

Q. No	Question Text	Option 1	Option 2	Option 3	Option 4	Correct Option
1	Which agency makes payments on behalf of Government in a particular Ministry/Department	State Bank of India	Reserve Bank of India	Currency chest of Ministry/Department	Any Scheduled Commercial bank authorized	4
2	What is the broad arrangement In the DBFOT/BOT type of PPP.	Private sector operator designs, builds, finances, owns and constructs the facility and operates it commercially for the concession period	Private sector operator designs, builds, finances, and hand over to Government on a price	Private sector operator designs, builds, finances, owns and constructs the facility and hand over to Government for operation on rent basis	Private sector operator owns it permanently after paying a lump sum to Government	1
3	Chief Accounting Authority for each Ministry is:	Controllor General of Accounts	Secretary of the Ministry	Chief Controller of Accounts of the Ministry	Comptroller and Auditor General of India	2
4	Which of the following is/are a function of Public Financial Management?	Allocation of Resources	Distribution of Income and Wealth	Economic Stabilization	All of Above	4
5	Supplementary Demands for Grants makes provision only up to:	Major Head level	Sub Major Head level	Minor Head level	Sub head level	1
6	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
7	Which one of the following is the highest expenditure of the Government of India on revenue account?	Defense	Subsidies	Pensions	Interest Payments	4
8	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
9	Where is the cash balance of Government of India maintained	Central Accounts Section, RBI Nagpur	DGBA RBI Mumbai	In the authorized Scheduled Commercial bank	State Bank of India Govt Accounts Department	1
10	Which of the following statements is correct about Union Government Finance Accounts?	a) The Finance Accounts are prepared by Controllor 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
11	Which among the following is a correct function of Public Accounts Committee?	It works under President of India and creates accounts for various Ministries.	It works under Comptroller and Auditor General of India and prepares accounts	It is a parliamentary committee which gives report on nonplan expenditures of the Government.	It is a parliamentary committee which scrutinizes the report of the Comptroller & Auditor General of India	4
12	Which is the authority for accrediting a bank for handling government business of a Ministry	Reserve Bank of India	Controllor General of India	Department of Financial Services	RBI and CGA together	4
13	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
14	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
15	The risk that a material misstatement could occur and will not be prevented or detected and corrected at the appropriate time by related controls is -	Inherent Risk	Control risk	Detection Risk	None of the above	2

16	Analytical procedures used in planning the audit should focus on:	Identifying material weakness in internal control	Enhancing the auditor's understanding of the client's business	Testing individual account balances that depend on accounting estimates	All of the above	2
17	Which of the following statements is correct?	Statement Government can borrow outside the territory of India	Union Government has unlimited powers of borrowings	State legislatures cannot impose limitations on the borrowings of the State Government	None of the above	2
18	Which of the statement is false regarding Financial Audit?	Focuses on determining whether an entity's financial information is presented in accordance with the applicable financial reporting and regulatory framework	To express an opinion as to whether the financial information is free from material misstatement due to fraud or error.	Financial Audits are always Direct Reporting engagements.	None	3
19	Public Financial Management System (PFMS) does not have which of the following function into it?	Budget preparation by Ministry of Finance is done on PFMS	Demand for Grants approved by Parliament is entered into the system by O/o Controller General of Accounts	Payment advices are issued by Pay and Accounts Offices on PFMS	Detailed Demand for Grants is entered by Principal Accounts Offices	1
20	Which of the following statements is correct about recording of transactions in Government Account?	Voucher date will be date when the payment file is digitally signed by the final signatory. Voucher will be accounted for in the PAOs ledger account in the month according to the voucher date	All receipts of the Government are debited to Government Account	All payments are credited to Government Account	All of above	1
21	Which of the followings is not an element of good Public expenditure management	Elasticity	Economy	Productivity	deficit	4
22	Which authority is responsible for submitting to a State Government a monthly account of its transaction?	Secretary Finance of the concerned State Government	Treasury Head of the State Government	Accountant General (A&E)	C&AG of India	3
23	14th Finance Commission deliberated the following:	The devolution of tax to States was recommended at 42 per cent	Included the expenditure on Centrally Sponsored Scheme in revenue expenditure	Did not adopt fiscal performance criteria in devolution	All of the above	4
24	States have exclusive powers to legislate with regards to items on the States list, however under which Article Provision in which the federal government can legislate on these items.	Article 247	Article 248	Article 249	Article 251	3
25	Merged Drawing and Disbursing Officers has which of the following functions?	Merged DDOs scheme is prevalent in the Secretariat of the Ministries	Normally one Accountant from Pay and Accounts Offices is posted in Merged DDO	Maintains GPF accounts for all Secretariat staff	All of the above	4
26	Journal Entry:	Is prepared at Minor Head Level	Is prepared in Millions of Rupees	Is prepared by Controller General of Accounts	Is prepared by C&AG	1
27	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

28	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
29	What is control risk in Audit?	the susceptibility of the subject matter information to material misstatement, assuming that there are no related controls	the risk that a material misstatement could occur and will not be prevented or detected and corrected at the appropriate time by related controls	the risk that the auditor will not detect a material misstatement	none of the above	2
30	The Report of the Committee on Financial Statements of Autonomous Bodies recommended the following:	Cash Based Accounting	Uniform Format for Financial Reporting	No provision for Depreciation was permitted	All of the above	2
31	The principle of Equality in Taxation by Adam Smith envisages:	Every person should pay to the Government according to his ability to pay	Persons having same income pay different taxes	Similarly placed individuals to pay different taxes	None of the above	1
32	Which of the following statement is true about Budget Execution?	25 per cent of Budget Estimates can be spent in the last quarter of the Financial Year	33 per cent of Budget Estimates can be spent in the last month of the Financial Year	50 per cent of Budget Estimates can be spent in the last two months of the Financial Year	None of the above	1
33	Which of the following Departments of Government of India deals with disinvestment in the country	Department of Investment & Public Asset Management (DIPAM)	Budget Division of Department of Economic Affairs	Public Sector Enterprises Board	None of the above	1
34	Who prepares the Condensed Appropriation Account for presentation to the Parliament?	Public Accounts Committee	Lok Sabha Secretariat	Controller General of Accounts	C&AG of India	3
35	The Budget is presented to Parliament normally on the first day of the month of February as per Rule ----- of G.F.R.	Rule 49	Rule 50	Rule 51	Rule 52	3
36	The model form of accounts of Panchayati Raj Institutions and Urban Local Bodies is prescribed by:	Secretary (Expenditure)	Comptroller & Auditor General	Controller General of Accounts	Niti Ayog	2
37	Which of the following has been emphasized to do periodic review of the compliance of the provisions of the FRBM Act?	The fiscal council	The controller general of accounts	The controller and auditor general of India	The reserve bank of India	3
38	One of the major shortcomings of depreciation system in a country with regards to taxation can be mentioned as:	Too many asset classes and depreciation rates	Depreciation rate according to obsolescence	Depreciation rates appropriately prescribed (neither too high nor too low)	All of the above	1
39	Which of the following is NOT correct for Municipal Accounting Reforms?	Accounting reforms is a continuous process	These are standalone exercise with no linkage to other processes/reforms	Accounting reforms need to be backed up by Budgeting, Auditing and other reforms	Reforms need to be planned and taken up with defined milestones	2
40	Which of the following is a correct statement regarding Core System Integration of Department of Posts?	a) Facilitates real time monitoring	b) Facilitates availability of monthly, quarterly and annual reports	c) Both (a) and (b)	d) Neither (a) nor (b)	3
41	The Finance Accounts of the Postal Department is compiled by:	Controller General of Accounts	Postal Department	Accountant General	Controller General of Defence Accounts	1
42	Assessing the extent to which laws and regulations (authorities) have been respected is the primary mandate of	Financial audit	Compliance audit	Civil audit	None of the above	2
43	Which Article of the constitution prescribe the unique role of the CAG -	a) Article 149	b) Article 150	c) a & b both	d) None of the above	3

44	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
45	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
46	Which of the following statements is NOT correct about the closing Balance Sheet?	Adjustment to opening Balance Sheet is not permitted	Proper disclosure of Accounting Policies is required to be made	Endorsement of Commissioner should be obtained on completion of Balance Sheet	All of Above	1
47	Fiscal deficit can be remedied by:	a) Borrowing money	b) Printing Currency	c) Both (a) and (b)	d) Neither (a) nor (b)	3
48	Which of the following is always attestation engagement	Performance Audit	Financial Audit	Compliance Audit	All of the above	2
49	Which of the following statements is True about Budgeting system in Postal Department?	a) Each circle and Division prepares there demand for each year on manual basis and then send to the directorate for compilation for the Budget demand from MOF.	b) 90% of the expenditure is related to Salary and Pension.	c) Both (a) and (b)	d) Neither (a) nor (b)	3
50	These authorities are generally a part of the executive branch of the government, or they have statutory authority to execute their functions with oversight from the legislative branch:-	Regulatory body	Statutory body	Constitutional	Autonomous body	1
51	Who was the first CM to face enquiry commission which was appointed by Central Government of India?	Sucheta Kriplani	Pratap Singh Kairon	Bhajan Lal	None of these	2
52	The objectives of Public Financial Management include:	Aggregate fiscal discipline	Strategic Allocation of Resources	Efficient Service Delivery	All of the above	4
53	Which of the following statement is True about Public Accounts Committee	a) The Public Accounts Committee is constituted every year	b) It consists of not more than 22 members	c) Both (a) and (b)	d) Neither (a) nor (b)	3
54	Statutory Liquidity Ratio is:	Banks have to keep deposits with RBI	Certain percentage of deposits are to be kept by the bank in form of liquid assets	It is the discount rate of the banks	None of the above	2
55	Which of the following statement is correct about Estimates Committee?	The committee consists of 22 members, elected by the Lok Sabha	Functions of Committee includes suggesting alternative policies in order to bring about efficiency and economy in administration	The chairperson is appointed by the Deputy Chairman of Rajya Sabha from among its members	All of the above	2
56	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
57	Public Accounts Committee consists of how many members?	20	22	25	30	2
58	If RBI increases the Statutory Liquidity Ratio will it lead to:	Increase in credit	Contraction in credit	No effect on credit	None of the above	2

59	Which of the following is NOT the part of the structure of the Financial System in India?	Industrial Finance	Agriculture Finance	Government Finance	Personal Finance	4
60	Which of the following type of expenditure is passed without cut in Parliament	Revenue expenditure	Voted expenditure	Charged expenditure	Contingency expenditure	3
61	Indian Institute of Foreign Trade (IIFT) is	a) Autonomous Body which is set up by Ministry of Commerce and Industry to help professionalise the country's foreign trade Management and increase exports by developing human resources; generating analysing and disseminating data and conduction research.	b) The institute is funded through grants-in-aid, which is regulated by the Ministry of Finance through their instructions as well as the instructions relating to powers for creation of posts.	c) Both of above	d) None of above.	4
62	The accounting in CBDT is through:	COMPACT RAMS and CFMS	PFMS			1
63	Finance Commission is a:	Constitutional Body	Statutory Body	Regulatory Body	Autonomous Body	1
64	The Indian Income tax is	Direct and proportional	Indirect and proportional	Direct and progressive	Indirect and progressive	3
65	Which of these documents is not presented as part of Union Budget to seek Parliament's approval	Annual Financial Statement	Demand for Grant	Finance bill	Budget at a glance	4
66	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
67	RBI extends ways & means advance to State Governments to enable them to maintain their minimum cash balance / liquidity	TRUE	FALSE			1
68	A statement showing details of foreign loans in Foreign Currencies/Rupees in crores is appended to Statement No.14 in Finance Account. What is the rate adopted for conversion to Rupees?	Rate at the time of entering into loan agreement	Rate as on 31st March of the year to which the Finance Account pertains.			2
69	The contribution of Government in a PPP project is known as	Capital support	Turn key support	Viable gap funding	Statutory infrastructure support	3
70	Which of the following is an imprest placed at the disposal of the President of India to facilitate Government to meet urgent unforeseen expenditure pending authorization from Parliament?	Consolidated Fund	Public Funds	Prime Ministers Relief Fund	Contingency Fund	4
71	Which GFR 2017 rule is associated with the purchase of the goods without quotation?	Rule 152	Rule 153	Rule 154	Rule 155	3
72	Data on 'Indian Public Finance Statistics' is published by	Ministry of Finance	National Institute of Public Finance & Policy	Indian Statistical Institute	Reserve Bank of India	1
73	The Proforma Accounts Government Departments working on a commercial or quasi-commercial basis are included in Appropriation Accounts.	TRUE	FALSE			2
74	Which of the following statements contains an assessment relating to the growth in the gross domestic product?	Medium-term Fiscal Policy Statement;	Fiscal Policy Strategy Statement;	Macro-economic Framework Statement	Medium-term Expenditure Statement	3
75	Which one of the following is not a method for redeeming public debt?	Sinking fund	Capital levy	Terminal annuities	Grants in aid	4
76	Tax buoyancy is	an increase in revenue of a tax on account of a growth of its base	the yield of a tax in response to a revision of its rate	flexibility to change the tax if economic activity changes	certainty and convenience of tax	1

77	Which of the following statement is not correct?	Outcomes budget of programmes are measured not just in terms of rupees but also in terms of physical units.	Outcome budgets are not expressed in terms of qualitative targets and achievements.	Programme & Performance Budgeting helps improve prioritization of expenditure, and service effectiveness.	Zero Based Budgeting helps to achieve an optimal allocation of resources that incremental and other budgeting systems cannot achieve.	2
78	Which Statement of Finance Account reflects the Contingent Liability of Government of India?	Statement-1	Statement-2	Statement-3	Statement-4	4
79	In Public Investment Management, the term PDCA cycle refer to	Plan-do-check-act (PDCA) cycle	Prepare-disclose-correct-approve (PDCA) cycle	Prepare-dissemination- correction-approve (PDCA) cycle	None of the above	1
80	What is the weight assigned to the 'Income Distance' criteria by the 14th Finance Commission for horizontal balance?	45	50	55	60	2
81	What is commonly referred to as "Vertical Balance" in Finance Commission recommendations:	Distribution of taxes between Union & States	Distribution of taxes among States	Principles governing Grants in Aid	Measures to augment consolidated funds of States	1
82	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
83	The accounts of the Union and of the States shall be kept in such form as the President may prescribe on the advice of which one of the following authorities?	Prime Minister	Finance Secretary	Controller General of Accounts	C&AG of India	4
84	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
85	If involuntary unemployment prevails:	Government may address the supply side constraints.	Government may increase demand by increasing public expenditure.	Government may ask private sector companies to increase employment.	Government may leave it to the market forces	2
86	A 'Major Head' in Government Accounts represents:	a major function of the Government	a program of the Government	a scheme of the Government	object of expenditure	1
87	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	RBI SBI	Respective Ministries	2
88	Effective Revenue deficit is:	Fiscal deficit minus interest payment	Revenue deficit minus grants given for creation of capital assets	Total expenditure minus total receipts (excluding borrowing)	None of the above	2
89	The 'Consolidated Fund of India or of the State concerned' and what can be credited to the fund is mentioned in	a) Article 266 (1)	b) Articles 202 (1)	c) Both a & b	d) None of the above	1
90	All revenues and receipts of government are to go to a 'Consolidated Fund' and moneys can be withdrawn from the 'Fund' only in accordance with laws passed by Parliament has been in accordance to Article ..?. of the Indian Constitution.	256	266	276	286	2
91	Union list consists of ..?. items on which the parliament has exclusive power to legislate	92	95	97	99	4
92	The Charter of Budget Honesty Act (CBH), 1998 pertains to	Ireland	Australia	Russia	Vietnam	2

93	Which statement is not correct? The Government accounts mainly record:	cash flows into and out of Government cash balance maintained by the Reserve Bank of India,	amount due to or due by Government for the year,	stock of Government's liabilities (Public Debt and transactions on Public Account) and financial assets (Loans & Advances),	certain non-cash transactions (in-kind external assistance, write off of losses and conversion of past loans into grants etc.)	2
94	The summary of an Appropriation Accounts is concluded with a	Summary statement of expenditure	Reconciliation statement of expenditure	Both the above	None of the above	2
95	Classifying public expenditure as Transfer expenditure and Non-transfer expenditure was done by	A.C. Pigou	Adam Smith	Alfred Marshal	Joseph Stiglitz	1
96	What is the procedure for approval of a PPP project cost of Rs 500 crores in Highway Sector.	EFC Chaired by Secretary & approved by Minister	Two Member Appraisal and Approval Process	PPPAC & approval by CCEA	SFC Chaired by Secretary & approval by Minister	4
97	Which of the followings is not a type of Non-tax receipt	Dividend	Disinvestment	Spectrum auction receipt	Examination fee by UPSC	2
98	The difference between receipt and expenditure estimates in the union budget is known as:	Revenue deficit	Primary deficit	Fiscal deficit	Debt stock	3
99	COSO framework has been designed for establishing the Internal Controls in the system and helps which of the following in designing and evaluating systems:	Management	External Auditors	Internal Auditors	All of the above	4
100	Analytical procedures used in planning the audit should focus on:	Identifying material weakness in internal control	Enhancing the auditor's understanding of the client's business	Testing individual account balances that depend on accounting estimates	All of the above	2