

I.

SYLLABUS RELATING TO THE SUBJECTS FOR DEPARTMENTAL (PROMOTION) EXAMINATION FOR RECRUITMENT TO THE POST OF TREASURY OFFICER & FINANCE & ACCOUNTS OFFICER.

1. Paper I – General Accounts etc(without Books)

Group – A

(For Accounts Officers)

- (i) Account Code Vol. 1.
- (ii) Account Code Vol. II.
- (iii) Meghalaya Budget Manual.
- (iv) District Council Fund Rules.
- (v) Meghalaya Local Audit Manual.

Group – B

(For Audit Officers)

- (i) Account Code Vol. 1.
- (ii) Account Code Vol. II.
- (iii) Meghalaya Budget Manual.
- (iv) Central Public Works Account Code.

2. Paper II – (Without Books) –Constitution of India and Public Finance.

Group I – Constitution of India –Part XII Finance, Property, Contract and Suit.

Part XIII – Trade, Commerce and Inter-course 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 & Private Finance, Aims of Public Finance, the Principles of Minimum Expenditure, the Principle of Maximum Advantage and the Principle 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 Canons 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, Revenue tariff and Protective tariff, (e) Single tax, Multiple tax and Plural tax – pros and cons of each mode of taxation.

5. Taxable Capacity – Factors or determinants.

6. **Incidence of Taxation** – Impact, Incidence and Shifting – General principles governing the incidence of 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 Prices, (d) Rural Expenditure versus Transfer Expenditure, Effect of Public Expenditure on Production, Distribution and Employment 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 debts – Occasion for public borrowing-loans versus taxes as methods of war Finance – Burden of Public debts – Economic effects of public debts, effect on money supply, effects on the price level, effects on the rate of interest, effects on the allocation of resources and on income sharing – Methods of debt re-payment, sinking funds, conversion of debts and 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 – The First, Second and Third Finance Commission Taxation, Enquiry Commission of 1953 and Prof. Kaldor's proposals (1956), for Indian Tax reforms.

(Principle of Public Finance by Hugh Dalton is recommended as a standard work on the subject).

The time allotted for each paper will be 3 hours. The maximum marks for each paper will be 150 and the minimum pass marks will be 65 or as may be determined by Government.
