LIMITED DEPARTMENTAL EXAMINATION, 2022

MANIPUR FINANCE SERVICE

(ACCOUNT AND AUDIT)
(With books)

PAPER-V

Time Allowed: Two Hours **Maximum Marks: 100**

I N S T R U C T I O N S

DO NOT OPEN THIS QUESTION BOOKLET SEAL UNTIL YOU ARE TOLD TO DO SO

1. Immediately after the commencement of the examination, you should check that this Test Booklet does not have any unprinted or torn or missing pages or items, etc. If so, get it replaced by a complete Test Booklet.
2. Write your Roll Number on the Test Booklet in the Box provided alongside.
3. This Test Booklet contains 100 items (questions). Each item comprises four responses (answers) written as **(A), (B), (C) and (D)**. You will select the response which you feel is correct and want to mark on the answer sheet.
4. You have to mark all your responses ONLY on the separate Answer Sheet provided. Also read the directions in the Answer Sheet. Fill in all the entries in the Answer Sheet correctly, failing which your Answer Sheet shall not be evaluated.
5. Count the number of questions attempted carefully and write it down in the space provided in the OMR Sheet. This has to be verified by the Invigilator before leaving.
6. After you have completed filling in all your responses on the Answer Sheet and the examination has concluded you should hand over to the Invigilator the Answer Sheet (in original). **You are permitted to take away 2nd Copy of OMR Answer Sheet and the Test Booklet.**
7. All items carry equal marks.
8. Candidature would be cancelled in case of non-compliance with any of these instructions.
9. There will be **NO PENALTY** for wrong answers.

1. The Regulation on Audit and Accounts were made by C&AG of India in the year
(a) 2005 (b) 2007
(c) 2008 (d) 2009.

2. Control of Legislature over the finances is exercised manly in how many stages?
(a) two ; (b) three ;
(c) Four ; (d) five.

3. Under the constitution of India, it is the duty of the C&AG of India to audit and report on the accounts of the
(a) Union Government
(b) Governments of each State
(c) Government of Union Territory having legislative assembly
(d) all of the above.

4. Which of the following is engaged in carrying out the policies acceptable to the Legislature?
(a) Government ;
(b) Ministries ;
(c) Reserve Bank of India ;
(d) Administration.

5. The scope of State Audit does not encompass which of the following elements?
(a) Administration accountability ;
(b) Fiscal accountability ;
(c) Managerial accountability ;
(d) Programme accountability.

6. Which article of the Constitution governs distribution of the Legislative Powers between the Union and the States?
(a) 246 ;
(b) 247;
(c) 248 ;
(d) 249.

7. The Regulation on Audit and Accounts was made by C&AG of India under the powers conferred on him by _____of C&AGs (DPC) Act, 1971.

(a) Section 20
(b) Section 21
(c) Section 23
(d) Section 24.

8. In a parliamentary set up, the overall process of control over the financial administration in a State is threefold one. Which of the following is not one of them?
(a) Legislative Control ;
(b) Administrative Control ;
(c) Financial Institution ;
(d) Audit Control.

9. Section 48 of the Government of Union Territories Act, and Article_____ provide that the Parliament and the Legislature of a State / Union Territory may by law establish Contingency Funds in the nature of imprests.
(a) 267; (b) 268 ;
(c) 269 ; (d) 270.

10. The Union can raise money by borrowing upon the Security of the Consolidated Fund of India under which Article of the Constitution?
(a) 271 ; (b) 272 ;
(c) 292 ; (d) 293.

11. Under Article ___ of the Constitution, a State may borrow within the territory of India upon the Security of the Consolidated Fund of the State.
(a) 293 ; (b) 294 ;
(c) 301 ; (d) 316.

12. No money can be withdrawn from the Consolidated Fund, until this bill is passed by the Legislature. The bill when passed by the Legislature becomes the ____ Act.
(a) Finance ;
(b) Re-appropriation ;
(c) Appropriation ;
(d) Consolidated Fund.

13. For purposes of financial control, each Grant or Appropriation is divided into a number of units called ____.
(a) Major Heads ;
(b) Minor Heads ;
(c) Sub-Heads ;
(d) Object Heads.

14. The cash balance of a Government comprises the balance in its account with the ____ Bank and the balances at treasuries and sub-treasuries, the cash business of which is not conducted by the Bank.
(a) Union ; (b) State ;
(c) Reserve ; (d) Rural.

15. In terms of which Sections of the DPC Act, the CAG is responsible for audit of transactions of various Government departments and organizations?
(a) 13,16 and 17
(b) 10,11 and 12
(c) 11,12 and 13
(d) Section 11

16. The overall responsibility of co-ordination and control over Finances of Government in States is confined to whom?
(a) State Finance Department
(b) Ministry of Finance
(c) Reserve Bank of India
(d) Accountant General

17. CAG reports cases of waste, loss, extravagant or nugatory expenditure to which of the following?
(a) The Government
(a) The legislature
(c) The Vigilance
(d) None of these

18. After the Audit Reports, Finance Accounts and Appropriation Accounts have been placed before Parliament, they are examined by the Public Accounts Committee of Parliament set up under the Rules of ____ and Conduct of Business in the Lok Sabha.
(a) Law ; (b) Business;
(c) Procedure ; (d) Parliament.

19. Under Section __ of the Reserve Bank of India Act, the Bank is required to issue rupee coin on demand in exchange for Bank notes and currency notes of the Government of India and issue currency notes or Bank notes on demand in exchange for coin which is legal tender under the Indian Coinage Act, 1906.
(a) 20 ;
(b) 30 ;
(c) 34 ;
(d) 39.

20. The control of the resource operations of the Government of India and of States, vests in the ____ Bank.
(a) Union;
(b) State Cooperative ;
(c) Reserve ;
(d) World.

21. The Reserve Bank of India provides facilities to the ___ for remittance of moneys from one place to another.
(a) Administrator; (b) Union ;
(c) State ; (d) Public.

22. Our Constitution lays down that India shall be a Union of ____.
(a) Districts ; (b) Regions ;
(c) Territories ; (d) States.

23. Article ___. - Stamp duties and duties of excise on medicinal and toilet preparations mentioned in the Union list, though levied by the Government of India, are collected and retained by the States.
(a) 214 ; (b) 216 ;
(c) 266; (d) 268.

24. Article 269. - The net proceeds of the following duties and taxes though levied and collected by the Government of India, are entirely assigned to the States and distributed among them in accordance with the principles of distribution _____ by Parliament.
(a) earmarked ; (b) notified ;
(c) formulated ; (d) issued.

25. Article ___. A percentage of the net proceeds of income tax is assigned to the States. The proceeds thus assigned to the State do not form part of the Consolidated Fund of India.
(a) 268 ; (b) 269 ;
(c) 270 ; (d) 271.

26. Article 272. – Union excise duties can be shared with the States if Parliament so ____. Almost from the commencement of the Constitution, excise duties have been so shared.
(a) decides ; (b) desires ;
(c) directs ; (d) distributes.

27. Article __. – Grants-in-aid of revenues shall be paid out of the Consolidated Fund of India to the States which may be in need of assistance.
(a) 275 ; (b) 277 ;
(c) 280 ; (d) 281.

28. This task has been left to the Finance Commission to be constituted by the President under Article ___ at the expiration of every fifth year or such earlier time as he considers necessary.
(a) 280 ; (b) 281 ;
(c) 269 ; (d) 270.

29. Which of the following statement relating to Stamp duty is NOT true?
(a) Stamp duties are levied by the Government of India
(b) Stamp duties are collected by the States
(c) Stamp duties retained by the States
(d) Fifty percent of the Stamp duties collected by each state are passed over to Central Government

30. The principles of Commercial and Government Accounting differ in certain essential ___.
(a) areas ; (b) points:
(c) spheres ; (d) subjects.

31. It is generally accepted practice in the commercial world to maintain account books on the ___ Entry System, which is based on the fact that in every transaction or financial change two parties or accounts arfe involved, one giving and other receiving.
(a) Single ; (b) Double ;
(c) Triple ; (d) Quadruple.

32. Under that system, every transaction, therefore, requires ___ entries in the books, one against the party or account giving and the other against rhe party or account receiving.
(a) two ; (b) three ;
(c) four ; (d) five.

33. The activities of a good Government in any country are determined by the needs of the ___.
(a) nation ; (b) people ;
(c) Politician ; (d) country.

34. With a ___ - tier classification of Government Expenditure under Sectors, major heads, minor heads, sub-heads and detailed heads of accounts, the accounting is more elaborate than that followed in commercial accounts..
(a) two ; (b) three ;
(c) four ; (d) five.

35. The monthly accounts serve the needs of the day-to-day administration, while the annual accounts present a fair and correct view of the financial ____ of the Government during the year.
(a) pattern ; (b) position ;
(c) administration; (d) stewardship.

36. The ___ of the Government accounts being on cash basis is kept on Single Entry.
(a) whole ; (b) entire ;
(c) mass ; (d) entire.

37. Who is responsible for preparing the pensions papers of Government Servant?
(a) Accountant General
(b) Head of the Office from where the Government servant retires
(c) By the Government servant himself
(d) None of these

38. Framing financial rules and orders is the function of which of the following?
(a) Executive Government
(b) Audit
(c) Subordinated to executive Government
(d) None of these

39. Another point of difference between commercial and Government audit is that, whereas the former is more often than not periodical, the latter is almost entirely ___.
(a) involved ; (b) dependent ;
(c) trustworthy ; (d) continuous.

40. One of the ___ distinctive features of the system of Government Accounts in India is the minute elaboration with which the Financial Transactions of Government under both receipts and payments, are differentiated and classified.
(a) very ; (b) entire ;
(c) rare ; (d) most.

41. In part __ - Contingency Fund – there is a single Major Head and all the transactions met out of the Contingency Fund will be recorded under it.
(a) II ; (b) III ;
(c) IV ; (d) V.

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42. Which among the following is NOT Non-Tax revenue of State government?
(a) Revenue from sale of forest produces
(b) Agricultural income tax
(c) Gross revenue from state Transport corporation
(d) Dividend from State Commercial enterprises

43. Interpretation of law so far as tax matters are concerned is a _____ functions?
(a) Executive (b) Judicial
(c) Legislative (d) Audit

44. From April 1, ____, a revised coding pattern has been introduced keeping in view the emerging requirements and providing for computer based Financial Information Systems.
(a) 1947 ; (b) 1957 ;
(c) 1967 ; (d) 1987.

45. Under Article ___ of the Constitution, the accounts of the Union and of the States shall be kept in such form as the President may on the advice of the Comptroller and Auditor G-General, prescribe.
(a) 148 ; (b) 150 ;
(c) 152 ; (d) 154.

46. Where there is divergence, the corresponding receipt or expenditure shall be brought to the account under the appropriate major head or minor head or other unit of classification as determined by the _____ on the advice of the Comptroller and Auditor-General.
(a) Government ;
(b) Finance Minister;
(c) Prime Minister;
(d) President.

47. Issue of stores in a Priced Stores Ledger is posted from which record?
(a) The transfer entry note
(b) The delivery Challan
(c) The indent
(d) The Goods received sheet

48. Final decision as to what items of plants are to be depreciated and distributed is decided by whom?
(a) The Executive
(b) The Audit
(c) The Legislature
(d) None of these

49. Expenditure of a Capital nature shall be distinguished from Revenue expenditure both in the ____ Estimates and in Government Accounts.
(a) Draft ; (b) Detailed ;
(c) Budget ; (d) Revenue.

50. The allocation between capital and revenue expenditure on a Capital Scheme for which separate capital and revenue accounts are to be kept shall be determined in accordance with such general or special orders as may be prescribed by the _____ on the advice of the Comptroller and Auditor-General.
(a) Government ;
(b) Finance Minister ;
(c) Prime Minister ;
(d) President.

51. As mentioned earlier, Audit conducted in a Central Office of the Indian Audit and Accounts Department is based on accounts rendered to that office by the various disbursement ____.
(a) authorities ; (b) offices ;
(c) departments ; (d) outlets.

52. It is not intended that those authorities should be relieved of their responsibilities for management and inspection, but the Inspection Audit ____ should see generally that the rules prescribed by the Government are understood and observed.
(a) Official ; (b) Team ;
(c) Party ; (d) Officer.

53. The inspecting ___ does not merely confine himself to the routine audit and inspection work.
(a) Official ; (b) Team ;
(c) Party ; (d) Officer.

54. He is allotted one major work or two minor works, whether completed or in progress, for a complete ____ and examination of these accounts since commencement.
(a) auditing ; (b) checking ;
(c) verification ; (d) analysis.

55. He also avails himself of the opportunity of assisting the ____ of the Public Works Department with his advice in matter affecting the accounts or the financial regularity of transactions.
(a) Chief Engineer ;
(b) Superintending Engineer ;
(c) Executive Engineer ;
(d) Officers.

56. Who appoints the chairman of the public accounts committee?
(a) The Speaker
(b) The President
(c) The Prime Minister
(d) None of these

57. The person whose duty it was to check such accounts became known as the auditor, the word being derived from the word 'Audire' which is a -
(a) French word ;
(b) Greek word ;
(c) Japanese word;
(d) Latin word.

58. Public Accounts Committee of Parliament consists of how many members?
(a) 22 (b) 15
(c) 30 (d) 7

59. The executive power of the Union vests in the -
(a) Lok Sabha ; (b) Rajya Sabha;
(c) President ; (d) Prime Minister.

60. The executive power of the State vests in the -
(a) Legislature ;
(b) Chief Minister;
(c) Governor ;
(d) Chief Secretary.

61. Who prepares the Combined Finance and Revenue Accounts?
(a) Ministry of Finance
(b) The Comptroller and Auditor General
(c) Department of Finance of the respective State
(d) Accountant General of the State

62. A statement of its estimated annual receipts and expenditure is prepared by each Government and presented to its Legislature. The Union Territory Governments present the Statement to its Legislature with the previous approval of the President. This 'Annual Financial Statement' is commonly known as the -
(a) Statement of Accounts ;
(b) Statement of Receipt and Expenditure;
(c) Statement of Receipt and Payment;
(d) Budget.

63. In order to have a meaningful reflection of the national development effort and also as a means for evaluating the progress of projects against set targets as well as to serve as a tool for securing the efficient management of operations entrusted to the Administration, a system of _____ has been introduced both at the Centre and in the States.
(a) Action Plan ;
(b) Rapid Action Target ;
(c) Performance Budgeting ;
(d) Zero Base Budgeting.

64. The Finance Bill containing the annual taxation proposals is considered and passed by the Legislatures only after the Demands for Grants have been Voted and the total expenditure is known. Then it enters the Statute as the _____.
(a) Finance Act ;
(b) Appropriation Act ;
(c) Public Debt Act ;
(d) Contingency Fund of India Act.

65. The term 'Ways and Means' refers to methods of maintaining the Government's daily cash balance at a level sufficient to meet its day-to-day requirements. All moneys received by or on behalf of Government either as dues of Government or by way of deposits, remittance or otherwise enter into the cash balance. The ____ acts as the Banker to the Central and State Government (except Jammu and Kashmir and Sikkim).
(a) State Bank of India ;
(b) United Bank of India ;
(c) Central Bank ;
(d) Reserve Bank.

66. Generally, the current receipts of Governments fall short of the current expenditure during the earlier part of the financial year and sometime exceptionally heavy payments in excess of cash balance have also to be made. In such cases, the Central Government borrows from the Reserve Bank against issue of _____, whenever necessary, for replenishing its cash balance.
(a) Fully-Vouched Contingent Bill ;
(b) Scale-Regulated Contingent Bill ;
(c) Countersigned Contingent Bill ;
(d) Treasury Bills.

67. All the States are divided into a number of 'districts' and at the headquarters of each district there is a Government treasury called the _____ with one or more sub-treasuries.
(a) State Treasury ;
(b) Directorate of Treasury ;
(c) District Treasury ;
(d) Government Treasury.

68. The Treasury Rules of each State Government provide that moneys may be received and payments made on behalf of the State Government, as well as Union Government, including Union Territory Governments and other State Governments. After the departmentalization of accounts of the Union Government, however, only certain limited category of transactions relating to the Union Government are permitted to be routed through the _____ and such transactions are initially taken under 'Suspense' pending settlement by cheque / demand draft with the Pay and Accounts Officer of the Ministry / Department concerned, by the Accountant General.
(a) Sub-Treasury ;
(b) District Treasury;
(c) State Treasury;
(d) Government Treasury.

69. At present, only the Loans / Grants from the Central Government to the States and the repayments of the loans and the interest by the State Governments to the Centre are settled through the medium of the _____ and in other cases, the system is of settlement by cheque /draft.
(a) Controller of Accounts ;
(b) Director General of Accounts ;
(c) Comptroller & Auditor General ;
(d) Central Accounts Section of the Reserve Bank.

70. The initial accounts of receipts and payments on behalf of the State Governments are maintained at the State Treasuries in the respective States who compile and render them monthly to the _____ concerned.
(a) Controller of Accounts of the Department ;
(b) Pay and Accounts Office ;
(c) Accountant General ;
(d) Director General of Accounts.

71. At treasuries and sub-treasuries situated at places where there is no branchy or agency of the Bank, Government holds the _____ responsible for keeping sufficient funds to meet all Government disbursements and for maintaining the balances as low as possible in order that money may not be locked up unnecessarily.
(a) Ministry of Finance ;
(b) Governor of RBI ;
(c) Currency Officers ;
(d) Treasury Officer.

72. The transfer of funds between treasuries and sub-treasuries and branches and agencies of the Reserve Bank is effected for the most part through the medium of currency chests belonging to the _____.
(a) Ministry of Home Affairs ;
(b) Ministry of Finance ;
(c) Controller of Accounts ;
(d) Reserve Bank of India.

73. The State Audit Reports are countersigned by whom?
(a) The Accountant General of the State
(b) Finance Minister of the State
(c) Governor of the State
(d) Comptroller and Auditor General

74. How many Major Heads are there under Part II-Contingency fund?
(a) 2 (b) 3
(c) 6 (d) 1

75. The Government Accounts are kept in the main _____ of accounts viz. (a) Consolidated Fund of India or State or Union Territory; (b) Contingency Fund of India or State or Union Territory and (c) Public Account.
(a) Divisions ; (b) Parts ;
(c) Major Head ; (d) Minor Head.

76. The main unit of classification in accounts is _____
(a) Major head ;
(b) Minor Head ;
(c) Sub-Head ;
(d) Sub-Major Head.

77. Major Heads of account falling within the Consolidated Fund generally correspond to -
(a) Functions ;
(b) Programme ;
(c) Activity ;
(d) Object.

78. The detailed classification of account heads in Government Accounts and the order in which the Major and Minor Heads shall appear in all account records shall be such as are prescribed by the Central Government from time to time on the advice of the _____.
(a) Assistant Comptroller & Auditor General;
(b) Additional Deputy Comptroller & Auditor General ;
(c) Deputy Comptroller & Auditor General;
(d) Comptroller & Auditor General of India.

79. Taxes collected by Government are classified under -
(a) Consolidated Fund ;
(b) Contingency Fund ;
(c) Public Account ;
(d) Public Debt.

80. The treasury system under which the District Treasury is the basic unit and the focal point for the primary record of financial transactions of Government in the District with sub-treasuries under it at the Taluks / Tehsils in the District, was evolved more than ____.
(a) 40 years ago ;
(b) 50 years ago ;
(c) 80 years ago ;
(d) a century ago.

81. Which of the following record is generally NOT maintained in a PWD sub division office?
(a) Cash book
(b) Muster roll
(c) Works abstract
(d) Contractor's ledger.

82. Who are the members of State Public Accounts Committee?
(a) Members of the State Legislature
(b) Members of State legislature and three other eminent personalities
(c) Secretaries of each Department and Chief Secretary
(d) None of these

83. In the case of receipts, the treasury checks the correctness of classification and completeness of the _____.
(a) Bills ;
(b) Challans ;
(c) Vouchers ;
(d) Sub-Vouchers.

84. In the cases where challans are countersigned by the departmental officers and the treasury does not handle cash business of the Government, _____ ensures the correctness of classification and completeness of challans and the depositor makes the remittances direct at the Bank.
(a) the Treasury Officer ;
(b) the Sub-Treasury Officer ;
(c) the Assistant Treasury Officer ;
(d) the departmental officer countersigning the challans ;

85. Currency Officers (RBI) are responsible for which of the following?
(a) Supplying coins to treasuries ;
(b) Supplying coins and notes to treasuries;
(c) Arranging for transfer of funds between treasuries and banks and remittance of money between treasury and Currency Office ;
(d) all of the above.

86. The Finance Accounts of the Government are generally prepared in how many part(s)?
(a) 1 (one) part ; (b) 2 (two) parts ;
(c) 3 (three) parts; (d) 4 (four) parts;

87. Under which section of the comptroller and Auditor General's (Duties, Powers and Conditions of Service)Act, 1971, the CAG is responsible for audit of all transactions of the Union and of the States relating to Contingency Funds and Public Accounts
(a) Section 10 (b) Section11
(c) Section 13(b) (d) Section 19

88. The Inspection Report is completed by the Inspecting Officer before the audit of the office inspected is ____ and it is not signed until the officer-in-charge of the Office (or any other officer acting on his behalf) has been given the opportunity for reading and discussing it and suggesting any omissions or modifications.
(a) Abandoned ; (b) Closed ;
(c) Concluded ; (d) Finished.

89. The inspection report is kept as brief as possible but the points raised in it are pursued until finally _____.
(a) Disposed of ; (b) Closed ;
(c) Perused ; (d) Settled.

90. Which among the following is NOT direct tax revenue?
(a) Income Tax
(b) Wealth Tax
(c) Estate Duty
(d) Customs Duty

91. With the enactment of "The Manipur Local Funds (Accounts & Audit) Act, ___, it has been the statutory duty of Local Fund Audit Department to audit the accounts of Local Authority, such as, Small Town Committees, Municipalities, District Councils, Manipur University, Board of Secondary Education, Khadi & Village Industries Board, etc.
(a) 1966 ; (b) 1976 ;
(c) 1979 ; (d) 1984.

92. Based on the instructions issued by the Central and the State Governments from time to time as also on the available experience, these guidelines are prepared and issued for guidance of the ____ staff of this Directorate in discharge of their statutory duties and allied assignments effectively.
(a) audit ;
(b) inspecting ;
(c) field ;
(d) none of the above.

93. Which among the following is an indirect Tax?
(a) Agricultural Income Tax
(b) Taxes on profession
(c) Wealth Tax
(d) Stamp Duty

94. Which among the following is NOT a function of Estimate Committee to Parliament?
(a) To suggest alternative policies in order to bring about efficiency and economy in administration
(b) Verify and/or comment on policies approved by Parliament
(c) To examine whether the money included is well laid out within the limit of the policy implied in the estimates
(d) To suggest the form in which the estimated shall be presented to Parliament

95. What is the amount of audit fee to be levied from the Local Bodies etc. for auditing their accounts by a party of one Assistant Audit Officer (now, Audit Officer) and two Auditors, as prescribed by the Government of Manipur, Secretariat, Finance Department (PIC) vide Order No. 8/36/89-PIC, dated 15/11/1989 ?
(a) Rs. 110 ;
(b) Rs. 165 ;
(c) Rs. 120 ;
(d) none of the above.

96. Special Ways and means advances availed from Reserve bank of India are generally repayable within what period?
(a) Not exceeding three months
(b) Not exceeding one month
(c) Not exceeding six months
(d) Not exceeding a year

97. The points an audit team has to bear in mind while checking the entries in the Cash Book are -
(a) All payments posted in the Cash Book are duly supported by the paid vouchers and valid and genuine Payee's Receipt duly attested by the person who is authorized to make the payments ;
(b) Where the subsidiary Cash Books are maintained, the transactions therein are duly taken over in the main Cash Book ;
(c) All cash realization are remitted into Bank within prescribed / reasonable time and all withdrawals and remittances to Bank are scrutinized with Pass Books and counterfoils of Cheque Books / Remittance Challans ;
(d) All of the above.

98. For being laid before the State Legislature the CAG submit the State Audit Reports to whom?
(a) The Governor of the State
(b) The speaker of the State Legislature
(c) The chairman, Public Accounts Committee
(d) The Finance Minister of the State.

99. Which among the following is considered as the fundamental object of audit?
(a) Verifying that the prescribed rules and orders are obeyed
(b) To prescribe financial rules and orders
(c) To ensure that all revenue has been collected and accounted
(d) To secure real value for the tax payer's money

100. How many members in the Committee on Public Undertakings of Parliament are from Lok Sabha?
(a) Twenty-two
(b) Fifteen
(c) Seven
(d) None of the above