

**PUNJAB STATE TRANSMISSION CORPORATION LIMITED**  
**Departmental Accounts Examination-2024 (1st Session)**  
**PAPER-I (Works Accounts)**

**Category-UDC(G)/LDC**  
**Time Allowed: 3 Hours.**  
**Max Marks – 100**

**Roll No.**

**NOTE: All Questions are compulsory**

Question -1 Explain the following under PSTCL Purchase Regulations

- a) Cash Purchases.
- b) Force Majeure.
- c) Order Preference.
- d) Liquidated damages for delay in delivery.
- e) Who are exempted from depositing earnest money?

Marks 5X4=20

Question -2

- a) Define deposit works and contributory works.
- b) Explain briefly "Register of Initial Works Account" IWR
- c) Distinguish between Supplementary Estimates and Revised Estimates?

Marks 6+7+7=20

Question -3 Write short notes on the following:-

- a) SRW
- b) Major Work and Minor work as per Works Regulations.
- c) MECR
- d) Bench Marking as per Works Regulations.
- e) Assets of Common Retirement Date.

Marks: 5X4=20

Question -4

- a) Name the Authorities and their power in respect of following as per PSTCL Delegation of Powers:-
  - i) To Write off irrecoverable arrears of Misc. advances.
  - ii) To sanction expenditure on postage stamp.
- b) Explain Going Concern Concept under BAPP.
- c) Explain Consistency concept under BAPP.

Marks 10+5+5=20

## Question -5 (A)

- a) Give correct nomenclature to the following Account Codes:-
- i) 76.158
  - ii) 76.142
  - iii) 22.810
  - iv) 28.868
  - v) 46.941

- b) Mention chargeable account codes in respect of the followings:
- i) Amount Recoverable from Employees
  - ii) Consultancy Charges
  - iii) Provision for Gratuity of employees recruited by PSTCL
  - iv) Provision for Leave Encashment of employees recruited by PSTCL
  - v) Depreciation on Vehicles.

## Question - 5 (B)

Pass necessary Accounting Entries regarding receipt of deposit from a consumer for contribution work and refund of balance amount after completion of work on the basis of following data:-

Amount received from consumer	= 2,00,000/-
Cost of Material drawn from store	= 1,00,000/-
Labour Charges paid to employees Specifically employed for work	= 30,000/-
Administration & General Expenses paid	= 2,000/-
Allocated Employee Cost for work Executed by regular staff	= 20,000/-
Departmental Charges as per rules	=16%
Balance (if any) refunded to consumer.	

Marks 10+10=20

Solution -1

**a) Cash Purchases**

- i) In urgent cases, items valuing up to Rs.10, 000/- on each occasion may be purchased by field officers against cash payment after assessing reasonability of rates from the market on the basis of at least three quotations in writing with the approval of authority not below the rank of Sr. Xen subject to annual limits as specified in the relevant clauses of DOP.
- ii) Items valuing up to Rs. 5000/- on each occasion may be purchased against cash payment after conducting oral enquiry in the market subject to annual limits as specified in the relevant clauses of DOP.

**b) Force Majeure**

Notwithstanding any provisions of Purchase regulation of PSTCL during the pendency of the Contract/Purchase Order, if the performance of the purchase order by either party, in whole/part or any obligation there under, is prevented/delayed by causes arising out of any war, hostilities, civil commotion, acts of the public/enemy, sabotage, fire, floods, explosion, epidemics or non-availability of Government controlled raw material under orders/Instruction of Central/State Government regulations, strikes, lock-outs, embargo, acts of Civil/Military authorities or any other causes of extraordinary nature beyond their reasonable control excepting causes purely of commercial nature, neither of two parties shall be made liable for loss or damages due to delay or failure to perform the contract during the occurrence of Force Majeure conditions, provided that the happening is notified in writing (with documentary proof) within 30 days from the date of the occurrence. The supplies shall be resumed under the contract as soon as practicable after the happening (event) ceases to exist.

c) **Order Preference**

PSTCL shall allow an order preference as per the procedure laid down as under to such bidders whose works are situated within the State of Punjab: a) The rate of Punjab based firms shall be de-escalated by 15% for all the units (i.e.  $100 \times \text{Quoted Rates} / 115$ ). For these firms quantity upto 50% of the total ordered quantity may be reserved provided their de-escalated rates fall below the lowest rates considered for the placement of purchase orders/ contract. For the purpose of allocation of quantity against Order Preference, the merit position of the Punjab based eligible firms shall be prepared separately. However, where the Punjab based firms qualify amongst the lowest bidders on their own quoted rates, they shall also form part of the original merit list without order preference for the purpose of allocation of quantity.

d) **Liquidated Damages for Delay in Delivery**

If the contractor/supplier fails to deliver the material/equipment within the stipulated delivery period of the Purchase Order/Contract then the same is liable to be rejected and if accepted, contractor/supplier shall be liable to pay liquidated damages to the Corporation a sum equivalent to half percent (0.5%) of the cost of undelivered supply/incomplete equipment per week of delay or part thereof not exceeding 10% of the cost of complete unit of undelivered equipment/material so delayed. The Corporation may, without prejudice to any other method of recovery, deduct the amount of such damages from any monies due or to become due to the contractor. The payment or deduction of such damages shall not relieve the contractor from his obligations and liabilities under the contract. There will be slack of one month that will not involve any additional financial implication. Delay beyond slack period will attract liquidated damages for the period of delay including slack period. No bonus will be given for earlier Completion of the Facilities or part thereof.

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**e) The following shall be exempted from depositing Earnest Money:-**

- i) Public Sector undertakings fully owned by Punjab. Govt./Central Govt./Other State Govts. supplying material directly through units owned by them provided that a certificate of Govt. ownership issued by the concerned Govt. Department shall be submitted in the envelope for Earnest Money. Exemption shall not be applicable if the tender is submitted for supply of material through private unit/manufacturer.
- ii) Suppliers having permanent earnest money deposit of Rs. 10 lacs with the Corporation provided that a certificate to this effect issued by the Accounts Officer/CPC, during three months immediately preceding the due date for tender opening.
- iii) Sole Manufactures/Suppliers of Proprietary items, Standardized firms.
- iv) Suppliers covered under MSMED Act, 2006.

Solution -2

- a) **Deposit works:** These are the works executed by the PSTCL on behalf of some outside agencies on the specific segment or deposit of estimated amount with the PSTCL. On such works the departmental charges are levied @ 27.5% . These works will remain the property of that agency or person for whom the work is undertaken and these will be maintained by that agency or person in future.

**Contributory work:** These are the construction/capital works undertaken by the PSTCL on behalf of the consumer such as laying of independent feeder(s) for giving supply to a new consumer, works for giving supply to a consumer from urban feeder instead of nearest rural feeder, or carry out misc job as per the request of the consumer i.e. shifting of lines/poles etc. departmental charges on the works so executed are levied @ 16%. These works after execution remains the property of the PSTCL.

- b) **"Register of initial Works Account" IWR.**

The Register of initial Works Accounts form CE-26 shall be maintained for all capital works estimated amount of which is two lac or more. Being the basic record of material and other expenses to be accounted for, this register is an important record. IWR is issued in duplicate in the name of official/officer entrusted with the job of execution of work. Original copy is kept in safe custody by the official and duplicate is sent to divisional office every month alongwith labour bills. After passing labour bills, this copy is returned back to Sub-Division office. No entry is to be erased and all kinds of cuttings must be got attested. Upon transfer of the official, this register is to be returned and the new official will get fresh register issued in his own

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name. Entries in this register must be checked by SDO concerned. All entries must also be checked by Supdt. (Divnl. Accounts).

In this register, record is kept for all the material issued, used and unused on the completion of the work. It has to be kept in safe custody like measurement book. In case, this book is lost, immediate report of the facts of the case should be made to the CE through Xen/SE concerned. It is a six part register and is to be prepared under following principles:-

Part-I - To show estimated requirement and actual procurement of principal items of material (Quantity & value thereof). Other items of expenditure during the month are shown in lump sum but item wise at the bottom of Part-I. Upto date record of material issued, received, cost of material, transportation, labour charges etc. is maintained in this part.

Part-II - It is detailed account of petty items of materials purchased or drawn from stores and their cost. Total Expenditure of Part-II is transferred to Part-I at the end of the month.

Part-III - In this part, record of measurements of work done by daily/work charged labour, and payments of their wages are kept. Bills for payment to labourers, workcharged establishment etc. is passed as per progress/measurements recorded in this part.

Part-IV - It is the statement of the materials used on the work- i.e consumption/usage of material is measured on the completion of the work.

Part-IV(A) - It reflects the statement of materials used on the work (As shown by physical verification during construction)

Part-V- Statement of material dismantled from the works and its disposal showing return to stores, transferred to other works and used on the same work giving ref. to item no/page/month of receipt in PART-I or PART-II. This part is used for renewal, replacement or augmentation works.

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Part-VI - Comments/remarks of the inspecting officers during their visit to the site of work. In this part, reports/comments of inspecting officers are recorded.

**c) Supplementary Estimates and Revised Estimates.**

it is a fundamental principle that the sanction to an estimate must on all times be booked upon as strictly limited by the precise object for which the estimate was intended to provide.

It may happen that while a project is in progress, the execution of a particular work not envisaged provided in the original estimate, may become necessary. A supplementary estimate will be necessary in such cases.

On the other hand (under execution) is likely to exceed by more than 5 percent of its estimated cost owing to increase in rate or any other cause a revised estimate may be prepared (A revised estimate may be prepared only when a supplementary estimate is not required)

A revised estimate shall also be necessary when either before commencement of work or during its progress it is found that the original estimate is excessive (except cases of abandonment of a section of sanctioned project or change of design from the original proposal).



**Solution -3**

**a) Stock Return Warrant (SRW)**

As per Material manual Store Return Warrant is as per Format MAT-34 in which Surplus material lying at site of work is returned to store. . It gives the name of work, estimate no. from which the material is returned. Name of material, material Code, quantity of material returned from work & that accepted by store is also recorded in the SRW. Sr No. & date vide which the material was originally drawn/issued from store is also shown in the S.R.W. It is signed by the concerned SDO and JE and then official/officer of stores.

**b) Major Work and minor work as per Works Regulations**

- i) 'Major work' means the work estimated cost of which exceeds Rupees Two lakh.
- ii) 'Minor work' means the work estimated cost of which does not exceeds Rupees Two lakh.

**c) MECR (Material Estimate control Register)**

Where initial works register (IWR) is not be maintained i.e. in case of minor works maintain a Material Estimate control Register for each sanctioned estimate/work. This register will show at any point of time. The cumulative quantity and value of material received in respect of major material items and cumulative value of petty material items vis-as-vis sanctioned requirements. The register shall also indicate consumption and balance of material in hand both with regard to the quantity and value on last day of each month/financial year or on completion of work.

d) **BENCH MARKS:**

Permanent reference bench marks established and maintained by the PSEB are available on or close to the Project site. Contractor shall arrange to build and maintain at his cost any additional temporary bench marks that may be him to lay out lines levels etc., required for the completion of the work covered in the contract. The Contractor shall also arrange at his cost for all necessary surveying, levelling etc. to be carried out to standardise the co-ordinates and levels of these additional temporary bench marks with reference to the nearest of the permanent bench marks mentioned above. The responsibility for the accuracy of the temporary bench marks for any works carried out based on these bench marks lies entirely with the contractor.

e) **Assets of Common Retirement Date.**

As per Para 2.64 of Basic accounting principle & policies (part-II) asset which are used only collectivity in a group and an individual asset in that group is of no use in isolation after the other assets of the group are retired scrapped are defined as "Asset of common retirement Date". The "period of estimated useful life" adopted for the purpose of charging depreciation shall be "common" for the entire asset in the group of "Asset of Common Retirement Date"

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**Solution -4**

a) As per Delegation of Powers of PSTCL :-

Sr. no	Nature of Power	To whom delegated	Extension of Delegation	Remarks
59	To write off irrecoverable arrears of Misc. advances.	Committee of Dir./ Admin, Dir./F&C & Dir./Tech.  C.Es./HODs  S.Es & equivalent  Sr.Xens	Rs. 25,000 in each case  Rs.5,000 in each case Rs. 1000 in each case  Rs. 500 in each case	Provided that the amount has been outstanding for more than five years and is further declared as irrecoverable.
69	To sanction expenditure on postage stamp.	Heads of Departments  S.Es& Equivalent Company  Secretary/Sr.Xens/Dy.CAOs/Dy.Secy  AEs/AEEs/ AOs/ Sr.AOs & equivalent	Rs.25,000 in each case.  Rs. 10,000 in each case  Rs. 5,000 in each case  Rs. 2,000 in each case	

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- b) **Going Concern concept:-** As per para 1.7 of Basic accounting principle & policies financial statements of a Board shall be drawn up on the premise that its business will continue indefinitely.
- c) **Consistency Concept:-** As per para 1.8 of Basic accounting principle & policies Uniform accounting policies shall be applied on the same basis from year to year. Even the accounting policies followed in respect of areas not specifically covered hereafter or in cases where departure from the prescribed accounting policy is permitted, shall be followed consistently from year to year.

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**Solution -5 (A)**

**(a) Nomenclature**

i.	76.158	Electricity Expenses
ii.	76.142	Vehicle Running Exp. Petrol & oil -Jeeps
iii.	22.810	Expenses Recoverable from suppliers
iv.	28.868	Misc. Advances account
v.	46.941	Credit awaiting IUT Bills

**b) Accounts codes**

i.	Amount Recoverable from Employees	28.401
ii.	Consultancy Charges	76.123
iii.	Provision for Gratuity of employees recruited by PSTCL	44.161
iv	Provision for Leave Encashment of employees recruited by PSTCL	44.162
v.	Depreciation on Vehicles	12.7

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**Solution. 5 (B) Accounting entries:**

Date/ Sr. No.	Particulars	Debit (Amount in Rs.)	Credit (Amount in Rs.)
1	<b>Amount received from consumer:</b> Cash in Hand (GH-24.110) Dr. To Deposit for Contribution Works (GH- 47.309)	2,00,000	2,00,000
2	<b>Material drawn from store:</b> Capital Work in Progress (GH-14) Dr. To Stock Account (GH-22)	1,00,000	1,00,000
3	<b>Labour Charges paid to employees specifically employed for work:</b> Employee Cost (GH-75) Dr. To Cash in Hand (GH-24.110)	30,000	30,000
4	<b>Administration &amp; General Expenses paid:</b> Admn. & General Expenses (GH-76) - Dr. To Cash in Hand (GH-24.110)	2,000	2,000
5	<b>At the end of month:</b> For cap. of Emp Cost and Admn.& General Expenses: Capital Work in Progress (GH-14) Dr To Employee Cost (GH-75.9) To Admn. & General Expenses (GH-76.9)	32,000	30,000 2,000
6	<b>Allocated Employee Cost for work executed by regular staff:</b> Capital Work in Progress (GH-14) Dr To Misc./Other income (GH-62.930)	20,000	20,000
7	<b>Departmental Charges as per rules @ 16%:</b> Capital Work in Progress (GH-14) Dr To Misc./Other income (GH-62.930) [(1,00,000+30,000+2,000+20,000)x16/100]=24320	24,320	24,320
8	<b>On Completion of work:</b> (a) Fixed Assets (GH-10) Dr To Capital Work in Progress (GH-14) (b) Deposit for Contribution Works) - (GH-47.309) To Consumer Contribution towards Capital Assets (GH-55.1)	1,76,320 1,76,320	1,76,320 1,76,320
9	<b>Amount refunded to consumer:</b> Deposit for Contribution Works) - (GH-47.309) To Bank Account (GH- 24.401) (2,00,000-1,76,320-23,680)	23,680	23,680