

AAE- 6 (E)

ASSISTANT ACCOUNTS OFFICER (CIVIL) EXAMINATION

NOVEMBER, 2010

PUBLIC WORKS ACCOUNTS (With Books)

Time Allowed : 2 Hours

Maximum Marks : 65

Books allowed:

1. CPWA Code with Appendices.
2. Book of Forms referred to in CPWA Code.
3. CPWD Departmental Code.
4. CPWD Works Manual.
5. General Conditions of Contract.
6. General Financial Rules - 2005.
7. The Indian Contract Act, 1872.

Forms to be supplied:

1. Cash Book (CPWA-1).
2. Running Accounts Bill (CPWA Forms 26 and 26-A).
3. Contractor's Ledger (CPWA 43).

Notes:

1. This question paper consists of 8 pages and has 5 questions.
2. Answer Question Nos.1 and 2 which are compulsory and one of the remaining questions. Marks are noted against each question.
3. Quote authority in support of answer otherwise some marks will be deducted in the absence of authority.

1. Post the following transactions in the cash book of Executive Engineer, X Division for the month of April, 2002 and close the cash book giving analysis of cash balance:

01-04-2002	Opening Balance :	(₹)
	(i) Coins	140
	(ii) Service Stamps (postage)	100
	(iii) Revenue Stamps	22

	(iv) Notes	4,000
	(v) Cheque in favour of M/s Ram & Company dated 28-03-2002	8,000
	(vi) Cheque dated 26-03-2002 received from Executive Engineer, B Division	5,000
	(vii) Deposit at call receipts	6,000
	(viii) Fixed deposit receipt (payable after 6 months)	5,000
	(ix) Self Cheque	1,000
02-04-2002	(i) Encashed self-cheque of ₹ 1,000	
	(ii) Remitted cheque received from 'B' division Executive Engineer	
	(iii) Conveyance paid to cashier	150
	(iv) Revenue stamps converted to cash	22
05-04-2002	Payment released to M/s R.N. Yadav & Sons for construction of boundary wall	
	(i) Value of work done	1,00,000
	(ii) Security deposit @ 10%	
	(iii) Stipulated material recovered	500
	(iv) Income tax @ 2% of gross value	
	(v) Hire charges of concrete mixture is ₹ 20,000, out of which ₹ 8,000 already debited to contractor's account	
	(vi) Amount withheld	500
09-04-2002	(i) Received a cheque of ₹ 8,000 from M/s Amar & Company for amount outstanding in Miscellaneous Public Work Advance (MPWA)	
	(ii) Remitted the above cheque in to bank	
10-04-2002	Issued temporary advance to Assistant Engineer 'A' for ₹ 10,000 for payment to work charged labourers	
12-04-2002	Issued permanent imprest to Assistant Engineer 'B' for ₹ 800	
13-04-2002	Cheque dated 11-02-2002 already issued in favour of M/s Bansal & Company is received back in damaged condition. Fresh cheque issued for ₹ 5,00,000	
14-04-2002	Bank intimated that cheque deposited on 09-04-2002 has been dishonoured	

18-04-2002	Assistant Engineer 'A' renders account for temporary advance as under :	
	(i) Gross amount of the bill	1,200
	(ii) Payment to work-charged staff	850
	(iii) Unpaid wages returned in cash	150
	(iv) GPF recovered	200
25-04-2002	Assistant Engineer 'B' rendered account of permanent imprest as under :	
	(i) Miscellaneous payment to Annual Repair & Maintenance (ARMO) of Krishi Bhawan	400
	(ii) Conveyance paid to work charged staff chargeable to ARMO of Shastri Bhawan	100
	(iii) Imprest is recouped by a cheque & again raised to ₹ 1,000	
26-04-2002	Cash in chest counted by Executive Engineer as a surprise check and found ₹ 3,320	
28-04-2002	(i) Security deposit for the work of renovation in toilet is refunded to M/s Amar & Company. Total security deposit was ₹ 10,000, out of which ₹ 2,000 is outstanding against the contractor for ARMO of Krishi Bhawan	
	(ii) Cheque drawn for the salary for the month of April, 2002 for staff & officers as under :	
	(a) Gross amount of the bill	1,25,000
	(b) House rent recovery	5,000
	(c) CGHS recovery	5,000
	(d) Income tax	200
	(e) CGEGIS	400
	(f) Motor car advance	1,000
	(g) Amount short drawn as unpaid salary lying in chest	500
29-04-2002	Cash in chest counted & found	3,410
30-04-2002	(i) Running Account Bill of M/s K.K. & Company paid as per following details for the work of renovation of O/o PIB, Shastri Bhawan	
	(a) Work done in 1st Running Account Bill	2,80,000
	Work done upto date	3,00,000
	(b) Advance payment as per last bill	5,000
	Advance payment upto date	1,00,000

- (c) Secured advance for 2,00,000 bricks allowed in this bill. Market rate of bricks is ₹ 1,200 per thousand. Element of Material analysed rate is ₹ 80 per hundred bricks
- (d) Security deposit @ 10% and income tax @ 2%. These recoveries were not made in the 1st Running account bill due to over sight
- (ii) Remitted the receipts to bank including outstanding deposit at call receipts (25 marks)

2. Prepare 2nd running account bill of M/s Delta Constructions for the construction of sports complex under Delhi Construction Division IX. Details of work are as below:

1. Estimated cost of tender ₹ 50,00,000
2. Agreement No. 9/EEKDDA IX/02-03
3. Date of commencement : 09-05-2002
4. 1st running account bill paid vide voucher no. 138 of 16-08-2002

(A) Details of items executed & quantity measured are as under :

S. No.	Items of work executed	Rate (₹)	Unit	Quantity executed as per 1st running account bill	Quantity executed up to date
1.	Earth work	1,500	per 100 cubic metre	2,000	2,500
2.	Cement concrete in foundation	1,200	per cubic metre	200	200
3.	Brick work in foundation	1,500	per cubic metre	300	500
4.	Brick work in super-structure	2,000	per cubic metre	-	200
5.	R.C.C. work	3,000	per cubic metre	150	400
6.	Steel work	30,000	per ton	8,000	12,000
				kilogram	kilogram
7.	Stone work	5,000	per cubic metre	-	50
8.	Fixing GI. Pipe	60	per metre	-	400
	Extra Work:				
9.	Disposal of Earth	50	per cubic metre	2,000	2,500

Note: In previous bill paid vide voucher no. 138 of 16-08-2002, the extra item was paid at a provisional rate of ₹ 70 per cubic metre. Now, competent Authority has sanctioned rate of ₹ 50 per cubic metre.

(B) Position of material issued to the contractor and consumption in the execution of work for 1st running account bill is as below:

S.No.	Material	Quantity Issued	Quantity Consumed	Rate
1.	Cement	120 metric ton(MT)	100 M.T.	₹ 2,000 per M.T.
2.	Steel	15 M.T.	As measured. In addition, allow 10% for wastage	₹ 20,000 per M.T.
3.	G.I. Pipe*	500 meters	—	Stock Issue Rate ₹ 50 per metre

* G.I. Pipe is a non-stipulated material. Stock issue rate is ₹ 50 per metre, market rate ₹ 45 per metre, & analysed rate is ₹ 40 per metre.

Execution & consumption of 2nd running account bill is as under:

S.No.	Material	Quantity Issued	Quantity consumed
1.	Cement	250 M.T.	120 M.T.
2.	Steel	20 M.T.	As measured. In addition, allow 10% for wastage
3.	G.I. Pipe	—	400 metre

Note: In addition, due to negligence of contractor, one metric ton of cement was lost in the rain. Executive Engineer finalises a recovery rate of ₹ 2,500 per ton.

(C) In the 1st running account bill, an advance payment of ₹ 20,000 was made for stone work. Further, an advance payment of ₹ 15,000 to be made for external sanitary work.

(D) **Secured Advance:**

- (i) Secured advance allowed in 1st running account bill is for 1,50,000 bricks at the tendered cost of ₹ 1,500 per thousand bricks. Also, secured advance given for 200 units of bib-cock @ ₹ 40 per bib-cock. Second secured advance allowed for 200 units of bib-cock @ ₹ 40 per bib-cock.

- (ii) Consumption of bricks to be taken as 500 bricks per cubic metre. Contractor further brings 1,00,000 bricks for which second secured advance was to be allowed in 2nd running account bill.
- (iii) The contractor brings 10 cubic metres of wood for which secured advance is to be allowed in 2nd running account bill. Market rate – ₹ 18,000 per cubic metre.
- (E) (i) Income tax to be recovered @ 2% and security deposit to be recovered @ 10%. In the first running account bill, they were recovered on entry 'K'. Necessary adjustment, if any, is to be carried out in this bill.
- (ii) Water charges to be recovered @ 1% of total value of work done. This recovery was not made due to oversight in 1st running account bill.
- (iii) Recovery of fixed charges of Tools & Plants of ₹ 8,000 to be made in this 2nd running account bill. Out of this account, ₹ 5,000 has already been debited to the contractor.
- (F) In the 1st running account bill ₹ 480 was withheld due to non-production of labour records as per the orders of Labour Officer. Now the labour officer has decided to release it to them & has levied ₹ 100 as penalty or fine.

(25 marks)

3. Post the contractor's ledger from the following transactions and close the ledger:

(a) Opening Balance:

- (i) ₹ 9,000 due to the contractor on account of 10% security deposit withheld from his first running account bill for work 'A'. This amount was adjusted in second running account bill.
- (ii) ₹ 4,200 due from the contractor for the material issued to him for work 'A'. This amount was also adjusted from his second running account bill.

(b) Second running account bill for work 'A':

- (i) Work done upto date - ₹ 1,50,000
- (ii) Advance payment for work done but not measured - ₹ 15,000
- (iii) Security Deposit - @ 10%
- (iv) Income tax deducted - @ 2%

- (c) Secured advance of ₹ 20,000 equivalent to 75% of value of bricks was paid to the contractor in the third running account bill for work 'A'.
- (d) Timber worth ₹ 5,000 was issued to the contractor for work 'A'. Cost of timber was yet to be paid to the forest department. Timber worth ₹ 4,000 was used in the work and its cost recovered in the final bill. The balance was returned to stock. This was adjusted separately in the next month.
- (e) Fourth & Final Bill for work 'A':
- (i) Work done & measured since previous bill - ₹ 64,000
 - (ii) Adjustment & recoveries on account of secured advance, cost of timber, security deposit & income tax were made.
- (f) Cash received from the contractor on account of earnest money deposit for work 'B' - ₹ 9,000
- (g) Steel valued at ₹ 14,000 issued to the contractor for use in work 'B'.
- (h) First running account bill for work 'B':
- (i) Value of work done - ₹ 70,000
 - (ii) Security Deposit - @ 10%
 - (iii) Income tax - @ 2%

No other recoveries were made.

- (i) Cement worth ₹ 13,000 issued from stock to work 'B'.
- (j) Second running account bill for work 'B':

Value of work done up-to-date - ₹ 1,30,000, half of the quantity of cement was used in RCC work, steel was fully used. Besides the recoveries on account of security deposit, income tax, cost of steel & cement used, recovery for ₹ 500 was also made towards work 'C'. Orders for recovery of ₹ 500 were issued during the course of the month. (15 marks)

4. (a) The D.G. (Works), CPWD issued orders to close Construction Division IX and amalgamate the same with the Construction Division X in Delhi. The closed Division was re-opened as Construction Division-3 in Jaipur. What procedure has to be adopted by both the Divisions for transfer and adoption of divisional accounts & works. (3 marks)

- (b) The Executive Engineer (Electrical-I) asserted that the accounts maintained in his division are correct & he is fully satisfied. Comment upon the assertion of the Executive Engineer. (3 marks)
- (c) The Executive Engineer of a Division directed the Divisional Accountant to receive cash on his behalf and issue Form 3 under his own signature. Comment on the direction/action of the Executive Engineer. (3 marks)
- (d) An error in the Cash Book of a Division could only be detected after closure of accounts for the month. Executive Engineer of the Division asked the Divisional Accountant to advise the course of action to be taken in the matter. What advice would the Divisional Accountant provide to the Executive Engineer? (3 marks)
- (e) What are the duties of the Head Clerk with regard to Notice Inviting Tender? (3 marks)
5. (a) The Superintending Engineer of a Division issued a Memo to the Divisional Accountant for his failure in settlement of Audit paras. Draft the reply on behalf of the Divisional Accountant. (3 marks)
- (b) The Executive Engineer of a Division has decided not to recover compensation for delay in execution of a work as the Superintending Engineer has granted extension of time. Comment on the action of the Executive Engineer. (3 marks)
- (c) What are the duties of the field officers with regard to fair wage clause & contractor's labour regulations? (3 marks)
- (d) What procedure has been laid down for accounting of tender documents? (3 marks)
- (e) In the execution of contract for finished items, can the contractor be issued material not provided for in the contract? Please elaborate. (3 marks)