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SOUTHERN RAILWAY

**LIMITED DEPARTMENTAL COMPETITIVE EXAMINATION FOR THE
POST OF ASSISTANT FINANCIAL ADVISER - 30% (GROUP 'B'
SERVICES) –**

DATE: 22.5.2012

TIME: 3.00 HRS.

PAPER-I

Max.Marks: 150

- I. General Knowledge and English, Official Language Policy, General principles of Government Accounting and Auditing with Special reference to the Railways.
- II. Books and Budget including Traffic Book

IMPORTANT

This Paper contains two sections. (A) and (B). Both sections have to be answered. Section (A) carries 50 marks and Section (B) carries 100 marks.

SECTION-A

Max.Marks.50

- Q.I Write a Short Note on the topics. Only four (4) questions need to be answered.

4x6¼=25 Marks

- (a) General Anti Avoidance Rules (GAAR), as proposed in the Budget for 2012-13.
- (b) Slide of Indian Rupee against US Dollar
- (c) Growth trends in India's GDP during current year
- (d) Basel III norms announced by Reserve Bank of India, on banking industry
- (e) Dis-investment of Public Sector shares
- (f) Role of Reserve Bank in promoting Economic Development
- (g) Economic Crisis in Europe.
- (h) Role of TRAI with reference to development of telecom.

TEST OF ENGLISH

Q.II In each of the following questions, out of the four alternatives, choose the one which can be substituted for the given words / sentence

5x1=5 Marks

(a) An imaginary name assumed by an Author for disguise

- (i) Homonym
- (ii) Nickname
- (iii) Pen name
- ✓(iv) Pseudonym

(b) A place for sick people who need long periods of treatment or rest.

- (i) Asylum
- ✓(ii) Sanatorium
- (iii) Clinic
- (iv) Hospital

(c) Something that is likely to break apart easily.

- (i) Harsh
- ✓(ii) Brittle
- (iii) Thin
- (iv) Breakable

(d) A person who eats too much

- (i) Omnivore
- (ii) Sensualist
- ✓(iii) Glutton
- (iv) Reveler

(e) Belonging to the same country and having same interest and feelings.

- (i) Native
- ✓(ii) Compatriot
- (iii) Patriot
- (iv) Comrade

Q.III. In each of the following questions, out of the given alternatives choose the one, which is nearest meaning to the underlined part of the sentence.

5x1=5 Marks

(a) The intrepid mountaineers who scaled the peak in winter should be congratulated.

- (i) Bold
- (ii) Courageous
- (iii) Vigorous
- ✓(iv) Brave

(b) The ubiquity of God cannot be questioned.

- (i) Greatness
- (ii) Mystery
- ✓(iii) Omni presence
- (iv) Existence

(c) The old man shows no sign of infirmity even though he is eighty years old.

- (i) Indolence
- (ii) Fickleness
- ✓(iii) Feebleness
- (iv) Lack of firmness

(d) Of all the indignities man has suffered at the hands of man, slavery is the most degrading.

- ✓(i) Insult
- (ii) Atrocities
- (iii) Evils
- (iv) Dangers

(e) The rapacious plunderers did not spare even the people living in the sums.

- (i) War like
- (ii) Barbarous
- ✓(iii) Avaricious
- (iv) Nomadic

Q.IV. In each of the following questions, out of four alternatives choose the one, which can be substituted for the given words / sentence

5x1=5 Marks

- (a) A process involving too much official formality.
 (i) Nepotism (ii) Diplomacy (iii) Red-tapism (iv) Bureaucracy
- (b) A formal written charge against a person for some crime or offence
 (i) Accusation (ii) Indictment (iii) Allegation (iv) Acrimony
- (c) A person who is indifferent to both pleasure and pain
 (i) Saint (ii) Ascetic (iii) Stoic (iv) Hermit
- (d) The line which a plough cuts in the ground.
 (i) Vale (ii) Trench (iii) Furrow (iv) Trough
- (e) Giving undue favours to one's own kith and kin
 (i) Favouritism (ii) Nepotism (iii) Corruption (iv) Worldliness

Q.V. Read the passage given below carefully. At the end of passage five questions along with various options for answers are given. Select the best option as the answer.

5x2=10 Marks

Passage:

In most Western countries, it is required that every young man, when his education is complete, shall give three, four or five years to military service. He goes into barracks, is regimented and drilled, makes a unit in the standing army and passes out usually when his term is ended, an efficient soldier, to remain for the rest of his life ready at any moment to join in the armed defence of his country.

Q.(a) In the passage the author opines that -

- (i) Military training is more important than general education
- (ii) Military training should precede college education since it builds up one's mental and physical abilities
- (iii) Military training is as important as general training
- ✓(iv) Military training must be included in the curricula of schools and colleges.

Q.(b) Military training is as important as mental training because

- (i) Otherwise young men are useless
- ✓(ii) It is good that every scholar should also be an efficient soldier and available for the country's defence.
- (iii) One gets a chance to live in barracks
- (iv) War has become a daily affair

Q.(c) Every young man has to undergo military training because he can

- (i) Get a job after such training
- (ii) Supplement his general education according to his wish
- ✓(iii) Join the army whenever his country needs to be defended in war
- (iv) Learn and practice discipline

Q.(d) In Eastern Countries like India, military training of students should be made compulsory

- (i) To fight anti-social elements
- ✓(ii) To make youth serve the nation during times of war and peace
- (iii) It can solve the unemployment problem by providing more jobs.
- (iv) To repress communal riots

- Q.(e) The author, writing in the early part of 20th century, does not seem to talk about the need of military training for women because
- (i) Women's education was a new thing then
 - (ii) Author thinks women are not physically strong enough to undergo military training
 - ✓(iii) Women taking part in military service is a recent phenomenon
 - (iv) According to Author, women should remain indoors

SECTION-B

This section contains two parts (A) and (B). Attempt **Four** questions taking any **two** from each part. All questions carry equal marks of 25 each.

PART-A

25X2=50 Marks

Books and Budget including Traffic Book.

Q.VI. (a) How is the earning budget of a Railway formulated?

(b) What is the usefulness of various statistical data in this exercise?

10+15=25 Marks

Q.VII. Write short notes on any **Four**:

4x6¼=25 Marks

- (a) Traffic Book PART.B
- (b) Cheques and Bills Reconciliation
- (c) Demands Payable
- (d) August Review of Budget
- (e) Over Capitalisation
- (f) Vote on Account

Q.VIII. (a) Outline the main features and underlying principles of Zero based budgeting.

(b) Discuss the feasibility and limitations in adopting zero based budgeting in Indian Railway.

10+15=25 Marks

Q.IX. What are the constraints faced by Indian Railways in recent years in balancing the annual budget? This may be discussed under the following heads.

25 Marks

- (a) Railway's inability to pass on increase in cost to the users
- (b) Reduction in General Budgetary support
- (c) Increase in input cost on account of salary, wages, materials.
- (d) Impact of all the three factors on Railways Capital budget, Fund balances, dividend liability.

Discussions should be supported by facts and figures.

PART-B

Answer any two questions.

2x25=50 Marks

Q.X. Write short notes. Answer any **Two**:

2x5=10 Marks

- (i)
 - (a) Railway's Safety Works
 - (b) Uneconomic Branch Lines
 - (c) Single Account Current
 - (d) Transfers without Financial Adjustment
- (ii) Explain the idea behind having a Rajbasha. What are the salient features of the Official Language Policy of Government of India as per the Official Language Act, 1963?

15 Marks

Q.XI. (a) What are the different "Funds" maintained by Indian Railways?

- (b) Briefly describe the nature of each of the funds and the manner in which they are operated.
- (c) How their operation will have to be rationalised, if it is proposed to run railways as a Commercial undertaking.

6+9+10=25 Marks

- Q.XII. (a) Describe the format in which the financial results and balance sheets of Indian Railways are presented?
- (b) How does the system followed by Indian Railways differ from that of Public limited Companies?

7+11=18 Marks

- (c) Answer in one word: (Any **seven** only)

7x1=7 Marks

1. The Accounts of the Railway presented in such a form as to facilitate review of the Railway as a commercial undertaking is known as Capital and Revenue Accounts.
2. The account which exhibits the entire expenditure of a capital nature is known as Block Account.
3. Debit side of the General Cash Book represent Cash received.
4. All items of unpaid wages will be credited to Deposit - unpaid wages.
5. The earning accrued at stations, for the realisation of which the home Railway is responsible, are consolidated in Traffic Book, Part A.
6. Errors noticed during verification of posting in Traffic Book Part A are corrected through Adjustment Balance Sheet.
7. The amount of all cheques drawn for the day is credited to the head "Cheques and Bills".
8. All Transfer Transactions between Railways are adjusted through Transfer Certificate.
9. Transactions between the Railway Ministry, and other Ministries settled through Central Account Section of Reserve Bank are known as "Remittance Transactions."

- Q.XIII. (a) What are the specific duties of the Director of Audit with regard to the Audit of the Annual Accounts of the Zonal Railway?

18 Marks

(b) Answer by filling up the blank: (Any seven only)

7x1=7 Marks

- (i) The form in which the proposals of Government in respect of sums required to meet expenditure from consolidated fund of India is submitted to Lok Sabha is Demands for Grants.
- (ii) Appropriation as passed by Parliament and assented by the President form the basis for budgetary allocations to Railways.
- (iii) The Suspense head operated to watch book adjustments of inward transactions from the books of the Government department is Revenue Bank Suspense.
- (iv) The suspense head used to watch payments to firms from whom materials are received and taken into stock before payments are made is purchases.
- (v) Unpaid items other than unpaid wages of Railway staff are allowed to remain in the register deposits for a period of three years
- (vi) The suspense head used to book inter departmental transactions awaiting acceptance is Miscellaneous Advances.
- (vii) Railway budgeting is done on Gross Gross /Net basis.
- (viii) Demand for excess grant presented to Parliament is based on recommendation of Public Account Committee.
- (ix) Exchequer control is a mechanism to ensure that Cash portion portion of budgetary allocation is not exceeded.

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SOUTHERN RAILWAY
LIMITED DEPARTMENTAL COMPETITIVE EXAMINATION FOR
ASSISTANT FINANCIAL ADVISER (AFA) – 30% - GROUP 'B' SERVICES

PAPER-II

Date: 23.5.2012.

Time: 3.00 hrs.

Max.Marks.150

IMPORTANT

Total of **Six** questions are to be answered.

Two from Part.I, Two from Part.II and Two from either Part.III (A) or Part.III (B), as per options already given.

All questions carry equal marks of 25 each.

PART.I

50 Marks

FINANCIAL JUSTIFICATION FOR EXPENDITURE AND
TRAFFIC COSTING

Answer any **Two**.

Q.I. How far the present Traffic Costing Methodology is effective in determining realistically the financial viability of introduction of New Trains and augmentation of existing services. Discuss in detail.

25 Marks

Q.II (a) With regard to Goods Traffic, what is the Traffic Costing information available?

(b) How do they help in investment decision?

12½+ 12½=25 Marks

...2.

Q.III (a) Due to constraint of resources, Railways need to tap alternative sources for Capital expenditure. In this regard, discuss the schemes like BOLT, BOOT and other models of PPP in furthering this purpose.

(b) What are the constraints faced by Indian Railway in attracting such investments?

18+7= 25 Marks

Q.IV. Write Short Notes: (Any **Four**)

- (a) Socially viable Projects
- (b) Apportionment of Joint Cost
- (c) DCF Technique
- (d) Productivity Test
- (e) Make or buy decision
- (f) Two packet system of tendering
- (g) Financial Justification for reconditioning a machine

4x6¼=25 Marks

PART.II

MANAGEMENT ACCOUNTING

Answer any **Two** Questions.

2x25=50 Marks

Q.V. (a) What do you understand by the terms Budget and Budgetary Control?

(b) What are the advantages of budgetary control?

- (c) Calculate the break even sales from the following data for a Company producing three products.

Product	Sales	Variable Cost
A	Rs.10,000	Rs.6,000
B	Rs.5,000	Rs.2,500
C	Rs.5,000	Rs.2,000
Total	Rs.20,000	Rs.10,500

Total fixed cost amount to Rs.5,700/-

9+9+7=25 Marks

Q.VI. (a) What are the factors that should be considered in setting up

- (i) Materials price standard
- (ii) Materials usage standard
- (iii) Labour time standard

- (b) ABC limited has prepared the following cost estimates per unit for the manufacture of a sub-component hitherto purchased from an outside supplier at Rs.32/- per unit; ordering and inspection cost are estimated at Rs.2/- per unit. The firm has spare capacity and no extra fixed cost will be required to be incurred. The annual requirement is 10,000 units.

Direct material	-	Rs.10/-
Direct Labour	-	Rs.14/-
Variable overheads	-	Rs.6/-
Fixed Factory overheads	-	Rs.6/-

Total cost per unit	-	Rs.36/-

Should the component be made or purchased from outside?

15+10=25 Marks

Q.VII. (a) Alpha manufacturing company has drawn up the following Profit and Loss account for the year ended 31st March.

To Opening Stock	Rs.26,000	By Sales	Rs.1,60,000
To Purchases	Rs.80,000	By Closing Stock	Rs.38,000
To wages	Rs.24,000		
To manufacturing expenses	Rs.16,000		
To Gross profit	Rs.52,000		
C/d	Rs.1,98,000		Rs.1,98,000

To selling and distribution expenses	Rs.4,000	By gross profit B/d	Rs.52,000
To administrative expenses	Rs.22,800	By compensation for acquisition of land	Rs.4,800
To value of furniture lost by fire	Rs.800		
To general expenses	Rs.1,200		
To Net profit	Rs.28,000		
	Rs.56,800		Rs.56,800

Calculate the Operating Ratio and the Ratio of operating net profit to net sales.

(b) "Fixed costs are really variable. The more you produce the less they become". Discuss.

18+7=25 Marks

...5.

Q.VIII. (a) A firm has made credit sales of Rs.2,40,000/- during the year. The outstanding amount of debt at the beginning and at the end of the year respectively was Rs.27,500/- and Rs.32,500/-. Determine the debtors turnover ratio.

(b) What is the payback period?

(c) Also discuss the utility of the payback period in determining the internal rate of return.

8+6+11=25 Marks

PART.III (A)

TRAFFIC ACCOUNTS, STATISTICS AND ESTABLISHMENT

Answer any **Two**

2x25=50 Marks

Q.IX. Bring out in brief the checks exercised in the Traffic Accounts Office in respect of the following.

- (a) Collected Tickets
- (b) Concession Vouchers
- (c) Paid on charges
- (d) Siding Statements

4x6¼=25 Marks

Q.X. (a) How far the present method of compilation and presentation of statistical data help in management decision and control in Indian Railways?

(b) What is specific fuel consumption?

(c) How is it computed for diesel and electric traction?

12+5+8=25 Marks

Q.XI. (a) What are the Rules and Conditions relating to calculation and Payment of Foreign Service Contribution in respect of employees going on deputation?

(b) What are the fundamental Rules relating to fixation of pay?

12½+12½=25 Marks

Q.XII. Write short notes on any **Four**:

- (a) Workmen's Compensation Act
- (b) Operating Ratio
- (c) Annual Statistical Statement No.40
- (d) Pension Fund
- (e) Apportioned Earnings
- (f) Accounts Office Debits

4x6¼=25 Marks

PART.III (B)

**WORKSHOP AND STORES ACCOUNTS AND
GENERAL EXPENDITURE**

Answer any **Two** questions:

Q.XIII. (a) Explain the significance of Purchase Grant and Closing Balance of Stores, in Stores Budgeting and describe the measures taken for regulating both.

(b) Describe the procedure followed in Accounting for stores received in a Workshop from the Stores Depot, from the time, they are received in the shop to the time, they are finally adjusted against the jobs in which they have been consumed.

12½+12½=25 Marks

Q.XIV. Write short notes any **Four**:

- (a) Transfer pricing
- (b) Fall clause
- (c) Risk Tender with reference to Stores Contract
- (d) Variation in quantities in Works Contracts
- (e) Marginal Costing
- (f) CLW pattern of incentive scheme

4x6¼=25 Marks

Q.XV. "The Workshop outturn statements truly and effectively reflect shop activity and efficiency of Workshop Accounts Office". Discuss with particular reference to checks to be exercised in the preparation of various outturn statements.

25 Marks

Q.XVI. (a) What is Stock Adjustment Account?

- (b) What are the various items adjusted through this account?
- (c) How is inventory turnover ratio calculated?
- (d) Can inventory turnover ratio be considered as a reliable index of inventory management?

5+7+7+6=25 Marks
