

PROVISIONAL ANSWER KEY

Paper: 006 - Kerala Financial Code & Kerala Budget Manual
Date of Test 20-05-2023

Question1:-Loans to municipalities will be sanctioned by

- A:-Head of Department
- B:-Government
- C:-As per Book of Financial Powers
- D:-None

Correct Answer:- Option-B

Question2:-A statement made under Article 202 of the Constitution of India and placed before the Legislature

- A:-Annual Financial Statement
- B:-Audit Report of C & AG
- C:-PAC Report
- D:-Vote on Account

Correct Answer:- Option-A

Question3:-Can a government servant retain credits in her GPF after retirement?

- A:-No, GPF should be closed before retirement
- B:-Yes, up to one year
- C:-Yes, up to six months with interest
- D:-Yes, after obtaining permission from government

Correct Answer:- Option-C

Question4:-The purchase of a new machinery or plant is a

- A:-New Scheme
- B:-Part I scheme
- C:-Part II Scheme
- D:-None

Correct Answer:- Option-C

Question5:-What action should be taken if an expenditure exceeds budget?

- A:-Obtain permission from AG
- B:-Obtain approval of finance department
- C:-Supplementary demand for grant is placed before the Legislature
- D:-None

Correct Answer:- Option-A

Question6:-Under which provision C & AG audit stores and stock account?

- A:-K.F.C.
- B:-Audit manuals
- C:-Clause 17 C & AG Act 71
- D:-Book of financial principles

Correct Answer:- Option-C

Question7:-Review of budget by Legislature involves

- (A) Examination of C & AG Audit Reports
- (B) Examination of Estimates

- A:-Only (A)
- B:- (A) & (B)
- C:-Only (B)
- D:-None

Correct Answer:- Option-B

Question8:-Who should certify the Certificate of Reconciliation?

- A:-Accountant General
- B:-Treasury Officer
- C:-Inspecting Officer
- D:-Chief Controlling Officer

Correct Answer:- Option-D

Question9:-A correction in entries already made in the departmental accounts

- A:-Book transfer
- B:-Contra entry
- C:-Cash transfer
- D:-Account transfer

Correct Answer:- Option-A

Question10:-After admitting the refund of revenue, an officer take back the original receipt from the party and destroyed it. Is this action justifiable under KFC?

- A:-Yes
- B:-No, the officer can take back the receipt but he could not destroy it
- C:-No
- D:-No, the officer can ask the party to destroy the original receipt

Correct Answer:- Option-A

Question11:-The initial record of labour employed each day on a work

- A:-Wage card
- B:-Daily labour report
- C:-Wage statement
- D:-Muster roll

Correct Answer:- Option-D

Question12:-What action should be taken in the register of original record in the case of refund of revenue?

- A:-Round the entry in red ink
- B:-Score the entry with red ink
- C:-Erase the entry
- D:-Record the details of refund against the original entry

Correct Answer:- Option-D

Question13:-Can railway warrants be used for conveyance of tappal?

- A:-Yes
- B:-No
- C:-Yes, if expense or time can be saved
- D:-None

Correct Answer:- Option-C

Question14:-A Jail Superintendent provided a railway ticket to a released prisoner from public money. Is his action right?

- A:-Yes
- B:-No
- C:-If the ticket is of lowest class, then it is allowed
- D:-None

Correct Answer:- Option-C

Question15:-Which is the legal authority to withdraw money from Consolidated Fund of the State?

- A:-Appropriation Act
- B:-Demand for Grant
- C:-Budget
- D:-Letter of authority

Correct Answer:- Option-A

Question16:-In which type of expenditure bills will not be supported by vouchers?

- A:-Book purchase
- B:-Lab equipments
- C:-Office stationery
- D:-Secret service expense

Correct Answer:- Option-D

Question17:-Preparation of Budget is an

- A:-Estimating function
- B:-Executive function
- C:-Auditing function
- D:-Legislative function

Correct Answer:- Option-B

Question18:-The money received and administered by a body other than government but has been controlled by the government by law is

- A:-GPF
- B:-Disaster Management Fund
- C:-Local Fund
- D:-Contingency Fund

Correct Answer:- Option-C

Question19:-Transactions relating to Public Debt were included in

- A:-Public Account
- B:-Contingency Fund
- C:-Consolidated Fund
- D:-Consolidated Fund and Public Account

Correct Answer:- Option-D

Question20:-What is the general rule of remittance of government revenue in the treasury in the case of a collection made on a particular day?

- A:-Remit same day itself
- B:-Remit next working day
- C:-Remit periodically
- D:-Remit on last day of month on which the collection is made

Correct Answer:- Option-B

Question21:-In a work if difference of opinion arises between Forest Department and PWD, who will take final decision?

- A:-Government
- B:-Chief Conservator of forest
- C:-CE, PWD
- D:-None

Correct Answer:- Option-A

Question22:-The refund of Judicial receipts are governed by

- A:-KFC
- B:-Limitation Act, 1908
- C:-Civil Rules of Practice (Kerala)
- D:-KTC

Correct Answer:- Option-C

Question23:-What is Remission of revenue?

- A:-Cancellation of revenue
- B:-Refund of revenue
- C:-Recovery of revenue
- D:-Abandonment of revenue without exhausting all avenues of recovery

Correct Answer:- Option-D

Question24:-Belt of Daffadar is renewed once in

- A:-Four years
- B:-Two years
- C:-Every year
- D:-None

Correct Answer:- Option-A

Question25:-The Treasury Officer objected a non-counter signed charge report of a gazetted officer who relinquishes charge of an abolished post. Is it correct?

- A:-Yes, art. 89, KFC Vol. 1
- B:-Yes
- C:-No
- D:-No, art. 115 (i), KFC Vol. 1

Correct Answer:- Option-C

Question26:-What are the two conditions to be satisfied to incur expenditure from public funds?

- A:-Administrative sanction and Technical sanction
- B:-Sanction and Approval of AG
- C:-Sanction from a competent authority and appropriation of funds
- D:-None

Correct Answer:- Option-C

Question27:-Of the following officers who is responsible to forward consolidated stores and stock account to Accountant General?

- A:-Director of state audit
- B:-Director of ports
- C:-Director of collegiate education

D:-Director of Treasury

Correct Answer:- Option-B

Question28:-Expenditure from public funds should be based on

A:-Administrative sanction

B:-Directions of AG

C:-Budget

D:-Standards of financial property

Correct Answer:- Option-D

Question29:-What should be done in the case of an absolutely necessary payment made from the public money without proper sanction?

A:-Inform the finance department

B:-Inform AG

C:-Wait for sanction and then include the payment in the accounts

D:-Include the payment in the account within a day

Correct Answer:- Option-D

Question30:-Receipts Head (Revenue Account) is divided into

A:-Tax revenue

B:-Non tax revenue

C:-Grant in aid & contributions

D:- (1), (2) & (3)

Correct Answer:- Option-D

Question31:-An officer refund the cost of tender forms on the ground that the Head of Department cancelled the tender. Is his action right?

A:-No, the cost of tender forms will not be refunded

B:-Yes

C:-No, he should first obtain sanction from Head of Department and then refund

D:-No, he should obtain sanction from Head of office and the refund

Correct Answer:- Option-A

Question32:-Late delivery of stores of purchase costing less than 5 lakhs can be accepted under orders from

A:-Head of Office

B:-Head of Department

C:-Departmental Purchase Committee

D:-Secretary of Concerned Department

Correct Answer:- Option-D

Question33:-What should be done in cases when temporary advance is not utilised fully but adjustment bill is submitted in time?

A:-Balance amount should be immediately recovered

B:-Interest at 18% per annum will be charged for balance amount from date of drawal to date of refund

C:-Charge 4% interest for the balance amount

D:-None

Correct Answer:- Option-B

Question34:-Organs of state is

A:-Major Head

B:-Sector

C:-Sub Sector

D:-Minor Head

Correct Answer:- Option-C

Question35:-The Head of Office is on tour, then who will perform verification of cash balance?

A:-Any gazetted officer in the office

B:-Any non-gazetted officer

C:-A gazetted or a non-gazetted officer next below the rank of Head of Office

D:-The Head of Office himself when she returns

Correct Answer:- Option-C

Question36:-The main unit of classification of government account is

A:-Major Head

B:-Minor Head

C:-Sub Sector

D:-Sector

Correct Answer:- Option-A

Question37:-Variations in revenue collection should be compared with

A:-Register of Collection

B:-Budget estimate

C:-Treasury challans

D:-Demand Register

Correct Answer:- Option-B

Question38:-The property tax of a building occupied by more than one Government department is paid by

A:-Revenue Department

B:-Executive Engineer, PWD

C:-The office which occupies the major portion

D:-None

Correct Answer:- Option-C

Question39:-Who should prepare demand statement for rents of government quarters?

A:-Accountant General

B:-Drawing Officer

C:-Treasury Officer

D:-Executive Engineer

Correct Answer:- Option-B

Question40:-A Drawing Officer can deduct arrears premium of an LIC policy of an officer if the default period does not exceed

A:-Three months

B:-Six months

C:-Two months

D:-One Year

Correct Answer:- Option-B

Question41:-When the committee on Public undertakings considers C & AG report, how many copies of notes and memoranda shall be prepared by the concerned Government departments?

A:-3

B:-10

C:-30

D:-11

Correct Answer:- Option-C

Question42:-The shifting of existing telephone connection in a government office is sanctioned by

A:-Head of office

B:-BSNL

C:-Government

D:-Head of Department

Correct Answer:- Option-D

Question43:-Major head means

(i) Main head of government account

(ii) A record of receipt

(iii) A classification of disbursement

A:-Only (i)

B:-Only (ii)

C:-Only (iii)

D:- (i), (ii) & (iii)

Correct Answer:- Option-D

Question44:-Preparation of indent is based on

A:-Budget estimate for last year

B:-Consumption during the previous 3 or 5 years

C:- (1) and (2)

D:-Only (2)

Correct Answer:- Option-D

Question45:-Department accounts should be compiled

(i) From treasury returns

(ii) Before the collection is credited in the treasury

A:-Both (i) and (ii)

B:-Only (i)

C:-Only (ii)

D:-None

Correct Answer:- Option-C

Question46:-Of the following expenditure, which one will not be subjected to audit?

A:-Expenses of police department

B:-Expense of vigilance

C:-Election expenditure of candidates

D:-Secret service expense

Correct Answer:- Option-D

Question47:-The Counterfoils of receipt book should be preserved

A:-6 complete years

B:-3 complete years

C:-Till Audit

D:-10 complete years

Correct Answer:- Option-A

Question48:-What should be done when a revenue of Alappuzha district collected in Pathanamthitta?

(i) Omit the amount from the DCB of Alappuzha

(ii) Omit the amount from DCB of Pathanamthitta

A:- (i) is correct & (ii) is wrong

B:- (i) is wrong & (ii) is correct

C:-Both (i) & (ii) correct

D:-Both (i) & (ii) wrong

Correct Answer:- Option-B

Question49:-In the case of supply of a machine, the successful tenderer should

A:-Sign a supplementary agreement

B:-Deposit additional security

C:-Submit performance certificate from a Government Engineering College

D:-Guarantee satisfactory performance for a definite period under a definite penalty

Correct Answer:- Option-D

Question50:-Charge levied by KWA for a work done to a private party is

A:-Administrative charge

B:-Supervision charge

C:-Centage charge

D:-Service charge

Correct Answer:- Option-C

Question51:-Time allotted for reply of audit objections

A:-Fortnight

B:-As fixed by Accountant General

C:-One month

D:-No time limit

Correct Answer:- Option-A

Question52:-Is it obligatory for a government servant to fully utilize the contingent expenditure allotment?

A:-Yes, since it is a budget allotment, it should be fully used

B:-No. The government servant should only use the amount really necessary

C:-Yes. Since the amount is given in public interest, he should fully use the allotment

D:-No. He may use his discretion

Correct Answer:- Option-B

Question53:-Who will accord administrative sanction for purchase of stores for normal running of an office for which funds are provided in the budget?

A:-Head of department

B:-Government

C:-Departmental purchase committee

D:-Since the funds are provided in the budget, no further sanction is required

Correct Answer:- Option-A

Question54:-All stores of a government office should be verified

- A:-Every two years
 - B:-At least once a year
 - C:-Every six months
 - D:-Before new purchase
- Correct Answer:- Option-B

Question55:-Who will prepare a completion report for a public work?

- A:-The officer who pays for the work
 - B:-The Engineer who prepared the estimate for that work
 - C:-The Engineer who supervised the work
 - D:-The engineer who had given technical sanction for that work
- Correct Answer:- Option-A

Question56:-After presenting the pay bill of a month, it is found that the last two days salary was inadmissible. What should be done to rectify the mistake?

- A:-Inform treasury officer
 - B:-Immediately call back the bill
 - C:-Excess payment should be recovered by short-drawal in the succeeding month bill
 - D:-Inform the audit section
- Correct Answer:- Option-C

Question57:-The security deposit collected in connection with the purchase of stores may be returned to the contractor after ----- of expiry of contract

- A:-3 months
 - B:-1 month
 - C:-2 months
 - D:-6 months
- Correct Answer:- Option-A

Question58:-Name the register of Form 24 B, KFC

- A:-Auction register
 - B:-Permanent advance register
 - C:-Register for watching utilisation of grant-in-aid
 - D:-Contingent register
- Correct Answer:- Option-C

Question59:-Which item listed below is not an expenditure from the consolidated fund of the State?

- A:-Salary of Speaker
 - B:-Expense of P.S.C.
 - C:-Expense of Hon'ble High Court
 - D:-Expense of Government Secretariat
- Correct Answer:- Option-D

Question60:-A village officer reports the death of a political pensioner to the treasury officer. Is his action right?

- A:-Yes
 - B:-No
 - C:-Yes, under art. 189, KFC the action is correct
 - D:-None
- Correct Answer:- Option-A

Question61:-A Divisional Accountant objected a jail work on the ground that jail labour is not employed. Is it correct?

- A:-Yes, jail labour should be employed in all jail works
 - B:-No, if the jail work is executed by contract system
 - C:-Yes, if jail labour is stipulated in tender notice
 - D:-No, if the jail work is executed departmentally
- Correct Answer:- Option-C

Question62:-In Kerala the first attempt of performance budgeting was adopted in

- A:-Finance Department
 - B:-PWD
 - C:-Education Department
 - D:-Health Department
- Correct Answer:- Option-B

Question63:-The original record of a public work having evidence value in a court of law

- A:-Muster roll
 - B:-Material account
 - C:-Measurement book
 - D:-Level field book
- Correct Answer:- Option-C

Question64:-Budgetary Cycle means

- A:-Preparation of Budget
 - B:-Scrutiny of departmental estimate
 - C:-Appropriation among disbursing officers
 - D:-Preparation, passing, execution and review of budget
- Correct Answer:- Option-D

Question65:-An officer paid some contingent charges from the savings of a public work. Is his action allowable under KFC?

- A:-Yes, saving can be used for public expenditure
 - B:-No, he should have first obtain sanction from a competent authority
 - C:-No, the action is against KFC
 - D:-Yes, if it is fairly contingent on the actual execution of the work
- Correct Answer:- Option-D

Question66:-What is Economy Cut?

- A:-A technique to reduce public expenditure
 - B:-A way of Cut Motions
 - C:-A motion to reduce a specific amount in a demand
 - D:- (2) & (3)
- Correct Answer:- Option-D

Question67:-The register of collection should agree with

- A:-Demand register
 - B:-Treasury chalan
 - C:-Cash in hand
 - D:-Both (2) & (3)
- Correct Answer:- Option-D

Question68:-Commercial operations of a government department are entered in which account?

- A:-Revenue account
- B:-Pro forma account
- C:-Capital account
- D:-Special subsidiary account

Correct Answer:- Option-B

Question69:-Expenditure for payment of commuted value of pension is classified under

- A:-Capital Expenditure
- B:-Establishment Expenditure
- C:-Pension Expenditure
- D:-Revenue Expenditure

Correct Answer:- Option-A

Question70:-Control of expenditure by the executive is divided into

- (i) Control by finance department
- (ii) Control by administrative department

- A:-Only (i)
- B:- (i) & (ii)
- C:-Only (ii)
- D:-None

Correct Answer:- Option-B

Question71:-The government act as a banker in the case of

- A:-Civil deposit
- B:-Revenue deposits
- C:-Library fund
- D:-None

Correct Answer:- Option-C

Question72:-A lapsed deposit credited to the government should be repaid only with the previous sanction of

- A:-Finance secretary
- B:-Accountant General
- C:-Director of treasury
- D:-Director of State Audit

Correct Answer:- Option-B

Question73:-The registration of a security bond is compulsory if security is furnished in the form of

- A:-Immovable property
- B:-Cash
- C:-Promissory note
- D:-National savings certificate

Correct Answer:- Option-A

Question74:-Warning slips should be returned to

- A:-Finance Department
- B:-Controlling Officer
- C:-Disbursing Officer
- D:-Accountant General

Correct Answer:- Option-D

Question75:-A higher authority directed a government servant to start a work without a sanctioned estimate and fund. What should be done?

- A:-She should not obey the direction
- B:-As it is an order from a superior officer she should obey it
- C:-The order violates KFC, so she has no obligation to obey the order
- D:-She should immediately inform the matter to the Accountant General

Correct Answer:- Option-D

Question76:-A technique of presenting the operations of government in both financial and physical terms

- A:-Evaluation reporting
- B:-Performance auditing
- C:-Gender Budgeting
- D:-Performance Budgeting

Correct Answer:- Option-D

Question77:-A register in Form 48, 48 A, 48 B is used in government offices as

- A:-Stock register
- B:-Contingent register
- C:-Log book
- D:-Audit objections register

Correct Answer:- Option-C

Question78:-A built in pre-check for regulating the flow of expenditure is

- A:-Budget
- B:-Pre audit
- C:-Letter of credit
- D:-Appropriation control

Correct Answer:- Option-C

Question79:-A tenderer submitted a request to a departmental officer to communicate him reasons for rejection of his tender. The officer rejected the request. Is the officer's action right?

- A:-No, since it is a request, the officer should communicate the reasons to the tenderer
- B:-Yes, no tenderer has any right to be told the reason for rejecting his tender
- C:-No, he may seek the opinion of his superior officer before rejecting the request
- D:-Yes, KFC is silent about such cases, the officer can use his discretion

Correct Answer:- Option-B

Question80:-Government account means

- A:-Public account
- B:-Contingency Fund
- C:-Consolidated Fund
- D:- (1), (2) & (3)

Correct Answer:- Option-D

Question81:-The system in which if fund is insufficient to cover a payment, the treasury returns a bill uncashed is

- A:-Re appropriation
- B:-Appropriation control
- C:-Resumption of funds

D:-None

Correct Answer:- Option-B

Question82:-The utilisation certificate of advance for medical purpose should be furnished

A:-3 months of receipt

B:-3 months from date of drawal

C:-4 months of receipt

D:-None

Correct Answer:- Option-A

Question83:-Repayment of advance given under HBA to purchase a house will commence

A:-9 months from the date of disbursement

B:-First issue of pay after the disbursement of advance

C:-Date of completion of the house

D:-9 months from the disbursement of last instalment of the advance

Correct Answer:- Option-B

Question84:-The power to re appropriate between minor heads within a grant is in

A:-Administrative department

B:-Controlling officer

C:-Finance Department

D:-Accountant General

Correct Answer:- Option-C

Question85:-An imprest placed at the disposal of the Governor

A:-Contingency Fund

B:-Emergency Fund

C:-Miscellaneous Fund

D:-Consolidated Fund

Correct Answer:- Option-A

Question86:-The premium of fidelity insurance is paid from

A:-The officer in charge of cash

B:-The contingencies of the office

C:-Office fund

D:-Special allotment

Correct Answer:- Option-B

Question87:-Form 24 is prescribed for

A:-Measurement book

B:-Completion report

C:-Estimate

D:-Technical sanction

Correct Answer:- Option-C

Question88:-The date for the presentation of Annual financial statement of the state in the Legislature is fixed by

A:-Chief Minister

B:-Speaker

C:-Governor

D:-Finance Minister

Correct Answer:- Option-C

Question89:-The purchase of new animals by exchange of animals of equivalent value in a zoo is sanctioned by

A:-Director of museum and zoo

B:-Government

C:-Purchase committee

D:-Finance department

Correct Answer:- Option-A

Question90:-The service book of a transferred government servant should made available to the new office ----- of the transfer

A:-Within one month

B:-As soon as possible within one month

C:-No time limit

D:-Within the joinin time admissible to the transferred officer

Correct Answer:- Option-B

Question91:-Financial accountability of the Executive to the Legislature is secured through

A:-Audit reports

B:-Budget

C:-Re appropriation

D:-Appropriation control

Correct Answer:- Option-A

Question92:-What action should be taken in the cases of refund of revenue which were not discussed in Book of financial powers?

A:-Allow refund after verifying the original receipts

B:-Reject the refund request

C:-If the refund application is within the time limit, allow refund

D:-Obtain sanction from government

Correct Answer:- Option-D

Question93:-Additions and modifications in register of Form 23 (I and II) KFC should be communicated to whom?

A:-Chief secretary

B:-Head of the department

C:-Accountant general

D:-Secretary of the department

Correct Answer:- Option-C

Question94:-A departmental officer purchased certain stores through negotiated contract. Is his action correct?

A:-Yes, if it is purchase of uniforms for nurses

B:-Yes, if it is purchase of magazines less than Rs. 1,000

C:-Yes, if it is a patent item

D:-Yes, if it is a petty purchase

Correct Answer:- Option-C

Question95:-When a security deposit in cash is refunded to a contractor, the officer allowed savings bank interest to the contractor. Is the officer's

action correct?

A:-Yes

B:-No

C:-Yes, but the interest should be at the rate of fixed deposit

D:-Yes, but the admissible interest rate is only 2%

Correct Answer:- Option-B

Question96:-Which are the agencies that control public expenditure?

A:-Legislature, Executive and Press

B:-Legislature, Executive and Judiciary

C:-Legislature, Executive and Audit

D:-Legislature, Judiciary and Audit

Correct Answer:- Option-C

Question97:-Report of Transfer of Charges should be communicated to the AG on

A:-Same day of charge taken

B:-Next day

C:-Convenience of the officer

D:-Same month

Correct Answer:- Option-A

Question98:-When a Union function is delegated to Kerala State, the financial transactions related to that delegated function is regulated by

A:-KFC

B:-KBM

C:-General financial rules of the central government

D:-None

Correct Answer:- Option-C

Question99:-A supernumerary post is

(i) A shadow post

(ii) A permanent post

(iii) A post created to a particular person

A:-Only (i)

B:-(i), (ii) & (iii)

C:-(i) & (ii)

D:-Only (iii)

Correct Answer:- Option-C

Question100:-Who will specify the maximum amount that can be spent on each service in a financial year?

A:-Accountant General

B:-Finance Department

C:-Public Accounts Committee

D:-Legislature

Correct Answer:- Option-D