

1. The Comptroller and Auditor General of India derives his authority and functions mainly from the provisions of \_\_\_\_\_.
  - a) Articles 148 to 151 of the Constitution of India
  - b) Articles 147 to 150 of the Constitution of India
  - c) Articles 150 to 154 of the Constitution of India
  - d) Articles 150 to 155 of the Constitution of India
2. DPC Act enacted under Article:
  - a) Article 149
  - b) Article 148 (3)
  - c) Article 148 (3) and 149
  - d) Article 149 to 151
3. Accounts which relate to the expenditure brought to account during a financial year, to the several items specified in the law made in accordance with the provisions of the Constitution or of the Government of Union Territories Act, 1963 (20 of 1963) for the appropriation of moneys out of the Consolidated Fund of India or of a State, or of a Union Territory having a Legislative Assembly, as the case may be is called
  - a) Appropriation Accounts
  - b) Finance Accounts
  - c) Balance Sheet
  - d) Annual Financial Statement
4. In audit of revenue receipts, Audit has to examine the judicial decisions or judgements with a view to:
  - a) check whether the judgement was sound and in the accordance with the provisions of the respective acts
  - b) check whether the judgement was consistent with the previous judgement or judgement of a higher court
  - c) check whether the revenue authorities has submitted appeals to ensure that no loss of revenue occurred due to erroneous judgements
  - d) check the effectiveness of the assessment procedures and recovery procedures in the light of the judgement
5. Tax audits are primarily legality and regularity audit, when auditing the application of tax laws, Audit should examine the system and efficiency of tax collection. Which of the following statement would be appropriate in case of a tax audit?
  - a) The Audit is empowered to audit the collection of taxes as extensively as possible and to examine individual tax files
  - b) The Audit is not empowered to audit the collection of taxes extensively
  - c) The Audit is not empowered to examine individual tax files
  - d) The Audit is empowered to audit the collection of taxes but not empowered to examine individual tax files

6. Which of the following procedure could be adopted, according to the MSO (Audit) issued by CAG, while auditing the accounts of furniture in the residences of high officials?
- a) The high official can be asked to vacate the house during a specified day during the audit period and the audit staff along with the department staff could verify the furniture stock with actual stock.
  - b) The high official can be asked to certify to the effect that he uses the furniture in the residence only for his official purpose and no furniture is used for his personal purpose.
  - c) Audit may require, where necessary, the furnishing by the executive authority nominated for the purpose of an annual certificate of verification incorporating the details of verification.
  - d) The furniture supplied to the residence of a high level officer need not be audited.
7. Which of the following statements is NOT correct with regard to the submission of utilisation certificate for a grant?
- a) Ministries and departments of the Central Government are not required to furnish utilisation certificate
  - b) State Governments directly incurring expenditure out of Central grants are also not required to furnish utilisation certificates
  - c) In respect of expenditure out of central grants incurred by the state government through local bodies and co-operative institutions , there is no need of furnishing the utilisation certificates
  - d) All of the above
8. In public works department, the position responsible for undertaking preliminary check in works transaction is called:
- a) PWD Auditor
  - b) Divisional Accountant
  - c) Subordinate Accountant
  - d) State Accountant
9. Comptroller and Auditor General of India's Manual of Standing Order is issued under:
- a) Section 23 of the CAG's DPC Act
  - b) Section 24 of the CAG's DPC Act
  - c) Chapter 4 of the Manual of Office Procedure
  - d) Chapter 3 of the Manual of Office Procedure
10. Which of the following agency is entrusted with the responsibility of ensuring a uniform policy of accounting and audit in the government sector as a whole in India?
- a) Institute of Chartered Accountants of India
  - b) The Comptroller and Auditor General of India
  - c) The Controller General of Accounts
  - d) The Ministry of Finance, Government of India

11. Which of the following entities can be treated as entities managing public money? 1) Central Government 2) State government 3) Government companies established under companies act 4) Government autonomous bodies

- a) 1 and 2
- b) 1,2,3 and 4
- c) 1 and 3
- d) 1,2 and 4

12. An auditor and audit institution should maintain independence. This include independence from: 1) The Legislature 2) The Audited Entity 3) The Executive.

- a) Only 2
- b) Both 2 and 3
- c) Only 3
- d) 1,2 and 3

13. Which of the following are considered quality assurance activities?

- 1. Report to management on progress against budget
- 2. Report to management on progress against schedule
- 3. Supervision
- 4. Allocation of responsibilities

- a) only 1, 3 and 4
- b) only 1 and 4
- c) only 3 and 4
- d) all of the above

14. Selection of audit topics for performance audits should be determined on which of the following stages of the audit?

- a) pre-study
- b) research and evaluation
- c) main study
- d) none of the above

15. The broad objectives of audit are:

- a) to provide an unbiased, impartial and objective assessment of the reliability and fair presentation of the financial activities and financial position of the Government in their accounts
- b) to provide an assessment of the due observance of the laws, rules, procedures and systems in keeping with the financial interests of and propriety in the functioning of the Government
- c) to provide an assessment of the achievement of economy, efficiency and effectiveness (value for money) in the implementation of the mandated activities of the Government
- d) All the above

16. The purpose of the audit is to:

- a) safeguard the financial interests of the taxpayer

- b) assist the Parliament or State/Union Territory Legislature in exercising financial control over the Executive
- c) watch that various authorities of the State set up by, or under, the Constitution act in regard to all financial matters in accordance with the Constitution and the laws of Parliament and appropriate Legislatures and the rules and orders issued thereunder
- d) All the above

17. Evidence can be gathered except by:

- a) physical observation, including joint inspection by the auditors and the executive, the resultant observations being signed by both as confirmation of performance or achievements
- b) review of documents
- c) evaluation of the quality of internal control mechanisms
- d) by issuing Audit memos.

18. Which is not the audit procedures commonly used to obtain audit assurance applicable to all types of audit :

- a) compliance testing
- b) analytical review
- c) direct substantive testing of transactions
- d) skepticism towards transactions

19. Direct substantive tests are those tests of transactions and balances which seek to provide evidence as to the \_\_\_\_\_ of information in the accounting or financial statement

- a) Completeness
- b) Accuracy
- c) Validity
- d) All the above

20. Which is not the Main objective of Audit planning:

- a) provide assurance that all deserving and significant auditable entities have been considered while determining priorities;
- b) provide a framework for identifying the departments, programmes, functions, etc, which are significant and are vulnerable to risks and serious financial irregularities;
- c) optimize the use of available resources for achieving the short term and long term audit objectives; and
- d) Maximizing audits.