

**FINAL ANSWER KEY**

Paper: 061 - Finances of Local Bodies and Principles of State Audit Audit  
Date of Test 24-04-2023

- Question1:-\_\_\_\_\_ is the Chairman of district level Audit Monitoring Committee.  
A:-District Collector  
B:-Deputy Director of Panchayat  
C:-District Panchayat President  
D:-Senior Deputy Director, KSAD  
Correct Answer:- Option-A
- Question2:-Objections in the consolidated Audit Report cannot be dropped without the consent of  
A:-Speaker  
B:-LSGD  
C:-Finance Dept.  
D:-Legislative Committee on Local Fund Accounts  
Correct Answer:- Option-D
- Question3:-The annual ceiling of extra-ordinary expenditure of a Grama panchayat is fixed at \_\_\_\_\_ % of surplus fund of previous year subject to a maximum of Rs.  
A:-10, 200000  
B:-20, 100000  
C:-20, 300000  
D:-15, 100000  
Correct Answer:- Option-B
- Question4:-If a tax is paid after due date, a fine at the rate of \_\_\_\_\_ shall be imposed.  
A:-one percent  
B:-two percent  
C:-one percent per month  
D:-two percent per month  
Correct Answer:- Option-C
- Question5:-Allotment of \_\_\_\_\_ fund for each local body cannot be known from Appendix IV of Kerala State Govt. Budget.  
A:-A  
B:-B  
C:-C  
D:-D  
Correct Answer:- Option-B
- Question6:-Audit should be completed within \_\_\_\_\_ months from the date of receipt of accounts.  
A:-5  
B:-12  
C:-6  
D:-10  
Correct Answer:- Option-C
- Question7:-The duties and functions of Municipalities are enumerated in schedule \_\_\_\_\_ of Kerala Municipality Act.  
A:-I  
B:-II  
C:-III  
D:-IV  
Correct Answer:- Option-A
- Question8:-If Auditor is satisfied in all material respects relating to annual accounts of LSGI, Audit Certificate to be issued is  
A:-Disclaimer  
B:-Satisfactory  
C:-Qualified  
D:-Unqualified  
Correct Answer:- Option-D
- Question9:-\_\_\_\_\_ is not exempted from Property Tax according to Kerala Panchayat Raj Act/Kerala Municipality Act.  
A:-Public Library  
B:-Crematorium  
C:-Local body building  
D:-State Govt. building  
Correct Answer:- Option-D
- Question10:-All officers and staff of Local Fund Audit Dept. Shall be subordinate to  
A:-Accountant General  
B:-Finance Dept.  
C:-Director of Local Fund Audit  
D:-CAG  
Correct Answer:- Option-C
- Question11:-Maximum Profession Tax to be assessed for a half yearly income of Rs. 50,000 is  
A:-Rs. 300  
B:-Rs. 450  
C:-Rs. 500  
D:-Rs. 600  
Correct Answer:- Option-B
- Question12:-An officer not below the rank of \_\_\_\_\_ shall have authority to make surprise inspection of stock and store of LSGIs.  
A:-Deputy Director  
B:-Senior Deputy Director  
C:-Audit Officer  
D:-Assistant Audit Officer  
Correct Answer:- Option-A
- Question13:-The Budget prepared by Finance Standing Committee shall be presented in the Municipal Council Meeting  
A:-before January `15^(th)`  
B:-before March `31^(st)`  
C:-not later than March `31^(st)`  
D:-not later than the first week of March  
Correct Answer:- Option-D

Question14:-The annual accounts of an LSGI shall be presented for audit within \_\_\_\_\_ months of the close of financial year according to Kerala Local Fund Audit Act.

- A:-three
- B:-four
- C:-five
- D:-six

Correct Answer:- Option-B

Question15:-Which is not the function of Finance Standing Committee?

- A:-Audit
- B:-Taxes
- C:-Social and Economic Planning
- D:-Public Administration

Correct Answer:- Option-C

Question16:-All enquiries shall be made in the course of audit through

- A:-Objection statement
- B:-Audit enquiry
- C:-Audit requisition
- D:-Show cause notice

Correct Answer:- Option-A

Question17:-The maximum amount allowed to be written off by a Block Panchayat as per rules is \_\_\_\_\_ in each case.

- A:-Rs. 3000
- B:-Rs. 2000
- C:-Rs. 4000
- D:-Rs. 5000

Correct Answer:- Option-B

Question18:-The surcharge certificate shall be sent to the person responsible within \_\_\_\_\_ from the date of receipt of surcharge notice.

- A:-2 years
- B:-4 months
- C:-6 months
- D:-a year

Correct Answer:- Option-A

Question19:-General Purpose Fund is categorised as \_\_\_\_\_ Fund vide GO(P) 177/06/Fin/12.04.2006.

- A:-A
- B:-B
- C:-C
- D:-D

Correct Answer:- Option-D

Question20:-The Annual Financial Statement of a local body received by the Auditor should not be returned after 15 days as per

- A:-Kerala Local Fund Audit Act
- B:-Kerala Local Fund Audit Rules
- C:-Kerala Panchayat Raj (Manner of Inspection and system of Audit) Rules
- D:-Kerala Panchayat Raj (Accounts) Rules

Correct Answer:- Option-C

Question21:-Which is 14<sup>th</sup> Plan period?

- A:-From 2022-23 to 2026-2027
- B:-From 2021-22 to 2025-2026
- C:-From 2023-24 to 2027-2028
- D:-From 2020-21 to 2024-2025

Correct Answer:- Option-A

Question22:-Chapter \_\_\_\_\_ of store purchase manual deals with purchase through GEM.

- A:-16
- B:-17
- C:-18
- D:-19

Correct Answer:- Option-D

Question23:-The Governor of a State Shall constitute a Finance Commission to review the financial Position of Panchayats/Municipalities at the expiration of every \_\_\_\_\_ year.

- A:-third
- B:-sixth
- C:-fifth
- D:-ten

Correct Answer:- Option-C

Question24:-Which is the Standing Committee of a Municipal Corporation, not of a Municipality?

- A:-Finance
- B:-Tax Appeal
- C:-Welfare
- D:-Public Works

Correct Answer:- Option-B

Question25:-\_\_\_\_\_ may make provisions with respect to the maintenance of accounts by LSGIs and the auditing of such accounts, according to the Constitution of India.

- A:-Central Govt.
- B:-State Legislature
- C:-CAG
- D:-State Governor

Correct Answer:- Option-B

Question26:-Mobilisation advance is the advance given to

- A:-Beneficiary Committee
- B:-Contractor
- C:-Engineer
- D:-ADS

Correct Answer:- Option-A

Question27:-VEO is an implementing officer of

- A:-Block Panchayat
- B:-District Panchayat
- C:-Grama Panchayat

D:-Municipality

Correct Answer:- Option-C

Question28:-A fund administered by a local authority which, though a part of Govt. Dept, has been established by or under a law or orders of the Govt. is known as

A:-Panchayat fund

B:-Contingency fund

C:-Municipal fund

D:-Local fund

Correct Answer:- Option-D

Question29:-According to \_\_\_\_\_ a financial year commences on the first day of April.

A:-Indian Constitution

B:-RBI Act

C:-General Clauses Act

D:-Budget Manual

Correct Answer:- Option-C

Question30:-The word \_\_\_\_\_ is not defined in Kerala Local Fund Audit Act.

A:-Charge

B:-Surcharge

C:-Prescribed

D:-Schedule

Correct Answer:- Option-A

Question31:-Audit Notice shall be given at least \_\_\_\_\_ in advance.

A:-two weeks

B:-fourteen days

C:-ten days

D:-three weeks

Correct Answer:- Option-B

Question32:-\_\_\_\_\_ shall be maintained by the Accountant, with separate folios for each head of account.

A:-Cash Book

B:-Bank Book

C:-Journal Book

D:-General Ledger

Correct Answer:- Option-D

Question33:-\_\_\_\_\_ shall authorize all allotments from the Panchayat Fund.

A:-Secretary

B:-Asst. Secretary

C:-Ex-Officio Secretary

D:-President

Correct Answer:- Option-D

Question34:-Investment of surplus fund shall be made by the Panchayat as per Rule \_\_\_\_\_ of Kerala Panchayat Raj (Investment and withdrawal of Panchayat Fund) Rules 1996.

A:-14

B:-4

C:-12

D:-15

Correct Answer:- Option-B

Question35:-The administrative set up of Panchayat in the State consists of

A:-Grama Panchayats, Block Panchayats and District Panchayats

B:-Grama/Block/District Panchayats and LSGD

C:-Grama/Block/District Panchayats and Grama Sabhas

D:-Grama Panchayats and Grama Sabhas

Correct Answer:- Option-C

Question36:-Chapter \_\_\_\_\_ of Kerala Municipality Act contains provisions relating to Taxation and Finance.

A:-XIV

B:-XIII

C:-XI

D:-XII

Correct Answer:- Option-A

Question37:-Kerala Municipality (Accounts) Rules are applicable to all Municipalities in Kerala with effect from

A:-01.04.2017

B:-01.03.2007

C:-01.04.2007

D:-30.03.2007

Correct Answer:- Option-C

Question38:-Accounting entries by Panchayats shall be recorded using uniform codification structure consisting of Fund, Function, Functionary and \_\_\_\_\_ codes.

A:-Account

B:-Finance

C:-Classification

D:-Accrual

Correct Answer:- Option-A

Question39:-The draft budget proposals of a Local body should be submitted to Finance Standing Committee on or before \_\_\_\_\_ every year.

A:-<sup>31</sup> March

B:-<sup>15</sup> January

C:-<sup>15</sup> December

D:-<sup>10</sup> February

Correct Answer:- Option-B

Question40:-Prevention of food adulteration is a \_\_\_\_\_ function of Grama Panchayats, Municipalities and Municipal Corporations.

A:-General

B:-Sectoral

C:-Regulatory

D:-Mandatory

Correct Answer:- Option-D

Question41:-The surplus shown in the Budget should not be less than \_\_\_\_\_ of the current year's estimated receipts excluding receipts from endowments, Govt. grants, contributions and debt heads.

- A:-3%
- B:-10%
- C:-5%
- D:-4%

Correct Answer:- Option-C

Question42:-Which is an example of debt head receipts?

- A:-Library receipts
- B:-Library cess
- C:-Auction receipts
- D:-Advertisement tax

Correct Answer:- Option-B

Question43:-The approved Annual Financial Statement shall be signed by the \_\_\_\_\_ of Grama Panchayat.

- A:-President and Secretary
- B:-Secretary
- C:-President
- D:-Accountant

Correct Answer:- Option-A

Question44:-Financial Management System is handled by the software

- A:-Sankhya
- B:-Sulekha
- C:-Sugama
- D:-Subhadra

Correct Answer:- Option-D

Question45:-Any endowment accepted by the President of a Panchayat shall be treated as

- A:-Special Fund
- B:-Sinking Fund
- C:-Specific Fund
- D:-Separate Fund

Correct Answer:- Option-A

Question46:-Among the following which period end procedure is to be carried out at the end of every half year?

- A:-Closing of cash book and bank book
- B:-Closing of ledger accounts
- C:-Payments of Govt. dues
- D:-Physical verification of fixed assets

Correct Answer:- Option-B

Question47:-An Auditor shall be deemed to be a public servant within the meaning of section \_\_\_\_\_ of Indian Penal Code.

- A:-45
- B:-12
- C:-21
- D:-8

Correct Answer:- Option-C

Question48:-Director may condone a payment which appears to him to be contrary to law if it does not exceed \_\_\_\_\_ in each case.

- A:-Five hundred
- B:-Three hundred
- C:-Two hundred
- D:-One hundred

Correct Answer:- Option-D

Question49:-Which institution is not audited by Kerala State Audit Dept.?

- A:-Kerala Kalamandalam
- B:-Wakf Board
- C:-KILA
- D:-Kerala Pharmacy Council

Correct Answer:- Option-C

Question50:-Which statement is wrong?

- A:-Auditor shall have authority to seek the services of technical expert if necessary
- B:-Director can dispense with detailed audit when circumstances warrant
- C:-Auditor shall give public notice of the date and time of audit in notice board and newspaper in suitable cases
- D:-In the course of audit, auditor shall not consider the objections made in writing by persons

Correct Answer:- Option-D

Question51:-Audit Reports should be discussed in Grama Sabhas, as per Section \_\_\_\_\_ of Kerala Panchayat Raj Act.

- A:-3
- B:-3(3)
- C:-3(b)
- D:-3(a)

Correct Answer:- Option-B

Question52:-If a Panchayat does not pass the Budget in time, Govt. can dissolve the Panchayat Vide Section \_\_\_\_\_ Kerala Panchayat Raj Act.

- A:-193
- B:-214
- C:-215
- D:-192

Correct Answer:- Option-A

Question53:-Draft Audit Report shall be shown to the Executive Authority on the close of audit and proper acknowledgement shall be obtained in the draft itself, as per Rule \_\_\_\_\_, Kerala Local Fund Audit Rules.

- A:-41
- B:-20
- C:-14
- D:-25

Correct Answer:- Option-C

Question54:-In the expansion of the Scheme 'LIFE' 'I' stands for

- A:-Improvement
- B:-Indicator
- C:-Independence
- D:-Inclusion

Correct Answer:- Option-D

Question55:-If leave for three months is sanctioned to a Panchayat member, he is

- A:-eligible for honorarium
- B:-not eligible for honorarium
- C:-eligible for sitting fee
- D:-eligible for proportionate honorarium

Correct Answer:- Option-B

Question56:-Travelling allowance should be given to Panchayat Vice President after the Scrutiny of his TA bills by \_\_\_\_\_ as per rules.

- A:-President
- B:-Secretary
- C:-DDP
- D:-Accountant

Correct Answer:- Option-A

Question57:-Mandatory functions are not given to

- A:-District Panchayat
- B:-Municipality
- C:-Municipal Corporation
- D:-Grama Panchayat

Correct Answer:- Option-A

Question58:-\_\_\_\_\_ Fund is allotted to Local Bodies for the welfare of scheduled castes.

- A:-SCP
- B:-SCSP
- C:-TSP
- D:-Development

Correct Answer:- Option-B

Question59:-\_\_\_\_\_ is the convener of Municipal Planning Committee.

- A:-Chairperson
- B:-District Collector
- C:-Secretary
- D:-Development Standing Committee Chairman

Correct Answer:- Option-C

Question60:-The unexpected portion of Development Fund allotted to a local body for a financial year upto a maximum of \_\_\_\_\_ will be allotted in next year as 'Carry over'.

- A:-80%
- B:-15%
- C:-10%
- D:-20%

Correct Answer:- Option-D

Question61:-Which is the correct project form for spill over projects insisted in GO(MS)233/2012/LSGD/07.09.2012?

- A:-Form No: 3
- B:-Form No: 4
- C:-Form No: 6
- D:-Form No: 5

Correct Answer:- Option-B

Question62:-The name of software used for sending estimate and related documents for technical sanction from authorised Engineer is

- A:-PRICE
- B:-SULEKHA
- C:-SUGAMA
- D:-SANJITHA

Correct Answer:- Option-A

Question63:-If an Auditor notices that a project is approved in violation of guidelines, accountability should be given to

- A:-Implementing officer
- B:-Planning clerk
- C:-DPC convener
- D:-Vetting Officer

Correct Answer:- Option-D

Question64:-Which is not a mandatory allocation from Development Fund?

- A:-SSK allocation
- B:-Palliative Care allocation
- C:-LIFE Mission allocation
- D:-IKM allocation

Correct Answer:- Option-C

Question65:-At least \_\_\_\_\_ of the Normal share of Development Fund under General Sector should be allocated for production sector by Block panchayats.

- A:-20%
- B:-30%
- C:-25%
- D:-45%

Correct Answer:- Option-B

Question66:-A clear case of loss detected in audit can be

- A:-Objected
- B:-Pointed out for future guidance
- C:-Disallowed
- D:-Discussed with Auditee Institution

Correct Answer:- Option-C

Question67:-\_\_\_\_\_ of revenue income of a municipality should be reserved as Urban Poverty Alleviation Fund.

- A:-2%
- B:-3%
- C:-5%
- D:-10%

Correct Answer:- Option-A

Question68:-The maximum repayment period of a loan raised by a Municipality Vide Section 297 of Kerala Municipality Act is limited to

- A:-60 months
- B:-50 years
- C:-25 years
- D:-60 years

Correct Answer:- Option-D

Question69:-Any person who wilfully neglects the Audit Requisition shall be punishable with a fine upto

- A:-Rs. 1000
- B:-Rs. 10000
- C:-Rs. 25000
- D:-Rs. 3000

Correct Answer:- Option-A

Question70:-Among the following which is an unauthorised voucher?

- A:-Receipt voucher
- B:-Payment voucher
- C:-Deposit voucher
- D:-Contra voucher

Correct Answer:- Option-C

Question71:-The cashbook shall be maintained by the

- A:-Secretary
- B:-Assistant Secretary
- C:-Head Clerk
- D:-Accountant

Correct Answer:- Option-D

Question72:-\_\_\_\_\_ shall be used to authorise rectification entry.

- A:-Payment voucher
- B:-Journal voucher
- C:-Correction voucher
- D:-Rectification voucher

Correct Answer:- Option-B

Question73:-The dishonoured cheque shall be retained by

- A:-Accountant
- B:-Secretary
- C:-Section Superintendent
- D:-Finance Officer

Correct Answer:- Option-A

Question74:-Cheque books shall always be kept under lock and key in the personal custody of

- A:-Accountant
- B:-Secretary
- C:-Cashier
- D:-Finance Officer

Correct Answer:- Option-B

Question75:-Social Security Pension is categorized as \_\_\_\_\_ in GO(P)177/06/Fin/12.04.2006.

- A:-A Fund
- B:-E Fund
- C:-B Fund
- D:-F Fund

Correct Answer:- Option-C

Question76:-Which is the record not to be maintained by an implementing officer?

- A:-Treasury Bill book
- B:-Cash Book
- C:-Project Register
- D:-Appropriation Control Register

Correct Answer:- Option-D

Question77:-Guidelines regarding the subsidy eligible during the `14^(th)` Plan period is

- A:-GO(MS)84/2022/LSGD/19.04.2022
- B:-GO(MS)86/2022/LSGD/19.04.2022
- C:-GO(MS)115/2022/LSGD/28.05.2022
- D:-GO(MS)115/2022/Fin/28.05.2022

Correct Answer:- Option-C

Question78:-Guidelines for the procurements of goods and services in LSGIs is the content of

- A:-GO(P)03/2013/SPD/21.06.2013
- B:-GO(P)259/2010/LSGD/08.11.2010
- C:-GO(MS)259/2010/LSGD/08.11.2010
- D:-GO(P)295/2010/Fin/08.11.2010

Correct Answer:- Option-B

Question79:-Which is the benefit not eligible to Elected Representatives of Local Bodies?

- A:-Honorarium
- B:-Sitting Bee
- C:-Travelling Allowance
- D:-Medical Allowance

Correct Answer:- Option-D

Question80:-Deputy Mayor is the Chairperson of \_\_\_\_\_ Standing Committee.

- A:-Finance
- B:-Welfare
- C:-Education
- D:-Health

Correct Answer:- Option-A

Question81:-The duties and powers of CAG have been elaborated in the CAG's (Duties, Powers and Conditions of Service) Act

- A:-1936
- B:-1953
- C:-1919
- D:-1971

Correct Answer:- Option-D

Question82:-The latest Pay Revision Order is

- A:-GO(P) No:30/2021/Fin dated 12.02.2021
- B:-GO(P) No:27/2021/Fin dated 10.02.2021
- C:-GO(Rf) No:27/2021/Fin dated 10.02.2021
- D:-GO(P) No:27/2021/Fin dated 12.02.2021

Correct Answer:- Option-B

Question83:-The new vetting Officer of Poverty Alleviation Projects of District Panchayats implemented by Project Director is

- A:-Additional Director (C&SS)% Principal Director, LSGD
- B:-Additional Director (C&SS)% Project Director
- C:-Director of Urban Affairs
- D:-Additional Director (DPL), % Principal Director, LSGD

Correct Answer:- Option-A

Question84:-The Panchayats are now following the procedure given in \_\_\_\_\_ for preparing its accounts.

- A:-Kerala Panchayat Raj Accounts Manual
- B:-Kerala Panchayat Accounts Manual
- C:-Kerala Municipal Accounts Manual
- D:-Kerala Account Code

Correct Answer:- Option-C

Question85:-Grants received in advance shall be treated as \_\_\_\_\_ until the expenditure for the particular grant is incurred.

- A:-liability
- B:-income
- C:-deposit
- D:-imprest

Correct Answer:- Option-A

Question86:-As per GO(Rf) 3291/2016/LSGD dated \_\_\_\_\_ Govt. have approved 'Manual on Finance Management : Budget for Grama Panchayats in Kerala'.

- A:-12.12.2016
- B:-12.02.2016
- C:-02.12.2016
- D:-02.02.2016

Correct Answer:- Option-C

Question87:-In the process of decentralisation, the duty of preparing projects is entrusted to

- A:-Standing Committees
- B:-Working Groups
- C:-DPC
- D:-Implementing Officer

Correct Answer:- Option-B

Question88:-\_\_\_\_\_ is the plan co-ordinator of a local body.

- A:-President
- B:-Development Standing Committee Chairman
- C:-Plan Clerk
- D:-Secretary

Correct Answer:- Option-D

Question89:-\_\_\_\_\_ is the software ensuring transparency in granting building permits under Kerala Municipal Building Rules.

- A:-Sanketham
- B:-Sutharya
- C:-Sakarma
- D:-Samoohya

Correct Answer:- Option-A

Question90:-The accounting principles governing the recording, accounting and treatment of transactions relating to Grants are provided in Chapter \_\_\_\_\_ of KMAM.

- A:-5
- B:-17
- C:-15
- D:-10

Correct Answer:- Option-B

Question91:-Which is not a transferred institution as per GO(P) 189/95/LAD/18.09.95?

- A:-Krishi Bhavan
- B:-Ankanawadi
- C:-Village Office
- D:-Primary Health Centre

Correct Answer:- Option-C

Question92:-When the furniture purchased is not seen recorded in Stock Register, that payment can be

- A:-Disallowed
- B:-Admitted
- C:-Pointed out for ratification
- D:-Objected

Correct Answer:- Option-D

Question93:-The content of the draft audit report of a local body shall be discussed in

- A:-Entry meeting
- B:-Standing Committee meeting
- C:-Office meeting
- D:-Exit meeting

Correct Answer:- Option-D

Question94:-The rate of Pension contribution as per Kerala Municipality (Employees Death - cum - retirement benefit) Rules 1996 is \_\_\_\_\_ of the emoluments of employees.

- A:-15%
- B:-10%
- C:-5%
- D:-20%

Correct Answer:- Option-A

Question95:-A municipal secretary can spend upto \_\_\_\_\_ for the repair of official vehicles, without quotation and with the approval of Chairperson.

- A:-Rs. 5000
- B:-Rs. 2000
- C:-Rs. 3000
- D:-Rs. 10000

Correct Answer:- Option-B

Question96:-Deposit work cannot be implemented through

- A:-KSEB
- B:-KWA

C:-PWD

D:-GWD

Correct Answer:- Option-C

Question97:-In 'RTGS' 'S' represents

A:-Settlement

B:-Sending

C:-Sanction

D:-Service

Correct Answer:- Option-A

Question98:-Whenever a misappropriation of Panchayat Fund is discovered, the Secretary shall report it to the President, \_\_\_\_\_ the Govt. and the Auditor.

A:-Grama Sabha

B:-Finance Standing Committee

C:-Police

D:-Ombudsman

Correct Answer:- Option-C

Question99:-\_\_\_\_\_ is the scale of pay of the post of Grama Panchayat Secretary.

A:-51600 - 110300

B:-51400 - 110200

C:-51400 - 100300

D:-51400 - 110300

Correct Answer:- Option-D

Question100:-\_\_\_\_\_ is an authority for LSGIs at State Level for conducting investigations in respect of any action involving corruption or maladministration or irregularities in the discharge of administrative functions by LSGIs or employees or elected representatives.

A:-Tribunal

B:-Ombudsman

C:-Kerala State Audit Dept.

D:-Lokayuktha

Correct Answer:- Option-B