



कार्यालय रक्षा लेखा महानियंत्रक
OFFICE OF THE CONTROLLER GENERAL OF DEFENCE ACCOUNTS
प्रशिक्षण एवं विकास केन्द्र (सेन्ट्राड)
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Most Important Circular

WEBSITE/WAN

No.AN/SAS/16200/Restructuring/2016

Dated: 06.01.2017

To

All the PCsDA, including Principal IFAs
All Controller of Defence Accounts including IFAs
The Pr. Controller of Accounts(Fys.), Kolkata and
All Controllers of Finance and Accounts(Fys.)
Including Chief Internal Auditors

Subject: Restructuring of SAS Examination System.

The present SAS Rules have come into force with the approval of MoD(Fin) vide their ID No.26(1)/C/2007 dated 08.03.2007. Since then nature of audit and account in the department have undergone a paradigm shift from conventional regulatory audit to propriety audit with efficient utilization of information technology resources. The introduction of IT projects like SUGAM, TULIP, DOLPHIN, AASHRAYA etc. and updating of procurement manuals have led to transformation of the working environment of our offices and also necessitated us to be more vigilant and well acquainted with upcoming changes. In today's era of Information Technology and percolation of IFA System to the lowest services formation, one of the primarily role of the department is as financial manager. Departmental candidates are promoted to the grade of Assistant Accounts Officer after passing of SAS Examination. They being a first line supervisor are primarily responsible for efficient managing of the section and forms the cutting edge of the core functions of the department.

2. Keeping in view the changing requirements of skill sets at first supervisory level as well as various changes in the department during last

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decade including revision of Office Manuals, more focus on financial advice, implementation of various IT modules as well as issue of various government instructions, a need has been felt to review the existing system of SAS Examination. Accordingly, a committee was constituted under the chairmanship of Dr. G. D. Punglc, IDAS, PCDA (O) Pune. The Report of the Committee is appended as **Annexure - 'A'** to this circular. It has been decided that following issues needs to be deliberated by all Principal Controllers/Controllers and commented upon:

- i) The present concept of screening the genuine candidates through Preliminary Test may be looked into and a candidate need not to pass preliminary examination more than once in his/her career.
- ii) For increasing and expending domain knowledge in the functioning of the client organisation/customers for enhancing and enriching the department work in Audit and IFA, training material for understanding the Defence Services/Organisation is to be prepared by liaison with the Services Training Institutes.
- iii) At present a candidate is required to secured 40% Marks in each paper and 45% in aggregate in SAS Part-I and SAS Part-II Examination. Further, in SAS Part-II Examination there are 02 qualifying papers of Office Communication (Paper-VIII) and Fundamentals of EDP (Paper-IX). In these qualifying papers, a candidate is to secure 40% Marks only and their marks are not accounted for in the aggregate. As drafting and computer skill is one the predominant areas in today's working environment, which a supervisor is invariably required to excel, the qualifying papers may be considered to be a part of mainstream papers and their marks could be added to the aggregate.
- iv) Learning, being a continuous process and is essential for the all - round development, a chapter regarding learning skill in

paper of Office Communication may be introduced or feasibility of the same be explored.

- v) Keeping in view the deficiency at AAO level, the viability of conducting SAS Part-II examination more than once in a year into may be examined.

3. In view of the foregoing, it is enjoined upon all the Principal Controllers and Controllers to examine the recommendations of the Committee and offer their considerate view on restructuring of SAS Examination System by **27.01.2017**. In case, it is observed that some other issues merits inclusion in the proposed syllabus and pattern of examination which will strengthen the examination system, the same may also be elucidated with full justification for further deliberation.



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Sr.Dy.CGDA (SAS)

**Report of the Committee on review of SAS
Examination System**

1. The committee noted that syllabus for SAS Examination was last revised in March, 2007 and also that there were no examinations held from 2009 to 2012. However, examinations are now being held every year on a regular basis. As a result, very limited feedback is available on the revised syllabus. Notwithstanding this, some of the observations/recommendations received from the Examiners are listed as below:
 - Number of questions in some papers is quite large making the Paper long. Therefore, there is a need for reducing number of questions
 - Word limits should be provided to enforce candidates to express only relevant answer concisely
 - Feasibility of MCQ type questions and on-line examination could be explored.
2. The committee deliberated on the changes in the internal and external eco system in which department is functioning and also on role expectations from the department in different areas of its responsibilities. The committee after due deliberation has identified following essential skill sets required for the supervisors in the department to perform their roles efficiently and effectively.

Knowledge and Skill-sets required for the first line supervisor in the department

- Knowledge of eco system in which the department operates- overall governance framework in the country including that of Public Financial Management Framework, organizational framework of MOD, Defence Services and other allied organization
- Organization, Structure and Functions of the Defence Accounts Department
- As the department's major functions particularly in the area of Financial Advice and Internal Audit involve dealing with data and numbers, skills relating to quantitative and data analysis and interpretation, logical reasoning and sampling is essential to perform effectively. Current trend of big data analytics also reinforces this need.
- As more and more work is being done on computers, basic knowledge of computers including skills to use word processing, spreadsheet and presentation software is considered essential.

- Language skills- Basic Grammar, comprehension and office communication skills
- As a large share of departmental functions relate to Ordnance Factories, knowledge of commercial accounting and elementary costing is a necessary skill sets required for finance personnel. This is also required in IFA functions as well as to make ourselves future ready as and when Accrual Accounting system get introduced in' Govt.
- Knowledge of Financial Rules, Service Regulations, Payment, Accounting and internal audit rules etc. in the various areas of the departmental functioning is a must.
- Working knowledge of commercial laws is required for efficient discharge of finance functions.

3. Pattern and Syllabus of Examination

- 3.1. The committee went through the pattern and syllabus of current pattern and syllabus of SAS Examination in the department and also of SAS examinations in C&AG and CGA organizations. A comparative picture of SAS papers of DAD, CGA and C&AG has been brought out at Annexure-I.
- 3.2. The committee after deliberating on the requirement of knowledge and skill sets for the first line supervisor recommends the following:
 - 3.2.1. SAS (Preliminary) Examination should continue in the present form. No change being recommended.
 - 3.2.2. SAS (Main) Examination in DAD presently has nine (9) papers divided in two parts, out of which two are of qualifying in nature and marks obtained by the candidates are not added to the total marks. It would however be relevant to mention that SAS Examinations of C&AG and CGA have eight (8) papers equally divided in two parts.
 - 3.2.3. The committee recommends that total number of papers including qualifying papers may remain at nine with two qualifying papers divided in two parts on the following basis.
 - Part-I of the examination would have papers on subjects which are basic but general in nature focusing on general knowledge about constitutional and financial management frame work in the government and in Defence Accounts and Audit besides qualifying papers whereas Part-II should focus more on specific functions across the organization. Accordingly, existing papers have been distributed and renamed in two parts by rationalising syllabus on the basis of foregoing principle.

- One new paper viz. Quantitative Analysis and Logical Reasoning has been introduced in Part-I.
- Separate theory (without Books) and practical (with Books) papers on a same subject should be done away with as it has been observed that questions generally get repeated without much incremental testing of skills and knowledge. However, considering the importance of testing a candidate's ability to application of knowledge of rules and regulations, it is recommended to have theory and practical in one paper itself with time limitation. Such a system will fulfil the objective in more efficient manner.
- Further, such hybrid papers may be included in Part-II subjects and the papers in Part-I should be without Books only.
- Some papers, particularly those which have been recommended for inclusion in Part-I should have part MCQ and part descriptive questions.
- In Accountancy paper, presently maximum weightage has been given to preparation of final accounts (in the form of a compulsory question). However, it is considered that with the availability of computerized accounting packages in the market, knowledge and clarity of concepts are more important than knowing how to prepare final accounts manually. Therefore, a major revamp of this paper to give higher weightage to costing topics (which is essential for OFB working) besides testing the conceptual clarity and its application in analyzing financial statements etc is recommended.
- To encourage and test a candidate's ability to answer with precision and with brevity, Answer Books should be provided with pre-defined spaces. The other option is to specify word limitation but calculation of number of words in manual setup will be cumbersome exercise. Therefore, the Committee recommends pre-printed Answer books with Questions with defined spaces for the answers.

3.2.4. In accordance with above, the committee recommends the following Papers for SAS (Main) Examination

SAS Part-I Examination: Total of Five (5) Papers

Paper	Subject	Maximum Marks
Paper-I	Management in Government including Constitutional and Financial Management Framework	100
Paper-II	Principles and Rules of Defence Accounts and Audit	100
Paper-III	Quantitative Analysis and Logical Reasoning	100
Paper-IV	Information Technology- Theory (30 Marks-1 hr) Information Technology- Practical (70 marks- 2 hr)	100
Paper-V	Language Skills and Office Communications	100

Note:-

1. Papers IV and V are qualifying papers. (50%)
2. Papers- III, IV (Theory) and V will have MCQ and Descriptive questions
3. All papers will be of three hours duration

SAS Part-II Examination: Total of Four (4) Papers of three (3) hours duration each

Paper	Subject	Maximum Marks
Paper-VI	Service Regulations - Theory(without Books)- 30 Marks- 1 Hr - Practical (with Books)- 70 Marks- 2 Hr	100
Paper-VII	Works, Stores and Internal Audit (or Payment of bills and Internal Audit) Theory(without Books)- 30 Marks- 1 Hr Practical (with Books)- 70 Marks- 2 Hr	100
Paper-VIII	IFA System & Elements of Law	100
Paper-IX	Accountancy with Elementary Costing	100

3.2.5.A comparative picture of current and proposed papers for SAS Part-I & Part-II examinations is placed at Annexure-II and the comparative picture of revised pattern with C&AG and CGA is placed at Annexure-III.

4. Detailed Syllabus

SAS Part-I Examination

Paper-I: Management in Government including Constitutional and Financial Management Framework

Maximum Marks-100;

Time Allowed: 3 Hours

SYLLABUS/BOOKS

- (i) Parts I, V, XII, XIV, XIVA and XX of the Constitution of India (Questions on such matters as manner of elections, conditions for eligibility, qualification, procedural details and jurisdiction of courts etc will be excluded)
- (ii) Comptroller & Auditor General Duties, Power, Conditions of Service Act, 1971
- (iii) Organisation, Structure and function of MoD, Service HQrs and other allied organisations- MoD Website, Annual Report of Ministry of Defence (Current Year), Appendix "A" & "B" to Defence Service Estimates.
- (iv) Chapters I, IV, VI, IX and X of OM Part – I (Revised Edition, 2014) including working of PCDA, New Delhi
- (v) CCS (CCA) Rules,
- (vi) CCS (Conduct) Rules
- (vii) RTI Act, 2005 and amendments thereto.
- (viii) Official Language Act
- (ix) The sexual harassment of women at workplace (Prevention, Prohibition, and Redressal) Act 2013
- (x) GFR 2005- Relevant Portion (Chapter 1, 2, 3)
- (xi) Fiscal Responsibility Legislation (FRBM Acts and Rules)
- (xii) Performance and Outcome Budget
- (xiii) Contingency Fund of India Rules 1952
- (xiv) Contingency Fund of India Act.
- (xv) The Administrative Tribunal Act, 1985

Note:

1. OMs/Circulars/Instructions issued by MoD/CGDA during the year on the above subjects will also be part of the syllabus.
2. A total of 16 questions of 10 marks each will be set and the candidates will have to answer a total of 10 questions.

Paper-II: Principles and Rules of Defence Accounts and Audit

Maximum Marks-100;

Time Allowed: 3 Hours

SYLLABUS/BOOKS

- (i) Defence Audit Code (Revised Edition, 2013)
- (ii) Defence Accounts Code (Revised Edition 2014)
- (iii) Central Govt Accounts (Receipt & Payments Rules), 1983 (Part III Section I)
- (iv) Introduction to Government Accounts and Audit (Chapter – 6, 7, 8, 15 to 18)
- (v) Classification Hand Book, Defence Services – Receipts & Charges (Revised Edition 2014)
- (vi) Pamphlet of Revenue, Debt and Remittance Heads.
- (vii) List of Major and Minor Heads of Accounts
- (viii) Civil Accounts Manual (Portion relating to CID schedule adjustment)
- (ix) Financial Regulations Part - I (Vol-I and II)
- (x) Financial Regulations Part -II [Chapter – 1 to 5 and 9 (list of Appendices 1 to 8, 10,13,13A, 19, 22 to 30)]
- (xi) OM Part-II Vol-I (Chapters III, IV, VI, VII, VIII, IX, XI and XII)
- (xii) General Financial Rules, 2005
- (xiii) Government Accounting Rules, 1990
- (xiv) Factory Accounting Rules (Relevant Chapters to be specified)
- (xv) Defence Budget including Defence Services Estimates and MoD (Civil)
- (xvi) Defence Pension Budget, Payment and Accounting of defence pensions (MoD Budget documents and Relevant portions of PCDA (Pension), Manual- OM-IV (2014 edition))
- (xvii) Tax Deduction at Source (TDS) and procedure relating to filing of Returns by the Deductor (Instructions issued by IT Department/Web site of Income Tax Deptt)

Note:

1. **OMs/Circulars/Instructions issued by MoD/CGDA during the year on the above subjects will also be part of the syllabus.**
2. **A total of 16 questions of 10 marks each will be set and the candidates will have to answer a total of 10 questions.**

Paper-III: Quantitative Analysis and Logical Reasoning

Maximum Marks-100;

Time Allowed: 3 Hours

SYLLABUS/BOOKS

(A) DATA INTERPRETATION

- i. Data Tables
- ii. Pie Charts
- iii. 2 Dimensional Graphs
- iv. Bar Charts
- v. Venn diagram
- vi. Geometrical Diagram
- vii. Pert Charts

(B) DATA SUFFICIENCY

(C) REASONING

- i. Deduction
- ii. Logical connectives
- iii. Linear sequencing
- iv. Selections
- v. Distribution
- vi. Circular arrangement
- vii. Networks/routes
- viii. Binary Logic
- ix. Cubes

(D) QUANTITATIVE ABILITY

- i. Permutation and combination
- ii. Probability
- iii. Simple Equation
- iv. Quadratic Equations
- v. Ratio-proportion -variation
- vi. Percentages
- vii. Indices and Surds
- viii. Profit and loss
- ix. Simple Interest and Compound Interest

(E) STATISTICS & STATISTICAL SAMPLING

- i. Class interval, Frequency Distribution and Histograms
- ii. Arithmetic Mean and Geometric Mean, Median, Mode-Concepts and inter se Comparison
- iii. Range, Variance, Standard Deviation, Quartile Deviation and Coefficient on Variance – Concepts & inter se comparison
- iv. Sampling:-
 - What is Statistical Sampling?
 - Statistical Sampling vs. Non-Statistical Sampling
 - Advantage of Statistical Sampling
 - Random Number Table & Sampling
 - Sampling Error vs. Non-Sampling Error
 - Simple Random Sampling (with and without replacement) Systematic Random Sampling
 - Systematic Random Sampling
 - Stratified Random Sampling
 - Cluster Sampling
 - Probability Proportional to Size Sampling
 - Multi-Stage Sampling
 - Attribute & Variable Sampling
 - Step-by step Sampling
 - Discovery Sampling
 - Monetary Unit Sampling
 - Audit Hypothesis Testing

Reference books

Books which may contain questions, Standard of which is similar to the Indian Banking Services for Clerical grade and Probationer Officers.

Paper- IV: Language Skills and Office Communication

Maximum Marks: 100;

Time Allowed: 3 Hours

This is a qualifying paper only in which a candidate has to compulsorily secure 50 marks. Marks secured in this paper will neither be counted in the aggregate marks nor will be added in total marks secured in other papers.

A: Reading & Verbal Ability (MCQ) - 30 Marks

- (i) Verbal Reasoning
- (ii) Sentence correction
- (iii) Idioms and phrases
- (iv) Grammer Applications
- (v) Antonyms and Synonyms
- (vi) Vocabulary Skills
- (vii) Arranging Sentences in order
- (viii) Comprehension

B. Noting and Drafting - 70 Marks

- (a) Précis of correspondence or of notes on an official subject.
- (b) Drafting of an official letter or an Office Memorandum or an Official Note/Communication.

Paper- V: Information Technology (Theory and Practical)

Maximum Marks: 100;

Time Allowed: 3 Hours

This is a qualifying paper only in which a candidate has to compulsorily secure 50 marks. Marks secured in this paper will neither be counted in the aggregate marks nor will be added in total marks secured in other papers.

SYLLABUS/BOOKS

Theory Portion – 30 Marks Time: 1 Hr

- Elements of Computer, Hardware, Software – Computer Capability and Limitations.
- Operating System: What is an Operating System? What are its functions? Types of OSs, Operations of Windows and Open Source Software- LINUX.
- Systems Analysis- Basic Concepts, Role of Users, Users- IT Programmers Interface
- Application Software- Concepts and Uses, Application Software in use in the department- Dolphin System, Office Automation System/SUGAM/TULIP, All- India Compilation System, AASHRAYA.
- Computers and Communication- Basic Concepts of Network, Uses of Network in sharing of resources, Types of Network- LAN, WAN, Internet, Wireless, Client Server Networks, Network Security
- Use of Social Media in Government
- Data Base Management- concept, types and uses, Advantages of working with RDBMS, Data Centres
- Information Security- security of data, users, password, hardware, Preventive measures- back up, data warehousing etc.

Practical Portion – 70 Marks Time-2 Hrs

- (i) Operating skills in word processing package (40%)
- (ii) Operating skills in spread sheet package. (30%)
- (iii) Operating skills in presentation package. (30%)

SUGGESTED BOOKS

Any Book on topics relevant to the syllabus prescribed as the candidates prefer.

SAS Part-II Examination

Paper- VI: Service Regulations (Theory & Practical)

Time Allowed/ Maximum Marks: Theory- 1 hour/30 Marks; Practical- 2 hour/70 Marks

SYLLABUS/BOOKS

Section I – P&A (Civil) (40% weightage)

- (i) General Financial Rules (Chapter-12(I), 12(IX),9(I&II), 4 and Part II-Compendium of Rules and Advances
- (ii) Fundamental Rules & Supplementary Rules (Part-I to V)
 - (a) Part I - General Rules.
 - (b) Part II- T.A. Rules.
 - (c) Part III- CCS (Leave) Rules, 1972.
 - (d) Part-IV- Dearness Allowances.
 - (e) Part-V - HRA/CCA.
- (iii) Central Govt. Employees Group Insurance Scheme
- (iv) Medical Attendance Rules/CGHS Rules
- (v) Leave Travel Concession Rules
- (vi) Children Educational Assistance Rules
- (vii) House Building Advance Rules
- (viii) Overtime Allowance Rules
- (ix) CCS(Revised) Pay Rules, 2016 – Seventh Pay Commission

Circular issued on deduction of Income Tax at source from salaries issued by Central Board of Direct Taxes every year.

Section - II-Provident Fund and Pension (20% weightage)

- (x) General Provident Fund (Central Services) Rules
- (xi) Contributory Provident Fund (India) Rules
- (xii) CCS Pension Rules 1972.
- (xiii) Dearness Relief to Pensioners
- (xiv) Pension Regulations I & II
- (xv) AFPP Fund Rules
- (xvi) DSOP Fund Rules
- (xvii) NOPF Rules

- (xviii) AFOPF Rules
- (xix) GPF (DS) Rules.
- (xx) New Pension Scheme

Section-III (Pay & Allowances -Services) (40% weightage)

A) ARMY

- (xxi) P&A Regulations (Officers)
- (xxii) P & A Regulations (ORs)
- (xxiii) Leave Rules for the Services Volume I (Army)
- (xxiv) Provisions of Travel Regulations peculiar to the Services
- (xxv) Army Group Insurance Scheme
- (xxvi) OM Part IX
- (xxvii) OM Part X

B) AIR FORCE

- (xxi) P & A Regulations for the IAF
- (xxii) Leave Rules for the Services Volume III (Air Force)
- (xxiii) Provisions of Travel Regulations peculiar to the Services
- (xxiv) Manual of JCDA (AF)

C) NAVY

- (xxi) P & A Regulation for Navy
- (xxii) Leave Rules for the Services Vol-II-Navy
- (xxiii) Provisions of Travel Regulations peculiar to the Services
- (xxiv) PCDA (Navy) Manual- Pay and T Section

D) FACTORY

- (xxi) OM Part VI
- (xxii) Travel Regulation for Defence Civilians
- (xxiii) Pay Rules for Industrial Employees
- (xxiv) Leave Rules for Industrial Employees
- (xxv) Travel Regulations application for Defence Civilians.

Note: OMs/Circulars/Instructions issued by Ministry of Personnel/DoPT/MoD/CGDA during the year on the above subjects will also be part of the syllabus.

Setting up of Questions

Section	Max Marks	No. of Questions to be set	No. of Questions to be answered
Theory	30		
Section-I	12	4 of 6 marks each	2
Section-II	6	2 of 6 marks	1
Section-III	12	4 of 6 marks each	2
Practical	70		
Section-I	28	6 of 7 marks each	4
Section-II	14	4 of 7 marks each	2
Section-III	28	6 of 7 marks each	4

Paper- VII: Works, Stores and Internal Audit (or Payment of bills and Internal Audit)
(Theory & Practical)

Time Allowed/ Maximum Marks: Theory- 1 hour/30 Marks; Practical- 2 hour/70 Marks

SYLLABUS/BOOKS

Section – I (Works Accounts) (50 % Weightage)

- (i) MES REGULATIONS
- (ii) DEFENCE WORKS PROCEDURE
- (iii) OPERATIONAL WORKS PROCEDURE
- (iv) U.A.MANUAL
- (v) MES LOCAL AUDIT MANUAL
- (vi) O.M. PART –VIII
- (vii) QUARTERS&RENT (RENT PROCEDURE)
- (viii) IAFW 2249 (GENERAL CONDITIONS OF CONTRACT)
- (ix) ORDERS ON DELEGATION OF POWERS FOR WORKS
- (x) BORDER ROADS MANUAL

Section - II (STORE ACCOUNTS AND INTERNAL AUDIT) (50 % Weightage)

(A) ARMY

- (ix) STORE ACCOUNTING INSTRUCTIONS
- (x) ARMY LOCAL AUDIT MANUAL PART- I & II
- (xi) DEFENCE SERVICE REGULATIONS VOL I & II

(B) AIR FORCE

- (ix) IAP – 1501.
- (x) AIR FORCE LOCAL AUDIT MANUAL
- (xi) IAP – 1541 – PROVISIONING AND PROCUREMENT FOR AIR FORCE.

(C) NAVY

- (ix) NAVAL STORE KEEPING MANUAL
- (x) INDIAN NAVY VICTUALLING MANUAL
- (xi) NAVAL LOCAL AUDIT MANUAL
- (xii) PROCUREMENT MANUAL MM 3
- (xiii) MATERIAL PLANNING MANUAL FOR NAVY

(D) FACTORY

- (ix) OFFICE MANUAL PART VI.
- (x) FACTORY ACCOUNTING RULES.
- (xi) MANUAL FOR PROVISIONING AND PROCUREMENT IN ORDNANCE
FACTORY
- (xii) CHIEF INTERNAL AUDITOR MANUAL
- (xiii) DRDO MANUAL (ARMY SECTION)

Note: OMs/Circulars/Instructions issued by DoPT/MoD/CGDA during the year on the above subjects will also be part of the syllabus.

Setting up of Questions

Section	Max Marks	No. of Questions to be set	No. of Questions to be answered
Theory	30		
Section-I	15	5 of 5 marks each	3
Section-II	15	5 of 5 marks each	3
Practical	70		
Section-I	35	7 of 7 marks each	5
Section-II	35	7 of 7 marks each	5

Paper- VIII: IFA System with Elements of Law

Maximum Marks-100;

Time Allowed: 3 Hours

SYLLABUS/BOOKS

Section-I: Procurement and Delegation of Financial Powers (60 Marks)

- (i) General Financial Rules, 2005 (Chapter- 6, 7 and 8)
- (ii) Financial Regulations Part-I Vol-I (Chapters-3, 6 and 7)
- (iii) DGS & D Manual 1999.
- (iv) Defence Procurement Manual-2009
- (v) Defence Procurement Procedure-2011
- (vi) Purchase Management -2006(DRDO)
- (vii) OFB Procurement Manual, 2010
- (viii) OFB Plant & Machinery Manual
- (ix) Delegation of Financial Power Rules, 1978
- (x) Orders and Instructions relating to delegation of financial powers to the Defence Services and other allied organizations viz. DRDO, OFB, Border Roads and Coast Guard
- (xi) E-Procurement in Government
- (xii) CVC orders relating to procurement of Goods and Services including CTE Manual, 2002

Section-II: Elements of Law (40 Marks)

- (xiii) The Indian Contract Act, 1872 (9 of 1872) (Preliminary- Sec-1&2 and Chapter-II)
- (xiv) The Sale of Goods Act, 1930 (3 of 1930) (Chapter I and II)
- (xv) The Arbitration and Conciliation Act, 1996 (26 of 1996) (Chapter I, II & III)
- (xvi) The Negotiable Instrument Act, 1881(26 of 1881) (Chapter I, II & IV)
- (xvii) The Factories, Act, 1948 (63 of 1948) (Chapter I and X)
- (xviii) The Workman's Compensation Act, 1923 (8 of 1923) (Chapter I and II)
- (xix) The Minimum wages Act, 1948 (11 of 1948) (Sections-1,3,4,5,12,22,22A)
- (xx) The Payment of Wages Act, 1936 (4 of 1936) (Sections-1,2,3,4,9,20,21)
- (xxi) Letter of Credit (Banking law & Practice by P.N. VARSHNEY)
- (xxii) GST Bill/Act

Notes:

1. **OMs/Circulars/Instructions issued by the central government/Mod/CGDA during the year on the above subjects will also be part of the syllabus.**
2. **A total of 16 questions (10 in Section-I and 6 in Section-II) will be set and the candidates will have to answer a total of 10 questions (6 from Section-I and 4 from Section-II)**
3. **In Section – I, as far as possible, the questions should be framed to test fundamental understanding of IFA and procurement related processes rather than organization specific procedures.**

Paper- IX: Accountancy with Elementary Costing

Maximum Marks-100;

Time Allowed: 3 Hours

SYLLABUS/BOOKS

Section-I: Financial Accounting (Theory and Practical Problem) --- 50 Marks (1 compulsory question of 20 Marks and 3 others of 10 marks each to be attempted)

- Basic Concepts and Conventions, Accounting Equation, Generally Accepted Accounting Principles (GAAP), Cash Basis and Accrual Basis of Accounting- Concepts and Comparative Analysis
- Accounting process from recording of transactions to preparation of Financial Statement, Preparation of Bank Reconciliation Statement, Preparation of Trial Balance including rectification of errors.
- Depreciation, Provisions and Reserves
- Trading, Profit and Loss Accounts and Balance Sheet.
- Analysis of Financial Statements- Ratio Analysis, Fund Flow and Cash Flow Statement
- Preparation of Financial Statements (other than Companies)
 - Receipt and Payments Account
 - Income and Expenditure Account and
 - Balance Sheet
- Accounting Standards- Framework for preparation and presentation of financial statement, Brief overview of Indian Accounting Standards

Section II: Elementary Costing --- 50 Marks (1 compulsory question of 20 Marks and 3 others of 10 marks each to be attempted)

- Objects and Principles of Cost Accounting.
- Different methods of Cost Accounting.
- Elements of Cost - Direct Labour, Direct Material, Direct Expenses and overheads, their classification apportionment and charging.
- Cost Control Accounts, Production Accounts and Cost Sheets, Reconciliation of Cost and Financial Accounts.
- Cost Systems - Job costing and process costing.
- Marginal Costing, Cost-Volume-Profit relationship; Break-even analysis.

Suggested Books

- (i) Introduction to Accounting by **T S Grewal**
- (ii) Advanced Accounting - **Sukla & Grewal**
- (iii) Principles and Practices of Accountancy by **R L Gupta and V K Gupta**
- (iv) Cost Accounting by **Shukla, Grewal and Gupta**
- (v) Indian Accounting Standards issued by ICAI.

5. Review of SAS Rules and Recommendations thereof

ITEMS	Present Position	Recommendations
Frequency of Examination	On need basis	Annually (fixed Month) Once as under: To be notified in advance Prelim- April Part-I- August Part-II- December
Eligibility	2 years' service as on 1 st of the month in which exam is held	No Change
To Whom Applicable	Clerk, Typist, DEO, Stenographer, Auditor, Sr. Auditor, Librarian and Hindi Translator	No change.
Age	No age restriction	No Change
Chances	Part-I – 4 Part-II- 4 Special chances provided with the approval of CGDA	Part-I- 6 chances (Unlimited chances may be allowed to those candidates who have secured at least 30% marks in aggregate in any of two of last six chances actually availed. Part-II- Unlimited no. of chances
Withdrawal	Before 15 days of Examination on a simple application.	No Change except that PCDA/CDA may be allowed to permit withdrawal. PCDA/CDA to subsequently intimate list of such candidates to the CGDA for record.
Pass Marks	40% Marks in each paper and 45% Marks in Aggregate in SAS Part I & Part II Examination. Further,	No Change except that pass marks for the qualifying paper may be kept at 50%.

	Paper-VIII (Office Communication and Paper-IX (Fundamentals of EDP) of SAS Part II exam are qualifying papers (40%).	
Exemption	60% marks in each Paper except Paper VIII (Office Communication) the in which exemption mark is 50%.	<p>No Change except the following.</p> <p>If a candidate passes the qualifying papers (50% marks) but fails in SAS Part-I, he/she may be exempted from re-taking the qualifying papers.</p> <p>In addition, following exemption is also recommended</p> <p>The candidates who have already passed ICWA(Inter) stage I and stage II or CA PE-II Group I & Group II or CA PCE Group-I & Group-II will be entitled to exemption from appearing Accountancy with Elementary Costing paper.</p>
Special Allowances for Part-I candidates	None	<p>A candidate who has not passed Part-I will not be allowed to take Part-II of examination except a candidate who has secured exemption marks in all other subjects of Part-I but failed only in one subject of that examination may be allowed to take the remaining one subject along with Part-II examination. However, in such cases even if he/she passes Part II but fails in Part-I subject, he</p>

		will not be considered for promotion until and unless he/she passes the remaining subject of Part-I.
Registration	Manual	A system of on-line registration may be followed on the lines of CSS deputation or on the lines prevailing in C&AG. It will save a lot of man efforts and expedite the whole process.
Printing of Papers	SAS (Pre)- Private SAS Mains- Govt Press	It consumes tremendous amount of effort and time to get the papers printed in Govt press. Therefore, it is recommended that private option should be explored for SAS (Main) papers also.
Changes in SAS Rules	As SAS Rules are approved by MoD (Fin), any relaxation in the rules involves approval from the Ministry.	Since at times quick decision has to be taken, CGDA may be authorized to grant relaxation in the rules without prior approval from the MoD(Fin).
Examination Centres	At present, examinations are being held at 33 centres.	In view of huge logistics involved in conducting exams at 33 centres, no. of centres needs to be reduced by clubbing nearby centres.
Mode of Examination	Manual Papers and Answers	Computer based examination will expedite the entire process and thereby saving a lot of time and efforts. However, given the number of candidates, we have to arrange such computer base examinations in IT Institutes/college, which may lead to scheduling issues. In this regard, it may be mentioned

		<p>that various computer-based Entrance Examinations in the country are normally held during summer vacations.</p> <p>In view of the logistic constraints, examinations may continue to be held in manual mode.</p>
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Annexure-I**SAS Examination of C&AG- Defence Audit Wing**

Paper	Subject
Group-I	
I	Language Skill
II	Logical, Analytical and Quantitative Abilities
III	Information Technology (Theory)
IV	Information Technology (Practical)
V	Constitution of India, Statutes & Defence Service Regulation
Group-II	
VI	Financial Rules and Principles of Defence Accounts
VII	Financial Accounting with Elementary Costing
VIII	Budgetary Process & Financial Audit
IX	Contract Management & Laws

SAS Examination of CGA

Paper	Subject
Part-I	
I	Precis and Drafting (descriptive)
II	Service Rules (with Books)- MCQ
III	Accounting Procedure (with Books)- MCQ+ descriptive
IV	Parliamentary Financial Control and Govt. Budgeting (with Book)- MCQ
Part-II	
V	Specialized Accounts Rules and Office Management (with Books)- MCQ+ descriptive
VI	Public Works Accounts (with Books)- MCQ+

	Descriptive
VII	Procurement, Supply Accounts and Internal Audit and Control (with Books)- MCQ+ Descriptive
VIII	Commercial & Management Accounts- MCQ+ Descriptive
IX	Course on Computer Concepts (through DOECC)

Comparative Picture- Current

Paper	C&AG (Def Audit)	CGA	CGDA
Group-I		Part-I	Part-I
I	Language Skill	Precis and Drafting (descriptive)	Organization & Fundamental of Audit & Accounts (w/o Books)
II	Logical, Analytical and Quantitative Abilities	Service Rules (with Books)- MCQ	Organization & Fundamental of Audit & Accounts (with Books)
III	Information Technology (Theory)	Accounting Procedure (with Books)- MCQ+ descriptive	Accountancy
IV	Information Technology (Practical)	Parliamentary Financial Control and Govt. Budgeting (with Book)- MCQ	Service Regulations (with Books)
V	Constitution of India, Statutes & Defence Service Regulation		
Group-II			
VI	Financial Rules and Principles of Defence Accounts	Specialized Accounts Rules and Office Management (with Books)- MCQ+ descriptive	Works, Stores and Internal Audit (with Books)
VII	Financial Accounting with Elementary Costing	Public Works Accounts (with Books)- MCQ+ Descriptive	Works, Stores and Internal Audit (w/o Books)
VIII	Budgetary Process & Financial Audit	Procurement, Supply Accounts and Internal Audit and Control (with Books)- MCQ+ Descriptive	Financial Management, IFA System and Elements of Law (without Books)
IX	Contract Management & Laws	Commercial & Management Accounts- MCQ+ Descriptive	Office Communications

		Course on Computer Concepts (through DOECC)	Fundamentals of EDP (Theory & Practical)
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Comparative Picture- with proposed changes in CGDA System

Paper	C&AG (Def Audit)	CGA	CGDA
Group-I		Part-I	Part-I
I	Language Skill (MCQ+ Descriptive)	Precis and Drafting (descriptive)	Management in Government including Constitutional and Financial Management Framework
II	Logical, Analytical and Quantitative Abilities	Service Rules (with Books)- MCQ	Principles and Rules of Defence Accounts and Audit
III	Information Technology (Theory)	Accounting Procedure (with Books)- MCQ+ descriptive	Quantitative Analysis and Logical Reasoning
IV	Information Technology (Practical)	Parliamentary Financial Control and Govt. Budgeting (with Book)- MCQ	Information Technology- Theory (30 Marks-1 hr) Information Technology- Practical (70 marks- 2 hr)
V	Constitution of India, Statutes & Defence Service Regulation		Language Skills and Office Communications
Group-II			
VI	Financial Rules and Principles of Defence Accounts	Specialized Accounts Rules and Office Management (with Books)- MCQ+ descriptive	Service Regulations - Theory(without Books)- 30 Marks- 1 Hr - Practical (with Books)- 70 Marks- 2 Hr
VII	Financial Accounting with Elementary Costing	Public Works Accounts (with Books)- MCQ+ Descriptive	Works, Stores and Internal Audit (or Payment of bills and Internal Audit) Theory(without Books)- 30 Marks- 1 Hr

			Practical (with Books)- 70 Marks- 2 Hr
VIII	Budgetary Process & Financial Audit	Procurement, Supply Accounts and Internal Audit and Control (with Books)- MCQ+ Descriptive	IFA System & Elements of Law
IX	Contract Management & Laws	Commercial & Management Accounts- MCQ+ Descriptive	Accountancy with Elementary Costing
		Course on Computer Concepts (through DOECC)	

Annexure-II

Comparative Picture- SAS Examination in DAD- Current & Proposed

Current		Proposed	
Part/Paper	Marks	Part-I	Marks
I/I- Organization & Fundamental of Audit & Accounts (w/o Books)	100	I/I-Management in Government including Constitutional and Financial Management Framework	100
I/II-Organization & Fundamental of Audit & Accounts (with Books)	100	I/II-Principles and Rules of Defence Accounts and Audit	100
I/III-Accountancy	100	I/III-Quantitative Analysis and Logical Reasoning	100
I/IV-Service Regulations (with Books)	100	I/IV-Information Technology (Theory & Practical)	100
-	-	I/V- Language Skills and Office Communications	100
Total Marks (Part-I)	400	Total Marks (Part-I)	500 (out of which 200 is qualifying in nature and not to be added for pass/fail decision)

Current		Proposed	
Part/Paper	Marks	Part-II	Marks
II/V- Works, Stores and Internal Audit (with Books)	100	Service Regulations - Theory(without Books)- 30 Marks- 1 Hr - Practical (with Books)- 70 Marks- 2 Hr	100
II/VI Works, Stores and Internal Audit (w/o Books)	100	Works, Stores and Internal Audit (or Payment of bills and Internal Audit) Theory(without Books)- 30 Marks- 1 Hr Practical (with Books)- 70 Marks- 2 Hr	100
II/VII- Financial Management, IFA System and Elements of Law (without Books)	100	IFA System & Elements of Law	100
II/VIII- Office Communications	150	Accountancy with Elementary Costing	100
II/IX- Fundamentals of EDP (Theory & Practical)	100	-	-
Total Marks (Part-II)	550 out of which 250 is qualifying in nature and not to be added for pass/fail decision)		400