

Subjects & Syllabus



Paper 1

Accounting

One Paper - Three hours - 100 Marks

Objective

To acquire the ability to apply specific Accounting Standards and legislations to different transactions and events and in preparation and presentation of financial statements of various business entities.

Contents

1. Process of formulation of Accounting Standards including Ind ASs (IFRS converged standards) and IFRSs; convergence vs adoption; objective and concepts of carve outs.
2. Framework for Preparation and Presentation of Financial Statements (as per Accounting Standards).
3. Application of Accounting Standards:
 - AS 1 : Disclosure of Accounting Policies
 - AS 2 : Valuation of Inventories
 - AS 3 : Cash Flow Statements
 - AS 10 : Property, Plant and Equipment
 - AS 11 : The Effects of Changes in Foreign Exchange Rates
 - AS 12 : Accounting for Government Grants
 - AS 13 : Accounting for Investments
 - AS 16 : Borrowing Costs
4. Company Accounts
 - (i) Preparation of financial statements - Statement of Profit and Loss, Balance Sheet and Cash Flow Statement;
 - (ii) Managerial Remuneration;
 - (iii) Profit (Loss) prior to incorporation;
 - (iv) Accounting for bonus issue and right issue;
 - (v) Redemption of preference shares;
 - (vi) Redemption of debentures.

**5. Accounting for Special Transactions**

- (i) Investment;
- (ii) Insurance claims for loss of stock and loss of profit;
- (iii) Hire - purchase and Instalment sale transactions.

6. Special Type of Accounting

- (i) Departmental accounting;
- (ii) Accounting for branches including foreign branches;
- (iii) Accounts from incomplete records.

Note : if either new Accounting Standards (AS), Announcements and Limited Revisions to AS are issued or the earlier ones are withdrawn or new AS, Announcements and Limited Revisions to AS are issued in place of existing AS, Announcements and Limited Revisions to AS, the syllabus will accordingly include / exclude such new developments in the place of the existing ones with effect from the date to be notified by the Institute.

Paper 2

Corporate and Other Laws

One Paper - Three Hours - 100 Marks

Part I: Company Law (60 Marks)

Objective

To develop an understanding of the provisions of Company Law and acquire the capability to address application-oriented issues

Contents

The Companies Act, 2013 - Sections 1 to 148

1. Preliminary
2. Incorporation of Company and Matters Incidental thereto
3. Prospectus and Allotment of Securities
4. Share Capital and Debentures
5. Acceptance of Deposits by companies
6. Registration of Charges
7. Management and Administration
8. Declaration and payment of Dividend
9. Accounts of Companies
10. Audit and Auditors.

Part II: Other Laws (40 Marks)

Objective

1. To develop and understanding of the provisions of select legislations and acquire the ability to address application oriented issues



2. To develop an understanding of the rules for interpretation of statutes.

Contents

- 1. The Indian Contract Act, 1872** (Specific contracts covered from section 123 onwards): Contract of Indemnity and Guarantee, Bailment, Pledge, Agency.
- 2. The Negotiable Instruments Act, 1881:** Meaning of Negotiable Instruments, Characteristics, Classification of Instruments, Different provisions relating to Negotiation, Negotiability, Assignability, Right and Obligation of parties, presentment of Instruments, Rules of Compensation.
- 3. The General Clauses Act, 1897:** Important Definitions, Extent and Applicability, General Rules of Construction, Powers and Functionaries, Provisions as to Orders, Rules, etc. made under Enactments, Miscellaneous.
- 4. Interpretation of Statutes:** Rules of Interpretation of statutes, Aids to interpretation, Rules of Interpretation / construction of Deeds and Documents.

NOTE If new legislations are enacted in place of the existing legislations, the syllabus would include the corresponding provisions of such new legislations with effect from a date notified by the Institute. Similarly if any existing legislation ceases to have effect, the syllabus will accordingly exclude such legislation with effect from the date to be notified by the Institute.

The specific inclusions/exclusions in the various topics covered in the syllabus will be effected every year by way of Study Guidelines, if required.

Paper 3

Cost and Management Accounting

One Paper - Three Hours - 100 Marks

Objective

- 1. To develop an understanding of the basic concepts and applications to establish the cost associated with the production of products and provision of services and apply the same to determine prices.**
- 2. To develop an understanding of cost accounting statements.**
- 3. To acquire the ability to apply information for cost ascertainment, planning, control and decision making.**

Contents

1. Overview of Cost and Management Accounting

i. Introduction to Cost and Management Accounting

- Objectives and Scope of Cost and Management Accounting.
- The users of Cost and Management accounting information, Functions of management accounting.
- Role of cost accounting department in an organisation and its relation with other departments.
- Installation of Costing System
- Relationship of Cost Accounting, Financial Accounting, Management Accounting and Financial Management.
- Cost terms and Concepts
- Cost Reduction and Cost Control



- h. Elements of Costs
- i. Cost behavior pattern, Separating the components of fixed, variable, semi-variable and step costs.
- j. Methods of Costing, Techniques of Costing.
- k. Cost Accounting with use of Information Technology.

ii. Elements of Cost and preparation of Cost Sheets

- a. Functional classification and ascertainment of cost
- b. Preparation of Cost Sheets for Manufacturing sector and for Service sector

2. Ascertainment of Cost and Cost Accounting System

i. Material Cost

- a. Procurement procedures- Store procedures and documentation in respect of receipts and issue of stock, Stock verification,
- b. Valuation of material receipts,
- c. Inventory control
 - Techniques of fixing level of stocks- minimum, maximum, re-order point, safety stock, determination of optimum stock level,
 - Determination of Optimum Order quantity- Economic Order Quantity (EOQ),
 - Techniques of Inventory control- ABC Analysis, Fast, Slow moving and Non moving (FSN), High, Medium, Low (HML), Vital, Essential, Desirable (VED), Just-in-Time (JIT)- Stock taking and perpetual inventory system, use of control ratios,
- d. Inventory Accounting

ii. Employee Cost

- a. Attendance and Payroll procedures
 - Elements of wages- Basic pay, Dearness Allowance, Overtime, Bonus, Holiday and leave wages, Allowances and perquisites.
- b. Employee Cost Control
- c. Employee Turnover- Methods of calculating employee turnover, causes of employee turnover, effects of employee turnover.
- d. Utilisation of Human Resource, Direct and indirect employee Cost, charging of employee cost, Identifying employee hours with work orders or batches or capital jobs.
- e. Remuneration systems and incentive schemes
 - Premium Bonus Method (Halsey Plan and Rowan Plan)

iii. Overheads

- a. Functional analysis- Factory, Administration, Selling, Distribution, Research and Development.
- b. Behavioral analysis- Fixed, Variable and Semi- Variable.
- c. Allocation and Apportionment of overheads using Absorption Costing Method.
- d. Factory Overheads- Primary and secondary distribution,
- e. Administration Overheads- Method of allocation to cost centres or products,
- f. Selling & Distribution Overheads- Analysis and absorption of the expenses in products/ customers, impact of marketing strategies, cost effectiveness of various methods of sales promotion.
- g. Treatment of Research and development cost in cost accounting.



- iv. **Concepts of Activity Based Costing (ABC)**
- v. **Recording and Accounting of Costs**
 - a. Non-integrated Cost Accounting system- Ledger under non-integral system
 - b. Integrated (Cost and Financial) Accounting system- Ledgers under integral system.
 - c. Difference between the Non- integrated and Integrated Accounting system.
 - d. Reconciliation of profit as per Cost and Financial Accounts (under Non-Integrated Accounting System).

3. Methods of Costing

- i. **Single Output/ Unit Costing**
- ii. **Job Costing:** Job cost cards and databases, collecting direct costs of each job, attributing overheads to jobs, Application of job costing.
- iii. **Batch Costing:** Determination of optimum batch quantity, Ascertainment of cost for a batch, Preparation of batch cost sheet, Treatment of spoiled and defective work.
- iv. **Contract Costing**
 - a. Ascertainment of cost of a contract, Progress payment, Retention money, Escalation clause, Cost plus contract, Value of work certified, Cost of Work not certified.
 - b. Determination Value of work certified, Cost of work not certified, Notional or Estimated profit from a contact.
- v. **Process / Operation Costing**
 - a. Process cost recording, Process loss, Abnormal gains and losses, Equivalent units of production, Inter-process profit, Valuation of work in process.
 - b. Joint Products- Apportionment of joint costs, Methods of apportioning joint cost over joint products.
 - c. By-Products- Methods of apportioning joint costs over by-products, treatment of By-product cost.
- vi. **Costing of Service Sectors**
 - a. Determination of Costs and Prices of services.

4. Cost Control and Analysis

- i. **Standard Costing**
 - a. Setting up of Standards, Types of Standards, Standard Costing as method of performance measurement.
 - b. Calculation and Reconciliation of Cost Variances-
 - Material Cost Variance, employee Cost Variance, Variable Overheads Variance and Fixed Overhead Variance.
- ii. **Marginal Costing**
 - a. Basic concepts of marginal costing, Contribution margin, Break-even analysis, Break –even and profit volume charts, Contribution to sales ratio, Margin of Safety, Angle of Incidence, Cost-Volume-Profit Analysis (CVP), Multi- product break- even analysis, Consideration of Limiting factor (key factor),
 - b. Determination of Cost of a product/ service under marginal costing method, determination of cost of finished goods, work-in-progress,
 - c. Comparison of Marginal costing with absorption costing method- Reconciliation of profit under the both methods,



- d. Short term decision making using the above concepts (basic / fundamental level).
- iii. **Budget and Budgetary Control**
 - a. Meaning of Budget, Essentials of Budget, Budget Manual, Budget setting process, Preparation of Budget and monitoring procedures.
 - b. The use of budget in planning and control
 - c. Flexible budget, Preparation of Functional budget for operating and non- operating functions, Cash budget, Master budget,
 - d. Introduction to Principal/ Key budget factor, Zero Based Budgeting (ZBB), Performance budget, Control ratios and Budget variances.

Paper 4

Taxation

One Paper - Three Hours -100 Marks

Objective

To develop an understanding of the provisions of income-tax law and goods and services tax law and to acquire the ability to apply such knowledge to make computations and address application oriented issues.

Section A: Income-tax Law (60 Marks)

Contents

1. Basic Concepts

- i. Income-tax law: An introduction
- ii. Important definitions in the Income-tax Act, 1961
- iii. Concept of previous year and assessment year
- iv. Basis of Charge and Rates of Tax

2. Residential status and scope of total income

- i. Residential status
- ii. Scope of total income

3. Incomes which do not form part of total income

(other than charitable trusts and institutions, political parties and electoral trusts)

- i. Incomes not included in total income
- ii. Tax holiday for newly established units in Special Economic Zones

4. Heads of income and the provisions governing computation of income under different heads

- i. Salaries
- ii. Income from house property
- iii. Profits and gains of business or profession
- iv. Capital gains
- v. Income from other sources

- 5. Income of other persons included in assessee's total income**
 - i. Clubbing of income: An introduction
 - ii. Transfer of income without transfer of assets
 - iii. Income arising from revocable transfer of assets
 - iv. Clubbing of income of income arising to spouse, minor child and son's wife in certain cases
 - v. Conversion of self-acquired property into property of HUF

- 6. Aggregation of income; Set-off, or carry forward and set-off of losses**
 - i. Aggregation of Income
 - ii. Concept of set-off and carry forward and set-off of losses
 - iii. Provisions governing set-off and carry forward and set-off of losses under different heads of income
 - iv. Order of set-off of losses

- 7. Deductions from gross total income**
 - i. General provisions
 - ii. Deductions in respect of certain payments
 - iii. Specific deductions in respect of certain income
 - iv. Deductions in respect of other income
 - v. Other deductions

- 8. Computation of total income and tax liability of individuals**
 - i. Income to be considered while computing total income of individuals
 - ii. Procedure for computation of total income and tax liability of individuals

- 9. Advance tax, tax deduction at source and introduction to tax collection at source**
 - i. Introduction
 - ii. Direct Payment
 - iii. Provisions concerning deduction of tax at source
 - iv. Advance payment of tax
 - v. Interest for defaults in payment of advance tax and deferment of advance tax
 - vi. Tax collection at source - Basic concept
 - vii. Tax deduction and collection account number

- 10 Provisions for filing return of income and self-assessment**
 - i. Return of Income
 - ii. Compulsory filing of return of income
 - iii. Fee and Interest for default in furnishing return of income
 - iv. Return of loss
 - v. Provisions relating to belated return, revised return etc.
 - vi. Permanent account number
 - vii. Persons authorized to verify return of income
 - viii. Self-assessment.



Section B: Indirect Taxes (40 Marks)

Contents

1. Concept of indirect taxes

- i. Concept and features of indirect taxes
- ii. Principal Indirect taxes

2. Goods and Services Tax (GST) Laws

- i. GST Laws: An introduction including Constitutional aspects
- ii. Levy and collection of CGST and IGST
 - a. Application of CGST/IGST law
 - b. Concept of supply including composite and mixed supplies
 - c. Charge of tax including reverse charge
 - d. Exemption from tax
 - e. Composition levy
- iii. Basic concepts of time and value of supply
- iv. Input tax credit
- v. Computation of GST liability
- vi. Registration
- vii. Tax invoice; Credit and Debit Notes; Electronic way bill
- viii. Returns
- ix. Payment of tax

NOTE If any new legislation(s) is enacted in place of an existing legislation(s), the syllabus will accordingly include the corresponding provisions of such new legislation(s) in place of the existing legislation(s) with effect from the date to be notified by the Institute. Similarly, if any existing legislation ceases to have effect, the syllabus will accordingly exclude such legislation with effect from the date to be notified by the Institute. Students shall not be examined with reference to any particular State GST Law.

Consequential/corresponding amendments made in the provisions of the Income-tax law and Goods and Services Tax laws covered in the syllabus of this paper which arise out of the amendments made in the provisions not covered in the syllabus will not form part of the syllabus. Further, the specific inclusions/exclusions in the various topics covered in the syllabus will be effected every year by way of Study Guidelines. The specific inclusions/exclusions may also arise due to additions/deletions every year by the Annual Finance Act.

Group II - Paper 5

Advanced Accounting

One Paper - Three Hours - 100 Marks

Objective

1. To acquire the ability to apply specific Accounting Standards and legislations to different transactions and events and in preparation and presentation of financial statements of business entities;



2. To understand and apply financial reporting and regulatory requirements of Banking Companies and NBFCs.

Contents

1. Application of Accounting Standards

- AS 4: Contingencies and Events Occurring After the Balance Sheet Date
- AS 5: Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies
- AS 7: Construction Contracts
- AS 9: Revenue Recognition
- AS 14: Accounting for Amalgamations
- AS 17: Segment Reporting
- AS 18: Related Party Disclosures
- AS 19: Leases
- AS 20: Earnings Per Share
- AS 22: Accounting for Taxes on Income
- AS 24: Discontinuing Operations
- AS 26: Intangible Assets
- AS 29: Provisions, Contingent Liabilities and Contingent Assets.

2. Special Aspects of Company Accounts

- (i) Accounting for employee stock option plan;
- (ii) Buy back of securities;
- (iii) Equity shares with differential rights;

3. Reorganization and liquidation of Companies

- (i) Accounting for amalgamation (excluding inter-company holding) and reconstruction;
- (ii) Accounting involved in liquidation of companies.

4. Banking Companies and Non-Banking Financial Companies and regulatory requirements thereof.

5. Consolidated Financial Statements

Concept of consolidation and simple problems on Consolidated Financial Statements with single subsidiary (excluding problems involving acquisition of Interest in Subsidiary at Different Dates; Different Reporting Dates of Holding and Subsidiary; Disposal of a Subsidiary and Foreign Subsidiaries).

6. Dissolution of partnership firms including piecemeal distribution of assets; Amalgamation of partnership firms; Conversion of partnership firm into a company and Sale to a company; Issues related to accounting in Limited Liability Partnership.

NOTE 1. If either new Accounting Standards (ASs), Announcements and Limited Revisions to ASs are issued or the earlier ones are withdrawn or new ASs, Announcements and Limited Revisions to AS are issued in place of existing ASs, Announcements and Limited Revisions to AS, the syllabus will accordingly include / exclude such new developments in the place of the existing ones with effect from the date to be notified.

2. The specific exclusions, in any topic covered in the syllabus, will be effected, if any, by way of Study Guidelines.



Paper 6

Auditing and Assurance

One Paper - Three Hours -100 Marks

Objective

To develop an understanding of the concept in auditing and of the generally accepted auditing procedures, techniques and skills and acquire the ability to apply the same in audit and attestation engagements.

Contents

1. Nature, Objective and Scope of Audit

Auditing Concepts: Nature, objective and scope of Audit; Relationship of auditing with other disciplines;

Standard Setting Process: Overview, Standard-setting process, Role of International Auditing and Assurance Standards Board (IAASB) & Auditing and Assurance Standards Board (AASB); Standards on Auditing, Guidance Note(s) issued by the ICAI;

Engagement Standards: Qualities of Auditor, Elements of System of Quality Control (SQC 1 Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements); Ethical requirements relating to an audit of financial statements; Inherent Limitations of an audit (SA 200 Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Standards on Auditing); Preconditions for an audit; Audit Engagement; Agreement on Audit Engagement Terms; Terms of Engagement in Recurring Audits (SA 210 Agreeing the Terms of Audit Engagements); Leadership Responsibilities for Quality on Audits; Concept of Auditor's Independence; Threats to Independence; Acceptance and Continuance of Client Relationships and Audit Engagements (SA 220 Quality Control for an Audit of Financial Statements).

2. Audit Strategy, Audit Planning and Audit Programme

Audit Strategy; Audit planning (SA 300; Planning an Audit of Financial Statement) Audit programme; Development of Audit Plan and Programme, Control of quality of audit work - Delegation and supervision of audit work; Materiality and Audit Plan; Revision of Materiality; Documenting the Materiality; Performance Materiality (SA 320 Materiality in Planning and Performing an Audit).

3. Audit Documentation and Audit Evidence

Concept of Audit Documentation; Nature & Purpose of Audit Documentation; Form, Content & Extent of Audit Documentation; Completion Memorandum; Ownership and custody of Audit Documentation (SA 230 Audit Documentation); Audit procedures for obtaining audit evidence; Sources of evidence; Relevance and Reliability of audit evidence; Sufficient appropriate audit evidence, Evaluation of Audit Evidence (SA 500 Audit Evidence); Written Representations as Audit Evidence; Objective of Auditor regarding Written Representation; Management from whom Written Representations may be requested; Written Representations about Management's Responsibilities (SA 580 Written Representations); Obtaining evidence of existence of inventory; Audit procedure to identify litigation & claims (SA 501 Audit Evidence - Specific Considerations for Selected Items); External confirmation procedures; Management's refusal to allow the auditor to send a confirmation request; Negative Confirmations (SA 505 External Confirmations); Audit evidence about opening balances; Accounting policies relating to opening balances; Reporting with regard to opening balances (SA 510 Initial Audit Engagements-

Opening Balances); Meaning of Related Party; Nature of Related Party Relationships & Transactions; Understanding the Entity's Related Party Relationships & Transactions (SA 550 Related Parties); Meaning of Subsequent Events; Auditor's obligations in different situations of subsequent events (SA 560 Subsequent Events); Responsibilities of the Auditor with regard to Going Concern Assumption; Objectives of the Auditor regarding Going Concern; Events or Conditions that may cast doubt about Going Concern Assumption; Audit Procedures when events or conditions are identified (SA 570 Going Concern).

4. **Risk Assessment and Internal Control:** Audit Risk, Identifying and Assessing the Risk of Material Misstatement; Risk Assessment procedures; Understanding the entity and its environment; Internal control; Documenting the Risks; Evaluation of internal control system; Testing of Internal control; Internal Control and IT Environment (SA 315 Identifying and Assessing the Risks of Material Misstatement Through Understanding the Entity and Its Environment); Materiality and audit risk (SA 320 Materiality in Planning and Performing an Audit); Internal audit, Basics of Standards on Internal Audit (SIAs) issued by the ICAI; Basics of Internal Financial Control and reporting requirements; Distinction between Internal Financial Control and Internal Control over Financial Reporting.
5. **Fraud and Responsibilities of the Auditor in this Regard:** Responsibility for the Prevention and Detection of Fraud; Fraud Risk Factors; Risks of Material Misstatement Due to Fraud; Communication of Fraud (SA 240 The Auditor's responsibilities Relating to Fraud in an Audit of Financial Statements); Provisions of the Companies Act 2013 relating to fraud and rules thereunder including reporting requirements under CARO.
6. **Audit in an Automated Environment:** Key features, Impact of IT related Risks, Impact on Controls, Internal Financial Controls as per Regulatory requirements, Types of Controls, Audit approach, Understanding and documenting Automated environment, Testing methods, data analytics for audit, assessing and reporting audit findings.
7. **Audit Sampling:** Meaning of Audit Sampling; Designing an audit sample; Types of sampling; Sample Size and selection of items for testing; Sample selection method (SA 530 Audit Sampling).
8. **Analytical Procedures:** Meaning, nature, purpose and timing of analytical procedures; Substantive analytical procedures, Designing and performing analytical procedures prior to Audit; investigating the results of analytical procedures (SA 520 Analytical Procedures).
9. **Audit of Items of Financial Statements:** Audit of sale of Products and Services; Audit of Interest Income, Rental Income, Dividend Income, Net gain/loss on sale of Investments etc.

Audit of Purchases, Employee benefits expenses, Depreciation, Interest expense, Expenditure on Power & Fuel, Rent, Repair to building, Repair to Machinery, Insurance, Taxes, Travelling Expenses, Miscellaneous Expenses etc.

Audit of Share Capital, Reserve & Surplus, Long Term Borrowings, Trade Payables, Provisions, Short Term Borrowings & Other Current Liabilities. Audit of Land, Buildings, Plant & Equipment, Furniture & Fixtures, Vehicles, Office Equipments, Goodwill, Brand/Trademarks, Computer Software etc. Audit of Loan & Advances, Trade Receivable, Inventories, Cash & Cash Equivalent, Other Current Assets. Audit of Contingent Liabilities.

(The list of items is illustrative only)



- 10. The Company Audit:** Eligibility, Qualifications and Disqualifications of Auditors; Appointment of auditors; Removal of auditors; Remuneration of Auditors; Powers and duties of auditors; Branch audit; Joint audit; Reporting requirements under the Companies Act, 2013 including CARO; Other Important Provisions under the Companies Act, 2013 relating to Audit and Auditors and Rules made thereunder.
- 11. Audit Report:** Forming an opinion on the Financial Statements; Auditor's Report- basic elements (SA 700 Forming an Opinion and Reporting on Financial Statements); Types of Modified Opinion; Circumstances When a Modification to the Auditor's Opinion is Required, Qualification, Disclaimer, Adverse, of Opinion, (SA 705 Modification to the Opinion in the Independent Auditor's Report); SA 706 Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report; Nature of Comparative Information; Corresponding Figure; Comparative Financial Statements Required, Qualification, Disclaimer, Adverse Opinion, (SA 710 Comparative Information - Corresponding Figures and Comparative Financial Statements).
- 12. Audit of Banks:** Understanding of accounting system in Banks, Audit Approach, Audit of Revenue items, Special Consideration in Bank Audit with emphasis on Advances and NPAs.
- 13. Audit of Different Types of Entities:** Appointment of Auditor, Audit Procedure and Audit Report in respect of different Category of Entities Government; Local bodies and Not-for-profit organizations; Partnership Firms, Audit of different type of undertakings, i.e., Educational institutions, Hotels, Clubs, Hospitals Basics of Limited Liability Partnerships (LLPs) audit and Co-operative Societies Audit.

- NOTE**
1. The specific inclusions/exclusions in any topic covered in the syllabus will be effected every year by way of Study Guidelines.
 2. The provisions of the Companies Act, 1956 which are still in force would form part of the syllabus till the time their corresponding or new provisions of the Companies Act, 2013 are enforced.
 3. If new legislations/Standards on Auditing/Guidance Notes/Statements are enacted in place of the existing legislations, the syllabus would include the corresponding provisions of such new legislations with effect from a date notified by the Institute. The changes in this regard would also form part of Study Guidelines.

Paper 7

Enterprise Information Systems & Strategic Management

One Paper - Three Hours - 100 Marks

Section A: Enterprise Information Systems (50 Marks)

Objective

To develop an understanding of technology enabled Information Systems and their impact on enterprise-wide processes, risks and controls.

Contents

1. Automated Business Processes

- i. Introduction to Enterprise Business Processes, Benefits, Risks and Controls;

- ii. Diagrammatic representation of business processes using Flowcharts;
- iii. Risks and controls for specific business processes: Procure to pay (P2P), Order to cash, Inventory Cycle, Hire to Retire, Supply Chain Management, Fixed Assets etc.
- iv. Applicable regulatory and compliance requirements including computer related offences, privacy, cyber-crime, Sensitive Personal Data Information of Information Technology Act, 2000.

2. Financial and Accounting Systems

- i. Integrated (ERP) and non-integrated systems with related risks and controls;
- ii. Business process modules and their integration with Financial and Accounting systems.
- iii. Reporting Systems and MIS, Data Analytics and Business Intelligence
- iv. Business Reporting and fundamentals of XBRL (eXtensible Business Reporting Language).
- v. Applicable regulatory and compliance requirements

3. Information Systems and its Components

- i. Components of Automated Information Systems: Application Systems, Database, Network and Operating System with related risks and controls.
- ii. Mapping of Organization structure with Segregation of Duties in Information Systems.

4. E-commerce, M-commerce and Emerging Technologies

- i. Components and Architecture of E-Commerce and M-Commerce with related risks and controls
- ii. Business process flow with its related risks and controls
- iii. Applicable regulatory and compliance requirements
- iv. Emerging technologies with its related risks and controls

5. Core Banking Systems

- i. Components and Architecture of CBS and related risks and controls
- ii. Core modules of banking and Business process flow and its related risks and controls
- iii. Reporting Systems and MIS, Data Analytics and Business Intelligence
- iv. Applicable regulatory and compliance requirements.

Section B: Strategic Management (50 Marks)

Objective

To develop an understanding of strategic management concepts and techniques and acquire the ability to apply the same to business situations.

Contents

1. Introduction to Strategic Management

- + Business Policy
- + Meaning and Nature of Strategic management
- + Business Strategy
- + Strategic Levels in Organizations
- + Strategic Management in Government and Not-for-profit organization

**2. Dynamics of Competitive Strategy**

- + Competitive Landscape
- + Strategic Analysis
- + Industry and Competitive Analysis
- + Core Competence
- + Competitive Advantage
- + Internal and External Analysis
- + SWOT Analysis
- + Globalization

3. Strategic Management Process

- + Strategic Planning
- + Strategic Intent - Vision, Mission and Objectives
- + Strategy Formulation

4. Corporate Level Strategies

- + Concepts and Nature of Corporate Strategy
- + Strategic Alternatives at Corporate Level
- + Stability
- + Growth/Expansion
- + Business Combinations - Merger and Acquisition
- + Strategic Alliances
- + Retrenchment/Turnaround
- + Combination

5. Business Level Strategies

- + Competitive Strategies at Business Level
- + Michael Porter's Generic Strategies
- + Best-Cost Provider Strategy

6. Functional Level Strategies

- + Marketing Strategy
- + Financial Strategy
- + Operations Strategy
- + Human Resource Strategy
- + Research and Development

7. Organisation and Strategic Leadership

- + Organisation Structure
- + Strategic Business Unit
- + Strategic Leadership
- + Strategy Supportive Culture
- + Entrepreneurship and Intrapreneurship



8. Strategy Implementation and Control

- + Strategy Implementation
- + Strategic Change
- + Strategic Control
- + Strategy Audit
- + Business Process Reengineering
- + Benchmarking

Paper 8

Financial Management & Economics for Finance

One Paper - Three Hours - 100 Marks

Section A - Financial Management (60 Marks)

Objective

To develop an understanding of various aspects of Financial Management and acquire the ability to apply such knowledge in decision-making.

Contents

1. Financial Management and Financial Analysis

- i. **Introduction to Financial Management Function**
 - a. Objective and scope of financial management
 - b. Role and purpose
 - c. Financial management environment
 - d. Functions of finance executives in an organization
 - e. Financial distress and insolvency.
- ii. **Financial Analysis through Ratios**
 - a. Users of the financial analysis
 - b. Sources of financial data for analysis
 - c. Calculation and Interpretation of ratios:
 - Analysing liquidity
 - Analysing leverage
 - Analysing solvency
 - Analysing efficiency/ activity
 - Analysing profitability
 - d. Limitations of ratio analysis

2. Financing Decisions

- i. **Sources of Finance**
 - a. Different Sources of Finance, Characteristics of different types of long term debt and equity finance, Method of raising long term finance
 - b. Different Sources of short term Finance



- c. Internal fund as a source of finance
- d. International sources of finance
- e. Other sources of finance- Sale and lease back, Convertible debt, Venture capital, Grants etc.

ii. Cost of Capital

- a. Significance of cost of capital
- b. Factors of cost of capital
- c. Measurement of costs of individual components of capital
- d. Weighted average cost of capital (WACC)
- e. Marginal cost of capital
- f. Effective Interest rate

iii. Capital Structure Decisions

- a. Significance of capital structure
- b. Determinants of capital structure
- c. Capital structure planning and designing
- d. Designing of optimum capital structure
- e. Theories of Capital Structure and value of the firm- relevancy and Irrelevancy of capital structure.
- f. EBIT- EPS Analysis, Breakeven- EBIT Analysis.
- g. Under/ Over Capitalisation.

iv. Leverages

- a. Types of Leverages- Operating, Financial and Combined
- b. Analysis of leverages

3. Capital Investment and Dividend Decisions

i. Capital Investment Decisions

- a. Objective of capital investment decisions
- b. Methods of Investment appraisal...
 - Payback period, Discounted payback period
 - Accounting Rate of Return (ARR),
 - Net Present Value (NPV) - The meaning of NPV, Strengths and limitations of NPV method, The working capital adjustment in an NPV analysis, Capital rationing, Equivalent Annual Costs,
 - Internal Rate of return (IRR) - Limitations of the IRR method, Multiple IRRs,
 - Modified internal Rate of Return (MIRR) - Definition and explanation of MIRR, The process for calculating MIRR, Strengths of the MIRR approach.
 - Profitability Index

ii. Adjustment of Risk and Uncertainty in Capital Budgeting Decision

- a. Probability Analysis
- b. Certainty Equivalent Method
- c. Risk Adjusted Discount Rate
- d. Scenario Analysis
- e. Sensitivity Analysis

iii. Dividend Decisions

- a. Basics of Dividends
- b. Forms of dividend
- c. Determinants of dividend
- d. Relevancy and Irrelevancy of Dividend Policies- Traditional Approach, Walter's model, Gordon's model, Modigliani and Miller (MM) Hypothesis.

4. Management of Working Capital**i. Management of Working Capital**

- a. The management of working capital- Liquidity and Profitability
- b. The Working capital financing decisions-Primary and Secondary Sources of Liquidity
- c. The working Capital Cycle (operating Cycle), Effectiveness of Working Capital based on its operating and cash conversion cycles
- d. Assessment of working capital requirement
- e. Management of Accounts Receivables (Debtors)
- f. Factoring and Forfeiting
- g. Management of Accounts Payables (Creditors)
- h. Management of Inventory
- i. Management of Cash, Treasury management
- j. Banking norms of working capital finance.

Section B: Economics for Finance (40 Marks)**Objective**

To develop an understanding of the concepts and theories of Economics in the context of Finance and acquire the ability to address application oriented issues.

Contents**1. Determination of National Income**

- i. Macro Economic Aggregates and Measurement of National Income
- ii. The Keynesian Theory of Determination of National Income

2. Public Finance

- i. Fiscal functions: An Overview
- ii. Market Failure
- iii. Government Interventions to Correct Market Failure
- iv. Fiscal Policy

3. The Money Market

- i. The Concept of Money Demand: Important Theories of Demand for Money
- ii. The Concept of Money Supply
- iii. Monetary Policy

4. International Trade

- i. Theories of International Trade



- ii. Trade Policy - The Instruments of Trade Policy
- iii. Trade Negotiations
- iv. Exchange Rates and its economic effects
- v. International Capital Movements: Foreign Direct Investment.

Admission to Intermediate Examination

1. Students shall be admitted to Intermediate Examination if:
 - i. He is enrolled for the relevant level(s) of the Intermediate Course;
 - ii. He produces a certificate to the effect that he has undergone a study course, for a period not less than eight months as on the first day of the month in which the examination is held, if through Foundation Route; and has completed nine months of Practical Training on or before the last day of the month preceding the month in which the examination is to be held, if through direct entry route;
2. Students shall pay Examination fees, as may be fixed by the Council for Intermediate Examination
3. The subjects of Intermediate Course are classified into two groups. The students can study and appear in the Examination group-wise or both the groups together.

Important

Candidates of Foundation Route and Intermediate level examination passed candidates of the Institute of Cost Accountants of India or the Institute of Company Secretaries of India who registers for Intermediate Course on or before 1st March/1st September of the year would be eligible to appear in the Intermediate Examination to be held in the following November/May.

Graduate/Post Graduate route students who registers under Direct Entry Scheme in the respective decentralised office for the Course and Commence Practical Training on or before 1st February/1st August shall be eligible for November/May examinations on completion of 9 months practical training.

NOTE Students are advised to visit the Institute's website www.icai.org regularly to keep updated with the latest developments, if any.

Requirements for Passing Intermediate Examination

A student may appear in both the groups simultaneously or in one group in one examination and in the remaining group at any subsequent examination. He is declared to have passed the Intermediate examination, if he passes both the groups.

- i. A student shall ordinarily be declared to have passed in both the groups simultaneously, if he...
 - a. Secures at one sitting a minimum of 40% marks in each paper of each of the groups and minimum of 50% marks in the aggregate of all the papers of each of the groups; or
 - b. Secures at one sitting a minimum of 40% marks in each paper of both the groups and minimum of 50% marks in the aggregate of all the papers of both the groups taken together.
- ii. A student shall be declared to have passed in a group if he secures at one sitting a minimum of 40% marks in each paper of group and minimum of 50% marks in the aggregate of all the papers of that group.

Exemption

A student who appeared in all the papers comprised in a Group/unit and fails in one or more papers comprised in that

Group/Unit but secures a minimum of 60% of the marks in any paper(s) of that Group/Unit shall be eligible for exemption in that paper(s) in the next three following examinations:

He shall be declared to have passed in that Group/Unit if he secures at one sitting a minimum of 40% marks in each of the papers of that Group/Unit and a minimum of 50% of the total marks of all the papers of that Group/Unit including the paper(s) in which he had secured a minimum of 60% marks in the earlier examination. He shall not be eligible for any further exemptions in the remaining paper(s) of that Group/Unit until he has exhausted the exemptions already granted to him in that Group/Unit.

Further, the Council of the Institute has decided to grant the exemptions under new syllabus approved by it under sub-regulation (4) of regulation 28G in respect of Intermediate Examination for existing students in respect of the group/paper qualified by them under the old scheme. The details are available at <https://www.icaai.org/post/exemption-s-from-appearing-in-a-paper-s-or-group-of-ca-exams-under-the-new-scheme-of-education-and-training-w-e-f-may-2018-examinations-09-01-2018>.

Live Coaching Classes

The Board of Studies, ICAI conducts Live Coaching Classes for the Intermediate Course students. These classes are delivered online and students can access them on Personal Computers and Mobiles Phones. Students can attend these virtual classes sitting at their home, while travelling or anywhere else. Recorded lectures are also available for later viewing. For more details, please visit www.icaai.org/boslvc.

e-Books

The Board of Studies (Academic) also provides e-Books for Intermediate Course, through ICAI Digital Learning Hub at <https://learning.icaai.org/IDH/icaai/>. These e-Books contain audio enabled study material specifically for theoretical subjects for listening on the move. Students have the facility to highlight text and make notes/ annotations which can be retrieved later for quick reference. Searching the meaning of any word/ phrase is also possible with embedded Wikipedia. Self-assessment questions are available at the end of each chapter, to assess the performance of oneself. Students can access these e-Books using any device and learn anytime, anywhere at their own convenience and pace.

Annexure - II

INTERMEDIATE COURSE - SYLLABUS

The following table lists the learning objectives and the verbs that appear in the syllabus learning aims and examination questions:

	Learning objectives	Verbs used	Definition
LEVEL B	KNOWLEDGE What you are expected to know	List	Make a list of
		State	Express, fully or clearly, the details/facts of
		Define	Give the exact meaning of
	COMPREHENSION What you are expected to understand	Describe	Communicate the key features of
		Distinguish	Highlight the differences between
		Explain	Make clear or intelligible/ state the meaning or purpose of
		Identify	Recognize, establish or select after consideration
		Illustrate	Use an example to describe or explain something
	APPLICATION How you are expected to apply your knowledge	Apply	Put to practical use
		Calculate	Ascertain or reckon mathematically
		Demonstrate	Prove with certainty or exhibit by practical means
		Prepare	Make or get ready for use
		Reconcile	Make or prove consistent/ compatible
		Solve	Find an answer to
		Tabulate	Arrange in a table
	ANALYSIS How you are expected to analyse the detail of what you have learned	Analyse	Examine in detail the structure of
		Categorise	Place into a defined class or division
		Compare and contrast	Show the similarities and/or differences between
		Construct	Build up or compile
		Discuss	Examine in detail by argument
Interpret		Translate into intelligible or familiar terms	
Prioritise		Place in order of priority or sequence for action	
Produce		Create or bring into existence	

Study weightage:

Within a syllabus subject, a percentage weightage is shown against each subject-section/topic. This is provided as a guide to the proportion of study time each topic requires. The study weightage also indicate the approximate proportional distribution of marks that may be allocated in any single examination.

Summary of the Course:**GROUP - I**

Paper 5 : Financial Accounting (FAC)	
Accounting - Basics	25%
Preparation of Financial Statements	40%
Self Balancing Ledgers, Royalties, Hire Purchase & Installment System, Branch & Departmental Accounts	20%
Accounting in Computerised Environment and Accounting Standards	15%
Paper 6 : Laws & Ethics (LNE)	
Commercial Laws	30%
Industrial Laws	25%
Corporate Law	35%
Ethics	10%
Paper 7 : Direct Taxation (DTX)	
Income Tax Act Basics	10%
Heads of Income and Computation of Total Income and Tax Liability	70%
Tax Management, Administrative Procedures and ICDS	20%

Paper 8 : Cost Accounting (CAC)

Introduction to Cost Accounting	40%
Methods of Costing	30%
Cost Accounting Techniques	30%

GROUP - II**Paper 9 : Operations Management & Strategic Management (OMSM)**

Operations Management	70%
Strategic Management	30%

Paper 10 : Cost & Management Accounting and Financial Management (CMFM)

Cost & Management Accounting	50%
Financial Management	50%

Paper 11 : Indirect Taxation (ITX)

Cannons of taxations - Indirect Tax GST	80%
Customs Laws	20%

Paper 12 : Company Accounts & Audit (CAA)

Accounts of Joint Stock Companies	50%
Auditing	50%

Note : Subjects related to applicable statutes shall be read with amendments made from time to time.

Syllabus and its contents, scheme and/or pattern of examinations, are subject to modifications from time to time. Reference should be made to relevant notifications in this regard, as may be issued by the Institute from time to time.

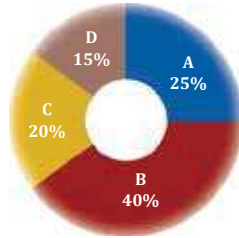
Group - I

PAPER 5: FINANCIAL ACCOUNTING (FAC)

Syllabus Structure

The syllabus comprises the following topics and study weightage

A	Accounting – Basics	25%
B	Preparation of Financial Statements	40%
C	Self Balancing Ledger, Royalties, Hire Purchase & Installment System, Branch & Departmental Accounts	20%
D	Accounting in Computerised Environment and Accounting Standards	15%



ASSESSMENT STRATEGY

There will be examination of three hours

OBJECTIVES

To gain understanding and to provide working knowledge of accounting concepts, detailed procedures and documentation involved in financial accounting system.

Learning Aims

The syllabus aims to test the student’s ability to:

- ⊙ Understand the framework of accounting systems and the Generally Accepted Accounting Principles
- ⊙ Prepare necessary financial statements related to different business entities
- ⊙ Construct financial statements for understandability and relevance of stakeholders

Skill sets required

Level B: Requiring the skill levels of knowledge, comprehension, application and analysis.

Section A : Accounting – Basics	25%
1. Fundamentals of Accounting	
2. Accounting for Special Transactions	
Section B : Preparation of Financial Statements	40%
3. Preparation of Final Accounts of Profit Oriented organizations, Non-Profit Organizations and from Incomplete Records	
4. Partnership Accounts	
Section C : Self Balancing Ledgers, Royalties, Hire Purchase & Installment System, Branch & Departmental Accounts	20%
5. Self-Balancing Ledgers	
6. Royalties, Hire-Purchase and Installment System	
7. Branch and Departmental Accounts	
Section D : Accounting in Computerised Environment and Accounting Standards	15%
8. Overview of Computerised Accounting	
9. Accounting Standards (Specified only)	

SECTION A: ACCOUNTING – BASICS

[25 MARKS]

1. Fundamentals of Accounting

Accounting – Meaning, Scope and Significance of Accounting – Accounting Principles, Concepts and Conventions – Capital and Revenue Transactions – Depreciation – Rectification of Errors.

2. Accounting for Special Transactions

Bill of Exchange – Consignment – Joint Venture – Insurance Claims (Loss of Stock and Loss of Profit).

SECTION B: PREPARATION OF FINANCIAL STATEMENTS [40 MARKS]

3. Preparation of Final Accounts of Profit Oriented Organizations, Non-Profit Organizations and from Incomplete Records

- (i) Preparation of Financial Statements of Profit Oriented organizations: P&L Account, Balance Sheet.
- (ii) Preparation of Financial Statements of Non-Profit making organizations: Preparation of Receipts & Payments Account, Income & Expenditure Account and Balance Sheet.
- (iii) Preparation of Financial Statements from Incomplete records (Single Entry)

4. Partnership Accounts

Admission, Retirement, Death, Treatment of Joint Life Policy, Dissolution of partnership firms including piece meal distribution, Amalgamation of partnership firms, Conversion of partnership firm into a company and sale of partnership firm to a company.

SECTION C: SELF BALANCING LEDGERS, ROYALTIES, HIRE PURCHASE & INSTALLMENT SYSTEM, BRANCH & DEPARTMENTAL ACCOUNTS [20 MARKS]

- 5. Self-Balancing Ledger
- 6. Royalty Accounts, Hire Purchase and Installment System
- 7. Branch and Departmental Accounts

SECTION D: ACCOUNTING IN COMPUTERIZED ENVIRONMENT AND ACCOUNTING STANDARDS [15 MARKS]

8. Computerized Accounting System – Features, Significance, Grouping of Accounts, Ledger hierarchy, Accounting Packages and their selection criteria

9. Accounting Standards

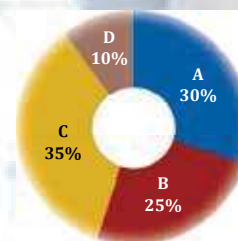
(AS-1, AS-2, AS-7, AS-9, AS-6 and AS-10 has been replaced by revised AS - 10)

PAPER 6: LAWS & ETHICS (LNE)

Syllabus Structure

The syllabus comprises the following topics and study weightage

A	Commercial Laws	30%
B	Industrial Laws	25%
C	Corporate Laws	35%
D	Ethics	10%



ASSESSMENT STRATEGY

There will be examination of three hours

OBJECTIVES

To give an exposure to some of the important laws essential and relevant for a business entity. To demonstrate an overview of laws related to Companies. To provide knowledge, comprehension and principles of Corporates. To construct the principles and ethical values of the business and professionals.

Learning Aims

The syllabus aims to test the student’s ability to:

- ⊙ Explain fundamental aspects of laws relevant for a business entity
- ⊙ Understand the principles of corporate governance and ability to implement and report compliance
- ⊙ Create awareness and understanding of the ethical values

Skill set required

Level B: Requiring the skill levels of knowledge, comprehension, application and analysis.

Note: Subjects related to applicable statutes shall be read with amendments made from time to time.

Section A : Commercial Laws	30%
1. Laws of Contracts (Advanced level)	
2. Laws relating to Sale of Goods (Advanced level)	
3. Negotiable Instruments Act,1881 (Advanced Level)	
4. Indian Partnership Act, 1932	
5. Limited Liability Partnership Act, 2008	
Section B : Industrial Laws	25%
6. Factories Act, 1948	
7. Payment of Gratuity Act, 1972	
8. Employees Provident Fund and Miscellaneous Provisions Act, 1952	
9. Employees State Insurance Act, 1948	
10. Payment of Bonus Act, 1965	
11. Minimum Wages Act, 1948	
12. Payment of Wages Act, 1936	
13. Pension Fund Regulatory and Development Authority Act, 2013	
Section C : Corporate Laws	35%
14. Companies Act, 2013	
Section D : Ethics	10%
15. Business Ethics	

SECTION A: COMMERCIAL LAWS [30 MARKS]

1. Indian Contracts Act, 1872

- (a) Essential elements of a contract, offer and acceptance
- (b) Void and voidable agreements
- (c) Consideration
- (d) Legality of object
- (e) E-contracts
- (f) Constraints to enforce contractual obligations
- (g) Quasi-contracts, contingent contracts, termination or discharge of contracts
- (h) Special contracts: Indemnity and Guarantee; Bailment and Pledge; Laws of Agency

2. Sale of Goods Act, 1930

- (a) Definition
- (b) Transfer of ownership
- (c) Conditions and Warranties
- (d) Performance of the Contract of Sale
- (e) Rights of Unpaid Vendor
- (f) Auction Sales

3. Negotiable Instruments Act, 1881

- (a) Definition and features of Negotiable Instrument
- (b) Crossing, Endorsement and Material Alteration

- (c) Acceptance, Assignment and Negotiation
- (d) Rights and Liabilities of Parties
- (e) Dishonor of a Negotiable Instrument

4. Indian Partnership Act, 1932

- (a) Nature of Partnership
- (b) Rights and liabilities of Partners
- (c) Formation, Reconstitution and Dissolution of Firms

5. Limited Liability Partnership Act, 2008

- (a) Concept, formation, membership, functioning
- (b) Dissolution

SECTION B: INDUSTRIAL LAWS: OBJECTS, SCOPE AND APPLICABILITY OF THE FOLLOWING ACTS. [25 MARKS]

- 6. Factories Act, 1948
- 7. Payment of Gratuity Act, 1972
- 8. Employees Provident Fund Act, 1952
- 9. Employees State Insurance Act, 1948
- 10. Payment of Bonus Act, 1965
- 11. Minimum Wages Act, 1948
- 12. Payment of Wages Act, 1936
- 13. Pension Fund Regulatory and Development Authority Act, 2013

SECTION C : CORPORATE LAWS [35 MARKS]

14. Companies Act, 2013

- (a) Company types, promotion, formation and related procedures i.e, Sec 1 to Sec 122 of Companies Act, 2013
- (b) Director-Role, Responsibilities, Qualification, disqualification, appointment, retirement, resignation, removal, remuneration and powers, Directors Identification Number

SECTION D : ETHICS [10 MARKS]

15. Business Ethics

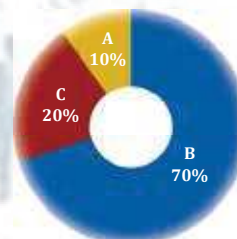
- (a) Ethics – meaning, importance, nature and relevance to business
- (b) Values and attitudes of professional accountants
- (c) Seven principles of public life-selflessness, integrity, objectivity, accountability, openness, honesty and leadership
- (d) Ethics in Business

PAPER 7: DIRECT TAXATION (DTX)

Syllabus Structure

The syllabus comprises the following topics and study weightage:

A	Income Tax Act Basics	10%
B	Heads of Income and Computation of Total Income and Tax Liability	70%
C	Tax Management, Administrative Procedure and ICDS	20%



ASSESSMENT STRATEGY

There will be examination of three hours.

OBJECTIVES

To gain knowledge about the direct tax laws in force for the relevant previous year and to provide an insight into procedural aspects for assessment of tax liability for various assessees.

Learning Aims

The syllabus aims to test the student’s ability to:

- ⊙ Understand the basic principles underlying the Income Tax Act
- ⊙ Compute the taxable income of an assessee
- ⊙ Analyze the assessment procedure

Skill set required

Level B: Requiring the skill levels of knowledge, comprehension, application and analysis.

Note : Subjects related to applicable statutes shall be read with amendments made from time to time.

Section A : Income Tax Act Basics	10%
1. Introduction to Income Tax Act, 1961	
2. Income which do not form part of Total Income (Section 10, 11 to 13A)	
Section B : Heads of Income and Computation of Total Income and Tax Liability	70%
3. Heads of Income and Computation of Total Income under various heads	
4. Clubbing Provisions, Set off and Carry forward of Losses, Deductions	
5. Assessment of Income and tax liability of different persons	
Section C : Tax Management, Administrative Procedures and ICDS	20%
6. TDS, TCS and Advance Tax	
7. Administrative Procedures	
8. Income Computation and Disclosure Standards – (ICDS)	

SECTION A: INCOME TAX ACT BASICS [10 MARKS]

1. Introduction to Income Tax Act, 1961

- (a) Constitutional Validity
- (b) Basic Concepts and definitions
- (c) Capital and Revenue Receipts
- (d) Basis of charge and scope of total income
- (e) Residential Status and Incidence of Tax (excluding section 9A)

2. Incomes which do not form part of Total Income [Sec.10, 11 to 13A]

SECTION B: HEADS OF INCOME AND COMPUTATION OF TOTAL INCOME AND TAX LIABILITY [70 MARKS]

3. Heads of Income and Computation of Total Income under various heads

- (a) Salaries
- (b) Income from House property
- (c) Profits and gains of Business or Profession (excluding sections 42 to 44DB but including sections 43A, 43B, 43AA, 44AB, 44AD, 44ADA and 44AE)
- (d) Capital Gains
- (e) Income from Other Sources

4. Clubbing Provisions, Set off and Carry forward of Losses, Deductions

- (a) Income of other persons included in Assessee’s Total Income
- (b) Aggregation of Income and Set off and Carry Forward of Losses
- (c) Deductions in computing Total Income
- (d) Rebates & Reliefs
- (e) Applicable Rates of Tax and Tax Liability

5. Assessment of Income and tax liability of different persons

- (a) Taxation of Individual (including AMT but excluding Non-resident)
- (b) Hindu Undivided Family (HUF)
- (c) Firms, LLP and Association of Persons
- (d) Co-operatives Societies

SECTION - C - TAX MANAGEMENT, ADMINISTRATIVE PROCEDURE AND ICDS [20 MARKS]

6. TDS, TCS and Advance Tax

- (a) Tax Deduction at Source (excluding sections relevant to non-residents)
- (b) Tax Collected at Source
- (c) Advance Tax

7. Administrative procedures

- (a) Return & PAN
- (b) Intimation
- (c) Brief concepts of Assessment u/s 140A, 143 and 144

8. ICDS

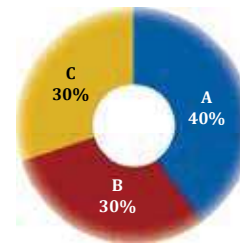
- (a) Basic Concepts of ICDS

PAPER 8: COST ACCOUNTING (CAC)

Syllabus Structure:

The syllabus comprises the following topics and study weightage:

1.	Introduction To Cost Accounting	40%
2.	Methods of Costing	30%
3.	Cost Accounting Techniques	30%



ASSESSMENT STRATEGY

There will be examination of three hours.

OBJECTIVES

To provide an in depth study of the Cost Accounting Principles and Techniques for identification, analysis and classification of cost components to facilitate managerial decision making.

Learning aims

The syllabus aims to test the student’s ability to:

- ⊙ Understand and explain the conceptual framework of Cost Accounting
- ⊙ Explain the basic concepts and processes in determination of cost of products and services
- ⊙ Understand the Cost Accounting Standards (CAS)
- ⊙ Apply marginal costing in decision making
- ⊙ Apply the concept of Standard Costing for variance analysis

Skill set required

Level B: Requiring the skill levels of knowledge, comprehension, application and analysis.

1.	Introduction to Cost Accounting	40%
	A. Cost Ascertainment – Elements of Cost	
	B. Cost Accounting Standards	
	C. Cost Book Keeping	
2.	Methods of Costing	30%
3.	Cost Accounting Techniques	30%

INTRODUCTION TO COST ACCOUNTING [40 MARKS]

1. Introduction To Cost Accounting

- (a) Definition, Scope, objectives and significance of cost accounting, its relationship with financial accounting and management accounting

- (b) Cost Objects, Cost centers and Cost Units
- (c) Elements of cost
- (d) Classification of costs

2. Cost Ascertainment - Elements of Cost

(a) Material Costs

- (i) Procurement of Materials
- (ii) Inventory Management and Control
- (iii) Inventory Accounting & Valuation
- (iv) Physical Verification, treatment of losses
- (v) Scrap, spoilage, defectives and wastage

(b) Employee Costs

- (i) Time keeping, Time booking and payroll
- (ii) Labour Turnover, Overtime and idle time
- (iii) Principles and methods of remuneration and incentive schemes
- (iv) Employee cost reporting and measurement of efficiency

(c) Direct Expenses

(d) Overheads

- (i) Collection, classification and apportionment and allocation of overheads
- (ii) Absorption and treatment of over or under absorption of overheads
- (iii) Reporting of overhead costs

3. Cost Accounting Standards (Basic Understanding only) (CAS 1 to CAS 24)

4. Cost Book Keeping

- (a) Cost Accounting Records, Ledgers and Cost Statements
- (b) Items excluded from cost and normal and abnormal items/cost
- (c) Integral accounts
- (d) Reconciliation of cost accounting records with financial accounts
- (e) Infrastructure, Educational, Healthcare and Port services

METHODS OF COSTING [30 MARKS]

5. Methods of Costing

- (a) Job Costing
- (b) Batch Costing
- (c) Contract Costing
- (d) Process Costing – Normal and abnormal losses, equivalent production, Joint and By Products
- (e) Operating Costing or Service Costing – Transport, Hotel and Hospital

COST ACCOUNTING TECHNIQUES [30 MARKS]

6. Cost Accounting Techniques (Basic Understanding only)

(A) Marginal Costing

- (i) Meaning of Marginal Cost and Marginal Costing
- (ii) Absorption Costing vs. Marginal Costing
- (iii) Break-even analysis
- (iv) Margin of safety
- (v) Application of Marginal Costing for decision making **(simple problems only)**

(B) Standard Costing & Variance Analysis

- (i) Concept of standard cost and standard costing
- (ii) Advantages and limitations
- (iii) Computation of variance relating to **material and labour costs only**

(C) Budget and Budgetary Control (simple problems only)

- (i) Concepts, Types of Budgets
- (ii) Budgetary Control vs. Standard Costing
- (iii) Advantages and limitations
- (iv) Preparation of Budgets **(simple problems only)**

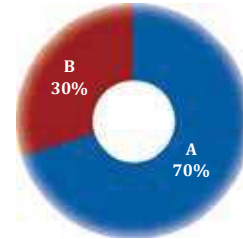
GROUP – II

PAPER 9: OPERATIONS MANAGEMENT & STRATEGIC MANAGEMENT (OMSM)

Syllabus Structure

The syllabus comprises the following topics and study weightage:

A	Operations Management	70%
B	Strategic Management	30%



ASSESSMENT STRATEGY

There will be examination of three hours.

OBJECTIVE

To provide an in depth study of the various business process, analyze operations, production planning and strategic management.

Learning Aims

The syllabus aims to test the student's ability to:

- ⊙ Understand the business process and analyze the operations
- ⊙ Acquire knowledge of production planning and resource management
- ⊙ Understand the concept of Corporate Vision - Mission and Objectives
- ⊙ Understand the concept of SWOT and Portfolio Analysis
- ⊙ Understand the different stages in strategy formulation process
- ⊙ Understand the concept of Strategic Business Unit and Business Process re-engineering

Skill Set required

Level B: Requiring the skill levels of knowledge, comprehension, application and analysis.

Section A : Operations Management		70%
1.	Operations Management – Introduction	15%
2.	Operations Planning	
3.	Designing of Operational Systems and Control	35%
4.	Production Planning and Control	
5.	Productivity Management and quality management	
6.	Project Management	20%
7.	Economics of Maintenance and spares management	
Section B : Strategic Management		30%
8.	Strategic Management Introduction	
9.	Strategic Analysis and Strategic Planning	
10.	Formulation and Implementation of Strategy	

SECTION A: OPERATIONS MANAGEMENT [70 MARKS]

1. **Operations Management Introduction:** Scope, characteristics of modern operations functions – recent trends in production / operations management.

2. **Operations Planning:**
Demand forecasting – capacity planning - capacity requirement planning - facility location - facility layout – Resource aggregate planning – Material requirements planning – Manufacturing resource planning – Economic Batch quantity.
3. **Designing of Operational Systems and Control:**
Product Design, Process design - Selection - Product Life Cycle – Process Planning – Process Selection.
4. **Production Planning and Control:**
Introduction – Control Measures – Time study, Work study, Method study, Job Evaluation, Job Allocation (Assignment Technique), Scheduling Queuing Models, Simulation and Line Balancing – Optimum Allocation of resources – Lean Operations – JIT – Transportation Model and Linear Programming Technique (Formulation of equations only).
5. **Productivity Management and Quality Management:**
Measurement techniques of productivity index, productivity of employee, productivity of materials, productivity of management resources, productivity of other factors – productivity improving methods – TQM basic tools and certification – ISO standards basics.
6. **Project Management:**
Project planning – project life cycle – Gantt charts, PERT and CPM.
7. **Economics of Maintenance and Spares Management:**
Break down Maintenance – Preventive Maintenance – Routine Maintenance – Replacement of Machine – Spare Parts Management.

SECTION B: STRATEGIC MANAGEMENT [30 MARKS]

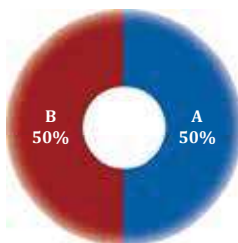
8. **Strategic Management Introduction**
Vision-Mission and objective
9. **Strategic Analysis and Strategic Planning**
Situational Analysis – SWOT Analysis – Portfolio Analysis – BCG Matrices – Stages in Strategic Planning – Alternatives in Strategic Planning.
10. **Formulation and Implementation of Strategy:**
Strategy formulation function wise (Production Strategy, Marketing Strategy, Man Power Strategy) – Structuring of Organisation for Implementation of strategy – Strategic Business Unit – Business Process re-engineering.

PAPER 10: COST & MANAGEMENT ACCOUNTING AND FINANCIAL MANAGEMENT (CMFM)

Syllabus Structure:

The syllabus comprises the following topics and study weightage:

A	Cost & Management Accounting	50%
B	Financial Management	50%



ASSESSMENT STRATEGY

There will be examination of three hours

OBJECTIVES

- ⊙ To provide an in depth knowledge of the detailed procedures and documentation involved in cost ascertainment systems
- ⊙ To understand the concepts of Financial Management and its application for managerial decision making

Learning Aims

The syllabus aims to test the student’s ability to:

- ⊙ Understand the cost and management accounting techniques for evaluation, analysis and application in managerial decision making
- ⊙ Compare and contrast marginal and absorption costing methods in respect of profit reporting
- ⊙ Apply marginal and absorption costing approaches in job, batch and process environments
- ⊙ Prepare and interpret budgets and standard costs and variance statements
- ⊙ Identify and apply the concepts of Financial Management

Skill Set required

Level B: Requiring the skill levels of knowledge, comprehension, application and analysis.

Note: Subjects related to applicable statutes shall be read with amendments made from time to time.

Section A : Cost & Management Accounting	50%
1. Cost and Management Accounting – Introduction	
2. Decision Making Tools	
3. Budgeting and Budgetary Control	
4. Standard Costing and Variance Analysis	
5. Learning Curve	
Section B : Financial Management	50%
6. Introduction to Financial Management	
7. Tools for Financial Analysis and Planning	
8. Working Capital Management	
9. Cost of Capital, Capital Structure Theories, Dividend Decisions and Leverage Analysis	
10. Capital Budgeting – Investment Decisions	

SECTION A: COST & MANAGEMENT ACCOUNTING (50 MARKS)

1. **Cost and Management Accounting:**
Introduction to Management Accounting – Relationship between Management Accounting and Cost Accounting
2. **Decision-Making Tools:**
 - (a) Marginal Costing : Break Even Analysis and cost-volume-profit analysis; break-even charts and profit charts; differential cost analysis; stock valuation under marginal costing vs. absorption costing; applications of marginal costing in decision making
 - (b) Transfer Pricing – Determination of Inter-departmental or Inter-company Transfer Price
3. **Budgeting and Budgetary Control:**
 - (a) Budgetary Control and Preparation of Functional and Master Budgeting
 - (b) Fixed, Variable, Semi-Variable Budgets
 - (c) Zero Based Budgeting (ZBB)
4. **Standard Costing & Variance Analysis:**
Computation of variances for each of the elements of costs, Sales Variances, Investigation of variances – Valuation of Stock under Standard Costing – Uniform Costing and Inter-firm comparison
5. **Learning Curve:**
Concept of Learning curve and its application

SECTION B: FINANCIAL MANAGEMENT (50 MARKS)

6. **Introduction to Financial Management:**
Meaning – Objectives – Scope of Financial Management

sources of Finance – Introduction to Financial Markets

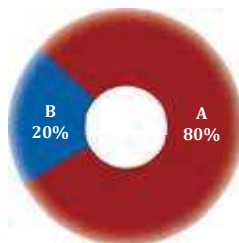
7. **Tools for Financial Analysis and Planning:**
Financial Ratio Analysis – Fund Flow Analysis – Cash Flow Analysis
8. **Working Capital Management:**
Working Capital Management – Financing of Working Capital
9. **Cost of Capital, Capital Structure Theories, Dividend Decisions and Leverage Analysis:**
Meaning of Cost of Capital – Computation of Cost of Capital – Capital Structure Theories and Dividend Decisions Theories (Walters – MM – Gordon Models) – Leverage Analysis
10. **Capital Budgeting – Investment Decisions:**
Concept of Capital Budgeting – Non-Discounted and Discounted Cash Flow Method – Ranking of Projects

PAPER 11: INDIRECT TAXATION (ITX)

Syllabus Structure

The syllabus comprises the following topics and study weightage:

A	Canons of Taxations – Indirect Tax GST	80%
B	Customs Laws	20%



ASSESSMENT STRATEGY

There will be examination of three hours.

OBJECTIVES

To provide an in depth study of the various provisions of indirect taxation laws and their impact on business decision-making

Learning Aims

The syllabus aims to test the student’s ability to:

- ⊙ Understand the principles underlying the Indirect Taxation Statutes (with reference to Goods and Services Tax Act, Customs Act).
- ⊙ Compute the assessable value of transactions related to goods and services for levy and determination of duty liability
- ⊙ Identify and analyze the procedural aspects under different applicable statutes related to indirect taxation

Skill Set required

Level B: Requiring the skill levels of knowledge, comprehension, application and analysis.

Note: Subjects related to applicable statutes shall be read with amendments made from time to time.

SECTION - A: CANONS OF TAXATION – INDIRECT TAX GST [80 MARKS]

Goods and Services Tax Act & Rules

1.0 Introduction

What is GST

**One Nation-One Tax
Dual GST Model**

- ⊙ Central Goods and Services Tax Act, 2017 (CGST)
- ⊙ State Goods and Services Tax Act, 2017 (SGST)
- ⊙ Union Territory Goods and Services Tax Act, 2017 (UTGST)
- ⊙ Integrated Goods and Services Tax Act, 2017 (IGST)

Goods and Services Tax Network (GSTN)

- ⊙ Functions of GSTN (i.e. Role assigned to GSTN)

Constitution (101st Amendment) Act, 2016 GST Council

- ⊙ Guiding principle of the GST Council
- ⊙ Functions of the GST Council

Definitions under CGST Laws

2.0 Levy and Collection of Tax

Scope of supply (Section 7 of CGST Act, 2017)

Section 7(1) (a) all forms of supply of goods or services or both such as sale, transfer, barter, exchange, licence, rental, lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business;

Section 7(1)(b) of CGST Act, 2017, import of services for a consideration whether or not in the course or furtherance of business

Section 7(1)(c) of the CGST Act, 2017 the activities specified in Schedule I, made or agreed to be made without a consideration

- ⊙ Permanent transfer/disposal of business assets
- ⊙ Supply between related persons or distinct persons
- ⊙ Supply to agents or by agents
- ⊙ Importation of Services

Section 7(1)(d) of the CGST Act, 2017, the activities to be treated as supply of goods or supply of services as referred to in Schedule II

- ⊙ Renting of Immovable Property
- ⊙ Information Technology software
- ⊙ Transfer of the right to use any goods for any purpose
- ⊙ Composite supply

Non-taxable Supplies under CGST Act, 2017

- ⊙ Section 7(2) (a) activities or transactions specified in Schedule III;
- ⊙ Section 7(2)(b) such activities or transactions undertaken by the Central Government, a State Government or any local authority in which they are engaged as public authorities, as may be notified by the Government on the recommendations of the Council

Section 7(3) the transactions that are to be treated as—

- (a) a supply of goods and not as a supply of services; or
- (b) a supply of services and not as a supply of goods.
Composite and Mixed Supplies (Section 8 of CGST Act, 2017)

Meaning of Composite and Mixed Supplies, Composite Supply, Mixed supply, Levy and Collection, Composition Levy, Exemption from tax, Person liable to pay tax, Forward Charge, Reverse Charge, Person who are required to pay tax under section 9(5) of CGST (i.e. Electronic Commerce Operator) Act

3.0 Time, Value and Place of Supply

Time of supply

Place of supply

Value of supply

Change in rate of tax in respect of supply of goods or services

4.0 Input Tax Credit

Eligibility for taking Input Tax Credit (ITC)

Blocked Credits

Method of Reversal of Credits

Input Tax Credit in respect of goods sent for Job-Work

Distribution of credit by Input Service Distributor (ISD)

5.0 Registration under GST Law

Persons not liable for registration

Compulsory registration

Concept of Distinct Persons under GST

Procedure for registration

Deemed registration

Casual taxable person

Non-resident taxable person

Cancellation vs. Revocation of registration

6.0 Tax Invoice, Credit and Debit Notes and other documents under GST

7.0 Accounts, Other Records

8.0 Payment of Tax

Computation of Tax liability and payment of tax, Interest on delayed payment of tax

9.0 TDS & TCS under GST

10.0 Returns

11.0 Matching Concept under GST

12.0 GST Audit by Professionals

13.0 E - Waybills under GST - Basics

SECTION - B : CUSTOMS LAWS

[20 MARKS]

1.0 Basic Concepts

Introduction, Definitions, Circumstances of Levy

2.0 Types of Duties

Introduction

Types of Duties

- ⊙ Basic customs duty
- ⊙ IGST (replacement of CVD and Spl. CVD)
- ⊙ Protective duties
- ⊙ Safeguard duty
- ⊙ Countervailing Duty on subsidized articles
- ⊙ Anti-dumping duty

3.0 Valuation under Customs

Introduction

Valuation of Imported Goods

Valuation of Export Goods

4.0 Import and Export Procedures

Introduction

Import Procedures (including warehousing)

Export Procedures

Deemed Exports

Duty drawback

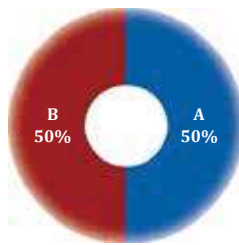
5.0 Customs (Import of Goods at Concessional Rate of Duty) Rules, 2017

Paper 12: Company Accounts & Audit (CAA)

Syllabus Structure:

The syllabus comprises the following topics and study weightage:

A	Accounts of Joint Stock Companies	50%
B	Auditing	50%



ASSESSMENT STRATEGY

There will be examination of three hours.

OBJECTIVES

To gain in depth knowledge of the professional standards, principles and procedures regarding preparation of financial accounting statements. To provide basic knowledge of auditing.

Learning Aims

The syllabus aims to test the student's ability to:

- ⊙ Understand the framework of financial statements, various pronouncements of professional standards and their applicability
- ⊙ Prepare financial statements as may be required under applicable statutes for fair representation, understanding and reliability of stakeholders
- ⊙ Explain basic knowledge of auditing

Skill Set required

Level B: Requiring the skill levels of knowledge, comprehension, application and analysis.

Note: Subjects related to applicable statutes shall be read with amendments made from time to time.

Section A : Accounts of Joint Stock Companies	50%
1. Accounting of Shares and Debentures	25%
2. Presentation of Financial Statements (as Per Schedule III)	
3. Cash Flow Statement	
4. Accounts of Banking, Electricity and Insurance Companies	25%
5. Accounting Standards (AS-11, 12, 15, 16, 17, 18 and 19)	
Section B : Auditing	50%
6. Auditing Concepts	20%
7. Provision relating to Audit under Companies Act	30%

SECTION A: ACCOUNTS OF JOINT STOCK COMPANIES (50 MARKS)

1. Accounting of Shares and Debentures:

- (a) Issue of shares, rights issue, bonus issue, sweat equity shares, forfeiture of share, buy-back of shares
- (b) Issue and redemption of preference shares, debentures
- (c) Underwriting of shares and debentures

2. Presentation of Financial Statements (as per Schedule III):

- (a) Statement of Profit and Loss
- (b) Balance Sheet

3. Cash Flow Statement (AS-3)

4. Accounts of Banking, Electricity and Insurance Companies:

- (a) Accounts of Banking Company
- (b) Accounts of an Electricity Company
- (c) Accounts of Insurance Company

5. Accounting Standards (AS-11, 12, 15, 16, 17, 18 and 19)

SECTION B: AUDITING

(50 MARKS)

6. Auditing Concepts

- (a) Nature, Scope and Significance of Auditing
- (b) Audit Engagement, Audit Program, Audit Working Papers, Audit Note Book, Audit Evidence and Audit Report
- (c) Internal Check, Internal Control, Internal Audit- Industry Specific

7. Provision relating to Audit under Companies Act

- (a) Auditor's qualifications, disqualifications, appointment, remuneration, removal, powers and duties
- (b) Cost Audit, Secretarial Audit
- (c) Reporting Requirements under Companies Act, Report vs. Certificate, contents of the reports and qualifications in the report.
- (d) Miscellaneous Audit
 - i. Branch Audit, Joint Audit
 - ii. Audit of shares and debentures
 - iii. Audit of divisible profits and dividends
 - iv. Statutory Auditors vs. Internal Auditors
 - v. Auditing and Assurance Standards relating to audit of inventories and audit of fixed assets
 - vi. Auditing of different types of undertaking – Education, Hospital, Co-operative Societies, Banks, Trusts, Municipalities, Panchayats