

**RULES AND SYLLABUS RELATING TO THE SUBJECT FOR DEPARTMENTAL (PROMOTION) EXAMINATION FOR RECRUITMENT TO THE CADRE OF ASSAM FINANCE SERVICE JUNIOR GRADE –II.**

Subjects	Time	Maximum Marks	Minimum Passing Marks
Paper-I General Accounts (With Books)	3 hours	150	80
Paper-II Fundamental Rules and Subsidiary Rules, Financial Rules and Treasury Rules (Without Books)	3 hours	150	80
Paper-III Commercial Book Keeping(Charter's Advance Accounts, 4 <sup>th</sup> Edition, Reprint 1955 or latest) (Without Books)	3 hours	150	80
Paper-IV Constitution of India and Public Finance. (Without Books)	3 hours	150	80

**Syllabus for Examination will be as follows:**

**1. Paper-I: General Accounts. (With Books)**

Group-I:

- Accounts Code Vol-I and II (Complete)
- Assam Budget Manual, Audit Code (Section III, IV and V)

Group-II:

- Accounts Code Vol-III,
- Central Public Works Department Code and Assam Public Works Department Code,
- Assam Financial Rules (Chapters XI, XII, XIII)

**2. Paper-II: Fundamental Rules and Subsidiary Rules, Financial Rules and Treasury Rules (Without Books)**

Group-I:

- Fundamental Rules and Assam Subsidiary Rules (Complete).
- The Civil Service (Classification, Control and Appeal) Rules.
- Assam Pension Manual (Complete).

Group-II:

- Assam Financial Rules (complete excluding Chapter XI, XII and XIII).
- Treasury Rules Subsidiary Orders framed there under.

**3. Paper-III: Commercial Book Keeping (Charter's Advance Accounts, 4<sup>th</sup> Edition, Reprint 1955 or latest) (Without Books)**

- Chapter-I: Book keeping up-to trail Balance.
- Chapter-II: Trading and profit and loss Accounts and Balance sheet.
- Chapter-III: The correction of errors.
- Chapter-IV: Single Entry and Conversion to Double Entry.
- Chapter-V: Depreciation, Sinking Funds, etc.
- Chapter-VI: Bill of exchange, Promissory Notes, Cheques.
- Chapter-IX: Self Balancing ledger.
- Chapter-X: Capital and Revenue, Revenue Accounts, Receipt and Payment Accounts, Income and Expenditure Accounts.
- Chapter-XII: Partnership Accounts.
- Chapter-XIII: Dissolution of partnership.
- Chapter-XVI: Manufacturing and working Accounts, Stock control.
- Chapter-XVII: Cost Accounts.

#### 4. Paper-IV: Constitution of India and Public Finance (Without Books)

##### Group-I:

- Constitution of India:-  
Part XII: Finance, Property, Contract and Suit  
Part XIII: Trade, Commerce and intercourse within territory of India.

[Commentary on the Constitution of India by Durgadas Basu (2 Vols.) recommended, as the Authoritative reference work]

##### Group-II:

1. Public Finance:- Distinction between Public Finance and Private Finance, Aims of Public Finance, the Principles of minimum expenditure, the Principle of maximum advantage and the principal of full employment.
2. Sources of Public Revenue: - Tax Revenue and Non-Tax Revenue, Tax fee, price and special assessment.
3. Principles of Taxation:- Adam Smith's Cannons of Taxation- Benefit Theory, Cost of Service Principle and the "Ability to pay" theory- Interpretation of "Ability on the lines of Sacrifice". The principle of "Equality of Sacrifice" and the principle of the "Least Aggregate Sacrifice".
4. Classification of Taxes:-
  - a) Direct versus Indirect taxes.
  - b) Proportional progressive, regressive and digressive taxes.
  - c) Taxes on Income versus Taxes on Capital.
  - d) Excise and Tariff duties, Revenues Tariff and Protective tariff.
  - e) Single tax, Multiple tax, and Plural tax- pros and cons of each mode of taxation.
5. Taxable Capacity:- Factors of determinants.
6. Incidence of Taxation:- Impact, Incidence and Shifting- general principles governing the incidence of particular taxes,
  - (a) tax on economic rent,
  - (b) tax on land,
  - (c) tax on building,
  - (d) tax on monopoly,
  - (e) income-tax,
  - (f) Import and export duties, capitalization or amortization of taxes.
7. Effects of Taxation on production:- Effects on the ability to work and save, effect on the desire to work and save and effects on the distribution of economic resources between different employments and localities, with particular reference to Income tax, Death duty or Estate duty or Inheritance tax, taxation of unearned increment and the capital gains tax, General effects of taxation on distribution of wealth.
8. Public Expenditure:- Classification of Public Expenditure
  - (a) Union or Central expenditure, State or Provincial expenditure and local expenditure.
  - (b) Productive versus Unproductive expenditure.
  - (c) Grants versus Purchase precis.
  - (d) Rural expenditure versus Transfer expenditure. Effect of public 'expenditure on production, distribution and employment of resources.
9. Public Debts:- Classification of Public Debts
  - (a) Dead weight debts, passive debts and active debts.
  - (b) Funded and unfunded debts.
  - (c) Internal debts and external debt-  
Occasions for public borrowings- loans versus taxes as method of war finance-  
Burden of public debts- economic effects of public debts. Effects on money supply,

effects on the price level, effects on the rate of interest, effects on the allocation of resources and on the income sharing- Methods, of debts repayment, sinking fund , conversion of debt and of capital levy.

10. The Budget:- Balancing the budget, balanced budget, surplus budget and deficit budget- “Deficit Financing” pros and cons.

11. Indian Financial System:- Principle of distribution of Sources of revenue between the Union and the State-economic characteristics of Income Tax, Estate Duty, Wealth Tax, Expenditure Tax, Capital Gains Tax, Sales Tax etc. for Indian Tax reform.

[Principle of Public Finance by Hugh Dalton is recommended as a standard work on the subject]

➤ **Place of Examination**:- The written examination will be held at **Guwahati**.

**Sd/-**  
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Jawaharnagar, Khanapara, Guwahati-22