

लोक सेवा आयोग  
नेपाल नागरिक उड्डयन प्राधिकरण, प्रशासन, आर्थिक प्रशासन, चार्टर्ड एकाउन्टेन्ट, छैठौं, अधिकृत  
पदको खुला प्रतियोगितात्मक लिखित परीक्षा  
२०७८।०९।१७

**KEY [A]**

पत्र : द्वितीय  
समय : ३ घण्टा

पूर्णाङ्क : १००

विषय : सेवा सम्बन्धी

उत्तरपुस्तिकामा प्रश्नपत्रको KEY अनिवार्य रूपले उल्लेख गर्नुपर्नेछ । उल्लेख नगरेमा उत्तरपुस्तिका रद्द हुनेछ । परीक्षामा mobile प्रयोग गर्न पाइनेछैन । प्रत्येक Section को उत्तर छुट्टाछुट्टै उत्तरपुस्तिकामा लेख्नुपर्नेछ । अन्यथा उत्तरपुस्तिका रद्द हुनेछ ।

**Section 'A' : Objective**

**Multiple Choice**

**20×2=40 Marks**

- The objective to provide financial information about the entity that is useful to existing and potential investor, lenders and other creditors in making decision relating to providing resources to the entity is of  
A) Accounting system  
B) Ledger  
C) General purpose financial statement  
D) Books of accounts
- Working capital management is managing  
A) long term liabilities  
B) short term assets and liabilities  
C) short term assets only  
D) short term liabilities only
- Risk Premium is the difference between  
A) Market Rate and Risk-Free Rate  
B) Return on Security and Risk-Free Rate  
C) Market Rate and Return on Security  
D) Return on Equity and Cost of Debt
- Which one of the following most closely defines 'Amortization'?  
A) The depreciation of tangible fixed assets  
B) The depreciation of intangible fixed assets  
C) The depreciation of current assets  
D) The revaluation of land and buildings
- Which type of inventory system is updated inventory system?  
A) Periodic inventory system  
B) Contingency inventory system  
C) LIFO  
D) Perpetual inventory system
- In case of a non-monetary grant, which of the following accounting treatment is prescribed by NAS 23?  
A) Record only the asset at the fair value, do not recognize the fair value of the grant  
B) Record the asset at replacement cost and the grant at a nominal value  
C) Record both the grant and the asset at fair value of the non-monetary asset  
D) Record the grant at a value estimated by the management
- Financial management is concerned with  
A) Investment decision  
B) Financing decision  
C) Dividend decision  
D) All of the above

8. The classification of a lease as either an operating or finance lease is based on
  - A) the length of the lease
  - B) the transfer of the risks and rewards of ownership
  - C) the minimum lease payments being at least 50% of the fair value
  - D) the economic life of the asset
9. The ratio which reveals the final result of the managerial policies and performance is
  - A) turnover ratios
  - B) profitability ratios
  - C) short term solvency ratio
  - D) long term solvency ratio
10. When capitalizing borrowing costs there is a risk that the cost of an asset may be inflated above the recoverable amount. Any excess of borrowing cost above the recoverable amount should be
  - A) written off
  - B) ignored
  - C) treated as income
  - D) none of the above
11. During the audit, analytical procedure is a part of
  - A) audit sampling
  - B) communication to the client
  - C) risk assessment
  - D) audit staff clarification
12. Which of the following is of the least concern to an auditor regarding a client's internal control system?
  - A) Efficiency and effectiveness of operations
  - B) Controls related to the reliability of financial reporting
  - C) Controls over classes of transactions
  - D) Auditors are equally concerned about each of the issues
13. To assess audit risk more effectively an auditor investigates all the different groups within an organization apart from
  - A) board of governance and top level management
  - B) legal counsel
  - C) middle level management
  - D) stakeholders
14. Which one is correct VAT Revenue Code?
  - A) 33311
  - B) 33111
  - C) 11111
  - D) 11333
15. Which of the following is not a qualitative characteristic of financial statements according to the Framework for presentation of financial statements?
  - A) Materiality
  - B) Understandability
  - C) Comparability
  - D) Reliability
16. Internal check is a part of
  - A) Internal audit
  - B) Internal accounting
  - C) External audit
  - D) Internal control
17. The use of an audit engagement letter which is the best method of assuring the auditor will have
  - A) Sufficient appropriate audit evidence
  - B) Management representation letter
  - C) Access to all books, accounts and voucher required for audit purpose
  - D) Co-operation from other auditors

18. International Civil Aviation Organization is a specialized agency of  
 A) United Nation Development Group      B) International Monetary Fund  
 C) United Nations      D) European Union
19. Which of the following is considered a control environment factor by the COSO definition of internal control?  
 A) Control objectives      B) Integrity and ethical values  
 C) Reasonable assurance      D) Risk Assessment
20. Directors' responsibilities are unlikely to include  
 A) a duty to keep proper accounting records  
 B) a duty to propose high dividends for shareholders  
 C) a fiduciary duty  
 D) a duty of care

**Subjective**

**Section : 'B'**

**30 Marks**

1. Differentiate between Financial Management and Financial Accounting. 5
2. What do you mean by Debt Restructuring? Mention reasons and ways for Debt Structuring. 5
3. In a meeting held at Solan towards the end of 2020, the Directors of M/s HPCL Ltd. have taken a decision to diversify. At present HPCL Ltd. sells all finished goods from its own warehouse. The company issued debentures on 01.01.2021 and purchased fixed assets on the same day. The purchase prices have remained stable during the concerned period. Following information is provided to you. 20

**INCOME STATEMENTS**

Particulars	2020		2021	
	Cash Sales	30,000		32,000
Credit Sales	2,70,000	3,00,000	3,42,000	3,74,000
Less: Cost of goods sold		2,36,000		2,98,000
Gross profit		64,000		76,000
Less: Operating Expenses				
Warehousing	13,000		14,000	
Transport	6,000		10,000	
Administrative	19,000		19,000	
Selling	11,000		14,000	
		49,000		57,000
Net Profit		15,000		19,000

A - 4, प्रशासन, आर्थिक प्रशासन, चार्टर्ड एकाउन्टेन्ट, छैठौं, अधिकृत

**BALANCE SHEET**

Assets & Liabilities	2020		2021	
Fixed Assets (Net Block)	-	30,000	-	40,000
Receivables	50,000		82,000	
Cash at Bank	10,000		7,000	
Stock	60,000		94,000	
Total Current Assets (CA)	1,20,000		1,83,000	
Payables	50,000		76,000	
Total Current Liabilities (CL)	50,000		76,000	
Working Capital (CA -CL)		70,000		1,07,000
Total Assets		1,00,000		1,47,000
Represented by:				
Share Capital		75,000		75,000
Reserve and Surplus		25,000		42,000
Debentures		-		32,000
		1,00,000		1,47,000

You are required to calculate the following ratios for the years 2020 and 2021.

- Gross Profit Ratio
- Operating Expenses to Sales Ratio
- Operating Profit Ratio
- Capital Turnover Ratio
- Stock Turnover Ratio
- Net Profit to Net Worth Ratio
- Receivables Collection Period

Ratio relating to capital employed should be based on the capital at the end of the year. Give the reasons for change in the ratios for 2 years. Assume opening stock of 40,000 for the year 2021. Ignore Taxation.

**Section : 'C'**

**30 Marks**

- Explain the prime duty, responsibility and accountability of finance head as stated in the Financial Administrative Rules, 2057 of CAAN. 5
- Explain the timing of levying VAT as per VAT Act, 2052. Explain when the VAT shall be levied in case of advance payment for any goods/services. 5
- What are the functions, duties and rights of Civil Aviation Authority as per Civil Aviation Authority Act, 2053? How do you assess its effective functioning and suggest the activities that can be done to improve the functions of Civil Aviation Authority.? Explain Clearly. 10+10=20

- The End -