ 5% on Rs. 41780.40 Rs. 2089.02

Total claim Rs. 43749.42 Say Rs. 43749.00

**Problem : 7**

An OYT telephone was opened in 05.01.1994 on payment of initial OYT deposit of Rs. 10000 (Exchange capacity 8000 Lines). The party surrendered the telephone connection due to some personal reasons and ultimately the telephone was disconnected on 20.10.1996. Work out the amount refundable or recoverable to/from the party with the following data:

1. Bi-monthly bills are issued on 1<sup>st</sup> of every even month.
2. Bill dated 01.10.1996 stands paid which covers the rental from 01.11.1996 to 31.12.1996 and local call charges upto 15.09.1996.
3. Meter reading on 15.09.1996 47060  
Meter reading on 20.10.1996 48040
4. Test calls made during 15.09.1996 to 20.10.1996 10
5. The following bill is still outstanding: Bill dated 01.06.1996 Rs. 2500.

Tariff : (Bi-monthly) Free calls 150 Next 350 calls @ 0.80 Next 500 calls @ 1.00  
Next 1000 calls @ 1.25 remaining calls @ 1.40  
Service tax @ 5%

**Solution : 7**

Since the OYT connection worked less than 5 years, maximum refundable amount is 3/4<sup>th</sup> of the deposit ie., Rs. 7500.00

Rent paid from 01.09.1996 to 31.12.1996 (Rs. 200-80=Rs.120x2= Rs.240) but due only from 01.09.1996 to 19.10.1996 which is  $\{(200-80) \times 49/60\}$  Rs. 98.00  
Therefore, unexpired rent (Rs.240- 98) Rs. 142 is available in credit of the subscriber.

Total credit available (7500+142) Rs. 7642.00

LCC : CMR 48040 – OMR 47060 – Test calls 10 = 970 calls

85 calls (150x34/60) Free

198x0.80 (350x34/60) Rs. 158.40

284 x1.00 (500x34/60) Rs. 284.00

403x1.25 Rs. 503.75

Total call charges Rs. 946.15

Amount due from the subscriber:

Local call charges Rs. 946.15

Service Tax @ 5% Rs. 47.31

Total due Rs. 993.46 Say Rs. 993.00

Outstanding bill dated 01.06.1996 Rs. 2500.00

Total amount due from the subscriber Rs. 3493.00

Net amount refundable to the subscriber (7642-3493) = Rs. 4149.00

**Problem : 8**

An OYT connection was provided on 01.05.1994 to Mr. Z in New Delhi (Exchange capacity > 1 Lakh lines). He got the registration on 01.06.1993. The connection was closed on 31.10.1994 at the subscriber's request. Indicate the amount of registration, amount of credit to be afforded on account of waiting charges and additional waiting charges when the rate of interest payable by SBI on FD was 7% and calculate the refund admissible after adjusting the rental as well as the bills payable as under:

Bill dated 15.07.1994 Local Calls Rs. 750 and Trunk Calls Rs. 415

Bill dated 15.09.1994 Local calls Rs. 1100 and Trunk calls Rs. 300

Bill dated 15.11.1994 Local calls Rs. 3000 and Trunk calls Nil.

**Solution : 8**

Amount of Registration Fee is Rs. 15000.

Waiting and Additional Waiting Charges:

Date of Deposit : 01.06.1993 Date of Provision : 01.05.1994 Amount of Deposit : Rs. 15000

Waiting charges @ 7% from 01.06.1993 to 30.04.1994 :  $15000 \times 7/100 \times 11/12$   
Rs. 962.50

Additional Waiting Charges @ 3% from 01.12.1994 to 30.04.1994 :  
 $15000 \times 3/100 \times 5/12$  Rs. 187.50

Total Amount credit to be given to the subscriber

Rs. 1150.00

Since the connection is worked less than 5 years, maximum refund is allowed Rs. 11250 only ie.,  $\frac{3}{4}$  th of Rs. 15000.

Bill dated 15.07.1994:

Rent for 01.05.1994 to 30.09.1994 (360-120)x5/2	Rs. 600.00
Installation Fee	Rs. 800.00
Local call charges	Rs. 750.00
Trunk call charges	Rs. 415.00
Service Tax @ 5% on 2865	Rs. 143.25
Less: Waiting charge and additional waiting charge	Rs. 1150.00
Amount due from the subscriber	Rs. 1558.25 Say Rs. 1558.00
<b>Bill dated 15.09.1994:</b>	
Rent for 01.10.1994 to 30.11.1994	Rs. 240.00
Local call charges	Rs. 1100.00
Trunk call charges	Rs. 300.00
Service tax @ 5% on 1760	Rs. 88.00
Amount due from the subscriber	Rs. 1728.00
Rent to be cancelled along with service tax since the phone is surrendered on 31.10.1994. Therefore one month rent Rs. 120 plus service tax @ 5% on 120 that is, Rs. 9 in total Rs. 129 will be cancelled in the bill dated 15.09.1994.	
Therefore net amount due in bill dated 15.09.1994 (Rs. 1728-129)	Rs. 1599.00
<b>Bill dated 15.11.1994:</b>	
Local call charges	Rs. 3000.00
Service Tax 5%	Rs. 150.00
Amount due from the subscriber	Rs. 3150.00
Therefore, consolidated amount due from the subscriber (Rs.1558+1599+3150) Plus Rs. 40 each on first two bills for which the subscriber had not paid the amount in due date. The amount outstanding is Rs. 6387.00 Total deposit refundable to the subscriber is Rs. 11250.00 Therefore net amount refundable to the subscriber is (Rs. 11250-6387) Rs. 4863.00	

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e-Edition by AIBSN/LOA

**ADDITIONAL PROBLEMS WITH SOLUTIONS ON WORKS PRACTICAL**

## ADDITIONAL PROBLEMS ON WORKS

### I. BILLING OF LEASED LINES

#### Important Points:

- a. Fraction of Kilometer in wire length will be ignored at the time of calculation of rent.
- b. Lines and Wires are billed to Railways and Canal every six month only that too, in arrears.
- c. First half year period will be 1<sup>st</sup> April to 30<sup>th</sup> September and Second half year period will be 1<sup>st</sup> October to 31<sup>st</sup> March.
- d. Any increase or decrease in the length of wire which takes effect on or before 15<sup>th</sup> of the month will be charged from the 1<sup>st</sup> of the month.
- e. Any increase or decrease in the length of wire which takes effect on or after 16<sup>th</sup> of the month will be charged from the 1<sup>st</sup> of the next month.
- f. Any increase or surrender of the instrument which takes effect on any day of the month will be charged from the 1<sup>st</sup> of the month vide Para 217 of P&T Manual Vol. X.
- g. Any shortage detected can be claimed and billed as per DoT Letter dated 17.08.98 from 1986-87 and onwards.
- h. Rent bill being prepared by Circle Office on the basis of Advice Notes issued by Engineering authorities and the accepted advice note from the concerned authorities concerned.
- i. If the accepted advice notes have not been received within six month from the date of its issue will be taken as accepted.

#### Problem: 1

The half yearly return of wires and instruments leased to A Railway Administration for the period ending 30.09.1988 sent by X Telecom Engineering Division showed the following particulars:

1. Opening Balance as on 01.04.1988 : 108.8 KMs of Iron Wire and two telephone magnet table set with instrument.
2. Addition on 12.06.1988 : 4.5 KMs of Iron Wires.

Work out the amount of rent recoverable from A Railway Administration through half yearly rent for April 1988 to September 1988.

Rent for Iron Wire is Rs. 41.37/KM/Annum and rent for the above instrument Rs. 48/annum/per set.

Accepted advice note was received on all.

#### Solution : 1

The amount of rent recoverable from A Railway Administration for the half year period ending 30.09.1988:

Particulars	Chargeable Distance	Rate/annum (Rs.)	Amount (Rs.)
<b>1. Iron Wire:</b>			
Opening Balance 01.04.1988 (100x41.37/2)	100.8	41.37	2068.5
Additions 12.06.1988 (5x41.37x4/12)	4.5	41.37	68.95
<b>2. Table set with instrnment</b>			
Opening Balance 01.04.1988 (2x48/2)	2	48.00	48.00
<b>3. Total amount recoverable</b>			<b>2185.45</b>

Say Rs. 2185.00

[Para 434 of P&T Manual Vo. X]

Problem: 2

From the following particulars, prepare the half-yearly bill for the period ending 30.09.1996:

- a. Opening Balance : Iron Wire 20.6 Kms Copper Wire - 13.4 Kms  
 b. Additions (20.06.1996) : Iron Wire 4.5 Kms Copper Wire 3.3 Kms  
 c. Surrender (12.08.1996) : Iron Wire 2.6 Kms Copper Wire 10.6 Kms  
 Tariff: Rs. 522 p.a./km for Iron Wire and Rs. 630 p.a./km for Copper Wire.

Solution : 2

**RENTAL BILL FOR CANAL ADMINISTRATION FOR PE 30.09.1996:**

Rent & Mtce of Wire	Iron (KMs)	Copper (KMs)	Period	Rate/KM/PA	Amount
OB	20.6		01.04.96 to 30.06.1996	522	(522/12x3x20) = 2610.00
OB		13.4	01.04.96 to 30.06.1996	630	(630/12x3x13) =2047.50
Additions	4.5		01.07.96 to	522	(522/12x25)

			31.07.96		=1087.50
Additions		3.3	01.07.96 to 31.07.96	630	(630/12x16) =840.00
Surrender	2.6		01.08.96 to 30.09.96	522	(522/12x2x22) =1914.00
Surrender		10.6	01.08.96 to 30.09.96	630	(630/12x2x6) =630.00
Total	22.5	6.1			9,129.00

[Para 434 of P&T Manual Vo. X]

**Problem: 3**

Prepare a half yearly rent bill for a Canal Department for the period ending 30.06.1998 with the following details:

- Opening Balance on 01.01.98 : Iron Wire 200.9 Kms, Copper Wire 100.8 Kms.
- On 19.03.1998, Copper Wire erected 20.7 Kms and Iron Wire dismantled 15.4 Kms on 27.03.1998.
- Opening Balance on Telephone Desk Sets 15 Nos, Buzzers 8 Nos and Switch 4-way 10 Nos.
- 2 Additional Telephone Desk Sets were provided on 16.02.1998.

Tarrif: Iron Wire Rs. 522 /Km/Year Copper Wire Rs. 630/Km/Year

Telephone Desk Set Rs. 21/Set/Year Switch 4-Way Rs. 21/Each/Year Buzzers Rs. 6/Each/Year

**Solution: 3**

**For Lines and Wires:**

Rent & Mtce of Wire	Iron (KMs)	Copper (KMs)	Period	Rate/KM/PA	Amount
OB	200.9		01.01.98 to 30.06.1998	522	(522/12x6x200) = 52200.00
OB		100.8	01.01.98 to 30.06.1998	630	(630/12x6x100) =15750.00
Additions		20.7	01.04.98 to 30.06.1998	630	(630/12x3x21) =19057.50
Surrender	(-) 15.4		01.04.98 to 30.06.1998	522	(522/12x3x15) =(-) 1957.50
Net Total	185.5	121.5			85050.00

**For Instruments:**

Rent & Mtce of Wire	Teleph one Desk Set	Switch 4-Way	Buzz ers	Period	Rate/set/e ach/year	Amount
OB	15		10	01.01.98 to 30.06.98	21	(21/12x6x25) = 262.50
OB		8		01.01.98 to 30.06.98	6	(6/12x6x8) = 24.00
Additions	2			01.02.98 to 30.06.98	21	21/12x5x2) = 17.50
Net Total	17	8	10			304.00

Total Amount Chargeable : Rs. 85050 + Rs. 304.00 = Rs. 85354.00

(Rupees Eighty Five Thousand Three Hundred and Fifty Four Only)

[Para 434 of P&T Manual Vo. X]

Problem : 4

Prepare a half yearly rent bill for the period ending 30.09.1998 for a line leased to Central Railway with the following particulars:

- |  |           |             |
|--|-----------|-------------|
|  | Iron Wire | Copper Wire |
|  | 24.5 Kms  | 12.6 Kms    |
- a. Opening Balance 01.04.1998
  - b. Instruments were provided by the Railway Department.
  - c. Iron Wire of 7.4 Kms erected on 14.06.1998 for which accepted copy of advice note yet to be received from Railway Department.
  - d. Shortage detected during the joint inspection with Railway Department in Copper Wire for 10 Kms and the same to be claimed in this bill. Originally constructed on 12.04.1996.
- Tarrif: Iron Wire Rs. 522 /Km/Year Copper Wire Rs. 630/Km/Year

Solution : 4

Rent & Mtce of Wire	Iron (KMs)	Copper (KMs)	Period	Rate/KM/ PA	Amount
OB	24.5		01.04.98 to 30.09.1998	522	(522/12x6x24) = 6264.00
OB		12.6	01.04.98 to 30.09.1998	630	(630/12x6x12) =3780.00
Shortage now detected		10	01.04.96 to 30.09.1998	630	(630/12x30x10) =15750.00
Net Total	24.5	22.6			25794.00

[Para 434 of P&T Manual Vo. X]

## II. PREPARATION OF COST CARD:

Problem : 1

Prepare a Cost Card of a work order of a Telecom Factory from the following details:

Job : Brass Caps Head of Account : 5225 BB Work order no. & Date : 22053/97 dt 25.11.97

Quantity Order : 150000 Estimated Labour Charges : Rs. 12000 Estimated Labour Hour : 900 Hrs. Estimated Store Charges : Rs. 30000 On Cost : 700% on Labour Labour, Materials and Out-turn booked by the Machine Shop as follows:

Month	Labour Hours	Labour Amount (Rs.)	Net Stores (Rs.)	Out-turn
December '97	200	2400	25000	---
January '98	150	1800	6000	60000
February '98	300	4000	2000	50000
March '98	200	3000	-1000	22000

Solution : 1

### COST CARD

1. Work Order No.: 22053/97
2. Work Order Date : 25.11.1997
3. Group : xxx
4. Description : Brass Caps 12000
5. Head of Account : 5225 BB 84000
6. Estimate No. xxx
7. Estimated Cost : xxx
8. Estimated Material Cost : Rs. 30000
9. Estimated Component Cost : Nil
10. Estimated Labour Hrs : 900 Hrs.
11. Estimated Labour Cost : Rs.
12. Estimated Overhead Cost : Rs.
13. Estimated Total Cost : Rs. 126000
14. No. of Qty Ordered : 150000
15. Estimate Rate per Unit : Rs. 0.84

Actual:

Month	Shop No.	Materials (Rs.)	Components (Rs.)	Total Materials (3+4)	Labour Hours	Labour Amount	Over-Head s	Total (7+8)	No. of Qty	Out-turn Value (5+9)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Dec '97		25000		25000	200	2400	16800	19200	---	44200
Jan '98		6000		6000	150	1800	12600	14400	60000	20400
Feb '98		2000		2000	300	4000	28000	32000	50000	34000
Mar '98		-1000		-1000	200	3000	21000	24000	22000	23000
Total		32000		32000	850	11200	78400	89600	132000	121600

Actual Cost per unit =  $121600/132000 = \text{Rs. } 0.92$

[Rule 7.1 of FHB Vol. III Part (III)]

**Problem : 2**

Prepare a cost card of a work order of a Telecom Factory with the following:

Job : Tele Handle Head of Account : 5225 BB Work order no. & Date : 5304/87 dt 05.09.87

Quantity Order : 200000 Estimated Labour Charges : Rs. 200000 Estimated Labour Hour : 4000 Hrs. Estimated Store Charges : Rs. 300000 On Cost : 400% on Labour

Estimated Components Cost : Rs. 1500000 Estimate No. : 4 Date : 15.07.87.

Labour, Materials and Out-turn booked by the Machine Shop as follows:

Month	Labour Hours	Labour Amount (Rs.)	Net Stores (Rs.)	Components (Rs.)	Outturn
October '87	2000	100000	1800000	600000	90000
November '87	500	30000	300000	200000	25000
December '87	1500	80000	1000000	500000	80000
January '88	200	20000	-5000	300000	5000

Solution : 2

**COST CARD**

- |                               |   |
|-------------------------------|---|
| 1. Work Order No.: 5304/87    | 8. Estimated Material Cost : Rs. 3000000  |
| 2. Work Order Date : 05.09.87 | 9. Estimated Component Cost : Rs. 1500000 |
| 3. Group : xxx                | 10. Estimated Labour Hrs : 4000 Hrs.      |
| 4. Description : Tele Handle  | 11. Estimated Labour Cost : Rs. 200000    |
| 5. Head of Account : 5225 BB  | 12. Estimated Overhead Cost : Rs. 800000  |
| 6. Estimate No. 4             | 13. Estimated Total Cost : Rs. 5500000    |
| 7. Estimated Cost : 15.07.87  | 14. No. of Qty Ordered : 200000           |
|                               | 15. Estimate Rate per Unit : Rs. 27.50    |

**Actual:**

Month	Sh op No.	Materials (Rs.)	Components (Rs.)	Total Materials (3+4)	Labour Hours	Labour Amount	Over-Heads	Total (7+8)	No. of Qty	Out-turn Value (5+9)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Oct '87		1800000	600000	2400000	2000	100000	400000	500000	90000	2900000
Nov '87		300000	200000	500000	500	30000	120000	150000	25000	650000
Dec '87		1000000	500000	1500000	1500	80000	320000	400000	80000	1900000
Jan '88		-5000	300000	295000	200	20000	80000	100000	5000	395000
Total		3095000	1600000	4695000	4200	230000	920000	1150000	200000	5845000

**Actual Cost per unit = 5845000/200000 = Rs. 29.23**

[Rule 7.1 of FHB Vol. III Part (III)]

**Problem : 3**

Prepare the Cost Card with the following details:

Job: Iron Pipes

Head of Account : 5225BB

Work Order No. 11/1998

Work Order Date : 20.07.1998 Estimate No: 4 Estimate Date : 12.05.1998

Qty Ordered : 1000 Pipes Estimated Labour cost : 15,000

Estimated Labour Hours : 30 Estimated Store Materials: 45,000

Estimated Store Components : 25,000

On Cost 200% on Labour.

Actuals

Month	Labour Hours	Labour amount	Stores	Components	Out-turn
November '98	2	2000	25000	10000	----
December '98	10	4000	12000	8000	250
January '99	15	8000	5000	6000	500
February '99	13	6000	(-) 6000	(-) 4000	250

Solution : 3

#### PREPARATION OF COST CARD

1. Work Order No. : 11/1998
2. Work Order Date : 20.07.1998
3. Group : ---
4. Description of Job : Iron Pipes
5. Head of Account : 5225 BB
6. Estimate No : 4
7. Estimate Date : 12.05.1998
8. Estimated material cost : 45,000
9. Estimated comp. cost : 25,000
10. Estimated Lab. Hrs : 30 Hours
11. Estimated Lab. Cost : 15,000
12. Estimated OH : 30,000
13. Estimated Total Cost : 115,000
14. No. of Qty ordered : 1000
15. Estimate Rate/Unit : 115.00

Month	Shop No.	Materials	Comp.	Total Mat. (3+4)	Lab Hour	Labour Amount	Over-Heads	Total (7+8)	No. Of Qty	Value (5+9)
Nov'98		25000	10000	35000	2	2000	4000	6000	----	41000
Dec'98		12000	8000	20000	10	4000	8000	12000	250	32000
Jan'99		5000	6000	11000	15	8000	16000	24000	500	35000
Feb'99		(-) 6000	(-) 4000	(-) 10000	13	6000	12000	18000	250	8000

Total Quantity of out-turn : 1000 Total Value of out-turn : Rs. 116,000

Actual cost per Iron Pipe : Rs. 116.00

[Rule 7.1 of FHB Vol. III Pt.

(III)]

#### III. STORES ACCOUNT CURRENT:

1. Rule 200 to 219 of FHB Vo. III Part (III).
2. Important Head of Account to be used in the Stores Account Current:
  - a. 3225 -- Telecom Services -- 05 Engineering

- 053 Maintenance
  - 3000 A&P Maintenance
  - 5000 Lines and Wires Maintenance
- 101 Petty Works
- b. 5225 -- Telecom Services -- BB Capital Outlay on Telecom Services
  - BB1 Telegraph and Telex
    - 202 Telex
    - 3000 A&P
    - 5000 L&W
  - BB2 Local Telephone System
    - 201 Telephone Exchange Automatic
    - 202 Telephone Exchange Manual
  - BB3 Long Distance Switching System
    - 201 Trunk Automatic Exchange
    - 202 STD & Trunk Dialing
      - 4000 Cables
    - 203 Manual Trunk Exchange
      - 5000 L&W
      - 3000 A&P
  - BB4 Long Distance Transmission System
    - 203 Microwave Radio Relay System
      - 6500 Mast & Aerials
    - 205 Open Wire and Cable System
      - 6000 Instruments
    - 208 Satellite System
      - 6500 Mast & Aerials
    - 209 Optical Fiber System
      - 4000 Cables
    - 307 Voice Frequency Telegraphy (VFT)
      - 3000 A&P
  - BB5 Training Centre
- c. 8447 Telecom Deposits -- 101 Telecom Deposits
  - 200 Other Deposit Work
- d. 8554 Telecom Advances -- 101 Telecom Advances
  - 300 Misc Advances
- e. 8782 Remittances of Stores.

Problem : 1

Prepare the store account current to Telecom Engg Division X for December '97 with the following details:

Sl No	Name of the work	Description of Stores	Value
1	Construction of trunk lines for Manual Exchange	Wires & Spare parts	50000
2	Expending local telephone system (Automatic)	App. & Plants	200000

3	Laying cables for Microwave Project	Cables	250000
4	Maintenance of local telephone lines (Manual)	Wires & Insulators	40000
5	Surplus stores returned stock (Coaxial Cable Project)	Cables	30000
6	Repairing Cables lines of E.Rly at X	Cables	140000
7	Opening Training Centre at X	Instruments	225000
8	VFT equipment for the work	Equipment	500000

Solution : 1

First of all we have to classify the transaction by noting down the head of account and then only store account current has to be prepared in the numerical order:

Head of Account	Value	Order in SA
5225 BB 3 (203) (5000) Lines and Wires for Manual Exchange	50000	3
5225 BB 2 (201) (3000) A&P for Telephone Exchange Auto	200000	2
5225 BB 4 (203) (4000) Cables for Microwave Project	250000	4
3225 05 (053) (5000) Lines and Wires Maintenance of local telephone	40000	1
5225 BB 4 (201) (4000) Surplus cables of coaxial cable project returned	30000	5
8554 Telecom Advances 101 Telecom Advance 0300 Misc Advances	140000	8
5225 BB5 Instruments for Training Centre	225000	7
5225 BB4 Equipment for Long Distance Transmission System	500000	6

Store Account Current of X Division for the month of December 1997

	Head of Account	Amount (Rs.)
Debits	3225 05 (053) (5000) Lines and Wires Maintenance of local telephone	40000
	5225 BB 2 (201) (3000) A&P for Telephone Exchange Auto	200000
	5225 BB 3 (203) (5000) Lines and Wires for Manual Exchange	50000
	5225 BB 4 (203) (4000) Cables for Microwave Project	250000
	5225 BB 4 (201) (4000) Surplus cables of coaxial cable project returned	-30000
	5225 BB4 Equipment for Long Distance Transmission System	500000
	5225 BB5 Instruments for Training Centre	225000
	8554 Telecom Advances 101 Telecom Advance 0300 Misc Advances	140000
	Total Debits	1375000
Credits	8782 Remittance of Stores	1375000
	Total Credits	1375000

CHECKING OF THE STORES ACCOUNT CURRENT:

Amount intimated by CAO CTS through Holl 11A Statement for Dec '97 Rs.  
13,75,000

Gross issue of Stores	Rs. 14,05,000	
Less Stores returned to stock	Rs. 30,000	
Net Issue of Stores	-----	Rs. 13,75,000

[Rule 200 to 219 of FHB Vo. III Part (III)]

Problem : 2

Prepare Store Account Current of Telecom Engineering Division B for the month of February '98 from the following details of stores voucher received with Holl 11 Statement:

1	For posts, wires and insulators issued on work of constructing local telephone exchange (Manual)	300000
2	Cables to coaxial cable project	1000000
3	Stores indented for works carried out on AOE (Annual Open Estimate) in Sub-Division	50000
4	Received stores on a work of reconstructing damaged trunk line leading to Auto Exchange	25500
5	Cables issued for construction work of laying cables for Southern Railway	180000
6	Maintenance stores in respect of Apparatus & Plants in Telephone Exchange (Automatic)	30000
7	Apparatus & Plants for Private construction work	300000
8	Masts & Aerials for Microwave Radio Relay System	450000
9	Iron wire issued for Petty Works	30000
10	Antenna issued for Satellite System	120000
11	Apparatus and Plants for Telex Exchange	750000
12	Cables for Optical Fibre System	300000
13	Test Equipments for Open wire and carrier systems	450000
14	Cables for STD & other Trunk Dialing System	120000
15	Total shown in ACE-155A	4054000

Solution : 2

First of all we have to classify the transaction by noting down the head of account and then only store account current has to be prepared in the numerical order:

Head of Account	Value	Order in SA
5225 BB2 Local Telephone System 202 Manual Exchange	300000	5
5225 BB4 LD Transmission System 201 coaxial Cable System	1000000	8
3225 05 Engineering 101 Petty Works	50000	2
5225 BB3 LD Switching System 201 Trunk Auto Exchange	-25500	6
8554 Telecom Advances 101 Telecom Advances 300 Misc Advances	180000	14
3225 05 Engineering 053 Maintenance 3000 A&P	30000	1
8447 Telecom Deposits 101 Telecom Deposit 200 Other Deposit work	300000	13
5225 BB4 LD Transmission System 203 MW Radio Relay System 6500 M&A	450000	9

3225 05 Engineering 101 Petty Works	30000	3
5225 BB4 LD Transmission System 208 Satellite System 6500 M&A	120000	11
5225 BB1 Telegraph & Telex 202 Telex 3000 A&P	750000	4
5225 BB4 LD Transmission System 209 Optical Fibre Cable 4000 Cable	300000	12
5225 BB4 LD Transmission System 205 Open Wire and Carrier 6000 TE	450000	10
5225 BB3 LD Switching System 202 STD & Trunk Dialing 4000 Cables	120000	7

**Store Account Current of B Division for the month of February '98**

	Head of Account	Amount (Rs.)
Debits	3225 05 Engineering 053 Maintenance 3000 A&P	30000
	3225 05 Engineering 101 Petty Works	50000
	3225 05 Engineering 101 Petty Works	30000
	5225 BB1 Telegraph & Telex 202 Telex 3000 A&P	750000
	5225 BB2 Local Telephone System 202 Manual Exchange	300000
	5225 BB3 LD Switching System 201 Trunk Auto Exchange	-25500
	5225 BB3 LD Switching System 202 STD & Trunk Dialing 4000 Cables	120000
	5225 BB4 LD Transmission System 201 coaxial Cable System	1000000
	5225 BB4 LD Transmission System 203 MW Radio Relay System 6500 M&A	450000
	5225 BB4 LD Transmission System 205 Open Wire and Carrier 6000 TE	450000
	5225 BB4 LD Transmission System 208 Satellite System 6500 M&A	120000
	5225 BB4 LD Transmission System 209 Optical Fibre Cable 4000 Cable	300000
	8447 Telecom Deposits 101 Telecom Deposit 200 Other Deposit work	300000
	8554 Telecom Advances 101 Telecom Advances 300 Misc Advances	180000
	<b>Total Debits</b>	<b>4054500</b>
Credits	8782 Remittance to Telecom Stores	4054500
	<b>Total Credits</b>	<b>4054500</b>

**CHECKING OF THE STORES ACCOUNT CURRENT :**

Amount intimated by CAO CTS through Holl 11A Statement for Feb '98 Rs.

40,54,500

Gross issue of Stores

Rs. 40,80,000

Less Stores returned to stock

Rs. 25,500

Net Issue of Stores

-----

Rs. 40,54,500

[Rule 200 to 219 of FHB Vo. III Part (III)]

#### IV. MANUFACTURING ACCOUNT:

1. Rule 8.1 to 8.16 of FHB Vol. III Part. III.
  2. Debit Side :- Direct charge of raw materials drawn from stores.  
Components drawn from stores.  
Demand payable to Direct Labour.  
Indirect Labour.  
Factory on Cost.
  3. Credit Side :- Value of articles manufactured and sent to various parties/store  
Depots/works etc.
  4. Difference between debit (including Opening Balance) and credit represent value of work in progress.
  5. Therefore it shall show:- OB ie., value of work in progress at the first of the month.  
Total Outlay on the month.  
Total Out-turn.  
CB ie., value of work in progress at the end of the month.
- 

#### Important Head of Account to be used for Credit Side:

1. 5225 Capital Outlay 080 General 102 Stores Suspense Account
    - 01 General Stores
    - 02 Factory Stores
    - 04 Sales
      - a) Within Department
      - b) Outside Department.
  2. 3225 Working Expenses 03 Factories and Stores 103 Factories
    - 05 Contingencies (OE)
    - 800 Miscellaneous
    - 40 Variation on Estimate
  3. 3225 Working Expenses 05 Engineering
    - 053 Maintenance
    - 101 Petty Works
-

**Problem : 1**

**Prepare a manufacturing account for Telecom Factory, Calcutta for the month of August 99**

1	Value of work-in-progress on first of the month	1369430
2	Value of work-in-progress on last day of the month	3342190
3	On cost on work-in-progress on first of the month	9940180
4	On cost on work-in-progress on last of the month	8563330
5	Raw materials drawn from the stores	3243410
6	Components drawn from stores	1820120
7	Labour earnings drawn from stores:	
	i) Direct Labour	320130
	ii) Indirect Labour	812990
8	On cost of finished goods	1510820
9	By value of stores:	
	i) General Stores	3541980
	ii) Factory Stores	267870
	iii) Sales within the department	1314770
	iv) Sales outside the department	1125920
10	Maintenance:	
	i) Labour	8390
	ii) Stores	15920
11	Working Expenses:	
	i) Office expenses	792340
	ii) Contingent expenses	40420
12	Petty works	3950

**Solution : 1**

**MA-1**

**Manufacturing Account for the month of August 1999:**

Particulars	Materials	Labour	Overheads	Total	Particulars	Materials	Labour	Overheads	Total
To Opening balance	1369430		9940180	11309610	5225 BB – 102 Stores Suspense				
Work in progress					01- Genl Stores				3541980
Charges during month:					02- Factory Stores				267870
Raw materials drawn from stores	3243410				04-Sales Within Dept	1314770			2440690
Comp. drawn from stores	1821120				Outside	1125920			0
Direct Lab		320130		5063530	3225 – WE 03 Stores & Factories				
OH charges			812990	320130	103 Factories				792340
Indirect Lab			1510820		05 OE				40420
On cost				2323810	800 Misc				
					40				

					Variation		8390		24310 3950
					05 Engg				
					053 Mtce	15920			
					101 Petty			8563330	11905520
Total					By CB				
					WIP	334219			19017080
				1901708	Total	0			
				0					

[Rule 8.1 to 8.16 of FHB Vol. III Part. III]

**Problem : 2**

**Prepare a Manufacturing Account for Telecom Factory, Calcutta for the month of February 1998 with the following particulars:**

		(Amount in Lakhs)
1.	Work in progress on the 1 <sup>st</sup> of the month	1550
2.	Work in progress at the end of the month	4420
3.	On cost on work in progress on the 1 <sup>st</sup> of the month	3220
4.	On cost on work in progress at the end of the month	3090
5.	Raw materials drawn from stores	4310
6.	Components drawn from stores	2110
7.	Value of manufactured components re-used	140
8.	Direct Labour	1520
9.	Indirect Labour	850
10.	On cost on manufactured articles	1320
11.	Value of stores	
	a) General Stores	1530
	b) Factory Stores	1050
	c) Sales within Department	1520
	d) Sales outside department	1150
12.	By expenses	
	a) Contingent expenses	320
	b) Net loss or gain on estimates	480
	c) Petty works	390
	d) Maintenance	
	i) Labour	130
	ii) Stores	720
	iii) Overheads	80
		930

**Solution : 2**

## Manufacturing Account for the month of August 1999:

[Amount in Lakhs]

Particulars	Material s	Labour	Overhea ds	Total	Particular s	Material s	Labour	Overhea ds	Total
To Opening balance	1550		3220	4770	5225 BB – 102 Stores Suspense				
Work in progress					01- Genl Stores				1530
Charges during month:					02- Factory Stores	1050			
Raw materials drawn from stores	4310				Deduct: Reused	-140			910
Comp. drawn from stores	2110				04-Sales Within Dept Outside				1520
Deduct: Reused Direct Lab OH charges	-140	1520	850	6280	3225 – WE 03 Stores & Factories 103				1520
Indirect Lab On cost			1320	2170	050 OE 800 Misc 40 Variation	720	130	80	930
					05 Engg 053 Mtce 101 Petty	4420	3090		7510
				14740	By CB WIP				14740
Total					Total				

[Rule 8.1 to 8.16 of FHB Vol. III Part. III]

### V. COMPENSATION FOR PREMATURE SURRENDER OF WIRE AND WIRELESS SERVICES:

1. Para 487 of P&T Manual Vol. X and Annexure A under Rule 59 of FHB Vol. III Part I.
2. Premature surrender of wires and wireless stations constructed by the Department for renting to other Departments, involve a loss to that Department, therefore, compensation is recoverable from the borrowing department.
3. Net amount recoverable is Total debits minus Total credits.
  - i) Under debits the following items will appear:

- a) Depreciated value of abandoned asset.
  - b) Actual cost of dismantlement inclusive of departmental per centage.
  - c) Actual cost of carriage back of materials recovered and any expenditure incurred in the sale of materials plus departmental percentage on such cost.
- ii) Under credits the following items will appear:
- a) Depreciated value of materials which can be reused.
  - b) Actual sale proceeds or depreciated value of unserviceable materials, whichever is less.
4. Depreciated value of abandoned asset and materials which can be reused and depreciated value of unserviceable materials will be calculated on Sinking Fund Method as per Appendix XIII.
  5. Depreciation =  $(\text{Original Cost} - \text{Residual Value}) \times \text{Annual Contribution per rupee} \times \text{Compound interest for the no. of years the asset was in use. (Here rounding off)}$
  6. Depreciated Value = Original Cost – Depreciation
  7. No. of years in use = Preceding year of abandonment – Year of handing over.
  8. Each item on debit and credit should be rounded off to nearest rupee.
  9. If actual sale proceeds unserviceable materials exceeds the depreciated value of materials, credit will be given only to the extent of depreciated value and the balance amount will be taken to Other Receipts.
- 

Problem - 1

From the following particulars calculate the amount of compensation recoverable from the Railway Administration recoverable for dismantling a Telegraph Line handed over on 15.03.1990 and surrendered by them on 14.04.1997:

- a) Original value of the line including departmental charges: Posts Rs. 15000  
Iron Wire Rs. 10,000.
- b) Cost of returning recovered materials and surplus materials including departmental charges Rs. 3,000.
- c) Cost of dismantlement including departmental charges Rs. 2,000.

- d) Original value of recovered serviceable materials : Post Rs. 8,000 Iron Wire Rs. 4,000
- e) Sale proceeds of recovered unserviceable stores including auctioneers commission Rs. 100 Rs. 1100
- f) Credits actually received for stores returned to stock Posts Rs. 5000 Iron Wire Rs. 3000
- g) Compound interest @ 3.75% may be adopted. Residual value for both the assets Rs. NIL.
- h) OH Charges: Freight @ 2% Estt @ 8% SKC @ 5%
- i) Annual contribution Per Rupee = 0.004627 Compound interest for 8 years = 9.13255

Problem : 2

A Telegraph line was provided in 1977-78 for a railway administration. The entire line was given up by the Railway Department in June 1996. From the following particulars calculate the charges recoverable from the railway department:

- a) Original value of the line in 1977-78 including all departmental charges: Posts Rs. 50000 Iron Wire Rs. 30000.
- b) Iron wire was replaced by copper wire in 1988-89. Original cost including all departmental charges was Rs. 60000.
- c) Cost of dismantlement of the assets. Cash Rs. 5000 and Stores Rs. 1000. Cash expenditure was taken from the completion report.
- d) Original value of dismantled stores which can be reused on recovery: Posts Rs. 20000 Iron Wire Rs. 25000.
- e) Cash credits/sale proceeds of recovered u/s stores Rs. 1000.
- f) Expenditure incurred for selling of u/s stores Rs. 100.
- g) Cost of carriage back of stores to depot Rs. 200. The railway department agreed to take the stores to the depot.
- h) Compound interest will be adopted @ 3.75% and OH charges:- Freight 2% Estt 8% SKC 4%.
- i) Residual value Post Nil Iron Wire 30%.
- j) Annual contribution Per Rupee = 0.004627 Compound interest for the years used: Posts= 27.00471  
Iron Wire = 10.47503

Solution : 1

Depreciated value of abandoned assets and recovered assets which can be reused:

Posts	Iron Wire	Particulars	Posts	Iron Wire
15000	10000	Original Value	8000	4000
0	0	Residual Value	0	0

.004627	.004627	Annual contribution per rupee	.004627	.004627
8	8	No. of years in use (89-90 to 97-98)	8	8
9.13255	9.13255	Compound interest for no. of years in use	9.13255	9.13255
(15000x.004627x9.13255) = 633.84	(10000x.004627x9.13255) = 422.56	Depreciation	(8000x.004627x9.13255) = 338.05	(4000x.004627x9.13255) = 169.03
14366	9577	Depreciated Value (Original value – Dep.)	7662	3831

**Charges Recoverable:**

**I. Debits:**

- |  |               |
|--|---------------|
| a) Depreciated value of abandoned assets (Rs. 14366+ Rs. 9577)   | Rs. 23,943.00 |
| b) Cost of dismantlement of asset including departmental charges   | Rs. 2,000.00  |
| c) Carriage cost of materials and cost of sale of u/s stores including departmental charges (Rs. 3000 + Rs. 100 + 8% of Rs. 100) | Rs. 3,108.00  |
| d) Total Debits  | Rs. 29,051.00 |

**II. Credits:**

- |   |               |
|---|---------------|
| a) Depreciated value of materials which can be reused (Rs. 7662 + Rs. 3831) | Rs. 11,493.00 |
| b) Sale proceeds of u/s Stores  | Rs. 1,100.00  |
| c) Total Credits  | Rs. 12,593.00 |

- |  |               |
|--|---------------|
| III. Net amount recoverable (Rs. 29051- Rs. 12593) | Rs. 16,458.00 |
|--|---------------|

Note: Item (f) not related with the calculation.

[Para 487 of P&T Manual Vol. X]

Solution : 2

Calculation of depreciated value of the asset:

Posts	Iron Wire	Particulars	Posts	Iron Wire
50000	60000	Original Value	20000	25000
0	18000	Residual Value	0	7500
.004627	.004627	Annual contribution per rupee	.004627	.004627
		No. of years in use (89-90 to 97-98)		
27.00471	10.47503	Compound interest for no. of years in use	27.00471	10.47503
(50000x.004627x27.00471) =6248.00	(42000x.004627x10.47503) = 2036.00	Depreciation	(20000x.004627x27.00471) = 2499.00	(17500x.004627x10.47503) = 848.00
43752.00	57964.00	Depreciated Value (Original value – Dep.)	17501.00	24152.00

Charges Recoverable:

I. Debits:

- |   |               |
|---|---------------|
| a) Depreciated value of abandoned assets (Rs. 43752+ Rs.57964)  | Rs. 101716.00 |
| b) Actual Cost of dismantlement of asset including departmental charges<br>(5000+1000+2% of 1000+8% of 6020+4% of 1000) | Rs. 6542.00   |
| c) Total Debits   | Rs. 108258.00 |

## II. Credits:

a) Depreciated value of materials which can be reused (Rs.17501+ Rs. 24152)	Rs. 41653.00
b) Sale proceeds of u/s Stores	Rs. 1000.00
c) Total Credits	Rs. 42653.00

III. Net amount recoverable (Rs. 108258.00- Rs. 42653.00) Rs. 55605.00

[Para 487 of P&T Manual Vol. X]

### Note:

1. As the cash expenditure has been taken from completion report of the work, it means all cash charges included under item cash. So expenditure on sale of u/s stores has not been taken into account.
  2. As the railway department agreed to take the recovered stores to store depot, the expenditure on that has not been taken into account.
- 

## VI. CANCELLATION OF FIRM DEMAND:

1. As per Para 255F of P&T Man Vol. X, when the works requisitioned by Central Government Departments, State Government Departments, Corporate Bodies and Private Parties etc (except Railway and Canal) are cancelled after the stores has been issued, the following charges can be levied:
  - a) Freight on Gross Stores issued from stock
  - b) Cash (Cash plus expenditure in receiving the stores and returning them to stock, plus auctioneer's commission plus expenditure for erection and dismantlement etc.)
  - c) Establishment charges on (a+b+Gross value of stores)
  - d) Store keeping charges on Gross Stores
  - e) Estimating fee
  - f) Value of stores becoming unserviceable due to handling and transit less sale proceeds, if any.
  - g) Interest on unadjusted capital outlay, if any.
  - h) Total amount chargeable (sum a to g)
  - i) Less amount deposited, if any.
  - j) Net amount recoverable.

2. For railway administration and canal department, calculation will be done in the above manner under Para 210 of P&T Manual Vol. X.
3. Freight incurred in dispatching of stores from the depot to Railway Station or port or issue of surplus stores direct from the site to another work will not be included as cash expenditure.
4. Freight incurred for returning recovered/surplus stores to stock should be taken into account.
5. Loss of stores in transit due to theft, fire, flood etc, amount shall not be recovered.
6. Interest on unadjusted capital outlay will be recovered as per Rule 47 of P&T Accounts Manual Vol. I.
7. No interest will be charged from the private party if the amount is recovered within the financial year in which the work was started.
8. As the value of stores is not taken into account, the value of stores returned will not be taken into account.
9. Estimate Fee shall be calculated as per Para 160 of P&T Manual Vol. X.
10. Estimated cost shall be calculated as per Para 152 of P&T Manual Vol. X.

**Problem : 1**

A State Government department placed a firm demand for erecting a Telephone line in their compound. When the work is in progress the demand was cancelled. From the following particulars calculate the charges recoverable:

Estimated cost of the work Rs. 50000. Cash Expenditure for erection Rs. 10000, Cost of dismantlement after cancellation Rs. 2000.

Stores issued to the work Rs. 20000. Stores became unserviceable due to handling Rs. 1500. Stores destroyed by flood Rs. 1000. Stores returned to stock Rs. 17500.

Sale proceeds of unserviceable stores Rs. 1000. Auctioneer's commission for sale of unserviceable stores Rs. 100.

Overhead charges Freight 3% Estt 8% and SKC 5%.

**Problem : 2**

Calculate the charges recoverable from a Central Government department in respect of a underground cable work for their sole use.

The work was commenced on 10.01.96. During construction the demand was cancelled. The charges will be paid on 01.07.1996.

Estimated cost of the work Rs. 120,000

Cash expenditure in Jan '96 Rs. 15000. Stores issued in Jan '96 Rs. 30000.

Cash expenditure in Apr '96 Rs. 5000. Stores issued in Apr '96 Rs. 10000. Cost of dismantlement after cancellation Rs. 3000.

Stores lost in transit Rs. 1000. Stores became unserviceable during transit Rs. 100.

Stores became unserviceable on dismantlement Rs. 900. Sale of unserviceable stores excluding auctioneer's commission for Rs. 100 on sale Rs. 500.

OH Charges Freight 2%, Establishment 8%, SKC 5%.  
Rate of Interest during the year 1995-96 and 1996-97 @ 10% p.a.

**Problem : 3**

A Railway administration placed a demand for erection L&W for their sole use. During construction, the demand was cancelled by them in Oct '97. Calculate the charges recoverable with the following:

Estimated cost of the work Rs. 150,000. Stores issued in June '97 Rs. 30,000, Cash expenditure in June '97 Rs. 20,000.

Stores became unserviceable due to handling and dismantlement Rs. 1200

Value of stores issued in Aug '97 Rs. 10000, Cash expenditure in Aug '97 Rs. 7000.

Value of stores returned to stock after dismantlement Rs. 30,800.

Cost of carriage to depot Rs. 500, Cost of dismantlement Rs. 1000 and sale proceeds of unserviceable stores after deducting 10% auctioneer's commission Rs. 900.

Charges will be recovered on 01.11.97. OH Freight @ 3% Estt. @ 10% SKC @ 5% and rate of interest @ 8% pa.

**Problem : 4**

Is there any change if the above work is requisitioned by a State Government department or any other Central Government department?

**Problem : 5**

On a firm demand by a manufacturing company for erection of trunk telephone line for their sole use asked to deposit estimating fee for Rs. 1000 and a sum of Rs. 100000 for constructing the line. The said amount was deposited by the party in April '97 and the work started from the same month.

When the work is in progress the party withdraw its demand in August '97. Calculate the amount recoverable or refundable with the following:

Stores issued Rs. 50000, Cash Rs. 40000, Cost of dismantlement Rs. 10000, Value of stores returned to depot Rs. 44000.

Stores lost in transit Rs. 1000. Cost of carriage back of recovered stores to depot Rs. 800. Cost of carriage of stores sent to another work Rs. 200. Sale proceeds of u/s stores Rs. 3000. Auctioneer's commission on the above sale Rs. 100.

Overhead charges: Freight @ 3%, Estt @ 10% and SKC @ 5%. Interest 1997-98: @ 8% p.a.

**Problem : 6**

A Telegraph line was constructed in the year 1995-76 for a Canal Department, at a cost, Cash Rs. 10000 and Stores Rs. 30000 on rental basis.

The administration wished to given up the line in the year 1996-97 and agreed to pay the compensation for premature surrender.

Accordingly, the work for dismantlement was started but the party changed its mind and to continue the rent of the line.

By that time a cash expenditure for Rs. 1500 was incurred and carriage cost of tools and plants for bringing and returning them to store depot for Rs. 1000 was also made. Estimated cost Rs. 45000.

Calculate the charges recoverable from the Canal Department with OH Charges are being Freight @ 2%, Estt @ @8% and SKC @ 5%.

**Problem : 7**

Calculate the charges recoverable from Defence department in respect of lines and wire work estimated to cost Rs. 80000 for which firm demand was placed but was cancelled when the work was actually in progress.

**Expenditure incurred:**

Cash	7000
Stores issued	40000
Stores returned as u/s on dismantlement	1600
Stores lost in transit	500
Sale proceeds of u/s stores recovered	400

Year 1985-86 Interest Rate 8% pa. Estimate fee 2.5% Freight 2% Estt 9% and SKC 4%.

Solution: 1

1	Freight on gross stores (3% of Rs. 20000)	600
2	Cash expenditure (10000+2000+100)	12100
3	Establishment charges (8% of 600+12100+20000)	2610
4	SKC (5% of 20000)	1000
5	Estimating fee (3% of 50000)	1500
6	Value of unserviceable stores less sale proceeds (1500-1000)	500
7	Net amount recoverable	18316

[Paras 442 and 487 (F) of P&T Manual Vol. X]

Note: 1. Regarding stores destroyed by fire, the case should be taken up for written-off.

2. It is presumed that the work is commenced and cancelled under the same year and therefore interest on capital outlay is not recoverable.

**Solution : 2**

**Calculation of Interest on unadjusted capital outlay:**

**Capital cost during Jan '96**

Stores	Rs. 30,000.00
Freight @ 2%	Rs. 600.00

<b>Estt. @ 8%</b>	<b>Rs. 2,448.00</b>	
<b>SKC @ 5%</b>	<b>Rs. 1,500.00</b>	
<b>Surcharge @ 10%</b>	<b>Rs. 3,150.00</b>	
<b>Adhoc Increase 15%</b>	<b>Rs. 5,674.70</b>	
<b>Cash</b>	<b>Rs. 15,000.00</b>	
<b>Estt @ 8%</b>	<b>Rs. 1,200.00</b>	
<b>Total Capital Cost</b>	<b>Rs. 59,552.70</b>	
<b>Say</b>	<b>Rs. 59,553.00</b>	
<b>Interest for Jan '96 [59553x1/2x10/100x1/12]</b>	<b>Rs. 248.13</b>	
<b>Int. for 02 &amp; 03/96 [59553x1/2x10/100x2/12]</b>	<b>Rs. 992.15</b>	
<b>Interest for 1995-96</b>	<b>Rs. 1,240.68</b>	<b>Say Rs. 1,241.00</b>
 <b>Capital Cost during 4/96:</b>		
<b>Stores</b>	<b>Rs. 10,000.00</b>	
<b>Freight @ 2%</b>	<b>Rs. 200.00</b>	
<b>Estt. @ 8%</b>	<b>Rs. 816.00</b>	
<b>SKC @ 5%</b>	<b>Rs. 500.00</b>	
<b>Surcharge @ 10%</b>	<b>Rs. 1,050.00</b>	
<b>Adhoc Increase 15%</b>	<b>Rs. 1,884.90</b>	
<b>Cash</b>	<b>Rs. 5,000.00</b>	
<b>Estt @ 8%</b>	<b>Rs. 400.00</b>	
<b>Total Capital Cost</b>	<b>Rs. 19,850.90</b>	
<b>Say</b>	<b>Rs. 19,851.00</b>	
<b>Interest for Apr '96 [59553+59553+19851x1/2x10/100x1/12]</b>	<b>Rs. 578.90</b>	
<b>Int. for 05 &amp; 06/96 [79404x1/2x10/100x2/12]</b>	<b>Rs. 1,323.40</b>	
<b>Interest for 1996-97</b>	<b>Rs. 1,902.39</b>	<b>Say Rs. 1,902.00</b>

Total Interest Rs. 1241.00+ Rs. 1902.00 = Rs. 3,143.00

Charges Recoverable:

1	Freight on gross stores (2% of Rs. 30000+10000)	800
2	Cash expenditure (15000+5000+3000+100)	23100
3	Establishment charges (8% of 23900+40000)	5112
4	SKC (5% of 40000)	2000
5	Estimating fee (2% of 120000)	2400
6	Value of unserviceable stores less sale proceeds (100+900-600)	400
7	Interest on unadjusted capital outlay	3143
8	Net amount recoverable	36955

[Paras 442 and 487 (F) of P&T Manual Vol. X]

Note: 1. Regarding stores destroyed by fire, the case should be taken up for written-off.

Solution : 3

Capital cost for	June 97	August 97
Stores	30000.00	10000.00
Freight @ 3%	900.00	300.00
Estt @10%	3090.00	1030.00
SKC @ 5%	1500.00	500.00
Surchaarge	0.00	0.00
Total (A)	35490.00	11830.00
Cash	20000.00	7000.00
Estt @ 10%	2000.00	700.00
Adhoc Increase 15% on (A)	5323.50	1774.50
Total Cost	62813.50	21304.50
Say	62814.00	21305.00

Interest for June 97 : $[(62814/2 \times 1/12 \times 8/100)]$  =Rs. 209.38

Interest for July 97 : $[(62814+62814)/2 \times 1/12 \times 8/100]$  =Rs. 418.76

Interest for Aug 97 : $[(62814+84119)/2 \times 1/12 \times 8/100]$  =Rs. 489.78

Interest for Sep & Oct 97 : $[(84119+84119)/2 \times 2/12 \times 8/100]$  =Rs.1121.58

Total Interest =Rs.2239.50 Say Rs. 2240.00

Charges Recoverable:

1	Freight on gross stores (3% of Rs. 30000+10000)	1200
2	Cash expenditure (20000+7000+1000+500+100)	28600
3	Establishment charges (10% of 29800+40000)	6980
4	SKC (5% of 40000)	2000
5	Estimating fee (exempted vide Para 160 of P&T Man. Vol. X)	0
6	Value of unserviceable stores less sale proceeds (1200-1000)	200
7	Interest on unadjusted capital outlay	2240
8	Net amount recoverable	41220

[Paras 442 and 487 (F) of P&T Manual Vol. X]

Solution : 4

If the above work is requisitioned by State or Central Government department in addition to above, estimating fee will also to be recovered vide Para 160 of P&T Manual Vol. X and for calculation of capital cost surcharge will also to be taken.

Solution : 5

Charges Recoverable:

1	Freight on gross stores (3% of Rs. 50000)	1500
2	Cash expenditure (40000+10000+800+100)	50900
3	Establishment charges (10% of 1500+50000+50900)	10240
4	SKC (5% of 50000)	2500
5	Estimating fee	1000
6	Value of unserviceable stores less sale proceeds (5000-3000)	2000
7	Gross amount recoverable	68140
8	Deduct: Amount already deposited (1000+100000)	101000
8	Net amount refundable (101000-8140)	32860

[Paras 442 and 487 (F) of P&T Manual Vol. X]

Note: 1. No interest will be recovered as it is a private party and deposited the amount in advance.

2. Value of u/s. stores = Stores issued-stores returned to depot-stores lost in transit.

3. For stores lost in transit, departmental action to be taken against such loss.

Solution : 6

Charges Recoverable:

1	Freight on gross stores	0
2	Cash expenditure (1500+1000)	2500
3	Establishment charges (8% of 2500)	200
4	SKC	0
5	Estimating fee (Exempted vide para 160 of P&T Manual Vol. X)	0
6	Total amount recoverable	2700

[Paras 442 and 487 (F) of P&T Manual Vol. X]

Solution : 7

Charges Recoverable:

1	Freight on gross stores (2% of Rs. 40000)	800
2	Cash expenditure	7000
3	Establishment charges (9% of 40000+7000+800)	4302
4	SKC (4% of 40000)	1600

5	Estimating fee (2.5% of 80000)	2000
6	Value of unserviceable stores less sale proceeds (1600-400)	1200
7	Amount recoverable	16902

[Paras 442 and 487 (F) of P&T Manual Vol. X]

Note: 1. Estimating fee is recoverable. 2. Departmental action has to be taken for stores lost in transit.

## VII. COMPENSATION FOR DAMAGE TO TELECOM PROPERTY:

1. Para 499 of P&T Manual Vol. X deals with compensation for damage to telecom property.
2. The calculation is as follows:
  - a. Cash (including auctioneer's commission, erection and dismantlement cost and other cash expenditure)
  - b. Gross Stores issued.
  - c. Freight on Gross Stores.
  - d. Establishment charges on Cash + Gross Stores + Freight.
  - e. Store keeping charges on Gross Stores.
  - f. Gross amount recoverable (sum of a to e).
  - g. Deduct: (i) Anticipated sale proceeds or actual sale proceeds of unserviceable stores.
    - (ii) Stores returned to Stock depot (Surplus and serviceable recovered stores sent to stock depot)
  - h. Net amount recoverable (f-g).
3. Reused stores will not be taken into account.
4. No surcharge is recoverable as Para 152 of P&T Manual Vol. X.
5. The compensation shall be credited to "Other Receipts:."
6. No compensation shall be recovered from Defence Department. Only Written-off sanction shall be issued.
7. If the compensation is not recoverable, either they have to file a suit in court of law or obtain the written-off sanction for other than defence also.

### Problem : 1

A Telephone line was damaged by an owner of a Tractor. Calculate the charges recoverable from him with the following:

Cost of pulling down and dismantling the line Rs. 1000. Expenditure for erecting the line : Cash Rs. 5000 and Stores Rs. 4000.

Recovered stores reused Rs. 3000, Recovered Stores returned to Stock Depot Rs. 1000.

Value of surplus stores after completion of the work returned to stock Rs. 500.

Cost of carriage of stores to store depot Rs. 100.

Unserviceable stores due to dismantlement sold at site including auctioneer's commission @ 10% of sale Rs. 1000.

OH Charges: Freight @ 3%, Estt. @ 10% and SKC @ 6%.

**Problem : 2**

If the above damage is made by Defence department during execution of their duty, what charges are to be recoverable?

**Problem : 3**

If the above compensation could not be recoverable, what action will be taken?

**Problem : 4**

A telephone line leading to a subscriber's premises was damaged during the construction work of the subscriber's own bungalow. The lines were reerected by the Department. Calculate the compensation recoverable from the party from the following details:

1. Cost of stores issued to re-erect the line	27000
2. Cost of pulling down damaged line	4500
3. Serviceable recovered stores and surplus stores sent to stock depot	11000
4. Anticipated sale proceeds of recovered unserviceable stores after paying Auctioneer's commission of 10% of sale proceeds	1000
5. Cost of erection of new line	35000
6. OH: Freight 3%, Estt 7% and SKC 6%	
7. Cost of carriage of surplus stores for Rs. 1000 sent to another work	100

**Solution : 1**

**Charges Recoverable:**

1	Cash (1000+5000+100+100)	6200
2	Stores	4000
3	Freight (3% on 4000)	120
4	Establishment charges (10% of 10320)	1032
5	Store keeping charges (6% of 4000)	240
6	Total	11592
7	Deduct: i) Sale of unserviceable stores 1000 ii) Recovered and surplus stores 1500	2500
8	Net amount recoverable	9092

[Para 499 of P&T Manual Vol. X]

**Solution : 2**

As per exception In Para 499 of P&T Manual Vol. X, the claim is not recoverable from defence department and action should be taken to get the sanction from the competent authority as per Financial Rules for written-off of the amount.

Solution : 3

As per Para 267, if the compensation can not be recovered in normal way, then it should be recovered through the court of law else sanction of the competent authority is to be obtained for waiving of the amount.

Solution: 4

Charges Recoverable:

1	Cash (4500+111+35000)	39611.00
2	Stores	27000.00
3	Freight (3% on 27000)	810.00
4	Establishment charges (7% of 67421)	4719.47
5	Store keeping charges (6% of 27000)	1620.00
6	Total	73760.47
7	Deduct: i) Sale of unserviceable stores 1111	10111.00
	ii) Recovered and surplus stores 9000	
8	Net amount recoverable	63649.47
	Say	63649.00

[Para 499 of P&T Manual Vol. X]

Note: !. Cost of carriage of surplus stores to another work shall be claimed in another work and not in this work.

#### VIII. SHIFTING WORK:

1. Paras 152, 155 (1), 155 (2), 155 (4) of P&T Manual Vol. X deals with shifting work.
2. There are different treatment for shifting work.

I. (i) SHIFTING ON THE REQUEST OF THE OWNER OF THE PROPERTY ie., PRIVATE OWNER, MUNICIPAL CORPORATION, CENTRAL/STATE GOVERNMENT [PARA 155(1)].

(ii) Following charges will be recoverable from them:

- a) Cash expenditure (including auctioneer's commission)
- b) Net Stores (Gross Stores minus Surplus stores including new stores becoming unserviceable due to handling)
- c) Freight on Gross Stores
- d) Establishment Charges on Cash + Net Stores + Freight.
- e) Net Charges (a+c+d)

2. Recovered stores reused, returned, sold or unserviceable will not be taken into account.

3. Cost of carriage back of stores to another work will not be taken into account as this is to be borne by the Department.
4. If the party has already taken compensation then half the compensation or the amount calculated above whichever is less will be recovered (Section 17 of IT Act).
5. No surcharge will be taken.

II. (i) SHIFTING ON THE REQUEST OF OTHER THAN OWNER OF THE PROPERTY ie., ELECTRICITY SUPPLY, HYDRO ELECTRIC AUTHORITY, STATE/CENTRAL GOVERNMENT DEPARTMENTS ETC (OTHER THAN RAILWAY DEPT) [PARA 155 (2)].

(ii) Following charges will be recoverable from them:

A. Debit: (i) Cash plus freight at Gross Stores.

(ii) Depreciated value of net stores issued from stock depot (Gross stores minus surplus stores including new stores becoming unserviceable due to handling) and from other works.

(iii) Establishment charges on Cash plus Gross Stores issued.

(iv) Store keeping charges on Gross Stores.

(v) Total Debits.

B. Credits: (i) Depreciated value of recovered serviceable stores returned to stock and other works.

(ii) Sale proceeds of unserviceable stores, where the sale is not actually effected the value may be assessed scrap value.

(iii) Depreciated value of difference between improved class of materials and those originally used.

(iv) Total credits (i+ii+iii) -> This amount should be limited to the depreciated value of stores issued from stock and others as in A(ii) above.

C. Net amount recoverable (A-B).

2. Recovered and reused stores will not be taken into account.

3. The value of recovered serviceable stores sent to depot and another work should be taken into account which represents the full value of current issue rate in the year of shifting.

4. In the case original date of construction is not known, the DE will fix such date as accurately as possible.

5. Calculation of Depreciation =  $\frac{\text{Net value (original value-Residual Value)}}{\text{Effective Life}} \times \text{No. of year in use}$ .

6. Therefore, Depreciated value = Original value – Depreciation.

III. REQUEST FROM RAILWAY DEPARTMENT FOR RAILWAY SIDING FOR THE USE OF CENTRAL/STATE GOVERNMENT DEPARTMENTS/MUNICIPAL CORPORATIONS ETC:-

→ Same Formula as at II above.

IV. REQUEST FROM RAILWAY FOR RAILWAY SIDING FOR THE USE OF PRIVATE PARTY:-

Calculation will be done as per contribution work vide Rule 49 of FHB Vol. III Part I (excluding surcharge) [Para 155A].

**V. SHIFTING ON THE REQUEST OF THE RAILWAY ADMINISTRATION FOR THEIR OWN NECESSITY [Para 223A of P&T Manual Vol. X].**

1. Shifting of lines for re-alignment of railway trucks, remodeling of station yards, extension of That line etc. Cost of which including departmental charges exceeds Rs. 1000 or which do not involve the use of expensive stores ie., Cables etc.
2. Following charges are recoverable:
  - a) Cash
  - b) Gross Stores (Expensive + Ordinary)
  - c) Freight on Gross Stores
  - d) Total (a+b+c)
  - e) Establishment charges on (d) above.
  - f) Expensive Stores (Net) [Cables etc]
  - g) Charges Recoverable (a+c+e+f).
3. Recovered stores and sale of unserviceable stores will not be taken into account.
4. As a result of shifting if the wire length is reduced by 10% or more or 2 miles or more, whichever is less, compensation for premature surrender of the decreased wire length will be recoverable.
5. No surcharge will be taken for all types of shifting work.
6. No charges will be taken for temporary shifting in connection with repairs and renewals of railway bridges – under Para 223B of P&T Manual Vol. X.
7. No charges of shifting requested by local bodies from their property for public interest as Para 155 (4) of P&T Manual Vol. X.

**Problem : 1**

A telegraph line was passing across the compound of a private party was shifted at the request of the owner in 6/97. Calculate the amount recoverable from the party on the basis of the following data:

Cash Rs. 5000. Stores issued to the work Rs. 20000. Recovered stores reused Rs. 8000. Recovered unserviceable stores sold at the site Rs. 300. Surplus stores returned to depot Rs. 700. New stores rendered unserviceable Rs. 300. Auctioneer's commission on sale of unserviceable stores Rs. 50.

Overhead charges : Freight @ 3%, Surcharge @ 10%, Storekeeping charges @ 4% and Estt. @ 7%.

**Problem : 2**

If in the above case, a compensation for Rs. 12000 was paid to owner at the time of original construction, what will be the charges recoverable now?

**Problem : 3**

A proprietor of a tailoring shop requested to shift a telegraph line passing over the public road in front of his shop. Telecom department agreed to shift the line. Calculate the charges recoverable from the following details:

Shifting work started in August '97. Year of original construction 1987-88. Cash expenditure Rs. 5000. Value of stores issued : Posts Rs. 15000 Cu. Wire Rs. 25000.

Recovered re-used stores : Posts Rs. 2000 Cu. Wire Rs. 3000.

Original value copper wire sent to depot Rs. 700. Original Value of copper wire sent to another work Rs. 300.

Scrap value of recovered unserviceable stores Rs. 500. Freight paid for sending recovered stores to depot Rs. 200.

Surplus copper wire return to depot Rs. 500.

OH: Freight @2%, Estt. @ 9% and SKC @ 5%.

**Problem : 4**

If the above shifting is requested by a Government Department, what charges will be recovered with the additional information?

Residual Value: Posts Nil Cu. Wire 30%, Effective Life: Posts 50 Yrs, Cu. Wire 50 Yrs.

**Problem : 5**

A telegraph line was erected on a public road in 1985-86. The line was replaced in July 1995 at the request of a State Housing Board by underground cable. The details of the cost of the work are as follows: Calculate the amount recoverable from the State Housing Board.

1. Value of cables and other stores issued from depot Rs. 200000.
2. Cost of dismantlement and carriage charges Rs. 1500.
3. Original value of recovered stores, Posts Rs. 50000, Copper Wire Rs. 40000.
4. Original value of Unserviceable brakets and stayrods kept in stock for sale at a later date Rs. 4000.
5. Cost of laying cables Rs. 15000.
6. Original value of recovered unserviceable copper wire Rs. 1000.
7. Surplus stores returned to stock depot Rs. 1000.
8. OH: Freight @ 3%, SKC @ 5% and Estt. @ 13%.
9. Effective Life: Cable 40 yrs and Post and Wires 50 Yrs.
10. Residual value cables & Posts Nil, Wires 30%.

**Problem : 6**

Eastern Railway requested telecom department for shifting a telegraph line leased to them for remodeling station yard. Calculate the charges recoverable with the following:

Cash Rs. 25000. Stores Rs. 1000. Cables Rs. 80000. Recovered serviceable stores re-used Rs. 20000. Recovered unserviceable stores sold through an agent for Rs. 2000 for which the agent had charged 10% of the sale proceeds.

Recovered serviceable stores sent to stock depot Rs. 3000. Cost of carriage of surplus stores to depot Rs. 200. Cost of carriage of recovered stores to depot 300. Recovered serviceable stores to another work Rs. 1000. Cost of carriage of serviceable stores to another work Rs. 100. OH: Freight @ 2%, SKC @ 5% Estt. @ 11%.

**Problem : 7**

In the above problem, if the cable is supplied by the Railway Department for the above work, what will be the charges recoverable from them?

**Problem : 8**

In the Problem :9, if the wire length is decreased/increased, what will be the effect on charges?

**Problem : 9**

In the Problem: 15, if the wire length is decreased more than 10% due to shifting, what will be the effect on charges?

**Problem : 10**

A trunk telephone line which was constructed in 1985-86 shifted in the interest of State Electricity Board in February 1996 with the following. Calculate the charges recoverable from the Board.

Cash Rs. 30000. Iron Posts Rs.20000 Iron Wire Rs. 45000. Stores transferred from another work: Posts Rs. 4000 Iron Wire Rs. 10000.

Recovered stores reused: Posts Rs. 3000. Iron Wire Rs. 3000.

Recovered unserviceable stores sold at site after deducting 10% auctioneer's commission Rs. 1800.

Recovered stores returned to stock Rs. 2000.

Iron wire used is of an improved class purely for departmental purposes and the difference in value between improved class and that originally used is Rs. 3000.

Residual value for both the assets Nil.

OH Charges: Freight @ 3%, Estt. @ 9% and SKC @ 5%. Effective life, Posts 50 yrs and Iron Wire 35 yrs.

Surplus Iron wire returned to stock Rs. 5000. Cost of carriage for returning surplus stores Rs. 200.

**Problem : 11**

Eastern Railway requested Telecom Department for shifting of a under ground cable in connection with a private siding required by a manufacturing concern which was executed in June '97. Calculate the charges recoverable with the following:

Cash Rs. 15000. Stores Rs. 15000. Surplus stores returned to depot Rs. 1000. Recovered stores sent to other work (including carriage charges Rs. 100) Rs. 1000.

Recovered serviceable stores returned to stores depot Rs. 2000. Cost of carriage of recovered stores to depot Rs. 200.

Cost of carriage of stores issued Rs. 1000. Cost of carriage of surplus stores returned to stock Rs. 100. Sale proceeds of unserviceable stores Rs. 500.

Year of construction of the original asset: 1986-87. OH Freight @ 2%, Estt. @ 9% and SKC @ 5%. Residual Value Nil and Effective Life 40 years.

**Problem : 12**

In the above problem, if the above shifting is requested by the Railway Department for any Central/State Government Department, will there be any change?

**Problem : 13**

In the Problem no. 11, what will be the charges if shifting is requested temporarily for repairing of railway line?

**Solution : 1**

**Charges Recoverable from Private Party for Shifting:**

1	Cash (5000+50)	5050.00
2	Net Stores used (20000-700-300)	19000.00
3	Freight @ 3% on Gross Stores (20000)	600.00
4	Total	24650.00
5	Establishment charges @ 7% (on 5050+19000+600)	1725.50
6	Net amount recovered from private party (5050.00+600.00+1725.50)	7375.50
	Say	7376.00

[Para 155 (1) of P&T Manual Vol. X]

**Note:** Recovered stores reused and sale proceeds of recovered stores will not be taken into account.

**Solution : 2**

Under Section 17 of the Indian Telegraph Act read with Para 155 (i) of P&T Manual Vol. X, half the amount of compensation paid or the actual out of pocket expenses whichever is less is recoverable.

Therefore, an amount of Rs. 6000 only is recoverable from the party.

**Solution : 3**

This is a request from other than the owner of the property. Therefore Para 155 (2) is applicable. Hence charges are recoverable as per Para 152 of P&T Manual Vol. X ie., for contribution work.

**Charges recoverable:**

Sl No	Particulars	Posts	Copper wire
1	Stores	15000.00	25000.00
2	Freight 2% on Gross Stores	300.00	500.00
3	Total	15300.00	25500.00
4	Estt. @ 9% on Gross Stores + Freight	1377.00	2295.00
5	Storekeeping charges @ 5% on Gross stores	750.00	1250.00
6	Total	17427.00	29045.00
7	Adhoc increase @ 15% on above	2614.05	33401.75
8	Total Capital Cost	20041.05	33401.75

Total Capital Cost (Rs. 20041.05+Rs.33401.75) . 53442.80

9	Less: (i) Surplus Stores 500.00 (ii) Value of recovered stores returned to Depot and another work 1000.00 (iii) Scrap value or sale of u/s stores 500.00	2000.00	
10	Total	51442.80	
11	Cash (5000+200)	5200.00	
12	Estt. @ 9% (on 5200)	468.00	
13	Total Charges recoverable	57110.80	
	Say	57111.00	

[Para 152 of P&T Manual Vol. X]

**Note:** 1. Recovered re-used stores will not be taken into account. 2. Carriage charges for sending of stores to another work will not be claimed in this work.

**Solution :** 4

Since shifting is requested by a Government Department, the charges will be calculated as per Para 155(2) of P&T Manual Vol. X.

**Depreciated Value of Stores abandoned and recovered stores which can be re-used:**

Posts	Copper wire	Particulars	Copper wire
15000	24500	Original Value	1000
Nil	7350	Residual Value	300
15000	17150	Net Value	700
50 yrs	50 yrs	Effective Life	50 yrs
10 yrs	10 yrs	No of years in use (87-88 to 97-98)	10 yrs
(15000/50X10) =3000	(17150/50X10) =3430	Depreciation	(700/50X10) = 140
12000	21070	Depreciated Value	860

**Charges Recoverable from a Government Department:**

<b>I.</b>	<b>Debit:</b>	
1	Cash	5200.00
2	Freight on Gross Stores (2% on 15000+25000)	800.00
3	Establishment charges @ (9% on 5200+800+15000+25000)	4140.00
4	Depreciated value of stores used	33070.00
5	Store keeping charges (5% on 40000)	2000.00
6	<b>Total Debits</b>	<b>45210.00</b>
<b>II.</b>	<b>Credits:</b>	
1	Depreciated value of recovered stores	860.00
2	Scrap value of recovered u/s stores	500.00
3	<b>Total credits</b>	<b>1360.00</b>
<b>III.</b>	<b>Net amount recoverable from Government Department (45210-1360)</b>	<b>43850.00</b>

[Para 155(2) of P&T Manual Vol. X]

**Solution : 5**

Since shift is requested by other than the owner of the property, charges shall be calculated as per Para 155 (2) of P&T Manual Vol. X.

**Depreciated Value of Stores abandoned and recovered stores which can be re-used:**

<b>Cables</b>	<b>Particulars</b>	<b>Post</b>	<b>Copper wire</b>
199000	Original Value	50000	40000
Nil	Residual Value	Nil	12000
199000	Net Value	50000	28000
40 yrs	Effective Life	50 yrs	50 yrs
10 yrs	No of years in use (85-86 to 95-96)	10 yrs	10 yrs
(199000/40X10) =49750	Depreciation	(50000/50x10) =10000	(28000/40X10) =5600
149250	Depreciated Value	40000	34400

**Charges Recoverable from a State Housing Board:**

<b>I.</b>	<b>Debit:</b>	
1	Cash (1500+15000)	16500.00
2	Freight on Gross Stores (3% on 200000)	6000.00
3	Establishment charges @ (13% on 16500+6000+200000)	28925.00
4	Depreciated value of stores used	149250.00
5	Store keeping charges (5% on 200000)	10000.00
6	<b>Total Debits</b>	<b>210675.00</b>
<b>II.</b>	<b>Credits:</b>	
1	Depreciated value of recovered stores	74400.00
2	Scrap value of recovered u/s stores (30% of Rs. 1000)	300.00
3	<b>Total credits</b>	<b>74700.00</b>
<b>III.</b>	<b>Net amount recoverable from State Housing Board (210675-74700)</b>	<b>135975.00</b>

[Para 155(2) of P&T Manual Vol. X]

**Solution : 6**

It is the request of Railway Administration for their necessity. Therefore, charges shall be calculated as per Para 223A of P&T Manual Vol. X.

**Charges Recoverable from Railway Administration:**

1	Cash (25000+200+300+10% of Rs.2000)	25700
2	Stores used (80000+10000-2000)	88000
3	Freight on Gross Stores (2% on 90000)	1800
4	Total	115500
5	Estt. @ 11% (on 25700+90000+1800)	12925
6	Charges to be recovered	118425

[Para 223 A of P&T Manual Vol. X]

Note: 1. Recovered reused stores will not be taken in to account. 2. Carriage charges for sending stores to another work will not be taken into this account.

**Solution : 7**

**Charges Recoverable from Railway Administration:**

1	Cash (25000+200+300+10% of Rs.2000)	25700
2	Freight on Gross Stores issued by store depot (2% on 10000)	200
4	Total	25900
5	Estt. @ 11% (on 25700+90000+200)	12749
6	Charges to be recovered	38649

[Para 223 A of P&T Manual Vol. X]

**Solution : 8**

If the wire length increased/decreased, the rent will be enhanced/reduced accordingly.

**Solution : 9**

Where the wire length is reduced by 10% or more or 2 miles or more whichever is less, compensation for premature surrender will be calculated as per Para 255 of P&T Manual Vol. X.

**Solution : 10**

Since shifting is requested by a Government Department, the charges are recoverable as per Para 155 (2) of P&T Manual Vol. X.

Depreciated Value of Stores abandoned and recovered stores which can be re-used:

Posts	Iron Wire	Diff in Value of improved materials	Particulars	Iron Wire
24000	50000	3000	Original Value	2000
Nil	Nil	Nil	Residual Value	Nil
24000	50000	3000	Net Value	2000
50 yrs	35 yrs	35 yrs	Effective Life	35 yrs
10 yrs	10 yrs	10 yrs	No of years in use (85-86 to 95-96)	10 yrs
$(24000/50 \times 10)$ =4800	$(50000/35 \times 10)$ =14286	$(3000/35 \times 10)$ = 857	Depreciation	$(2000/35 \times 10)$ =571
19200	35714	2143	Depreciated Value	1429

Charges Recoverable from a State Housing Board:

<b>I.</b>	<b>Debit:</b>	
1	Cash (30000+200+200)	30400.00
2	Freight on Gross Stores (3% on 20000+45000+4000+10000)	2370.00
3	Establishment charges @ (9% on 30400+2370+79000)	10059.00
4	Depreciated value of stores used (19200+35714)	54914.00
5	Store keeping charges (5% on 79000)	3950.00
6	Total Debits	101693.00
<b>II.</b>	<b>Credits:</b>	
1	Depreciated value of recovered stores	1429.00
2	Sale of recovered u/s stores	2000.00
3	Depreciated value of difference between improved class of materials and those originally used	2143.00
3	Total credits	5572.00
<b>III.</b>	<b>Net amount recoverable from State Housing Board (101693-5572)</b>	<b>96121.00</b>

[Para 155(2) of P&T Manual Vol. X]

Solution : 11

Since it is a private party and other than owner of the property, it will be calculated like contribution work vide Para 152 read with Para 155 A of P&T Manual Vol. X.

Charges recoverable from the manufacturing company:

1	Stores	15000
2	Freight @ 2% on 15000	300
3	Total	15300
4	Estt. @ 9% on 15300	1377

5	SKC @ 5% on 15000	750
6	Total	17427
7	Adhoc increase 15% on 17427	2614
8	Cash (15000+200+100)	15300
9	Estt. @ 9% on 15300	1467
10	Total	36608
11	Deduct value of stores returned to stock, another work and sale of unserviceable stores (1000+900+2000+500)	4400
12	Net amount recoverable from manufacturing company	32408

[Para 152 of P&T Manual Vol. X]

Note: Cost of carriage of stores issued will not be taken into account as the amount is borne by the Department.

Solution : 12

If it is requested by the Railway Department for any Central/State Government Department, it will be calculated as per Para 155 (2) of P&T Manual Vol. X.

Depreciated Value of Stores abandoned and recovered stores which can be re-used:

Stores Used	Particulars	Recovered Stores
14000	Original Value	2900
Nil	Residual Value	Nil
14000	Net Value	2900
40 yrs	Effective Life	40 yrs
11 yrs	No of years in use (86-87 to 97-98)	11 yrs
(14000/40x11) =3850	Depreciation	(2900/40x11) =798
10150	Depreciated Value	2102

Charges Recoverable from Railway Department for benefit of State/Central Govt Dept:

I.	Debit:	
1	Cash (15000+200+100)	15300.00
2	Freight on Gross Stores (2% on 15000)	300.00
3	Establishment charges @ (9% on 15300+300+15000)	2754.00
4	Depreciated value of stores used	10150.00
5	Store keeping charges (5% on 15000)	750.00
6	Total Debits	29254.00
II.	Credits:	
1	Depreciated value of recovered stores sent to depot and other work	2102.00
2	Sale of recovered u/s stores	500.00
3	Total credits	2602.00

III.	Net amount recoverable from Railway Dept. (29254-2602)	26652.00
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[Para 155(2) of P&T Manual Vol. X]

**Solution : 23**

**No charges will be taken for temporary shifting vide Para 223 B of P&T Manual Vol. X.**

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**IX. CONTRIBUTION WORK:**

1. Telecom Department is occasionally required to execute works, the cost of which is recoverable wholly or partly from the other Departments of Government or private parties. Such works are generally known as "Contribution Works".

2. Classification of Contribution works:

- a. Works executed for private persons, local bodies and others.
- b. Works executed for State Government and other Departments of Central Government.
- c. Execution of Cables for Railway, Canal and Defence Administrations including repairs and renewals thereto.
- d. Repairs of Cables etc., owned by other Departments by Telecom Department during its maintenance and Cost of repairs including all departmental charges is Rs. 250 and above will be treated as Contribution Work.

Note: a. As per Rule 64 of FHB Vol. III Part I, when cables, wires and circuits are constructed for the sole use of any party on which rentals are recovered, it will not be treated as Contribution Work.

3. As per Para 160 of P&T Manual Vol. X, when requisition is received for any work from the parties mentioned at 2 (a) above, an estimate for the work will be prepared in as Para 152 of P&T Manual Vol. X:

- a. Cash
- b. Gross Stores issued.
- c. Freight on Gross Stores
- d. Total
- e. Establishment Charges on Cash + Gross Stores + Freight
- f. SKC on Gross Stores
- g. Surcharges @ 10%
- h. Total (d+e+f+g)
- i. Adhoc Increase @ 15% on (h) above.
- j. Total (h\_i)
- k. Deduct : Surplus stores returned to store depot or another work.
- l. Net Capital Estimated cost. (j-k)

4. Estimating fee on per centage basis on Net Capital Estimated Cost shall be recovered from the party before handing over the estimate sheet.

5. Estimating fee collected shall be credited to 8447 -- Other Deposits and when the work is cancelled, it shall be taken to the head 1225 -- Other Receipts whereas when the work is executed, the same shall be refunded to party.
6. On receipt of confirmation from the party, once again the Net Capital Estimated Cost will be calculated based on the modification suggested on the above basis and the party will be asked to deposit the entire amount in advance to execute the work. The amount so received shall be taken to the account 8447 -- Other Deposits.
7. The expenditure on the above said work shall be booked under the head 8447 -- Other Deposit and at any point of time the expenditure shall not exceed the deposit collected from the party.
8. In case, when the expenditure exceeded the deposit collected from the party in the end of Financial Year, the interest of unadjusted capital outlay should be recovered as per Rule 47 of Telecom Accounts Manual Vol. I, as per the following calculation:
  - a. For complete year -- ie., 1<sup>st</sup> April to 31<sup>st</sup> March -- Mean of the Opening and Closing Balance.
  - b. For broken year -- On monthly mean of capital outlay upto 31<sup>st</sup> March.
  - c. Rate of Interest: 7% upto 31.03.90 and 10% thereafter or as given in the problem.
  - d. Interest on the year shall be rounded off to the nearest rupee.
9. In case of contribution work mentioned at 2 (b) and 2 (c) above, the Net Capital Estimated Cost is not recovered in advance from the parties.
10. As per Para 209 of P&T Manual Vol. X, a bill for the entire cost is presented when the work has been completed or at the close of financial year whichever is earlier and expenditure incurred is recorded under the head 8554 -- Misc. Telecom Advances.
11. Preparation of Capital bill after completion of work (Rule 49 of FHB Vol. III Part II).
  - a. Gross Stores
  - b. Freight on Gross Stores
  - c. Total (a+b)
  - d. Estt. Charges on © above
  - e. SKC on Gross Stores
  - f. Surcharge (if any) on Gross Stores + SKC
  - g. Total (c+d+e+f)
  - h. Adhoc Increase 15% on (g)
  - i. Total (g+h)
  - j. Cash
  - k. Estt. on (j)
  - l. Total cost of work (i+j+k)
  - m. Deduct: (i) Value of recovered stores sent to depot or another work and value of u/s stores minus sale proceeds.

- n. Add: (i) Stores becoming u/s due to handling at the rate it was issued.
- o. Net cost (i-m)
- p. Deduct: Amount already deposited.
- q. Amount recoverable
- r. Interest on unadjusted capital outlay, if any.
- s. Net amount chargeable (q+r)

12. As per Rule 67 of FHB Vol. III Part I, no interest will be recovered for any excess expenditure over the deposited amount if the work completed within the financial year from the Private parties and Local bodies.

13. As per Rule 75, the value of recovered serviceable stores sent to depot or another work should be taken into account.

14. As per under Para 152 of P&T Manual Vol. X, Surcharge is exempted for Railways, Canals and Defence Departments.

15. If the stores are supplied by the party, only Establishment Charges will be recovered on Stores where as Store Keeping Charges and Freight will not be recovered on Stores.

16. Railway and Canal Department should bear interest on capital expenditure incurred by the Department during the period of construction from the date on which stores issued from stores depot to the preceding month of handing over the assets.

17. As per Para 16 of P&T Manual Vol. X, the rates of Estimating Fee:

For estimate cost Rs. 1 Lakh and above 2% of the cost

Rs. 60000-Rs.99999	2.5%
Rs. 30000-Rs.59999	3%
Rs. 20000-Rs.29999	3.5%
Rs. 10000-Rs.19999	4%
Rs. 1000-Rs.9999	4.5%
Below Rs. 1000	5%

Problem : 1

A Private Exchange was proposed to be installed at the request of a private party in Calcutta in the year 1997-98. Calculate the capital cost and estimating fee with the following estimated expenditure:

	Lines and Wires	A&P
Cash	5000	12000
Stores	28000	45000

Overhead Charges : Freight @ 2%, Estt. @ L&W 10% and A&P 7%, SKC 5%

Problem : 2

In continuation of the above problem, the party deposited the amount of estimating fee and ordered for execution of work with some modifications. Prepare a detail estimate with the followings and indicate the amount which is to be recovered from the party before execution of the work.

Year of execution 97-98 and OH charges as per the above rates.

Lines and Wires	A&P		
Cash		5000	15000
Stores		30000	48000

**Problem : 3**

As per the detail estimate prepared in the above problem after modification, the party deposited the amount of Rs. 138905.00. The work was completed within 97-98. Prepare the final bill after completion of the work with the following actual expenditure:

	L&W	A&P
Cash	5500	13500
Stores issued from stock	30000	48000
Surplus stores returned to stock	1000	2000
Surplus stores tfd to another work	500	700
Stores became u/s due to handling	200	300
Sale proceeds of u/s stores	75	125

**Problem : 4**

A private party deposited a sum of Rs. 250000 on 01.04.95 for constructing a Telegraph line on contribution basis. Calculate the amount recoverable from the party after completion of the work with the following:

Expenditure made: Cash : May 95 Rs. 30000 and July 96 Rs. 10000. Stores: May 95 Rs. 200000 and July 96 Rs. 20000.

The work was completed in May 97 and unadjusted capital outlay was recovered in the same month. Surplus stores returned to stock Rs. 2000 and transferred to another work Rs. 4000 in the same month. Carriage charges for returning stores to depot Rs. 100 and to another work Rs. 200. Rate for interest 95-96 & 96-97 @ 10% and 97-98 @ 12% pa. OH Charges : Freight @ 2% Estt @ 9% and SKC @ 5% for all the years.

**Problem : 5**

Southern Railway requisitioned for a Telegraph Line for their sole use on rental basis. What charges will be recovered from the Railway Department with the following expenditure:

Value of stores issued from Store Depot on 15.07.95 for Rs. 50000. Cash expenditure in July 95 Rs. 5000.

Expenditure made in April 96: Stores Rs. 35000, Cash Rs.8000 and in May 97: Stores Rs. 15000 Cash : Rs. Nil.

The work commenced in July 95 and completed in May 97.

Surplus stores returned to Depot on completion of work for Rs. 3000. Cost of carriage back of stores to depot Rs. 100.

The line was handed over to Railway Department on 10.06.97.

Rate of divided payable by the Telecom Department to the General Revenue 12% p.a. for all the years. OH: Freight @ 1%, Estt. @ 9% and SKC @ 4%.

**Problem : 6**

A cable work was requisitioned by the Railway Department on 01.04.1997 for their sole use. The cable was supplied by the Railway at their cost at the site of the work.

Expenditure involved: Cash Rs. 15000, Stores Rs. 10000. Cost the cable which was supplied by the Railway Department at departmental rate Rs. 90000.

Surplus stores returned to stock Rs. 1000. OH: Freight @ 3%, Estt. @ 9% and SKC @ 6%.

**Problem : 7**

A State Government Department requested for erection of lines and wires in their premises for their sole use. Expenditure on the work are as follows:

July 97 : Stores issued from Depot : L&W Rs. 10000 A&P Rs. 20000 Cash Expenditure Rs. 4000. Expenditure for handling and distribution Rs. 2000.

January 98 : Cost of erection of line Rs. 3000.

March 98 : Stores issued from depot L&W Rs. 10000 Cost of erection Rs. 2000

August 98 : Surplus stores returned to depot Rs. 1000.

The work was completed in August 98 and handed over on 01.09.08. Rate of interest for the year 1997-98 and 1998-99 @ 10% p.a. OH: Freight @ 2%, Estt L&W @ 9% A&P and Cash @ 10%, SKC @ 5%. Calculate the charges recoverable from the State Government.

**Problem : 8**

A Railway Administration requested the Telecom Department for repair their cable, the supervision and maintenance of which is entrusted to the Telecom Department. The details of repairing work done in Jan 99. Cash Rs. 5000, Stores Rs. 15000, Surplus stores on completion of the work Rs. 2500 and recovered stores sold at site for Rs. 1500. OH : Freight @ 2%, Estt @ 10% and SKC @ 5%. What are the charges to be recoverable?

**Problem : 9**

A State Government wanted a cable line to be erected on rental basis for their sole use. The work was commenced in Nov. 97 and completed in 3/99. The line was handed over to the State Government on 24.04.99.

Value of stores issued from Store Depot on 07.12.97 for Rs. 500000, Cash expenditure in 1/98 Rs. 20000 and in 8/98 Rs. 30000.

Value of surplus stores returned to depot on 01.04.99 Rs. 1000. Sale proceeds of stores which became unserviceable due to handling credited to the Department Rs. 500. Calculate the charges recoverable.

Rate of Interest for all the years @ 10% pa and OH Freight @ 3%, Estt. @ 7% and SKC @ 5%.

**Problem : 10**

In the above problem, is there any difference if the asset is handed over on 14.04.99?

**Problem : 11**

Railway department requested for shifting of a under ground cable in connection with a private siding required by a private concern which was executed in June 98. Calculate the charges recoverable with the following:

Cash Rs. 10000, Stores Rs. 18000, Recovered stores reused in the work Rs. 5000, Surplus stores returned to depot after completion of the work Rs. 1200.

Cost of recovered stores sent to another work Rs. 1500, Recovered stores returned to depot Rs. 2500.

Cost of carriage of recovered stores to another work Rs. 200 and to stock depot Rs. 300.

Cost of carriage of stores received from Stock depot Rs. 1500, Cost of carriage of surplus stores returned to depot Rs. 200.

Sale proceeds of unserviceable stores Rs. 500. Auctioneer's commission on above sale Rs. 50.

Year of construction of the original assets 1987-88.

OH Freight @ 2%, Estt. @ 9% and SKC @ 5%. Residual value Nil, effective life 40 years.

**Problem : 12**

At the request of a State Government Department, a cable line was erected from X to Y by the Telecom Department. Calculate the charges recoverable with interest from the State Government with the following particulars:

1. Work commenced in Oct 96 and completed on 01.04.98
2. The asset was handed over on 02.04.98
3. Details of expenditure :

Month	Cash	Stores	Recoveries
Oct 96	35000	112000	6000
Aug 97	21000	75000	9000

4. Stores became unserviceable due to handling for Rs. 1000 out of stores recovered in Aug 97.

5. Sale proceed of unserviceable stores Rs. 600.

6. OH : 96-97 : Freight @ 1%, Estt. @ 10% and SKC @ 5%. For 97-98: Freight @ 2%, Estt. @ 11% and SKC @ 5%

7. Rate of interest 96-98 : @ 10% pa and 97-98 @ 12% pa.

**Problem : 13**

A work was requisitioned by a Government Department for their sole use. Accordingly an estimated was prepared in Jan 98 involving Cash Rs. 30000 and

Stores Rs. 50000. On receipt of the estimate they desired some substantial changes. As such fresh estimate was prepared with cash Rs. 50000 and Stores Rs. 85000 and quoted to them along with estimating fee for the 1<sup>st</sup> estimate.

But the Government Department changed their mind and accepted the 1<sup>st</sup> estimate and ordered to execute the work.

The work was completed in Feb 98 and handed over to the Department. The actual expenditure as per verified completion report is as follows:

Cash Rs. 35000, Stores Rs. 45000, Surplus stores returned to depot Rs. 1000, Cost of carriage back of stores to depot Rs. 100.

Prepared a bill for the amount which is to be recovered from the Government Department.

OH: Freight @ 2%, SKC @ 5% and Estt. @ 11% pa.

Solution : 1

SI No	Particulars	L&W	A&P
1	Cash	5000	12000
2	Stores	28000	45000
3	Freight 2% on Gross Stores	560	900
4	Total	33560	57900
5	Estt. @ 10% & 7% on above	3356	4053
6	SKC @ 5% on Gross Stores	1400	2250
7	Surcharges @ 10% on Gross Stores + SKC	2940	4725
8	Total Cost	41256	68928
9	Adhoc Increase @ 15%	6188.40	10339.20
10	Total	47444.40	79267.20

Total Cost (Rs. 47444.40+Rs. 79267.20) Rs. 126711.60 Say Rs. 126712.00

Estimating Fee = 2% of Rs. 126712.00 ie., Rs. 2534.24 Say Rs. 2534.00

[Para 152 of P&T Manual Vol. X]

Solution : 2

SI No	Particulars	L&W	A&P
1	Cash	5000	15000
2	Stores	30000	48000
3	Freight 2% on Gross Stores	600	360
4	Total	36600	63960
5	Estt. @ 10% & 7% on above	3660	4477.20
6	SKC @ 5% on Gross Stores	1500	2400
7	Surcharges @ 10% on Gross Stores + SKC	3150	5040
8	Total Cost	44920	75877.20

9	Adhoc Increase @ 15%	6736.50	11381.58
10	Total	51646.50	87258.78

Total Cost (Rs. 51646.50+Rs. 87258.78) Rs. 138905.28 Say Rs. 138905.00

Party should be instructed to deposit the amount to carry out the work.

[Para 152 of P&T Manual Vol. X]

Solution : 3

SI No	Particulars	L&W	A&P
1	Gross Stores	30000.00	48000.00
2	Freight on Gross Stores @ 2%	600.00	960.00
3	Total	30600.00	40960.00
4	Estt @ 10% and 7% on above	3060.00	3427.20
5	SKC @ 5% on Gross stores	1500.00	2400.00
6	Surcharge @ 10% on Gross Stores + SKC	3150.00	5040.00
7	Total	38310.00	59827.20
8	Adhoc increase 15% on above	5746.50	6974.08
9	Total	44056.50	68801.28
10	Cash	5500.00	13500.00
11	Estt @ 10% and 7%	550.00	945.00
12	Total	50106.50	83246.28
13	Deduct: Value of Surplus Stores	1500.00	2700.00
14	Total	48606.50	80546.28
15	Add: Value of u/s Store minus sale proceed	125.00	175.00
16	Total	48731.50	80721.28
17	Total cost of the asset		129452.78
18	Deduct : Amount deposited (138905+2534)		141439.00
19	Net amount refundable		11986.22
	Say		11986.00

[Para 152 of P&T Manual Vol. X]

Solution : 4

SI No	Particulars	May 95	July 96	May 97
1	Stores	200000.00	20000.00	
2	Freight @ 2%	4000.00	400.00	
3	Total	204000.00	20400.00	
4	Estt. @ 9%	18360.00	1836.00	
5	SKC @ 5%	10000.00	1000.00	
6	Surcharge @ 10%	21000.00	2100.00	

7	Total	253360.00	25336.00	
8	Adhoc Increase 15%	38004.00	3800.40	
9	Cash	30000.00	10000.00	100.00
10	Estt @ 9%	2700.00	900.00	9.00
11	Total Say	324064.00	40036.40 40036.00	109.00
12	Deduct : Amount deposited	(-) 250000.00		
13	Deduct : Surplus Stores			(-) 6000.00
14	Capital Cost	74064.00	40036.00	(-) 5891.00

Calculation of interest on unadjusted capital outlay:

May 95 :  $(0+74064)/2 \times 10/100 \times 1/12 = \text{Rs. } 308.60$

June 95 to March 96 :  $(74064+74064)/2 \times 10/100 \times 10/12 = \text{Rs. } 6172.00$

Total for the FY 95-96 : Rs. 6480.60 Say 6481.00

April 96 to May 96 :  $(74064+74064)/2 \times 10/100 \times 2/12 = \text{Rs. } 1234.40$

June 96 to Mar 97 :  $(74064+114100)/2 \times 10/12 \times 10/100 = \text{Rs. } 7840.16$

Total for the FY 96-97 : Rs. 9074.56 Say Rs. 9075.00

Total Interest = Rs. 15556.00

Total amount recoverable = Rs. 74064+40036 + 15556 – 5891 = Rs. 123765.00

[Para 152 of P&T Manual Vol. X]

Note: As it is a private party, no interest will be charged for the year of completion as the amount has been paid within the financial year.

Solution : 5

As it is a departmental property only, interest will be charged from the Railway Department as per Para 209 of P&T Manual Vol. X during the construction period.

Therefore, the capital cost during the construction period:

Sl No	Particulars	July 95	April 96	May 97
1	Cash	5000.00	8000.00	100.00
2	Stores	50000.00	35000.00	15000.00
3	Freight @ 1% on Stores	500.00	350.00	150.00
4	Total	55500.00	43350.00	15250.00
5	Estt. @ 9%	4995.00	3901.50	1372.50
6	SKC @ 4% on Stores	2000.00	1400.00	600.00
7	Total	62495.00	48651.50	17222.50

8	Deduct: Surplus stores returned			3000.00
9	Capital Cost	62495.00	48651.50	14222.50
	Say	62495.00	48652.00	14223.00

Calculation of Interest during construction period from July 1995 to May 1997:

Interest for July 95 :  $(0+62495)2x1/12x12/100$  = Rs. 312.48

Interest for Aug 95 to Mar 96 :  $(62495+62495)/2x8/12x12/100$  = Rs. 4999.60

Total Interest for the year 1995 -96 : Rs. 5312.08 Say Rs. 5312.00

Interest for April 96 :  $(62495+62495+48652)/2x1/12x12/100$  = Rs. 868.21

Interest for May 96 to Mar 97:  $(111147+111147)/2x11/12x12/100$  = Rs.12226.17

Total interest for the year 1996-97 : Rs.13094.38 Say Rs. 13094.00

Interest for April 97 :  $(111147+111147)/2x1/12x12/100$  = Rs. 1111.47

Interest for May 97 :  $(111147+111147+14223)/2x1/12x12/100$  = Rs. 1182.59

Total Interest for the year 1997-98 : Rs. 2294.06 Say Rs. 2294.00

Total interest on capital outlay = Rs. 20700.00

Therefore an amount of Rs. 20700.00 only is recoverable from Railway Department.

[Note: As the line was handed over on 10.06.97, rent will be recoverable w.e.f. 01.06.97 as per Para 434 of P&T Manual Vol. X. Hence no interest is calculated for June 97]

Solution : 6

It is presumed that the cost of the work will be recovered from Railway Department and therefore it will be treated as Contribution Work.

SI No.	Particulars	Amount
1	Stores	10000.00
2	Freight @ 3% on 10000	300.00
3	Estt. @ 9% on 100000+300	9027.00
4	SKC @ 6% on 10000	600.00
5	Total	19927.00
6	Adhoc Increase @ 15%	2989.05
7	Total	22916.05
8	Cash	15000.00
9	Estt. @ 9%	1350.00
10	Total	39266.05

11	Deduct: Surplus Stores returned to stock	1000.00
12	Total amount recoverable from Railway	38266.05 38266.00
	Say	

[Para 152 of P&T Manual Vol. X read with Rule 64 of FHB Vol. III Part I]

Note: 1. Interest on capital outlay is to be calculated but not calculated due to non-availability of monthwise data.

2. No surcharge will be levied to Railway Department.

Solution : 7

It is a contribution work and will be calculated as per Para 152 of P&T Manual Vol. X read with Rule 49 of FHB Vol. III Part II.

Particulars	July 1997		January 98	March 98	August 98
	L&W	A&P			
Stores	10000.00	20000.00		10000.00	
Freight @ 2%	200.00	400.00		200.00	
Total	10200.00	20400.00		10200.00	
Estt. 9% & 10%	918.00	2040.00		918.00	
SKC @ 5%	500.00	1000.00		500.00	
Surcharge @ 10%	1050.00	2100.00		1050.00	
Total	12668.00	25540.00		12668.00	
Adhoc Increase @ 15%	1900.20	3831.00		1900.20	
Total	14568.20	29371.00		14568.20	

Total Stores 43939.20

Cash	6000.00	3000.00	2000.00	
Estt, @ 10%	600.00	300.00	200.00	
Total Capital Cost	50539.20	3300.00	16768.20	
Deduct: Surplus stores rtd.				-1000.00
Net Capital Cost	50539.00	3300.00	16768.00	-1000.00
Say				

Interest on unadjusted capital outlay is to be calculated from July 97 to Aug 98:

Interest for July 97 :  $(0+50539)/2 \times 1/12 \times 10/100$  : Rs. 210.58

Interest for Aug 97 to Dec 97 :  $(50539+50539)/2 \times 5/12 \times 10/100$  : Rs. 2105.70

Interest for Jan 98 :  $(50539+50539+3300)/2 \times 1/12 \times 10/100$  : Rs. 434.90

Interest for Feb 98 :  $(53839+53839)/2 \times 1/12 \times 10/100$  : Rs. 448.66  
Interest for Mar 98 :  $(53839+53839+16768)/2 \times 1/12 \times 10/100$  : Rs. 518.53  
Total Interest for 1997-98 : Rs. 3718.46 Say Rs. 3718  
Interest for Apr 98 to July 98:  $(70607+70607)/2 \times 4/12 \times 10/100$  : Rs. 2353.56  
Interest for Aug 98 :  $(70607+70607-1000)/2 \times 1/12 \times 10/100$  : Rs. 584.23  
Interest for 1998-99 : Rs. 2937.79 Say Rs. 2938  
Total amount recoverable :  $(50539+3300+16768-1000+3718+2938)$  : Rs. 76263.00

Solution : 8

Recoveries are to be made in accordance with Para 214 of P&T Manual Vol. X read with Rule 64 of FHB Vol. III Part I and Rule 49 of FHB Vol. III Part II.

SI No.	Particulars	Amount
1	Stores	15000.00
2	Freight @ 2%	300.00
3	Total	15300.00
4	Estt. @ 10%	1530.00
5	Store keeping charges @ 5%	750.00
6	Surcharge -- Exempted	0.00
7	Total	17580.00
8	Adhoc Increase @ 15%	2637.00
9	Total	20217.00
10	Cash	5000.00
11	Estt. @ 10%	500.00
12	Total	25717.00
13	Deduct: (i) Surplus Stores 2500 (ii) Sale of cable 1500	4000.00
14	Net amount recoverable	21717.00

Solution : 9

It is not a contribution work but however, interest only to be calculated as per Para 209 of P&T Manual Vol. X.

SI No	Particulars	Dec 97	Jan 98	Aug 98
1	Stores	500000.00		

2	Freight @ 3%	15000.00		
3	Total	515000.00		
4	Estt @ 7%	36050.00		
5	Store keeping charges @ 5%	25000.00		
6	Total	576050.00		
7	Cash		20000.00	30000.00
8	Estt. @ 7%		1400.00	2100.00
9	Total Capital Cost	576050.00	21400.00	32100.00

Calculation of Interest from Dec 97 to Apr 99 (Since the line was handed over on 24.04.99 and therefore, the rent is chargeable only from 01.05.99 and hence, interest is recoverable up to 30.04.99)

Interest for Dec 97 :  $(0+576050)/2 \times 1/12 \times 10/100 = \text{Rs. } 2400.21$

Interest for Jan 98 :  $(576050+576050+21400)/2 \times 1/12 \times 10/100 = \text{Rs. } 4889.50$

Interest for Feb 98 to Mar 98 :  $(597450+597450)/2 \times 2/12 \times 10/100 = \text{Rs. } 9957.50$

Total Interest for 1997-98 : Rs. 17247.29 Say Rs. 17247

Interest for Apr 98 to Mar 99 :  $(597450+597450)/2 \times 10/100 = \text{Rs. } 61310.00$

Total Interest for 1998-99 : Rs.61310.00 Say Rs.61310

Interest for Apr 99 :  $(597450+597450+32100)/2 \times 1/12 \times 10/100 = \text{Rs. } 5240.00$

Total Interest for 1999-2000 Rs. 5240.00 Say Rs. 6240

Total Interest recoverable from State Government : Rs. 83837.00

Solution : 10

If the asset is handed over on or before 15<sup>th</sup> of the month rent will be calculated from the 1<sup>st</sup> day of that month. So interest will be recovered upto March 99 instead of April 99 and the amount of interest will be Rs. 78597.

Solution : 11

Since it is a private party and other than owner of the property, it will be calculated like contribution work vide Para 152 read with Para 155 A of P&T Manual Vol. X.

Charges recoverable from the manufacturing company:

1	Stores	18000.00
2	Freight @ 2%	360.00

3	Total	18360.00
4	Estt. @ 9%	1652.40
5	SKC @ 5%	900.00
6	Total	20912.40
7	Adhoc increase 15%	3136.86
8	Cash (10000+300+200+50)	10550.00
9	Estt. @ 9%	949.50
10	Total	35548.76
11	Deduct value of stores returned to stock, another work and sale of unserviceable stores (1200+2500+1500+500)	5700.00
12	Net amount recoverable	29848.76

Say Rs. 29849.00

[Para 152 of P&T Manual Vol. X]

Note: Cost of carriage of stores issued and transfer to another work will not be taken into account as the amount is borne by the Department. And this is a shifting work, so no surcharge is imposed.

Solution : 12

As the asset is handed over to the State Government which will be owner of the asset so it will be treated as a Contribution work as per Rule 64 of FHB Vol. III Part I. Therefore, calculation has been done as per Para 152 of P&T Man Vol. X read with Rule 49 of FHB Vol. III Part II.

SI No	Particulars	Oct 96	Aug 97
1	Gross stores	112000.00	75000.00
2	Freight	1120.00	1500.00
3	Total	113120.00	76500.00
4	Estt	11312.00	6415.00
5	Store keeping charges	5600.00	3750.00
6	Surcharge @ 10%	11760.00	7875.00
7	Total	141792.00	96540.00
8	Adhoc Increase @ 15%	21268.80	14481.00
9	Cash	35000.00	21000.00
10	Estt	3500.00	2310.00
11	Total	201560.80	134331.00
12	Deduct : Rec. Stores	6000.00	8000.00
	U/s Stores Sold	0.00	600.00
13	Net capital cost	195560.80	125731.00
	Say	195561.00	125731.00

Calculation of interest on unadjusted capital outlay from Oct 96 to Mar 98:

Interest for Oct 96 :  $(0+195561)/2 \times 1/12 \times 10/100$  = Rs. 814.84

Interest for Nov 96 to Mar 97 :  $(195561+195561)/2 \times 5/12 \times 10/100$  = Rs. 8148.37

Interest for 1996-97 : Rs. 8963.21 Say Rs. 8963.00

Interest for Apr 97 to July 97 :  $(195561+195561)/2 \times 4/12 \times 12/100$  = Rs. 7822.44

Interest for Aug 07 :  $(195561+195561+125731)/2 \times 1/12 \times 12/100$  = Rs. 2584.27

Interest for Sep 97 to Mar 98 :  $(321292+321292)/2 \times 7/12 \times 12/100$  = Rs. 22490.44

Total interest for 1997-98 :Rs.32897.15 Say Rs. 32897.00

Total Interest = Rs. 41860.00

Total amount recoverable from State Government : Rs. 195561+125731+41860 = Rs. 363152.00

Solution : 13

The Government Department should pay the cost of the work executed as well as the estimating fee for preparation of the 2<sup>nd</sup> estimate.

Preparation of capital bill for work done as per Para 152 of P&T Manual Vol X r/w Rule 49 of FHB Vol III Part II.

SI No.	Particulars	Amount
1	Gross Stores	45000.00
2	Freight @ 2%	900.00
3	Total	45900.00
4	Estt. @ 11%	5040.00
5	SKC @ 5%	2250.00
6	Surcharge @ 10%	4725.00
7	Total cost	57924.00
8	Adhoc Increase @ 15%	8688.60
9	Total	66612.60
10	Cash	35000.00
11	Estt @ 11%	3850.00
12	Total	105462.60
13	Less: Surplus Stores	1000.00
14	Net Cost	104462.60
		Say
		104463.00

Calculation of Capital cost of 2<sup>nd</sup> Estimate under Para 152 of P&T Manual Vol. X to ascertain estimating fee:

SI No.	Particulars	Amount
--------	-------------	--------

1	Cash	50000.00
2	Stores	85000.00
2	Freight @ 2%	1700.00
3	Total	136700.00
4	Estt. @ 11%	15037.00
5	SKC @ 5%	4250.00
6	Surcharge @ 10%	8925.00
7	Total cost	164912.00
8	Adhoc Increase @ 15%	24736.80
9	Total	189648.80

Say 189649.00

Estimating fee vide Para 160 of P&T Manual Vol. X Part II : 2% of 189649 = Rs. 3793.00

Total amount recoverable = Rs. 104463 + Rs. 3793 = Rs. 108256

Note : 1. As the cash expenditure has been taken from the completion report, it includes cost of carriage back of stores to depot. So it has not been taken separately.

2. As the work was completed within the month, no interest for construction period has been taken.

#### X. ADDITIONAL COMMENTS:

1. On 01.01.98, 20 Kms Iron wire was erected for the use of Railway Department. But it was not included in the bill which was prepared for the period ending 31.03.98 due to non-receipt of accepted advice note.
2. The cost of air cooler installed in a departmental building will be treated as Contingent Expenditure or even debited to the head of Buildings by being treated as part of electric installation pending upon the circumstances of the case. What are the circumstances?
3. Expenditure of Rs. 2000 was incurred on the construction of a temporary store shed during the execution of a project was charged to 3225 – working expenses.
4. Rs. 4000 realised by sale proceeds of materials recovered while dismantling an old structure in a plot of land purchased in connection with construction of a Telephone Exchange building is credited under Misc. Revenue Receipts by AO.
5. A sum of Rs. 50 being unpaid MO paid to a labour relating to a bill already included in the imprest account appeared as an item of receipts in the works expenditure account of SDE X.
6. V Division executed a work requisitioned by a Semi Government Department and debited the cost of the work to Misc Telecom Advances.
7. A SDE paid temporary advance to his JTO for Rs. 500 and submitted a report to the DE simultaneously explaining the circumstances which necessitated the

advance. Objection is however raised by the local audit party that prior approval of the DE should have been obtained.

8. After the completion report of a work had been verified by the audit office, it was noticed that a sum of Rs. 80 creditable to the work had been credited to another work.

9. An imprest bill of a SDE was fully recouped by the TDE but an objection was raised in the imprest bill of a JTO for Rs. 100 which was disallowed. This imprest bill was included in the SDE's imprest account. TDE ordered to recover the amount from the JTO.

10. At the time of preparing estimate for construction of a Telecom line an estimate includes the freight charges of stores from store depot to the railway station of the site and for return of surplus stores from work spot to the depot.

11. A 30 Kms copper wire was constructed and handed over to railway department on rental basis. Before the expiry of assumed life of the asset the railway administration surrendered the line. It was decided by the Telecom Department that the relinquished asset would be utilized by them and the railway administration was asked to pay compensation for premature surrender of the line.

12. A Telegraph line which was outside the property of a private party, instead of asking the department to shift the line, the private party had the line removed, uprooted and intentionally damaged. The department intends to launch proceedings against the party.

13. At the request of canal authorities copper wire leased to them in 1990 was replaced by ACSR wire in 1996. The department recovered actual expenditure incurred on the replacement as the rental rate for copper and ACSR wires were the same and as there was no change in wire mileage.

14. The sanctioned cost of a work was Rs. 450,000 but the actual expenditure was Rs. 455,000. The DE submitted compliance report of the work without obtaining revised sanction of the Head of the Circle who had sanctioned the original estimate on the ground that the excess was less than 10% of the sanctioned amount and were within his power of sanction.

15. Residential quarters in a P&T colony were damaged during the Army Exercises. The head of the circle claimed damages amounting to Rs. 15000 from the defence department.

16. On completion of a contribution work undertaken at the request of the railway department the total capital outlay on the work was recovered from them in November 1996. In April 1997, it came to notice that stores valuing Rs. 50000 utilized on the work had not been included in arriving at the total capital outlay. The DE asked the railway department to pay the amount along with interest by preparing a supplementary bill.

17. A contribution work of lines and wires was taken up after obtaining a deposit of Rs. 120000 and an estimating fee based on the same. The work was completed on the following year of the year of acceptance and the actual cost gone up to Rs. 130000 due to increase of labour rate. The party refused to pay the difference on

the plea that the increase was exorbitant. The divisional officer referred the matter to the head of the circle.

18. What do you mean by Price Variance customs duty?

19. An Accounts Officer made advance payments to a supplier of stores for supplies made to a outstation retail store depot of other accounting jurisdiction and recorded the amount in the Register of Advance payment to contractor.

20. Recoveries from a contractor's was shown in the receipt side of a cash book.

21. In Engineering Division double entry accounting system are maintained.

22. The cost accounting branch in each of the factories consists of three sections. What are they?

23. Element of cost comprises three types of expenditure. Indicate these.

24. No overhead was charged on a work which was done on experimental basis.

25. After closure of a work order some errors were noticed. It was opened with the prior permission of the Manager Telecom Factory for rectification.

26. A sanctioned bill was placed before a disbursing officer for payment. But he denied to make the payment on the plea that the bill was not prepared in prescribed form.

27. What action will be taken by a disbursing officer in case an arithmetical mistake or minor doubtful items are noticed in sanctioned bills?

28. For taking several payments the payee submitted a single receipt duly affixing Revenue stamp as acknowledgement of payment. But the cashier asked him to sign all the bills relating to payment.

29. Some records against which audit objections were pending were destroyed by the authority on expiry of preservation period.

30. A head of the circle sanctioned a refund of Rs. 50 on 10.01.99 in favour of a person in connection with collection of Telegram charges. The payee produced the refund memo on 12.06.99 before the Postmaster who expressed his inability to make the payment.

31. Late fee collected on Telegrams booked during closed hours was paid to the concerned official on the date of collection by the authority.

32. Departmental property was damaged by a unit of Chief Military Engineer during the construction of a bridge. The accounts officer preferred a claim of Rs. 10000 for damages to CME office.

33. TDE agrees to loan 100 meters of cable beyond three months to Chief Engineer State Electricity Board.

34. A contractor applied for an extract of his ledger account but the DE did not agree for want of such provision.

35. The competent authority sanctioned a refund of Rs. 25 collected on telegrams to Mr A on 10.08.98 payable at Mumbai Head office. Mr A presented his copy of the refund order to the Postmaster, Mumbai on 01.01.90 for payment but the Postmaster expressed his inability to make payment.

36. An imprest holder of Rs. 100 died. The disbursing officer recommended to write off the amount for adjustment of imprest in his cash book.

37. Mr. X Line Inspector reported that he has lost the imprest amount of Rs. 300. The authority written off the amount of imprest.
38. A TDE undertakes the shifting of telephone lines free of cost when EE of State Electricity Board request him to do so.
39. An amount of Rs. 600 was received by a SDOT as charges for carrying out a shift and included in the ACE 2 Account on receipt side.
40. A SDO is able to find labour at Rs. 15 per day in his town. The rate approved by the DE for that town is however Rs. 17 per day. The SDO therefore pays labour at the rate of Rs. 17 per day.
41. A departmental work was sanctioned for Rs. 60000 by the head of the circle. The total expenditure for this work was Rs. 62000. The DE did not obtain revised sanction of the head of the circle and submitted the completion report of the work.
42. A work was sanctioned by Government in Feb 92 at an estimated cost of Rs. 5 Crore was not commenced till April 97. The work commenced in May 07 and actual expenditure booked under the estimate during the month was to the tune of Rs. 350 lakhs. In reply to an audit objection, it was stated that cancellation of the previous and issue of fresh sanction was not necessary because the expenditure has not exceeded the 10% of the original estimate.
43. A work was sanctioned by Head of the circle on 8<sup>th</sup> February 1997. On 14<sup>th</sup> April 1997 it was known that some components of the work were not taken into account while sanctioning the work. The inclusion of extra works required sanction of an authority higher than that of Head of Circle.
44. What would be the criteria for determining the authority to sanction a reconstruction work?
45. In anticipation of sanction of a project estimate by the Chairman, some expenditure was incurred. The project estimate was not approved by the Chairman. Who is the competent authority to cancel the project estimate?
46. A TDE found certain line stores remaining surplus stock in his division. He considered that the line stores were not worth repairing and ordered that the stores should be despatched to the stores depot.
47. An amount of Rs. 1200 was received by SDOT as charge for carrying out a shift and he included the amount in his ACE 2 Account on receipt side.
48. A Government servant was entrusted with fixed imprest. He was asked to maintain a cash book.
49. A claim of refund of excess paid by Shri T on telegram transmitted on 14.01.96 was made on 30.01.96. The amount was refunded by the head of the office who is a gazette officer.

#### **SOLUTIONS:**

1. As the six months's period after the erection of the line has not been lapsed the action of the billing authority is absolutely correct as per Rule 277 of FHB Vol. III Part I.

2. Water, Sanitary and electrical installations including fittings, laid at the time of construction of building should be treated as part of the building. If these are installed after construction will be treated as contingent expenditure as per Note 3 under Rule 51 of FHB Vol. III Part I.
3. Expenditure should be booked under 5225 – Capital Outlay as per Note 1 under Rule 51 of FHB Vol. III Part I. So action is not in order.
4. Sale proceeds from old structure or trees etc which stand on plot of land are required to be removed prior to constructions will not be treated as revenue receipts. It will be credited in the account as a reduction in the cost of land as per Note 2 (i) under Rule 58 of FHB Vol. III Part I. So action of the AO is not correct.
5. It should be shown in the imprest account as deduction from expenditure instead of showing receipt in the account as per Rule 181 of FHB Vol. III Part I.
6. It will be debited to the head Deposit under 8447 as the amount deposited by the party previously was credited in this head as per Rule 65 of FHB Vol. III Part I. So action is not in order.
7. Action of the SDE is absolutely correct as per Rule 123 of FHB Vol. III Part I. So objection raised by the audit party is irregular.
8. If any error or omission in the recorded expenditure came to light after its accounts have been closed the following procedure should be followed as per Rule 208 FHB Vol. III Part I. Therefore, if the amount involved is not more than Rs. 100 it will be sufficient to make a note of the error or omission in the relevant documents under intimation to the circle accountant.
9. When the officer-in-charge has objected to any item of a subordinate's bill passed by an officer, he should take immediate measure to recover the amount as per Rule 129 of FHB Vol. III Part I.
10. Freight charges on stores from depot to railway station will be borne by the CTS and should not be provided under Freight in the body of the estimate as per Para 184 of P&T Manual Vol. X.
11. Compensation is required to be paid if the department is unable to utilize the relinquished asset otherwise as per Para 255 of P&T Manual Vol. X. So action of the authority is not correct.
12. When departmental property is damaged by outsiders compensation, if due under the provisions of the ITR or otherwise, should be recovered from the party concerned through court of Law as per Para 267 of P&T Manual Vol. X. So action of the authority is absolutely right.
13. If a work is commenced within 5 years but not completed within 5 years, fresh sanction of the authority is not necessary as per Para 150 P&T Manual Vol. X. So objection of the inspecting officer is not justified.
14. Whenever canal administration ask for the replacement of an existing wire by a wire of different range or metal, such demand should for the purpose of recovery of charges be treated as surrender of the existing wire and erection of a new and compensation for the surrender of existing wire as per Para 255 of P&T

Manual Vol. X. So charging of actual expenditure incurred on replacement is not in order vide Para 206 © of P&T Manual Vol. X.

15. In such cases, compensation under Para 267 of P&T Manual Vol. X should be worked out and the matter of recovery of the same from the defence department should be referred by the head of the circle to Chairman for orders of written off vide exception under Rule 267 of P&T Manual Vol. X.

16. The action of the DE is absolutely correct as per Note under Para 209 of P&T Manual Vol. X.

17. In accordance with Sub para (ii) of Para 152 of P&T Manual Vol. X, the party would have been informed of the condition when the estimated cost was quoted to the party, that all reasonable excess over the estimated rate due to rise in cost of labour or materials etc would be recoverable from the party. So the party's attention should have been drawn to the above condition with request to pay the excess instead of referring the matter to the head of the circle.

18. The standard rate of imported stores include cost of stores plus customs duty, freight and other charges on percentage basis. The difference between the actual payment on account of custom duty, freight and other charges and the amount taken under these heads on percentage basis is taken to the head prive variance custom duty as per Rule 26 of FHB Vol. III Part II.

19. AO is authorized to make such payment and after payment ATD should be raised to the concerned accounting unit. But this amount should not be recorded in Advance Register vide Note 2 under Rule 125 of FHB Vol. III Part II.

20. Recoveries from the contractor's bill will not be shown in the receipt side of the cash book but it should be incorporated in the accounts through journal slip vide Para 3.48 of Telecom Accounts Manual Vol. I.

21. Double entry accounting system are maintained in the engineering division as Para 3.51 of of Telecom Accounts Manual Vol. I.

22. The three sections are (i) Store accounting; (ii) Cost accounting and (iii) Cost control vide Rule 1.10 of FHB Vol. III Part III.

23. As per Rule 1.11 of FHB Vol. III Part III, the elements of cost are (i) Direct material; (ii) Director labour and (iii) Overhead charges.

24. As per Note 2 under Rule 2.4.2 of FHB Vol. III Part III, overhead percentage will require to be charged at prescribed rate. So action of the authority is irregular.

25. For rectification of any expenditure recorded in the work order which has already been closed prior permission of the Manager Telecom Factory is necessary as per Note under Rule 7.6. of FHB Vol. III Part III. So action is correct.

26. A disbursing officer has every right not to make payment of a bill it is not submitted in prescribed form as per Note 2 under Rule 16 of FHB Vol. I. So action is in order.

27. When bills presented for payment contain arithmetical mistakes or any doubtful items which can easily be eliminated, the disbursing officer should make necessary correction or disallowing the doubtful items before making payment under the intimation to Drawing officer as per Rule 17 of FHB Vol. I.

28. The action of the cashier is not correct as per Note 2 under Rule 43 of FHB Vol. I which stipulates that a single receipt given by a payee in acknowledgement of several payments made to him in one occasion. In such cases, a note all the vouchers should be made by the cashier.
29. Records against which audit objections are pending should not be destroyed till final settlement of the objections as per Note below Rule 60 of FHB Vol. I. So action is irregular and will be viewed seriously.
30. Period of currency of the refund order 3 months following month after the issue of sanction of refund as per Rule 156 (b) of FHB Vol IV and the currency of sanction in this case has already been over, the action of the Postmaster is regular.
31. Action of the authority is not correct as per Rule 168 of FHB Vol. IV. It should be paid at the end of the month after deducting necessary income tax, if any.
32. Action of the AO is not in order as the matter is required to be referred to Head quarters vide exception under Para 267 of P&T Manual Vol. X.
33. Action of the TDE is not in order as this should be sanctioned by the Chairman vide Rule 56 of FHB Vol. III Part II.
34. As per Rule 189 of FHB Vol. III Part I, copy of the ledger account should be supplied to the contractors if they desire. So action of the DE is absolutely wrong.
35. Refund will be made to Mr. A by the Postmaster as per Rule 156 of FHB Vol IV. So action is not in order.
36. If an imprest holder dies, the amount of the imprest outstanding against him if it is not adjusted in the month's account due for closing after his death should be shown in the cash book by debit to Advance Recoverable under 8554 DAOA for subsequent recovery vide note under Rule 106 of FHB Vol. II Part I. So action of the disbursing officer is not correct.
37. Action of the authority is not in order. First it will be charged in the suspense head and thereafter it can be written off under the order of the competent authority vide Rule 53 to 55 55 of FHB Vol. I.
38. Charges are to be recovered as per Para 155 (2) of P&T Manual Vol. X.
39. It is a receipt of the department and as per Rule 130 of FHB Vol. III Part I, receipt should not appear in any imprest account. It should be sent to DE office direct. So action is not regular.
40. If the local market rates are lower than the minimum wages prescribed by the Government, the Government will pay the minimum wages as prescribed as per note 5 under Para 195 (6) of P&T Manual Vol. X. So action of the SDE is correct.
41. There is no necessity for taking revised sanction as the amount does not exceed 10% of the sanctioned amount as per Para 217 of P&T Manual Vol. X. So action of the DE is in order.
42. As per Para 150 of P&T Manual Vol. X: Currency of sanction is 5 years from the date of sanction. As the work was commenced after five years, fresh sanction should have be obtained. However, if the work has commenced before 5 years

but not completed within 5 years and expenditure has not exceeded 10% or Rs. 1 lakh whichever is less, fresh sanction is not necessary.

43. As the introduction of extra work results in the entire project requiring the sanction of an authority higher than that which has already sanctioned it. In this case all previous sanction will be cancelled and the whole project will be put up for denovo to the higher authority as per Para 137 of P&T Manual Vol. X.

44. For determining the authority to sanction a reconstruction work, the estimated cost will be calculated in the following manner as Rule 73 and 74 of FHB Vol. III Part I: (i) Cost of dismantlement of the existing asset and carriage back of stores; (ii) Depreciated value, if any, of the existing asset; (iii) deduct sale proceeds of unserviceable stores and value of recovered stores sent to stock/another work. And (iv) Value of the reconstructed assets.

45. In the event of cancellation of a work the estimate for which remains unsanctioned but some expenditure has already been incurred, the sanction of that authority who would have sanctioned the work had it not been cancelled as per Note 2 of Para 143 of P&T Manual Vol. X. In the instant case Chairman should cancel the estimate to regularize the expenditure.

46. As it is considered that the line stores are not worth for repairing it should be declared as unserviceable by DE. The unserviceable line except copper wire should be sold at the site to best advantage as per Para 141 and 144 (a) of P&T Manual Vol. X. So action of the DE is not regular.

47. As it is telecom receipt it should be sent to the Divisional office separately as per Rule 130 of FHB Vol. III Part I. So action is not in order.

48. Imprest allowed an employee is recorded in the divisional cash book as per Rule 106 of FHB Vol. III Part I. Imprest holder will maintain his account in Form ACE 2 only and should be submitted to the DO at least once in a week for incorporation his expenditure in the DO Cash Book as per Rule 116 of FHB Vol. III Part I.

49. If the head of the office holds the gazette posts he may sanction the refund where the claim is received within 45 days of the booking of telegram. So action is regular as per Rule 149 of FHB Vol. IV.

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## **XI. ADDITIONAL PROBLEMS ON CONTRACTOR'S LEDGER**

### **Problem : 1**

Post the contractor's ledger for the month of September 2008 from the following particulars:

1. Opening balance of 3<sup>rd</sup> and Final Bill Rs. 50000
2. IT @ 2% and SD 10% recoverable on every bill.
3. Advance paid during September 2008 75% on the value of material Rs. 100,000 brought to site
4. Work done on 3<sup>rd</sup> and Final Bill:
  - a) Plastering work 12000 cft @ Rs. 20 per cft.
  - b) Iron work 20000 cft @ Rs. 10 per cft.
  - c) White washing and painting 25000 sft @ Rs. 50 per sft.
5. Cut imposed Rs. 2 per cft on plastering for bad work.
6. Water charges Rs. 10000 and electricity charges Rs. 20000 are to be recovered from contractor.

### **Problem : 2**

Post the contractor's ledger for the month of March 93 from the following particulars:

1. SD recovery will be 5% of every payment.
2. OB of 3<sup>rd</sup> and Final bill Rs. 1000.
3. Advance paid on 4.3.93 on 75% of the value of bricks with Rs. 9000 brought to site.
4. Work done as per the 3<sup>rd</sup> and Final Bill dated 24.03.93:
  - a) Brick work in Line 12000 cft @ Rs. 90 per 100 cft.
  - b) Brick work in cement 8000 cft @ Rs. 105 per 100 cft.
  - c) Iron work 3000 cft @ Rs. 15 per 10 cft.
  - d) Plastering with cement 800 cft @ Rs. 25 per Sft.
  - e) White washing 8000 sft @ Rs. 8 per sft.
5. Cut imposed by DET for bad plastering @ Rs. 175 and water and electricity charges consumed by the contractor Rs. 230 are to be recovered.
6. Penalty Rs. 100 was imposed for delay in execution of the work in the final bill.
7. IT recoverable @ 2% on every payment.
8. Measurement Book shows plastering area 8000 Sft.

### **Problem : 3**

Post the contractor's ledger for ABC & CO in respect of construction of administrative building for the month of June 2008 from the following particulars:

1. SD 10% and IT 2%
2. First bill claimed for work done @ departmental rate Rs. 50000.
3. Work done as per 2<sup>nd</sup> Running bill passed on 30.06.08 and cheque issued:
  - a) Earth work 2000 cft @ Rs. 100 per 100 cft.
  - b) Masonary work 5000 cft @ Rs. 200 per 100 cft.

- c) Plastering work 6000 sft @ Rs. 10 per sft.
- d) Wood work 1000 sft @ Rs. 50 per sft.
- 4. The rates quoted are accepted 10% above the departmental rates in every bill.
- 5. 10.06.08: 300 bags of cement supplied against 200 bags provided in the contract agreement book value being Rs. 150 against market value of Rs. 200.
- 6. Cut imposed on this bill 5% for bad workmanship in plastering work.
- 7. Water charges 1% on earth and masonry work. Advance of Rs. 20000 paid on 20.06.08 for materials brought to site.
- 8. Fine delayed completion of work Rs. 5000 imposed in this bill.

**Problem : 4**

Post the contractor ledger for Mr. A from the following for May 95:

- 1. SD 10%    2. IT 2%
- 3. First bill claim for work done on schedule rate Rs. 20000
- 4. Work done as per the 2<sup>nd</sup> Running Bill passed on 31.05.95 and cheque issued.
  - a) Earth work 1000 cft @ Rs. 25 per 100 cft.
  - b) Masonary work 1000 cft @ Rs. 150 per 100 cft.
  - c) Plastering work 5000 sft @ Rs. 100 per 100 sft.
  - d) Wood work 500 cft @ Rs. 50 per cft.

The rate quoted and accepted 10% above schedule rate in every bill.

- 5.01.05.95: 200 bags of cement supplied against 150 bags provided in the contract agreement book value Rs. 100 as against market value Rs. 200.
- 6. Cut imposed on the bill 2.5% for bad workmanship of plastering work.
- 7. Water charges 1% on earth and masonry work. Advance of Rs. 5000 paid on 10.05.95 for material brought to site.
- 8. Fine for delayed completion @ Rs. 200 per day for 7 days.

**Problem : 5**

Post the contractor ledger for the month of June 1996 from the following particulars:

- 1. Work done in the 1<sup>st</sup> RAB for Rs. 80000 and paid on 31.05.96.
- 2. on 08.06.96, 100 bags of cement supplied @ Rs. 200 per bag.
- 3. on 10.06.96, contractor brought 20 MT Steel to the site. Assessment market rate being Rs. 2000 per MT. Maximum secured advance was allowed.
- 4. Work done on 2<sup>nd</sup> RAB:
  - a) Earth work 10000 sft @ Rs. 100 per 100 sft.
  - b) Brick work 8000 sft @ Rs. 150 per 100 sft.
  - c) RCC work 2000 sft @ Rs. 20 per sft.
  - d) Plastering work 1000 sft @ Rs. 50 per sft.
- 5. SD @ 10% and IT @ 2%.
- 6. Cut imposed @ 5% for using bad quality of brick.
- 7. Bill was paid on 30.06.96.

**Problem : 6**

Post the contractor ledger for the month of April 98:

1. Credit balance as on 31.01.98 Rs.5000; as on 28.02.98 Rs. 8000 and as on 31.03.98 Rs. 15000.
2. Work done as per 4<sup>th</sup> Running Account Bill and bill paid on 20.04.98:
  - a) Plastering work 2100 sft @ Rs. 5 per sft.
  - b) Iron work 3000 sft @ Rs. 10 per sft.
  - c) Wood work 500 sft @ Rs. 100 sft.
3. Cut imposed 10% for bad plastering on plastering work.
4. Electricity charges Rs. 2000 deducted.
5. As per M Book, plastering work measured 2000 sft.
6. 10% reduced from the schedule rate and agreed by the contractor.
7. SD 10% and IT 2% are to be recovered on each payment.
8. An advance of Rs. 6000 was paid on 06.04.98 to the contractor for the material brought to site.
9. 100lbs of Iron rod supplied to the contractor on 12.04.98 from departmental stock. Its book value Rs. 120 per lbs where as its market value was Rs. 150 per lbs.
10. Further advance paid to the contractor on 24.04.98 for the materials brought to site value being Rs. 28000.

Solution : 1

**Contractor's Ledger**

Dr.

Cr.

Date	Vr No.	Amount	Particulars	Qty	Rate	Amount
			Opening Balance			50000
		75000	Advance Paid 75% of 100,000			
			Value of work done -- Illrd & Final:			
			a)Plastering (12000x20)- (12000x2)			226000
			b)Iron work (20000x10)			200000
			c)White washing & Painting (25000x50)			1250000
		10000	Water charges			
		20000	Electricity charges			

		172600	SD 10% of (50000+1676000)			
		34520	IT 2% of (50000+1676000)			
		1413880	Amount payable to contractor			
		1726000	Total			1726000

Solution : 2

**Contractor's Ledger**

Dr.

Cr.

Date	Vr No.	Amount	Particulars	Qty	Rate	Amount
			Opening Balance			1000
		6750	Advance Paid 75% of 9,000			
			Value of work done -- Illrd & Final:			
			a)Brick work on Lime (12000x90/100)			10800
			b)Brick work on cement (8000x105/100)			8400
			c)Iron work (3000x15/10)			4500
			d)Plastering work (8000x35/100)			2800
			e)White washing (8000x8)			64000
			Less: Cut imposed on plastering work			-175
		230	Water and electricity charges			
		4567	SD 5% of (1000+90325)			

		1822	IT 2% of (1000+90325)			
		100	Penalty for delay in execution			
		77851	Amount payable to contractor			
		91325	Total			91325

Solution : 3

Contractor's Ledger

Dr.

Cr.

Date	Vr No.	Amount	Particulars	Qty	Rate	Amount
01.06			Opening Balance 10% of (50000+10% of 50000)			5500
10.06		50000	Supply of cement (200x150+100x200)			
20.06		20000	Advance paid for material brought to site			
			Value of work done -- 11nd RB:			
			a)Earth work (2000x100/100)			2000
			b)Masonry work (5000x200/100)			10000
			c)Plastering work (6000x10) less by 5% of (6000x10)			57000
			d)Wood work (1000x50)			50000
			Total value of work done 119,000			
			Add: 10% of departmental rate			11900
			Net value of work done 130,900			
			Amount passed being 90% of 130,900 ie., 117,810			
		132	Water charges			

		11781	SD 10% of 117810			
		2356	IT 2% of 117810			
		5000	Fine for delay			
		28541	Amount payable to contractor			
		18590	Balance C/d (5500+13090)			
		136400	Total			136400

Solution : 4

**Contractor's Ledger**

Dr.

Cr.

Date	Vr No.	Amount	Particulars	Qty	Rate	Amount
01.05			Opening Balance 10% of (20000+10% of 20000)			2200
01.05		25000	Supply of cement (100x150+200x50)			
10.05		5000	Advance paid for material brought to site			
			Value of work done -- IInd RB:			
			a)Earth work (10000x25/100)			2500
			b)Masonry work (10000x150/100)			15000
			c)Plastering work (5000x100/100) less by 2.5% of (5000x100/100)			4875
			d)Wood work (500x50)			25000
			Total value of work done 47375			
			Add: 10% of departmental rate			4738
			Net value of work done 52113			
			Amount passed being 90% of 52113 ie., 46901			

		193	Water charges 1% of 19250			
		4690	SD 10% of 46901			
		938	IT 2% of 46901			
		1400	Fine for delay 200x7			
		9680	Amount payable to contractor			
		7411	Balance C/d (2200+5211)			
		54313	Total			54313

Solution : 5

**Contractor's Ledger**

Dr.

Cr.

Date	Vr No.	Amount	Particulars	Qty	Rate	Amount
01.06			Opening Balance 10% of 80000			8000
08.06		20000	Supply of cement (100x200)			
10.06		30000	Advance paid for material brought to site 75% of 20x2000			
30.06			Value of work done -- lInd RB:			
			a)Earth work (10000x100/100)			10000
			b)Brick work (8000x150/100) less 5% of (8000x150/100)			10800
			c)RCC work (2000x20)			40000
			d)Plastering work (10000x50)			50000
			Total value of work done 110800			
			Amount passed being 90% of 110800 ie., 99720			

		9972	SD 10% of 99720			
		1994	IT 2% of 99720			
		37754	Amount payable to contractor			
		19080	Balance C/d (8000+11080)			
		118800	Total			118800

Solution : 6

Contractor's Ledger

Dr.

Cr.

Date	Vr No.	Amount	Particulars	Qty	Rate	Amount
01.04			Opening Balance			15000
06.04		6000	Advance paid for material brought to site			
12.04		12000	Iron Rod supplied (120x100)			
20.04			Value of work done -- IVth RB:			
			a)Plastering work (2000x5) less by 10% of (2000x5) for bad plastering			9000
			b)Iron work (3000x10)			30000
			c)Wood work (500x100)			50000
			Total value of work done 89000			
			Less: 10% of schedule rate			-8900
			Net value of work done 80100			
			Amount passed being 90% of			

			80100 ie., 72090			
		7209	SD 10% of 72090			
		1442	IT 2% of 72090			
		43439	Amount paid to contractor			
24.04		21000	Advance paid for material brought to site 75% of 28000			
		2010	Balance C/d (15000+8010-21000)			
		95100	Total			95100

## XII. IMPORTANT POINTS FOR CASH BOOK:

<u>Nature of Transactions</u>	<u>Effect on the Cash Book</u>
Self cheque for Misc Receipts appearing in the OB	Will not be taken to OB
Self cheque drawn	Only on the Receipt Side
Imprest by Cheque	Only on the Receipt Side
Dishonour of Cheque	On both the sides of the Cash Book
TR Collection by Cheque	On both the sides of the Cash Book even if remittance to bank not given in the subsequent dates.
Salary to outstation staff by SMO	For drawal of cheque -- Receipt side For payment of salary -- Payment side
Cancellation of cheque and issue of fresh cheque in different value	For cancellation -- Both the sides of cash book For Fresh cheque -- Both the sides of Cash book for drawal as well as payment
For payment of salary	Gross amount -- on the payment side Drawal of cheque -- Exact amount of payment ie., Gross minus Recoveries and also contract entry for SMOs in the Receipt side of cash book Recoveries -- For all the recoveries other than the outside recoveries like Society etc

For payment of salary in the middle of the month -- being unpaid and not drawn previously	Both side of the cash book for drawal of cheque as well as payment for the gross amount minus recoveries.
For issue of time barred cheque	Both side of cash book
For pay & allowances returned by MO	Receipt side of the cash book
Imprest holder dies	Payment side of the cash book for the imprest amount
Imprest surrendered	Red ink entry on the receipt side
Reports loss of cash in temp advance	Payment side of the cash book
Issue of fresh cheque in lieu of old cheque with same value	Only red ink entry on the payment side of the cash book.
Temporary advance paid by cheque	For drawal of cheque -- on the receipt side For payment of temp advance -- red ink entry on the payment side
Increase of imprest by cheque	For drawal of cheque -- on the receipt side For payment -- red ink entry on the payment side
Disallowed amount in the temporary advance or imprest	Will not appear in the cash book
ATD received from another division for transfer of imprest amount	Receipt side of the cash book and in the payment side, a red ink entry will be made
Cash found short	Payment side of the cash book
Cash found excess	Receipt side of the cash book
On the last day, the difference between exact amount paid and cheque drawn shall be given effect only on the daily cash balance as a minus amount.	

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**IMPORTANT POINTS ON CPWD ACCOUNTS**

## CPWD ACCOUNTS – IMPORTANT POINTS

As per BSNL Corporate Office letter dated 17.09.2012, CPWD Works Manual 2012 has been recommended instead of CPWD Manual Vol.II.

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### Contractor Bills

I) Nature

Contractor bills can be paid for the following four types of transactions

- (i) On account payment- Payment to a contractor for work done or supplies made by him and duly measured.
- (ii) Advance payment- Payment made to a contractor for work done but not measured.
- (iii) Secured advance- Advance paid to a contractor when contract is for completed items of work and the security of the materials brought to the site of the work.

II) Bills

- (i) First and final bill- Only on completion and final settlement.
- (ii) Running account bill- When payment being made at convenient intervals for the path of the work or supplies made, subject to the final settlement and completion of work.

Note: The first and final bill, the question of advance payment and secured advance does not arise.

III) Form26

Running account bill is prepared in Form 26 and it contains the following four main parts

- (a) Account of work executed.
  - (b) Certificate.
  - (c) Memorandum of payment.
  - (d) Annexure of secured advances.
- (a) Account of work executed.
  - (1) In column 1, each item of work is entered.
  - (2) In column 2, unit of each item of work is entered.
  - (3) In column 3, a rate per unit in each item of work is entered.
  - (4) In column 4, the quantity of work up to date on each items of work is entered.
  - (5) In column 5, on the basis of column no 2, 3, 4 the up to date payment to be made is entered.
  - (6) In column 6, the payment to be made since previous bill is to be entered. This amount is arrived by the difference between the column number 5 and the previous bills.

(7) Total of the value of the work done up to date by totaling column no 5. While putting the total, fractions should be rounded off by way of 50 paise or more to be taken as next higher rupee and vice versa.

(8) Column no 6 has to be arrived by totaling and entered as deducts value of work shown on previous bill.

(9) In the final column the difference between the above mentioned point nos 7 and 8 will be shown as net value of work since previous bill.

**Note:** This figure shall be shown in words also but within brackets.

(c) Memorandum of payment.

(1) The total value of the work done up to date as mentioned in the point no (a) (2) above shall be entered.

(2) Total up to date advance payments shall be entered as per the particulars given in the questions.

(3) Total up to date secured advance on security of material as given in the question shall be entered.

(4) In the fourth column sum of item 1, 2 and 3 area entered as total.

(5) In the fifth column the amount withheld will be returned as deduct amount withheld. Following are the circumstances under which the amount can be withheld or taken as deductions:

(a) The security:-

This security shall be deducted only on the basis of the up to date payment as mentioned at (a) (5). The security is to be rounded off to the nearest rupee.

(b) Only this security shall be entered under column 5(b) whereas if the question relates to security deposit it will appear only at column 8(b).

(c) If the security is less than 500, it has to be entered in column 5.

(d) If the security is more than 500, invariably it has to be taken to column

(e) In column no 8(a), the recovery of creditable to this work namely cost of materials supplied to the contractor for the work, fine for bad work, recoveries due from contractor on account of expenditure incurred on the work at its risk and cost.

(6) In column no 8(b) the following items are shown as recovery

(a) Security Deposit.

(b) Income tax.

- (c) Hire charges of tools and plants.
- (d) Supervision charges on issue of materials.
- (e) Code attachment.
- (f) Cost of materials supplied to contractor for other works.
- (g) Fines of delay and other fines creditable to revenue.

(7) Pay order by the disbursing officer should be the check value whereas the acknowledgement of the contractor should be the sum equal to the difference between items 6 and 7.

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## CPWD THEORY QUESTIONS

### DESCRIPTIVE TYPE QUESTIONS:

1. What is Earnest Money? What is the mode of deposit? How the Earnest Money is refunded?  
CPWD MAN VOL. II PARA 21.1, 21.4.1 & 21.6.1
2. What is the Scope and Duties of Internal Check Organisation?  
CPWD MAN VOL.II 59.3 & 59.31
3. Under What Circumstances advances to contractors can be paid?  
CPWD ACCOUNT CODE 10.2.22 AND 10.2.23
4. How the advances paid to the contractors are shown in the accounts of the works and how are their adjustments effected?  
CPWD ACCOUNT CODE 10.2.22 to 10.2.23, 10.5.1, 10.5.14 & 10.5.15
5. What are the initial records upon which accounts of work are based? Describe briefly.  
CPWA ACCOUNT CODE: 10.1.1 & 10.1.5
6. How errors in the compiled accounts are corrected in accounts of the year in which error occurred?  
CPWD ACCOUNT CODE: 8.1.2 TO 8.1.5
7. How errors are corrected if they are noticed after the accounts for the items have been closed?  
CPWD ACCOUNT CODE: 8.1.2 TO 8.1.5
8. Describe the procedure and precautions to be observed in issuing materials to contractors and explain the accounting procedure and the procedure of recovery.  
CPWD ACCOUNT CODE: 10.3.1 TO 10.3.7
9. Describe briefly how the monthly accounts are compiled in Divisional Office.  
CPWD MANUAL VOL.II: 22.4.12 TO 22.4.16
10. Describe the various stages of execution of work.  
CPWD MANUAL VOL.II: 2.1,2.5,2.6,2.8 & 2.9
11. What are the entries to be made in the measurement books with each set of measurements to be recorded?  
CPWD ACCOUNT CODE: 10.2.6
12. What are the essential ingredients of contract?  
CPWD ACCOUNTS MANUAL: 15.1.3
13. What is the procedure for award of work without call of tenders?  
CPWD ACCOUNTS MANUAL: 16.1 TO 16.4.6
14. What is the procedure to be adopted in connection with the receipt and opening of tenders?  
CPWD MANUAL VOL.II: 20.1
15. What checks are to be exercised by Divisional Accounts Officer while submitting contracts?

16. Describe Core Cell and its function s.  
CPWD ACCOUNT MANUAL VOL.II: 58.14
17. What is the procedure regarding accounting and custody of Muster Roll Forms?  
CPWD ACCOUNTS MANUAL VOL.II: 9.22
18. What is the procedure for payment for sub-standard work?  
CPWD ACCOUNTS MANUAL VOL.II: 31.4 & 31.5
19. What is Measurement Book? What are the important items of Measurement?  
CPWD ACCOUNTS CODE: 10.2.7
20. What are the functions of Financial Advisors?  
CPWD ACCOUNTS MANUAL VOL.II: 59.30
21. What are the various forms of Security Deposit?  
CPWD ACCOUNTS CODE: 15.1 TO 15.2.4
22. What do you understand by Lapsed and Confiscated Deposits? Describe briefly procedures to be taken to make the entertainment of a double claim impossible. Describe briefly how refund claim are to be entertained in such cases.  
CPWD ACCOUNTS CODE: 15.4.1 TO 15.4.4
23. What is fundamental principle on which the accounts of stores are bases? Specify the main categories of Stores.  
CPWD ACCOUNTS CODE: 7.1.4 TO 7.1.5
24. Discuss in detail the guiding principles which a sub-divisional officers should observe in the preparation, examination and payment of contractor's bills. What are the safe guards to avoid double payment to a contactor on the same account.  
CPWD ACCOUNTS CODE: 10.2.16 TO 10.2.18
25. Name the main heads under which the transactions of the division may be grouped.
26. What are the main principles to be borne in mind by the Divisional Officers in maintaining the accounts of his Division?  
CPWD ACCOUNTS CODE: 4.2.2 TO 4.2.7
27. Describe the duties and functions of Divisional Accountant.  
CPWD ACCOUNTS CODE: 4.2.1 TO 4.2.6
28. What are the conditions to be observed by Divisional Officer before incurring any expenditure?  
CPWD ACCOUNTS CODE: 5.1.1
29. What are the instructions to be observed by Divisional Officer for rectification of errors found in the Cash Book?  
CPWD ACCOUNTS CODE: 6.6.4
30. How to keep a watch over the progress of expenditure?  
CPWD ACCOUNTS CODE: 5.4.1 TO 5.4.2
31. How are the time expired and cancelled cheques are treated in the accounts?  
CPWD ACCOUNTS CODE: 6.2.11
32. How are the dishonoured cheques are treated in the accounts?  
CPWD ACCOUNTS CODE: NOTE 2 OF 6.3.2

33. How are the EMD received and refunded on the same day shall be treated in the cash book?  
CPWD ACCOUNTS CODE: NOTE 3 OF 6.3.1
34. How are the Receipt by DD/Cheque and remitted into the bank on the same day shall be treated in the cash book?  
CPWD ACCOUNTS CODE: 6.3.1 TO 6.3.3 AND 6.3.5
35. What are the instructions on cheque lost and issued a fresh cheque and its treatment in the Cash Book?
36. Whether any limitation for using the departmental receipts for the purpose of departmental expenditure. If so, explain.  
CPWD ACCOUNTS CODE: 6.2.8
37. What are instructions on verification of cash book?  
CPWD ACCOUNTS CODE: 6.6.5 TO 6.6.7
38. What is an imprest? How is it accounted?  
CPWD ACCOUNT CODE: 6.6.8 TO 6.6.11
39. What is Temporary Advance? How is it accounted?  
CPWD ACCOUNTS CODE: 6.6.12
40. What are the instructions in the accounting on cash found excess and short?  
CPWD ACCOUNTS CODE: 6.6.7
41. What are the principles governing the allocation of expenditure on a capital scheme between capital and revenue accounts?  
CPWD ACCOUNTS CODE: 3.1.8
42. Explain the term cash. What categories of bills are permitted by the Divisional Officer for making payment?  
CPWD ACCOUNTS CODE: 6.1.1. AND 6.2.2.
43. Explain the following briefly:  
Register of works -- CPWD ACCOUNTS CODE: 10.6.1 AND 10.6.2  
Contractor's Ledger – CPWD ACCOUNTS CODE: 10.7.1 TO 10.7.4
44. Explain briefly about measurement book and the general instructions for recording the detailed measurements in the measurement book.  
CPWD ACCOUNTS CODE: 10.2.7 AND 10.2.8
45. Explain various purposes of transfer entries.  
CPWD ACCOUNTS CODE 8.1.1 TO 8.1.4
46. Explain about Bin Cards -- CPWD ACCOUNTS CODE: 7.2.12 TO 7.2.15
47. Explain about Priced Stores Ledger – CPWD ACCOUNTS CODE : 7.2.31 TO 7.2.33
48. What is Works Abstract and explain its preparation in a Divisional Office.  
CPWD ACCOUNTS CODE: 10.5.1 TO 10.5.11

**DEFINE THE FOLLOWING:**

1. Deposit works CPWD ACCOUNTS MANUAL Vol.II: 3.1 TO 3.3
2. Final Payment CPWD ACCOUNTS CODE: 2.1.1(23)
3. On account payment – CPWD ACCOUNTS CODE: 2.1.1 (37)
4. Rate of cost and inclusive rate of cost—CPWD ACCOUNTS CODE: 2.1.1.(44)
5. Storage charges-- CPWD ACCOUNTS CODE: 2.1.1 (52)
6. Expenditure sanction—CPWD ACCOUNTS CODE: 2.1.1 (35)
7. Technical sanction—CPWD ACCOUNTS CODE: 2.1.1 (59)
8. Extra substituted and Deviation items of work—CPWD ACCOUNTS MANUAL VOLII – 25.1 TO 25.3
9. Preliminary estimate—CPWD ACCOUNTS MANUAL VOL.II – 4.1 TO 4.2
10. Administrative approval—CPWD ACCOUNTS CODE : 2.1.1 (2)
11. Book transfer—CPWD ACCOUNTS CODE: 2.1.1.(7)
12. Contract and contractor—CPWD ACCOUNTS CODE: 2.1.1 (13)
13. Running account—CPWD ACCOUNTS CODE: 2.1.1 (47)
14. Works expenditure and works outlay—CPWD ACCOUNTS CODE: 2.1.1 (63)
15. Manufacturing Account -- CPWD ACCOUNTS CODE: 12.1.1. TO 12.1.4
16. Works Abstract – CPWD ACCOUNTS CODE: 10.5.1 TO 10.5.2
17. Suspense Account – CPWD ACCOUNTS CODE: 2.1.1 (57)

**WRITE SHORT NOTES ON THE FOLLOWING:**

1. Bin cards – CPWD ACCOUNTS CODE: 7.2.11 AND 7.2.12
2. Measurement Book – CPWD ACCOUNTS MANUAL VOL.II 7.5 TO 7.11
3. Lapsed and confiscated deposit – CPWD ACCOUNTS CODE: 15.4.1 TO 15.4.3
4. Sale of stores to private parties—CPWD ACCOUNTS MANUAL VOL.II-46.5 TO 46.8
5. Scrutiny, safe custody and surrender of cheque books—CPWD ACCOUNTS CODE:6.2.8
6. Measurement book – CPWD ACCOUNTS CODE : 10.2.8
7. Unpaid wages – CPWD ACCOUNTS CODE: 10.2.28
8. Lapsed and confiscated deposit-- CPWD ACCOUNTS CODE: 15.4.1 TO 15.4.3
9. Stock taking – CPWD ACCOUNTS CODE: 7.2.35 TO 7.2.37
10. Standard Measurement book – CPWD ACCOUNTS CODE : 10.2.8
11. Advance to contractors – CPWD ACCOUNTS CODE : 10.2.22 TO 10.2.23
12. Procedure for acceptance of sub-standard work – CPWD ACCOUNTS MANUAL VOL.II:31.1
13. Limits for Publicity of tenders—CPWD ACCOUNTS MANUAL VOL.II-18.6
14. Site order book – CPWD ACCOUNTS MANUAL VOL.II: 10.2.6
15. Appropriation account—CPWD ACCOUNTS MANUAL VOL.II: 56.1
16. Management Information Service (MIS)--
17. Public Accounts Committee—CPWD ACCOUNTS MANUAL VOL.II: 60.1 TO 60.8

**DISTINGUISH BETWEEN THE FOLLOWING:**

1. **Market rate and Issue rate—CPWD ACCOUNTS CODE: 7.2.19 TO 7.2.21**
2. **Grant and Appropriation – CPWD ACCOUNTS CODE: 10.2.23**
3. **Advance payment and On Account Payment or Payment On Account—CPWD ACCOUNTS CODE : 2.1.1**
4. **Storage and Supervision Charges-- CPWD ACCOUNTS MANUAL VOL.II: 4.54 TO 4.56**
5. **Annual Repair and Special Repair—CPWD ACCOUNTS MANUAL VOL.II : 1.10 TO 1.15**
6. **Petty Works and Road Works – CPWD ACCOUNTS MANUAL VOL.II: 52.21 TO 52.26**
7. **Excess Grants and Supplementary Grants-- CPWD ACCOUNTS MANUAL VOL.II: 51.38.5**
8. **Vote on Account and Contingency Fund—CPWD ACCOUNTS MANUAL VOL.II: 4.41 TO 4.42**
9. **Supplementary Estimate and Revised Estimate—CPWD ACCOUNTS MANUAL VOL.II: 4.31 TO 4.32**
10. **Analysis of Rates and Schedule of Rates—CPWD ACCOUNTS CODE: 2.1.1(2) & (59)**
11. **Administrative approval and Technical Sanction—CPWD ACCOUNTS MANUAL VOL.II: 21.1 AND 22.1**
12. **Earnest Money Deposit and Security Deposit—CPWD ACCOUNTS MANUAL VOL.II: 15.2**

**IMPORTANT POINTS IN CASH BOOK**

1	Cheque received from third party indicated in OB – Now in this month remitted into bank	Does not include in OB remittance to Bank
2	Temporary Advance account rendered but not indicated in OB. Therefore, this amount to be added in Opening Balance.	To be added in OB Temporary advance expenditure to be accounted.
3.	Imprest account rendered but not indicated in OB – Now in this month. Therefore, this amount to be added in Opening Balance	To be added in OB Imprest bill expenditure to be accounted and recouped.
4	Temporary advance account submitted – spending exactly equal amount of advance	Temporary advance expenditure to be accounted
5	Temporary advance account submitted – balance refunded	Expenditure to be accounted. Balance refunded in Receipt
6	Imprest Account submitted and recouped with the same account	Imprest expenditure to be accounted and same amount recouped.
7	Imprest account submitted but recouped with increased amount.	Imprest expenditure to be accounted and for increase, entry in payment side, only narration.
8	Imprest Account submitted but recouped with decreased amount	Imprest expenditure to be accounted and for decrease, entry in the receipt side, only narration.
9	Self cheque drawn	Entry in receipt and in payment side Bank column
10	Supplier Bill payment	Entry in payment side
11	Cash found short in Chest	Entry in the payment side under classification of Misc. works advances. Narration in Receipt side.
12	Cash found excess in Chest	Entry in receipt side under Classification of PW deposit Narration in payment side.
13	Cheque issued previously and now revalidated/renewed	No amount shall be written. But narration in red ink in payment side.
14	Cheque issued in lieu of time expired	No amount shall be written. Only indication in red ink in payment side.

15	Cheque wrongly issued, cancelled and new cheque issued for correct account	Cheque cancelled entry – Minus in the bank column . New cheque issued entry.
16	Cheque issued previously, now cancelled	Cheque now cancelled – minus in Bank column
17	Dishonour of cheque	Minus entry in the receipt side of the cash book.
18	Cash remitted into Bank	Entry in both sides of Cash Book.
19	EMD received and remitted into Bank	Entry in both sides of Cash book.
20	EMD received and returned on the same day for unsuccessful tenderer	No entry in the Cash book
21	Advance/Withdrawal/Final payment of GPF	Payment side of the cash book
22	DD remitted to Bank but received back dishonoured	Minus entry in the receipt side of Cash book.
23	DD remitted to Bank but received back dishonoured on the same day	DD remittance to bank need not shown in payment side. Minus entry in the receipt side of the Cash book.
24	Received a cheque from Party	Receipt side of the Cash book.
25	Received a DD from Party	Same as above
26	Received cash from Party	Same as above
27	Received chalan from Party	It should be treated as if we received in cash and remitted into bank. So, entry on both sides of Cash book.
28	Recovery of cost of cement bags	Receipt side of cash book.
29	Misc. Receipts 1. Sale proceeds of fruits in PWD quarters 2. Sale of Newspapers 3. Sale of Timber 4. Sale proceeds of material from stock, the amount include 10% supervision charges and 2% storage charges	Receipt side of Cashbook Same as above Same as above Let Material cost = 100 Supervision(10%) = 10 Storage (2%of 110%)= 2.2
30	Purchase of service postage stamps	Entry on the payment side of cash book.
31	Purchase of revenue stamps	No entry in Cash book

32	Sale of Tender Forms	Entry on the receipt side of Cash book.
33	Sale of revenue stamps	No entry in the Cash book
34	Local purchase like Stationery	Entry on the payment side of Cash book.
35	Deposited all Call Receipts into bank	Entry to be made in Cash column of payment side of cash book.
36	Converted the 9 <sup>th</sup> instalment of cash deposit recovered from a subordinate into interest bearing security	No entry in cash book
37	Misc. payments like : 1. Advt. charges 2. Railway freight charges 3. Demurrage charges	Entry in Payment side Entry in payment side Entry in payment side
38	Cash drawn to replenish cash chest	First payment side for drawal of money and in the receipt side of cash book for receipt money.
39	Bank intimated that the cheque of third party credited in our account and involves bank charges	No entry. No such charges need to be imposed on us
40	Bank intimated that the cheque presented had been wrongly credited to some other account.	No entry. In BRS, we are showing still it is uncleared
41	Salary of an employee sent by MO returned back undelivered	No entry. Maintained in subsidiary cash book.
42	EE taken from Chest Rs.1200 and on his return from tour, EE submitted muster rolls for Rs.1200 for labour engaged on construction of a school building and refunded unpaid wages Rs.30 in cash	It has to be treated as if he has taken temporary advance and submitted accounts. The same treatment of temporary advance.
43	Cheque received from contractor for putting EE's signature which was omitted	No entry in cash book.
44	Soiled Note sent to RBI for exchange with fresh were party rejected	Soiled notes normally taken as cash balance whereas counterfeit notes/coins will not be taken as cash balance. When soiled notes rejected, the amount of rejection shall be entered in the payment side of cash book under the classification of Misc. Works advances

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