



THE INSTITUTE OF COST AND WORKS ACCOUNTANTS OF INDIA

NEW SYLLABUS

The Institute has taken a very positive approach towards providing high standard of education and training to the students and arranging continuous development programmes for the members. The new syllabus has been framed following the International Education Guidelines (IEG) of IFAC to get advantages in the process of Mutual Recognition Agreement (MRA) among different member countries of the world under GATS in WTO.

STRUCTURE OF THE NEW SYLLABUS

FOUNDATION

Paper 1: Organization & Management Fundamentals

Paper 2: Accounting

Paper 3: Economics and Business Fundamentals

Paper 4: Business Mathematics, Statistics

INTERMEDIATE

Group I

Paper 5: Financial Accounting

Paper 6: Commercial and Industrial Laws and Auditing

Paper 7: Applied Direct Taxes

Group II

Paper 8: Cost & Management Accounting

Paper 9: Operation Management and Information Systems

Paper 10: Applied Indirect Taxes

FINAL

Group III

Paper 11: Capital Market Analysis & Corporate Laws

Paper 12: Financial Management & International Finance

Paper 13: Management Accounting - Strategic Management

Paper 14: Indirect & Direct - Tax Management

Group IV

Paper 15: Management Accounting - Enterprise Performance Management

Paper 16: Advanced Financial Accounting & Reporting

Paper 17: Cost Audit & Operational Audit

Paper 18: Business Valuation Management

SKILL MAPPING OF THE NEW SYLLABUS

Stage I	Financial Accounting ----- Auditing	Commercial and Industrial Laws ----- Applied Direct Taxation		
Stage II		Applied Indirect Taxation	Cost and Management accounting ----- Operation Management and Information Systems	
Stage III		Corporate Laws ----- Indirect & Direct Tax Management	Financial Management & International Finance	Capital Market Analysis ----- Management Accounting - Strategic Management
Stage IV	Advanced Financial Accounting & Reporting	Cost Audit	Operational Audit ----- Business Valuation Management	Management Accounting - Enterprise Performance Management
KNOWLEDGE PILLARS	FINANCIAL REPORTING	REGULATORY	MANAGEMENT	STRATEGY



Foundation Course

Paper 1 : Organization & Management Fundamentals

Objective

- To gain basic knowledge in Organizational Management
- To understand the concept of business management at the macro level

Section I : Organization

30%

1. Nature and Functional Areas of Organization **10%**

- Organizational structures.
- Functional areas of business and their operations
- Activities of different functions
- Formal & informal organizations: principles of organizations
- Criteria for grouping

2. Schools of Organizational theory **10%**

- Classical, behavioural and systems
- Current trend and approaches
- Behaviour in organizations
- Role of behavioural science

3. Organizational Management **10%**

- Objectives (missions, goals and targets)
- Conflicts between objectives
- Appropriate strategy formulation
- Determinants of culture
- Different models available for categorizing cultures
- Different models of organizational model management available to achieve goal congruence.

Section II : Management

70%

4.. Human resource management **20%**

- Human resource plan
- Human issues relating to recruitment, dismissal, retirement and redundancy
- Models of Human Behaviour and Motivation and its applications (Taylor, McGregor, Maslow, Herzberg etc).
- Training & development.
- Development and design of reward system

5. Management of Relationship **20%**

- Process of Management covering planning, organizing, staffing, directing, motivating, communicating and control
- Concept of power, authority, responsibility and delegation
- Characteristics of leaders and managers
- Management Style theories
- Contingency approach

6. Management of Change **15%**

- Stages & Process of Management change
- Structural change & Cultural change
- Approaches to the management of organizational development
- Importance of managing critical period of change
- Ways of handling these periods of change

7. Pattern of Management **15%**

- Broad policies and functions
- Structural pattern of Board of Directors.
- Concept of public sector, social objectives, public sector management
- Current management thoughts



Paper2: Accounting (One Paper: 3 hours:100 marks)

Objectives

- To understand fundamental accounting principles
- To understand basic concept of cost accounting

1. Basics of Bookkeeping and accounting 10%

- Definitions and its usefulness
- Financial Accounting principles, concept and convention – measurement of business income
- Position statement
- Accounting Standards – national and international (basic knowledge)

2. Systems of Bookkeeping 10%

- Double entry system, books of prime entry, subsidiary books
- Recording of cash and Bank transactions
- Preparation of ledger accounts
- Preparation of trial balance – interpretation and usefulness

3. Bank Reconciliation statements 5%

- Need for reconciliation between cashbook and bank pass book and problems relating to the preparation of bank reconciliation statements.

4. Accounting System 25%

- Concept of capital, revenue, deferred revenue expenditures, opening entries, closing entries, adjustment entries and rectification entries.
- Accounting treatment for bad debts, reserve for bad debts and other adjusting entries.
- Depreciation- significance, accounting and various methods of calculation of depreciation.
- Concept of single entry system, conversion of single entry system into double entry system of accounting.
- Preparation of receipts and payments accounts, income and expenditure accounts.
- Significance of reserves and provisions.
- Bill of Exchange, consignment and joint venture

5. Elements of Cost Accounting 15%

- Basics of cost and management accounting:
- Evolution of cost accounting and management accounting, cost concepts and cost object,
- Cost classification, cost organization and its relationship with other departments.
- Elements of cost and cost determination.
- Material cost-purchase procedure, store keeping and stock control, pricing issue of material and accounting thereof, perpetual inventory and physical stock taking, identification of slow, non-moving and fast moving items, ABC analysis, JIT system, level of inventories and economic order quantity, analysis, investigation and corrective steps for treatment of stock discrepancies – control through other means.
- Labour costs – remuneration methods, monetary and non-monetary incentive schemes, payroll procedures, labour analysis and idle time, measurement of labour efficiency and productivity, analysis of non productive time and its cost, labour turnover and remedial measures, treatment of idle time and overtime.
- Direct expenses – nature, collection, classification and treatment of direct expenses.
- Overheads – nature, collection and classification.
- Production overheads – collection, apportionment, absorption, use of predetermined recovery rates, treatment of under and over absorption, fixed, variable and semi variable overhead, report for control of overhead cost.
- Administration, selling and distribution overheads – analysis, accounting and control, treatment of miscellaneous items in cost accounting.

6. Cost Sheets 15%

- Cost data collection
- Cost Sheet formats
- Preparation of cost sheets.

7. Behaviour of Costs 20%

- Fixed & Variable costs
- Direct & Indirect costs
- Cost Behaviour for decision making
- Marginal Costing and Break Even Analysis



Paper 3 : Economics and Business Fundamentals (One paper : 3 hours : 100 Marks)

Objective

- To gain basic knowledge of economics
- To understand different structures of organization
- To know how stock exchange functions

A. ECONOMICS (60 marks)

- 1. Basic Concepts of economics** **10%**
 - The Fundamentals of Economics & Economic Organizations
 - Utility, Wealth,
 - Basic Elements of Supply and Demand, elasticity
 - Equilibrium
 - Theory of Production
 - Cost of production,
- 2. Forms of Market** **5%**
 - Perfect competition and Imperfect competition
 - Pricing in perfect and imperfect competition
- 3. National Income** **5%**
 - Gross National Product
 - Net National Product
 - Measurement of National Income
 - Economic growth and fluctuations
 - Consumptions, savings and investments
- 4. Theory of Employment** **5%**
 - Type of unemployment
 - Concepts of full employment
 - Labour and Population theories
 - Definition of capital and growth of capital
 - Steps in capital formation
- 5. Money** **10%**
 - Definition and functions of money
 - Quantity theory of money
 - Inflation and effect of inflation on production and distribution of wealth
 - Control of inflation
 - Money supply
 - Liquidity preference and marginal efficiency
 - Rate of interest and investment
- 6. Banking** **10%**
 - Definition
 - Functions and utility of Banking
 - Principle of commercial banking
 - Essentials of sound banking system
 - Multiple credit creation
 - Functions of Central Bank
 - Weapons of credit control and money market
 - National & International Financial Institutions
- 7. International Trade** **5%**
 - Basic feature of export and import
 - Competitive advantage of trade
- 8. Public Finance** **10%**
 - Direct and indirect taxes
 - Principle of taxation
 - Effect of taxation on production and distribution
 - Deficit financing system



B. Business Fundamentals (40 marks)

9. Type of Business Unit

10%

- Sole proprietorship, Partnership, Companies, Cooperatives
- Hindu Undivided Family
- Joint Stock Companies
- Public Utilities services
- State Enterprises
- Limited Liability Partnership

10. Company Organization and Management

10%

- Types of companies and their formation
- Incorporation and commencement of business
- Memorandum of Association, Articles of Association and Prospectus
- Shares and debentures
- Board of Directors and General Meeting

11. Business Objectives

5%

- Concept and rationale of social responsibility
- Business and its environment, interface with legal, political, economic, social and cultural aspects

12. Stock Exchange and its workings

10%

- Dealers and brokers transactions
- Economic significance, condition of membership
- Role of stock exchanges , Depository participant

13. Business Communication and Report Writing

5%



Paper 4: Business Mathematics and Statistics Fundamentals (One Paper: 3 hours:100 marks)

Objectives:

- To understand basic concepts in mathematics and statistics which are applied in the management science.

1. Arithmetic

10%

- Average, mixtures
- Ratios and proportions
- Computation of interest
- Discounting of bills

2. Algebra

15%

- Real and imaginary number, rational and irrational number
- Set theory and simple application of Venn diagram
- Truth table and its applications
- Indices and surds
- Variation, Logarithms
- Permutations and Combinations
- Compound interest
- Linear simultaneous equations (3 variables only)
- Quadratic equations
- Solution of linear inequalities (by geometric method only)

3. Mensuration

15%

- Area and perimeter of triangles, circles, parallelogram, regular polygon
- Volume and surface of cube, prism, cylinder, pyramid, cone, and spheres (including zone and segments)

4. Co-ordinate Geometry

10%

- Plain co-ordinate Geometry (Rectangular Cartesian co-ordinates only)
- Length of line segments, Section ratio
- Gradient of a line, equation of straight line, Circles, parabola, ellipse and hyperbola (standard forms only)

5. Calculus

15%

- Constant & Variables, Functions, Limit & Continuity
- Differentiability & Differentiation, Derivatives and their use, Successive & partial differentiation
- Maxima & Minima, Maxima & Minima under constraint using Lagrange transform
- Indefinite Integrals: as primitives, integration by substitution, integration by part
- Definite Integrals: Evaluation of standard integrals, as area under curve
- Applications of Calculus

6. Statistical Methods

35%

- Data tabulation and presentation, frequency distribution
- Measures of Central Tendency (Mean, Median, mode)
- Measurement of Dispersion (range, mean deviation, standard deviation, variance)
- Measures of Skewness & kurtosis



INTERMEDIATE COURSE

GROUP -I

Paper 5 : Financial Accounting (One Paper: 3 hours:100 marks)

Objectives

- To have working knowledge of accounting concepts, detailed procedures and documentation involved in financial accounting system
- To gain working knowledge of the principles and procedures of accounting and their application to different practical situations.

1. Accounting Conventions and Practices	10%
<ul style="list-style-type: none">• Concept• Depreciation and various methods thereof• Stock valuation• Distinction between Capital and Revenue	
2. Royalty and Hire Purchase	10%
<ul style="list-style-type: none">• Royalty accounting• Need for hire purchase and installment systems and parties involved.• Accounting from the point of view various parties.• Possession and repossession in case of default in payments.	
3. Receipts & Payments/ Income & Expenditure Accounts	10%
<ul style="list-style-type: none">• Receipts & Payments• Income & Expenditure Account	
4. Partnership Accounting	10%
<ul style="list-style-type: none">▪ Past adjustments and guarantee▪ Admission & Retirement▪ Assignment of life policy▪ Amalgamation and Sale of Business▪ Dissolution, Insolvency▪ Piecemeal Distribution	
5. Branch and Departmental Accounts	10%
<ul style="list-style-type: none">▪ Branch accounts- Debtors system, Stock & Debtors system, Foreign Branch.▪ Treatment of shortages.▪ Calculation of net profit of various departments and allocation of expenses on the basis of suitable base.▪ Preparation of common balance sheet.▪ Treatment of Unrealized profit.	
6. Accounting Standards	10%
<ul style="list-style-type: none">• Applicability of a particular accounting standard.• Interpretation of various accounting standards.• Scope of accounting standards.• Compliance with the Accounting Standards.	
7. Joint Stock Companies	20%
<ul style="list-style-type: none">• Issues of shares at par, discount & premium, forfeiture, reissue of shares• Bonus issue and right issue• Buy back of shares• Redemption of Preference of shares• Profit prior to incorporation• Issue and redemption of debentures	
8. Preparation of Company Accounts	
<ul style="list-style-type: none">• Preparation of Final Accounts under Company Law	
9. Accounting services in organizations	10%
<ul style="list-style-type: none">• Construction companies ,Project Accounting• Service sector such as Software, ITES, Telecommunication, Entertainment, Hospital, educational institutions• Banking , Electricity and Insurance companies	
10. Accounting and Interpretation of Financial Statements.	10%



Objectives

- To gain knowledge of some of important commercial and industrial laws related to business.
- To gain working knowledge of the principles and practice of auditing and their various applications.

A. Commercial & Industrial Law (50 marks)

- 1. Laws of Contracts** **15%**
 - Essential elements of a valid simple contract.
 - Legal status of the various types of statements which may be made by negotiating parties. Enforceable offers and acceptances, and the application of the rules to standard form contracts and modern forms of communication.
 - Meaning and importance of consideration.
 - Principles for establishing that the parties intend their agreement to have contractual force.
 - How a contract is affected by a misrepresentation.
 - Conditions and warranties
 - Manner in which law controls use of exclusion clauses and unfair terms in consumer and non-consumer transactions
 - Level of performance sufficient to discharge contractual obligations
 - Valid reasons for non-performance by way of agreement, breach by the other party and frustration
- 2. Laws relating to Sale of Goods** **10%**
 - Formation of Contract of sale
 - Conditions and warranties
 - Transfer of ownership and delivery of goods
 - Unpaid seller and his rights
- 3. Industrial Laws** **20%**
 - Factories Act
 - Industrial Dispute Act
 - Workman Compensation Act
 - Payment of Wages Act, Minimum Wages Act
 - Provident Funds Act
 - Payment of Bonus Act
 - Payment of Gratuity Act
 - Consumer Protection Act etc
- 4. Other Laws** **5%**
 - Limited Liability Partnership
 - RTI Act
 - Competition Commission Act
 - Negotiable Instruments Act.



B. Auditing (50 Marks)

1. Auditing Basics

10%

- Major influences of auditing; nature and scope of auditing; basic concepts of auditing; role of evidence in auditing; auditing techniques and practices – generally accepted auditing standards; the concept of materiality in auditing.
- Fixed assets, investments, inventories, debtors, loans and advances, cash and bank balances, debentures and creditors, provisions for taxation, proposed dividend and gratuity – other items in the balance sheet; verification of items in the profit and loss account; contingent liabilities; disclosure of accounting policies, practice; expenditure during the period of construction; adjustments for previous year – provisions of the Companies Act, 1956 regarding accounts. Restructure
- Statistical sampling in auditing. Use of ratios and percentages for comparison and analysis trends - inter-firm and intra-firm comparison.

2. Companies Act Provisions relating to Audits

10%

- Auditors' appointment, remuneration, removal, rights of statutory auditors, duties of statutory auditors, joint auditors, branch audits.
- report versus certificate, contents of the reports, qualifications in the report.
- relevant provisions of the Companies Act, 1956 and the Income-tax Act, 1961.
- Interface between statutory auditor and internal auditor.
- Corporate Governance

3. Review and Audit of Internal Control Systems

15%

- Nature and scope of internal auditing, financial versus operational audit; concepts of efficiency audit, propriety audit, voucher audit, compliance audit, pre and post audits.
- CARO
- Audit Report
- Internal auditing function
- Planning and process of internal audit
- Verification of evidence, detailed checking versus sampling plans, statistical sampling as used in internal auditing; flow chart techniques.
- Internal control, nature and scope, internal auditor and internal controls.
- Field work, collecting evidences, interviews; memoranda.
- Audit notes and working papers.
- Audit reports - techniques of effective reporting; follow up of audit report.
- Summary reports of top management.
- Communications in internal auditing - improving auditor-auditee relationship.
- Scope of Audit Committee
- Internal audit and investigation of fraud

4. Information System Audit.

10%

5. Introduction to Management Audit.

5%



Paper 7: Applied Direct Taxation (One Paper: 3 hours:100 marks)

Objectives:

- To understand the provisions of direct tax laws
- To gain knowledge on procedural aspects for filing tax returns for various assesses and other statutory compliances
- To get knowledge of various tax incentives and benefits under direct taxes
- To know applications of tax provisions in various cases

1. Direct Taxes- Comprehensive Study. 50%

- Overview of Direct Tax Laws
- Direct versus indirect taxes, taxable person
- Basic Concepts.
- A comprehensive study of the Income-tax Act, 1961; case laws governing capital and revenue expenditure, deemed income, residence concept.
- Special problems centering on the concept of assessee, registered firm, Hindu Undivided Family, Companies, Association of persons and trust, minors, cooperatives, non-resident Indians and avoidance of double taxation.
- Salaries, perquisites, gratuity and retirement benefits, income from house property, capital gains, income from other sources, income from business and profession, problems arising from aggregation of income and set off and carry forward of losses,
- Computation of income and Return of Income Tax, Filing procedure, Principles of valuation of movable and immovable property. Advance payment of Tax.
- Deduction and collection of tax at source.
- Tax incentives and export promotion schemes, other benefits and tax exemptions.
- Assessment, appeals, revisions, review, rectification and application to Central Board of Direct Taxes.
- Penalties ,Fines and prosecution.
- Refunds.
- Securities Transaction Tax.
- Fringe Benefit Tax.
- Banking Cash Transaction Tax.
- Wealth Tax.

2 Practical problems and case studies under Direct Taxes.

50%



Group II

Paper 8: Cost & Management Accounting (One Paper: 3 hours:100 marks)

Objectives

- To understand basic concept, processes used to determine product cost
- To gain knowledge of preparation of budgets, standard costs and variance statements
- To gain skill for controlling cost and decision making

1. Basic aspects of Cost Accounting 15 %

- Cost Concepts and Classification of costs
- Materials: accounting and control systems procedures and techniques
- Labour: accounting, incentive schemes and control systems and procedures
- Direct Expenses
- Indirect expenses: allocation, apportionment, re-apportionment and absorption of overhead costs.
- Cost Accounting Standards.

2. Cost Accounting Methods and systems 20%

- Job, batch, contract and process costing.
- Cost accounting for service sector
- Accounting entries for an integrated accounting system – cost ledgers
- Reconciliation between cost and Financial profit and loss account.
- Interlocking accounting

3. Decision Making Tools 20%

- Marginal costing, break even analysis and its applications in decision making
- Absorption costing as a system of profit reporting and stock valuation.
- Throughput accounting as a system of profit reporting and stock valuation.
- Activity-based costing for profit reporting and stock valuation.
- Integration of standard costing with marginal cost accounting, absorption cost accounting and throughput accounting.
- Process costing including establishment of equivalent units in stock, work-in-progress and abnormal loss accounts and use of various methods like first-in-first-out, average cost and standard cost methods of stock valuation.

4. Budgeting 15%

- Budget Concepts and Preparation
- Fixed and Flexible Budgets
- Time series analysis including moving totals and averages, treatment of seasonality, trend analysis using regression analysis and the application of these techniques in forecasting product and service volumes.
- Fixed, variable, semi-variable and activity-based categorizations of cost and their application in projecting financial results.
- Zero base budgeting

5. Standard Costing 15%

- Manufacturing standards for material, labour, and overhead.
- Price/rate and usage/efficiency variances for materials, labour and overhead. Further subdivision of total usage/efficiency variances into mix and yield components.
- Fixed overhead variances.
- Planning and operational variances.
- Sales price and sales revenue/margin volume variances (calculation of the latter on a unit basis related to revenue, gross margin and contribution margin). Application of these variances to all sectors, including professional services and retail analysis.
- Interpretation of variances: interrelationship, significance.
- Benchmarking for setting standards

6. Costing and performance management 10%

- Business performance measurement for performance improvement

8. Recent trends in cost and Management Accounting 5%



Paper 9: Operation Management and Information Systems (One Paper: 3 hours:100 marks)

Objective:

- To gain knowledge of Operation Management, Production planning and resource management
- To develop understanding of Information Technology and its use in business environment.

A. Operation Management (50 marks)

1. Overview of Production Process 15 %

- Fabrication process
- Metal working process – forming, heat treatment, welding, surface treatment etc.
- Machining process
- Class of machine – Lathes, drilling, grinding, milling, planing, shaping, slotting etc.
- Special purpose machine – special grinding, hobbing, honing, cutting tools, jigs and fixtures etc.
- Pump, motor, transformer, electrical drives,
- Classification of industries based on production process
- Technological aspects of different production process like power, pollution control, recovery process,
- Plant layout , material handling system etc

2. Production Planning & Productivity management 15%

- Time study, work study, method study, Job Evaluation.
- Production planning and control-Introduction.
- Forecasting
- Capacity planning and Utilization.
- Process planning,
- Project planning.
- Progressing and follow-up.
- Despatching.
- Scheduling Technique & Line Balancing Problem
- Economic batch production
- Human Resource Planning
- Material Requirement Planning
- Productivity measurement techniques of factors of production
- Quality Control

3. Maintenance Management 10%

- Obsolescence, replacement of machinery
- Breakdown maintenance, preventive maintenance & Routine Maintenance
- Maintenance Techniques
- Maintenance organization
- Maintenance problems etc

4. Resource Management 10%

- Input-output ratio
- Linear programming
- Transportation
- Replacement of machine
- Change of Technology and its implication



B. Information Systems (50 marks)

1. Information System Analysis and Design.

10%

- Information System-Systems development life cycle, Structured Systems Analysis and Design, Physical and Logical Data Flow Diagrams, Requirements Analysis, Design of New Systems. Data Modeling, data dictionary, entity relationship diagram, structure charts, Transform and Transaction Analysis, Applications in Financial & Cost Management

2. Database Management Systems

15%

- File & Data Base Concept, Overview of DBMS, Data Models, Database Administrator, Database Users, Schema. Data Independence, Relational Database Management System (RDBMS), some applications of RDBMS using Oracle & SQL Server

3. Management Information Systems (MIS)

15%

- Introduction, People & Organization, System & models, Decision process and evaluation thereof, transaction processing & management reporting, MIS in functional areas: Finance & Cost Management, Inventory, Marketing, HRM.

4. Enterprise Resource Planning (ERP)

10%

- Functional architecture of ERP, Material requirement planning & ERP, Business Process Reengineering & ERP, Supply chain management, Some applications involving SAP & Oracle (Financial), Change Management and ERP Implementations, Technology and International Considerations in implementation of ERP.



Paper 10: Applied Indirect Taxes (One Paper: 3 hours:100 marks)

Objectives:

- To gain knowledge of various provisions of Central Excise, Service tax, VAT & Sales Tax.
- To know the applications of provisions in different situations
- To understand the statutory compliance under indirect taxes including audits

1. Canons of Taxation - Indirect Taxes

5%

- Features of Indirect Tax. Constitutional validity. Indirect Tax Laws, administration and relevant procedures

2. Central Excise

25%

- The Central Excise Law
- Goods, Excisable goods, Manufacture and manufacturer, Classification, Valuation, Related Person, Captive Consumption, CAS 4, CENVAT.
- Basic procedures, Export, SSI, Job Work.
- Assessment, Demands, Refund, Exemptions;
- Powers of Officers.
- Adjudication, Appeals, Settlement Commission, Penalties .
- Central Excise Audit and Special Audit under 14A and 14AA of Central Excise Act
- Impact of tax on GATT 94, WTO, Anti Dumping processing;
- Tariff Commission and other Tariff authorities.

3. Customs laws

15%

- Basic concepts of customs law;
- Territorial waters, high seas;
- Types of custom duties., Anti- Dumping Duty, Safeguard Duty;
- Valuation;
- Customs Procedures, Import and Export Procedures, Baggage.
- Exemptions.
- Warehousing, Demurrage;
- Project Imports and Re- Imports;
- Penalties and Offences.
- Export Promotion Schemes. EOU
- Duty Drawback.
- Special Economic Zones.

4. Service Tax

15%

- Introduction, Nature of Service Tax.
- Service Provider and Service Receiver.
- Registration procedure
- Records to be maintained
- Classification of taxable services
- Valuation of taxable services.
- Exemptions and Abatements.
- Payment of service tax, Return
- Cenvat Credit Rules
- Export and import of services.
- Other aspects of Service Tax.
- Taxable Services.
- Special Audit under 14A and 14AA of Central Excise Act

5. Central Sales Tax Act & VAT Act.

15%

- Introduction, definition of sale under CST;
- Stock transfer, branch transfer under CST;
- Inter state sale,



- Various forms for filing of sales tax returns under CST;
- Sales outside territorial waters under CST;
- Procedures.
- Practical examples on CST.
- VAT, Salient features of State VAT Acts
- Treatment of stock & branch transfer under State VAT Acts
- Filing & Return under State VAT Acts
- Accounting & Auditing VAT

6. Practical problems and Case Studies under Indirect Tax Laws

25%



FINAL COURSE

GROUP -III

Paper 11: Capital Market Analysis & Corporate Laws (One Paper: 3 hours:100 marks)

Objective:

- To know application of the various regulations for financial and capital markets
- To understand Companies Act and compliances under the same
- To gain basic knowledge on Corporate Governance Principles and purpose of good corporate governance

A. Capital Market Analysis (50 Marks)

1. Introduction of Capital Market & Capital Market Instruments

10%

- Capital Market / Security Market
- Primary Market / New Issues / IPO Market
- Secondary Market / Stock Market / Stock Exchange
- Depositories
- Private placements of shares / Buy back of shares
- CAPM vs Market Model
- Issue mechanism
- Forward Contract and future contracts
- Clearing mechanism

2. Capital & Financial Market Regulation

10%

- Financial System and Capital Market Instruments,
- SEBI – Regulation of Market and Control,
- Collective Investment Schemes, Depositories, Dematerialization of Securities,
- Regulation of banking & finance companies – role of Reserve Bank of India and Banking Ombudsmen; Regulation of Insurance sector by Insurance Regulation and Development Authority (IRDA),
- Cyber Law and regulation of e-commerce and electronic financial transactions,
- Contemporary issues and Development

3. Capital Market Analysis

30%

- Stock market efficiency;
- Risk and Return;
- Investment Analysis;
- Cost of Finance And Financing Structures;
- Capital Asset Pricing Model;
- Products on Stock Exchanges: Equity / Stock Markets, Basket Trading, Derivatives, Debt Markets- Retail and Wholesale, Interest Rate Futures, Exchange Traded Funds, Mutual Funds (Close Ended).
- Risk Management System: Capital Adequacy Requirements, Intra day Trading limits, Gross Exposure Limit, Margining Procedure.
- Derivatives Markets: Introduction to Options and Futures, Explanation of Market Terminologies, Pay-off Structure, Basic Trading Strategies, Weekly Options.
- Debt Markets: Debt Products traded in Stock Exchanges, Wholesale Debt Markets, and Retail Debt Markets.
- Commodity Market & Trading Corporate Actions: Bonus, Rights, Dividend, Buy Back etc., Regulations to be followed by the Corporates, Impact on the Shareholders.
- Portfolio Management
 - Basic Principle, Functions and Activities
 - Factors effecting investment decision in portfolio management
 - Investment strategy
 - Portfolio theory
 - Use of matrix approach in investment decisions
- Mutual Funds
 - Role of Mutual Fund in financial market
 - Advantage of investment in mutual fund
 - Regulations and operations
 - Investors right and obligation



B. Corporate Law & Corporate Governance (50 Marks)

4. Corporate functionalism in the context of Companies Act & Corporate Laws

30%

- Introduction, Incorporation and its Consequences,
- Financial Structure and Membership,
- Management and Control of Companies,
- Inter-corporate loans, Investments, Guarantees and Security,
- Maintenance of Statutory Books/Registers and Filing of Returns,
- Winding-up,
- Joint Ventures,
- Corporate Accountability,
- Competition Act and Competition Commission,
- Information Act and its corporate implication, Emerging Issues and Concepts
- Merger and Acquisition
 - Reason for merger acquisition
 - Objective of acquisition
 - Gain from merger
 - Problem of merger and acquisition
 - Issues related to Companies Act 1956, Industrial(Development & Regulation) Act, Sick Industrial (Special Provision) Act, Income Tax Act, SEBI Regulations
 - Function of Court
 - Reconstruction
 - De-merger or division

5. Corporate Governance

20%

- Genesis, Narasimhan Committee and other Committee Recommendations on Corporate Governance,
- Effective Board of Directors and its role,
- Independent Directors and Audit Committee, Remuneration Committee, Nomination Committee;
- Evaluation of effectiveness of Internal Control-Management Accounting applications and Directors' Responsibility Statement;
- Going Concern status-financial and other indicators, role of management audit, evaluation of going concern uncertainties;
- Related party transactions and disclosures;
- Project management audit and corporate governance;
- Relevance of Risk Evaluation and Risk management;
- Evaluation of key financial decisions and disclosures;
- Management Audit for investors' protection in the context of Corporate Governance,
- Corporate Governance Norms as prescribed by SEBI,



Paper 12: Financial Management & International Finance (One Paper: 3 hours:100 marks)

Objectives:

- Understand the scope, goals and objectives of Financial Management
- To provide expert knowledge on concepts, methods and procedures involved in using Financial Management for managerial decision-making
- To gain knowledge of international monetary and financial system

1. Overview of Financial Management

10 %

- Finance and Related Disciplines
- Scope of Financial Management,
- Planning environment
- Key decisions of Financial Management
- Emerging role of finance managers in India
- Earnings distributions policy
- Compliance of regulatory requirements in formulation of financial strategies
- Sources of finance – long term, short term and international
- Exchange rate – risk agencies involved and procedures followed in international financial operations

2. Financial Management Decisions

15 %

- Capital structure theories and planning
- Cost of capital
- Designing Capital Structure
- Capital budgeting
- Lease financing
- Working capital management
- Financial services
- Dividend and retention policies
- Criteria for selecting sources of finance, including finance for international investments
- Effect of financing decisions on Balance Sheet and Ratios
- Financial management in public sector
- Role of Treasury function in terms of setting corporate objectives, funds management – national and international
- Contemporary developments – WTO, GATT, Corporate Governance, TRIPS, TRIMS, SEBI regulations as amended from time to time

3. Financial analysis & planning

10%

- Funds flow and cash flow analysis
- Financial ratio analysis -Ratios in the areas of performance, profitability, financial adaptability, liquidity, activity, shareholder investment and financing, and their interpretation.
- Limitations of ratio analysis
- Identification of information required to assess financial performance
- Effect of short-term debt on the measurement of gearing.

4. Operating and financial leverages

5%

- Analysis of operating and financial leverages
- Concept and nature of leverages operating risk and financial risk and combined leverage
- Operating leverage and Cost volume Profit analysis – Earning Before Interest and Tax (EBIT) and Earning Per Share (EPS), indifference point.

5. Financial Strategy

15 %

- Financial and Non-Financial objective of different organizations
- Impact on Investment, finance and dividend decisions
- Sources and benefits of international financing
- Alternative Financing strategy in the context of regulatory requirements
- Modeling and forecasting cash flows and financial statements based on expected values for variables – economic and business
- Sensitivity analysis for changes in expected values in the models and forecasts
- Emerging trends in financial reporting



- 6. Investment Decisions** **15 %**
- Costs, Benefits and Risks analysis for projects
 - Linking investment with customer's requirements
 - Designing Capital Structure
 - The impact of taxation, potential changes in economic factors and potential restrictions on remittance on these calculations
 - Capital investment real options
 - Venture Capital financing
 - Hybrid financing / Instruments
- 7. Project Management** **10%**
- Project Identification and Formulation
 - Identification of Project opportunities
 - Project Selection Consideration and Feasibility Studies
 - Project appraisal & Cost Benefit analysis
 - Source of Project Finance & Foreign Collaboration
- 8. International Finance** **10%**
- Minimization of risk,
 - Diversification of risk
 - Forward and futures,
 - Forward rate agreements
 - Interest rate swaps
 - Caps, floors and collars
 - Parity theorems
 - FDI
 - Money market hedge
 - Options.
- 9. Sources of International Finance** **5%**
- Raising funds in foreign markets and investments in foreign projects
 - Forward rate agreements and interest rate guarantees
 - Transaction, translation and economic risk, Interest rate parity, purchasing power parity and the Fisher effects
 - Foreign Direct Investment
- 10. International Monetary and Financial System** **5%**
- Understanding the International Monetary System
 - Export and Import Practices
 - International Financial Management: Important issues and features, International Capital Market
 - International Financial Services and Insurance: Important issues and features



Paper 13: Management Accounting- Strategic Management (One Paper: 3 hours:100 marks)

Objective:

- To understand the importance of strategic and risk management and apply tools for strategic analysis appropriately
- To develop the ability to understand the risks both internal and external and build capabilities to manage risks

A. Strategic Management

60%

1. Introduction to Business Strategy

10%

- Meaning and implications of corporate planning, long range planning, business policy planning and strategic planning; strategic management processes; meaning and use of mission, goals, objectives and targets, profit gap, sales gap, risk gap and other strategies;
- SWOT analysis; target selling strategy formulation and implementation, monitoring mechanism, strategies for stagnation versus growth, strategies for growth through expansion versus diversification & diversification vs core competency.
- Acquisition and merger strategy, strategy of joint venture both in India and abroad.
- Marketing strategy as a part of corporate strategy, growth under inflation and protection of shareholder, real capital.
- Financial objectives, non- financial objectives, resources analysis and evaluation.

2. Forecasting and planning for strategy

10%

- Forecast trend and changes – social, political, legal and technological impacts.
- Distribution channels and competitive forces. Government policies, economic growth and government expenditure.
- Public and private sector investments,
- International trade practices and government policies for capacity expansion, new industries, subsidiaries and substitutes

3. Model Building and models

10%

- Strategies in the development of models, Delphi Model, econometric, mathematical programming, budgetary and heuristic model.
- Sensitivity analysis and the characteristics of models.
- Limitations in model building vis- a-vis simulation techniques.
- Life cycles, Porters generic strategic, Ausoj's model, BCG matrix and other models

4. Marketing strategy

10%

- Production orientation versus market orientation, marketing objectives, framework and management of marketing mix.
- Linkage between strategic planning and marketing strategy-both forward and backward.
- Research and intelligence- source for the techniques for acquiring information necessary for marketing decision-making market shares.

5. Application of management accounting in strategic management

20%

- Marketing strategy: analysis of marketing costs and profitability, product development policy & strategy, pricing policies and strategies, budgetary control in marketing, evaluation and control of sales activities;
- Operations Management Strategy: process, technology and logistic strategies, inventory policies and strategies, Human Resource Management policies and strategies,
- Financial Strategies and Strategic Total Cost Management

B. Risk Management

40%

6. Risk Measurement and Management

15%

- Introduction, Risk and Risk Management,
- Objectives of Risk Management,
- Risk Measurement and Pooling, Total Loss Distribution,
- Pooling and Diversification,
- Ruin Probability

7. Risk insurance:

10%

- Insurability of Risk and Insurance Contracts,
- Insurance Pricing, Analysis Tools, Demand for Risk Management (Utility Theory),
- Legal Liability, Corporate Liability, Liability Issues,
- Insurance case study: Auto Insurance (or such other insurance industry segment as may be notified)
- Commercial Insurance.

8. Corporate risk management:

15%

- Risk Management and Shareholders,
- Risk Retention/Reduction,
- Financial Risk Management,
- Futures and Options,
- Asset / Liability Management,
- Project risk management, Enterprise Risk Management



Paper 14: Indirect & Direct - Tax Management (One Paper: 3 hours:100 marks)

Objectives:

- To gain expert knowledge about the direct and indirect tax laws in force and the relevant rules and principles emerging from leading cases.
- To provide an insight into practical aspects and apply the provisions of laws to various situations.
- To understand the various external Auditing Requirements under tax laws.

1. Central Excise	20%
2. Customs	10%
3. Service Tax	10%
4. Export Promotion Schemes, Foreign Trade Policy, EOU, SEZ.	10 %
5. Central Sales Tax/ VAT Act	5%
6 Income Tax including Fringe Benefit Tax.	20%
7. Wealth Tax	5%
8. Case Studies under Direct and Indirect Taxes.	20%



Group IV

Paper 15: Management Accounting - Enterprise Performance Management (One Paper: 3 hours:100 marks)

Objective:

- To understand the importance of performance measurement - both financial and non financial
- To develop the skill of decision making to have competitive advantage
- To gain knowledge of different tools of quality management

1. Management Control Systems

10%

- Control Systems within the framework of the organization
- The application of control systems and related theory to the design of management accounting control systems
- Structure and operation of management accounting control systems
- Behavioural consequences of using management accounting controls);
- Variation in control needs and systems dependent on organizational structure
- Management accounting system - need for detailed costing, overhead allocation and budgeting, identification of non-value adding activities in the accounting function

2. Operations Management

15%

- An overview of operations strategy and its importance
- Systems used in operations management: Manufacturing Resource Planning (MRP), Optimised Production Technologies (OPT), Just-in-Time (JIT) and Enterprise Resource Planning (ERP).
- Use of the Intranet in information management
- Strategies for balancing capacity and demand including level capacity
- Demand management strategies.
- Benchmarking and Business Process Re-engineering (BPR).

3. Cost Planning and Analysis for Competitive Advantage

25%

- Value analysis and quality function deployment.
- The benefits of just-in-time production, total quality management and theory of constraints
- Kaizen costing, continuous improvement and cost of quality reporting.
- Learning curves and their use in predicting product/service costs, derivation of learning rate and learning index.
- Activity-based management in the analysis of overhead and its use in improving the efficiency of repetitive overhead activities.
- Multi-product break-even analysis, including break-even and profit/volume charts, contribution/sales ratio, margin of safety etc.
- Simple product mix analysis in situations where there are limitations on product/service demand and one other production constraint.
- Target costing.
- Life cycle costing and implications for marketing strategies.
- Value chain and supply chain management
- Strategic Total Cost Management

4. Treatment of Uncertainty in Decision Making

20%

- The nature of risk and uncertainty.
- Sensitivity analysis in decision modeling and the use of computer software for 'what if' analysis.
- Assignment of probabilities to key variables in decision models.
- Analysis of probabilistic models and interpretation of distributions of project outcomes.
- Expected value tables and the value of information.
- Decision trees for multi-stage decision problems.

5. Enterprise performance measurement systems

15%

- Balanced Score Card, EVA
- Segment Performance

6. Quality Management

15%

- Approaches to quality management, including Total Quality Management (TQM), Statistical Quality Control (SQC) .
- The use of benchmarking in quality measurement and improvement.
- Practices of continuous improvement (e.g. Quality circles, Kaizen, 5S, 6 Sigma).
- Different methods of quality measurement (i.e. operational, financial and customer measures)
- Contemporary developments in quality management.
- External quality standards (e.g. the various ISO standards appropriate to products and organizations).
- Global awards for best practices and business performance



Paper 16: Advanced Financial Accounting & Reporting (One Paper: 3 hours:100 marks)

Objectives:

- To gain expert knowledge of the professional standards, principles and procedures developed globally
- by and their application to different practical situations
- To understand the scope and quality of external reporting and its use in published accounts

1. Introduction to IAS, US GAAP, Indian Accounting Standards 15%

- GAAP in India
- US GAAP- Statements and Standards, hierarchy of US GAAP
- International Accounting Standards
- Relative view of AS (India), IAS and US GAAP on different issues

2. Preparation of Company Accounts under various circumstances 20%

- Relevant Terms
- Types of Mergers, methods of accounting
- Treatment of Goodwill arising on Merger.
- Purchase Consideration and Settlement.
- Accounting in the books of vendor / transferor company.
- Accounting for investment in subsidiary.
- Accounting of holding companies
- Consolidation of financial statements.
- Corporate Financial restructuring
- Accounting standards relevant to these concepts.

3. Group Financial Statements 25%

- Holding company, Subsidiary Company and Associate company
- Consolidated Income Statement, Balance Sheet and Cash Flow Statements for Group of companies
- Concept of fair value at the time of acquisition
- Impact on group financial statements at the point of acquisition
- Compare and contrast acquisition and equity methods of accounting
- Reconstruction schemes , De-merger
- Preparation and interpretation of segmental analysis, inter-firm comparisons

4. Segment Reporting 10%

5. Developments in External Reporting 20%

- Applicability of a particular accounting standard.
- Interpretation of various accounting standards.
- Scope of accounting standards.
- Compliance with the Accounting Standards.
- Annual Reports – Statutory Requirements and External reports
- Preparation of Financial information in the Annual Reports
- External Reporting under capital market regulations
- Disclosure of post Balance Sheet events .
- Financial Reporting across the world
- Exposure to reporting under US and UK laws
- IFRS requirements for reporting

6. Government Accounting in India 10%

- General Principles.
- Comparison with commercial accounting.
- Role of the Comptroller and Auditor General of India.
- Role of the Public Accounts Committee.
- Review of accounts.



Paper 17: Cost Audit & Operational Audit and Ethics (One Paper: 3 hours:100 marks)

Objectives:

- To gain an in-depth knowledge of the techniques and methods of planning and conducting Cost Audit
- To develop the skill in Internal Control, Internal Auditing and Operational Audit

1. Basics of cost audit, appointment of cost auditor

10%

- Nature and scope of cost audit.
- Provisions under Companies Act relating to maintenance of Cost Records and Cost Audit.
- Cost auditor – appointment, rights and responsibilities
- Structuring the cost audit

2. Cost Audit Report Rules

10%

- Provisions of Cost Audit Report Rules 2001
- Form of cost audit report
- Annexures to the cost audit report
- Pro-forma to the cost audit report.
- Usefulness of Cost Audit.

3. Cost Accounting Record Rules

20%

- Procedure for prescription of cost accounting record rules
- Cost accounting record rules and its applicability
- Provisions of cost accounting record rules for various industries.

4 Cost Accounting Standards

10%

Section II - Internal Audit and Operational Audit

1. Basics of internal audit and operational audit

10%

- Concept of internal and operational audit
- Internal Audit - techniques and procedures
- Internal Audit Report.
- Operational audit – techniques and procedures
- Operational audit report
- Special reports for banks, shareholders, employees etc
- evaluation of internal control system, budgetary control system, inventory control system, management information system.

2. Management Audit in Different forms and functions

10%

- Corporate Services Audit
- Audit checks of different functions
- Corporate Governance and Audit Committee

3. Various types of audit and their process;

10%

- Due Diligence audit
- SOX Audit
- Energy Audit – meaning & methodology
- Productivity audit
- Inventory audit
- VAT Audit.
- Special audit under excise , service tax and customs records by cost accountant
- Environment audit
- Qualities of good certificate/report
- Bank Audit and Concurrent Audit.
- Systems Audit.
- Audit under ERP environment.



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4. Fields for practicing cost accountants

5%

- Statutory,
- Non Statutory.
- WTO regime.
- Assessment and quantification of losses under marine, fire & accident policies
- ANTI-DUMPING – meaning, process, role of cost accountants

5. Professional Ethics

10%

- Meaning of professional values and ethics,
- ICWAI & IFAC guidelines for professional values and ethics,
- Ethical codes applicable to professional Accountants in India, Ethical code for Cost Accountants under Cost and Works Accountants Act, 1959 and The Cost and Works Accountants Regulations, 1959, as amended up to date.

6. Auditing and Assurance standards

5%



Paper 18: Business Valuation Management (One Paper: 3 hours:100 marks)

Objectives:

- To gain knowledge in different techniques of valuation of assets and liabilities
- To understand the legal implications of merger and acquisitions

1. Valuation Basis

(10%)

- Principles and techniques of valuation
- Asset valuation.
- Earnings valuation
- Cash flow valuation.
- Other valuation basis
- Efficient market hypothesis
- Impact of changing capital structure on the market value of the company
- Priorities of different stakeholders in terms of business valuation.

2. Valuation of Mergers and Acquisitions

(20%)

- Assets and cash flows
- The strengths and weaknesses of various valuation method
- Recognition of the interest of various stakeholders
- Selection of appropriate cost of capital for valuation
- Synergistic benefits
- Forms of consideration and terms of acquisitions
- Post merger integration process
- Implications of regulations for business combinations
- Types of exit strategies and their implications.

3. Valuation of Assets and Liabilities

(40%)

- Forms of intellectual property and methods of valuation
- Valuation of fixed assets
- Valuation of inventories
- Valuation of investments
- Valuation of shares
- Dividend growth valuation models
- MM theory
- Valuation of options
- Valuation of intangibles
- Human resource accounting
- Valuation of goodwill, patents and copyrights
- Valuation of brands
- Valuation of real estate
- Relevant accounting standards.

4. Case studies

(30%)