

OFFICE OF COMPTROLLER AND AUDITOR GENERAL OF INDIA  
10 BAHADUR SHAH ZAFAR MARG  
NEW DELHI - 110124

No. 810/14-Exam/Revised Syllabus/2018  
Dated 27 August 2019

Examination Wing  
Circular No. 17 of 2019

To

Heads of Department of IA&AD offices  
(As per e-mail list)

**Subject: Revised Syllabus of Revenue Audit Examination and Continuous Professional Development Examinations**

Sir/Madam,

The competent authority has approved the *revised syllabus* of the following departmental examinations:

- (i) **Revenue Audit Examination**
- (ii) **Continuous Professional Development Examinations (CPD I, CPD II & CPD III)**

The revised syllabus (copy enclosed) is being uploaded on CAG's website and can be viewed/downloaded from the website. **No hardcopy will be sent.**

2. The revised syllabus of **Revenue Audit Examination** shall be implemented from the **Main Examination 2019**, which is likely to be held in the month of November.
3. The revised syllabus of **Continuous Professional Development Examinations (CPD I, CPD II & CPD III)** shall be implemented from the **Main Examination 2020**.
4. **Goods and Services Tax (GST)** has been introduced in the revised syllabus of Revenue Audit Examination. Therefore, necessary training in GST needs to be imparted to the candidates. Instructions in this regard will be issued shortly.
5. Receipt of this circular may please be acknowledged by email to [examsection@cag.gov.in](mailto:examsection@cag.gov.in)

Yours faithfully,



(Manish Kumar)

Director General (Examination)

## Revised pattern and syllabus of Revenue Audit Examination

❖ There will be **only two papers** as mentioned below:

<b>Paper 1 -</b>	<b>RAE 1</b>	<b>Income Tax (common for all candidates)</b>	<b>100 marks</b>
<b>Paper 2 -</b>	<b>RAE 2</b>	<b>Goods and Services Tax and Branch Specific Revenues</b>	<b>100 marks</b>
		- Section I Goods and Services Tax	40%
		- Section II Branch Specific Revenues	60%

- ❖ **Income Tax** (RAE I) paper will be **common for all braches**, as under existing pattern.
- ❖ Section I of RAE 2 **Goods & Services Tax** will also be **common for all branches**.
- ❖ Section II **Branch Specific Revenues** of RAE 2 **for each separate branch** of audit, as given below:

<b>Name of the Section</b>	<b>Title of Section</b>	<b>Branches of audit to which applicable</b>
<b>Section II A</b>	Central and State Revenues Audit	For candidates from all <b>Commercial Audit</b> offices and all <b>Civil Audit</b> offices
<b>Section II B</b>	Railway Revenues Audit	For all candidates from <b>Railway Audit</b> Offices
<b>Section II C</b>	Post and Telecommunications Revenues Audit	For all candidates from <b>P&amp;T Audit</b> Offices
<b>Section II D</b>	Defence Revenues Audit	For all candidates from <b>Defence Audit</b> Offices

## Revised Syllabus of RAE-1 Income Tax (common for all branches)

Duration 2 hours

Maximum Marks: 100

(A) The following will be the syllabus and subjects:

Sl. No.	Content	Marks allocation
1	<p><b>a) Basic concepts</b></p> <p><b>Chapter I – Sections 1, 2 and 3 and</b>  <b>Chapter II – Sections 4, 5, 5A, 6, 7, 8 &amp; 9</b></p> <p>Assessment year, Previous year, Person, Assessee, Charge of income-tax, Income, Gross Total Income, Total income and tax liability, Agricultural Income, Difference between exemption and deduction, Definition of Manufacture, Capital Asset, Company, Fair market value, Capital receipts vs Revenue receipts, Capital expenditure vs Revenue Expenditure, Method of accounting, Residential status of Individual &amp; Company, Relation between residential status and incidence of tax, Receipt &amp; Accrual of income, Income deemed to accrue or arise in India</p> <p><b>b) Income of Charitable or Religious Trusts and Institutions</b></p> <p><b>Chapter III - Sections 11, 12, 12A &amp; 13</b></p>	30
2	<p><b>Income Computation and Disclosure Standards (ICDS)</b></p> <p>ICDS I Accounting Policies            ICDS II Valuation of Inventories            ICDS III Construction contracts            ICDS IV Revenue Recognition            ICDS V Tangible Fixed Assets            ICDS VI Effects of Changes in Foreign Exchange Rates            ICDS VII Government Grants            ICDS VIII Securities            ICDS IX Borrowing Costs            ICDS X Provisions, Contingent Liabilities and Contingent Assets</p>	5
3	<p><b>Profits and gains of business or profession – Principles and Computation</b></p> <p><b>Chapter IV (D)</b></p> <p>Chargeability, General principles governing assessment of business income, Method of accounting, Scheme of deductions and allowances, Depreciation</p>	25
4	<p><b>Capital gains - Principles and Computation</b></p> <p><b>Chapter IV (E)</b></p>	15

	Meaning of capital asset, Transfer of capital asset, Computation of capital gain, Full value of consideration, Expenditure on transfer, Cost of acquisition, Cost of improvement, indexed cost of acquisition and indexed cost of improvement, Problems on computation of Long Term Capital Gains (LTCG) Tax	
<b>5</b>	<b>Income from other sources</b> <b>Chapter IV (F)</b> Dividend, Interest on securities	<b>5</b>
<b>6</b>	<b>Set-off and Carry forward of losses</b> <b>Chapter VI - Sections 70 to 80</b>	<b>5</b>
<b>7</b>	<b>International Taxation</b> <b>Chapter IX – Sections 90, 90A &amp; 91</b> Double Taxation Relief <b>Chapter X – Sections 92 to 92CD and 92F</b> Transfer Pricing & Other Anti-Avoidance Measures Definitions of certain terms relevant to computation of arm's length price, etc. <b>Chapter XII-A</b> Special Provisions relating to certain incomes of Non-Residents	<b>10</b>
<b>8</b>	<b>Special Provisions relating to certain companies</b> <b>Chapter XII B</b> Concepts of Minimum alternate Tax (MAT) and MAT credit, etc.	<b>5</b>

**Note: Amendments upto 1<sup>st</sup> April of the previous Financial Year will be considered**

**(B) The following books/reference material are prescribed:**

- (i) Taxmann's Direct Tax Manual (Vol. I – Acts)
- (ii) Finance Act of the Year (may be read as Finance Act of the Previous year)
- (iii) Income Tax Act, 1961
- (iv) Income Tax Rules, 1962
- (v) Income Computation and Disclosure Standards issued by the Ministry of Finance

**Revised Syllabus of RAE-2**  
**Goods and Services Tax and Branch Specific Revenues**

Duration 2 hours

Maximum Marks: 100

<b>Section I</b>	<b>:</b>	<b>Goods and Services Tax</b> <i>(common for all branches)</i>	<b>40 percent</b>
<b>Section II</b>	<b>:</b>	<b>Branch Specific Revenues</b> <i>(based on the branch from which a candidate belong)</i>	<b>60 percent</b>

**Section I Goods and Services Tax 40 percent**

**(A) The following will be the syllabus and subjects**

Sl. No.	Content	Marks allocation
<b>1</b>	Constitutional Aspects, GST Council, Administration of GST, Assessment and Audit, Dual GST Model, GST(Compensation to States) Act, 2017 GST Network	<b>8</b>
<b>2</b>	Levy and collection of CGST & IGST – Application of CGST/IGST law, concept of supply including composite and mixed supplies, inter-State supply, intra-State supply, supplies in territorial waters, charge of tax, exemption from tax, composition levy, Distribution of IGST	<b>8</b>
<b>3</b>	Place of supply, time and value of supply	<b>8</b>
<b>4</b>	Input Tax Credit, Computation of GST Liability, Procedures of GST – registration, tax invoice, credit and debit notes, electronic way bill, accounts and records, returns, payment of tax including reverse charge, refund, job work, Provisions relating to e-commerce, GST Forms(GST REG-01,GSTR 1, GSTR 4, GSTR 10, GST PMT 01, GST-RFD-01, GST ITC-01)	<b>8</b>
<b>5</b>	Liability to pay in certain cases, inspection, Search Seizure and Arrest, Demand and Recovery, Offences and Penalties, Anti-profiteering, Advance Ruling, Appeals and Revision, Other Residuary provisions under the CGST Act 2017 and IGST Act 2017	<b>8</b>

**(B) The following books/reference material are prescribed:**

- (i) Taxmann's GST Manual with GST Law Guide
- (ii) Centax GST Law Times (Latest issues)
- (iii) Handbook of GST in India: Concept and Procedures by Rakesh Garg

**Section II Branch Specific Revenues****60 percent**

Section II A	Central and State Revenues Audit
Section II B	Railway Revenues Audit
Section II C	Post and Telecommunications Revenues Audit
Section II D	Defence Revenues Audit

**Section II A Central and State Revenues Audit****60 percent****Part – I Central Excise and Revenue Audit Manual (10 marks)****(A) The following will be the syllabus and subjects**

<b>Sl. No.</b>	<b>Content</b>	<b>Marks allocation</b>
<b>1</b>	Provisions of Central Excise Revenue Audit Manual (Chapter 1,3,4,5,8,11,14 to 17,19,20 as amended, 21,22 and 24)	<b>5</b>
<b>2</b>	Provisions of Central Excise Act and Central Excise Tariff Manual (Chapter 24 of SECTION IV and Chapter 27 of SECTION V)	<b>5</b>

**(B) The following books/reference material are prescribed:**

- (i) R K Jain's Central Excise Manual
- (ii) R K Jain's Central Excise Tariff
- (iii) Revenue Audit Manual (Central Excise)

## Part – II Customs & Foreign Trade Policy (30 marks)

### (A) The following will be the syllabus and subjects

Sl. No.	Content	Marks allocation
1	(a) Constitutional Provision and Basic Concepts : Definitions, procedures governing Imports and Exports, Warehousing, Baggage, Search and Seizure, Appeal and Revision contained in Chapters I, III, IX, XI, XIII, XIV, XV, XVI and XVII of Customs Act 1962 (b) Customs Tariff Act No. 51 of 1975 (Section 1 to Section 13) (c) Foreign Exchange Management Act 1999	10
2	Levy and collection of duties : Basic Customs Duty, Integrated Goods and Services Tax, Compensation Cess, Anti-dumping Duty, Safeguard Duty, Project Imports contained in (i) Section 1 to 10 and Chapter Notes to Chapter 98 of Customs Tariff Act 1975 and (ii) Chapter V, VA of Customs Act 1962	8
3	Refunds and drawbacks: Section 26 to 27A of Customs Act 1962- Chapter V, Chapter X	2
4	Foreign Trade Policy (2015-20): Legal Framework, Definitions, Duty Exemption and Remission Schemes for Exports , Foreign Trade Agreements contained in a. Foreign Trade Development and Regulation Act, 1992 b. Chapter 9 and Glossary of FTP c. Chapters 3,4,5,6 and 7 of FTP	5
5	Provisions of SEZ Act and Rules a. Chapters I, II, IV, VI and VII Sections 47,49, 50 to 56 b. Chapters IV, V and VI and Annexure-I - Guidelines for Annual monitoring of performance of units in SEZ	3
6	Provisions of Revenue Audit Manual : Chapter 20	2

### (B) The following books/reference material are prescribed:

- (i) R K Jain's Customs Law Manual
- (ii) R K Jain's Customs Tariff
- (iii) Foreign Trade Policy, 2015-20, Ministry of Commerce and Industry, Government of India
- (iv) The Special Economic Zones Act and The Special Economic Zones Rules

Official websites of the Ministry of Commerce and Industry and Department of Revenue, Ministry of Finance, Government of India <http://www.cbic.gov.in/> <http://dgft.gov.in/> <http://sezindia.nic.in/index.php>  
for Foreign Trade Policy



### Part – III State Revenues (20 marks)

(A) The following will be the syllabus and subjects

Sl. No.	Content	Marks allocation
1	Provisions of The Central Sales Tax Act, 1956 and the Taxation Laws (Amendment) Act, 2017 (No. 18 of 2017)	4
2	Provisions of Value added Tax Auditing Guidelines (issued by the Comptroller and Auditor General of India)	
3	Provisions of Motor Vehicles Act, 1988 Provisions governing Licensing of Driver, Registration of Motor Vehicles and Offences, Penalties And Procedure contained in the following Chapters II, IV and XIII of the Act	4
4	Provisions of Registration Act, 1908 Part I Preliminary Part II The Registration-Establishment Part III Registrable Documents Part VI Presenting Documents for Registration Part XI The Duties and Powers of Registering Officers Part XIII The Fees for Registration, Searches and Copies	4
5	Provisions of Indian Stamp Act, 1899 Chapter I Preliminary Chapter II Stamp Duties Chapter VI Reference And Revision	4
6	Provisions of Mines And Minerals (Development And Regulation) Act, 1957 Chapter I Preliminary Chapter II General Restrictions on Undertaking Prospecting and Mining Operations	4

(B) The following books/reference material are prescribed:

- (i) Value added Tax Auditing Guidelines (issued by the Comptroller and Auditor General of India)
- (ii) For all other topics, the relevant Acts are mentioned in the table above.

**(A) The following will be the syllabus and subjects**

Sl. No.	Content
1	Indian Railway Code for the Traffic Dept. (Commercial)
2	Indian Railway Commercial Manual (Vol I & Vol II)
3	IRCA Coaching Tariff (all parts and volumes)
4	IRCA Goods Tariff (all parts and volumes)
5	IRCA Military Tariff
6	IRCA Red Tariff
7	Railway Audit Manual - Part III Audit of Earnings

**Note:** All topics carry equal marks.

**(B) The following books/reference material are prescribed:**

Sl. No.	Name of the code/manual/tariff	Latest available edition	Subjects dealt with in the code/manual/tariff
1.	Indian Rly Code for the Traffic Dept. (Commercial)	Correction slip up to May 2015	The code embodies essential principles and policy directives issued by Rly Board for commercial department
2 (a)	Indian Rly Comml. Manual (Vol I)	1992 Edition	This manual deals with Coaching traffic
2 (b)	Indian Rly Comml. Manual (Vol II)	1991 Edition	This manual deals with Goods traffic & Misc. subjects
3	IRCA Coaching Tariff (all parts and volumes)	May 2014 March 2015	1) PART I VOL I - General Rules. 2) PART I VOL II - Concession 3) PART II - Coaching Rate Table 4) PART III - Parcel Rate Table
4	IRCA Goods Tariff (all parts and volumes)	April 2015	1. PART I VOL I - General Rules 2. PART I VOL II - Classification of Commodities 3. PART II - Freight Rate Table
5	IRCA Military Tariff -	1986	Rules for Military traffic
6	IRCA Red Tariff -	August 2000	Rules for Dangerous goods
7	Railway Audit Manual (issued by C&AG's office)	2001 Edition	Part III deals with procedures, rules and directives to conduct audit of Railway earnings

**Note:** In case of Tariffs, the Publications in force as on 1st April of the previous year will be the text book.

**(A) The following will be the syllabus and subjects**

Sl. No.	Content	Marks allocation
1.	Provisions of P&T Manual Volume I - Part—I (Legislative Enactments) Indian Post Office Act Sections 1 to 13, 16, 17, 28 to 36	12
2.	Provisions of P&T Manual Volume I - Part II (Legislative Enactments) Whole book excluding Chapter 3 i.e. Telegraph Wires (Unlawful Possession) Act, 1950 and Rules made there under	
3.	Provisions of Telecom Regulatory Authority of India (TRAI) Act 1997	3
4.	Provisions of Telecom Accounts and Finance Manual compiled by the DOT. October, 2017	9
5.	Compilation of letters on Licensing and Finance related issued by the DOT	6
6.	Provisions of The Central Government Accounts (Receipts and Payments) Rules-1983 Part II- Receipt of Government Revenues, Dues, etc., and crediting them into the Government Account	6
7.	Provisions of P&T Financial Hand Book Volume –II Chapter III- Revenue receipts	6
8.	Provisions of P&T Audit Manual Part –II (Inspections) Chapter-2 Section-H Audit of Telephone Revenue Accounting Branch of Telephone Districts (Computerised System)	6
9.	Provisions of Companies Act, 2013 Chapter IX Accounts of Companies Chapter X Audit and Auditors Chapter XXIII Government Companies	6
10.	Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs, Government of India	6

**(B) The following books/reference material are prescribed:**

For all topics, the relevant Acts/Rules/Manuals/Standards are mentioned in the table above.

**(A) The following will be the syllabus and subjects**

<b>Sl. No.</b>	<b>Content</b>	<b>Marks allocation</b>
<b>1.</b>	<b>Provisions of CAG's MSO (Audit) (Second Edition-2002)</b> <u>Section II</u> Chapter 3 'Audit of Receipts,' Chapter 4 'Audit of Accounts of Stores and Stock, <u>Section III</u> Chapter 23 Para 3.23.2. 'Workshop Accounts' and Para 3.23.4 'Refunds of Revenue'. <u>Section-III</u> Chapter 13 Audit of Borrowings, Loans & Advances, Revenue advance, Permanent advance	<b>6</b>
<b>2.</b>	<b>Provisions of General Financial Rules</b> Chapter 2 – General System of Financial Management Chapter 3 – Budget Formulation and Implementation (Para 42 to 56) Chapter 5 – Works Chapter 6 - Procurement of Goods and Services Chapter 7 - Inventory Management Chapter 12 – II- Refunds of Revenue Appendix II – Procedure for preparation of detailed estimates of receipts	<b>5</b>
<b>3.</b>	<b>Provisions of Central Government Receipt and Payment Rules</b> Part –I Preliminary and General Principles Part- II Receipt of Govt. revenues, dues etc. and crediting them into the Govt. Accounts Part-III Withdrawal from the Government Account	<b>5</b>
<b>4.</b>	<b>Provisions of Financial Regulations Part II</b> Chapter II – Recoveries and deductions. Appendix 8 instructions for guidance of officers who receive and handle cash. Appendix 11- Recovery of tuition fees of boys in Military schools. Chapter II Para 7 to 18	<b>4</b>
<b>5.</b>	<b>Provisions of Regulations for the Military Engineer Services</b>	<b>5</b>

	<p>Paras 912 to 916, Appendix 'O' and related rules regarding fixation of rates and recovery of electricity and water and allied matters.</p> <p>Chapter IV &amp; V– Paras 310 to 313, 559, 560 and Table 'H' relating to Departmental charges.</p> <p>Chapter VIII- Sections 38, Para 645 and Appendix 'J'</p> <p>Chapter IX- Revenue and Receipts</p> <p>Chapter XII Section 56 Table 'K' General Conditions of Contracts (IAFW-2249) relating to Hiring of T&amp;P to contractors.</p>	
<b>6.</b>	<p><b>Provisions of Manual of Instructions relating to procedure of works in the Accounts section of M.E.S. formations of MES Accountant's Manual</b></p> <p>Chapter VII Revenue</p>	<b>2</b>
<b>7.</b>	<p><b>Provisions of M.E.S. Local Audit Manual</b></p> <p>Part III -Paras 153, 164 to 185 dealing with local audit of the register of buildings, rent assessment ledgers, revenue ledgers, water and electricity charges, refunds etc.</p> <p>Part-IV – Paras 241 to 244 dealing with audit of the Register of Revenue derived from lands, trees, usufruct etc. Meter Readers' Books for electricity and water, consumer's ledgers etc.</p>	<b>4</b>
<b>8.</b>	<p><b>Provisions of Manual of the Audit Department, Defence Services Vol. I (Part C)</b></p> <p>Chapter 29 Section B para 619 to 637 dealing with Audit of revenue accounts.</p>	<b>2</b>
<b>9.</b>	<p><b>Provisions of Military Lands Manual</b></p> <p>Chapter II - Classification and transfer of land.</p> <p>Chapter V - Disposal of Land by Military Estate Officers.</p> <p>Chapter VI – Management by Cantonment Board.</p>	<b>3</b>
<b>10.</b>	<p><b>Provisions of Store Accounting Instructions for the Army (1965 Edition)</b></p> <p>Chapter II- Paras 27 to 30 regarding issue of stores on hire, loan etc., Para 50 Disposal of Surplus timber etc, Para 84 to 93 C.P. Issue Sections.</p> <p>Chapter V- Valuation of Stores and Rates.</p> <p>Chapter VII- Disposal of surplus and obsolete stores.</p>	<b>5</b>
<b>11.</b>	<p><b>Provisions of Army Local Audit Manual</b></p> <p><u>Part I. Volume -I</u></p> <p>Chapter –III- Para 123</p> <p><u>Part I. Volume- II</u></p> <p>Chapter –IV- Paras 157, 186, 260, 261, 262 and 263 regarding disposal of</p>	<b>4</b>

	surplus stores.	
<b>12.</b>	<b>Quarters and Rents and related orders issued from time to time</b> Whole Book including I.A.O 5/S/48.	<b>2</b>
<b>13.</b>	<b>Provisions of Regulations for Medical Services (1962)</b> Appendix 5 relating to Hospital stoppages and allied recoveries and Rules relating thereto.	<b>2</b>
<b>14.</b>	<b>Provisions of Factory Accounting Rules</b> Chapter II – Accounting of Stores – Para 13 (b) and (c). Chapter III- Accounting of Labour, Para 38 and Appendix 'G'. Chapter IV – Cost Accounting, Paras 52 and 53.	<b>3</b>
<b>15.</b>	<b>Provisions of Manual of the Audit Department, Defence Services -Vol. III (Ordnance &amp; Ordnance Equipment Factories) 2001 Edition</b> Paras regarding Payment issue, Test Audit Processes, Costing	<b>3</b>
<b>16.</b>	Provisions of <b>Defence Accounts Department Office Manual Part VI (Factories)</b> <u>Volume I</u> Chapter IV, V & VI (System of Cost Accounting in OFs, Labour methods of payments and allocations and Material accounting) <u>Volume II</u> Chapter IX & X (Annual Accounts section/Financial Advice Section)	<b>5</b>

**(B) The following books/reference material are prescribed:**

For all topics, the relevant Acts/Rules/Regulations/Orders/Instructions/Manuals are mentioned in the table above.