



ROLL NO

**PUNJAB PUBLIC SERVICE COMMISSION**  
**COMBINED COMPETITIVE EXAMINATION**  
**FOR RECRUITMENT TO THE POSTS OF**  
**PROVINCIAL MANAGEMENT SERVICE, ETC -2023**  
**CASE NO. 1C2024**

**SUBJECT: COMMERCE (PAPER-I)**

**TIME ALLOWED: THREE HOURS**

**MAXIMUM MARKS: 100**

**NOTE:**

- i. All the parts (if any) of each Question must be attempted at one place instead of at different places.
- ii. Write Q. No. in the Answer Book in accordance with Q. No. in the Q. Paper.
- iii. No Page/Space be left blank between the answers. All the blank pages of Answer Book must be crossed.
- iv. Extra attempt of any question or any part of the question will not be considered.

**Attempt Five Questions in All, Selecting minimum Two Questions from each Part. Calculator is allowed (Not programmable).**

**PART-A**

**Q No.1** An adjusted trial balance for State Insurance Agency at December 31 appears as follows:

State Insurance Agency  
Adjusted Trial Balance  
December 31, 2022

Cash	Rs.10,200	
Account Receivable	20,000	
Office Equipment	15,000	
Acc. Depreciation: Office Equipment		Rs.3,000
Accounts Payable		6,000
Capital		19,700
Drawing	18,000	
Sales Commissions earned		185,000
Advertising expense	36,500	
Rent expense	32,000	
Salaries expense	64,500	
Utilities expense	16,000	
Depreciation expense: Office Equipment	1,500	
	Rs.213,700	Rs.213,700

Prepare journal entries to close the accounts. Use four entries: (1) to close the revenue account, (2) to close the expense accounts, (3) to close the Income Summary account, and (4) to close the owner's drawing account. **(20 Marks)**

**Q No.2** From the following Trial Balance of Mr. Haji Traders, prepare Trading, Profit & Loss Account for the year ended 31st March, 2021 and a Balance Sheet as at that date.

	Debit (Rs.)	Credit (Rs.)
Opening Stock	24,000	
Drawings	11,200	
Furniture	4,800	
Cash in Hand	36,000	
Purchases	96,000	
Returns	8,000	
Establishment charges	20,000	
Taxes and Insurance	4,000	
Bad Debts	4,000	
Sundry Debtors	40,000	
Investments	32,000	
Discount received		1,200
Commission		4,000
Returns		16,000
Bad Debts Provision		8,000
Sales		120,000
Bank Loan @ 15%		16,000
Creditors		34,800
Capital		80,000
	280,000	280,000

The following adjustments are made:

- (1) Depreciate Furniture @ 10% p.a.
- (2) Interest accrued on investment Rs.1,680.
- (3) Commission amounting to Rs.800 relating to the next year.
- (4) Bad Debts Reserve is to be maintained at Rs.8,000
- (5) Salaries Rs.800 and Taxes Rs.3,200 are payable.
- (6) Insurance prepaid is Rs.400.
- (7) Closing Stock Rs.36,000.

**(20 Marks)**

**Q No.3** Draw a difference between accrual and cash basis accounting. Explain the reasons that financial decision making is difficult without cash flow statement.

**(20 Marks)**

**Q No.4** The Contract Ledger of a company indicates the under mentioned expenditure on account of Contract 'A' to 31st December, 2022:

Materials	Rs. 120,000
Plant	20,000
Wages	164,000
Establishment Expenses	6,000

The contract began in January, 2022; the contract price being Rs.600,000. Cash received on account to date Rs.240,000 is 80% of the work certified; and the remainder is to be paid as to 10% on completion and the balance six months after completion. Materials on hand and work completed but not certified was Rs.10,000.

Prepare a contract account showing the profit to date after depreciating Plant by Rs.100. How much profit would the company be justified in crediting to the Profit and Loss Account? Show also how the work-in-progress would appear in the Balance Sheet.

**(20 Marks)**

**PART- B**

**Q No.5** Discuss different cost elements broadly categorized in tracing cost. **(20 Marks)**

**Q No.6** The following job order cost detail pertains to the three jobs that were in process at Dany Machine Company during January:

	<b>Job 36</b>	<b>Job 37</b>	<b>Job 38</b>
Cost charged in prior period .....	\$36,000	\$18,000	---
<b>Costs added in January:</b>			
Direct Materials .....	44,000	34,000	32,000
Direct labor .....	40,000	48,000	42,000
Factory overhead (60% of direct labor)	24,000	28,800	25,200

**Required:**

Prepare the appropriate journal entry (Including subsidiary ledger detail for job orders) to record each of the following transactions:

- (1) Direct materials were issued from the materials storeroom to work in process.
- (2) The payroll was distributed to work in process.
- (3) Factory overhead was applied to production for the period.
- (4) Jobs 36 and 37 were completed and transferred to the finished goods storeroom.

**(4x5=20 Marks)**

**Q No.7** In standard cost system, the computation of variance is the first step. What steps should follow? **(20 Marks)**

**Q No.8** Why is cost-volume-profit analysis by products valuable to management? **(20 Marks)**



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**SUBJECT: COMMERCE (PAPER-II)**

**TIME ALLOWED: THREE HOURS**

**MAXIMUM MARKS: 100**

**NOTE:**

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**Attempt Five Questions in All. Calculator is allowed (Not programmable).**

- Q No. 1:** What are the problems of cottage & small scale industries? Also explain the role of SMEDA for promotion of these industries? **(20 Marks)**
- Q No. 2:** Define audit risk? What are the different types of audit opinions which the auditor can give in the auditor report? **(20 Marks)**
- Q No. 3:** Briefly explain different kinds of companies? Also explain the difference between public limited company and private limited company **(20 Marks)**
- Q No. 4:** How is the management structure of a partnership company different from the management structure of a limited company? Explain. **(20 Marks)**
- Q No. 5:** What is the Letter of Credit? Discuss the uses, types and the procedure of Letter of Credit. **(20 Marks)**
- Q No. 6:** Management philosophies and principles remain same all over the world but management practices vary from region to region and organization to organization. As culture plays very important role in management practices, discuss how does it so? **(20 Marks)**
- Q No. 7:** What do you know about the scientific management? Who gave this concept? What contributions it has in management practices? **(20 Marks)**
- Q No. 8:** Define leadership and explain why the "leadership" is much important for managers than other skills of management? **(20 Marks)**
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