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SOUTHERN RAILWAY

LIMITED DEPARTMENTAL COMPETITIVE EXAMINATION FOR THE POST OF ASSISTANT FINANCIAL
ADVISER (GROUP 'B' SERVICE)

DATE 29.05.2018

TIME ALLOWED: 3 HOURS

MAXIMUM MARKS 150

SECTION A

ANSWER ALL QUESTIONS

General Knowledge and English language

1. English Language;

(i)

- (a) What do you understand by Rajbhasha, Is it the same as Hindi? What are the salient features of the official language policy of the Government of India as per the Official Languages Act 1963?
(5+10 =15 Marks)

Or

- (b) Write a letter to the editor exhorting readers to join railways in keeping railway platforms and trains clean. (not more than 150 words)

(15 Marks)

- (II) Clearly bring out the difference between the following similar sounding words by using them in a sentence;

- (i) Assent and Ascent
- (ii) Advise and Advice
- (iii) Commend and Command
- (iv) Affluent and Effluent
- (v) Principal and Principle

(1*5=5 Marks)

- (III) Give the word opposite in meaning (Antonym) of the following words;

- (i) Summit *BOTTOM, NADIR, BASE.*
- (ii) Transient *PERMANENT, PERPETUAL, CONSTANT*
- (iii) Obtuse *INTELLIGENT, ACUTE, SMART*
- (iv) Tranquil *DISTURBED, BUSY, EXCITABLE*
- (v) Benign *UNFRIENDLY, HOSTILE, MALIGNANT*

(1*5=5 Marks)

(IV) For the underlined expression in each of the following sentences, choose one of the options (a to d) which follow it, which most nearly expresses its meaning;

- (i) The Organisation decided to give Mrs. Parvathy's job to her son because she died in harness.
 (a) died after retirement (b) ☒ died while in service (c) died while riding a horse
 (d) died for a great cause
- (ii) Though he was arrogant, i could not dispense with his services.
☒ (a) terminate (b) align with (c) claim (d) disregard with
- (iii) In spite of his hard work, he was made a scapegoat for the failure of the project.
 (a) freed from any responsibility for (b) suspected of causing
☒ (c) blamed without reason for (d) was severely punished for
- (iv) I could not come up in life for want of proper guidance.
☒ (a) for lack of (b) for need of (c) for the desire of
 (d) for the necessity of
- (v) If food supply fails to keep pace with the population, the civilisation will collapse.
☒ (a) to grow along with (b) to walk side by side
 (c) to gain momentum (d) to move at the same speed as

(1*5=5 Marks)

(V) Use the following Idioms/Phrases in your own sentences to bring out their meaning clearly;

- (i) Wild goose chase (ii) Crocodile tears (iii) Sea change
 (iv) Fool's paradise (v) On cloud nine

(1*5=5 Marks)

2.General Knowledge;

(I) Name the authors of any five of the following books;

- | | | | | | |
|--------------------|--------------------------|----------------------------|------|-----------------------|-----------------------|
| (i) | To Kill A Mockingbird | HARPER LEE | (ii) | Uncle Tom's Cabin | HARRIET BEECHER STOWE |
| BHAGAT SINGH (iii) | Why I am an Atheist | | (iv) | Sense and Sensibility | JANE AUSTEN |
| AMARTYA SEN (v) | The argumentative Indian | | (vi) | God of Small Things | ARUNDHATI ROY |
| (vii) | Madhushala | HARIVANSH RAI BHATTACHARYA | | | |

(1*5=5 Marks))

(II) Answer the following;

- (i) The centenary of which event of Indian freedom movement was invoked in connection with 'Satyagraha se Swachagraha'
 - (a) Bardoli Satyagraha
 - ☒ (b) Champaran Satyagraha
 - (c) Partition of Bengal
 - (d) Poona Pact
- (ii) The judgment of the Supreme Court of India in the Vishaka case pertains to
 - ☒ (a) Sexual harassment in work places
 - (b) Domestic Violence
 - (c) Child sex offence
 - (d) Rape
- (iii) UBI, as an alternative for subsidies for poverty alleviation stands for
 - (a) Union Basic Income
 - ☒ (b) Universal Basic Income
 - (c) Undefined Basic Income
 - (d) Unconditional Basic Income
- (iv) In India in the recent past, the base year of the new GDP series has been shifted from 2004-05 to
 - (a) 2007-08
 - (b) 2008-09
 - (c) 2010-11
 - ☒ (d) 2011-12
- (v) Constitutional safeguards to the Civil servants in India are guaranteed by which article of the Indian Constitution
 - (a) 310
 - ☒ (b) 311
 - (c) 312
 - (d) 317

(1*5=5 Marks)

(III) Expand the following Acronyms

(i) PMLA (ii) POSCO (iii) PQWL (iv) VVPAT (v) IFSC

- ① PREVENTION OF MONEY LAUNDERING ACT
- ② PROTECTION OF CHILD FROM SEXUAL OFFENCES
- ③ POOLED QUOTA WAIT LIST
- ④ VOTER VERIFIABLE PAPER AUDIT TRAIL
- ⑤ INDIAN FINANCIAL SYSTEM CODE.

(1*5=5 Marks)

SECTION B

ANSWER ANY TWO QUESTIONS IN THIS SECTION HAVING THREE QUESTIONS

General Principles of Accounting and Audit with special reference to Railways

1. Accrual Accounting is being pursued with vigour on IR in recent times. Is Railways present method of Accounting Cash-based, how is it made to conform to accrual basis by means of Link heads- Discuss with reference to both Payment and Receipts side. What area of Earnings and Expenditure are still purely Cash based- Indicate one major item for each and how could one switch to accrual basis?

Banks.

(15+10= 25 Marks)

....4.

2. What are the types of reports made by the Statutory Audit in communicating the results of the Audit of Railway Accounts? The number of Audit references part I is touching close to 700 on our Railway, discuss critically the reasons why we have come to such a sorry pass. What remedial measures do you suggest the Accounts department of Railways should take to remedy the situation. *KAE*

(10+15=25 Marks)

3. What are the various Funds maintained in Indian Railways for its financing needs? Mention the source of credits to and the purpose for which each of the funds are maintained. Do these funds have adequate balances? *Budget*

(10+10+5=25 Marks)

SECTION C

ANSWER ANY **TWO** QUESTIONS IN THIS SECTION HAVING THREE QUESTIONS

Books and Budget including Traffic Book

1. What do you understand from the term 'Operating Ratio' in the context of IR? How is it computed? Is it a good indicator of financial performance of a Zonal Railway? *BWRM*

(5+10+10=25 Marks)

2. Being able to implement Single Account Current is the singular achievement of the Accounts department of Indian Railway in the year just gone by. Discuss what were the critical areas of Accounts which frustrated the Railways efforts for so long and what made it now possible. Are there any shortcomings in switching over to the Single Account Current- critically comment. *BWRM*

(15+10=25 Marks)

3. Explain how the Monthly Approximates for Earnings are estimated? Is full use being made of the MIS available on PRS, UTS, FOIS etc- critically comment *Tfc. A/c.*

(15+10=25 Marks)

SOUTHERN RAILWAY

LIMITED DEPARTMENTAL COMPETITIVE EXAMINATION FOR THE POST OF ASSISTANT FINANCIAL ADVISER (GROUP 'B' SERVICE)

DATE 30.05.2018

TIME ALLOWED: 3 HOURS

MAXIMUM MARKS 150

PAPER-II

NOTE: ATTEMPT SIX QUESTIONS IN ALL, SELECTING TWO FROM EACH SECTION. ALL QUESTIONS CARRY EQUAL MARKS. IN SECTION C ANSWER TWO QUESTIONS FROM EITHER PART I OR PART II

Section A

Financial justification and Traffic Costing

1. How is the Financial appraisal of a Doubling project made, what are the various factors considered for working out the financial implication of the proposal? In the scenario of Uneconomic prices being charged for Passenger services, is it not the case that the capacity augmentation proposals in a predominantly passenger offering Railway like ours tend to get crowded out when evaluated purely on financial criteria? Is it time to move to evaluate such proposals on Traffic offering/capacity utilisation rather than financial remunerativeness- critically comment.

(15+10=25 Marks)

2. Enumerate the broad steps in Expenditure on Railways between Goods and Coaching services leading to the Summary of End Results which gives the unit costs of various services. Traffic costing is likely to take centre stage in the present times, it is high time we revisited the methodology- give reasons. Our Traffic Costing methodology gives Fully Distributed Costs whereas real-time decision making in Railways requires Marginal Cost data- Do you agree, give examples ?

(10+10+5=25 Marks)

3. Compare and contrast the two methods of DCF technique viz., NPV and IRR methods. Explain situations when one is better or more suited than the other.

(15+10=25 Marks)

SECTION B

Management Accounting

1. An enthusiastic Chief Freight Transportation Manager of a Zonal Railway suggested to the General Manager that if he is allowed to reduce the freight per Tonne of Cement by 20%, he would be able to increase the traffic by 30% in the coming year. You are given the following information;

...2.

Present Freight per Tonne Km	Rs. 7.50
Present level of traffic in TonneKm	2,00,000
The Variable cost for carrying the traffic (per TonneKm)	Rs. 10,50,000/-
Total Fixed cost per Annum	Rs. 3,60,000/-

What would be your financial advice to the General Manager, back your advice with the profit before and after the price reduction assuming the proposed increase is achieved.

(15 Marks)

If the proposed discount was still given, then work out the level of traffic at which the present net profit from the commodity before price reduction is achieved again.

(10 Marks)

2.What is meant by Ratio analysis? Discuss the important ratios which signify

(a) Stability (b) Liquidity and (c) Profitability of a concern

(10+(3*5)=25 Marks)

3.A Multi-product company has the following cost and output data for the previous year;

	Product			
	A	B	C	TOTAL
Sales Mix(%)	40	35	25	100
Selling Price (in Rs.)	25	35	40	
Variable cost (per unit in Rs.)	15	27	32	
Total Fixed Cost (in Rs.)				100000
Total Sales(in Rs.)				500000

It is proposed to replace the product C by Z by which the Estimated Cost and Output data will be as under;

	Product			Total
	A.	B	Z	
Sales Mix (%)	50	30	20	100
Selling Price (in Rs.)	35	25	40	
Variable cost per unit(in Rs.)	28	15	28	
Fixed Cost (Rs.)				100000
Total Sales				500000

Would you as the Financial adviser of the Company recommend the proposed change, give calculations in support of your answer.

(25 Marks))

4. What do you understand by 'Life cycle costing'? In which areas on IR can it be applied? How is it an improvement over the traditional costing?

(15+5+5=25 Marks)

SECTION C

PART I: Traffic Accounts, Statistics and Establishment

1. The word 'Fund' in Pension Fund is a misnomer, Railways follow the principle of 'Pay as you go'- Discuss critically. What is being done to scientifically assess the Pension liabilities on IR? Examine the feasibility and pros and cons of Railways directly making payment to its pensioners instead of the existing scheme of payment through the Banks, Treasuries and Post offices.

(7+8+10=25 Marks)

2. (a) Indicate two important statistics related to Goods operations.

(10 Marks)

(b) What is Specific Fuel Consumption? How is it computed for Diesel and Electric traction? Specific Energy Consumption cannot be accurately calculated for Passenger and Goods and within these Locomotive wise- critically comment.

(5+5+5=15 Marks)

3. (a) What is Traffic Suspense? Briefly explain the constituents of Traffic Suspense.

(5+10=15 Marks)

- (b) What steps are to be taken by Accounts office to minimise Station Outstanding and why?

(10 Marks)

PART II:

Workshops Stores and General Expenditure Accounts

- 1.(a) Describe the linkages between Stores budget, WMS budget and Revenue budget on a Zonal Railway.

(15 Marks)

- (b) How is Inventory Turnover Ratio worked out? Is it a good indicator of performance of the Material Management department on IR, what are its drawbacks?

(5+5=10Marks)

2. What is Unsanctioned Expenditure, briefly describe the types of Unsanctioned Expenditure. Despite being monitored and adversely commented by the highest level of management in Railways, it has at best remained an exercise in post mortem- critically comment on the reasons for the same. What steps would you take to advise the management of arising of Unsanctioned expenditure in advance to avoid incurrence of the same?

(5+10+10=25Marks)

3. What are the constituent elements of a WMS Account? What are the checks to be exercised while reviewing the WMS account of a repair workshop?

(10+15=25 Marks)
