

Chapter 21 Comptroller and Auditor General (CAG)

Instructions: Each question has four options, choose the correct answer.

1. Which Article of the Constitution deals with the office of Comptroller and Auditor General of India?

- (a) Article 148
- (b) Article 149
- (c) Article 150
- (d) Article 151

Answer: (a) Article 148

2. Who appoints the Comptroller and Auditor General of India?

- (a) President
- (b) Prime Minister
- (c) Parliament
- (d) Chief Justice of India

Answer: (a) President

3. The term of office of CAG is:

- (a) 5 years or until 62 years of age, whichever is earlier
- (b) 6 years or until 65 years of age, whichever is earlier
- (c) At the pleasure of the President
- (d) 5 years with possible reappointment

Answer: (b) 6 years or until 65 years of age, whichever is earlier

4. The CAG can be removed from office:

- (a) By the President on advice of Prime Minister
- (b) Only by impeachment in Parliament
- (c) By the Supreme Court
- (d) By recommendation of the Finance Ministry

Answer: (b) Only by impeachment in Parliament

5. The procedure for removal of CAG is similar to that of:

- (a) President
- (b) Prime Minister
- (c) Supreme Court Judge
- (d) Election Commissioner

Answer: (c) Supreme Court Judge

6. The salary and conditions of service of CAG are determined by:

- (a) Parliament
- (b) President
- (c) Finance Ministry
- (d) Supreme Court

Answer: (a) Parliament

7. The salary of CAG is equal to that of:

- (a) Chief Justice of India
- (b) Judge of Supreme Court
- (c) Cabinet Secretary
- (d) Prime Minister

Answer: (b) Judge of Supreme Court

8. After retirement, the CAG is:

- (a) Eligible for reappointment
- (b) Disqualified for any government office
- (c) Eligible for appointment as UPSC Chairman
- (d) Appointed as Finance Minister

Answer: (b) Disqualified for any government office

9. The CAG submits audit reports to:

- (a) President
- (b) Parliament
- (c) Prime Minister

(d) Finance Minister

Answer: (a) President

10. Who presents the CAG reports to Parliament?

(a) President

(b) Speaker

(c) Prime Minister

(d) Finance Minister

Answer: (a) President

11. The CAG is the head of:

(a) Indian Audit and Accounts Department

(b) Finance Ministry

(c) Reserve Bank of India

(d) Planning Commission

Answer: (a) Indian Audit and Accounts Department

12. Which of the following is NOT a type of audit conducted by CAG?

(a) Regulatory Audit

(b) Compliance Audit

(c) Performance Audit

(d) Judicial Audit

Answer: (d) Judicial Audit

13. The CAG audits the accounts of:

(a) Union Government only

(b) State Governments only

(c) Both Union and State Governments

(d) Only Public Sector Undertakings

Answer: (c) Both Union and State Governments

14. Which Article empowers CAG to prescribe the form in which accounts shall be kept?

(a) Article 150

(b) Article 149

(c) Article 151

(d) Article 148

Answer: (a) Article 150

15. The CAG conducts audit of which of the following?

(a) Consolidated Fund of India

(b) Contingency Fund of India

(c) Public Account of India

(d) All of the above

Answer: (d) All of the above

16. The CAG is:

(a) A member of Parliament

(b) A member of Council of Ministers

(c) An independent constitutional authority

(d) Head of Finance Ministry

Answer: (c) An independent constitutional authority

17. The oath of office to CAG is administered by:

(a) President

(b) Chief Justice of India

(c) Prime Minister

(d) Vice President

Answer: (a) President

18. The CAG is responsible for auditing the accounts of:

(a) All government companies

(b) Only central government companies

(c) Corporations established by Parliament/State Legislature

(d) Both (a) and (c)

Answer: (d) Both (a) and (c)

19. The 'Performance Audit' conducted by CAG focuses on:

- (a) Whether money has been spent for intended purpose
- (b) Economy, efficiency and effectiveness of expenditures
- (c) Compliance with laws and regulations
- (d) Accuracy of financial statements

Answer: (b) Economy, efficiency and effectiveness of expenditures

20. The CAG is NOT responsible for auditing the accounts of:

- (a) Local bodies
- (b) Government companies
- (c) Autonomous bodies substantially financed by government
- (d) Defense forces

Answer: (a) Local bodies

21. The CAG acts as:

- (a) A friend, philosopher and guide of Public Accounts Committee
- (b) Chairman of Public Accounts Committee
- (c) Member of Estimates Committee
- (d) Advisor to Finance Ministry

Answer: (a) A friend, philosopher and guide of Public Accounts Committee

22. The Public Accounts Committee examines the reports of:

- (a) CAG
- (b) Finance Ministry
- (c) Reserve Bank of India
- (d) All government departments

Answer: (a) CAG

23. The independence of CAG is ensured by:

- (a) Security of tenure
- (b) Non-eligibility for further office
- (c) Salary charged on Consolidated Fund
- (d) All of the above

Answer: (d) All of the above

24. The CAG's salary and allowances are charged on:

- (a) Consolidated Fund of India
- (b) Contingency Fund of India
- (c) Public Account of India
- (d) Finance Ministry budget

Answer: (a) Consolidated Fund of India

25. Which of the following statements about CAG is correct?

- (a) He is appointed by President
- (b) He can be removed only by impeachment
- (c) His salary is charged on Consolidated Fund of India
- (d) All of the above

Answer: (d) All of the above

26. The CAG submits audit reports relating to Union Government to:

- (a) President who causes them to be laid before Parliament
- (b) Speaker of Lok Sabha directly
- (c) Prime Minister
- (d) Finance Ministry

Answer: (a) President who causes them to be laid before Parliament

27. The CAG submits audit reports relating to State Governments to:

- (a) Governor of respective state
- (b) Chief Minister of respective state
- (c) President of India
- (d) State Legislature directly

Answer: (a) Governor of respective state

28. Which committee described CAG as "the most important officer under the Constitution of India"?

- (a) Estimates Committee

- (b) Public Accounts Committee
- (c) Administrative Reforms Commission
- (d) Constituent Assembly

Answer: (d) Constituent Assembly

29. The CAG is sometimes referred to as:

- (a) Guardian of Public Purse
- (b) Watchdog of Treasury
- (c) Financial Conscience of Parliament
- (d) All of the above

Answer: (d) All of the above

30. The CAG audits the receipts and expenditures of:

- (a) Bodies substantially financed by government
- (b) Authorities whose revenues are deposited in Consolidated Fund
- (c) Companies where government has 51% share
- (d) All of the above

Answer: (d) All of the above

31. The CAG does NOT have the right to:

- (a) Audit defense expenditures
- (b) Disallow expenditures
- (c) Comment on wisdom of government policies
- (d) Report to Parliament

Answer: (b) Disallow expenditures

32. The main function of CAG is:

- (a) Accounting
- (b) Auditing
- (c) Budget preparation
- (d) Tax collection

Answer: (b) Auditing

33. The CAG gives a report on the financial performance of Public Sector Undertakings to:

- (a) Parliament
- (b) Ministry of Corporate Affairs
- (c) Department of Public Enterprises
- (d) Prime Minister's Office

Answer: (a) Parliament

34. Which audit ensures that expenditure conforms to authority that governs it?

- (a) Regulatory Audit
- (b) Compliance Audit
- (c) Performance Audit
- (d) Propriety Audit

Answer: (b) Compliance Audit

35. The CAG's role in relation to Public Accounts Committee is that of:

- (a) Chairman
- (b) Secretary
- (c) Advisor
- (d) Member

Answer: (c) Advisor

36. The 'Commercial Audit' conducted by CAG applies to:

- (a) Government departments
- (b) Public Sector Undertakings
- (c) Private companies
- (d) Cooperative societies

Answer: (b) Public Sector Undertakings

37. Which of the following audits is concerned with examining whether expenditure is wasteful?

- (a) Efficiency Audit
- (b) Regularity Audit
- (c) Propriety Audit

(d) Performance Audit

Answer: (c) Propriety Audit

38. The CAG was given the dual role of Comptroller and Auditor General by:

(a) Government of India Act, 1919

(b) Government of India Act, 1935

(c) Constitution of India

(d) Act of Parliament in 1950

Answer: (b) Government of India Act, 1935

39. The separation of accounts from audit for central government was recommended by:

(a) Administrative Reforms Commission

(b) Estimates Committee

(c) Public Accounts Committee

(d) Finance Commission

Answer: (a) Administrative Reforms Commission

40. The 'Audit Board' system for auditing public sector enterprises was introduced in:

(a) 1976

(b) 1984

(c) 1990

(d) 2000

Answer: (a) 1976