

Q. No	Question Text	Option 1	Option 2	Option 3	Option 4	Correct Option
1	Which of the following concepts is most useful in assessing the scope of an auditor's program relating to various accounts?	Attribute Sampling	Materiality	The reliability of Information	Management fraud	2
2	Adam Smith had explained four principles of taxation which he thought a good tax must fulfil. They are:	Equality, Certainty, Convenience, Economy	Efficiency, Certainty, Convenience, Economy	Optimality, Equality, Efficiency, Certainty	None of the above	1
3	State Government Accounts would be caused to be laid in State Legislature by:	Governor	Chief Minister	Finance Secretary	All of the above	1
4	Which one of the following is the highest expenditure of the Government of India on revenue account?	Defense	Subsidies	Pensions	Interest Payments	4
5	A pure private good is	nonrival in consumption and subject to exclusion.	rival in consumption and subject to exclusion.	rival in consumption and not subject to exclusion.	all of the above	2
6	Which one among the following commission was set up in pursuance of a definite provision under an Article of the Constitution of India?	University Grants Commission	National Human Rights Commission	Election Commission	Central Vigilance Commission	3
7	Which of the following statements is not correct? Progressive income tax is used to:	finance public welfare services;	reduce disparities in distribution of income and wealth;	increase efficient use of resources;	subsidise goods purchased by low income groups.	3
8	Which of the following most likely would not be considered an inherent limitation of the potential effectiveness of internal control?	Incompatible duties	Management override	Mistakes in judgment	Collusion among employees	1
9	The medium term fiscal policy cum fiscal policy strategy statement shall set forth a _____ rolling target for prescribed fiscal indicators?	Two year	Three year	Five year	Seven year	2
10	Which of the following statement is true about Classification of Government Accounts?	Object Heads represent the first three digits of accounting classification	Chart of Accounts is a 15 digit hierarchical classification system	Major Head represent the first three digits of Government Account	All of the above	2
11	Departmental Classified Abstracts bring together the monthly receipts and payments pertaining to each department for the whole account circle classified under the relevant major, minor and detailed heads of account.	TRUE	FALSE			1
12	Which of the following statements is correct about Union Government Finance Accounts?	a) The Finance Accounts are prepared by Controller General of Accounts (CGA) for Central Civil Ministries	b) The Appropriation Accounts are prepared by CGA for Central Civil Ministries	c) Both (a) and (b)	d) Neither (a) nor (b)	2
13	In a public goods context, it is difficult to measure impact on real income because	public goods are generally free to the public.	they make up a small percentage of total GDP.	it is hard to measure how people value the public good.	inflation decreases the value of the good.	3
14	Which of the following items fall under the concurrent list of the constitution	Higher education	Electricity	Fisheries	Development of Mines	2
15	Risk assessment procedures are performed by auditors with the following objectives?	Understanding the entity Business	Understanding its Internal Controls	Understanding its environment	All of the above	4
16	Which of the following statements is True about preparation of Government Accounts of India?	Accounts of Union government are prepared by Comptroller and Auditor General (C&AG) of India	Accounts of Union Government are certified by Controller General of Accounts	Accounts are to be prepared and laid into Parliament within one month after completion of Financial Year	Accounts of Union are to be kept in Form prescribed by President on the advise of C&AG.	4
17	Which of the following measures is helpful in distribution of income and wealth.	A tax transfer scheme	Progressive income tax	Subsidies on goods	Disinvestment	4

18	In Part II of the Appropriation Accounts, the reasons for excess and savings in column (4) are to be explained with reference to the	Total grant	Total expenditure	Total own receipts	None of the above	1
19	As per the FRBM Act 2003, the finance minister shall review the trends in receipts and expenditure in reaction to the budget on _____	Annual Basis	Half Yearly Basis	Quarterly Basis	None of the above	2
20	Which is the tax that is imposed by the Central Government of India but its revenue is divided between Centre and States?	Custom Duty	GST	Wealth Tax	None of these	2
21	The Major Head Codes 4001 to 5999 reflects what?	Revenue Expenditure	Capital Receipts	Capital Expenditure	Loans & Advances	3
22	Which of the followings in India is not part of Public expenditure	Salary to employees	Grants to Universities and Hospitals	Interest payment	Repayments of National Saving certificates	4
23	Which items of liabilities are captured in the financial statements of Government of India. a) Borrowings from market b) Guarantees given by Gol c) Payables for supplies received d) Payables for supplies due	a & b	all of the above	c & d	a only	1
24	All moneys, receipts and disbursement made by the Government of India are divided into three parts as per	Article 266 - 277 of Constitution of India	Article 220-224 of Constitution of India	Article 228-229 of Constitution of India	None of the above	1
25	Which of the following statement is true about the Estimates Committee?	Has its members elected according to the system of proportional representation.	Consists of 30 members appointed by the speaker.	Has a Union Minister as its chairman	Consists of 15 members each from Loksabha and Rajya Sabha	1
26	Ministry of Urban Development, (MoUD) Government of India (Gol) accepted Task Force Report (Task force constituted by CAG) and forwarded it the state governments for implementation in	April 2002.	April 2003.	April 2004.	None of the above	2
27	Bank Rate is the rate:	a) At which RBI lends to the commercial banks	b) At which RBI rediscounts the bills of the commercial banks	c) Both (a) and (b)	d) Neither (a) nor (b)	3
28	Which of the following commission set up by the President of India decides the distribution of tax incomes between the Central and State Governments?	Central Law Commission	Central board of direct taxation	Administrative Reform Commission	Finance Commission	4
29	Which of the following is a requirement for giving Cheque Drawing powers to Drawing and Disbursing Officers (DDOs)?	Distance from DDOs to PAOs is more than 400 kms.	Budget provisions for items other than salary may not be less than Rs. 1 crore.	Number of staff for which DDO would be making payments may not be less than 150.	All of the above	2
30	Grants or Appropriations relating to Election Commission of India is signed by	Deputy Election Commissioner	Deputy Speaker of the Lok Sabha	Both the above	None of the above	1
31	The social cost of an activity is equal to the private cost plus the cost of the negative externality.	TRUE	FALSE			1
32	How many statements are there in State Government Finance Accounts?	16	17	22	11	3
33	Ways and Means Advances are:	Facility/Advance extended by RBI to maintain minimum liquidity with the State Government	Loans given by State Public Sector Units	Loans Given by Central Public Sector Unit	All of the above	1
34	Which one of the following is NOT related with income from corporate sector in India?	Fringe benefit tax	Minimum alternative tax	Tax on company profit	Capital gains tax	4

35	Is the following statement True or False? In Government Accounts physical assets are depreciated and the losses or write-offs of the physical assets at the end of their life are recognized or expensed.	TRUE	FALSE			2
36	Which of the following are not the challenges in CSI?	Integration & seamless flow of data.	Payment through PFMS	DDO wise budget allocation in the system	Cheque clearance mechanism	2
37	A fund focused on investing in strategic assets and projects with longer term horizon across various stages of development is known as	Master fund	Tactical Fund	Strategic Fund	None of the above	3
38	If the foreign sports fan visit the Tokyo for Olympics then the earning of the Japan out of the expenditure incurred by the foreign sports fan in Japan shall be treated as	Exports	Primary Revenue	Tourism Revenue	Imports	1
39	Autonomous Bodies are:	a) Set up only under the Constitutional Provisions	b) Set up whenever it is felt that certain functions need to be discharged outside the governmental set up with some amount of independence and flexibility without day-to-day interference of the Governmental machinery	c) Both (a) and (b)	d) Neither (a) nor (b)	2
40	What is the percentage considered for the allotment of the Finance commission devolution of taxes to the states in 14th Finance commission report wrt to forest cover in the states	7.5 percent	10 percent	17.5 percent	15 percent	1
41	Which is the primary accounting unit of DoP?	Circle postal accounting offices	Postal Account (PA) wing	Head Post office	Sub office	3
42	Which organisation maintains cash balance of the Government and provides banking facilities to the Ministries and subordinate or attached offices either directly through its own offices or through its agent banks:	Ministry of Finance	RBI	SBI	Respective Ministries	2
43	Which of the following statement reflects the correct position?	Head of office can only be the DDO	Head of office may function as DDO or authorize any Gazetted Officer working under him as DDO	The Pay & Accounts Officer is also the DDO of the office	The Pay & Accounts Officer can function as the DDO or authorize any Gazetted Officer working under him as the DDO	2
44	If we ignore loopholes, good examples of progressive taxes are	statutory taxes.	income taxes.	social security taxes.	tobacco and liquor taxes.	2
45	Which of the following expenditures cannot be classified as Non-Plan (Non Scheme) Expenditure in Government expenses parlance?	Wages for Contract labours	Other administrative Expenses	Purchase of new IT Hardware's	Electricity charges for the Offices	3
46	The amount of allowances granted to meet expenditure of a particular type should be so regulated that the allowances are not on the whole a source of profit to the recipients.	TRUE	FALSE			1
47	Which one of the following is not a Constitutional Body?	Election Commission	National Commission for SC's and ST's	Union Public Service Commission	Competition Commission of India	4
48	Surcharge on certain duties and taxes levied by the Union is:	Assigned to the States	Appropriated for the purpose of the Union	Distributed between Union & States as recommended by the Finance Commission	None of the above	2

49	Which among the following is not a standing committee?	Public accounts committee	Ethics committee	Railway convention committee	Business advisory committee	3
50	Operational Efficiency in budgeting refers to:	Accommodating spending demands in budget	Expenditure decisions based on Government priorities	Limiting total spending in budget	Providing goods and services at a cost that achieves efficiency gains	4
51	Which of the following is incorrect	If any money has been spent on any service during a financial year in excess of the amount granted by the House for that purpose the Committee shall examine with reference to the facts of each case the circumstances leading to such an excess and make such recommendation as it may deem fit.	the Committee is to ascertain that money granted by Parliament has been spent by Government "within the scope of the demand.	Broadly, committee can intervene in the questions of policy	important function of the Committee is the discussion on points of financial discipline and principle.	3
52	Without government intervention, negative externalities are borne directly by the producer of a good or service, so they diminish profit.	TRUE	FALSE			2
53	A Value Added Tax is:	Tax levied on wage and salary	Tax levied on accounting profit	Difference between sales revenue and input purchases	Levied on owner of property	3
54	The transactions related to business managed by Postal Department on behalf of Central Government such as Saving Bank, Cash Certificates etc. are recorded in:	Various heads included in the Remittance and Debt Sections of the Accounts of the Central Government	Capital Outlay on Postal Services	Secretariat General Services	All of the above	1
55	Which of the following mechanisms are used for Allocation of Resources in Public Financial Management:	a) Market Mechanism	b) Public Sector Units	c) Both (a) and (b)	d) Neither (a) nor (B)	3
56	Which form of tax incentive has the most comparative merit?	Tax holidays	Tax credits & Investment allowance	Accelerated depreciation	Investment subsidies	3
57	Which of the following statements is correct?	All public goods are 'non excludable'	Some public goods are 'excludable'	All private goods are 'excludable'	None of the above	2
58	The External Debt has been shown at the exchange rate applicable at the time of	a) Contracting the debt	b) Expanding the debt	c) Both a & b	d) None of the above	1
59	A comparison of income-consumption tax mix between developed & developing economies reveals that economic development tends to lead to a relative shift in the composition of revenue from consumption to personal income taxes.	TRUE	FALSE			1
60	Which of the following serves as benchmark against economy, efficiency and effectiveness is measured in the performance Audit.	Audit objective	Audit Criteria	Risk Parameter	Audit Sample	2
61	Which of the following is the best way to compensate for the lack of adequate segregation of duties In a small organization?	Disclosing lack of segregation of duties to the external auditors during the annual review	Replacing personnel every three or four years	Requesting accountants to pass a yearly background check	Allowing for greater management oversight of incompatible duties	1
62	Which of the following policy instruments RBI normally resorts to for managing inflation in the economy?	Bank Rate	Cash Reserve Ratio	Statutory Liquidity Ratio	Repo Rate	4

63	What is Primary Deficit?	Fiscal Deficit less interest payments	Revenue Deficit less grants for creation of capital assets	Total expenditure less total of revenue receipts and non-debt creating capital receipts	Excess of revenue expenditure over revenue receipts	1
64	Grants in Aid given to Government of Bhutan is:	Transfer Expenditure	Non-Transfer Expenditure			1
65	Directly Unproductive Profit seeking activities mentioned by Jagdish Bhagwati refers to:	wage incomes being higher than the productivity of the wage earners	bureaucratic delays	per unit cost of providing state service higher than what it should be	excess of earnings of the owner of a resource over its opportunity cost	4
66	Accounting / Functional Classification of public expenditure is helpful in understanding productive usefulness of public expenditure.	TRUE	FALSE			2
67	The investment strategy of Fund of Funds of NIIF is:	Focus on creating scalable sectoral platforms in core infrastructure and in collaboration with strong and reputed operating and financial partners.	Focus on investing in strategic assets and projects with longer term horizon across various stages of development.	Focus on anchoring and investing in credible and reputed third party managers with a strong track record across diversified sectors within infrastructure services and allied sectors.	None of the above	3
68	Article 148 of the Constitution of India establishes the authority of the office of	a) Post Master General of India	b) Comptroller and Auditor General of India	c) Both a) and b)	d) None of the above	2
69	Find out the incorrect statement in r/o of Regulatory Bodies: -	These bodies are established by legislative act in order to set standards in a specific field of activity, or operations, in the private sector of the economy and to then implement those standards.	These bodies are government agency which is accountable for exercising autonomous authority over some area of human activity in a regulatory or supervisory capacity.	These bodies are usually established to implement standards and safety, or to oversee use of public goods and regulate business	These bodies do not exercise a judicial function i.e. they may not conduct hearings and pass judgments concerning adherence to their regulations.	4
70	Fiscal deficit can be financed by borrowing from the Reserve Bank of India.	TRUE	FALSE			1
71	Information asymmetry with respect to factors that degrade the operational efficiency is defined as:	Service providers know more about outputs and costs than those who allocate resources	Spenders have incentives to use all the resources provided to them	Government lacks independent information on performance	Detailed ex-ante controls are costly and drive out initiative and variation	1
72	When is the Integrity Pact signed & submitted by the prospective bidders?	At the time of submission of the bid.	At the time of opening of tender.	At the time of tender negotiations.	At the time of contract award.	1
73	Public goods can be	provided privately.	provided publicly.	subject to free rider problems.	all of the above.	4
74	The contribution of Government in a PPP project is known as	Capital support	Turn key support	Viable gap funding	Statutory infrastructure support	3
75	The principle of Certainty of Adam Smith envisages:	A convenient way and time to pay taxes	The tax to be paid is not arbitrary and subject to discretion	Everybody placed in similar situation should pay same tax	All of the above	2
76	Taxes exclusively assigned to States	Income from Land Revenue	Income from Corporation Tax	Income from Postal Departments	All the above	1
77	Which of these is not an innovation for bringing improvement in Budget	Running cost budget	Devolved Budget	Multi year budget	Welfare programs	4
78	Fill the blank. Post implementation of CSI, payments are being centrally affected through _____	PFMS	Payroll Module	EIS Module	CDDO Module	2

79	Which of the following is NOT true Public Account of India?	The money lapses at the end of Financial Year	Moneys held by Government in trust is kept in Public Account	Provident Fund, Small Saving Scheme collection are kept in Public Account	None of the above	1
80	The pre-requisites of functioning SAI, India include	Independence, Accountability & Transparency	Quality Assurance & Quality Control;	Ethics & Integrity	All of the above	4
81	Which of the following is NOT an instrument of monetary policy?	Cash Reserve Ratio	Statutory Liquidity Ratio	Public Expenditure Management	Repo Rate	3
82	Reverse Repo Rate is:	a) Rate at which RBI borrows from commercial banks	b) Rate at which RBI lends to the commercial banks	c) Both (a) and (b)	d) Neither (a) nor (b)	1
83	The accounting treatment for various types of transactions are given below. Identify the Incorrect treatment.	The financial statements and accounts are maintained on the historical cost convention.	The external debt has been shown at the exchange rate applicable at the time of contracting the debt	Government financial investments are recorded at the historical cost.	Provision is made for impairment of the value of physical assets	4
84	Which of the following functions is NOT associated with Drawing and Disbursing Officers (DDO)?	DDOs prepare bills based on sanctions issued by Sanctioning officers	DDOs consolidate accounts for the Ministries	DDOs monitor budget for the offices associated with them	DDOs submit bills to Pay and Accounts Offices for payment	2
85	The mandate of performance Audit can be derived from	Constitution	CAG (DPC) Act	MSO (Audit)	None of the above	2
86	From which category of Government account the money can be withdrawn without the approval of Parliament	Consolidated Fund of India	Public account	Contingency fund of India	Cash account of RBI	3
87	Which of the following escape classes/grounds be used in Budget to exceed fiscal deficit target?	National Security	National Calamity	Collapse of agriculture sector affecting farm output and income	All of the above	4
88	Which of the following statement is not correct?	VGF aims at supporting infrastructure projects that are economically justified but fall marginally short of financial viability.	VGF scheme is available only for infrastructure projects where private sector sponsors are selected through a process of competitive bidding.	VGF is normally in the form of a capital grant (one time or deferred) at the stage of project construction.	The total Viability Gap Funding under this scheme will not exceed twenty percent of the Total Project Cost.	4
89	Non-Tax Receipts of Government of India are managed through:	REVACT	ARPIT	NTRP of CGA	COMPACT RAMS	3
90	Appropriation Accounts is prepared at:	Minor Head - Programme level (9 digits)	Sub Head - Scheme level (11 digits)	Detailed Head level (13 digits)	Object Head level (15 digits)	2
91	Cases of 'New Service' and 'New Instrument of Service' can be regularized:	only in the ensuing year through the original Demands for Grants presented in the last budget	through Supplementary Demands for Grants			1
92	Finance Account is prepared on gross basis.	TRUE	FALSE			2
93	Who signs the Appropriation Accounts of the Grants / appropriations administered by a Ministry / Department?	Controller General of Accounts	Principal Chief Controller of Accounts of the Ministry/Department	Financial Advisor of the Ministry / Department	Secretary of the Ministry / Department	4
94	Which Constitutional Amendment Acts brought about devolution of powers to Urban and Rural Local Bodies?	70th & 71st Amendment	72nd Amendment Act	73rd & 74th Amendment Act	75th Amendment Act	3
95	Who constituted the Task Force to recommend accounting and budget formats for ULBs?	Finance Minister, Government of India	C&AG of India	Controller General of Accounts	Ministry of Urban Development, Government of India	2
96	Which State's Accounting Manual was taken as a starting point for preparation of National Municipal Accounting Manual?	Karnataka	Maharashtra	Tamil Nadu	Gujarat	2

97	When was the organisation of CGA set up	1975	1980	1964	1983	1
98	Forms 1 to 29 of the National Municipal Accounting Manual are the:	Proforma in which the data related to Budget preparation is to be captured	Proforma in which the data related to Assets & Liabilities is to be captured	Proforma in which the data related to expenditure is to be captured	None of the above	2
99	The Drawing and Disbursing Officer (DDO) of the Public Account's Office	is a gazette officer	is not a gazette officer	may be a gazette officer	None of the above	3
100	Which of the following statement/s are considered to be true regarding taxing income/consumption:	a) Taxing consumption is believed to be regressive	b) It is believed that taxing income has higher welfare cost	c) Both (a) and (b)	d) Neither (a) nor (b)	3