

MIZORAM PUBLIC SERVICE COMMISSION
MIZORAM FINANCE & ACCOUNTS SERVICE (JUNIOR GRADE)
DEPARTMENTAL EXAMINATIONS, JUNE, 2023

PAPER - V
(OLD SYLLABUS)

Time Allowed : 3 hours

Full Marks : 100

Pass Marks : 40

Marks for each question is indicated against it.

Attempt all questions.

AUDITING

1. What is meant by Audit? Briefly mention the main purposes of Audit. **(3+7=10)**
2. Explain the term 'Local fund'. Briefly mention the different kinds of Audit conducted by the Local Fund Audit wing. **(3+7=10)**
3. Fill in the blanks – **(5×1=5)**
 - (a) Accounting authority means an authority who _____ the accounts of the funds.
 - (b) _____ accounts means the accounts of the Local fund and all other property vesting in or under the control of management of any local authority other than cantonment authority.
 - (c) The audit report should contain a clear written expression of opinion on the _____.
 - (d) Replies to audit objections for settlement shall be sent in duplicate within _____ months by the accounting authority to the concerned authority.
 - (e) Any lapse on the part of the Audit officer in submission of the Audit Report in time will be treated as _____.
4. State TRUE or FALSE: **(5×1=5)**
 - (a) Audit is an indispensable instrument of financial control.
 - (b) An auditor is bound to ascertain that the prescribed rules and orders are strictly followed by the executives.
 - (c) Auditing standards shall apply both to the individual auditor and the audit department.
 - (d) In cases where the audit involves an element of surprise check, no advance intimation need be given.
 - (e) All the outstanding audit objections and the replies of which are considered and need for further probe shall be included in the audit report.
5. What is meant by special audit? Who is the appropriate authority to assigned such audit to Government Office/Department? **(3+2=5)**
6. Explain in brief the difference between pre-audit and post audit. **(5)**

BOOK KEEPING & ACCOUNTANCY
THEORY

7. What is Accounting? What are the main objectives of accounting? (2+3=5)
8. Select the most appropriate answer from the options given below: (1x5=5)
- (a) Surplus of income over expenses is _____.
- i) Profit iii) Deficit
ii) Loss iv) None of the above
- (b) In _____ basis of accounting, actual cash receipts and actual cash payments are recorded
- i) accrual iii) cash
ii) hybrid iv) merchantile
- (c) Prepaid expenses is _____ account.
- i) Real iii) Personal
ii) Nominal iv) income
- (d) _____ is prepared to test arithmetical accuracy of Books of Accounts.
- i) Trial balance iii) Ledger
ii) Journal iv) List
- (e) Recording of transaction in journal is called _____.
- i) Posting iii) narration
ii) journalising iv) prime entry
9. State TRUE or FALSE: (5×1=5)
- (a) Bank reconciliation statement is prepared by Bank.
(b) Only cash and personal accounts are maintained under single entry system.
(c) When debit side of an account is greater than credit side, the account shows debit balance.
(d) The name of account written on top of each account is called 'Head of Account'.
(e) Cash account always shows credit balance.
10. What do you mean by 'bill of exchange'? How many parties are involved in bill of exchange? (3+2=5)
11. What is book keeping? Is it true that book keeping and accounting are the same thing? (3+2=5)
12. What is cash book? Mention the characteristics of cash book. (5)

PRACTICAL

13. Mr. Khama keeps his books under Single Entry System and gives the following information : (10)

- Capital as of 31.3.2021 Rs 60,000
- Capital as on 31.3.2022 Rs 1,00,000
- Drawings made during the year Rs 2000
- Additional capital introduced during the year Rs 12,000

Calculate profit or loss during the year.

14. Enter the following transactions in the double column cash book of Kumtluang Store for January 2022. (15)

Jan-22	Particulars	Amount in Rs.
1	Started business with cash	1,20,000
3	Cash paid into Bank of Baroda	50,000
5	Purchased goods from Chawngi on credit	20,000
6	Sold goods to Lala and received a bearer cheque	20,000
10	Paid to Chawngi cash	20,000
14	Cheque received on December 2021 and deposited into bank	
18	Sold goods to Kunga on credit	12,000
20	Cartage paid in cash	500
22	Received cash from Kunga	12,000
27	Commission received	5,000
30	Drew cash for personal use	2,000

15. Complete the following table. (5)

Cash in hand		Cash at bank		Sundry debtors		Bills payable		Capital
Rs 10,000	+	Rs 5000	=	Rs 8000	-	Rs 4000	=	?

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