

Exercise No: 6.6
(Time allowed: 10 minutes)

Note: Learners may solve this exercise individually within 4 minute and note down the answers in their notebooks. After 4 minutes, the learners will discuss their individual answers in their sub-groups and come to agreed final answers within the sub-group. They may take another 4 minutes for this. A reporter from the sub-group will then state the answer to the entire learning community on behalf of sub-group. This exercise may take another 2minutes.

Question: How is interest on capital to be calculated? Please quote specific rule(s) of the GFR, 2005 in support of your reply.

Suggested solution to exercise No 6.6

Question: How is interest on capital to be calculated? Please quote specific rule(s) of the GFR, 2005 in support of your reply.

Suggested solution:

For capital outlay met out of specific loans raised by the Government, the interest shall be charged at such rate as may be prescribed by the Government (having regard to the rate of interest actually paid and the incidental charges incurred in raising the loan) Interest in respect of outlay provided otherwise, shall be charged at the average rate of interest to be determined each year The interest is to be calculated on the direct capital outlay at the end of the previous year plus half of the outlay of the year itself.[Rule 98,99 of the GFR, 2005]

Exercise No: 6.7
(Time allowed: 10 minutes)

Note: Learners may solve this exercise individually within 4 minute and note down the answers in their notebooks. After 4 minutes, the learners will discuss their individual answers in their sub-groups and come to agreed final answers within the sub-group. They may take another 4minutes for this. A reporter from the sub-group will then state the answer to the entire learning community on behalf of sub-group. This exercise may take another 2 minutes.

Question: Write “C” against the correct and “W” against the incorrect statements given below.

Sl.No.	Statement	
1	Rules 112, 113, 114 and 115 prescribe the principles to be adopted for recoveries of expenditure for services rendered to non-Government parties etc.	
2	All claims between the departments shall be preferred within the same financial year and not beyond three years from the date of transaction.	
3	Limited tenders can be called for works costing more than Rs. Five lakhs.	
4	All Government purchases have to be made in a transparent, competitive and fair manner to secure the best value for money.	
5	Goods up to the value of Rs.1,00,000 on each occasion can be purchased without quotation/recommendations of any purchase committee.	
6	The minimum time according to Rule 150 of GFR, 2005 to be allowed for submission of bids for procurement of goods costing Rs.25 lakhs or above should be three weeks.	
7	The performance security for an amount of five to ten percent of value of the contract has not to be obtained from a successful bidder.	
8	Surplus/obsolete/unserviceable material of assessed residual value above rupees Two lakhs should be disposed of by obtaining bids through advertised tender or through public auction.	

Suggested solution to exercise No. 6.7

Question: Write “C” against the correct and “W” against the incorrect statements given below.

Suggested solution:

Serial No.	Suggested solution
1.	Correct
2.	Correct
3.	Wrong
4.	Correct
5.	Wrong
6.	Correct
7.	Wrong
8.	Correct

Exercise No: 6.8
(Time allowed: 10 minutes)

Note: Learners may solve this exercise individually within 4 minute and note down the answers in their notebooks. After 4 minutes, the learners will discuss their individual answers in their sub-groups and come to agreed final answers within the sub-group. They may take another 4minutes for this. A reporter from the sub-group will then state the answer to the entire learning community on behalf of sub-group. This exercise may take another 2 minutes.

Question: Complete the statements in A with matching statements in B

S. No.	Statement A	S.No.	Statement. B
1.	The contracting authority should ensure that the conditions in lump sum contract,	1.1	the prices to be paid for such goods shall not exceed the prices stipulated in the rate contract.
2.	Where the surplus/obsolete/unserviceable material is not possible to be sold through advertised tender/auction	2.1	with the approval of the competent authority in the Ministry/Department who shall certify the demand to be of urgent nature and justify any additional expenditure on this account.
3.	The inventory for the fixed assets should normally be maintained at site, and fixed assets should be physically verified	3.1	at least once in a year.
4.	Two bid system is applicable in the case of	4.1	administrative approval and sanction to incur the expenditure.
5.	Limited tender enquiry method may be adopted in cases where the estimated value of the goods to be procured is more than rupees twenty five lakhs,	5.1	it may be disposed of at scrap value.
6.	Procurement can be made from a single source/ or on a single tender basis in the circumstances where	6.1	high value plant machinery etc., of a complex and technical nature.
7.	In case a Ministry/Department directly procures DG&SD rate contracted goods from suppliers	7.1	adequately safeguard/protect the interests of the Government..
8.	No work shall be commenced/liability incurred until there is	8.1	a particular firm/supplier is the sole manufacturer of the required goods; the item to be purchased is the propriety item of the supplier/firm.

Suggested solution to exercise No. 6.8

Question: Complete the statements in A with matching statements in B

Suggested solution:

1.	7.1
2.	5.1
3.	3.1
4.	6.1
5.	2.1
6.	8.1
7.	1.1
8.	4.1.

Exercise No: 6.9
(Time allowed: 10 minutes)

Note: Learners may solve this exercise individually within 4 minute and note down the answers in their notebooks. After 4 minutes, the learners will discuss their individual answers in their sub-groups and come to agreed final answers within the sub-group. They may take another 4 minutes for this. A reporter from the sub-group will then state the answer to the entire learning community on behalf of sub-group. This exercise may take another 2 minutes.

Question: Rules prescribe that the report of a loss has to be made at two stages, discuss those two stages

Suggested solution to exercise No. 6.9

Question: Rules prescribe that the report of a loss has to be made at two stages, discuss those two stages

Suggested solution:

- ✓ The report of a loss has to be made at two stages;
- ✓ An initial report as soon as suspicion arises that a loss has taken place,
- ✓ The final report is to be submitted after investigation indicating nature and extent of loss, errors or neglect of rules due to which loss has been caused and the prospects of recovery. The report has to be submitted to the Head of the Department through proper channel.

Exercise No: 6.10
(Time allowed: 10 minutes)

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Question: Fill in the following blanks with the terms given below.

18 months, six months, Financial Advisers, Rs.15000, competent authority, ten crores, Finance(Internal Finance Wing), Rule 80, Reserve Bank of India, ten lakhs, thirty lakhs, 186to 202, forty five days

1. Rule -----of the GFR, 2005 specifies that the cash balance of the Government of India shall be maintained by the -----, which shall also provide the banking facility to the Ministries.
2. All original works estimated to cost above Rupees -----and repair works estimated to cost above-----, may be got executed through a Public Works Organisation after consultation with Ministry of Urban Development as per Rule 126(4).
3. The Review Committee to be set up by the Administrative Ministry/Department in the case of approved projects costing Rs-----or above under Rule 134 consists of a representative each from the Administrative Ministry,-----and the Executing Agency.
4. Rule 145 of the GFR, 2005 specifies that goods up to the value of -----only on each occasion may be purchased without inviting quotations/bids on the basis of a specific certificate to be recorded by the -----.
5. The bid security is normally to remain valid for a period of -----
6. As per Rule 159 of GFR, 2005 the amount of advance payment in the case of maintenance contract should not exceed the amount payable for ----- months under the contract the ceiling may, however, be relaxed in consultation with the ----- concerned.
7. The procedure for Inventory management in Ministries Departments is discussed under Rules -- -----to -----of the GFR, 2005.
8. The Price Variation clause is usually provided in long term contracts, where the delivery period extends beyond-----.

Suggested solution to exercise No. 6.10

Question: Fill in the following blanks with the terms given below

Suggested solution:

Serial No.	Suggested Solution
1	Rule 80, Reserve Bank of India.
2	Ten lakhs, thirty lakhs.
3	Ten crores, Finance (Internal Finance Wing)
4	Rs.15000, Competent Authority.
5	Forty five days.
6	Six months, Financial Advisers
7	186 to 202
8.	18 months.