

PROVISIONAL ANSWER KEY

Paper: 004 - Introduction to the Indian Government Accounts and Audit(Lower)
Date of Test 19-03-2023

Question1:- _____ are final payments in the nature of donation of subscription to the grantees

- A:-Grant in aid
- B:-Voluntary contribution
- C:-Budget Allocation
- D:-Appropriation

Correct Answer:- Option-A

Question2:-Charges on account of all telegrams relating to currency matters should be debited to

- A:-Reserve Bank
- B:-Post and Telegrams
- C:-Office expenses
- D:-Other charges

Correct Answer:- Option-A

Question3:-Local Audit may be distinguished from inspection in that its purpose is to audit the _____ accounts maintained in certain Government Institution and offices on the spot

- A:-Initial
- B:-Final
- C:-Random
- D:-None of these

Correct Answer:- Option-A

Question4:-Government companies and deemed Government companies setup under the companies Act where Government or Government owned and controlled institutions own _____ percent or more of the paid up capital

- A:-66
- B:-51
- C:-50
- D:-33

Correct Answer:- Option-B

Question5:- _____ records in detail the cash, stock and other charges on each work whether carried out by departmental agency or contract

- A:-Store account
- B:-Works abstract
- C:-Cash Book
- D:-Divisional Accounts

Correct Answer:- Option-B

Question6:-The results of the inspection and local audit are set forth in _____ separate documents

- A:-3
- B:-2
- C:-4
- D:-5

Correct Answer:- Option-B

Question7:-The areas covered in _____ audit will naturally vary from enterprise to enterprise depending on the nature of the enterprise, its objectives and operations

- A:-Comprehensive
- B:-Accountancy
- C:-Regularity
- D:-Internal

Correct Answer:- Option-A

Question8:-The main purpose of the _____ is to bring out by a scientific method the balance of account in regard to which Government acts as a banker or remitter or borrower or lender

- A:-Financial statement
- B:-Trail Balance
- C:-Journal and Ledger
- D:-Proforma Accounts

Correct Answer:- Option-C

Question9:-For purposes of financial control each grant or appropriation is divided into a number of units called

- A:-Sub head
- B:-Sub Major head
- C:-Minor head
- D:-Major heads

Correct Answer:- Option-A

Question10:-In _____ of the Accounts, shall be recorded the transactions connected with the contingency fund set up by the Government of India or of a State or Union Territory

- A:-Part I
- B:-Part II
- C:-Part III
- D:-Part IV

Correct Answer:- Option-B

Question11:-Which bank acts as a general clearing house for the adjustment of transactions between different Governments

- A:-Central Accounts Section RBI Nagpur
- B:-State Bank of India
- C:-RBI Mumbai
- D:-RBI New Delhi

Correct Answer:- Option-A

Question12:-Under the departmentalized accounting system the _____ of the Ministry/department concerned acts as its chief Accounting Authority with the assistance of Financial Advisor

- A:-Secretary
- B:-Chief Accounts Officer
- C:-Minister
- D:-None of these

Correct Answer:- Option-A

Question13:-Taxes both on residential or non residential buildings owned or occupied by the Defence Department shall be debited to the

- A:-General Budget Estimate
- B:-Economic Services

- C:-Social and Community Services
- D:-Defence Services Estimates

Correct Answer:- Option-D

Question14:-As soon as the accounts of a year are closed, the _____ of each Government of State or Union Territory with legislature for the year are prepared by the Accountant General concerned and submitted to the C and AG for approval

- A:-Proforma Accounts
- B:-Audit Reports
- C:-Finance Accounts
- D:-Technical Accounts

Correct Answer:- Option-C

Question15:-Salaries, office expenses represents _____

- A:-Detailed head
- B:-Minor head
- C:-Sub head
- D:-Sub major head

Correct Answer:- Option-A

Question16:-Goods received sheets and the indents are used for posting the _____

- A:-Cash Book
- B:-Contractors ledger
- C:-Stock ledger
- D:-Priced Stores Ledger

Correct Answer:- Option-D

Question17:-At the beginning of each month each Accountant General receives from the treasuries under his jurisdiction _____ supported by the requisite schedules, vouchers etc in respect of the transaction which took place in the treasury during the previous month

- A:-List of payments
- B:-Cash Balance Report
- C:-Monthly Accounts
- D:-None of these

Correct Answer:- Option-C

Question18:-An item debited to an expenditure head instead of to a debt, deposit or remittance head, - correction should be made by debiting the proper head and crediting _____

- A:-Debt deposit
- B:-Recoveries of service payment
- C:-Expenditure head
- D:-Receipt head

Correct Answer:- Option-B

Question19:-The Budget Estimates of Defence are presented in _____ parts

- A:-Five
- B:-Four
- C:-Three
- D:-Two

Correct Answer:- Option-A

Question20:-The Receipts Heads (Capital Account) in the second division shall deal with _____

- A:-Capital expenditure
- B:-Capital gains
- C:-Revenue receipts
- D:-Receipts of a capital nature

Correct Answer:- Option-D

Question21:-The estimate committee consists of _____ Members entirely of Lok Sabha elected according to the principle of proportional representation of single transferable.

- A:-20
- B:-25
- C:-30
- D:-35

Correct Answer:- Option-C

Question22:-Rent, Rates and Taxes / Royalty will include

- A:-Payment of rent for hired building
- B:-Municipal rates and taxes
- C:-Lease charges for land
- D:-All of the above

Correct Answer:- Option-D

Question23:-An important element of Local audit is the examination of adequacy and efficiency of _____ procedures

- A:-Internal control
- B:-Accounting
- C:-Legal
- D:-Standard operating

Correct Answer:- Option-A

Question24:-Non civil Accounts Officers means an Account officer of the

- A:-Home department
- B:-Agriculture department
- C:-Electricity department
- D:-Defence Railway or posts and Telegraph Department

Correct Answer:- Option-D

Question25:-The cash balance of each Government in the books of the Accountant General at the close of the month will be reconnected with the balances shown in the cash accounts rendered by Treasury officer and with the statements of closing balance received from the _____ of the Reserve Bank

- A:-Central Account Section
- B:-General Account section
- C:-Treasury Account Section
- D:-Cash Accounts Section

Correct Answer:- Option-A

Question26:-Administrative services are classified as

- A:-Public Account
- B:-Contingency Fund
- C:-Expenditure Heads (Revenue Account)

D:-Plan Expenditure

Correct Answer:- Option-C

Question27:-The committee of Public Accounts and public undertaking have _____ members from Lokshabha and _____ members from Rajyasabha

A:-12,10

B:-7, 15

C:-15, 7

D:-10, 12

Correct Answer:- Option-C

Question28:-The economy and efficiency with which various development programmes and schemes are implemented and programme results achieved is also checked in _____

A:-Project Audit

B:-Test Audit

C:-Local Audit

D:-Concurrent Audit

Correct Answer:- Option-C

Question29:-After the Audit Reports, Finance Accounts and Appropriation Accounts have been placed before the Parliament, they are examined by the _____

A:-Estimate committee

B:-Public undertaking committee

C:-Public Accounts committee

D:-None of these

Correct Answer:- Option-C

Question30:-The dealing with errors and minor irregularities which are not important enough to be brought to the notice of higher authority

A:-Inspection Report

B:-Minor Defects

C:-Major irregularities

D:-Test Audit Notes

Correct Answer:- Option-D

Question31:-_____ is a main instrument to secure accountability of the executive to the legislature

A:-Cash Book

B:-Audit

C:-Balance sheet

D:-None of these

Correct Answer:- Option-B

Question32:-Charges for legal services, consultancy fees, remuneration to examiners, invigilators etc for conducting examinations, remuneration to casual artists by the All India Radio

A:-Honorarium

B:-Fee

C:-Payment for professional and special services

D:-Office expenses

Correct Answer:- Option-C

Question33:-The cost of Additional Police Guards supplied to an irrigation or other project while under construction may be debited to the _____

A:-Home Department

B:-Police Department

C:-Administrative Department

D:-Project Concerned

Correct Answer:- Option-D

Question34:-Statutory corporation and Government companies are given maximum autonomy consistent with the needs of _____

A:-Rationality

B:-Public Accountability

C:-Sustainability

D:-None of these

Correct Answer:- Option-B

Question35:-Some of the audit tenets followed centuries ago still apply

A:-Prompt payment of money into treasury

B:-Checking accounts and conducting local inspection

C:-Periodical stock verification and checking of stock with accounts

D:-All of the above

Correct Answer:- Option-D

Question36:-It is the duty of _____ to make recommendation regarding the distribution of Income Tax and Union excise duties between the Union and the State

A:-Accountant General

B:-Finance Commission

C:-Ministry of Finance

D:-None of these

Correct Answer:- Option-B

Question37:-The _____ which is called the combined Finance and Revenue Accounts of the Central and State Governments in India, presents the transactions of all the Government side by side.

A:-Balance Sheet

B:-Finance Account

C:-General Financial Statement

D:-Account current

Correct Answer:- Option-C

Question38:-When any land or building is transferred from one service Department to another under the Kerala Government the transfer should _____

A:-Not be made free of charge

B:-Made free of charge

C:-be at the cost of the receiving department

D:-None of these

Correct Answer:- Option-B

Question39:-Government Corporations generally maintain accounts on _____ lines

A:-Commercial

B:-Statutory

C:-Government
D:-Civil

Correct Answer:- Option-A

Question40:-An audit does not entail the preparation of the accounts at all but deals with something much wider, the examination of

A:-Books, Voucher and accounts
B:-Profit and loss account
C:-Balance sheet
D:-All of the above

Correct Answer:- Option-D

Question41:-The _____ is responsible for enforcing economy in the expenditure of public moneys

A:-Legislature
B:-Executive Government
C:-Judiciary
D:-Accountant General

Correct Answer:- Option-B

Question42:-An _____ purports to be an extract from the books of the officer who dispatches it and to show the amount he has passed to debit or credit of the other party to the account

A:-Current Accounts
B:-Account current
C:-Book Adjustments
D:-Cash Account

Correct Answer:- Option-B

Question43:-The procedure to be followed for the payment of money into the public account of the state is regulated by Law made by

A:-State legislative
B:-Parliament
C:-Loksabha
D:-Governor

Correct Answer:- Option-A

Question44:-Reappropriation from one grant or appropriation to another grant or appropriation is _____

A:-Permissible
B:-Nor permissible
C:-Permitted with specific condition
D:-None of these

Correct Answer:- Option-B

Question45:-The Finance Bill containing the annual taxation proposals is considered and passed by the legislative only after the _____ have been voted and the total expenditure is known

A:-Appropriation
B:-Demands for grants
C:-Reappropriation
D:-Explanatory memorandum

Correct Answer:- Option-B

Question46:-Secret service expenditure comes under

A:-Sub major head
B:-Sub head
C:-Detailed head
D:-Minor head

Correct Answer:- Option-C

Question47:-The transit pay and allowance, both ways of officers of the Defence or Railway Department/sent to civil Department or vice versa are debitable to

A:-Budget grant
B:-Lending Department
C:-Borrowing Department
D:- None of these

Correct Answer:- Option-C

Question48:-Agricultural Income tax, Taxes on profession comes under

A:-State - Indirect Taxes
B:-State - Direct Taxes
C:-Non - Tax receipts
D:-Union - indirect Taxes

Correct Answer:- Option-B

Question49:-Expenditure on a temporary asset cannot ordinarily be considered as expenditure of a _____ nature

A:-Revenue
B:-Capital
C:-Deferred
D:-None of these

Correct Answer:- Option-B

Question50:-_____ forms an indispensable part of the financial system and is one of the important organs necessary to ensure the sound functioning of a parliamentary democracy.

A:-Budgeting
B:-Audit
C:-Accounting
D:-None of these

Correct Answer:- Option-B

Question51:-Washing allowance paid to Class IV Government Servant shall be classified under _____

A:-Wages
B:-Salaries
C:-Office expenses
D:-Other charges

Correct Answer:- Option-B

Question52:-A tax assessment is a _____ act, a non tax revenue is purely and administrative decision

A:-Quasi - Judicial
B:-Judicial
C:-Non Judicial
D:-None of these

Correct Answer:- Option-A

Question53:-_____ Audit is based on the accounts, vouchers, schedules and other documents submitted to them by the various disbursing outlets.

- A:-Statutory
- B:-Commercial
- C:-Central
- D:-Civil

Correct Answer:- Option-C

Question54:-The Fire Forces department may charge other departments at the rate of _____ per fire extinguisher for pressure testing

- A:-Rs. 5
- B:-Rs. 4
- C:-Rs. 3
- D:-Rs. 2

Correct Answer:- Option-C

Question55:-_____ division deal with the proceeds of taxation and other receipts classed as revenue and expenditure met there from

- A:-Third Division
- B:-2nd Division
- C:-1st Division
- D:-None of these

Correct Answer:- Option-C

Question56:-The distribution of the legislative powers between the Union and States is governed by _____ of the constitution

- A:-Art 244
- B:-Art 245
- C:-Art 246
- D:-Art 247

Correct Answer:- Option-C

Question57:-The _____ is the chief Accounting Officer of the Defence Services

- A:-Financial Advisor (Defence Services)
- B:-Executive Director (Defence Services)
- C:-Finance Controller (Defence Services)
- D:-None of these

Correct Answer:- Option-A

Question58:-The _____ are responsible for the distribution of funds in their jurisdiction

- A:-Chest Branch of State Bank
- B:-Currency Officer
- C:-District Treasury Officer
- D:-Finance Secretary

Correct Answer:- Option-B

Question59:-The Scope of State Audit encompasses the elements of

- A:-Fiscal accountability
- B:-Managerial Accountability
- C:-Programme Accountability
- D:-All of the above

Correct Answer:- Option-D

Question60:-The Audit Report on _____ presents to the legislative the Revenue position of the Government of India under Tax and non-tax sources

- A:-Capital Receipts
- B:-Revenue Expenditure
- C:-Capital expenditure
- D:-Revenue Receipts

Correct Answer:- Option-D

Question61:-The incidental objects of commercial audit, flowing automatically may be said to be _____

- A:-Detection / prevention of fraud
- B:-Detection / prevention of technical errors
- C:-Detection of errors of principles
- D:-All of the above

Correct Answer:- Option-D

Question62:-The expenditure on Government residential building will be accounted for under the major head

- A:-2059
- B:-2216
- C:-2053
- D:-2217

Correct Answer:- Option-B

Question63:-Central audit is by and large _____

- A:-Propriety audit
- B:-Local audit
- C:-Statutory audit
- D:-Regularity and propriety audit

Correct Answer:- Option-D

Question64:-While conducting _____ Audit, audit will not only see whether there is proper authority for expenditure but will also investigate the necessity for it

- A:-Statutory
- B:-Propriety
- C:-Internal
- D:-Local

Correct Answer:- Option-B

Question65:-Economy efficiency and _____ are the three E's of Audit

- A:-Empowerment
- B:-Estimation
- C:-Examination
- D:-Effectiveness

Correct Answer:- Option-D

Question66:-Power to modify the "Local Rulings" in Kerala Account code vest with the

- A:-Kerala Government
- B:-Accountant General
- C:-Director of Treasury

D:-None of these

Correct Answer:- Option-A

Question67:-The fundamental object of audit is to secure real value for the _____ Money

A:-Government

B:-Tax payers

C:-Employees

D:-None

Correct Answer:- Option-B

Question68:-A loss of cash due to acceptance of counterfeit coins or notes and any amount transferred from the treasury balance in order to make good any deficiency found in the currency chest should be debited under the head _____

A:-Advances Repayable

B:-Contingencies

C:-Suspense

D:-None of these

Correct Answer:- Option-A

Question69:-The approach of audit is systematic _____ and logical

A:-Optimistic

B:-Methodical

C:-Irrational

D:-None of these

Correct Answer:- Option-B

Question70:-Recoveries on account of commuted value of pensions effected from other Governments should be treated as

A:-Receipt

B:-Revenue

C:-Revenue Expenditure

D:-Deductions from expenditure

Correct Answer:- Option-D

Question71:-Certain proforma accounts relating to irrigation, Navigation, Embankment and Drainage projects and Government residential buildings are required to be prepared by

A:-Commercial Account offices

B:-Civil Account Offices

C:-Irrigation offices

D:-Navigation and Embankment Department

Correct Answer:- Option-B

Question72:-Appropriation Accounts of each state Government and Union Territory with legislative are prepared by the _____ and submitted to the comptroller and auditor General of India for approval

A:-Accountant General

B:-Director of Treasuries

C:-Chief Secretary

D:-Finance Secretary

Correct Answer:- Option-A

Question73:-A test check of the leave accounts including accounts of persons likely to retire or likely to complete _____ years of qualifying service are checked in detail

A:-24

B:-26

C:-28

D:-30

Correct Answer:- Option-D

Question74:-In part III of the Accounts, the transaction relating to

A:-Debt, Deposit, Remittance

B:-Receipt Heads

C:-Expenditure Heads

D:-Consolidated fund

Correct Answer:- Option-A

Question75:-The work of audit in relation to regularity of expenditure of a _____ character

A:-Executive

B:-Judicial

C:-Quasi judicial

D:-Administrative

Correct Answer:- Option-C

Question76:-A _____ is termed as an object classification

A:-Major Head

B:-Sub Head

C:-Minor Head

D:-Detailed Head

Correct Answer:- Option-D

Question77:-The Government of _____ have not so far entered into agreement with Reserve Bank of India for conduct of their general banking business by the Bank

A:-Sikkim

B:-Jammu Kashmir

C:-Himachal Pradesh

D:-Punjab

Correct Answer:- Option-B

Question78:-_____ as a general rule, be taken in reduction of revenue deposits

A:-Waiver of revenue

B:-Refund of Revenue

C:-Remission of Revenue

D:-Write off

Correct Answer:- Option-B

Question79:-L-Suspense and miscellaneous comes under _____

A:-Public Account

B:-Contingency fund

C:-Consolidated fund

D:-Exchange Accounts

Correct Answer:- Option-A

Question80:-The pay and allowances of the comptroller and Auditor General, pension etc, payable to retired Comptroller and Auditor General and administrative expenses of his personal staff shall be charged upon

- A:-Consolidated fund of India
- B:-Public Account
- C:-Contingency Fund
- D:-None of these

Correct Answer:- Option-A

Question81:-The cost of acquisition of land and structure will be classified under

- A:-Maintenance
- B:-Other charges
- C:-Major works / minor works
- D:-None of these

Correct Answer:- Option-C

Question82:-When the pensioner dies, the family pension is paid by the Treasury officer, after getting death certificate, to the eligible pensioner without any reference to _____

- A:-Government
- B:-Head of office
- C:-Account office
- D:-Director of Treasuries

Correct Answer:- Option-C

Question83:-Forest revenue Royalties from mines and minerals are _____

- A:-State Direct Tax
- B:-Indirect Tax
- C:-Non tax receipts
- D:-Union Direct Tax

Correct Answer:- Option-C

Question84:-The Audit of the C & AG is comprehensive and includes

- A:-Regularity Audit
- B:-Propriety Audit
- C:-Efficiency cum performance Audit
- D:-1, 2 and 3

Correct Answer:- Option-D

Question85:-Interpretation of Law is a _____ function

- A:-Quasi Judicial
- B:-Non Judicial
- C:-Judicial
- D:-Administrative

Correct Answer:- Option-C

Question86:-No money can be withdrawn from the consolidated fund, until the bill is passed by the _____

- A:-Governor
- B:-Finance Minister
- C:-Legislature
- D:-Chief Minister

Correct Answer:- Option-C

Question87:-Transfer entries are prepared to transfer an item from one head of account to another in order to

- A:-Correct an error of classification in the original accounts
- B:-Adjust by debit or credit to its proper head, an item outstanding under debt, deposit or remittance head
- C:-Both 1 and 2
- D:-None of these

Correct Answer:- Option-C

Question88:-The amounts written off by the Accountant General should be reported to the comptroller and Auditor General of India annually by _____

- A:-30th September
- B:-31st October
- C:-5th November
- D:-10th November

Correct Answer:- Option-D

Question89:-The _____ of the central Government which are required to be submitted by the C & AG to Central Government are prepared by the Accountant General, Central Revenues

- A:-Proforma Accounts
- B:-Exchange Accounts
- C:-Settlements Accounts
- D:-Finance Accounts

Correct Answer:- Option-D

Question90:-Ordinarily all amounts due to Government which are found to be irrecoverable shall be written off from the _____ of account concerned to and expenditure head as a loss to Government

- A:-Debt Head
- B:-Loan Head
- C:-Receipt Head
- D:-Remittance head

Correct Answer:- Option-A

Question91:-Pension payment order is not issued more than _____ in advance of the date on which the officer is due to retire

- A:-a week
- B:-a month
- C:-Three days
- D:-A fortnight

Correct Answer:- Option-D

Question92:-Budget comprises Revenue Budgets and _____

- A:-Detailed Budget
- B:-Performance Budgets
- C:-Capital Budgets
- D:-Fiscal Budget

Correct Answer:- Option-C

Question93:-Audit is an instrument of

- A:-Control over expenditure

- B:-Budgetary control
- C:-Appropriation control
- D:-Financial control

Correct Answer:- Option-D

Question94:-The statement of GPF annual accounts of subscribers are prepared and dispatched to them not later than

- A:-31st May
- B:-30th June
- C:-31st July
- D:-31st August

Correct Answer:- Option-D

Question95:-Every payment of money on Government account involves

- A:-The submission of claim
- B:-The disbursement of the money claimed
- C:-The incorporation of the transaction in the account
- D:-All of the above

Correct Answer:- Option-D

Question96:-Money advanced for miscellaneous purposes under special authority and recoverable in cash and sums over paid on vouchers other than those for service payments shall be adjusted under the head of A/c

- A:-8550 civil advance
- B:-8250
- C:-7610 Advances
- D:-None of these

Correct Answer:- Option-A

Question97:-In the case of companies, the duty of an auditor is mainly in the interest of _____ who are practically sleeping partners in the business

- A:-Share holders
- B:-Directors
- C:-Promoters
- D:-None of these

Correct Answer:- Option-A

Question98:-When a special officer is employed for acquisition of land for any department, the expenditure on pay, allowances, etc of the special officer and his establishment and any expenditure on contingencies is debit to that department as part of

- A:-Establishment charges
- B:-Contingencies
- C:-Other charges
- D:-Cost of land

Correct Answer:- Option-D

Question99:-The acceptance of counterfeit coins or notes shall be regarded as

- A:-Cash
- B:-Bank
- C:-Loss of cash
- D:-Deferred Revenue expenditure

Correct Answer:- Option-C

Question100:-Recoveries from private persons or bodies (including local funds, and Governments outside India) should as a general rule be treated as _____

- A:-Revenue
- B:-Deduction from expenditure
- C:-Receipt
- D:-Deferred expenditure

Correct Answer:- Option-A