

MODEL ANSWERS WITH AUTHORITIES	
<p style="text-align: center;">SAS Part-II Examination June 2022</p> <p style="text-align: center;"><u>PAPER-V</u></p> <p style="text-align: center;">WORKS, STORES AND INTERNAL AUDIT (PRACTICAL- WITH BOOKS)</p> <p style="text-align: center;">Section – I (Work Accounts)</p> <p style="text-align: center;">(Common for All Candidates)</p>	
1 (a)	<p>What does technical sanction, which is issued by the competent engineer authority means?</p> <p style="text-align: right;"><b>3 marks</b></p>
Ans.	<p>Technical sanction, which is issued by the competent engineer authority, amounts to no more than a guarantee that the works proposals are structurally sound and that the estimates are accurately calculated and based on adequate data. Ordinarily such technical sanctions are accorded only after, Administrative Approval.</p> <p style="text-align: center;"><b>Authority: Para 42( a) DWP2007 OR</b> <b>Para 43 (a) DWP 2020</b></p>
1(b)	<p>The Chief Engineer wants to increase the powers of an officer subordinate to him. What points should be ensured to do the same?</p> <p style="text-align: right;"><b>5 marks</b></p>
Ans.	<p>Chief Engineers are authorized in exceptional circumstances to increase the powers of any officer subordinate to them by name to the extent they consider necessary within their own limits for technical sanction of designs and acceptance of contracts. It will be ensured that while delegating such powers the following requirements are complied with: (i) Enhanced powers are granted in exceptional circumstances and in respect of individual projects. (ii) Sanctions are given by name to officers. (iii) The period for which the delegated power is to be exercised is specified.</p> <p style="text-align: center;"><b>Authority: Para 44(c ) DWP 2007 OR</b> <b>Para 45 ( C ) DWP 2020</b></p>

1(c)	<p>In the case of purchase of buildings, what will be taken as technical sanction?</p> <p style="text-align: right;"><b>2 marks</b></p>
Ans.	<p>In the case of purchase of buildings, the valuation statement will be taken as technical sanction.</p> <p style="text-align: center;"><b>Authority: Para 42(j) DWP 2007 OR Para 43 (j ) DWP 2020</b></p>
2(a)	<p>In what all cases Engineer officer can deviate from specifications shown in approximate estimates?</p> <p style="text-align: right;"><b>3 marks</b></p>
Ans.	<p>The engineer officer competent to accord technical sanction to a project may wherever necessary, deviate from specifications shown in the approximate estimate provided that:</p> <ol style="list-style-type: none"> <li>1. the deviations are necessitated by engineer/ aesthetic reasons and are not such as to alter the scope of the work;</li> <li>2. there is no serious departure from authorized general specifications; and</li> <li>3. the total cost of the project administratively approved is not exceeded beyond the tolerance limit.</li> </ol> <p style="text-align: center;"><b>Authority: Para 42 (d) DWP2007 Para 43 ( c ) DWP 2020</b></p>
2(b)	<p>Which scenario necessitates payment of mobilization advance?</p> <p style="text-align: right;"><b>3 marks</b></p>
Ans.	<p>In case of works to be carried out in remote/difficult location and/or requiring mobilization of special equipment, tools or plants, or works to be completed on stringent and compressed time frame the Chief Engineer may include in the tender notice the inclusion of mobilization advance to the prospective contractors to as to prevent delay in commencement of works after acceptance of contract</p> <p style="text-align: center;"><b>Authority: Para 47, DWP 2007 Para 48, DWP 2020</b></p>

2(c)	<p>Chief Engineer issued Technical Sanctions before issue of Administrative Approval. Please comment.</p> <p style="text-align: right;"><b>(4 marks)</b></p>
Ans.	<p>Ordinarily Technical Sanctions are issued only after issue of Administrative Approval by the CFA. The Govt. may issue special instructions specifying the categories of works cases where Technical Sanctions can be issued to Facilitate Tender Actions even before Administrative Approval. In such cases, if necessary, revision of Technical Sanctions will be issued on the basis of finalized scope of work, scales and specifications as per the Administrative Approval before Contract Actions taken.</p> <p style="text-align: center;"><b>Authority: Para 42 (B) of DWP 2007 OR Para 43 (a) DWP 2020</b></p>
3(a)	<p>Why are methods of control and system of accounting for Engineering services designed?</p> <p style="text-align: right;"><b>3 marks</b></p>
Ans.	<p>The method of control and the system of accounting for Engineer services are designed (a) to ensure full administrative, financial and technical control. (b) to enable the financial authorities to submits accounts of expenditure in the form desired by the govt (c) to enable expenditure to be compared with approvals and with allotment of funds.</p> <p style="text-align: center;"><b>Authority: Para 12 Regulation for MES</b></p>
3(b)	<p>In what circumstances execution of work without fund allotment can be done?</p> <p style="text-align: right;"><b>4 marks</b></p>
Ans.	<ol style="list-style-type: none"> <li>1. On grounds of urgent military necessity or urgent medical reasons when the reference to CFA would entail dangerous delay.</li> <li>2. In case of imminent danger to buildings, etc. or of breakdown of installations, when delay would be seriously detrimental to public service</li> </ol> <p style="text-align: center;"><b>Authority: Para 14 and 15 Regulation for MES</b></p>

3(c)	<p>AAO BSO issued license fee bill inclusive of Barrack Damages for recovery from the Pay and Allowances of the Govt. employee. Please state whether it is in order.</p> <p style="text-align: right;"><b>3 marks</b></p>
Ans.	<p>Not in order. Barrack damages will not be included in the license fee bill. Separate voucher will be prepared for Barrack damages in respect of individuals in Govt. employment and will be sent to their Units for recovery in cash or with their agreement through their pay bills. Cash may be deposited with GE or the treasury.</p> <p style="text-align: center;"><b>Authority: Para 635 Regulation for MES</b></p>
4(a)	<p>What are threefold duties of AOGE?</p> <p style="text-align: right;"><b>3 marks</b></p>
Ans.	<ol style="list-style-type: none"> <li>1. As accountant</li> <li>2. As primary auditor</li> <li>3. As financial assistant</li> </ol> <p style="text-align: center;"><b>Authority: Para 64 Regulation for MES</b></p>
4(b)	<p>Under what head special repairs are budgeted?</p> <p style="text-align: right;"><b>2 marks</b></p>
Ans.	<p>Under maintenance head</p> <p style="text-align: center;"><b>Authority: Para 125 Regulation for MES</b></p>
4(c)	<p>A GE is executing road widening under maintenance services? Is it in order?</p> <p style="text-align: right;"><b>3 marks</b></p>
Ans.	<p>NO. It is not in order as it is part of original works</p> <p style="text-align: center;"><b>Authority: Para 123 Regulation for MES &amp; 242 of MES(R)</b></p>

4(d)	6 years have elapsed since Administrative approval for work was accorded. Can we proceed with the works based on this approval?  <b>2 marks</b>
Ans.	No. If the work has not commenced within 12 months fresh administrative approval will be taken.  <b>Authority: Para142 Regulation for MES</b>
5(a)	Can transfer of funds be done by GOC in C between various ongoing works? If yes give details thereof.  <b>3 marks</b>
Ans.	By the GOC (i) in between the maintenance Sub Heads B and C excluding transfers between ordinary repairs and special repairs; (ii) between one major work in progress and another major work in progress; (iii) between one new major work and another new major work (iv) between-a major work in progress and a new major work / provided the latter is administratively approved and its cost does not exceed Rs. 2,00,000.  <b>Authority: PARA 189 Regulation for MES</b>
5(b)	Which authority has technical control of all works in respect of Army, Navy and Airforce?  <b>3 marks</b>
Ans.	Technical control of all works in respect of the Army, Navy, and Airforce and is vested in Engineer in Chief and is exercised through the Chief engineers and Executive engineer  <b>Authority: Para 199 Regulation for MES</b>
5(c)	An officer wants to do addition and alteration to military building at private expense. Is it permissible?  <b>4 marks</b>
Ans.	No, it is not permissible as such addition and alteration to military building can only be done by agency of the department responsible for its maintenance under the prescribed rule  <b>Authority: Para215 Regulation for MES</b>

<b>6(a)</b>	<p>What all should be included in amendment to contract done by GE which makes the contract beyond his power.</p> <p style="text-align: right;"><b>3 marks</b></p>
<b>Ans.</b>	<p>If an amendment should bring the value of the contract above the powers of officer who accepted the tender the amendment will be referred for acceptance to the authority within whose power the revised value of the contract lies. In such cases the amended contract will have the same implications as if it were originally concluded for the amended amount. The formal amendment should, therefore, include not only the subject matter giving rise to the amendment, but also an additional statement to the effect that the contract as now amended will be deemed to have been accepted by the officer, defined by stating his appointment, who has the authority to accept contract for the total increased amount.</p> <p style="text-align: center;"><b>Authority: Para 30 iii OM part VIII &amp; Para 441 of RMES</b></p>
<b>6(b)</b>	<p>Who is responsible for maintenance of the Register of Permanent Military Buildings and Register of Temporary Military Buildings?</p> <p style="text-align: right;"><b>1 mark</b></p>
<b>Ans.</b>	<p>The GE is responsible for maintenance of the Register of Permanent Military Buildings and Register of Temporary Military Buildings in accordance with Para</p> <p style="text-align: center;"><b>Authority: 380 of RMES (I.A.F.W 2168).</b></p>
<b>6(c)</b>	<p>Who is responsible for maintenance of Register of Rentable Buildings?</p> <p style="text-align: right;"><b>1 mark</b></p>
<b>Ans.</b>	<p>BSO is responsible for maintenance of Register of Rentable Buildings.</p> <p style="text-align: center;"><b>Authority: Para 177.1 MES local audit manual. &amp; Para 624 of RMES</b></p>

6(d)	<p>What factors are taken into account by Station Board of Officers for hiring of residential accommodation for Service officers?</p> <p style="text-align: right;"><b>5 marks</b></p>
Ans.	<p>The Station Board of officers will: (i) Survey available houses from the point of view of sanitation, security, suitability of locality, scale of accommodation etc. (ii) Fix rent of the house without any further reference to civil authorities as the Collector's representative is the member of the Board. The rent thus fixed will be final. (iii) Record its reasons and the basis on which rent is fixed in each case giving details of location, plinth area, facilities, rents in the locality, availability of accommodation and so on.</p> <p><b>Authority: Para 23(III.I) of Chapter 11 of Quarters and Rents (Rent Procedure)</b></p>
7(a)	<p>The work has been delayed by the Contractor beyond the stipulated time in the term contract. How much Compensation for Delay the Contractor is liable to pay?</p> <p style="text-align: right;"><b>3 marks</b></p>
Ans.	<p>If the Contractor fails to complete the Works and clear the site on or before the date(s) fixed for completion, he shall, without prejudice to any other right or remedy of Government on account of such breach, be liable to pay compensation as under: - (a) in the case of Term Contracts, one per cent of the estimated value of the Requisition or the Works order for every week that the whole of the work remains uncompleted;</p> <p style="text-align: center;"><b>Authority: IAFW 2249 PARA 50</b></p>
7(b)	<p>A contractor has failed to return the surplus stores and has retained them for his own use. Is this in order? If not, what action can be taken against him?</p> <p style="text-align: right;"><b>4 marks</b></p>
Ans.	<p>A contractor, who fails to return the surplus stores but retains them for his own use or disposes them of to his personal gain, becomes liable to be prosecuted for embezzlement. This is not in order. Further, the Chief Engineer may either suspend the contractor from further tendering or remove him from the approved list. It will be seen in audit that action on these lines has been taken by the MES authorities.</p> <p style="text-align: center;"><b>Authority: UA MANUAL NOTE 2 PARA 121</b></p>

7(c)	<p>There is a discrepancy between description in words and figures quoted by a tenderer. Which value will prevail?</p> <p style="text-align: right;"><b>2 marks</b></p>
Ans.	<p>In the event of a discrepancy between description in words and figures quoted by a tenderer the description in words shall prevail</p> <p style="text-align: center;"><b>Authority: CHAPTER 2 PARA 6(a) IAFW 2249</b></p>
7(d)	<p>What is meant by Fair Wage?</p> <p style="text-align: right;"><b>1 mark</b></p>
Ans.	<p>"Fair Wage" means wage whether for time or piece work notified at the time of inviting tenders for the Work and where such wages have not been so notified the wages prescribed by the Chief Engineer for the stations at which the Work is done.</p> <p style="text-align: center;"><b>Authority: CHAPTER 2 PARA 58 IAFW 2249</b></p>
8(a)	<p>Who can Order the Disposal of Operational Works assets and whether concurrence of any authority is required before disposal?</p> <p style="text-align: right;"><b>3 marks</b></p>
Ans.	<p>The Divisional Commander, who has ordered the executions of operational work, can order the disposal of operational work assets. However, concurrence of Corps Headquarters will be obtained prior to dismantling and disposal of assets.</p> <p style="text-align: center;"><b>Authority: Para 20 of OP Works</b></p>
8(b)	<p>Can an additional claim from contractor be entertained after final bill has been submitted after successful completion of contract by contractor?</p> <p style="text-align: right;"><b>3 marks</b></p>
Ans.	<p>No, the claim will not be entertained as once the Final bill is submitted by the contractor, his all-other claims are deemed to have been waived and extinguished.</p> <p style="text-align: center;"><b>Authority: Clause 65 of IAFW-2249</b></p>



8(c)	<p>During audit of a contractor's final bill, E-section notices that the contractor had excluded the amount of security deposit deducted from his RARs from the amount of pre-receipted bill. Besides the contractor had signed in Marathi. Please comment.</p> <p style="text-align: right;"><b>4 marks</b></p>
Ans.	<p>The contractor's receipt should be for the gross amount including the amount, if any deducted-on account of security deposit. Hence submission of bill for the net amount is not in order. Besides, as per prescribed provisions, signatures in vernacular language should be transliterated.</p> <p style="text-align: center;"><b>Authority: Para 62 (ii) with Note 1 there under OM (VIII)</b></p>

SAS Part-II Examination  
Paper-V  
Section – II (Store Accounts and Internal Audit )  
(A) ARMY

1 (a)	How the short receipts of empty packing materials returned by units are being accounted in supply depots?  <b>3 marks</b>
Ans.	In case of short receipt, packing material to the equivalent amount will be vouchered to unit on their indents.  <b>Authority: Para Authority: 105 (b) (iii) of SAI</b>
1(b)	A journey has been performed by official car but in car diary nature of duty has not been specified. How will this journey be treated?  <b>3 marks</b>
Ans.	The journey will be treated as non-duty journeys and charges will be recovered from Government servant  <b>Authority: Para 142 (j) SAI</b>
1(c)	In case of a movement of complete unit or formation, to which category of Personnel, the Train QM will only issue ration?  <b>4 marks</b>
Ans.	The train QM will only issue ration to those who are not shown in the movement order issued by dispatching authorities as having been issued with road/rail ration or ration allowance for the whole or part of journey.  <b>Authority: Para 160 SAI</b>
2(a)	How dead stock to troops joining camp of instruction accounted for?  <b>3 marks</b>
Ans.	Such articles are not struck off charge from the books or return on which they are borne but shall be held at debit of the store keeper.  <b>Authority: Para 168 SAI</b>

2(b)	<p>If loss is due to Losses due to inaccuracies in previous stock taking, is it mandatory to hold a court of inquiry? Elaborate.</p> <p style="text-align: right;"><b>4 marks</b></p>
Ans.	<p>Yes,</p> <p style="text-align: center;"><b>Authority: para 241 SAI</b></p>
2(c)	<p>During audit of a supply depot, an LAO found that the vegetables produced through soldiers' gardens were paid for at the ongoing local contract rate which was higher than the production rate of military farm. Comment.</p> <p style="text-align: right;"><b>3 marks</b></p>
Ans.	<p>Not in order, it has to be paid at military farm production rate if cheaper.</p> <p style="text-align: center;"><b>Authority: Para 107 SAI</b></p>
3(a)	<p>What are various methods of Stock taking that are employed by Army Units and Formation?</p> <p style="text-align: right;"><b>3 marks</b></p>
Ans.	<ol style="list-style-type: none"> <li>1. Periodical checking of stocks</li> <li>2. Annual stock taking in Unit/ formation</li> <li>3. Stock of repair material</li> <li>4. Stock taking of ASC articles</li> </ol> <p style="text-align: center;"><b>Authority: Para 290-293 SAI</b></p>
3(b)	<p>Discrepancy is raised for claims below 2 pounds for each item of store obtained through DGISD London. Please comment</p> <p style="text-align: right;"><b>3 marks</b></p>
Ans.	<p>Discrepancy will not be raised below 2 pounds for each item of store included in consignment unless the total value of such discrepancies per consignment exceeds 30 pounds</p> <p style="text-align: center;"><b>Authority: Para 253 (d) SAI</b></p>
3(c)	<p>Who is responsible for disposal of salvage and scrap arising in Defence Services?</p> <p style="text-align: right;"><b>2 Marks</b></p>
Ans.	<p>Defence services authorities</p> <p style="text-align: center;"><b>Authority: Para 264 SAI</b></p>

3(d)	<p>A military station has the daily requirement (for free as well as payment issue) of 90 Kg to 100Kg of bread. Is a military bakery authorized to function at this station?</p> <p style="text-align: right;"><b>2 marks</b></p>
Ans.	<p>No, places where the daily requirement for free as well as payment demands is 113.398 kgs or more, a bakery is authorized to function.</p> <p style="text-align: center;"><b>Authority: Para 209 of SAI</b></p>
4(a)	<p>Whose responsibility is to maintain trees on class A-1 lands in cantonments and on other military lands outside cantonments including the maintenance of trees not planted by units and through which fund?</p> <p style="text-align: right;"><b>3 marks</b></p>
Ans.	<p>The responsibility of planting and maintaining trees on class A-1 lands in cantonments and on other military lands outside cantonments including the maintenance of trees where the same are not planted by the units in occupation but are maintained by them should rest with the occupying units or formations subject to the following conditions:- (i) That the entire expenditure on the supply, planting and maintenance of trees (including the provision of tree guards, manure implements and labour etc.,) shall be met from the Regimental funds of the unit in occupation.</p> <p style="text-align: center;"><b>Authority: Para 300, IV (c ) (i) ALAM I</b></p>
4(b)	<p>The proceeds of sale of old newspapers out of Education Training Grant are credited to the Regimental Fund by a unit. Comment.</p> <p style="text-align: right;"><b>2 marks</b></p>
Ans.	<p>This is not in order as the proceeds from the sale are to be credited to the Government through MRO and TRs are to be forwarded to the CDA/PCDA for adjustment.</p> <p style="text-align: center;"><b>Authority: Para 46(xvi) of ALAM II)</b></p>

4(c)	Differentiate between casting and linking  <b>3 marks</b>
Ans.	<p>Linking” means bringing together an entry in a ledger, etc., and supporting voucher, to ensure that the entry in the ledger, etc., is strictly in accordance with the voucher, or vice versa. “Pairing” means bringing together two documents which are supposed to be facsimile copies, one of the other, to ensure that they are in fact, identical.</p> <p><b>Authority: note:2 under para 32(b)&amp; note:1 under Para 52 of ALAM I</b></p>
4(d)	During the audit of Public Fund cash book of a unit, the LAO discovers heavy cash balances in excess of authorized ceiling of cash in hand. What advice should LAO give to the unit?  <b>2 marks</b>
Ans.	<p>LAO should advise the unit that cash balances in excess of authorized ceiling limits of cash in hand and in the bank need to be credited to the Govt. through TR which should be sent to the CDA/PCDA for adjustment and the acknowledgement of the same watched and recorded.</p> <p><b>Authority: Para 42(b) ALAM II</b></p>
5(a)	Who is the competent authority to transfer the audit of any unit or formation from Annual to Half yearly?  <b>3 marks</b>
Ans.	<p>PCDA/CDA at their discretion and for reasons recorded can transfer any particular unit or formation from annual audit to half yearly.</p> <p><b>Authority: Para 7 of ALAM Part II</b></p>

5(b)	<p>LAO has been asked to carry out stock taking. He refuses and the matter is escalated to PCDA. What is the role of LAO in Stock taking? Is his refusal correct?</p> <p style="text-align: right;"><b>7 marks</b></p>
Ans.	<p>His refusal is correct.</p> <p>The responsibility for carrying out stock verification as prescribed in departmental regulations and standing orders rests primarily and solely with the executive authorities concerned. The L.A.O. during his periodical visit, will verify that stock-taking has been carried out as it falls due that, wherever possible, the staff actually employed in verifying stock is independent of the staff responsible for the physical custody of the stock or for keeping accounts thereof. He will further see that: - (i) the system of stock-taking adopted is adequate and proper; (ii) the results of stock-taking are recorded in the ledgers, account cards or other prescribed documents by a responsible officer under his dated Initials; *(For cross referencing please see Paras 294 &amp; 295 S.A.I.) (iii) all the discrepancies detected during the stock-taking are properly investigated, that all surpluses found on stock taking have been credited to government and the deficiencies have been dealt with under the orders of the competent financial authority; (iv) the vouchers received (and binned) prior to the date of stock-taking have not been brought into the balance after stock-taking. The L.A.O. will bring to the notice of the local administrative authorities concerned through the P.C.D.A./C.D.A. any cases of failure on the part of the executive 'authorities to carry out periodical stock verification or cases of heavy discrepancies or other serious irregularities noticed in stock-taking.</p> <p style="text-align: center;"><b>Authority: Para 83, chapter 2, ALAM</b></p>

6(a)	<p>Is it required to test check 100% of the current service book annually by LAO?</p> <p style="text-align: right;"><b>3 marks</b></p>
Ans.	<p>Twenty Five Percent of the current service books of the civilian establishment serving with units and formations will normally be selected for test check within each period of approximately twelve months; if periodical visits are made, the percentage of check will be spread over the whole year.</p> <p style="text-align: center;"><b>Authority : Para 463 chapter 10 ALAM</b></p>
6(b)	<p>L.A.O has been asked to price vouchers pertaining to payment demands from Officers and others located in stations where no officer's shop/cash payment issue section exists. Comment.</p> <p style="text-align: right;"><b>3 marks</b></p>
Ans.	<p>All payment issue vouchers, with the exception of the following categories, will be priced by L.A.Os. /Cs.D.A./PCs.D.A</p> <p>(i) Vouchers pertaining to payment demands from Officers and others located in stations where no officer's shop/cash payment issue section exists. (ii) Payment issues from officer's shops/cash payment issue sections. (iii) Payment issues made from A.S.C. Retail shops and unit ration stands. (iv) Payment work orders in R.S.S.D. Work-shop.</p> <p style="text-align: center;"><b>Authority: Para 88 ALAM 1</b></p>
6(c)	<p>Fill in the blanks:</p> <p>(i) Running will be ordered be _____ in respect of first line transport. (ii) For the second line transport, running will be ordered by _____. (1x2=2 marks)</p>
Ans.	<p>(i) Unit Commanders</p> <p>(ii) Station/Formation Commanders</p> <p style="text-align: center;"><b>Authority: Para 136 of SAI</b></p>

6(d)	Which copy of the voucher is being left out when stores are transferred from one consuming unit to another consuming unit?  <b>2 marks</b>
Ans.	'D' copy of the voucher being left out. <b>Authority: Para 81 of ALAM Part I</b>
7(a)	List out the registers and records to be seen by LAO during local audit of DEO office.  <b>3 marks</b>
Ans.	In respect of all Defence lands held by the Army Units/ Formations either requisitioned or hired or acquired it should be ensured that the following documents are maintained 1. (a) Unit Land Register (General) : one register. (b) Unit Register (Regimental Garden): in two parts. 2. Register of Defence Lands under cultivation. 3. Register of trees (usufructs and other trees) while the register at Serial No. 1 is the main register, the other two registers are subsidiary ones. All the registers are required to be inspected by the LAOS at the time of their annual inspection and should be included in the list of auditable documents maintained by them. <b>Authority: Para 304, ALAM</b> <b>(I ) Appendix 'A' Note below Para 12 of ALAM Part- II</b> <b>(II ) Para 92 of ALAM Part- II</b> <b>(III ) Para 137 of ALAM Part- II</b>
7 (b)	A Sub Area concludes a contract for some ration items for the purpose of their issue on payment to the troops and their families at the station. Comment.  <b>2 marks</b>
Ans.	No contracts can be concluded exclusively to meet payment issue requirements. Hence action of Sub Area is not in order.  <b>Authority: Para 894 of DSR Regulations for the Army</b>



7(c)	<p>A LAO carries out cash inspection of one NCC unit yearly by taking 3 months vouchers. Is it in order?</p> <p style="text-align: right;"><b>3 marks</b></p>
Ans.	<p>The audit of all NCC units will be conducted on an annual basis without involving any reduction in the quantum of audit e.g., four months accounts in a year will be selected for detailed check.</p> <p style="text-align: center;"><b>Authority: Para 7 chapter 1 ALAM</b> <b>Para 36 of ALAM –I</b></p>
7(d)	<p>Where pay and allowances of regular and temporary are reflected and what is the purpose?</p> <p style="text-align: right;"><b>2 marks</b></p>
Ans.	<p>Pay and Allowances of regular labourers (both permanent and temporary) will be reflected in the Depot Contingent Return for the limited purpose of guiding the CFA to judge the necessity of employment of casual labourers and will not be taken into account for determining the CFA to accord sanction of the return.</p> <p style="text-align: center;"><b>Authority; para 152 (c) ALAM</b></p>
8 (a)	<p>What is the eligibility for married accommodation?</p> <p style="text-align: right;"><b>3 marks</b></p>
Ans.	<p>Officers who marry before the age of 25 years are not entitled to married accommodation until they attain that age and will be required to live in a mess.</p> <p style="text-align: center;"><b>Authority: para 1023 DSR</b></p>
8(b)	<p>Can public fund of army units/formations be deposited in bank other than RBI, SBI and subsidiary bank functioning as agents of State bank of India?</p> <p style="text-align: right;"><b>3 marks</b></p>
Ans.	<p>Public fund can also be deposited with nationalised bank which has capacity to meet cash requirements on short notice, provided it would not charge banking charges for Government cheques and would also furnish bank statements as and when required by Audit officer.</p> <p style="text-align: center;"><b>Authority: Para 810 of DSR</b></p>

8(c)	<p>A deserter from one unit report to another unit and is tried by Summary Court –martial by CO of later unit. Under what circumstances this can be done?</p> <p style="text-align: right;"><b>4 marks</b></p>
Ans.	<p>The deserter will be tried by summary Court martial by the OC of the other unit if deserter unit is in high altitude area, overseas, or engaged in counter insurgency operations or active hostilities or Andaman and Nicobar Islands.</p> <p style="text-align: center;"><b>Authority: Para 381-chapter VIII DSR</b></p>

**MODEL ANSWERS WITH AUTHORITIES**

**SAS Part-II Examination June 2022**

**PAPER-VI**

**WORKS, STORES AND INTERNAL AUDIT (THEORY- WITHOUT BOOKS)**

**Section – I (Work Accounts)**

**(Common for All Candidates)**

<b>1 (a)</b>	Can the MES undertake engineer services in aid to civil power? What is the procedure for according administrative approval? How is the booking accounted for? <b>3 Marks</b>
<b>Ans.</b>	When the Armed Forces are called out in aid of civil power, the MES may be required to carry out engineer services essential for such forces, e.g. construction of latrines, water points etc. No administrative approval is necessary for such works which will be carried out on the written authority of the commander in charge of the forces, the actual execution being certified by the civilian authorities. Any expenditure incurred will be booked in the first instance against the normal heads of accounts and all vouchers, bills etc, will be clearly endorsed 'In aid of Civil Power' and notified to the CDA concerned. <b>Authority: Para 5 of MES Regulations, p.3</b>
<b>1(b)</b>	What is construction account? How are the abstracts maintained? What is the role of UA? <b>3 Marks</b>
<b>Ans.</b>	A construction account is maintained on IAFW2242 by the SDO concerned for each or service. In it will be recorded the amounts sanctioned and allotments received and a day to day running account of the expenditure and liabilities incurred and credits expected. The abstracts are summarized on a monthly basis to show the total expenditure and liabilities against: (a) Major works individually, (b) Minor works collectively, (c) Minor heads of maintenance (detailed heads when required); and (d) Other standing charges.  The UA will check the correctness of expenditure entries in the construction accounts against original vouchers in his possession, and endorse a monthly certificate of reconciliation on the accounts. <b>Authority: Para 531, 532 and 533 of MES Regulations</b>

<b>1(c)</b>	How are unpaid wages regulated? Who maintains the Register of Unpaid Wages?  <b>2 Marks</b>
<b>Ans.</b>	If any wages remain unpaid from a muster roll or industrial personnel bill, they will be credited into the State Bank of India / Treasury. The details are kept in the Register of Unpaid Wages (IAF2-2259) that is kept by the cash assignment or imprest holder.  <b>Authority: Para 552 of MES Regulations</b>
<b>1(d)</b>	What is the provision of internal transfers of stores in MES?  <b>2 Marks</b>
<b>Ans.</b>	The internal transfers of stores within the MES, i.e. between Commands, Districts and Divisions may be ordered by the E-in-C, CEs, and CsWE respectively and transfers within a Division by the GE. The adjustments of cost and freight charges will be governed by the rules contained in paras 760, 777, 781 and 805.  <b>Authority: Para 736 of MES Regulations</b>
<b>2(a)</b>	What are the different categories of ordinary repairs?  <b>3 Marks</b>
<b>Ans.</b>	Ordinary repairs are of following categories: I. Petty repairs. II. Periodical services as per MES Regulations Table 'G'. III. Replacements and renewals costing up to Rs 1,50,000/- for each item. IV. Repairs, renewals, and replacements of E/M installations and other external utilities costing up to Rs 2,00,000/- in each case. V. Replacement of furniture value up to 50% of annual allotment for maintenance of furniture on station basis subject to a ceiling of Rs 4.00 lakh per annum to be allowed only in respect of furniture declared as condemned / beyond economic repairs by the appropriate authority.  <b>Authority: Para 9 (a) of Defence Works Procedure, pp. 11-12</b>

<b>2(b)</b>	<p>What is Low Budgeted Work? What is the procedure for processing them?</p> <p><b>3 marks</b></p>
<b>Ans.</b>	<p>Low Budgeted Works are original works costing more than Rs 2 lakh but less than Rs 15 lakh. These works are sanctioned by the CFAs after the Annual Low Budgeted Works Programme has been approved as per Para 19 of the DWP and bulk allotments of funds for this purpose in the relevant financial year have been made to the respective CFAs. Board proceedings can be dispensed with in case of Low Budgeted Works costing up to Rs 10 lakh, if so decided by the CFA. Administrative approval in such cases will be based on consideration and approval of a Statement of Case as per Para 22 of the DWP and Approximation Estimate as per Para 30 of the DWP.</p>
<b>2(c)</b>	<p>Who is the approving authority for Annual Low Budgeted Capital Works Program? What are its essential features?</p> <p><b>2 marks</b></p>
<b>Ans.</b>	<p>The Annual Low Budgeted Capital Works Program should be prepared and approved at the GOC-in-C or equivalent level before 31<sup>st</sup> March of the previous financial year (after) careful assessment of the liability of ongoing works. All such works should be completed within twelve months of their commencement.</p> <p><b>Authority: Para 19 of the DWP, 2007, p. 17</b></p>
<b>2(d)</b>	<p>What is the provision for consultancy charges while preparing approximation estimates? What is the provision for additional expenditure on consultancy?</p> <p><b>2 Marks</b></p>
<b>Ans.</b>	<p>Consultancy charges, not exceeding 3 % may be included in the estimates. Any additional expenditure on consultancy will require the approval of the CFA.</p> <p><b>Authority: Para 29 (c) of the DWP 2007, P. 23</b></p>
<b>3(a)</b>	<p>What are the conditions under which Government buildings are supposed to be ensured?</p> <p>Name at least two conditions.</p> <p><b>3 Marks</b></p>
<b>Ans.</b>	<p>Government buildings are supposed to be ensured if they are let out to:</p> <ol style="list-style-type: none"> <li>Private individuals.</li> <li>Are used for the purpose of cinema exhibitions.</li> </ol> <p><b>Authority: Para 637 of MES Regulations</b></p>

<b>3(b)</b>	<p>What is Register of Rentable Buildings? What is the proforma in which it is maintained? What is its relation with the Register of Buildings?</p> <p style="text-align: right;"><b>3 Marks</b></p>
<b>Ans.</b>	<p>The MES will maintain an up-to-date record of all the rentable buildings in every station in the Register of Rentable Buildings. The same is shown in IAFW-2169. The register will include all buildings, including those used as cinemas, institutes, etc and those used by the Central or State Government, Cantonment Authority etc. These will be frequently checked physically as well as with the Register of Buildings and occupation returns.</p> <p style="text-align: center;"><b>Authority: Para 624 of MES Regulations</b></p>
<b>3(c)</b>	<p>Who is the Competent Authority to declare surplus furniture? What are the different methods of disposal of surplus furniture?</p> <p style="text-align: right;"><b>2 Marks</b></p>
<b>Ans.</b>	<p>Surplus furniture are declared by Chief Engineer. They are disposed by following means:</p> <ul style="list-style-type: none"> <li>• By sale to other Government departments under orders of CEs.</li> <li>• By public auction.</li> <li>• By sale of private treaty.</li> </ul> <p style="text-align: center;"><b>Authority: Para 672 of MES Regulations</b></p>
<b>3(d)</b>	<p>What is the proforma for filling occupation / vacation returns? What is the process for submitting the same?</p> <p style="text-align: right;"><b>2 Marks</b></p>
<b>Ans.</b>	<p>Occupation / vacation returns will be submitted on IAFZ-2170 by the authorities stated above as follows:</p> <ol style="list-style-type: none"> <li>a) Immediately after handing / taking over by the MES of any accommodation.</li> <li>b) Monthly, by the 5<sup>th</sup> of each month, to show changes in occupation within unit lines, single officer's quarters, etc during the preceding month. If there are no changes, a NIL return will be rendered.</li> <li>c) Annually, a complete occupation return showing all buildings, rentable and non-rentable, whether Government-owned or hired, by the 20<sup>th</sup> April to show the position as on 1<sup>st</sup> April.</li> </ol> <p style="text-align: center;"><b>Authority: Para 632 of MES Regulations</b></p>

<b>4(a)</b>	<p>What is the proforma on which demolition statement of a building is approved? What are GOC-in-C's powers in this respect? What is the proforma on which demolition certificate is to be rendered?</p> <p style="text-align: right;"><b>3 Marks</b></p>
<b>Ans.</b>	<p>The demolition or sale of any building etc may be approved on a demolition statement (IAFW-1819) by the authorities indicated in Appendix J to Para 63 of DWP. Powers of GOC-in-C is up to 25 lakh. A demolition certificate on IAFW 2201 will be submitted in support of bills in which charges for demolition appear.</p> <p style="text-align: center;"><b>Authority: Para 63 of DWP, pp. 50-51</b></p>
<b>4(b)</b>	<p>What are the conditions for sanctioning new works in any financial year?</p> <p style="text-align: right;"><b>3 Marks</b></p>
<b>Ans.</b>	<p>No new works can be sanctioned and / or commenced in any financial year unless:</p> <ol style="list-style-type: none"> <li>a) In case of major capital works each costing Rs 15 lakh or more, such a new work has been included in the Annual Major Works Program (AMWP) for the relevant financial year of the concerned service or organization as approved by Government of India.</li> <li>b) In case of Low Budgeted Capital Works, such a new work has been included in the Annual Low Budgeted Capital Works Program of the concerned Command or formation of equivalent level and duly approved by the GOC-in-C or officer of the equivalent level.</li> <li>c) In case of revenue and minor works, these are planned and approved at appropriate CFAs level against bulk funds placed at their disposal for this purpose by Command HQrs in each financial year.</li> </ol> <p style="text-align: center;"><b>Authority: Para 16 of the DWP, p. 15</b></p>
<b>4(c)</b>	<p>Who prepares the Appropriation Estimates (AEs)? What is the proforma on which it is prepared?</p> <p style="text-align: right;"><b>2 Marks</b></p>
<b>Ans.</b>	<p>AEs are prepared by Engineer Officers competent to do so as per guidelines laid down by the Director General of Works. It is prepared in the prescribed proforma as given in Appendix E to Para 29 of the DWP.</p> <p style="text-align: center;"><b>Authority: Para 29 of the DWP, pp. 22-23</b></p>

<b>4(d)</b>	What is mobilisation advance limit? Is there any role for defence finance therein? <b>2 Marks</b>
<b>Ans.</b>	Mobilisation advance limit is subject to maximum of 10% of the value of the contract. E-in-C Branch issues necessary guideline with the approval of defence finance. <b>Authority: Para 47 of the DWP, p. 39</b>
<b>5(a)</b>	What is the role of AOs (GE) in financial control of material accounts? <b>3 Marks</b>
<b>Ans.</b>	The AOs will see to it that material accounts of completed works are closed as soon as possible. If any stores are left in hand, action taken for their disposal should be ascertained. It will also be seen if there are any cases in which materials were purchased at the close of a financial year and debited to the materials accounts merely to utilize funds. If it is found that the materials so purchased continue to remain on charge for prolonged periods, the inference to be drawn is that purchases were made simply to avoid lapse of funds. The AOs are supposed to trace back the entry to the original transaction and, if necessary, place it under objection. <b>Authority: Para 108 of the UA Manual, p. 50</b>
<b>5(b)</b>	What is the provision for processing of final bills? What is the role of AOs (GE) in this case? <b>3 Marks</b>
<b>Ans.</b>	MES officers are supposed to complete the preparation of final bills within one month of the completion of the work. The AO should watch the dates of completion of works and in cases where a final bill is not received by him within two months of the completion of the works, the facts should be promptly brought to the notice of GE. Where the final bills are not submitted to the AO even after four months of the completion of the works, such cases should be brought to the notice of the PCDA / CDA. <b>Authority: Para 119 of the UA Manual, p. 55</b>
<b>5(c)</b>	How is the checking of periodical services measurement books done by the local audit? <b>2 Marks</b>
<b>Ans.</b>	Periodical services measurement books are checked arithmetically by the local audit staff who will, as a safeguard against unauthorized corrections, initial in ink all corrections and totals and additional initial being affixed for alteration. If, however, on a receipt of a bill based on measurements in a periodical services measurement books, the AO finds that the particular entries pertaining to the bill have not been checked by the local audit staff, those entries, will be checked by the Garrison Engineer's AO, before passing the bill. <b>Authority: Para 329 of UA Manual, p. 158</b>



<b>5(d)</b>	AO has pivotal role with reference to Contractor's Ledger. Specify. <b>2 Marks</b>
<b>Ans.</b>	<p>The AO is responsible for correctness of the Contractor's Ledger and for securing agreements, month by month between and balances detailed in the construction accounts and the corresponding balance of the accounts in the ledger. He will also be responsible to watch that the amounts due from a contractor are recovered completely from his bills for his jobs to which they relate.</p> <p><b>Authority: Para 298 of the UA Manual, 146</b></p>
<b>6(a)</b>	What are the conditions in which suspension of the work will be effected? <b>3 Marks</b>
<b>Ans.</b>	<p>The contractor, on receipt of the order in writing of the GE, suspend the progress of the works or any part thereof for such time and in such manner as the GE may consider necessary for any of the following reasons:</p> <ul style="list-style-type: none"> <li>a) On account of any default on part of the contractor; OR</li> <li>b) For proper execution of the works or part thereof for reasons thereof other than the default of the contractor, OR</li> <li>c) For safety of the works or part thereof.</li> </ul> <p><b>Authority: Para 9 of the IAFW 2249, P. 20</b></p>
<b>6(b)</b>	Write a brief note on time and progress chart in respect of contracts. <b>3 Marks</b>
<b>Ans.</b>	<p>As soon as possible after contract is let or any substantial works order is placed and before work under it is begun, the GE and the contractor shall agree upon a Time and Progress Chart. The chart shall be prepared in direct relation to the time stated in the contract documents or the works order for completion of the individual items thereof and / or the contract or works order as a whole. It shall indicate the forecast of the dates for commencement and completion of the various trade processes or sections of the work, and shall be amended as may be required by agreement between the GE and the contractor within the limitation of the time imposed in the contract documents or work order.</p> <p><b>Authority: Para 11 of the IAFW-2249, P 27</b></p>

<b>6(c)</b>	What is fair wage for the purpose of contracts? <b>2 Marks</b>
<b>Ans.</b>	Fair wage means wage whether for time or piece work notified at the time of inviting tenders for the work and where such wages have not been so notified, the wages prescribed the Chief Engineer for the stations at which the work is done. <b>Authority: Para 58 of the IAFW-2249, P. 61</b>
<b>6(d)</b>	Write a brief note on termination of the contract. <b>2 Marks</b>
<b>Ans.</b>	Ans: The contract shall remain in force for a period of not less than six months and may be terminated at the end of that period or at any time thereafter provided that six weeks' notice in writing to that effect shall have previously been given by either party. Any works for which written orders are issued before the termination of the contract shall be deemed to be within the contract although the time for completion is beyond the date of termination of the contract. <b>Authority: Para 56 of the IAFW-2249, P. 60</b>
<b>7(a)</b>	Write a brief note on stations register of authorised furniture. <b>3 Marks</b>
<b>Ans.</b>	The station register of authorised furniture is maintained on IAFW-1811. This shows item-wise furniture authorized to each unit / formation / residential quarters / installation in a station. It is maintained by BSO through his B/S Grade I and is updated on the basis of increase / decrease in the strength of troops / accommodation in consultation with OC station. Following details are given in this register: a) Quantity of each item authorized as per scale. b) Authorised quantity of each item to be kept as reserve. <b>Authority: Para 8 (a) of UA Manual, p.173</b>
<b>7(b)</b>	Write a brief note on unit distribution ledger. <b>3 Marks</b>
<b>Ans.</b>	Ans: The unit distribution register is maintained on IAFW-1814. This is maintained by BSO in duplicate for each unit / formation / single and married accommodation. Furniture issued to single officers will be issued in bulk to the PMC officers Mess. Room-wise distribution is intimated by PMC to the BSO for assessment of rent. Total quantity of furniture held on charge by unit / formation / individual, is given. Balances is distribution ledger in respect of units / single officers accommodation are compared quarterly and signed by representative of BSO and unit. <b>Authority: Para 8 (d) of UA Manual, pp. 173-74</b>

<b>7(c)</b>	Write a brief note on verification of castings and closings and opening balances of store accounts.  <b>4 Marks</b>
<b>Ans.</b>	<p>Ans: Following segments are involved in the verification of castings and closing and opening balances of store accounts:</p> <ul style="list-style-type: none"> <li>a) Castings – it will be seen that an account of each article is maintained on a separate page in the store ledgers, the balance being struck after each transaction. The AO will check arithmetically the total leading up to the balances in the ledgers.</li> <li>b) Closing balances –to ensure that the final closing balance at the end of the period under audit is correct, the total issues of each article will be struck and deducted from the aggregate total of receipts and the opening balance. The closing balance shall also be stated in words and figures separately in the remarks column.</li> <li>c) Opening balances –the last closing balances represent the opening balances. It will be seen particularly that the last audited balances have not been altered or erased since they were checked and initialed.</li> </ul> <p style="text-align: center;"><b>Authority: Para 212 of UA Manual, p. 106</b></p>
<b>8(a)</b>	What are the generic audit checks to be ensured in the Registers for Appropriation and Re-appropriation in the Regional CDA office?  <b>5 Marks</b>
<b>Ans.</b>	<p>In the audit of appropriations and re-appropriations, it will be seen that:</p> <ul style="list-style-type: none"> <li>a) That the order has not the effect of increasing the amount of the appropriations without the sanction of the competent authority.</li> <li>b) That the amount appropriated is available under the head from which it is allotted.</li> <li>c) That the re-appropriation is authorised before the expiry of the year.</li> <li>d) That the order is issued by competent authority.</li> <li>e) That in case of adjustments of savings and excesses within a project ordered by Engineer Officers without the sanction of the CFA who accorded the Administrative approval to the project, it will be seen that (i) the savings and excesses were caused by technical reasons and that the scope of the project is not altered and that (ii) the total amount of administrative approval is not exceeded.</li> </ul> <p style="text-align: center;"><b>Authority: Para 16 of the OM Part VIII, pp. 16-17</b></p>

<b>8(b)</b>	Discuss the procedure for recovery of overpayments to contractors. <b>3 Marks</b>
<b>Ans:</b>	<p>Following is the procedure for recovery of overpayments from the contractors:</p> <ul style="list-style-type: none"> <li>a) A GE who cannot effect recovery of an over-payment within two months from the date of its discovery or notification is to report this fact to the CWE.</li> <li>b) On receipt of such a report, the CWE is to inform his other GEs with a view to recovering the money from any amounts due to the same contractor in their divisions and if the adjustments cannot be made within a further period of two months, he is to report this fact to his Chief Engineer.</li> <li>c) On receiving a CWE's report, the CE is to inform other CsWE in the Command with the same object in view and if the money cannot be recovered within 6 months from the date of original discovery or notification he is to report this fact to the E-in-C, AHQ.</li> </ul> <p><b>Authority: Para 54 of the OM Part VIII, pp. 51-52</b></p>
<b>8(c)</b>	What is contained in the Statement 'C' in the Annual Review of MES Regulations? <b>2 Marks</b>
<b>Ans:</b>	<p>It contains Expenditure placed under objection. Such amounts should be classified under the different headings of the statement. It should be stated how far the objections could have been avoided by timely actions.</p> <p><b>Authority: Para 127 of OM Part VIII, p. 98</b></p>

**SAS Part-II Examination**  
**Paper-VI**  
**Section – II (Store Accounts and Internal Audit )**  
**(A) ARMY**

<b>1 (a)</b>	What are the different types of depot stocks for which separate accounts cards are to be maintained?  <b>2 Marks</b>
<b>Ans.</b>	<p>Separate sets of accounts cards will be maintained for the following types of depot stocks:</p> <ul style="list-style-type: none"> <li>a) Central depots or ordnance depots own stocks.</li> <li>b) Dispersed stock held on behalf of Central depots.</li> <li>c) Command pool of stores.</li> <li>d) Surplus stores after declaration to Director General of Supplies and Disposals as such.</li> </ul> <p><b>Authority: Para 17 Store Accounting Instructions for the Army, p. 27</b></p>
<b>1(b)</b>	How are the stores held on deposit accounted for?  <b>2 Marks</b>
<b>Ans.</b>	<p>Stores held in deposit on behalf of units and formations will be accounted for on IAFZ-2286. Transactions for stores held on deposit charge will be carried out in the normal manner, but unit's copies of vouchers, receipt or issue, will be accompanied by one copy of IAFO-2398.</p> <p><b>Authority: Para 25 of Store Accounting Instructions for the Army, p. 31</b></p>
<b>1(c)</b>	What is the proforma on which the documents of vehicles and kits are maintained?  <b>2 Marks</b>
<b>Ans.</b>	<p>Following documents are maintained in this respect:</p> <ul style="list-style-type: none"> <li>a) Vehicles – Vehicle Stock Summary – IAFO-2676, Vehicle Register – IAFO-2698.</li> <li>b) Kit – Stock Accounts Cards – IAFO-2698.</li> </ul> <p><b>Authority: Para 56 of the Store Accounting Instructions for the Army, p. 41</b></p>

<b>1(d)</b>	Discuss the accounting process in ammunition depots? <b>4 Marks</b>
<b>Ans.</b>	<p>The accounting process uses following two forms:</p> <ol style="list-style-type: none"> <li>Account Card – IAFO-2670.</li> <li>Dues-in-Card – IAFO-2670-A.</li> </ol> <p>A set of account cards will be prepared and maintained for each item normally stocked in the depot and shown in the 'master key'. Each set of account cards will be arranged in the same order as the items appear on the master key and will be numbered serially. The master key item number will be shown immediately before the nomenclature of the item. Dues-in-Cards will have the same page number as the relevant account cards. The set of account cards will be held in loose leaf ledger form or visible card index form. A record of pages will be kept in IAFO-2397-A and a record of pages added and removed on IAFO-2437.</p> <p><b>Authority: Para 73 of the Store Accounting Instructions for the Army, 48</b></p>
<b>2(a)</b>	Discuss the accounting procedure of stores / test pieces in EME workshops. <b>5 Marks</b>
<b>Ans.</b>	<p>The procedure for accounting of stores / test pieces manufactured in EME workshops will be as follows:</p> <ol style="list-style-type: none"> <li>All articles manufactured on SWOs 12.01 and 3.01 will invariably be taken on ledger charges separately. This ledger is not to be confused with the unit stores-in-hand ledger.</li> <li>All articles manufactured in accordance with authorised patterns as found in the vocabulary lists / drawings and those declared serviceable by the officer commanding or an EME officer detailed by him, shall be taken on charge by CRV in the store-in-hand ledger of the workshops and charged off the ledger referred to at (a) above.</li> <li>Articles not of any use to the workshops and taken on charge as at (a) above, shall be inspected by an EME officer other than the officer in custody of the stores as detailed by the commandant / officer commanding of workshop and charged off the ledger and disposed of in the normal manner.</li> <li>Scrap shall be brought on charge by means of a CRV.</li> <li>Proper record for stores drawn from expense stores in respect of items manufactured shall be kept.</li> </ol> <p><b>Authority: Para 97 of Store Accounting Instructions for Army, p. 60</b></p>

<b>2(b)</b>	What are broad functions of Supply Depot? <b>5 Marks</b>
<b>Ans.</b>	<p>The broad functions of a Supply Depot are:</p> <ol style="list-style-type: none"> <li>To receive articles of ASC supply when arranged either by central purchase or local purchase, or by transfer from other depots.</li> <li>To hold such ASC as may be determined from time to time.</li> <li>To issue items of ASC supply to units / formations for consumption.</li> <li>To operate ASC bakery and ASC butchery, where required.</li> <li>To hold and issue POL at stations where petroleum platoons do not function.</li> </ol> <p><b>Authority: Para 98 of the Store Accounting Instructions for the Army, pp. 60-61</b></p>
<b>3(a)</b>	Write a brief note on war system of accounting for vehicles and POL. <b>4 Marks</b>
<b>Ans.</b>	<p>Individual fighting units in an operational field and other areas notified as such in government orders are not required to maintain detailed accounts for vehicles and POL in the manner mentioned in the Store Accounting Instructions for Army and Accounts Manual (War). However, supply depots, and other static formations like hospitals, reinforcement camps, etc (as distinct from fighting units) on the field area with mechanically propelled vehicles on charge will maintain regular POL accounts as given in Para 133 of Store Accounting Instructions for Army subject to audit checks by LAOs.</p> <p><b>Authority: Para 150 of the Store Accounting Instructions for Army, p. 101</b></p>
<b>3(b)</b>	Write a note on write off of losses of stores. <b>6 Marks</b>
<b>Ans.</b>	<p>Write off of losses should be dealt with promptly. Delay in dealing with any loss due to theft, fraud, negligence, financial irregularity etc be avoided. Every important case of store lost, damaged or found deficient should be brought to the notice of the superior authorities as soon as possible; by the administrative authority to his superior and by the audit authority to his superior. If the investigation is complex, and the administrative authority requires the assistance of PCDA / CDA concerned in pursuing the investigation, he may call on that officer for all vouchers and other documents that may be relevant to the investigation. If he needs the assistance of expert audit officer to unravel the case, he should send a written request forth-with to the PCDA / CDA by name. Thereafter, the administrative authority and the audit authority will be responsible within their own spheres for the expeditious conduct of the inquiry.</p> <p><b>Authority: Para 242 of Store Accounting Instructions for Army, p. 180</b></p>

<b>4(a)</b>	Write a note on register of losses. <b>4 Marks</b>
<b>Ans.</b>	<p>Depots / units / formations will maintain registers of losses on IAFZ-2161 and IAFZ-2259 (for bulk POL). Separate sets of pages will be allotted to the various classes of stores stocked in the depot. All actual losses of and damages to stores which require to be dealt with by the competent financial authority will be entered in the register as soon as they come to notice. Deficiencies and damages in transit in respect of stores received from overseas stations which are noted on Packing accounts, will not be shown by the depot in the register of losses. The register is an auditable document and will be produced for audit during their periodical visits.</p> <p><b>Authority: Para 242 of Store Accounting Instructions for Army, p. 188</b></p>
<b>4(b)</b>	What is the procedure for adjustment of discrepancies found on stock taking? <b>4 Marks</b>
<b>Ans.</b>	<p>Discrepancies found on stock taking between ground and ledger balances will be properly investigated and promptly adjusted. Surpluses will be brought on charge on certificate receipt vouchers (and under the orders of CFA in case of ordnance depots) and deficiencies written off on loss statements duly sanctioned by the CFA. These adjusting entries will be posted in the relevant ledger folio or account card just above the red line. LAOs during their periodical visits will verify that stock verification has been carried out at intervals by the executive authorities, as laid down in rules and that the results of the stock verification have been recorded properly.</p> <p><b>Authority: Para 270 of Store Accounting Instructions for Army, p. 236</b></p>
<b>4(c)</b>	What is the periodicity of stock taking for controlled items? <b>2 Marks</b>
<b>Ans.</b>	<p>Quarterly: April – June; July – September; October – December; January – March.</p> <p><b>Authority: Para 277 of Store Accounting Instructions for Army, p. 242</b></p>



<b>5(a)</b>	<p>What is the correlation between indents and issue vouchers?</p> <p style="text-align: right;"><b>3 Marks</b></p>
<b>Ans.</b>	<p>Indents are not required to be checked and linked with issue vouchers except in the case of:</p> <ul style="list-style-type: none"> <li>a) Issues to individuals who do not maintain equipment or other ledgers or returns.</li> <li>b) Issues of petty stores supplied annually or periodically from ordnance depots which are not accounted for in the equipment ledgers of units.</li> <li>c) Issues made direct to the units in an operational area as no audit for such audit is carried out.</li> </ul> <p style="text-align: center;"><b>Authority: Para 129 of ALAM Part I, p.77</b></p>
<b>5(b)</b>	<p>What are the issues to be observed while auditing the indents?</p> <p style="text-align: right;"><b>4 Marks</b></p>
<b>Ans.</b>	<p>The following points will be observed in auditing the indents:</p> <ul style="list-style-type: none"> <li>a) The indent has been preferred on the prescribed form and the sanction of the competent financial has been furnished in the case of demands which are not covered by special or general orders of Government.</li> <li>b) The number of quantity demanded is correct with reference to the authorised scale and that the strength and other data is furnished on the indent.</li> <li>c) No article has been supplied after the necessity for the supply has lapsed.</li> <li>d) Indent for stores supplied annually or periodically with reference to the indent on which the last supply was drawn and the quantity shown as remaining on charge of the units has been deducted from the authorised annual allowance.</li> </ul> <p style="text-align: center;"><b>Authority: Para 130 of ALAM I, PP. 77-78</b></p>

<b>5(c)</b>	How is the loss of stores in transit in India regulated? <b>3 Marks</b>
<b>Ans.</b>	<p>In the case of loss of stores in transit in India (except in case of stores received from England or overseas stations:</p> <ul style="list-style-type: none"> <li>a) Supply and stores depots bring on charge in their ledgers the full quantities as recorded in the vouchers sent to them and conditioned by the consignor and simultaneously make out loss statement for deficiencies and damages in transit (not considered to be attributable to the consignor), which are struck from the ledger provisionally pending sanction by the CFA.</li> <li>b) Deficiencies and damages considered to be attributable to the consignor, are, in the first instance, adjusted by means of provisional loss statements and are finally supported by the loss statements sanctioned by the CFA where the discrepancies are not admitted by the consignor.</li> <li>c) When the discrepancies are admitted by the consignor, the consignee will convert the provisional certified issue vouchers into regular ones and the consignor will also adjust his ledgers by the preparation of adjustment documents.</li> </ul> <p style="text-align: center;"><b>Authority: Para 135 of ALAM I, pp. 79-80</b></p>
<b>6(a)</b>	What is Register of Depot Contingencies? What are audit checks to be observed while auditing the register? <b>5 Marks</b>
<b>Ans.</b>	<p>In this register, all expendable articles (from whatever source received), required for use in connection with the receipt and dispatch of stores and for general interior economy, are accounted for the quarter-master of the Depot. It is maintained in IAFS-1582. The register will be examined to see that:</p> <ul style="list-style-type: none"> <li>a) Any stores required for the above purpose, which are obtainable from military supplying departments, are obtained free from them on an 'as required' basis.</li> <li>b) Stores are not obtained in excess of requirements, unnecessary accumulation is avoided as far as possible.</li> <li>c) Acme steel seals are accounted for by weight and not by numbers, 500 seals being taken as equivalent to one pound.</li> </ul> <p style="text-align: center;"><b>Authority: Para 151, ALAM II, pp. 143-144</b></p>

<b>6(b)</b>	<p>Please name the different POL units in peace area. How is POL accounted for?</p> <p style="text-align: right;"><b>5 Marks</b></p>
<b>Ans.</b>	<p>The following POL units exist in peace areas:</p> <ol style="list-style-type: none"> <li>Reserve / Bulk Petroleum Depots.</li> <li>Petroleum Depots or Petroleum Platoons.</li> <li>Petroleum Platoons.</li> </ol> <p>POL is accounted as under:</p> <ol style="list-style-type: none"> <li>POL in pack-in-gallons, except grease which is accounted for by weight.</li> <li>POL In bulk at the standard temperature of 85 Degree F viz, all stock when accounted for are to be converted to the gallonage they would measure their temperature 85 Degree F.</li> </ol> <p>Forms in which POL is accounted for are as follows:</p> <ol style="list-style-type: none"> <li>IAFZ-2206-Requisition for POL.</li> <li>IAFS – 1619 – Issue Order.</li> <li>IAFS – 1531 – Daily Statement.</li> <li>IAFZ – 2109 – Central Ledger.</li> </ol> <p>(Authority: Para 164, 165 &amp; 167 of ALAM II, pp. 153-54).</p>
<b>7(a)</b>	<p>What are the functionalities for Salvage section / Sub depot?</p> <p style="text-align: right;"><b>5 Marks</b></p>
<b>Ans.</b>	<p>The Salvage section generally forms part of the Returned Stores Sub Depot and is responsible for:</p> <ol style="list-style-type: none"> <li>Receipt, storage, accounting break up and final disposal of all unserviceable, obsolete, unwanted repairable and surplus serviceable stores of small value, except <ol style="list-style-type: none"> <li>Small arms, machine guns and components thereof which are disposed off in accordance with Para 151 E R 1965 Edition and instructions issued from time to time by AHQ, and</li> <li>Ammunition and explosives including drill and dummy stores. They are retained in the Ammunition Depots concerned until broken down.</li> </ol> </li> <li>When there is no RSSD, the Salvage Sub-Depot functions as a sub-depot of an ordnance installation. The above functions apply with necessary modifications, to the Salvage Sub- Depot also.</li> </ol> <p style="text-align: center;"><b>Authority: Para 215 of ALAM II, P. 211</b></p>

<b>7(b)</b>	What are the principal functionalities of base workshops? <b>2 Marks</b>
<b>Ans.</b>	<p>The principal functions of base workshops are:</p> <ul style="list-style-type: none"> <li>• Manufacture.</li> <li>• Internal repair work (including conversion).</li> <li>• Repairs of stores and MT Vehicles etc received from store depots and units and formations.</li> </ul> <p><b>Authority: Para 243 of ALAM II, P. 237</b></p>
<b>7(c)</b>	What are standing work orders? <b>3 Marks</b>
<b>Ans.</b>	<p>To enable comparison to be made between EME Workshops, a list of standing work orders will be circulated by the EME Director for such common services such as:</p> <ul style="list-style-type: none"> <li>(a) Maintenance of workshop plant.</li> <li>(b) Upkeep of fire engines.</li> <li>(c) Trade test of artificers.</li> <li>(d) Issue of consumable stores for general use in workshops etc.</li> </ul> <p>A list of standing work orders is contained in DME General Workshop WS/H-470 No 1 Issue 1 of 1995.</p> <p><b>Authority: Para 248 of ALAM II, P. 242</b></p>
<b>8(a)</b>	Who can be held accountable for losses due to improper use of Railway forms? <b>4 Marks</b>
<b>Ans.</b>	<p>Officers and subordinates authorised to hold Railway forms, including concession vouchers, will be responsible for any improper use of such forms. When loss to a Railway administration results from the misuse of a Railway form and this cannot be recovered from the individual who misused the form, the matter will be referred to the Central Government with the recommendations of all forwarding authorities stating whether the amount should be recovered in whole or in part from the person concerned, together with any reasons which he may have to urge against recovery.</p> <p><b>Authority: Para 433 of the Regulations for the Army Vol I and II, p, 248</b></p>

<b>8(b)</b>	<p>What are the provisions with regard to carrying of personal arms?</p> <p style="text-align: right;"><b>6 Marks</b></p>
<b>Ans.</b>	<p>In no circumstances will personnel, other than officers, be allowed to remain in possession of personal arms when going on leave.</p> <p>Personnel, other than officers, posted to units or on moves on duty in non-operational areas will not take their personal weapons with them except when authorised and proceeding in an organised party of not less than three persons. They will however carry them when proceeding to training establishments to attend courses of instructions if the joining instruction so require. Personnel moving to and from operational or active service areas on permanent posting will carry their personal weapons, and in these areas they will invariably move armed and in parties of not less than two. Whenever personnel are allowed to remain in possession of their weapons during journeys, their movement orders will indicate the details of arms and ammunition so allowed.</p> <p>Officers, when travelling armed, will carry their pistols on their person in regulation pattern web pistol cases.</p> <p><b>Authority: Para 915 of the Regulations for Army, Vol I and II, pp. 552-553)</b></p>

MODEL ANSWERS WITH AUTHORITIES	
<p>SAS Part-II Examination June 2022</p> <p><u>PAPER-VII</u></p> <p>FINANCIAL MANAGEMENT, IFA SYSTEM AND ELEMENTS OF LAW</p> <p>(THEORY- WITHOUT BOOKS)</p> <p>Section – I (Financial Management)</p>	
1.	<p>What are the major types of financial management decisions that business firms take? Discuss.</p> <p style="text-align: right;"><b>10 marks</b></p>
Ans.	<p>Three broad areas of financial decision making are;</p> <p><b>Capital Budgeting</b> :Capital budgeting is the process a firm undertakes to evaluate potential major projects or investments . Construction of a new plant or a big investment in an outside venture are examples of projects that would require capital budgeting before they are approved or rejected.</p> <p><b>Capital Structure</b> :Capital structure refers to the specific mix of debt and equity used to finance a company's assets and operations .From a firm’s perspective, equity represents a more expensive, permanent source of capital with greater financial flexibility.</p> <p><b>Working Capital Management</b> :Working capital management is a business strategy designed to ensure that a firm operates efficiently by monitoring and using its current assets and liabilities to their most effective use .The efficiency of working capital management can be quantified using ratio analysis.</p> <p><b>Authority :Financial Management by Prasanna Chandra,7e, Ch-1</b></p>

2.	<p>Discuss relevance of time value of money in financial decision making? Distinguish between present value and future value.</p> <p style="text-align: right;"><b>10 Marks</b></p>
Ans.	<p>The time value of money (TVM) is the concept that a sum of money is worth more now than the same sum will be at a future date due to its earnings potential in the interim. This is a core principle of finance. The time value of money is among the factors considered when weighing the opportunity costs of spending rather than saving or investing money. As such, it is among the reasons why interest is paid or earned: interest, whether it is on a bank deposit or debt, compensates the depositor or lender for the loss of their use of their money.</p> <p><b>Present value</b> is how much the future sum of money worth today. It is one of the important concepts in finance and it is a basis for stock pricing, bond pricing, financial modeling, banking, and insurance, etc. Present value provides us with an estimated amount to be spent today to have an investment worth a certain amount of money at a specific point in the future. Present value is also called a discounted value.</p> <p>The formula for calculating PV is shown below  <math display="block">PV = CF / (1+r)^n</math> Here 'CF' is future cash flow, 'r' is a discounted rate of return and 'n' is the number of periods or years.</p> <p><b>Future Value</b> is the amount of money that will grow over a period of time with simple or compounded interest.</p> <p>The formula for calculating FV is shown below  <math display="block">FV = PV(1+r)^n</math> Here 'PV' Present Value, 'FV' is future Value; 'r' is the rate of return and 'n' is a number of periods or year.</p> <p style="text-align: right;"><b>Authority :Financial Management by Prasanna Chandra,7e, Ch-6</b></p>

3.	<p>What are the techniques used in capital budgeting? Discuss.</p> <p style="text-align: right;"><b>10 Marks</b></p>
Ans.	<p>There are several capital budgeting analysis methods that can be used to determine the economic feasibility of a capital investment .They include the Payback Period, Discounted Payment Period, Net Present Value, Internal Rate of Return, and Modified Internal Rate of Return.</p> <p>The term <b>payback period</b> refers to the amount of time it takes to recover the cost of an investment .Simply put, it is the length of time an investment reaches a breakeven point .People and corporations mainly invest their money to get paid back, which is why the payback period is so important.</p> <p>A <b>discounted payback period</b> gives the number of years it takes to break even from undertaking the initial expenditure, by discounting future cash flows and recognizing the time value of money.</p> <p><b>Net present value</b> ) NPV (is the difference between the present value of cash inflows and the present value of cash outflows over a period of time .NPV is used in capital budgeting and investment planning to analyze the profitability of a projected investment or project.</p> <p>The <b>internal rate of return</b> ) IRR( is a metric used in financial analysis to estimate the profitability of potential investments .IRR is a discount rate that makes the net present value )NPV (of all cash flows equal to zero in a discounted cash flow analysis.</p> <p>The <b>modified internal rate of return</b> ) MIRR (assumes that positive cash flows are reinvested at the firm's cost of capital and that the initial outlays are financed at the firm's financing cost .By contrast, the traditional internal rate of return )IRR (assumes the cash flows from a project are reinvested at the IRR itself .The MIRR, therefore, more accurately reflects the cost and profitability of a project.</p> <p><b>Authority :Financial Management by Prasanna Chandra,7e, Ch-11</b></p>



4.	<p>What are the standards of financial propriety for an officer incurring expenditure from public money? What are the responsibilities of Controlling officer in respect of Budget allocation?</p> <p style="text-align: right;"><b>10 Marks</b></p>
Ans.	<p>Every officer should enforce financial order and strict economy and see that all relevant financial rules and regulations are observed, by his own office and by subordinate disbursing officers. Among the principles on which emphasis is generally laid are the following:</p> <ul style="list-style-type: none"> <li>(i) Every officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.</li> <li>(ii) The expenditure should not be prima facie more than the occasion demand.</li> <li>(iii) No authority should exercise its powers of sanctioning expenditure to pass an order which will be directly or indirectly to its own advantage.</li> <li>(iv) Expenditure from public money should not be incurred for the benefit of a particular person or a section of the people, unless – <ul style="list-style-type: none"> <li>a. Claim for the amount could be forced in a Court of Law, or</li> <li>b. The expenditure is in pursuance of a recognized policy or custom.</li> </ul> </li> </ul> <p>The duties and responsibilities of a controlling officer in respect of funds placed at his disposal are to ensure:</p> <ul style="list-style-type: none"> <li>(i) That the expenditure does not exceed the budget allocation.</li> <li>(ii) That the expenditure is incurred for the purpose for which funds have been provided.</li> <li>(iii) That the expenditure is incurred in public interest.</li> <li>(iv) That adequate control mechanism is functioning in his Department for prevention, detection of errors and irregularities in the financial proceedings of his subordinate offices and to guard against waste and loss of public money.</li> </ul> <p style="text-align: center;"><b>Authority :GFR, 2017, Rule 21 &amp; Rule 26</b></p>

5.	<p>What are the broad categories of expenditure made under Defence Services Estimates? Explain “centrally control heads ”and “locally control head.”</p> <p style="text-align: right;"><b>10 Marks</b></p>
Ans.	<p>The expenditure for which provision is made in the Defence Services Estimates falls broadly into the following categories.</p> <ol style="list-style-type: none"> <li>1. Pay and allowances of regular personnel of the Armed Forces.</li> <li>2. Payments to Industrial Establishment employed in store depots, factories, etc.,</li> <li>3. Transportation charges .</li> <li>4. Miscellaneous expenses .</li> <li>5. Payment for stores .</li> <li>6. Works expenditure and</li> <li>7. Pensions.</li> </ol> <p>Expenditure falling under categories )1 (and )7(, above represents, for the most part, obligatory charges and unavoidable commitments dependent on the strength and composition of Armed Forces and various other factors which are governed by the policy decisions of the Government of India, and is, therefore, controlled centrally by the Armed Forces Headquarters .The accounting heads, under which the expenditure of this nature is compliable, are called "centrally controlled heads."</p> <p>Expenditure falling under categories )2 (to )6 (above is, in general susceptible to control against budget provision by authorities concerned .The accounting heads under which the expenditure of this nature is compilable are called "locally controlled heads ."</p> <p style="text-align: center;"><b>Authority :FR, Part-I, Vol-I, Para-82,83</b></p>

6.	<p>What are the steps in opening of Letters of Credit (LC)? How does Letter of Credit mechanism operate? Describe the essential elements to be stipulated while opening a Letter of Credit.</p> <p style="text-align: right;"><b>10 Marks</b></p>
Ans.	<p>The procedure for opening of an LC would generally include steps as given below:</p> <ol style="list-style-type: none"> <li>a. Step-1 :Receipt of PBG and intimation from the Supplier regarding readiness of goods for dispatch by the contract concluding authority as per contractual terms from the supplier.</li> <li>b. Step-2 :The contract concluding authority seeks FFE release from the appropriate authority .</li> <li>c. Step-3 :On release of FFE the contract concluding authority forwards the case for opening of LC to the Principal Controller/Controller of Defence Accounts concerned, who after proper scrutiny of all details for correctness, authorizes the bank to open the LC .The bank establishes the LC and intimates the Principal Controller /Controller of Defence Accounts concerned and the contract concluding authority.</li> </ol> <p>The letter of credit mechanism operates as follows:</p> <ol style="list-style-type: none"> <li>a. The Buyer requests the issuing bank to open an LC.</li> <li>b. The Issuing Bank conveys LC through the Advising bank</li> <li>c. The Advising bank advises the credit to the beneficiary</li> <li>d. The Beneficiary, after complying with terms and conditions against stipulated documents, gets the value either from the Advising bank or the Nominated bank as per the terms of the LC.</li> <li>e. After passing on the value, the negotiating advising Bank claims reimbursement from the issuing Bank or nominated bank as per the terms of LC.</li> </ol> <p>Following essential elements are to be clearly stipulated while opening a Letter of Credit:</p> <ol style="list-style-type: none"> <li>a. Type of LC</li> <li>b. Name and address of applicant and beneficiary</li> <li>c. Amount of credit and currency</li> <li>d. Validity of LC</li> <li>e. Latest shipment date )delivery date as per contract</li> <li>f. (Basis of delivery )FOB/FCA/CIP/CIF(</li> </ol> <p>Contract No .and date</p>

	<p>g. Shipment from .....To .....</p> <p>h. Consignee and ultimate Consignee (Part shipment allowed/not allowed</p> <p>i. Documents required to be produced by the beneficiary for release of payment against LC (LD Clause</p> <p>j. Any other special instructions</p> <p><b>Authority :DPM-2009, Para-12.4</b></p>
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SAS Part-II Examination June 2022

Paper- VII (FINANCIAL MANAGEMENT, IFA SYSTEM AND ELEMENTS OF LAW)

Section – II (IFA SYSTEM)

1.	Discuss the scope of IFA's work as laid down by the Ministry of Finance.
	<b>10 Marks</b>
Ans.	<p>The basic role of IFA has been notified by Ministry of Finance vide OM F.No.5 )6/(L&amp;C/2006 dated 1.6.2006 .As per this OM, the role of FA is conceived to be akin to the role of Chief Financial Officer in a corporate structure, with specific responsibilities for ensuring fiscal prudence and sound financial management .</p> <p>They are expected to bring requisite financial expertise and overall perspective of financial management of the Govt. in rendering professional advice to the administrative authorities .The role of FA is considered crucial for successful planning, implementation and monitoring of various schemes and projects .In rendering their advice, the FAs are expected to accord priority to macro management with a view to help in achieving the outcomes set by executive authorities as goals for themselves .</p> <p>These macro issues include schematic appraisal and concept functions, revenue management, subsidy management, fiscal resource transfer issues, defining and evaluating outcomes besides maintaining and safeguarding the budgetary integrity, etc .FAs are also expected to look at the total picture of resources for the areas in which they are functioning, and assist the executives in moving towards greater resource mobilization .FAs are not expected to do any routine administrative functions .</p> <p>Following are some of the specific tasks which the FAs are to be responsible for</p> <ul style="list-style-type: none"> <li>)a (Budget formulation</li> <li>)b (Outcome budget</li> <li>)c (Performance budget</li> <li>)d (Fiscal responsibility and Budget management related tasks</li> <li>)e( Expenditure and Cash management</li> </ul>

	<p>)f (Project /Program formulation, appraisal, monitoring and evaluation            )g (Screening of proposals            )h (Leveraging of non-budgetary resources for sectoral development            )i (Non-tax receipts            )j (Tax expenditure            )k (Monitoring of assets and liabilities            )l (Accounts and Audit            )m (Procurement and Contract            )n (Financial Management Systems            )o (Nominee Director on boards of PSU            )p (Use of technology</p> <p style="text-align: center;"><b>Authority :MoF OM dated 1.6.2006</b></p>
2.	<p>Give a summary of the IFA's role in the different stages of defence procurement cycle.</p> <p style="text-align: right;"><b>10 Marks</b></p>
Ans.	<p>IFA's role in defence procurement cycle can be summarized as under –</p> <p>    )a (AON stage –</p> <p>        i .Necessity angle clearance            ii .Vetting of quantities            iii .Competence of CFA            iv .Funds 'availability            v .Mode of tendering            vi .Vetting of Tender Enquiry vii .Amendments to TE /            Extension of tender opening date</p> <p>    ) b (Tendering stage –</p> <p>        i .Procedural aspects related to Opening of tenders            ii .Vetting of CST</p>

- iii .Member of CNC for ranking L-1, holding negotiations, etc -
- iv .Cost analysis of quoted rates
- v .Creation and Utilization of Data-base and Market Intelligence
- )c (Expenditure sanction stage –
  - i .Expenditure angle concurrence
  - ii .Decision on re-tender
  - iii .Apportionment of quantity, if required
  - iv .Acceptance of cost over estimates
  - v .Type of contracts for applying in a particular case
  - vi .Vetting of Supply order /Contract
  - vii .Allotment of U.O .number
- )d (Post contract Management –
  - i .Extension of delivery
  - ii .Imposition /waiver off of Liquidated Damages
  - iii .Extension of Letter of Credit
  - iv .Amendment of Contract
  - v .Termination of contract
  - vi .Risk and Expense purchase
  - vii .Price variation adjustment
  - viii .Exchange rate variation re-imburement

**Authority :DPM,2009**

3.	<p>Discuss the methods of determining reasonability of prices in the competitive tendering.</p> <p style="text-align: right;"><b>10 Marks</b></p>
Ans.	<p>Determining Reasonability of Prices :In the case of competitive tendering where two or more vendors are competing independently to secure a contract, the competitive bids form the basis for determining reasonableness of prices .Database maintained on cost, based on concluded contracts, price of the product available through market, etc .should also be used to assess reasonableness of the price offered .</p> <p style="padding-left: 40px;">)a (Evaluation of tenders is to be made on the basis of the ultimate cost to the user .</p> <p style="padding-left: 40px;">)b (As a general principle, no offer involving any uncertain or indefinite liability or any condition of unusual character should be considered .</p> <p style="padding-left: 40px;">)c (The reasonableness of the price proposed has to be established by taking into account the competition observed from the response of the trade to the enquiry, last purchase price, estimated value as given in the indent, database maintained on costs based on the past contracts entered into, market price, wherever available and changes in the indices of various raw materials, electricity, whole sale price index, and statutory changes in wages, rates etc.</p> <p style="padding-left: 40px;">) d (For procurement of spare parts, consumables and small value contracts which are supplied in the past, the price reasonableness can be determined after comparing with last purchase price and factoring in changes in price indices published by the Government sources .</p> <p style="padding-left: 40px;">)e (The reasonableness of price may also be examined by resorting to Cost Analysis in situations where there is a wide variance over the LPP, not explained by corresponding changes in indices .</p> <p style="padding-left: 40px;">)f (Effort should be made to check cost break up details as per format of cost-analysis given in Form DPM-25, to the extent possible.</p> <p style="padding-left: 40px;">)Authority :DPM, 2009, Chapter-13(</p>



4.	<p>What is Discounted Cash Flow Technique )DCF(? Discuss the procurement situations when DCF may be required to be used?</p> <p style="text-align: right;"><b>10 Marks</b></p>
Ans.	<p>The Discounted Cash Flow is defined in the Glossary of Management Accounting Terms, published by the Institute of Cost and Works Accountants of India, as “the method of evaluation by which cash flow of the future are discounted to current levels by the application of a discount rate with a view to reducing all cash flow to common denomination and make comparison .”DCF is also defined as “a method of investment appraisal under which today’s cash outflows are compared with today’s cash inflows”</p> <p>Net Present Value Analysis :The Net Present Value )NPV (is a variant of DCF method, which is to be used for evaluation of tender . The NPV of a contract is equal to the sum of the present values of all the cash flows associated with it .When choosing among the various bids for the contract, the bid with the lowest NPV should be selected.</p> <p>Steps involved in NPV :The application of NPV analysis in defence procurement would involve the following five steps:</p> <ul style="list-style-type: none"> <li>Step 1 :Selection of the discount rate</li> <li>Step 2 :Identifying the cash out flows to be considered in the analysis</li> <li>Step 3 :Establishing the timing of the cash outflow</li> <li>Step 4 :calculating the NPV of each alternative</li> <li>Step 5 :Selecting the offer with the least NPV</li> </ul> <p>When is the DCF to be used?:</p> <p>The alternative with the smallest payment of net present value in the procurement is the obvious choice .The DCF may be made use of to facilitate determination of L1 in following procurement situations:</p> <ul style="list-style-type: none"> <li>)a (To compare different payment terms of the vendors to a commode nomination for determining L1 status.</li> <li>)b (To deal with the cases where entering into AMC over a period of 10to 11 years is part of the contract for evaluating for L1 status.</li> </ul> <p style="text-align: center;"><b>Authority :DPM, 2009, Chapter-13</b></p>

5.	<p>Write short notes on:</p> <p>)a (Force Majeure <span style="float: right;"><b>5 Marks</b></span></p> <p>)b (Bank Guarantees <span style="float: right;"><b>5 Marks</b></span></p>
Ans.	<p><b>(a) (Force majeure</b> is a concept in contract law that describes a clause, included in many contracts, that frees the parties to the contract from their contractual obligations in the event of highly unusual and unforeseen circumstances .The force majeure clause is triggered into effect by an extraordinary event or the occurrence of an extreme set of circumstances that is completely beyond the control of the parties to the contract and that makes it impossible for the contract to be fulfilled.</p> <p><b>Authority :Contract and their Management, BS Ramaswamy, Chapter-13</b></p> <p><b>)b (Bank Guarantee )BG</b> (is an agreement between 3 parties :the bank, the beneficiary, and the applicant .</p> <p>The beneficiary is the one who takes the guarantee .And the applicant is the party who seeks the bank guarantee from the bank .BGs are an important banking arrangement and play a vital role in promoting international and domestic trade.The bank issues BG on the receipt of the request from the applicant .This receipt is of the “guarantee amount ”towards some purpose /underlying transaction towards the “beneficiary ”.If the bank, i.e., “the guarantor, ”receives the “claim ”from the beneficiary, it results in “BG invocation”.</p> <p><b>Authority :Contract and their Management, BS Ramaswamy, Chapter-9</b></p>

SAS Part-II Examination

Paper-VII (FINANCIAL MANAGEMENT, IFA SYSTEM AND ELEMENTS OF LAW)

Section – III (Elements of Law)

1.	<p>Explain the following terms as used in Indian Contract Act, 1872.</p> <ul style="list-style-type: none"> <li>(a) Proposal</li> <li>(b) Acceptance</li> <li>(c) Promise</li> <li>(d) Consideration</li> <li>(e) Agreement</li> </ul> <p style="text-align: right;"><b>2*5= 10 Mark</b></p>
Ans.	<p><b>(a) Proposal.</b> - The word proposal has been defined in Section 2(a) of the Indian Contract Act as -          "When one person signifies to another his willingness to do or abstain from doing anything with a view to obtaining the assent of that other person to such act or abstinence, he is said to make a proposal."          The word 'offer' of the English Contract Law is synonymous to the word proposal of the Indian Contract Act. An offer must contain the following characteristics :          (i) An offer must be intended to create legal obligations and must be capable of creating legal obligations.          (ii) It must give rise to legal consequence.          (iii) The proposal must be made with a view to obtaining the assent of the party.          (v) The terms of an offer must be definite and certain or at least capable of being made definite or certain.</p> <p><b>(b) Acceptance</b> - As per Section 2(b) when the person to whom the proposal is made signifies his assent thereto, the proposal is said to be accepted.          In proposal the necessary requirement is that one person express his willingness before another and the intention of the person who signifies his willingness is that the other person should express or signify his willingness which means that the other person agrees to his desire. It then amounts to acceptance of the offer, i.e., the proposal stands accepted and other person agrees to do as suggested or proposed.</p> <p><b>(c) Promise</b> - Section 2(b) further speaks that "A proposal when accepted becomes a promise." A promise in law is an accepted proposal. When the offer made by one to another is</p>

	<p>accepted by other, it becomes a promise which simply means that now it is binding on both parties, it now take the scope of an obligation for both parties.</p> <p><b>(d) Consideration</b> - For the formation of a valid contract it is essential that there should be consideration. Term 'consideration' is explained in Section 2(d) as under :          "When at the desire of the promiser, the promisee or any other person has done or abstained from doing or does or abstains from doing, or promises to do or to abstain from doing something, such act or abstinence or promise is called a consideration for the promise.:          So from the definition of "Consideration" u/s 2(d) of Act following essentials are required for valid consideration :-          (i) Consideration to be given "at the desire of the promiser".          (ii) Consideration to be given "by the promisee or any other person.          (iii) Consideration may be past, present or future.          (v) There should be some act, abstinence or promise by promisee, which constitutes consideration for the promise.</p> <p><b>(e) Agreement.</b> Section 2(e) defines the word agreements follows-          "Every promise or set or promises, forming the consideration for each other, is an agreement."          An agreement enforced by law is a contract while an agreement not enforceable by law is said to be valid. Thus every contract is an agreement but every agreement is not a contract.</p> <p style="text-align: center;"><b>Authority :Indian Contract Act,1872</b></p>
2.	<p>Explain the following terms as used in Arbitration and Conciliation Act,1996.</p> <p>)a(Arbitration          )b(Arbitration Agreement          )c(Arbitration Award          )d(Arbitral Tribunal          )e(Court</p> <p style="text-align: right;"><b>)2*5= 10 Marks(</b></p>

Ans.	<p><b>Arbitration</b> :- Section 2(1)(a) of Arbitration and Conciliation Act, 1996 defines the term "<i>Arbitration</i>" means any arbitration whether or not administered by permanent arbitral institution. An arbitration is the reference of dispute or difference between not less than two parties for determination, after hearing both sides in a judicial manner, by a person or persons other than a court of competent jurisdiction.</p> <p>So following are important ingredients of the arbitration :-</p> <ul style="list-style-type: none"> <li>(a) A difference or dispute actually in existence between two or more parties.</li> <li>(b) A reference for determination of such difference or dispute.</li> <li>(c) Determination of such difference or dispute by such person or persons known as 'Arbitrator'.</li> <li>(d) Such determination shall be after hearing both the parties in a judicial manner.</li> </ul> <p><b>Arbitration Agreement</b> :- Then Section 7 of the Act provides -</p> <ul style="list-style-type: none"> <li>(1) "arbitration agreement" means an agreement by the parties to submit to arbitration all or certain disputes which have arisen or which may arise between them in respect of a defined legal relationship, whether contractual or not.</li> <li>(2) An arbitration agreement may be in the form of an arbitration clause in a contract or in the form of a separate agreement.</li> <li>(3) An arbitration agreement shall be in writing.</li> </ul> <p>is also necessary that they agreed to be bound by arbitration award.</p> <p><b>Arbitral Award</b> - According to Section 2(1)(c) "Arbitral award" includes an interim award. "Arbitral award" in simple words means the judicial determination, arrived at by Arbitrator after making enquiries, recording evidence and hearing all parties. An arbitral award must dispose off the entire controversy submitted to arbitrator so that there cannot be future litigation. An arbitral award must contain following particulars :-</p> <ul style="list-style-type: none"> <li>(i) It must contain all those facts which led to refer the dispute to Arbitrator.</li> <li>(ii) It must contain all the submission, claims-counter-claims of each parties.</li> </ul>
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	<p>(iii) It must contain all necessary inquiries made by arbitrator.</p> <p>(iv) It must contain short description of evidence (if any) recording for determination of disputes.</p> <p>(v) It must contain its determination and reasoning thereof.</p> <p><b>Arbitral Tribunal</b> - This term has been newly constituted in the Arbitration and Conciliation Act, 1996. It simply means a panel of arbitrators, whereas in the former Act of 1940 there would be arbitrators in equal number appointed by the parties and one umpire appointed by the arbitrators of both the parties.</p> <p><b>Court</b> - Under Section 2(e) of the Act "Court" means the principal Civil Court of original jurisdiction in a district, and includes the High Court in exercise of its ordinary original civil jurisdiction, having jurisdiction to decide the question forming the subject-matter of the arbitration if the same had been the subject-matter of a suit, but does not include any civil court of a grade inferior to such principal Civil Court, or any Court of Small Causes.</p> <p><b>Authority : Arbitration and Conciliation Act, 1996</b></p>
3.	<p>Distinguish between condition and warranty as stipulated in Sales of Goods Act, 1930 .Give illustration of each .</p> <p style="text-align: right;"><b>10 Marks</b></p>
Ans.	<p><b>Sub-Section (1) to Section 12</b> of Sales of Goods Act provide "A stipulation in a contract of sale with reference to goods which are the subject thereof may be a condition or a warranty."</p> <p><b>Section 12(2)</b> of Act then lay down "<b><i>A condition is a stipulation essential to the main purpose of the contract, the breach of which gives rise to a right to treat the contracts as repudiated.</i></b>" <b>Section 12(3)</b> of Act says "A warranty is a stipulation collateral to the main purpose of contract the breach of which gives rise to the claim for damages but not the right to reject the goods and treat the contract as repudiated.</p> <p>So <b>CONDITION</b> is stipulation essential to the main purpose of the contract, its breach by one party entitles the other to treat</p>

	<p>the contract as repudiated.</p> <p><b>For example</b> : If a lady orders a Red Saree asking the seller to deliver it by <b>15th</b> January so that she can wear it on <b>16th</b> on the occasion of her wedding, but the seller supplies a black saree instead of a red one or supplies the saree on the <b>18th</b> January there is breach of condition and lady buyer can treat the contract as repudiated.</p> <p><b>Warranty</b> on the other hand is a stipulation collateral to main purpose of contract and its breach is not considered to be serious. Breach of warranty by one party entitles the other party only to claim damages rather than avoiding the contract. For example Buyer agrees to pay the price in advance by <b>15th</b> Dec. and the goods are to be delivered on <b>15th</b> January but the buyer makes payment late, say on <b>25th</b> December, the seller's remedy in such a case is to claim compensation because according to <b>Section 11</b> of Act "Unless a different intention appears from the terms of the contract, stipulations as to time of payment are not deemed to be essence of contract of sale...."</p> <p style="text-align: center;"><b>Authority :Sales of Goods Act,1930</b></p>
4.	<p>Define and explain “Bill of Exchange”? What is the distinction between “Promissory Note” and “Bill of Exchange”?</p> <p style="text-align: right;"><b>10 Marks</b></p>
Ans.	<p><b>Section 5</b> of Negotiable Instruments Act provides :-</p> <p><b>"Bill of exchange"</b>. - A "bill of exchange" is an instrument in writing containing an unconditional order, signed by the maker, directing a certain person to pay a certain sum of money only to, or to the order of a certain person or to the bearer of the instrument.</p> <p><b>Chief features of bill of exchange</b> - The chief features of a bill of exchange, which distinguish it from other instruments, are :-</p> <ul style="list-style-type: none"> <li>(i) its negotiability or quality of assignment which is inherent in all bills made payable to 'bearer' or to order of the payee, in the former of which cases it will pass like a bank note by delivery, whilst in the latter it requires the endorsement of the payee to make it negotiable;</li> <li>(ii) that a consideration of the bill will be presumed until the contrary appears;</li> <li>(iii) that it must be for payment of money;</li> </ul>

	<p>(iv) that the payment must be unconditional or absolute;</p> <p>(v) certainty as to the person, order to pay.</p> <p><b>Distinction between bill of exchange and promissory note –</b></p> <p>(i) In a bill of exchange there are three parties to be specified, i.e., drawer, drawee, and payee; though any two out of these three capacities may be filled by one and the same person. In a promissory note, there are only two parties, the maker and the payee.</p> <p>(ii) A promissory note cannot be made payable to the maker himself, but in a bill of exchange, the drawer and payee may be the same person.</p> <p>(iii) In a promissory note there is an unconditional promise by the drawer to pay a certain sum to the payee; in a bill of exchange, there is an unconditional order to a drawee, to comply with the drawer's direction as to payment.</p> <p style="text-align: center;"><b>Authority :The Negotiable Instruments Act, 1881</b></p>
5.	<p>Discuss the provisions regarding welfare of workers in Factories Act, 1948 .</p> <p style="text-align: right;"><b>10 Marks</b></p>
Ans.	<p>Chapter V of Factories Act, 1948 contains provisions for welfare of workers in factories which are being discussed below:-</p> <p><b>Washing facilities.</b> - Section 42 (1) provides that in every factory:</p> <p>(a) adequate and suitable facilities for washing shall be provided and maintained for the use of workers;</p> <p>(b) separate and adequately screened facilities shall be provided for the use of male and female workers;</p> <p>(c) such facilities shall be conveniently accessible and shall be kept clean.</p> <p><b>Facilities for storing and drying clothing.</b> - Section 43 empowers the State Government to make rules, in respect of any factory or class or description of factories, requiring the provision therein of suitable places for keeping clothing not worn during working hours and for the drying of wet clothing.</p> <p><b>Facilities for sitting.</b> - According to Section 44(4) in every</p>



factory suitable arrangements for sitting shall be provided and maintained for all workers obliged to work in a standing position, in order that they may take advantage of any opportunities for rest which may occur in the course of their work.

**First-aid appliances.** - According to Section 45 (1) in every factory shall be provided and maintained so as to be readily accessible during all working hours first-aid boxes or cupboards equipped with the prescribed contents and the number of such boxes or cupboards to be provided and maintained shall not be less than one for every one hundred and fifty workers ordinarily employed at any one time in the factory.

**Canteens.** - The State Government may, according to Section 46(1), make rules requiring that in any specified factory wherein more than two hundred and fifty workers are ordinarily employed a canteen or canteens shall provided and maintained by the occupier for the use of the workers.

**Shelters, rest rooms and lunch rooms.** - Section 47 (1) lays down that in every factory wherein more than one hundred and fifty workers are ordinarily employed, adequate and suitable shelters or rest rooms and a suitable lunch room, with provision for drinking water, where workers can eat meals brought by them, shall be provided and maintained for the use of the workers. But any canteen maintained in accordance with the provisions of Section 46 shall be regarded as part of the requirements of this sub-section, and where a lunchroom exists no worker shall eat any food in the workroom.

Section 47 (2) requires that the shelters or rest rooms or lunchrooms to be provided under sub-section (1) shall be sufficiently lighted and ventilated and shall be maintained in a cool and clean condition.

**Creches.** - Section 48(1) lays down that in every factory wherein more than thirty women workers are ordinarily employed there shall be provided and maintained a suitable room or rooms for the use of children under the age of six years of such women.

According to Section 48(2) such rooms shall provide adequate

accommodation, shall be adequately lighted and ventilated, shall be maintained in a clean and sanitary condition and shall be under the charge of women trained in the care of children and infants.

Section 48 (3) empowers the State Government to make rules -

(a) prescribing the location, and the standards in respect of construction, accommodation, furniture and other equipment of rooms to be provided, under this Section;

(b) requiring the provision in factories, to which this section applies, of additional facilities for the care of children belonging to women workers including suitable provision of facilities for washing and changing their clothing;

(c) requiring the provision in any factory of free milk or refreshment or both for such children;

(d) Requiring that facilities shall be given in any factory for the mother of such children to feed them at the necessary intervals.

**Welfare Officer.** - Section 49 (1) provides that in every factory wherein five hundred or more workers are ordinarily employed the occupier shall employ in the factory such number of Welfare Officers as may be prescribed. According to Section 49 (2) the State Government may prescribe the duties, qualifications and conditions of services of Officer employed under sub- section (1).

(Authority :The Factories Act, 1948)

**MODEL ANSWERS WITH AUTHORITIES**

**SAS Part-II Examination June 2022**

**PAPER-VIII**

**OFFICE COMMUNICATION (THEORY- WITHOUT BOOKS)**

**1 (a)** Make a Precis of the material given in Appendix. Also suggest a suitable title and give a summary of points.

**40 Marks**

**Ans. Subject: Review and Rationalization of S&S imprest of Base Victualling Yard**

**Summary of points:**

Review of S&S imprest of Base Victualling Yard (BVY) by the Area Accounts Office (AAO) revealed the following:

- Major delays in release of payment to vendors from imprest leading to loss of interest to Govt exchequer as money transferred to imprest is immediate and non-interest bearing
- 95% payment in respect of all rations – fresh and dry, being made from imprest upon receipt of supply in terms of provision contained at para 7.8.1 of DPM'09 which is contrary to Appendix 28 & 26 of Financial Regulations – II wherein 90% payment for fresh supplies and fuelwood can be made from imprest but payment for dry rations should be made by CDA on pre audit
- Para 7.8.1 of DPM '09 should be read in conjunction with para 7.8.2 which says that paying authority viz CDA should be clearly mentioned in RFP. Also the former provision is

really meant for high tech and high value equipment involving joint inspections etc. In any case provisions of FR-II will over ride DPM'09

- Imprest is a facility extended to units in remote locations that may not have good banking facility etc. to ensure regular supplies. In this case CDA is co-located with BVY and immediate payments to vendors ensured through CMP.
- After considering the contention of BVY the following was decided:
  - In future RFP issued by HQ for dry rations will provision for 100% pre audit payment by CDA and only RFPs for emergent rations and immediate payments such as gas and transportation under local powers of BVY and units will allow payments from imprest
  - The Cash Monetary Limit of S&S imprest of BVY is to be accordingly reviewed and will stand reduced from Rs 3 crores to Rs.1.5crores.

**Precis:**

Area Accounts Office (AAO) vide its letter dated 21/04/2016 addressed to Base Victualling Yard (BVY) referred to previous correspondence whereby cash requisition out of S&S Imprest was returned with following observations: (a) provide break up details of fresh and dry supplies since as per the provisions contained in Appx 26 and 28 of Financial Regulations –II, payment of fresh supplies and firewood are to be paid out of imprest but bills for dry rations are to be pre-audited and paid by CDA. (b) Re-submit the requisition along with the paid vouchers of previous cycle since paid vouchers were not being submitted along with requisitions. But (a) and (b) had still not been submitted.

AAO further pointed out that the provisions under para 7.8.1 of DPM '09, referred to by BVY to justify 95% payment from imprest against supply, is generally used when joint inspections are done which necessitates pre-payment of 95 % and final bill of 5 % can be paid after commissioning. AAO also reminded the unit about 7.8.2 which states that paying agencies viz. CDA should be clearly mentioned in the RFP of the contract. As per the ibid letter AAO has also pointed out the delay of more than 20 days to one month in payment to vendors leading to loss to the Govt in the form of interest as S&S Imprest account is non-interest bearing and which results in delayed payment to vendors.

BVY vide their letter no.403/03 dated 01/05/16 accepted that there was delay in payment to vendor while giving reasons for the same. They provided the break-up and agreed to forward the paid vouchers along with the Cash Requisition but pointed out that the RFP had provisioned for 95% payment on receipt of supply and hence had to be paid from imprest.

AAO vide their letter dated 09/05/2016 reviewed and rationalized the imprest. It was clarified that unlike Cash Assignment, in case of Imprest, the actual drawl of money from Govt. exchequer takes place before the commitment of transaction; hence any delay of payment will result in loss of interest to Govt. Further, Imprest is a facility extended by CDA to units for payment to vendors for ensuring uninterrupted ration supply to troops where banking facility is unavailable. However Port Blair being the station where CDA is located and banking facility is available, there appears no need for Imprest advances. Pre-audit of bills is a necessity to ensure timely payment as well as timely booking of code heads.

In view of the RFP provision in respect of current contracts valid till Sep2016, it was agreed to allow 95% payment from imprest for dry rations also but henceforth RFP issued by HQ for rate contracts

	<p>should indicate that 100% payment will be made by Area Accounts Office on pre audit basis. However, BVY may continue to pay 95% from imprest for emergent purchases and for which immediate payment is required such as gas, transportation etc and where BVY/unit is the CFA.</p> <p>Consequent to above the CML of BVY has been reduced from Rs. 3 crores to 1.5 Crores. The CML would be further reviewed after taking cognizance of progress made in payment terms in RFPs.</p>
<b>2.</b>	<p>In response to the DAD Headquarters Circular seeking volunteers for posting to Station ABC, Shri XYZ posted at Nagpur for 2 years and 6 months, had submitted his application through his Administrative Controller within the end date for submission of application.</p> <p>However, as the Circular has mandated that the employee should have completed 3 years at the station on the date of application, and due to non-fulfillment of the said requirement, his application was not considered. His representation for consideration of his application on grounds of hardship was also rejected by the Competent Authority after giving him a personal hearing. Aggrieved by this rejection, Shri XYZ filed Original Application before the designated Bench of Central Administrative Tribunal, seeking an order to grant directions to the CGDA for re-consideration of his application on grounds of hardship.</p> <p>As an the designated Officer of the Personnel Section, prepare a Short Reply/Counter Affidavit to be filed by the Deputy Controller (Personnel).</p> <p style="text-align: right;"><b>40 Marks</b></p>

<p><b>Ans.</b></p>	<p><b><u>BEFORE THE CENTRAL ADMINISTRATIVE TRIBUNAL, NAGPUR</u></b></p> <p><b><u>BENCH</u></b></p> <p><u>O.A. No.</u></p> <p><u>Applicant:</u> Shri XYZ</p> <p><u>VS</u></p> <p><u>Respondents:</u> Govt of India &amp; Others</p> <p><b><u>Counter Reply on behalf of Respondents</u></b></p> <p>I, Shri JKL, aged 42 years, working as Deputy Controller (Personnel), S/o Shri SK ..... Office of ..... under replying respondents, do hereby solemnly affirm and declare as under:</p> <ol style="list-style-type: none"> <li>1. That I am acquainted with facts and circumstances of the present case. I am competent to depose this affidavit on behalf of replying respondents in my official capacity.</li> <li>2. That I have read the contents of the present OA and that the brief facts of the case &amp; short reply on merits are submitted.</li> <li>3. That the respondents seek leave of this Hon'ble Tribunal to file additional reply affidavit to the Original Application in case the need arises at a later stage.</li> </ol> <p><b><u>Brief Facts of the Case</u></b></p> <p>That as per the existing Transfer policy of the Defence Accounts Department (DAD), the DAD Headquarters vide Circular dated 10.02.2021 had invited application from volunteers for being considered for posting at station 'X'. An essential condition in the application to be considered was that the applications should have completed minimum three years of service at the designated station of present posting on the submission of their application. The applications were to be received, duly recommended and forwarded, through the respective Controllers' Offices, latest by the date 31.03.2021</p>
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2. That Shri XYZ had submitted his application dated 28.03.2021 through his controlling officer within the last date for receipt of the application.
3. That since Shri XYZ had only completed two years and six months of service at the station of his present posting, i.e., Nagpur, he was found to be ineligible for being considered for posting to station 'X' and hence his application was not considered.
4. That Shri XYZ filed a representation addressed to the Controller General of Defence Accounts, dated 15.04.2021 for consideration of his application on grounds of hardship and had sought a personal hearing.
5. That the Competent Authority gave him a personal hearing on 15.05.2021 whereafter his application was rejected and the same was communicated to him.
6. That aggrieved by the rejection, Shri ABC has filed the present OA.

## **7. Reply on Merits**

- 7.1 That such circulars seeking volunteers for posting are regularly issued as part of the transfer policy of the DAD. The said circulars clearly stipulates the minimum residency/service criteria with cut-off dates. Shri XYZ has not met the specified criteria as on the date of consideration.
- 7.2 That the application of employee on grounds of hardship was also considered and personal hearing also given before being rejected by the Competent Authority.
- 7.3 That transfer/postings are a routine function of the Department and the request and preferences of various employees need to be counter balanced with the exigencies of maintaining balance in Human Resource deployment.



	<p><b><u>Prayer</u></b></p> <p>In view of the above made submission, it is, therefore, most respectfully prayed that the Hon'ble Tribunal may be graciously pleased to dismiss the OA being devoid of any merit in favour of the answering respondents and against the applicant.</p> <p><b>Place:</b></p> <p><b>Dated:</b></p> <p><b>Respondents</b></p> <p><b>Through-Counsel</b></p> <p>( Shri JKL )</p> <p>Address:</p> <p>Mobile:</p> <p><b><u>Verification</u></b></p> <p>I, JKL, aged 42 years, S/o SK, presently working as Deputy Controller, Office of the ..... hereby certify that the contents of Paras 1 to 7 of reply are true and correct to the best of my knowledge and belief and no material has been concealed therefrom.</p> <p><b>Respondents</b></p>
<b>3.</b>	<p>Officer In-charge (Personnel) in a Controller's office has observed that there is laxity in regard to punctuality amongst staff and officers of the office. Draft a circular from Joint Controller/ Deputy Controller (Personnel) for all Sections of the Controller's office with a view to reinforce the punctuality in attendance and general discipline in working.</p> <p style="text-align: right;"><b>35 Marks</b></p>

**Ans.**

**Sub: Punctuality in attendance and maintenance of discipline – reg.**

It has come to the notice of Senior Authorities that the personnel posted in this office are not adhering to designated hours of attendance, as per Government of India directives.

2. Surprise checks have revealed that the non-maintenance of punctuality has been noticed in regard to Officers and Personnel both, who are observed to be arriving late in the morning and leaving office early. This is in contravention of the provisions of Office Manual Part I, which enjoins upon every member of the Organization to be present in office during the designated office hours and maintain requisite discipline. Besides, the lunch break timings are also not being strictly observed. This has been viewed with highest concern by Senior Authorities.

3. It is, therefore, imperative that officers and personnel should endeavor to maintain proper office timings, inter alia, ensuring that all functionaries adhere to the office hours.

4. The contents of this circular may be brought to the notice of all and any violation shall invite appropriate disciplinary action as per the governing Rules.

**Joint Controller/ Deputy Controller (Personnel)**

4.	<p>In a CDA's office, it is observed that sections are not paying adequate attention for disposal of issues highlighted under the electronic receipts like emails. The non-reply or delayed disposal thereof, is resulting in inappropriate reporting with the stakeholders, which include Armed Forces Officials, thus inviting adverse comments from the Ministry and other Higher Administrative Authorities.</p> <p>In view thereof, you as Officer In-charge of the Section may draft and submit a circular from Deputy Controller (TA Section) to various Officials working with the TA Section, directing that all electronic receipts of communications should be endeavored to be disposed off within a time-bound period, preferably within one working day.</p> <p style="text-align: right;"><b>35 Marks</b></p>
Ans.	<p><b>Sub: Timely disposal of all types of electronic mails/ communications received through Official Channels – reg.</b></p> <p>During weekly review of the functioning of the Section, it has been noticed that a large number of communication(s) as received through electronic channels, including emails, have not been disposed off or have been attended to in routine manner by the officers concerned.</p> <p>2. The officers have been observed to be are not paying adequate attention towards clearance of the communications like emails, which has been noticed to be a primary channel of communication from various stakeholders, including the Armed Forces Officials and general public. The non-reply to the communications has been reported to be an impediment in generating user satisfaction and is causing resentment among the concerned, thus inviting adverse remarks from the Ministry and other higher Authorities.</p>

3. In view thereof, it has been desired by the Competent Authority that all outstanding email(s) received till 31.03.2022 should be aimed to be appropriately disposed off within 10 days of issue of this Circular. Further hereto, it should be endeavored by the concerned Officials that emails received on the official channels should be disposed off within one working day of their receipt.

4. The reply should be aimed to be specific to the query raised and in accordance with the Social Media Policy of the Department, as approved and circulated. Besides, necessary provisions of the Right to Information Act, should also be ensured to be maintained in the disposal, for which necessary guidance wherever required, could be obtained by the officials concerned from the Administration/ Personnel Section/ RTI Cell in the Main Office.

5. A fortnightly review of the performance and disposal of the communication receipts with various Sections, shall be henceforth undertaken by the Additional Controller for necessary reporting to the PCDA. Thus, requisite attention to the subject is desired from all concerned.

**Deputy Controller (TA Section)**

**Copy to:**

1. All Officers in Main Office
2. All In charge of Sub-Offices as per list attached

5.	Draft an Office Order for circulation to all the Officials/ Personnel as posted with the Controller's Office & Sub-Offices under the Administrative Jurisdiction of the Controller's Office on the subject of proper maintenance of records and formalizing handing/taking over of charge consequent upon transfer/ postings of designated Officials therein.												
	35 Marks												
Ans.	<p><b>Sub: Maintenance of records and adherence to Rules in respect of Handing Over/Taken Over of charge consequent upon Transfer / Posting of Officials - reg</b></p> <p>As desired by the Competent Authority, all officers and personnel concerned, as posted with the Main Office and Sub-Offices attached therein, are hereby directed to formulate requisite the charge report upon their Transfer/ Posting, in respect of files and registers held under their charge, in the format prescribed as Table-I below,</p> <p>Table-I : List of Record under Authorized Charge</p> <table><tr><th>Sr. No.</th><th>File/ Register No.</th><th>Subject</th><th>No of correspondence pages</th><th>No of Note Sheet pages</th><th>Action Pending if any with remarks</th></tr><tr><td></td><td></td><td></td><td></td><td></td><td></td></tr></table>	Sr. No.	File/ Register No.	Subject	No of correspondence pages	No of Note Sheet pages	Action Pending if any with remarks						
Sr. No.	File/ Register No.	Subject	No of correspondence pages	No of Note Sheet pages	Action Pending if any with remarks								

2. Consequent upon transfer /posting of the designated official(s), the Authorized charge should be ensured to be properly handed over and taken over between the transfer and transferee officials. It should be ensured by the Administration/ Personnel Section concerned, that the certificate regarding the Handing Over/Taken Over of charge (as per Table-II enclosed) should be duly submitted before the transferred official is finally relieved. In case of the circumstances of need to relieve an official prior to joining of his reliever to the office, his/ her Authorized charge should be temporarily handed over to any other designated officer, who should thereafter hand over the charge to the posted-in officer consequent upon his/ her joining the office.

Table-B

Certificate regarding Handing over / taken over of charge						
Sr. No.	File/regi ster No.	Subject	No of correspondenc e pages	No of Note Sheet pages	Action Pending, if any	
Handed over by  (Sign with date)			Taken over by  (Sign with date)		Certification by Senior/Supervisor  (Sign with date)	

3. Officers/ personnel concerned should formulate the Handing Over/ Taking Over report in respect of the files and registers under their respective charge in the above format and forward the same to the Personnel Section, within 15 days of the change in charge between two

	<p>officials therein. Necessary compliance of the orders may be ensured.</p> <p>This issues with the approval of Competent Authority.</p> <p style="text-align: right;"><b>Deputy Controller (Personnel)</b></p> <p><u>Copy to:-</u></p> <ol style="list-style-type: none"> <li>1. PS to the Controller :For kind information of the Controller</li> <li>2. Additional Controller</li> <li>3. Deputy Controller(s) of Groups</li> <li>4. In-charge of Sub-Offices as per list attached.</li> <li>5. Notice Board</li> <li>6. Website of the Controller's Office</li> </ol>
<b>6.</b>	<p>Mr. XYZ who was a regular employee of the Department, expired in harness while in service on 10.02.2021, due to unnatural reasons of meeting an unfortunate accident. The dependent son of the deceased, Mr. ABC had requested through an application for consideration for grant of appointment to a post on compassionate grounds. The Board of Officers considering the laid down parameters as per governing Rules, i.e., the size of his family, present house occupation, terminal benefits as allowed to the deceased official, i.e., Provident Fund, Pension, Gratuity and Insurance etc., is of the opinion that the case of Mr ABC for grant of compassionate appointment is devoid of merit. His request was considered by the Competent Authority concerned, in reference to views of the Board of Officers and the relevant Government orders and has been refused to be admitted. Aggrieved by the</p>

	<p>decision, Mr. ABC has filed an Original Application (OA) with the Principal Bench of Central Administrative Tribunal, New Delhi.</p> <p>The Principal Bench has passed orders directing the respondents to consider and decide the representation of the applicant by passing a speaking and reasoned order. Assuming you as the Officer In charge of concerned Personnel Section in the Controller's Office, draft a communication on behalf of the office, for filing the same before the designated Bench of the CAT.</p>
<b>Ans.</b>	<p><b>Sub : Case relating to Compassionate Appointment of Shri ABC, son of Shri XYZ, Accounts Officer deceased, working with the O/o Controller of Defence Accounts, New Delhi – Order</b></p> <p>Late Shri ABC, who was employed with the Defence Accounts Department and posted as Accounts Officer with the Office of Controller of Defence Accounts, New Delhi, unfortunately died in harness in 10.02.2021, while in service. Shri ABC who is the son of the deceased Shri XYZ, submitted through an application dated 15.06.2021 for being considered for appointment to a post in the department on compassionate grounds.</p> <p>2. The request of Shri ABC for appointment on compassionate grounds was considered by the Competent Authority as per the relevant Orders of Government on the subject and in cognizance with the opinion submitted by the designated Board of Officers. It has been concluded therein, that the objective of considering a case for granting compassionate appointment to a dependent family member of a Govt. servant, who dies in harness, leaving his family without any means of livelihood, is to relieve the family of the Govt. servant concerned from financial destitution and penury</p>



immediately consequent upon his/ her death

3. However, it is noticed that Smt JKL, the widow of the deceased official Late Shri XYZ, has been sanctioned to receive family pension of Rs. 28,000 per month. The wife of the deceased official has also been granted to receive a sum of Rs. 38,00,000/-as terminal benefits in the form of commuted portion of the pension, gratuity, group insurance proceeds, etc.

4. Further thereto, it is to note that the case is considered for grant of compassionate appointment upon availability of a due vacancy within a ceiling of 5% vacancies in the Department of the Government concerned, meant for the purpose.

5. In the light of the above reasons, the request of Shri ABC for grant of compassionate appointment in this Department has been considered by the Board of Officers with due sympathy, but has been rejected on overall grounds and merits of the case. The undersigned after due and careful consideration of all the facts and Rules governing the case, in compliance to the judgment of the Hon'ble Bench of the Central Administrative Tribunal, as delivered on O.A. No. ..../2021, in due cognizance of the records as available before the undersigned, hereby conclude to find no reason to interfere with the decision, as already conveyed to Shri ABC. Hence his request for appointment on compassionate grounds cannot be acceded to.

**Controller of Defence Accounts**

**New Delhi**

**MODEL ANSWERS WITH AUTHORITIES**

**SAS Part-II Examination  
PAPER-IX**

**FUNDAMENTALS OF ELECTRONIC DATA PROCESSING  
(THEORY- WITHOUT BOOKS)**

**1 (a)**

Match the following:

Column A

Column B

- |             |                                |
|-------------|--------------------------------|
| a) NCS      | i) Pay and allowances of PBORs |
| b) BHAWAN   | ii) Reports and returns        |
| c) SPARSH   | iii) GPF                       |
| d) SPARROW  | iv) Compilation system         |
| e) VISHWAK  | v) IT hardware module          |
| f) NIDHI    | vi) Files                      |
| g) E-SUCHNA | vii) Rent bills                |
| h) ITMS     | viii) APARs                    |
| i) E-OFFICE | ix) Pension claims             |
| j) DOLPHIN  | x) RAR bills                   |

**Ans.**

- a) – iv
- b) – vii
- c) – ix
- d) – viii
- e) – x
- f) – iii
- g) – ii
- h) – v
- i) – vi
- j) – i

2.

Indicate whether the following statements are true or false:

**(10  $\times$  1 = 10 Marks)**

- (a) A file can contain a program or a document or a photograph or music.
- (b) When all files in a folder are deleted, the folder is automatically deleted.
- (c) On clicking the "Minimize" button of a Window, the program in it continues to run.
- (d) A high level language can be understood by a computer without using a translation.
- (e) An assembly language is a third generation high level language.
- (f) Programs available in CD-ROMs are always "virus" free.
- (g) Even though the power supply is on, the RAM may lose its stored information due to virus.
- (h) The machine languages of all computers are identical.
- (i) E-waste stands for environmental waste.
- (j) Use of Gmail and Yahoo is permitted in official communications.

**Ans.**

- (a) True
- (b) False
- (c) True
- (d) False
- (e) False
- (f) False
- (g) True
- (h) False
- (i) False
- (j) False

3. (i) MU, ALU and CU are all part of the \_\_\_\_\_.  
a) Storage Memory  
b) Central Processing Unit  
c) Input Devices  
d) Output Unit
- (ii) \_\_\_\_\_ is the main memory of the computer  
a) Random Access Memory  
b) Read Only Memory  
c) Internal Hard Drive  
d) DVD
- (iii) What is the full form of GUI?  
a) Graphic User Interface  
b) Games User Interface  
c) Graphic Unified Interface  
d) Graphic Unit Interface
- (iv) A computer comprises how many types of memory?  
a) One  
b) Four  
c) Three  
d) Two
- (v) Which of the following are the physical parts of a computer?  
a) Software  
b) Operating System  
c) Software Applications  
d) Hardware
- (vi) Which of the following computer language is written in binary codes only?  
a) Pascal  
b) machine language  
c) C  
d) C#

(vii) Which of the following is the brain of the computer?

- a) Central Processing Unit
- b) Memory
- c) Arithmetic and Logic unit
- d) Control unit

(viii) Which of the following is not a characteristic of a computer?

- a) Versatility
- b) Accuracy
- c) Diligence
- d) I.Q.

(ix) Which of the following is the smallest unit of data in a computer?

- a) Bit
- b) KB
- c) Nibble
- d) Byte

(x) Which of the following unit is responsible for converting the data received from the user into a computer understandable format?

- a) Output Unit
- b) Input Unit
- c) Memory Unit
- d) Arithmetic & Logic Unit

**(1\*10= 10 ) Marks**

**Ans.**

- (i) - b
- (ii) - c
- (iii) - a
- (iv) - d
- (v) - d
- (vi) -b
- (vii) -a
- (viii) -d
- (ix) -a
- (x) -b

4.	<p>Expand the abbreviations/acronyms mentioned below. <b>(5x2=10 Marks)</b></p> <p>(a) SPARSH</p> <p>(b) VPN</p> <p>(c) RDBMS</p> <p>(d) WAN</p> <p>(e) FTP</p>
Ans.	<p>(a) System for Pension Administration (RAKSHA)</p> <p>(b) VPN - Virtual Private Network</p> <p>(c) RDBMS – Relational Data Base Management System</p> <p>(d) WAN – Wide area network</p> <p>(e) FTP - File Transfer Protocol</p>
5.	<p>Distinguish between: <b>(2 x 5 = 10 Marks)</b></p> <p>(a) LAN and WAN</p> <p>(b) Data and Information</p>
Ans.	<p>(a) LAN stands for Local Area Network, WAN stands for Wide Area Network LAN are smaller networks, usually within an office base. Connections between the workstations are mostly physical, with cables, and all the office resources are shared and distributed between the network workstations. WANs, or Wide Area Networks, are broader geographic networks, like connecting one city to another. They are more of a collection of interconnected LAN networks. LANs are faster.</p> <p>(b) Data is a collection of facts in raw form, which become information after proper organization or processing. Information is the result of processing, manipulating and organizing data in a way that adds to the knowledge of the person receiving it.</p>

6.	<p>Give two examples of each of the following:</p> <ul style="list-style-type: none"> <li>(a) Input devices</li> <li>(b) Output devices</li> <li>(c) Application software</li> <li>(d) Storage devices</li> <li>(e) Operating systems</li> </ul> <p style="text-align: right;"><b>(2*5=10 Marks)</b></p>
Ans.	<ul style="list-style-type: none"> <li>(a) Keyboard, Mouse, Touchpad, Scanner, Digital Camera, Microphone, Joystick, Graphic Tablet.</li> <li>(b) Monitor. Printer, Plotter, Projector, Speakers, Headphones, Sound Card, Video Card.</li> <li>(c) Microsoft Word, spreadsheets, VLC media player, Firefox or Google Chrome, accounting applications, photo editor, mobile apps such as video games, Whatsapp, etc.</li> <li>(d) Hard Drive Disks, Floppy Disks, Tapes, Compact Discs (CDs), DVD and Blu-ray Discs, USB Flash Drives, Secure Digital Cards (SD Card)s, Solid-State Drives (SSDs),etc.</li> <li>(e) MS-Windows, Android, iOS, Mac OS, Fedora, Linux, Solaris, Free BSD, Chrome OS, CentOS, Ubuntu, etc.</li> </ul>
7.	<p>What is Network Topology? Describe in brief the types of Network Topology.</p> <p style="text-align: right;"><b>(5+5=10 marks)</b></p>
Ans.	<p>Network topology refers to the manner in which the links and nodes of a network are arranged to relate to each other. Topologies are categorized as either physical network topology, which is the physical signal transmission medium, or logical network topology, which refers to the manner in which data travels through the network between devices, independent of physical connection of the devices. Logical network topology examples include twisted pair Ethernet, which is categorized as a logical bus topology, and token ring, which is categorized as a logical ring topology.</p> <p>Physical network topology examples include star, mesh, tree, ring, point-to-point, circular, hybrid, and bus topology networks, each consisting of different configurations of nodes and links. The ideal network topology depends on each business's size, scale, goals, and budget. A network topology diagram helps visualize the communicating devices, which are modeled as nodes, and the connections between the devices, which are modeled as links between the nodes.</p>



## **Types of Network topology**

There are several different logical and physical network topologies from which administrators can choose to build a secure, robust, and easily maintainable topology. The most popular configurations include:

**Bus network topology** -- Also known as backbone network topology, this configuration connects all devices to a main cable via drop lines. The advantages of bus network topology lie in its simplicity, as there is less cable required than in alternative topologies, which makes for easy installation.

**Mesh network topology** -- A dedicated point-to-point link connects each device on the network to another device on the network, only carrying data between two devices.

**Ring network topology** -- Two dedicated point-to-point links connect a device to the two devices located on either side of it, creating a ring of devices through which data is forwarded via repeaters until it reaches the target device.

**Star network topology** -- The most common network topology, star topology connects each device in the network to a central hub. Devices can only communicate with each other indirectly through the central hub.

**Hybrid network topology** -- Any combination of two or more topologies is a hybrid topology.

**Tree network topology** -- This topology consists of a parent-child hierarchy in which star networks are interconnected via bus networks. Nodes branch out linearly from one root node, and two connected nodes only share one mutual connection.



8.	<p>Define firewall and state type of firewalls. Also briefly explain how firewall work?</p> <p style="text-align: right;"><b>(3+2+5=10 marks)</b></p>
Ans.	<p>Firewall is a network security device that monitors incoming and outgoing network traffic and permits or blocks data packets based on a set of security rules. Its purpose is to establish a barrier between your internal network and incoming traffic from external sources (such as the internet) in order to block malicious traffic like viruses and hackers.</p> <p>Firewalls can either be software or hardware, though it's best to have both. A software firewall is a program installed on each computer and regulates traffic through port numbers and applications, while a physical firewall is a piece of equipment installed between your network and gateway.</p> <p>Firewalls carefully analyze incoming traffic based on pre-established rules and filter traffic coming from unsecured or suspicious sources to prevent attacks. Firewalls guard traffic at a computer's entry point, called ports, which is where information is exchanged with external devices. For example, "Source address 172.18.1.1 is allowed to reach destination 172.18.2.1 over port 22."</p> <p>Think of IP addresses as houses, and port numbers as rooms within the house. Only trusted people (source addresses) are allowed to enter the house (destination address) at all—then it's further filtered so that people within the house are only allowed to access certain rooms (destination ports), depending on if they're the owner, a child, or a guest. The owner is allowed to any room (any port), while children and guests are allowed into a certain set of rooms (specific ports).</p>

SAS Part-II Examination

MODEL ANSWERS WITH AUTHORITIES

Paper-V

Section – II (Store Accounts and Internal Audit)

(B) AIR FORCE

1 (a)	Name the authority competent to order write off of Meteorological equipment.  <b>4 Marks</b>
Ans.	The meteorological equipment items in case of breakages/losses etc will be examined by DD-MET-I Air HQrs and orders will be issued indicating whether the case is for normal write off/formal investigation/court of inquiry. In respect of categories of equipment listed, the verification by the DD-MET-I (either by himself or in consultation with other authorities concerned) would be adequate for write off/strike off under the appropriate financial powers.  <b>Authority: Para 307, Chapter 13, AFLAM</b>
1(b)	Is court of Inquiry necessary in all cases of loss of meteorological equipment?  <b>6 Marks</b>
Ans.	In all cases involving theft, fraud or negligence, a formal investigation or court of Inquiry would be approved by the Director of Meteorology on behalf of the C.A.S DD-MET-I will exercise the financial powers as OC Unit of a self-Account Unit.  <b>Authority: Para 307, Chapter 13, AFLAM</b>
2(a)	Please Comment The LAO is insisting the unit to withdraw the uniforms from the employee who dies while in service.  <b>4 Marks</b>
Ans.	The contention of LAO is not correct as uniform need not be withdrawn from employees who are suffering of have suffered from infection or contagious disease or those who dies while in service.  <b>Authority: Note under Para 365 of AFLAM.</b>

2(b)	<p>The LAO is insisting the Unit to issue uniforms (costly items) to employee B for the remaining portion of life in the case of compulsory retirement as a result of disciplinary proceedings against employee A whose uniforms are withdrawn.</p> <p style="text-align: right;"><b>6 Marks</b></p>
	<p>The contention of the LAO is correct as In the event of discharge /promotion, resignation or compulsory retirement as a result of disciplinary proceedings against an employee all items of uniform are withdrawn from the employee concerned or proportionate cost thereof is recovered. The item so withdrawn (particularly the costly items) are issued to other employees for the remaining portion of their life.</p> <p style="text-align: center;"><b>Authority: Para 365(c ) of AFLAM</b></p>
3(a)	<p>What is maximum level of Material Quantity?</p> <p style="text-align: right;"><b>3 Marks</b></p>
Ans.	<p>The Maximum Level is the sum of minimum level, reserves and earmarks and re-order quantity of material.</p> <p style="text-align: center;"><b>Authority: Para 15 of Chapter 1 of IAP 1541.</b></p>
3(b)	<p>What do you understand by Lead time in Material Management &amp; Inventory Control? What are two component of Lead time?</p> <p style="text-align: right;"><b>7 Marks</b></p>
Ans.	<p>By lead time meant the time that elapses from the calculation of requirements till the materials are received at the consignee and are ready for issue. Lead time has two components (a) Administrative lead time and (b) Delivery lead time.</p> <p style="text-align: center;"><b>Authority: Authority: Para 16 of Chapter 1 of IAP 1541.</b></p>
4(a)	<p>What type of records has to be maintained by Station Armament Officer.</p> <p style="text-align: right;"><b>3 Marks</b></p>
Ans.	<p>The Station Armament Officer is to maintain following records:</p> <p>(i) IAFF (T) 1040 Receipt Book (Pads)</p> <p>(ii) IAFF (T) 1041 Safe custody/book for private arms</p> <p>(iii) IAFF (T) 1042 Airborne Armament Record</p>

	<p>(iv) IAFF (T) 1043 Arms register</p> <p>(v) IAFF (T) 1044 Safe custody/book for service arms</p> <p>(vi) Manuscript Register of</p> <p>(a) Daily check of arms (b) Daily arms loan book(c) Record of check inspection of arms.</p> <p><b>(Auth: Para 10 of Chapter 31 of IAP 1501)</b></p>
4(b)	<p>At what rate and from which date the hire charges will be levied for hiring of tentage?</p> <p style="text-align: right;"><b>7 Marks</b></p>
Ans.	<p>The hire charges (including departmental charges) are to be levied at the rate of <math>1/25^{\text{th}}</math> of the P. V. rates of tents per month. The hire charges will be calculated from the date the actual issue by the unit to the actual date of receipt back into the unit. In addition to the hire charges at the above rates, conveyance charges both ways and replacement charges for all losses and deficiencies and all damages not due to fair, wear and tear are also recoverable from the hirer.</p> <p><b>Auth: Para 28 of Chapter 33 of IAP 1501</b></p>

5(a)	Name the defect report form.  <b>3 Marks</b>												
Ans.	Failure of defects are to be reported on a defect report IAFF (T) 1022-A and in case of repetition defects on IAFF (T) 1023.  <b>(Auth: Para 87 of Chapter 22 of IAP1501)</b>												
5(b)	What is the rate of assessment of losses of non-textile equipment?  <b>7 Marks</b>												
Ans.	<p>The rate of assessment for losses of non-textile equipment is as follows:</p> <p>(a) Losses of equipment held on charge as:</p> <table> <tr> <td>(i) Serviceable</td> <td>Full Vocab rate</td> </tr> <tr> <td>(ii) Repairable Cat D</td> <td>50% Vocab rate</td> </tr> <tr> <td>(iii) Unserviceable Cat-E</td> <td>10% Vocab rate</td> </tr> </table> <p>(b) When the category of serviceable item prior to its loss is available and can be ascertained from accounting records the rate of assessment is to be as follows:</p> <table> <tr> <td>(i) Serviceable Cat A</td> <td>Full Vocab rate</td> </tr> <tr> <td>(ii) Serviceable Cat B</td> <td>80% Vocab rate</td> </tr> <tr> <td>(iii) Serviceable Cat C</td> <td>70% Vocab rate</td> </tr> </table> <p>(c) Losses due to change in condition as the result of damage or deterioration:</p> <p>(i) From serviceable to repairable Cat D</p> <p>Estimated or actual where known cost of repair or 50% of the full serviceable value of the stores. The authority is to decide which</p>	(i) Serviceable	Full Vocab rate	(ii) Repairable Cat D	50% Vocab rate	(iii) Unserviceable Cat-E	10% Vocab rate	(i) Serviceable Cat A	Full Vocab rate	(ii) Serviceable Cat B	80% Vocab rate	(iii) Serviceable Cat C	70% Vocab rate
(i) Serviceable	Full Vocab rate												
(ii) Repairable Cat D	50% Vocab rate												
(iii) Unserviceable Cat-E	10% Vocab rate												
(i) Serviceable Cat A	Full Vocab rate												
(ii) Serviceable Cat B	80% Vocab rate												
(iii) Serviceable Cat C	70% Vocab rate												



	<p>rate is to be charged</p> <p>(ii) From Serviceable to unserviceable Cat E Full Vocab Rate</p> <p>(iii) From repairable Cat D to unserviceable 50% of Vocab rate Cat E</p> <p><b>(Auth: Para 11 of Chapter 23 of IAP 1501)</b></p>
6(a)	<p>What would be the third and fourth line repair to common user vehicle/hybrid vehicles be carried out? What actions are involved?</p> <p><b>4 Marks</b></p>
Ans.	<p>If, on categorization by the EME, common user vehicles are found to be requiring third and fourth line repairs (i.e. complete dismantling, overhaul and rebuilding), they are to be transferred from the Air Force to Army ordnance. This also applies to the common - user chassis of Hybrid vehicles, which when transferred to the Army Ordnance for third and fourth line chassis repairs must be stripped of their specialist equipment prior to transfer and the specialist equipment remounted by the unit concerned upon renovated chassis.</p> <p><b>[ Auth: Para 80 of Chapter 20 of IAP-1501 ]</b></p>
6(b)	<p>State the purpose of auditing Aircraft Servicing form 700 and Maximum percentage of audit for it. What is the period for which it can be retained?</p> <p><b>6 Marks</b></p>
Ans.	<p>The quantity of aviation fuel issued to Aircraft will be linked from the issue vouchers into Form 700 (Air Craft Servicing Form) to the extent of 10% of the Internal Issue Vouchers raised during the month selected for detailed Audit, to see that the quantity drawn as per IAFF (Q) 419 (MOD) agrees with that recorded on Form 700. Likewise, from the issue of oil recorded in the Flight Oil Books, a few case will be selected and linked in to F.700.</p> <p>Form 700 will be returned, after scrutiny, within a maximum period of 3 days, beyond which they should not be retained.</p> <p><b>(Auth: Para 198 and Note-02 below Para 198, AFLAM)</b></p>

7(a)	Can OC of a BRD, locally procure an item of equipment which has not been introduced in Air Force? If so, in what circumstances can he do so? <b>5 Marks</b>
Ans.	OC of a BRD and the OC of Air Force Station/Unit is authorized to locally procure/manufacture items of equipment, not so far introduced in service, to meet the special requirements for the servicing/repairs/overhaul of aircraft and for the manufacture of urgently required equipment. <b>[ Auth: Para 1(j) of Chapter 24 of IAP 1501 ]</b>
7(b)	The repair cost of a compressor chamber is assessed as 45% of the price of the new equipment. Cost of repair being very high, the equipment is declared 'Beyond Economic Repair' and a case is initiated for purchase of new equipment. Please Comment. <b>5 Marks</b>
Ans.	Repair to compressor chamber could be carried out so long as the cost of repairs estimates does not exceed 50% of the price of new article. An equipment will be declared 'Beyond Economic repairs' taking into account the cost of repairs as well as the fact whether the useful life of an equipment after repairs is commensurate with the cost of repairs. <b>[ Auth: Para 28 and 29 of Chapter 24 of IAP 1501 ]</b>
8(a)	What is the difference between fixed and continuous stock taking? <b>5 Marks</b>
Ans.	Fixed stock taking is the one where the whole staff is to be employed thereon as far as possible until completed. Continuous stock taking is spread over the full stock taking cycle and has to be completed within one financial year. <b>[ Auth: Para 5 of Chapter 25 of IAP 1501 ]</b>

8(b)	<p>Is it permissible to give an article to an individual who is charged full value of the article in consequences of it having been so damaged as to render it unfit for further service? How should it be accounted for?</p> <p style="text-align: right;"><b>5 Marks</b></p>
Ans.	<p>No, it is not permissible to give an article to an individual who is charged full value of the article in consequence of it having been so damaged as to render it unfit for further service, The article is to be brought to account as salvage forthwith.</p> <p style="text-align: right;">338 12.1501</p>



SAS Part-II Examination

MODEL ANSWERS WITH AUTHORITIES

Paper-VI

Section – II (Store Accounts and Internal Audit)

(B) AIR FORCE

1 (a)	What is Life of Type Review? <b>3 Marks</b>										
Ans.	It is the final review carried out to provision all ranges of spares of an Aircraft or equipment before the manufacturer goes out of production. <b>Authority: Para 33 of chapter 2, IAP 1541 &amp; Para 5 of Leaflet No. 6, IAP 1541</b>										
1(b)	Work out the net requirement to be included in the indent for procurement of item Brake Shoe as a result of the provisioning review based on the following data: <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td>CAR</td><td>500</td></tr> <tr> <td>Forecast Factor</td><td>4.5</td></tr> <tr> <td>Dues-in</td><td>100</td></tr> <tr> <td>Dues-out</td><td>200</td></tr> <tr> <td>Stock</td><td>100</td></tr> </table> <b>7 Marks</b>	CAR	500	Forecast Factor	4.5	Dues-in	100	Dues-out	200	Stock	100
CAR	500										
Forecast Factor	4.5										
Dues-in	100										
Dues-out	200										
Stock	100										
Ans.	Net requirement = Liabilities (-) Assets Liabilities = (CAR x FF) + Dues-out Assets = Stock + Dues-in Liability = (500 x 4.5) + 200 =2250 + 200 =2450 Assets = 100 + 100 =200 Hence, Net Requirement = 2450 – 200 =2250 Answer.  <b>Authority: Para 7 of Leaflet No. 9, IAP 1541</b>										
2(a)	What is "Watch Log Book" and who maintains it? <b>3 Marks</b>										
Ans.	Watch Log Book records particular of take-off/landing of aircrafts including civil, foreign and commercial aircraft. It is maintained by Duty Air Traffic Control Officer. <b>Authority: Para 203 of AFLAM</b>										

2(b)	Under how many main heads the medical equipment and stores are accounted? <b>3 Marks</b>
	Medical equipment and stores are accounted under 2 main heads (i)Expendable consisting of drugs and dressing etc (ii)non-Expendable- consisting of surgical instruments appliances, etc. <b>Authority: AFLAM Note below para 238(b)</b>
2(c)	What is NIV items? How it distinguished from an item held for local consumption? <b>4 Marks</b>
Ans.	NIV refers to Not in Vocabulary items, which are not interchangeable with standard Air Force Items or not included in Air Force Vocabulary. Appropriate Air Force Vocabulary section and also a command serial number is notified by Air Hqrs. The item held for local consumption are distinguished by a local NIV number followed by the letter 'I'. <b>Authority: AFLAM Para 85(IX)</b>
3.	Whose sanction is required for issue of stores of the following type (a)For urgent small repairs to a BAOC aircraft force landed on an Air Force airfield. <b>5 Marks</b> (b)Issue of photos on prepayment to an Air Force officer for his personal use. <b>5 Marks</b>
Ans.	(a)For urgent small repairs to a BAOC aircraft forced landed on an AF airfield, authority for sanction for issue of stores may be exercised by Air Officer Commanding in Chief and Officer Commanding Unit. <b>Authority: Para 96 of AFLAM</b> (b)Issue of photos on pre-payment to an air Force Officer for his personal use – sanction or prior concurrence of Air HQrs is required. <b>Authority: Para 96 of AFLAM</b>

4.	<p>Define following terms</p> <ol style="list-style-type: none"> <li>Salvage</li> <li>Peace Equipment</li> <li>Perishable item</li> <li>Initial Equipment</li> </ol> <p style="text-align: right;"><b>(2.5*4= 10 Marks)</b></p>
Ans.	<ol style="list-style-type: none"> <li>Salvage- Equipment which has been conditioned as beyond economical repair and not fit for further use in the IAF is called Salvage.  <b>Authority: Glossary of Terms No. 65 of IAP 1501</b></li> <li>Peace Equipment- All items of equipment which are authorized by scale or establishment for use in peace is called Peace Equipment.  <b>Authority: Glossary of Terms No. 52 of IAP 1501</b></li> <li>Perishable item- Item for which no pre-determine storage life fixed but are susceptible to rapid deterioration, decomposition, decay etc is called Perishable item.  <b>Authority: Glossary of Terms No. 54 of IAP 1501</b></li> <li>Initial Equipment- The number of major units of equipment authorized to be held by a unit on formation together with any additional major units which may be authorized from time to time by Air headquarters is called Initial equipment.  <b>Authority: Glossary of Terms No. 65 of IAP 1501</b></li> </ol>
5(a)	<p>What is the periodicity of stock taking of different items in an equipment depot? How is the stock taking of packed stores done?</p> <p style="text-align: right;"><b>3+2=5 Marks</b></p>
Aas.	<p>Stocks of all items in an equipment depot are to be taken as per the following periodicity</p> <ol style="list-style-type: none"> <li>Class A and V.A. Items- Once a year</li> <li>Class B items- Once in 2 year</li> <li>Explosive Stores- Once in 2 years</li> <li>Class C and other than explosive stores- once in 3 years</li> </ol> <p>During periodical stock taking only a token check of one package per stack/bin or pre-packed etc store is to be carried out by the Equipment Reservation Staff.</p> <p><b>Authority: Para 47 and Note thereunder Chapter 25 IAP 1501</b></p>

5(b)	<p>What is periodicity of stock taking of ration items? How are surpluses and deficiencies regularized?</p> <p style="text-align: right;"><b>5 Marks</b></p>
Ans.	<p>The Commanding Officer is to authorize a stock taking ration commodities at the end of each month by an independent cheker. Surpluses are to be brought on charge from Form (Q) 405 and deficiencies are to be dealt with under formal write off procedure. Setting of deficiencies against surpluses of similar items or of the same generic heading is not permitted.</p> <p><b>Authority: Para 43 and 44 of Chapter 25, IAP-1501.</b></p>
6.	<p>Write short notes on the followings</p> <p>(a) URR demands (b) Class III Issues (c) Active and Inactive Stores</p> <p style="text-align: right;"><b>(3+3+4=10 Marks)</b></p>
Ans.	<p>(a) URR Demands- Urgent Repair Requirement demand is designed to assist in the completion of repairs to airframes, propellers, aero engines, tuvrets, under carriages, MT Vehicles and radio apparatus irrespective of Vocabulary Section. The URR priority is restricted to Service Repair Units and Units carrying second line maintenance of aircraft, and is used only when the lack of necessary spares is actually holding up the job.</p> <p><b>Authority: Para 47, Chapter 4 of IAP 1501</b></p> <p>(b) Class III Issues- Issues (including Services) rendered out of IAF roughly fall under the following three classes (i) Class I (ii) Class II and (iii) Class III. These are issued to Army, Navy, MES, Department of Central Government, State Government, State Union Government and Army Ordnance Factories.</p> <p><b>Authority: Para 2 (c) Chapter 8 IAP 1501</b></p> <p>(c) Active and Inactive Stores- All new equipment, equipment in current use, equipment which is no longer in current use but which may be required in the emergency and valuable and attractive items listed in Appendix F are called Active store whereas items excepting those of air borne equipment pertaining to current aircraft, not in current use and on which there have been no issues for past 3 years, items already put up or be put up for disposal including salvage and obsolete equipment aircraft going out of service their specificto type spares are called inactive stores.</p> <p><b>Authority: Glossary of Terms No. 3 a and b of IAP 150</b></p>



7.	<p>Write Short Notes on</p> <p>(a) Audit Checks on Flight Oil Book</p> <p>(b) Military Credit Notes</p> <p style="text-align: right;"><b>(5+5=10 Marks)</b></p>
Ans.	<p>(a) Audit Check on Flight Oil book</p> <p>(i) Arithmetical calculation is correct</p> <p>(ii) The book is posted up to date and all scoring are attested</p> <p>(iii) Opening balance and closing balance are correct</p> <p>(iv) Monthly summaries are attested by Flight Commander</p> <p>(v) Drained oil is accounted for and RV generated.</p> <p style="text-align: center;"><b>Authority: Para 196 of AFLAM</b></p> <p>(b) Audit Checks of Military Credit Notes</p> <p>(i) Issue vouchers are quoted on the counterfoils to ensure that only bonafied government stores are conveyed</p> <p>(ii) Sanction of CFA has been obtained when stores are conveyed by means other than goods train</p> <p>(iii) No blank forms have been signed by the issuing officers</p> <p>(iv) Sanction of CFA has been obtained for issue of Credit note to meet demurrage Charges</p> <p>(v) 5% of Credit Notes are selected by LAO for detail Check.</p> <p style="text-align: center;"><b>Authority: Para 341 and 342 of AFLAM.</b></p>
8.(a)	<p>State which category of stores the following stores belongs to</p> <p>(i) Equipment which on inspection show need of repairs</p> <p>(ii) Equipment Which is Beyond Economic Repair</p> <p style="text-align: right;"><b>5 Marks</b></p>
Ans.	<p>(i) Category 'D'</p> <p>(ii) Category 'E'</p> <p style="text-align: center;"><b>Authority Para 60 of Chapter 12, IAP 1501</b></p>
8(b)	<p>What is the percentage of LAO's audit in respect of followings?</p> <p>(i) Opening and Closing Book balances</p> <p>(ii) Initial claims of Hostel subsidy</p> <p>(iii) Check of entitlement of payment issue of ration</p> <p>(iv) CP Vouchers over Rs. 1000</p> <p>(v) Receipt of linking of receipt vouchers into the tally cards in respect of overseas receipts</p> <p style="text-align: right;"><b>5 Marks</b></p>
Ans.	<p>(i) 100%</p> <p>(ii) 100%</p> <p>(iii) 33.33%</p> <p>(iv) 100%</p> <p>(v) 16.5%</p>