

## PUBLIC SERVICE COMMISSION, WEST BENGAL

### WEST BENGAL AUDIT AND ACCOUNTS SERVICE EXAMINATION, 2015

#### SCHEME AND SYLLABUS

##### (i) Preliminary Examination

The Preliminary Examination will consist of only one paper on "General Studies". The question paper will be of objective type consisting of 200 multiple choice questions. The paper will carry 200 marks and will be of 2½ hours duration. The standard of the paper will be of the level of knowledge as expected of a Bachelor of Commerce of a recognised Indian University/Institute. The paper will include questions covering the following fields of knowledge :

1. English Composition	...	...	25 marks,
2. General Knowledge including General Mental Ability	...	...	25 marks,
3. Current Events of National and International Importance	...	...	25 marks,
4. History of India with special reference to Indian National Movements	...	...	25 marks
5. Geography of India with special reference to West Bengal	...	...	25 marks,
6. Indian Economics & Indian Political System	...	...	25 marks,
7. Constitution of India with special reference to Planning	...	...	25 marks,
Commission, Finance Commission, Finance, Accounts & Audit	...	...	25 marks,
8. Commerce	...	...	25 marks,

The Preliminary examination is meant to serve as a screening test only. The marks obtained in this examination by the candidate will not be considered for final selection. Only those candidates who will be declared qualified in the Preliminary examination will be eligible for admission to the West Bengal Audit and Accounts Service (Main) Examination, 2015.

##### (ii) Main Examination

The Main Examination will be held in two stages viz.

(1) Written Examination and (2) Personality Test.

1. The Written Examination will consist of (a) Compulsory Papers and (b) Optional Papers.

(a) **Compulsory Papers** : There shall be 4 (four) compulsory papers as stated below :-

- English Essay, Precis Writing and Composition;
- Bengali/Hindi/Urdu/Nepali/Santali Essay, Precis Writing and Composition;
- General Knowledge and Current Affairs;
- Business Mathematics and Statistics.

(b) **Optional papers** : Candidates shall take up any three papers from the following list of subjects :-

Subject	Code	Subject	Code
Advanced Accountancy	01	Commercial and Industrial Law	06
Advanced Commercial Geography	02	Costing	07
Auditing	03	Economics	08
Banking	04	Statistics	09
Business Organisation and Methods	05	Taxation Laws and Practice	10

Each of the Compulsory and Optional papers will carry 100 marks and will be of 3 hours duration.

The syllabus for Business Mathematics and Statistics as included in the list of Compulsory Papers will be similar to that of the pass standard of the Bachelor of Commerce Degree Examination of the University of Calcutta.

The standard of optional papers will be approximately that of an Honours Degree Examination of an Indian University.

2. Personality Test : There shall be a Personality Test carrying 200 marks. A number of candidates selected in order of merit on the results of the Written Examination, will be called to the Personality Test.

Answers in all the papers may be written either in English or in Bengali (unless otherwise directed in the question papers) except in the Language Papers.

The Public Service Commission, West Bengal, shall have discretion to fix qualifying marks in any paper/all papers/each level of examination i.e. written and interview and in the aggregate for all the categories of vacancies.

### Detailed Syllabus of Optional Papers

- i) **Statistics** : Meaning and Scope of Statistics - Statistics as applied in the field of Business and Economics, Compilation, Classification and Tabulation of Data.

Frequency distribution and Graphs - Diagrammatic representation including different types of Charts, Bar Diagram, Pie-Diagram, Histogram, Pictograms.

Measures of Central Tendency - Compilation of Arithmetic Mean, Median, Mode. Comparison of Mean, Median, Mode. Other Measures of Central Tendency.

Measures of Dispersion - Meaning of Dispersion Range. Mean Deviation and Standard Deviation, Quartile Deviation.

Moments and Measures of Skewness and Kurtosis.

The normal curve - standard form - properties of the normal curve.

Linear Regression and Correlation - Regression - Coefficient of Correlation - relation between coefficients of Regression and Correlation.

Time Series, Moving average, trend and fluctuation - analysis of time series - elimination of seasonal fluctuation by moving averages. The least square method-fitting of straight lines. Business forecasting.

Index Number and their uses - Problems in the construction of Index Numbers - Cost of living Index Number - Indian examples - Fisher's ideal index - time reversal test.

The main sources of official Statistics - their character and meaning - shortcomings of official statistics.

- (ii) **Banking** :

(a) Banking Theory : General Structure and Methods of Commercial Banking - the Management of Banking Resources - Loans and advances - Investments - Acceptances - Cash Reserves - Market rate of discount - Recent tendencies of Commercial Banks - Trends towards mixed banking - Theories of assets management - Real Bills Doctrine - Its applicability in modern conditions - Shift ability and anticipated Income Theories - Term lending - Indian Banking - Structure of their assets and liabilities - The Banking Companies Act, 1949 - Role of Indian Commercial Banks in economical development.

Central Banks - objectives and Functions - Discount Rate Policy - Open market operations - Variable Reserve Ratio - Selective Credit Control - Credit Control Measures of the Reserve Bank of India.

(b) Banking Practice : Relation between the Banker and the Customer - Deposit Account - Current Account - Accounts of Minor, Infants, Joint Accounts - Bankrupts - Partnership - Trading and Non-Trading Companies - The Cheques and Bills of Exchange Daily Balance - The General Ledger - Deposit Receipt - Purchase and sale of Stocks and Shares - Foreign Exchange Business.

(c) Banking Law : Banker and the Customer - Banker's entries in the Pass Book - Paying Banker and the Collecting Banker - Sufficient reasons for refusing payment - Risks and duties of paying Bankers and their Statutory Protection - Statutory Protection of Collecting Banker - The Negotiable Instruments Acts - Advances against securities - Advances against guarantee - Guarantee and Indemnity - The form of a Bank's Guarantee - The Banker and the Guarantor - Advances against collateral securities - Hypothecation and mortgage - Advances against goods and documents of title to goods - Bills of lading - Dock and Warehouse Warrants - Letter of Hypothecation - Advances against land and building.

(d) Currency and Foreign Exchange : Money in a modern Economy - value of money - Measurement of changes in the value of money - Effect of changes in the Value of money - Theory of Inflation and Deflation - Control of Inflation and Deflation.

Monetary standards - I.M.F. - Foreign Exchange Theory - Exchange Control.

- (iii) **Economics** : Economics - Subject matter and scope. Theory of Consumer Demand. Theory of the firm under different market forms.

Factor Pricing - Wages, Interest, rent and Profits.

Monetary Systems - Commercial Banking and Central Banking.

Monetary Theory - Income, Employment and output - Value of money - Inflation and Deflation.

Monetary Policy - International Trade and Foreign Exchange - Balance of Payments - Exchange Rate Determination - Exchange Control.

Government Finance - Taxation - Public Expenditure - Fiscal Policy, Economic Planning.

- (iv) **Advanced Accountancy** : Funds flow analysis - Purchase of Partnership firm by limited company - Merger or absorption of companies - Reduction or reconstruction of capital - Valuation of goodwill - Valuation of shares - Holding Company accounts and consolidated balance sheet - Branch Accounts, including foreign branches - Double accounts for Public Utility Undertakings - Loss of profits insurance - Government accounts - Ratio analysis from published accounts - Presentation of published accounts and Schedule VI of Companies Acts - Alternative ways of presenting published accounts.

- (v) **Advanced Commercial Geography** : Bridging space and time in economics - Location of economic activities and trade as observed of each other in relation to space - factor movements and commodity movements as alternatives - trade as bridging time - similarly and non distinguishability between trade and production. The concept of region in economics.

Economic theory of location - Factors promoting location of production and trade - Geographical and natural factors - Historical factors - Economic factors. Measurement of location and localization - coefficient of localization and spatial concentration - Measures by alternative indicators. Advantages and disadvantages of localization.

Economic theory of interregional and international trade - its limited applicability - absolute and relative advantages - comparative costs - Measurement of comparative cost - balancing cost and advantages with cost of trade and transport - trade as transcending location - storage and transport as essential elements of trade - commodity movements as substitute for factor movements. Economic significance and the real social cost of trade.

Possible nature of malfunctioning of location and trade as elements of economic organization - the need for control. Popular misconceptions about trade.

- (vi) **Business Organisation and methods** : Taylor's Scientific Management - Fayol's general management - principles - More recent schools of Management thought e.g., Behavioural Science, Quantitative Methods, etc. - Management as decision making.

Organisation Structure: Authority-responsibility relationships - Communication channels - functional organization - Decentralised structures and arguments for and against them - legal forms of business in India and their distinguishing characteristics, e.g., firms, Hindu Undivided family, Company - Private and Public, Government Companies.

Management Process : Delegation - Objectives and Policies - Participative management practices - Long-range planning - Training and development of human resources - Appraisal of performance - Control and Co-ordination - "Management by objectives" and other total approaches to management.

Basic ideas about production management, marketing management, purchase management, financial management - Public Sector Management in India.

- (vii) **Commercial and Industrial Law**: Understanding the Structure of Commercial Law - Fundamentals of the law of contract and the Indian Contract Act - Special cases of contract - Negotiable instruments, bailment and associated areas. The problems of fictitious legal personality - The limited liability company as a special case - The social problems created by the operations of such fictitious persons - The salient points of the Indian Companies Act. The Monopolies and Restrictive Trade Practices Act. The necessity of protecting weaker parties in a contract and of protecting social interests as basis of industrial law - The salient points of the Indian Factories Act and associated legislations. Labour laws - divided into laws relating to wages and industrial disputes. The principal points covered by the Indian Trade Unions Act and Industrial Disputes Act - Payment of Wages and Minimum Wages Acts. Welfare, wealth and safety measures in important labour laws.

- (viii) **Auditing** : The general idea of auditing - The limited special significance in corporate legislation - Statutory audit - The conventional procedure of statutory audit - Necessary extent of checking and verification - Extent of physical verification

where necessary - Audit report - Auditors duties and responsibilities - Associated Provisions of the Indian Companies Act. The special case of and provisions for cost audit.

Auditing and Accountancy - The general meaning of the term auditing - Authorisation audit, propriety audit and achievement audit - plan fulfillment as audit. Auditing in the non-corporate sector. The structure, nature and special features of Government audit. The office of the Auditor - General and Comptroller in the Indian Constitution - Indian Audit and Accounts Service - Performance of the Government audit system - Government Audit and the Parliament, Audit of different types of Government organizations.

Auditing and the unorganized Sector - Where auditing legally necessary - Auditing and taxation - Social significance of auditing - Nationalization of auditing.

- (ix) **Costing** : Cost classification : a) Prime costs and overheads, (b) Direct or variable or marginal costs and fixed costs - imputed, opportunity and sunk cost concepts - Perpetual inventory system for materials - Booking of labour time.

Full cost methods or Absorption costing : Job costing, Process costing and contract costing - Allocation and apportionment of overhead costs through various bases.

Costing for Decision making : Marginal costs - Contribution - Limiting factor - Break-even analysis - Profit-volume ratio - differential costing - Decisions like "make or by", accept or reject an offer, shut down or keep running a department or branch, etc.

Costing for Control : Standard costing - Budgetary control - Their comparison - Responsibility accounting or reporting - Variance analysis of materials, labour and overheads.

- (x) **Taxation Laws and Practice** : Direct Taxes : Income Tax procedures for assessing taxable income of individuals and partnership firms - Various heads of chargeable income - Various relief-Cases.

Company taxation - Various adjustments to published profit figures for assessment purposes - various kind of tax incentives for new fixed investments, new companies, etc.-cases.

Indirect Taxes - Sales tax laws and procedures - Inter-State sales tax problems.

Excise duties on purchases and sales.

---