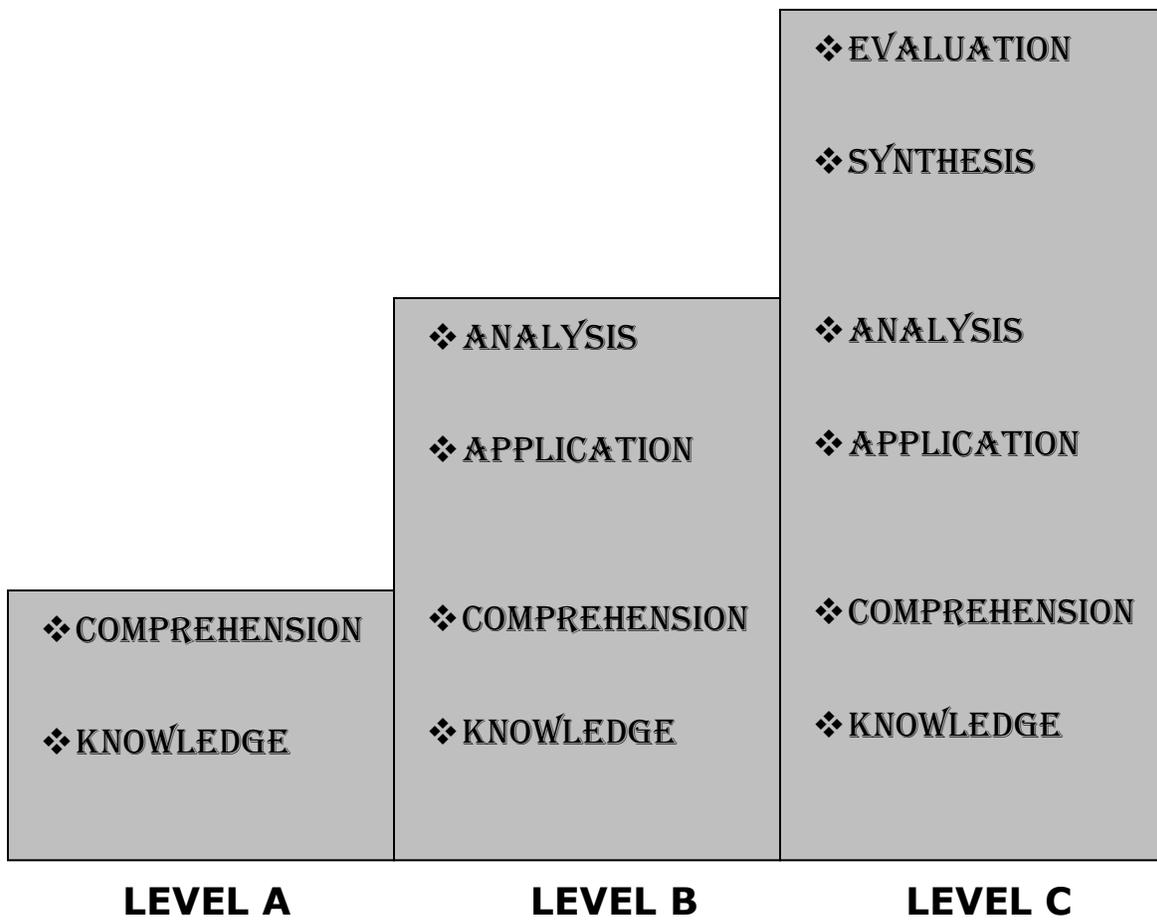


THE INSTITUTE OF COST
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SYLLABUS 2012

STRUCTURE & CONTENTS



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STRUCTURE & CONTENTS

FOUNDATION COURSE - SYLLABUS 2012

The Following table lists the learning objectives and the verbs that appear in the syllabus learning aims and examination question.

| | Learning objectives | Verbs used | Definition |
|---------|---|-------------|---|
| Level A | 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 intangible/state the meaning or purpose of. |
| | | Identify | Recognise, establish or select after consideration. |
| | | Illustrate | Use an example to describe or explain something. |

FOUNDATION COURSE - SYLLABUS 2012

Study Weightage :

With a syllabus subject, a percentage weightage is shown against each 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 to topics in any single examination.

Summary of the Course :

| Paper 1: Fundamentals of Economics and Management | |
|--|------------|
| Fundamentals of Economics | 50% |
| Fundamentals of Management | 50% |

| Paper 2: Fundamentals of Accounting | |
|---|------------|
| Fundamentals of Financial Accounting | 60% |
| Fundamentals of Cost & Management Accounting | 40% |

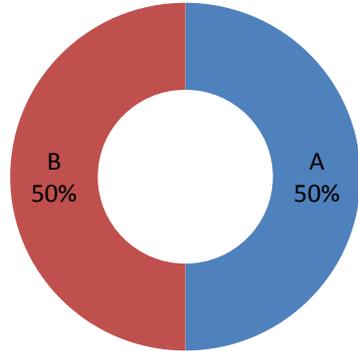
| Paper 3: Fundamentals of Laws and Ethics | |
|---|------------|
| Fundamentals of Commercial Laws | 70% |
| Fundamentals of Industrial Laws | 20% |
| Fundamentals of Ethics | 10% |

| Paper 4 : Fundamentals of Business Mathematics and Statistics | |
|--|------------|
| Fundamentals of Business Mathematics | 40% |
| Fundamentals of Business Statistics | 60% |

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

Paper 1: Fundamentals of Economics and Management (FEM)

Syllabus Structure



| | | |
|---|----------------------------|-----|
| A | Fundamentals of Economics | 50% |
| B | Fundamentals of Management | 50% |

ASSESSMENT STRATEGY

There will be written examination paper of three hours

OBJECTIVES

To gain basic knowledge in Economics and understand the concept of management at the macro and micro level

Learning Aims

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

- ❖ Understand the basic concepts of economics at the macro and micro level
- ❖ Conceptualize the basic principles of management

Skill sets required

Level A: Requiring the skill levels of knowledge and comprehension

FOUNDATION COURSE - SYLLABUS 2012

| CONTENTS | Weightage |
|--|------------------|
| Section A : Fundamentals of Economics | 50% |
| 1.Basic concepts of Economics | |
| 2.Forms of Market | |
| 3.National Income | |
| 4.Money | |
| 5.Banking | |
| 6. (a) Indian Economy – an Overview | |
| (b) Infrastructure of the Indian Economy | |
| Section B: Fundamentals of Management | 50% |
| 7. (a)Management Process | |
| (b) Evolution of Management thought | |
| 8. (a) Concept of Power | |
| (b) Leadership & Motivation | |
| 9. (a) Group Dynamics | |
| (b) Management of Organizational Conflicts | |
| 10.Decision-making – types and process | |

Section A: Fundamentals of Economics [50 marks]

1. Basic Concepts of Economics

- (a) The Fundamentals of Economics & Economic Organizations
- (b) Utility, Wealth, Production, Capital
- (c) Central Problems of an Economy
- (d) Production Possibility Curve (or Transformation Curve)
- (e) Theory of Demand (meaning, determinants of demand, law of demand, elasticity of demand- price, income and cross elasticity) and Supply (meaning , determinants, law of supply and elasticity of supply)
- (f) Equilibrium
- (g) Theory of Production (meaning , factors, laws of production- law of variable proportion, laws of returns to scale)
- (h) Cost of Production (concept of costs, short-run and long-run costs, average and marginal costs, total, fixed and variable costs)

2. Forms of Market

- (a) Various forms of market- monopoly, perfect competition, monopolistic competition, oligopoly, duopoly
- (b) Pricing strategies in various markets

3. National Income

- (a) Gross National Product
- (b) Net National Product
- (c) Measurement of National Income
- (d) Economic growth and fluctuations
- (e) Consumptions, Savings and Investment

4. Money

- (a) Definition and functions of money
- (b) Quantity theory of money
- (c) Inflation and effect of inflation on production and distribution of wealth
- (d) Control of Inflation
- (e) Money Supply
- (f) Liquidity preference and marginal efficiency
- (g) Rate of Interest and Investment

5. Banking

- (a) Definition
- (b) Functions and utility of Banking
- (c) Principles of Commercial Banking
- (d) Essentials of sound Banking system
- (e) Multiple credit creation
- (f) Functions of Central Bank
- (g) Measures of credit control and Money Market
- (h) National & International Financial Institutions

6. (a) Indian Economy – An overview

Nature, key sectors and their contribution to the economy

- (a) Meaning of an Underdeveloped Economy
- (b) Basic Characteristics of the Indian Economy
- (c) Major Issues of Development
- (d) Natural resources in the process of Economic Development
- (e) Resources - land; forest; water, fisheries, minerals
- (f) Economic development and Environmental Degradation
- (g) Global Climate Change and India
- (h) The role of Industrialization, pattern of Ownership of Industries
Role and Contribution of Industries in Economic development (with special reference to the following industries): Iron and Steel, Cotton and Synthetic Textile, Jute, Sugar, Cement, Paper, Petrochemical, Automobile, IT & ITES, Banking and Insurance

(b) Infrastructure of the Indian Economy

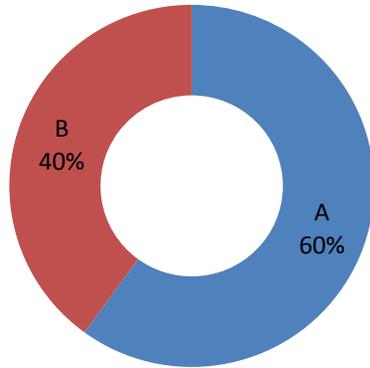
- (i) Infrastructure and Economic Development, Private Investment in Infrastructure, Public Private Partnership (PPP) Model in Infrastructure Energy
- (ii) Power Sector
- (iii) Transport System in India's Economic Development – Railways, Roads, Water, Civil Aviation
- (iv) Information Technology (IT) and ITES (Information Technology Enabled Services) including the Communication System in India
- (v) Urban Infrastructure
- (vi) Science and Technology

Section B – Fundamentals of Management [50 marks]

- 7. (a) Management Process – introduction, planning, organizing, staffing, leading, control, communication, co-ordination.
(b) Evolution of Management thought – Classical, Neo-classical, Modern
- 8. (a) Concept of Power, Authority, Responsibility, Accountability, Delegation of Authority, Centralization & Decentralization
(b) Leadership & Motivation – Concept & Theories
- 9. (a) Group Dynamics- concept of group and team, group formation, group cohesiveness
(b) Management of organizational conflicts- reasons, strategies
- 10. Decision-making- types of decisions, decision-making process.

Paper 2: Fundamentals of Accounting (FOA)

Syllabus Structure



| | | |
|---|--|-----|
| A | Fundamentals of Financial Accounting | 60% |
| B | Fundamentals of Cost & Management Accounting | 40% |

ASSESSMENT STRATEGY

There will be written examination paper of three hours

OBJECTIVES

To gain comprehensive understanding of all aspects relating to financial statements, principles, procedures of accounting and their application to different practical situations

Learning Aims

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

- ❖ Understand and explain the conceptual framework of Accounting
- ❖ Prepare Accounts for various entities under different situations
- ❖ Acquire basic concepts of Cost & Management Accounting relevant for managerial decision making

Skill set required

Level A: Requiring the skill levels of knowledge and comprehension

FOUNDATION COURSE - SYLLABUS 2012

| CONTENTS | Weightage |
|--|------------------|
| Section A : Fundamentals of Financial Accounting | 60% |
| 1. Accounting Process | |
| 2. Reconciliation Statement | |
| 3. Accounting for Depreciation | |
| 4. Preparation of Final Accounts | |
| 5. Accounting for Special Transactions | |
| Section B: Fundamentals of Cost & Management Accounting | 40% |
| 6. Fundamentals of Cost Accounting | |
| 7. Preparation of Cost Statements | |
| 8. Fundamentals of Management Accounting – basic knowledge and its application | |

Section A : Fundamentals of Financial Accounting [60 marks]

1. Accounting Process

- (a) Theoretical Framework (meaning, scope and usefulness of Accounting; Generally Accepted Accounting Principles, Concepts and Conventions)
- (b) Capital and Revenue transactions- capital and revenue expenditures, capital and revenue receipts
- (c) Measurement, Valuation and Accounting estimates
- (d) Double entry system, Books of prime entry, Subsidiary Books
- (e) Recording of Cash and Bank transactions
- (f) Preparation of Ledger Accounts
- (g) Preparation of Trial Balance- interpretation and usefulness
- (h) Rectification of Errors
- (i) Opening entries, Transfer entries, Adjustment entries, Closing entries

2. Reconciliation Statements

- (a) Bank Reconciliation Statement
- (b) Receivables / Payables Reconciliation Statement
- (c) Stock Reconciliation Statement

3. Accounting for Depreciation

- (a) Depreciation Policy
- (b) Methods, computation and Accounting treatment

4. Preparation of Final Accounts:

- (a) **Of a Profit making concern (for sole proprietorship concern and partnership firm only)**
 - (i) Preparation of Trading Account, Profit & Loss Account and Balance Sheet
 - (ii) Accounting treatment of bad debts, reserve for bad and doubtful debts, provision for discount on debtors and provision for discount on creditors
- (b) **Of a Not-for- Profit making concern**
 - (i) Preparation of Receipts and Payments Account;
 - (ii) Preparation of Income and Expenditure Account
 - (iii) Preparation of Balance Sheet
- (c) **Under Single Entry System including conversion of single entry into double entry system (basic level)**
 - (i) Concept of Single Entry System and preparation of Statement showing Profit and Loss , Statement of Affairs
 - (ii) Conversion of Single Entry System into Double Entry System of Accounting

5. Accounting for Special Transactions

- (a) Bills of Exchange
- (b) Consignment
- (c) Joint Venture
- (d) Sale of goods on approval or return basis

Section B: Fundamentals of Cost & Management Accounting[40 marks]

6. Fundamentals of Cost Accounting

- (a) Cost and Management Accounting – Generally Accepted Cost Accounting Principles
- (b) Accounting for Material cost (including Accounting of Inventory – LIFO, FIFO, Weighted Average Cost)
- (c) Accounting for Labour costs, Direct Expenses and Overheads

7. Preparation of Cost Statements

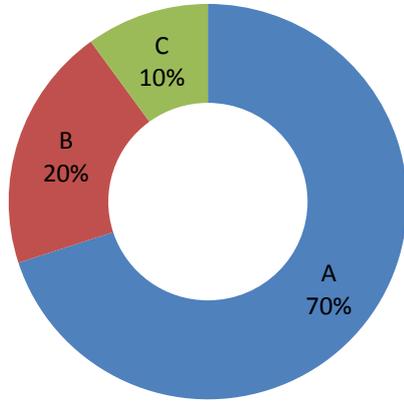
- (a) Cost Data collection, Cost Sheet formats,
- (b) Preparation of Cost Sheets (historical cost sheets and estimated cost sheets)

8. Fundamentals of Management Accounting

- (a) Marginal Costing and Break-even analysis – basic knowledge
- (b) Application of Marginal Costing for decision-making

Paper 3: Fundamentals of Laws and Ethics (FLE)

Syllabus Structure



| | | |
|---|---------------------------------|-----|
| A | Fundamentals Commercial Laws | 70% |
| B | Fundamentals of Industrial Laws | 20% |
| C | Fundamentals of Ethics | 10% |

ASSESSMENT STRATEGY

There will be written examination paper of three hours.

OBJECTIVES

To gain basic knowledge in Laws and Ethics to understand the concepts of regulatory compliance, requirements and desired ethics expected from professionals

Learning Aims

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

- ❖ Acquire adequate knowledge of the basic concepts of laws
- ❖ Understand the basic knowledge of ethics including allied regulatory compliance and requirements

Skill sets required

Level A: Requiring the skill levels of knowledge and comprehension

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

FOUNDATION COURSE - SYLLABUS 2012

| | |
|--|------------|
| Section A : Fundamentals of Commercial Laws | 70% |
| 1. Laws of Contracts | |
| 2. Laws relating to Sale of Goods | |
| 3. Negotiable Instruments Act,1881 | |
| 4. Indian Partnership Act,1932 | |
| Section B: Fundamentals of Industrial Laws | 20% |
| 5. Factories Act,1948 | |
| 6. Payment of Wages Act, 1936 and Minimum Wages Act,1948 | |
| 7. The Employees' State Insurance Act, 1948 | |
| 8. The Child Labour (Prohibition and Regulation)Act,1986 | |
| Section C : Fundamentals of Ethics | 10% |
| 9. Ethics and Business | |

Section A: Fundamentals of Commercial Laws [70 marks]

1. Laws of Contracts

- (a) Essential elements of a contract, offer and acceptance
- (b) Void and voidable agreements
- (c) Consideration, legality of object and consideration
- (d) Capacity of Parties, free consent
- (e) Quasi-contracts, contingent contracts, termination or discharge of contracts

2. Laws relating to Sale of Goods

- (a) Definition
- (b) Transfer of ownership
- (c) Performance of the Contract of Sale

3. Negotiable Instruments Act,1881

- (a) Definition
- (b) Acceptance and negotiation
- (c) Rights and liabilities of Parties
- (d) Dishonour of a Negotiable Instrument
- (e) Hundis
- (f) Bankers and Customers

4. Indian Partnership Act,1932

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

Section B: Fundamentals of Industrial Laws [20 marks]

5. Factories Act,1948

- (a) Objective, Scope
- (b) Applicability of Factories Act,1948

6. Payment of Wages Act, 1936 and Minimum Wages Act,1948

- (a) Objective , Scope
- (b) Applicability of Payment of Wages Act, 1936 and Minimum Wages Act,1948

7. The Employees' State Insurance Act, 1948

- (a) Objective, scope
- (b) Applicability of ESI Act, 1948

8. The Child Labour (Prohibition and Regulation)Act,1986

- (a) Objective Scope
- (b) Applicability of The Child Labour (Prohibition and Regulation) Act,1986

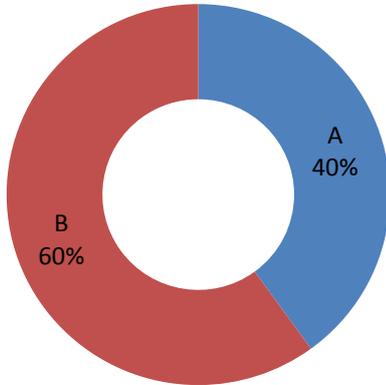
Section C: Fundamentals of Ethics [10 marks]

9. Ethics and Business

- (a) Ethics – meaning, importance
- (b) The “Seven Principles of Public Life” – selflessness, integrity, objectivity, accountability, openness, honesty and leadership
- (c) The relationship between Ethics and Law

**Paper 4: Fundamentals of Business Mathematics and Statistics
(FBMS)**

Syllabus Structure



| | | |
|---|--------------------------------------|-----|
| A | Fundamentals of Business Mathematics | 40% |
| B | Fundamentals of Business Statistics | 60% |

ASSESSMENT STRATEGY

There will be written examination paper of three hours.

OBJECTIVES

To gain understanding on the fundamental concepts of mathematics and statistics and its application in business decision-making

Learning Aims

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

- ❖ Understand the basic concepts of basic mathematics and statistics
- ❖ Identify reasonableness in the calculation
- ❖ Apply the basic concepts as an effective quantitative tool
- ❖ Explain and apply mathematical techniques
- ❖ Demonstrate to explain the relevance and use of statistical tools for analysis and forecasting

Skill Set Required

Level A: Requiring the skill levels of knowledge and comprehension

FOUNDATION COURSE - SYLLABUS 2012

| CONTENTS | |
|--|------------|
| Section A: Fundamentals of Business Mathematics | 40% |
| 1. Arithmetic | |
| 2. Algebra | |
| 3. Calculus | |
| Section B: Fundamentals of Business Statistics | 60% |
| 4. Statistical representation of Data | |
| 5. Measures of Central Tendency and Dispersion | |
| 6. Correlation and Regression | |
| 7. Index Numbers | |
| 8. Time Series Analysis- basic applications including Moving Average | |
| 9. Probability | |
| 10. Theoretical Distribution | |

Section A: Fundamentals of Business Mathematics [40 marks]

1. Arithmetic

- (a) Ratios and Proportions
- (b) Simple and Compound interest including application of Annuity
- (c) Bill Discounting and Average Due Date
- (d) Mathematical reasoning – basic application

2. Algebra

- (a) Set Theory and simple application of Venn Diagram
- (b) Variation, Indices, Logarithms
- (c) Permutation and Combinations – basic concepts
- (d) Linear Simultaneous Equations (3 variables only)
- (e) Quadratic Equations
- (f) Solution of Linear inequalities (by geometric method only)
- (g) Determinants and Matrices

3. Calculus

- (a) Constant and variables, Functions, Limit & Continuity
- (b) Differentiability & Differentiation, Partial Differentiation
- (c) Derivatives – First order and Second order Derivatives
- (d) Maxima & Minima – without constraints and with constraints using Lagrange transform
- (e) Indefinite Integrals: as primitives, integration by substitution, integration by part
- (f) Definite Integrals: evaluation of standard integrals, area under curve

Section B: Fundamentals of Business Statistics [60 marks]

4. Statistical Representation of Data

- (a) Diagrammatic representation of data
- (b) Frequency distribution
- (c) Graphical representation of Frequency Distribution – Histogram, Frequency Polygon, Ogive, Pie-chart

5. Measures of Central Tendency and Dispersion

- (a) Mean, Median, Mode, Mean Deviation
- (b) Quartiles and Quartile Deviation
- (c) Standard Deviation
- (d) Co-efficient of Variation, Coefficient of Quartile Deviation

6. Correlation and Regression

- (a) Scatter diagram
- (b) Karl Pearson's Coefficient of Correlation
- (c) Rank Correlation
- (d) Regression lines, Regression equations, Regression coefficients

7. Index Numbers

- (a) Uses of Index Numbers
- (b) Problems involved in construction of Index Numbers
- (c) Methods of construction of Index Numbers

8. Time Series Analysis – basic application including Moving Average

- (a) Moving Average Method
- (b) Method of Least Squares

9. Probability

- (a) Independent and dependent events; Mutually exclusive events
- (b) Total and Compound Probability; Baye's theorem; Mathematical Expectation

10. Theoretical Distribution

- (a) Binomial Distribution , Poisson Distribution – basic application
- (b) Normal Distribution – basic application

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SYLLABUS 2012

STRUCTURE & CONTENTS

INTERMEDIATE COURSE

INTERMEDIATE COURSE –Syllabus 2012

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 | |

INTERMEDIATE COURSE –Syllabus 2012

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 | |
|---|-----|
| Generally Accepted Accounting Principles & Accounting Systems | 10% |
| Preparation of Accounts | 30% |
| Control of Accounting Systems | 10% |
| Accounting in Service Sectors | 10% |
| Accounting for Special Transactions | 20% |
| Accounting for Banking, Electricity and Insurance Companies | 20% |

| Paper 6 : Laws, Ethics and Governance | |
|---------------------------------------|-----|
| Industrial and Economic Laws | 60% |
| Corporate Laws and Governance | 20% |
| Ethics | 20% |

| Paper 7 : Direct Taxation | |
|---------------------------|-----|
| Income Tax | 65% |
| Wealth Tax | 10% |
| International Taxation | 25% |

| Paper 8 : Cost Accounting and Financial Management | |
|--|-----|
| Cost Accounting – Prime Cost & Overheads | 60% |
| Financial Management | 40% |

GROUP - II

| Paper 9 : Operations Management and Information System | |
|--|-----|
| Operations Management | 60% |
| Information System | 40% |

| Paper 10 : Cost & Management Accountancy | |
|---|-----|
| Cost & Management Accounting - Methods & Techniques | 60% |
| Economics for managerial decision-making | 40% |

| Paper 11 : Indirect Taxation | |
|---|-----|
| Cannons of taxations – Indirect Taxes | 5% |
| Central Excise | 20% |
| Customs Laws | 15% |
| EXIM Policy | 10% |
| Service Tax | 25% |
| Central Sales Tax Act & VAT Act | 15% |
| International Taxation & Transfer Pricing | 10% |

| Paper 12 : Company Accounts and Audit | |
|---|-----|
| Generally Accepted Accounting Principles (GAAP) | 20% |
| Accounts of Joint Stock Companies | 40% |
| Auditing | 40% |

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

INTERMEDIATE COURSE –Syllabus 2012

Group I

Paper 5: Financial Accounting

Syllabus Structure

The syllabus comprises the following topics and study weightage



| | | |
|---|---|-----|
| A | Generally Accepted Accounting Principles & Accounting Systems | 10% |
| B | Preparation of Accounts | 30% |
| C | Control of Accounting Systems | 10% |
| D | Accounting in Service Sectors | 10% |
| E | Accounting for Special Transactions | 20% |
| F | Accounting for Banking, Electricity and Insurance Companies | 20% |

ASSESSMENT STRATEGY

There will be written examination paper 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 set required

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

INTERMEDIATE COURSE –Syllabus 2012

| Topics | Weightage |
|--|------------|
| Section A : Generally Accepted Accounting Principles & Accounting Systems | 10% |
| 1. Accounting Process | |
| 2. Accounting Standards | |
| 3. Reconciliation Statements | |
| Section B : Preparation of Accounts | 30% |
| 4. Accounting for Depreciation, Depletion, Amortization and Impairment of Assets | |
| 5. Preparation of Financial Statements | |
| 6. Partnership | |
| 7. Branch and Departmental Accounts | |
| 8. Royalty and Hire-Purchase | |
| Section C : Control of Accounting Systems | 10% |
| 9. Self-Balancing Ledgers and Sectional Balancing Ledgers | |
| Section D : Accounting in Service Sectors | 10% |
| 10. Accounting in Service Sectors | |
| Section E : Accounting for Special Transactions | 20% |
| 11. Accounting for Special Transactions | |
| Section F : Accounting for Banking, Electricity and Insurance Companies | 20% |
| 12. Banking , Electricity and Insurance Companies | |

INTERMEDIATE COURSE –Syllabus 2012

Section A: Generally Accepted Accounting Principles & Accounting Systems [10 marks]

1. Accounting Process

- (a) Theoretical framework (meaning, scope and usefulness of Accounting; Accounting principles, concepts and convention)
- (b) Accounting Life Cycle (ALC) – From Investment of Capital (Cash) to Realization of Revenue (Cash)
- (c) Capital and Revenue transactions- capital and revenue expenditures, capital and revenue receipts
- (d) Measurement, valuation and accounting estimates Double entry system, books of prime entry, subsidiary books, cash book, ledgers, trial balance
- (e) Rectification of errors, opening entries, transfer entries, adjustment entries, closing entries

2. Accounting Standards

- (a) AS-1: Disclosure of Accounting Policies
- (b) AS-2: Valuation of Inventories
- (c) AS-4: Contingencies and Events Occurring after the Balance Sheet Date
- (d) AS-5: Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies
- (e) AS-10: Accounting for Fixed Assets
- (f) AS-11: The Effects of Changes in Foreign Exchange Rates
- (g) AS- 15: Employee Benefits
- (h) AS-16: Borrowing Costs

3. Reconciliation Statements

- (a) Bank Reconciliation Statements
- (b) Stock Reconciliation Statements
- (c) Receivables /Payables Reconciliation Statement

Section B: Preparation of Accounts [30 marks]

4. Accounting for Depreciation, Depletion, Amortization and Impairment of Assets

- (a) Depreciation Policy, Depletion, Amortization and Impairment of Assets
- (b) Depreciation Accounting (AS – 6) ; Impairment of Assets (AS -28)
- (c) Methods, computation and accounting treatment

5. Preparation of Financial statements :

- (a) Of Profit-making organizations:
 - (i) Preparation of Profit & Loss Account and Balance Sheet
 - (ii) Preparation of Cash Flow Statement (AS – 3)
 - (iii) Accounting treatment of bad debts, reserve for bad and doubtful debts, provision for discount on debtors and provision for discount on creditors
- (b) Of Not-for-Profit organizations :
 - (i) Preparation of Receipts and Payments Account
 - (ii) Preparation of Income and Expenditure Account

INTERMEDIATE COURSE –Syllabus 2012

(iii) Balance Sheet

- (c) Under single entry system including conversion of single entry into double entry system :
- (i) Concept of single entry system, conversion of single entry system into double entry system of accounting
 - (ii) Application of accounting ratios for preparation of accounts under single entry system

6. Partnership

- (a) Past adjustments and guarantee, profit & loss appropriation account
- (b) Admission, Retirement, Death, Treatment of Joint Life Policy
- (c) Dissolution of partnership firms including piece meal distribution
- (d) Amalgamation of partnership firms, Conversion of partnership firm into a company and sale of partnership firm to a company

7. Royalty and Hire Purchase

- (a) Accounting from the point of view of various parties
- (b) Possession and repossession in case of default in payments

8. Branch and Departmental Accounts

- (a) Branch Accounts-Debtors system, Stock & Debtors system, Foreign Branch
- (b) Departmental Accounts: Trading Account; Profit & Loss Account
- (c) Calculation of net profit of various departments and allocation of expenses on the basis of suitable base, treatment of shortages, treatment of unrealized profit
- (d) Preparation of General Profit & Loss Account and Balance Sheet

Section C : Control of Accounting Systems [10 marks]

9. Self-Balancing Ledger and Sectional Balancing Ledgers

- (a) Self- Balancing Ledgers
- (b) Sectional Balancing Ledgers

Section D: Accounting in Service Sector [10 marks]

10. Accounting for Service Sectors

- (a) Revenue Recognition (AS-9)
- (b) Construction Companies (AS 7), Project Accounting
- (c) Service sectors such as Software, ITES, Telecommunication, Entertainment, Hospital, Educational Institutions

Section E: Accounting for Special Transactions [20 marks]

11. Accounting for Special Transactions

- (a) Bills of Exchange, Consignment, Joint venture, Sale of goods on approval or return basis, Account Current
- (b) Investment Accounts (AS – 2, 13)
- (c) Insurance Claim (Loss of Stock and Loss of profit)

Section F: Accounting for Banking, Insurance and Electricity Companies [20 marks]

12. Banking , Electricity and Insurance companies

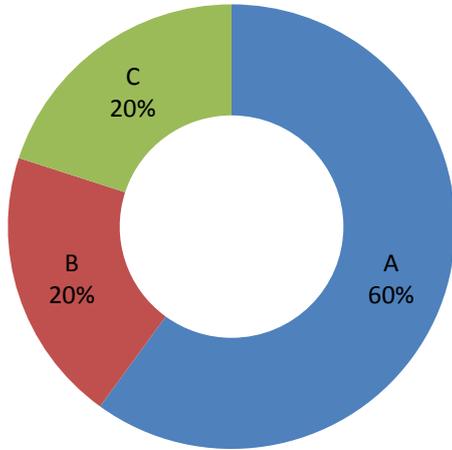
- (a) Accounts of a Banking Company (as per Banking Companies Regulation Act)
- (b) Accounts of an Electricity Company (as per Electricity Act)
- (c) Accounts of Insurance Companies (as per Insurance Act) including Stock Valuation

INTERMEDIATE COURSE –Syllabus 2012

Paper 6: Laws, Ethics and Governance

Syllabus Structure

The syllabus comprises the following topics and study weightage



| | | |
|---|-------------------------------|-----|
| A | Industrial and Economic Laws | 60% |
| B | Corporate Laws and Governance | 20% |
| C | Ethics | 20% |

ASSESSMENT STRATEGY

There will be written examination paper 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 Corporate Governance. 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.*

INTERMEDIATE COURSE –Syllabus 2012

| | |
|---|------------|
| Section A : Industrial and Economic Laws | 60% |
| 1. Laws of Contracts (Advanced level) | |
| 2. Laws relating to Sale of Goods (Advanced level) | |
| 3. Laws relating to Employees: (Bare Act) <ul style="list-style-type: none"> ❖ Factories Act,1948; ❖ Industrial Disputes Act,1947; ❖ Workmen’s Compensation Act,1923 ❖ Payment of Wages Act, 1936 and Minimum Wages Act,1948 ❖ Payment of Bonus Act,1965 and Payment of Gratuity Act,1972 ❖ Employees State Insurance (E.S.I) Act, 1950 ❖ Provident Fund (P.F.) Act, 1952 ❖ The Child Employee (Prohibition and Regulation)Act,1986 | |
| 4. Negotiable Instruments Act,1881 (Advanced Level) | |
| 5. Laws related to Partnership: (Advanced level) <ul style="list-style-type: none"> ❖ Indian Partnership Act,1932 ❖ Limited Liability Partnership Act, 2008 | |
| 6. Prevention of Money Laundering Act,2011 (Bare Act) | |
| Section B : Corporate Laws and Governance | 20% |
| 7. Essentials of Corporate Laws | |
| 8. RTI Act, 2005 | |
| 9. Governance | |
| Section C : Ethics | 20% |
| 10. Ethics and Business | |
| 11. Ethical Conflict | |

INTERMEDIATE COURSE –Syllabus 2012

Section A: LAWS (Industrial and Economic Laws) [60 marks]

1. Laws of Contracts

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

2. Laws relating to Sale of Goods

- (a) Definition
- (b) Transfer of ownership
- (c) Performance of the contract of sale

3. Laws relating to Employees: (object, scope and applicability of the following Acts):

- (a) Factories Act,1948
- (b) Industrial Disputes Act,1947
- (c) Workmen's Compensation Act,1923
- (d) Payment of Wages Act, 1936 and Minimum Wages Act,1948
- (e) Payment of Bonus Act, 1965 and Payment of Gratuity Act, 1972
- (f) Employees State Insurance (E.S.I)Act, 1950
- (g) Provident Fund (P.F.) Act, 1952
- (h) The Child Employee (Prohibition and Regulation) Act, 1986

4. Negotiable Instruments Act, 1881

- (a) Definition, Acceptance and negotiation
- (b) Rights and liabilities of Parties
- (c) Dishonor of a Negotiable Instrument, Hundis
- (d) Bankers and Customers

5. Laws related to Partnership:

- (a) Indian Partnership Act,1932
 - (i) Nature of Partnership
 - (ii) Rights and liabilities of Partners
 - (iii) Dissolution of Firms
- (b) Limited Liability Partnership Act, 2008
 - (i) Concept, Formation, Membership, Functioning,
 - (ii) Dissolution

6. Prevention of Money Laundering Act ,2011

- (a) Historical background
- (b) Prevention of Money Laundering Act, 2011

INTERMEDIATE COURSE –Syllabus 2012

- (c) Concepts, definitions, various transactions, etc
- (d) Obligations of Banks and Financial Institutions
- (e) RBI Guidelines on KYC (Know Your Customer)

Section B: Corporate Laws and Governance [20 marks]

7. Essentials of Corporate Laws

- (a) Company – types, formation and related procedures
- (b) Director- roles, responsibilities, qualification, disqualification, appointment/re-appointment, retirement, resignation, removal, remuneration, powers, duties, Director’s Identification Number (DIN), Loans to Directors, Office or Place of Profit
- (c) Cost Accountant – Appointment, Role and Responsibilities – with special reference to Certification, Compliance Report and Performance Evaluation of the Organization

8. Right to Information Act, 2005

- (a) Salient features, objective
- (b) Public authorities and their obligations
- (c) Designations of Public Information Officers (PIO) and their duties
- (d) Request for obtaining information

9. Governance

- (a) Basic understanding of Corporate Governance
- (b) Corporate governance practices in India, USA, UK, Japan and Germany
- (c) Tools for ensuring Governance:
 - (i) Cost Audit Methodology and Corporate Governance
 - (ii) Internal Audit for Governance – nature, scope, function, planning process, investigation of fraud, internal audit reports
 - (iii) Statutory Audit for Governance
 - (iv) An introduction to e-governance and XBRL

Section C : Ethics [20 marks]

10. Ethics and Business

- (a) Evolution of Business Ethics (with reference to IFAC on Ethics – IEG-8)
- (b) Ethics – meaning, importance, nature and relevance to business, values and attitudes of Professional Accountants
- (c) The “Seven Principles of Public Life” – selflessness, integrity, objectivity, accountability, openness, honesty and leadership

11. Ethical Conflict

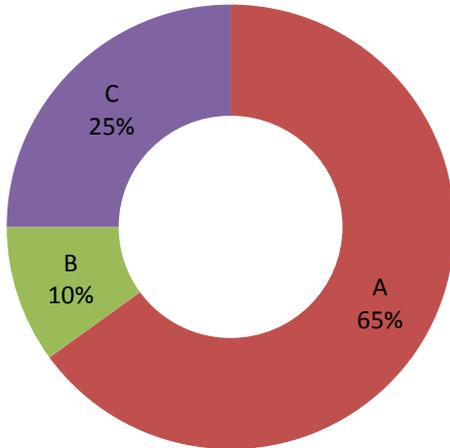
- (a) The relationship between ethics and law, difference between ethical codes and contracts
- (b) Unethical behavior - consequences, Conflicts of interest – causes and remedies.
- (c) Ethics of Management Accountant Professionals

INTERMEDIATE COURSE –Syllabus 2012

Paper 7: Direct Taxation

Syllabus Structure

The syllabus comprises the following topics and study weightage:



| | | |
|---|------------------------|-----|
| A | Income Tax | 65% |
| B | Wealth Tax | 10% |
| C | International Taxation | 25% |

ASSESSMENT STRATEGY

There will be written examination paper 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 and Wealth Tax Act
- ❖ Compute the taxable income of an assessee
- ❖ Analyze the assessment procedure and representation before appropriate authorities under the law
- ❖ Apply the Generally Accepted Cost Accounting Principles and Techniques for determination of arm's length price for domestic and international transactions

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.*

INTERMEDIATE COURSE –Syllabus 2012

| | |
|--|------------|
| Section A : Income Tax | 65% |
| 1. Income Tax Act, 1961 – (a) Basic Concepts and definitions (b) Tax Accounting Standards (by the Central Board of Direct Taxes) | |
| 2. Income which do not form part of Total Income (Section 10, 10A, 10B and 11-13A) | |
| 3. Heads of Income and Computation of Total Income under various heads | |
| 4. Income of other Persons included in Assessee’s Total Income; Aggregation of Income and Set off or Carry Forward of Losses; Deductions in computing Total Income; Rebates and Reliefs; Applicable rates of Tax and Tax Liability | |
| 5. Taxation of Individuals including Non-residents, Hindu Undivided Family, Firms, LLP, Association of Persons, Co-operative Societies, Trusts, Charitable and Religious Institutions | |
| 6. Corporate Taxation – classification, Tax Incidence, computation of Taxable Income and Assessment of Tax Liability, Dividend Distribution Tax (DDT), Minimum Alternate Tax and other Special provisions relating to Companies | |
| 7. Tax Deduction at Source, Tax Collection at Source, Recovery and Refund of Tax, Advance Tax, Refunds | |
| 8. Tax Planning and Tax Management | |
| Section B : Wealth Tax | 10% |
| 9. Wealth Tax Act, 1957 | |
| Section C : International Taxation | 25% |
| 10. (a) Basic concepts of International Taxation and Transfer Pricing (b) General Anti-Avoidance Rules (GAAR) – concept and application (c) Advance Pricing Agreement (APA) – concept and application | |

Section A: Income Tax [65 marks]

1. Income Tax Act, 1961 –

- (a) Basic Concepts and definitions
 - (i) Background, concepts, definitions
 - (ii) Capital and revenue – receipts, expenditures
 - (iii) Basis of charge and scope of total income
 - (iv) Residential Status and Incidence of Tax
- (b) Tax Accounting Standards by the Central Board of Direct Taxes (CBDT)

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

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

- (a) Income from salaries
- (b) Income from House property
- (c) Profits and gains from Business or Profession
- (d) Capital gains
- (e) Income from other sources

4. Income of other persons included in Assessee's Total Income; Aggregation of Income and Set off or Carry Forward of Losses; Deductions in computing Total Income; Rebates & Reliefs; Applicable Rates of Tax and Tax Liability

5. Taxation of Individuals including Non-residents, Hindu Undivided Family, Firms, LLP, Association of Persons, Co-operative Societies, Trusts, Charitable and Religious Institutions

6. Corporate Taxation – classification, tax incidence, computation of taxable income and assessment of tax liability, Dividend Distribution Tax (DDT), Minimum Alternate Tax and other special provisions relating to companies

7. Tax Deduction at Source, Tax Collection at Source, Recovery and Refund of Tax, Advance Tax, Refunds

8. Tax Planning and Tax Management

- (a) Tax Planning:
 - (i) Concept and application
 - (ii) For setting up new business units- study of location, nature of business, tax holiday offered [with special reference to provisions in Chapter VIA of the Act]
 - (iii) Tax incentives and Export Promotion Schemes, other applicable tax benefits and exemptions

(b) Tax Management

- (i) Computation of income and Return of Income Tax, Filing procedure, e-filing
- (ii) Assessment, Reassessment, Appeals ,Revisions ,Review rectifications, Settlement of cases
- (iii) Special procedure for assessment of Search cases;
- (iv) E-commerce transactions, Liability in Special cases
- (v) Penalties, Fines and Prosecution

Section B: Wealth Tax [10 marks]

9. Wealth Tax Act, 1957

- (a) Background, concept and charge of wealth tax
- (b) Assets, deemed assets, exempted assets
- (c) Valuation of assets
- (d) Computation of net wealth
- (e) Return of Wealth Tax and assessment procedure

Section- C - International Taxation [25 marks]

10. International Taxation and Transfer Pricing

(a) Basic concepts of International Taxation and Transfer Pricing

- (i) Residency issues, source of income, tax heavens, withholding tax, unilateral relief, double taxation avoidance agreements
- (ii) Transfer Pricing- concepts, meaning of International transactions
- (iii) Costing Issues in Transfer Pricing
- (iv) Computation of Arm's length Price - methods
- (v) Governance through application of generally accepted cost accounting principles and techniques for assessment of arm's length price – a measure to curb revenue leakages/tax evasion
- (vi) Reference to Cost Accounting Records and Cost Audit Reports – in assessment of arm's length price.

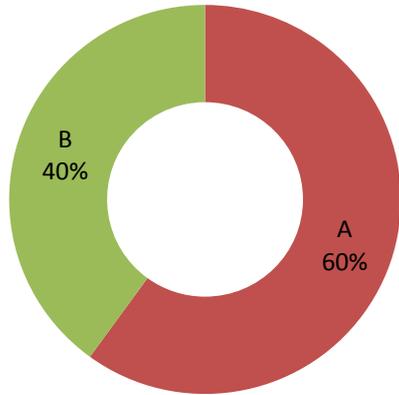
(b) General Anti-Avoidance Rules (GAAR) – concept and application

(c) Advance Pricing Agreement (APA) – concept and application

Paper 8: Cost Accounting and Financial Management

Syllabus Structure:

The syllabus comprises the following topics and study weightage:



| | | |
|---|---|-----|
| A | Cost Accounting – Prime Costs and Overheads | 60% |
| B | Financial Management | 40% |

ASSESSMENT STRATEGY

There will be written examination paper of three hours

OBJECTIVES

To provide an in depth study of the Generally Accepted Cost Accounting Principles and Techniques for identification, analysis and classification of cost components to facilitate managerial decision making. 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 and explain the conceptual framework of Cost & Management Accounting
- ❖ Explain the basic concepts and processes in determination of products and services cost
- ❖ Identify and apply the concepts of Financial Management

Skill set required

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

INTERMEDIATE COURSE –Syllabus 2012

| | |
|---|------------|
| Section A : Cost Accounting – Prime Costs & Overheads | 60% |
| 1. General Purpose Cost Statement | |
| 2. Business Process Analysis – Cost Centre and Cost Allocation (a) Materials (CAS 6) (b) Employee Costs (CAS 7) (c) Direct expenses and problems connected therewith (CAS 10) (d) Overhead (with reference to all Cost Accounting Standards related to Overhead) | |
| Section B : Financial Management | 40% |
| 3. Overview of Financial Management | |
| 4. Tools for Financial Analysis & Planning | |
| 5. Working Capital Management and Leverage Analysis | |
| 6. Cost of Capital, Capital Structure Theories and Dividend Decisions | |
| 7. Capital Budgeting | |

INTERMEDIATE COURSE –Syllabus 2012

Section A: Cost Accounting- Prime Costs & Overheads [60 marks]

1. General Purpose Cost Statement: Cost Accounting Standards (CASs) (issued by the Institute of Cost Accountants of India from time to time), Generally Accepted Cost Accounting Principles (GACAP) – Purpose, Objective and Applicability

2. Business Process Analysis – Cost Centre and Cost Allocation

(a) Materials (CAS 6):

(i) Procurement of materials- classification and coding, inventory management and control, JIT (just in time), return to suppliers, pricing of receipts, Physical verification and related issues

(ii) Scrap, wastage, pilferage, obsolescence, normal loss, abnormal loss (CASs related to above items) – framework

(b) Employee Costs (CAS 7):

(i) Employee routines, classification of Employee, time keeping, time booking, payroll preparation, disbursement of wages. Principles and methods of remuneration, Productivity Linked Incentive (PLI) Schemes

(ii) Accounting control and reporting, Accounting for Employee Cost, Computation of Employee Cost rates, Idle time, Overtime, Employee turnover, Employee cost reporting

(c) Direct expenses and problems connected therewith (CAS 10)

(d) Overhead (with reference to all Cost Accounting Standards related to Overhead):

(i) Classification of overheads; Overhead Cost Accounting

(ii) Accounting and control of overheads, computation of pre-determined overhead recovery rates, treatment of over and under absorption of overhead costs. Reports of control of overhead costs

(iii) Miscellaneous items of expenses – capacity costs, treatment of depreciation in costs

Note : All related further pronouncements of CASs will also be applicable

Section B : Financial Management [40 marks]

3. Overview of Financial Management

- (a) Financial Management - meaning, objectives, scope, related finance disciplines, planning environment, key-decision areas
- (b) Sources of Finance (Shares, Debentures, Debt, Public Deposits, Lease Financing, etc); criteria for selecting sources of finance including finance for International Investments and Venture Capital Funds
- (c) Other Financial services- Hire Purchase, Forfeiting, Bill Discounting, Factoring, Asset Securitization
- (d) Financial Decision -Making - Emerging role of finance managers
- (e) Compliance of regulatory requirements in formulation of financial strategies
- (f) Role of Treasury Function in terms of setting Corporate objectives, Funds Management-National and International
- (g) Contemporary developments - WTO, GATT, Corporate Governance, TRIPS,TRIMS,SEBI Regulations (as amended from time to time)
- (h) Concepts of Value and Return – Time preference for money, Future Value, Present Value, Net Present Value (NPV)

INTERMEDIATE COURSE –Syllabus 2012

4. Tools for Financial Analysis & Planning

- (a) Funds flow and Cash flow Analysis
- (b) Analysis Financial Ratio and Cash Flow Ratios - Ratios in the areas of performance, profitability, financial adaptability, liquidity, activity, shareholder investment and financing , interpretation of ratios and limitations of ratio analysis
- (c) Identification of information required to assess financial performance, Effect of short –term debt on the measurement of gearing

5. Working Capital Management and Leverage Analysis

- (a) Working Capital policies related to Inventory, Receivables, Payables, Cash and Marketable securities
- (b) Financing of working capital
- (c) Concepts and nature of Leverages, Analysis of Operating and Financial Leverages, Operating Risk and Financial Risk and Combined Leverages
- (d) Operating leverages and Cost Volume Profit analysis-Earning Before Interest and Tax (EBIT) and Earning Per Share (EPS), Indifference point

6. Cost of Capital

- (a) Meaning, Components, methods of determination of cost of capital related to debt, preference shares, equity shares, retained earnings, depreciation fund
- (b) Capital Asset Pricing Models (CAPM)
- (c) Weighted Average Cost of Capital and Marginal Cost of Capital

7. Capital Budgeting

- (a) Purpose, objective, process
- (b) Understanding different types of projects
- (c) Techniques of decision making: non-discounted and discounted cash flow approaches – payback period method, accounting rate of return, net present value, internal rate of return, modified internal rate of return, discounted payback period and profitability index.
- (d) Ranking of competing projects, ranking of projects with unequal lives.
- (e) Modeling and forecasting cash flows and financial statements based on expected values for variables-economic and business

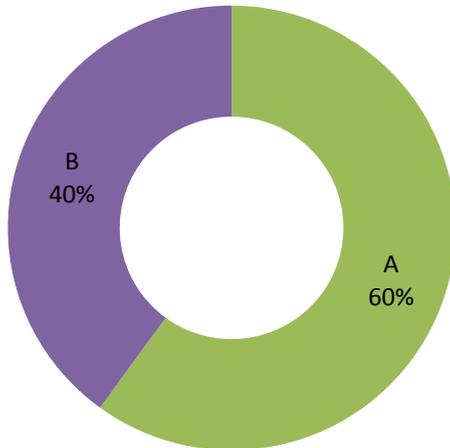
INTERMEDIATE COURSE –Syllabus 2012

Group – II

Paper 9: Operations Management & Information System

Syllabus Structure

The syllabus comprises the following topics and study weightage:



| | | |
|---|-----------------------|-----|
| A | Operations Management | 60% |
| B | Information System | 40% |

ASSESSMENT STRATEGY

There will be written examination paper of three hours

OBJECTIVE

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

Learning Aims

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

- ❖ Understand the business process and analyze the operations
- ❖ Identify and evaluate activities for determination of cost centre or activity centre
- ❖ Acquire knowledge of production planning and resource management
- ❖ Understand and analyze the information system for designing and managing data
- ❖ Apply knowledge to develop Management Information System
- ❖ Develop basic concepts and operational modalities of Enterprise Resource Planning

Skill Set required

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

INTERMEDIATE COURSE –Syllabus 2012

| | |
|---|------------|
| Section A : Operations Management | 60% |
| 1. (a) Operations Management (b) Designing and Managing operations | |
| 2. Production Planning | |
| 3. Productivity Management and Total Quality Management | |
| 4. Economics of Maintenance and Spares Management | |
| Section B : Information System | 40% |
| 5. Information System Analysis and Design | |
| 6. Database management Systems | |
| 7. Management Information System (MIS) and Information Economics | |
| 8. Enterprise Resource Planning (ERP) | |
| 9. Cyber Law, e-commerce | |

Section A: Operations Management [60 marks]

1. (a) Operations Management- introduction, scope, need, challenges, role in decision-making, operational strategies for competitive advantage

(b) Designing and Managing operations:

- (i) Designing of goods and services – selection, product life cycle, generation of new products; product development
- (ii) Process strategy , process analysis and design, production process flow, cost flow, costing system with special reference to: - Regulated Industries, Non-regulated Industries and Service Sectors

2. Production Planning

- (a) Production planning - introduction, control measures
- (b) Economics and optimization- basics, Pareto Optimality condition, price-mechanism and optimum resource allocation, economic batch production
- (c) Studies at work place -Time study, Work study, Method study, Activity sampling, Work simplification, Job Evaluation
- (d) Forecasting- introduction, features, elements, steps, approaches, techniques (including time series, regression and correlation analysis)
- (e) Capacity Management – Planning and Utilization for products and services
- (f) Process selection, facility layout, designing work systems, Location Planning and Analysis,
- (g) Project Planning – introduction, aspects, Project Life Cycle, scheduling with Gantt Charts, PERT and CPM, Project Risk measurement
- (h) Waiting Lines and Simulation – characteristics and measures of waiting lines, performance, queuing models, dispatching , scheduling technique, simulation and line balancing problem
- (i) Human Resource Planning and optimization – introduction, job allocation/assignment
- (j) Optimum allocation of resources through application of linear programming techniques
 - (i) For Goods – inputs, processing, outputs JIT and Lean Operations
 - (ii) For Services

3. Productivity Management and Total Quality Management

- (a) Introduction, features, measurement techniques of factors of production, productivity index, productivity of Employee, productivity of materials, productivity of management resources, productivity of other factors
- (b) Economics of Research and Development - for improving productivity
- (c) Technological Innovation – emerging techniques and its applications for economic decision-making relating to productivity
- (d) Methods of improving productivity including quality circles
- (e) Total Quality Management (TQM) – basics tools and certification

4. Economics of Maintenance and Spares Management

- (a) Breakdown maintenance, preventive maintenance & routine maintenance
- (b) Obsolescence, replacement of machinery
- (c) Maintenance – Techniques, Organization, problems
- (d) Spare parts – Planning, policy and control
- (e) Application of Queuing theory in maintenance and spares management

Section B: Information System [40 marks]

5. Information System Analysis and Design

- (a) Information System - Systems development life cycle, Structured Systems Analysis and Design, Physical and Logical Data Inflow Diagrams
- (b) Requirements Analysis, Design of New Systems. Data Modeling, Data dictionary, entity relationship diagram, structure charts, Transform and Transaction Analysis

6. Database management Systems

- (a) File & Data Base Concept, Overview of DBMS, Data Models, Database Administrator, Database User, Schema, Data Independence
- (b) Relational Database Management System (RDBMS), some application of RDBMS using Oracle & SQL Server

7. Management Information System (MIS) and Information Economics

- (a) Management Information Systems: Definition, scope, planned and unplanned MIS, MIS information time scale, transaction processing
- (b) MIS and Levels of Management – operational level, tactical level, strategic level
- (c) Business Intelligence - Architecture Analysis
- (d) Processing Management Accounting Information
- (e) Quality of Information and Value of Information
- (f) Desirable properties of Management Accounting Information
- (g) Uncertainty and Management Accounting Information
- (h) Impact of Information Technology on Management Accounting
- (i) MIS in functional areas: Finance & Cost Management , Inventory, Marketing, HRM, Financial modeling

8. Enterprise Resource Planning (ERP)

- (a) FICO Module
- (b) Basics of other modules of ERP – Production Planning, Plant Maintenance, Quality Management, Materials Management, Sales and Distribution, HR, Logistics

9. Cyber Law, e-commerce

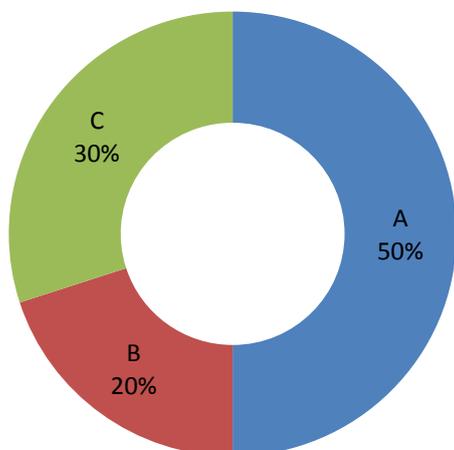
- (a) Cyber laws
- (b) E-commerce and electronic financial transactions

INTERMEDIATE COURSE –Syllabus 2012

Paper 10: Cost & Management Accountancy

Syllabus Structure:

The syllabus comprises the following topics and study weightage:



| | | |
|---|---|-----|
| A | Cost & Management Accounting – Methods & Techniques | 50% |
| B | Cost Records and Cost Audit | 20% |
| C | Economics for managerial decision-making | 30% |

ASSESSMENT STRATEGY

There will be written examination paper of three hours

OBJECTIVES

To provide an in depth knowledge of the detailed procedures and documentation involved in cost ascertainment systems. Acquire knowledge and skills for application of economics 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;
- ❖ Understand CARR and CAR;
- ❖ Understand the application of economics in managerial decision-making

Skill Set required

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

INTERMEDIATE COURSE –Syllabus 2012

| | |
|--|------------|
| Section A : Cost & Management Accounting – Methods & Techniques | 50% |
| 1. Cost Accounting Methods and Systems | |
| 2. Decision Making Tools | |
| 3. Budgeting and Budgetary Control | |
| 4. Standard Costing | |
| Section B : Cost Records and Cost Audit | 20% |
| 5. Cost Accounting Records and Cost Audit | |
| Section C : Economics for managerial decision-making | 30% |
| 6. Economics for managerial decision-making | |

Section A: Cost & Management Accounting – Methods & Techniques (50 marks)

1. Cost Accounting Methods and Systems

- (a) Necessity and importance of cost accounting, what management expects of cost accounting, cost department organization and relationship with other departments, installation of a costing system and modification thereof; planning and progressing of accounting, design of forms and records
- (b) Accounting entries for an integrated accounting system- cost ledgers; Reconciliation between cost and Financial profit and loss account; Integrated and non-integrated accounting and reporting
- (c) Job, batch, contract costing, 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), operation costing, operating costing, unit costing, multiple costing, by-product and joint products

2. Decision Making Tools (advanced level)

- (a) Marginal Costing : basic concepts; break even analysis and cost-volume-profit analysis; break-even charts and profit charts; differential cost analysis; stock valuation under marginal costing techniques versus absorption costing techniques; applications of marginal costing in decision making
- (b) Throughput Accounting (TA) – as a system of profit reporting and stock valuation
- (c) Activity-Based Costing (ABC) for profit reporting and stock valuation
- (d) Integration of Standard Costing with Marginal Cost Accounting, Absorption Cost Accounting and Throughput Accounting
- (e) Transfer Pricing – determination of inter-departmental or inter-company transfer price
- (f) Treatment of special expenses in costs such as – research and development expenses, preliminary expenses, rectification expenses, costs of obsolescence, etc.
- (g) Accounting and control of waste, scrap, spoilage, defective, etc

3. Budgeting and Budgetary Control

- (a) Budget Concepts and Budget Preparation
- (b) Fixed and Flexible Budgets
- (c) Fixed, variable, semi-variable and activity-based categorizations of cost and their application in projecting financial results
- (d) Zero Base Budgeting (ZBB)
- (e) Budgetary Control

4. Standard Costing

- (a) Concept and uses; accounting – methods and reconciliation – stock valuation
- (b) Variance Analysis: Cost, Profit and Sales Variances – presentation of variances, investigation of variances, revision of standards
- (c) Reporting – requisites of reports – interpretation and uses for Managerial decision-making activities
- (d) Uniform Costing and Inter-firm comparison

Section B: Cost Records and Cost Audit (20 marks)

5. Cost Accounting Records and Cost Audit

- (a) Cost Accounting Records and Cost Audit under Companies Act, 1956
- (b) Nature and scope of Cost Audit
- (c) Cost Compliance Reports – by Cost Accountants
- (d) Companies (Cost Accounting Record) Rules, 2011 and Companies (Cost Audit Report) Rules, 2011

Section C: Economics for Managerial Decision-making (30 marks)

6. Economics for Managerial Decision-Making

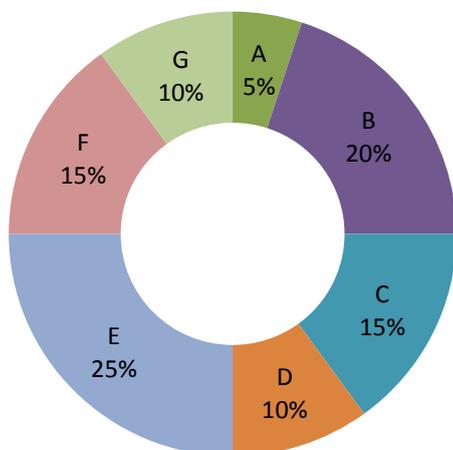
- (a) Concepts of Markets, analysis of market demand and empirical estimation of demand
- (b) Government Intervention and effect
- (c) Business and economic forecasting
- (d) Empirical production function and cost analysis
- (e) Factor demand and input decisions
- (f) Pricing Policies

INTERMEDIATE COURSE –Syllabus 2012

Paper 11: Indirect Taxation

Syllabus Structure

The syllabus comprises the following topics and study weightage:



| | | |
|---|---|-----|
| A | Cannons of taxations – Indirect Taxes | 5% |
| B | Central Excise | 20% |
| C | Customs Laws | 15% |
| D | EXIM Policy | 10% |
| E | Service Tax | 25% |
| F | Central Sales Tax Act & VAT Act | 15% |
| G | International Taxation & Transfer Pricing | 10% |

ASSESSMENT STRATEGY

There will be written examination paper 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 basic principles underlying the Indirect Taxation Statutes (with reference to Central Excise Act, Customs Act, Service Tax, Value Added Tax, Central Sales Tax)
- ❖ 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
- ❖ Apply the Generally Accepted Cost Accounting Principles and Techniques for determination of arm's length price for domestic and international transactions

Skill Set required

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

INTERMEDIATE COURSE –Syllabus 2012

| | |
|--|-----|
| 1. Canons of Taxation- Indirect Taxes | 5% |
| 2. Central Excise | 20% |
| 3. Customs Laws | 15% |
| 4. EXIM POLICY | 10% |
| 5. Service Tax | 25% |
| 6. Central Sales Tax Act & VAT Act | 15% |
| 7. Basic Concepts of International Taxation & Transfer Pricing in the context of Indirect Taxation | 10% |

INTERMEDIATE COURSE –Syllabus 2012

1. Canons of Taxation- Indirect Taxes

- (a) Features of Indirect Tax, Constitutional Validity
- (b) Indirect Tax Laws, administration and relevant procedures

2. Central Excise

- (a) The Central Excise Law -Goods, Excisable Goods, Manufacture and manufacturer, Classification, Valuation, Related Person, Captive Consumption, CAS 4 CENVAT, Basic Procedure, Export, SSI, Job Work
- (b) Assessments, Demands, Refund, Exemptions, Power of Officers
- (c) Adjudication, Appeals, Settlement Commission, Penalties.
- (d) Central Excise Audit and Special Audit under 14A and 14AA of Central Excise Act
- (e) Impact of tax on GATT 94, WTO, Anti Dumping processing
- (f) Tariff Commission and other Tariff authorities

3. Customs Laws

- (a) Basic concepts of Customs Law
- (b) Types of customs duties, Anti-Dumping Duty, Safeguard Duty
- (c) Valuation, Customs Procedures, Import and Export Procedures, Baggage, Exemptions, Warehousing, Demurrage, Project Import and Re-imports
- (d) Penalties and Offences

4. EXIM POLICY

- (a) EXIM Policy
- (b) Export Promotion Schemes, EOU
- (c) Duty Drawback
- (d) Special Economic Zone

5. Service Tax

- (a) Introduction, Nature of Service Tax, Service Provider and Service Receiver
- (b) Registration procedure, Records to be maintained
- (c) Negative List of Services, Exemptions and Abatements
- (d) Valuation of Taxable Services
- (e) Payment of service Tax, Returns of Service Tax
- (f) CENVAT Credit Rules, 2004
- (g) Place of Provision of Service Rules, 2012
- (h) Other aspects of Service Tax
- (g) Special Audit u/s 72A of the Finance Act, 1994 for Valuation of Taxable Services

6. Central Sales Tax Act & VAT Act

- (a) Central Sales Tax
 - (i) Introduction, Definitions, salient features of CST Act
 - (ii) Stock Transfer, Branch transfer, Inter State Sale
 - (iii) Various forms for filing of returns under CST
 - (iv) Procedures under Central Sales Tax (CST)
- (b) Value Added Tax (VAT)

INTERMEDIATE COURSE –Syllabus 2012

- (i) Introduction, definitions, salient features of State VAT Act
- (ii) Treatment of stock & branch transfer under State VAT Act
- (iii) Filing of return under State VAT Act
- (iv) Accounting & Auditing VAT

7. Basic Concepts of International Taxation & Transfer Pricing in the context of Indirect Taxation

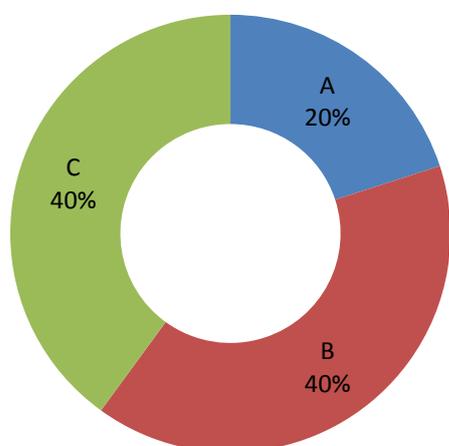
- (a) International Taxation & Transfer Pricing issues in the context of Indirect Taxation
- (b) Indirect Taxation issues in cross-border services
- (c) General Anti-Avoidance Rule (GAAR) – concept and application
- (d) Advance Pricing Agreement (APA) – concept and application

INTERMEDIATE COURSE –Syllabus 2012

Paper 12: Company Accounts and Audit

Syllabus Structure:

The syllabus comprises the following topics and study weightage:



| | | |
|---|---|-----|
| A | Generally Accepted Accounting Principles (GAAP) | 20% |
| B | Accounts of Joint Stock Companies | 40% |
| C | Auditing | 40% |

ASSESSMENT STRATEGY

There will be written examination paper 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.

INTERMEDIATE COURSE –Syllabus 2012

| | |
|--|------------|
| Section A : Generally Accepted Accounting Principles (GAAP) | 20% |
| 1. Conceptual Framework for preparation and Presentation of Financial Statements | |
| 2. Accounting Standards | |
| Section B : Accounts of Joint Stock Companies | 40% |
| 3. Accounting for Shares and Debentures | |
| 4. Presentation of Financial Statements (as per Revised Schedule VI) | |
| 5. Cash Flow Statement (AS 3) | |
| 6. Segmental Reporting (AS 17) | |
| 7. Business Combinations and Corporate Restructuring | |
| 8. Accounting involved in liquidation of companies, Statement of affairs (including deficiency/surplus accounts) and Liquidator's statement of account of winding up | |
| Section C : Auditing | 40% |
| 9. Auditing Concepts | |
| 10. Provision relating to Audit under Companies Act | |

Section A: Generally Accepted Accounting Principles (GAAP) (20 marks)

1. Conceptual Framework for preparation and Presentation of Financial Statements

Financial Statements in line with the Companies Act, 1956

2. Accounting Standards:

AS 11: The Effects of Changes in Foreign Exchange Rates (Revised 2003)

AS 12: Accounting for Government Grants

AS 15: Employee Benefits

AS 19: Leases

AS 20: Earning Per Share

AS 26: Intangible Assets

AS 29: Provisions, Contingent Liabilities and Contingent Assets

Section B: Accounts of Joint Stock Companies (40 marks)

3. Accounting for Shares and Debentures

- (a) Issue of Equity shares – IPO (Initial Public Offer), FPO (Follow on Public Offer), Right Shares, Bonus Shares, Sweat Equity Shares, Shares issued otherwise than for cash
- (b) Forfeiture of Shares, Reissue of Forfeited Shares
- (c) Buy Back of Equity Shares
- (d) Issue and Redemption of Preference Shares
- (e) Issue and Redemption of Debentures
- (f) Employees Stock Option Plan (ESOP), Employees Stock Option Scheme (ESOS)
- (g) Under writing of Shares and Debentures

4. Presentation of Financial Statements (as per Revised Schedule VI)

- (a) Part I – Form of Balance Sheet
- (b) Part II – Form of Statement of Profit and Loss

5. Cash Flow Statement (AS 3)

6. Segmental Reporting (AS 17)

7. Business Combinations and Corporate Restructuring

- (a) Accounting for Amalgamation [AS -14]
- (b) Advanced problems for business acquisition, Amalgamation and reconstruction (excluding problems of amalgamation of inter- company holding)
- (c) Internal Reconstruction
- (d) Profits and Losses prior to Incorporation

8. Accounting involved in liquidation of companies, Statement of affairs (including deficiency/surplus accounts) and Liquidator's statement of account of winding up

Section C – Auditing (40 marks)

9. Auditing Concepts

- (a) Nature, scope and significance of Audit
- (b) Generally Accepted Auditing Principles and Techniques
- (c) Auditing and Assurance Standards
- (d) Internal Check, Internal Control,
- (e) Internal Audit – industry specific – regulated and non-regulated industries

10. Provision relating to Audit under Companies Act

- (a) Auditor's qualification, disqualification, appointment, remuneration ,removal, power and duties
- (b) Branch Audit, Joint Audit, Special Audit, Cost Audit, Secretarial Audit
- (c) Reporting requirements under companies act , Report versus certificate , contents of the reports, qualifications in the report
- (d) Audit of shares and debentures
- (e) Audit of divisible profits and dividends
- (f) Audit of Government Companies
- (g) Interface between Statutory Auditors and Internal Auditors
- (h) Contemporary issues in Auditor's independence – issues, tools and institutions (basic knowledge)

**THE INSTITUTE
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COST ACCOUNTANTS OF
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(A STATUTORY BODY UNDER AN ACT OF PARLIAMENT)

SYLLABUS 2012
STRUCTURE & CONTENTS
FINAL COURSE

Final Course: Syllabus 2012

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 C | 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 |
| | | Prioritise | Place in order of priority or sequence for action |
| | | Produce | Create or bring into existence |
| | SYNTHESIS How you are expected to utilize the information gathered to reach an optimum conclusion by a process of reasoning | Discuss | Examine in detail by argument |
| | | Interpret | Translate into intelligible or familiar terms |
| | | Decide | To solve or conclude |
| | EVALUATION How you are expected to use your learning to evaluate, make decisions or recommendations | Advise | Counsel, inform or notify |
| | | Evaluate | Appraise or assess the value of |
| | | Recommend | Propose a course of action |

Final Course: Syllabus 2012

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 will be allocated in any single examination.

Summary of the Course

| Paper 13 : Corporate Laws and Compliance | |
|---|-----|
| Corporate Laws | 75% |
| Corporate Governance and Responsibilities | 25% |

| Paper 14: Advanced Financial Management | |
|--|-----|
| Financial Markets and Institutions | 30% |
| Financial Risk Management | 25% |
| Security Analysis and Portfolio Management | 20% |
| Investment Decisions | 25% |

| Paper 15 : Business Strategy & Strategic Cost Management | |
|---|-----|
| Business Strategy | 50% |
| Strategic Cost Management | 50% |

| Paper 16 : Tax Management & Practice | |
|---|-----|
| Tax Management | 60% |
| Tax Practice & Procedure | 40% |

| Paper 17 : Strategic Performance Management | |
|--|-----|
| Performance Management | 60% |
| IT & Econometric tool in Performance Management | 20% |
| Enterprise Risk Management | 20% |

| Paper 18 : Corporate Financial Reporting | |
|---|-----|
| Generally Accepted Accounting Principles (GAAP) | 10% |
| Business Combinations- Accounting & Reporting | 25% |
| Group Financial Statements | 25% |
| Developments in Financial Reporting | 25% |
| Government Accounting in India | 15% |

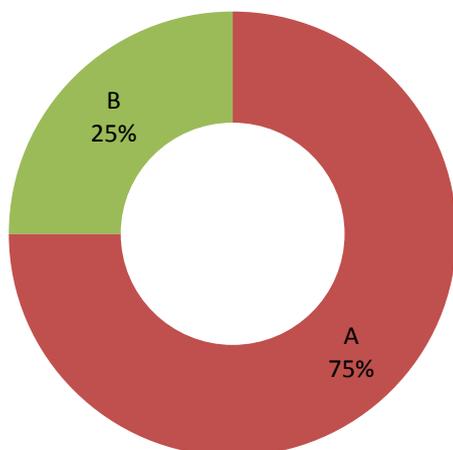
| Paper 19 : Cost and Management Audit | |
|---|-----|
| Cost and Management Audit | 60% |
| Case Study on Performance Analysis | 40% |

| Paper 20 : Financial Analysis & Business Valuation | |
|---|-----|
| Financial Analysis | 50% |
| Business Valuation | 50% |

Group III

Paper 13: Corporate Laws & Compliance

Syllabus Structure



| | | |
|---|---|-----|
| A | Corporate Laws | 75% |
| B | Corporate Governance and Responsibilities | 25% |

ASSESSMENT STRATEGY

There will be written examination paper of three hours

OBJECTIVES

To gain an expert knowledge of Corporate functions in the context of Companies Act & related Corporate Laws. To be able to assess whether strategies and the organization is in compliance with established regulatory framework.

Learning Aims

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

- ❖ Understand the principles of Corporate Laws relevant for compliance and decision making
- ❖ Analyze and interpret the impact of allied laws
- ❖ Evaluate the essence of Corporate Governance for effective implementation
- ❖ Demonstrate the role of a Corporate in socio-economic development

Skill set required

Level C: Requiring skill levels of knowledge, comprehension, application, analysis, synthesis and evaluation.

| | |
|--|------------|
| Section A : Corporate Laws | 75% |
| 1. The Companies Act,1956 (as amended from time to time) – rules, regulations prescribed there under with special reference to: <ul style="list-style-type: none"> (a) Company formation and conversion (b) Procedure for alteration of Memorandum and Articles (c) Procedure for Issue of Shares and Securities (d) Investment and loans (e) Audits under Companies Act (f) Dividends (g) Board of Directors (h) Board Meetings and Procedures (i) Inspection and investigation (j) Prevention of oppression and mismanagement (k) Revival and rehabilitation of sick industrial companies (l) Corporate winding up and dissolution (m) Companies incorporated outside India (n) Offences and penalties (o) E-governance | |
| 2. Laws and Procedures for Corporate Restructuring | |
| 3. SEBI Laws and Regulations | |
| 4. The Competition Act,2002 and its role in Corporate Governance | |
| 5. Laws related to Banking Sector | |
| 6. Laws related to Insurance Sector | |
| 7. Laws related to Power Sector | |
| Section B : Corporate Governance and Responsibilities | 25% |
| 8. Corporate Governance | |
| 9. Social, Environmental and Economic Responsibilities of Business | |

Section A: Corporate Laws [75 Marks]

1. The Companies Act,1956 (as amended from time to time) – rules, regulations prescribed there under with special reference to:

(a) Company formation and conversion

- (i) Incorporation of private companies, public companies, company limited by guarantee and unlimited companies and their conversions/reconversion/re-registration
- (ii) Nidhi Companies, Mutual Benefit Funds and Producer Companies- concept, formation, membership, functioning, dissolution
- (iii) Formation of “Not-for-Profit” making companies
- (iv) Procedure relating to Foreign Companies Carrying on Business in India

(b) Procedure for alteration of Memorandum and Articles

- (i) Alteration of various clauses of memorandum
- (ii) Effects of alteration

(c) Procedure for Issue of Shares and Securities

- (i) Shares – public issue, Rights Issue, Bonus Shares, Issue of Shares at Par/Premium/Discount; issue of shares on preferential or private placement basis
- (ii) Issue of Sweat Equity Shares, Employees Stock Option Scheme (ESOPs), Employees Stock Purchase Scheme (ESPS) , Shares with differential voting rights
- (iii) Issue and redemption of preference shares
- (iv) Alteration of share capital – forfeiture of shares, reissue of forfeited shares, increase, consolidation, conversion and re-conversion into stock, subdivision, cancellation and surrender of shares
- (v) Buy back of shares
- (vi) Reduction of share capital
- (vii) Issue of debentures and bonds, creation of security and debenture redemption reserve, redemption of debentures, conversion of debentures into shares
- (viii) Transfer and transmission

(d) Investment and loans

- (i) Procedure for inter-corporate loans, investments, giving off guarantee and security
- (ii) Acceptance of deposits, renewal, repayment, default and remedies

(e) Audits under Companies Act

- (i) CARO
- (ii) Statutory Cost Auditor’s and Statutory Financial Auditors – appointment, resignation, removal , qualification, disqualification, rights, duties and liabilities
- (iii) Companies (Cost Accounting Record) Rules,2011 and Companies (Cost Audit Report) Rules,2011

(f) Dividends

- (i) Profits and ascertainment of divisible profits
- (ii) Declaration and payment of dividend
- (iii) Unpaid and unclaimed dividend – treatment and transfer to Investor Education and Protection Fund

(g) Board of Directors

- (i) Directors and Managerial Personnel- appointment, reappointment, resignation, removal
- (ii) Payment of remuneration to Directors and managerial personnel and disclosures thereof
- (iii) Power, Managerial remuneration
- (iv) Obtaining DIN
- (v) Compensation for loss of office
- (vi) Waiver of recovery of remuneration
- (vii) Making loans to Directors, Disclosure of interest of a Director, Holding of Office or Place of Profit by a Director/relative
- (viii) Interested Directors

(h) Board Meetings and Procedures

- (i) Board Meetings, Minutes and Registers
- (ii) Powers of the Board
- (iii) Corporate Governance & Audit Committee
- (iv) Duties and Liabilities of Directors
- (iv) Powers related to – political contributions, sole selling agent, loans to Directors, Interested Directors, Office or Place of Profit

(i) Inspection and investigation

(j) Prevention of oppression and mismanagement

- (i) Majority Rule but Minority Protection
- (ii) Prevention of Oppression and Mismanagement

(k) Revival and rehabilitation of sick industrial companies

(l) Corporate winding up and dissolution – issues related to winding up, powers of the Court, Official Liquidator

- (i) Reconstruction under Members' Voluntary Winding up [Sec.494]
- (ii) Reconstruction under Creditors' Voluntary Winding up [Sec.507]
- (iii) Reconstruction by arranging with Creditors in Voluntary Winding up [Sec.517]

(m) Companies incorporated outside India

(n) Offences and penalties

(o) E-governance

2. Laws and Procedures of Corporate Restructuring leading to:

- (a) Mergers ; Amalgamations, Takeovers/ Acquisitions, Joint Ventures, LLPs, Corporate restructure, Demerger, Reorganization through compromise or an arrangement
- (b) Reconstruction Vs. Amalgamation
- (c) Sale of undertaking of the Company [Sec.391-394]
- (d) Acquiring Shares in another company [Sec.395]
- (e) Compulsory Amalgamation in public interest [Sec.396]

3. SEBI Laws and Regulations:

- (a) The Securities and Exchange Board of India Act,1992 – Rules, Regulations and Guidelines issued there under
- (b) The Securities Contracts (Regulation) Act,1956
- (c) SEBI (Issue of Capital and Disclosure Regulations),2009
- (d) Clause 49
- (e) Substantial Acquisition of Shares and Takeover Regulations

4. The Competition Act,2002 and its role in Corporate Governance

- (a) Competition - Meaning, objectives, extent and applicability
- (b) Competition Commission of India
- (c) Areas affecting competition
- (d) MRTP Act vs. Competition Act
- (e) Other matters
- (f) Competition Act,2002 and Corporate Governance

5. Laws related to Banking Sector:

- (a) The Banking Regulation Act,1949 ;

Final Course: Syllabus 2012

- (b) The Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
- (c) The Prevention of Money Laundering Act, 2002 – Role of Cost Accountants in Anti-Money Laundering (AML) Audits to check tax evasion and transfer of funds.
- (d) The Foreign Exchange Management Act, 1999

6. Laws related to Insurance Sector:

- (a) The Insurance Act, 1938;
- (b) The Insurance Regulatory and Development Authority Act, 1999

7. Laws related to Power Sector:

- (a) The Indian Electricity Act, 1910
- (b) Role of Central Electricity Regulatory Commission (CERC)

Section B: Corporate Governance and Responsibilities [25 Marks]

8. Corporate Governance

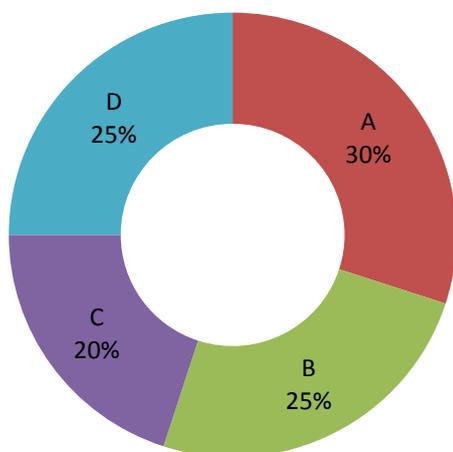
- (a) Overview-Issues and Concepts
- (b) Corporate Governance Practices/Codes in India, UK, Japan, Germany and USA
- (c) Corporate governance in family business
- (d) Corporate governance in state-owned business – the MOU system

9. Social, Environmental and Economic Responsibilities of Business.

- (a) National Voluntary Guidelines on Social, environmental and Economic Responsibilities of Business
- (b) Corporate Social Responsibility – Nature of activities; Evaluation of CSR projects
- (c) Whole life costing- assessment of socio-economic impact of strategic and operational decisions of business.

Paper 14: Advanced Financial Management

Syllabus Structure



| | | |
|---|--|-----|
| A | Financial Markets and Institutions | 30% |
| B | Financial Risk Management | 25% |
| C | Security Analysis and Portfolio Management | 20% |
| D | Investment Decisions | 25% |

ASSESSMENT STRATEGY

There will be written examination paper of three hours

OBJECTIVES

To provide expert knowledge on setting financial objectives and goals, managing financial resources, financial risk management, thorough understanding of investment portfolios and financial instruments.

Learning Aims

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

- ❖ Evaluate the role of agents and instruments in financial markets
- ❖ Interpret the relevance of financial institutions
- ❖ Analyze the degree of risk for its effective management
- ❖ Advise on investment opportunities

Skill set required

Level C: Requiring skill levels of knowledge, comprehension, application, analysis, synthesis and evaluation.

Final Course: Syllabus 2012

| | |
|---|------------|
| Section A : Financial Markets and Institutions | 30% |
| 1. Agents in Financial Markets | |
| 2. Financial Market Instruments | |
| 3. Commodity Exchange | |
| 4. Infrastructure Financing | |
| Section B : Financial Risk Management | 25% |
| 5. Capital Market Instruments | |
| 6. Types of Financial Risks | |
| 7. Financial Derivatives as a tool for Risk Management | |
| 8. Financial Risk Management in International operations | |
| Section C : Security Analysis and Portfolio Management | 20% |
| 9. Security Analysis & Portfolio Management | |
| Section D : Investment Decisions | 25% |
| 10. (a) Investment Decisions under uncertainty | |
| (b) Investments in advanced technological environment | |
| (c) International Investments | |

Section A: Financial Markets and Institutions [30 marks]

1. Agents in Financial Markets

- (a) Reserve Bank of India; SEBI; Banking Institutions
- (b) Non-Bank Financial Corporation's (NBFCs)
- (c) Insurance, Pension Plans and Mutual Funds

2. Financial Market Instruments

- (a) Call money, Treasury Bills, Commercial Bills, Commercial Paper; Certificate of Deposits, Government Securities and Bonds, Repo, Reverse Repo and Promissory Notes
- (b) Futures, Options, other Derivatives
- (c) Money Market Instruments & Mutual Funds

3. Commodity Exchange

- (a) Regulatory Structure, Design of markets
- (b) Issues in Agricultural, Non-Agricultural Markets, product design, contract specifications, spot price and present practices of commodities exchanges
- (c) Intermediaries, Clearing house operations, risk management procedures and delivery related issues
- (d) Issues related to monitoring and surveillance by exchanges and regulator, Basic risk and its importance in pricing
- (e) Commodity options on futures and its mechanism

4. Infrastructure Financing

- (a) Financial objectives, policies on financing, investments and dividends. Financial forecasting, planning and uncertainties, interest rates, inflation, capital gains and losses exchange control regulation, government credit policies and incentives statistics on production, price indices, labour, capital market based on published statistical data
- (b) Internal source, retained earnings, provisions etc, Issues in raising finance, legal form of organisation, provisions of the companies Act, control of capital issues. Short term sources : Trade credit, factoring, Bill of exchange, Bank Loan, Cash credit, overdraft, public deposit, SEBI regulations, primary and secondary markets
- (c) Securitization, Viability, GAP Funding

Section B: Financial Risk Management [25 marks]

5. Capital market instruments

- (a) Primary and secondary markets and its instruments
- (b) Optionally convertible debentures, Deep discount bonds
- (c) Rolling settlement, Clearing house operations
- (d) Dematerialization, Re-materialization
- (e) Depository system
- (f) Initial Public Offering (IPO)/ Follow on Public Offer (FPO) ; Book Building
- (g) Auction, Insider trading
- (h) Credit rating- objective, sources, process, credit rating agencies in India

6. Types of Financial Risks

- (a) Asset based risk , Credit Risk, Liquidity Risk, Operational Risk
- (b) Foreign investment risk, Market Risk

7. Financial Derivatives as a tool for Risk Management

- (a) Forward & Futures – meaning, risks associated, difference, features, stock futures, benefits of future market, components of future price, index and index futures, margin, hedging, hedging risks and portfolio returns using index futures, hedge ratio, cross hedge, perfect and imperfect hedge, stock lending scheme, forward rate interest, computation of appropriate interest rate
- (b) Options – meaning, types, call and put options, terms and timing of exercise in options contract, determination of premium, intrinsic value and time value, strategy – spread, bull spread, bear spread, butterfly spread, box spread, combination, straddle, strangle, strips and straps, put-call parity, binomial tree approach, risk neutral valuation, Black-Scholes and Merton, evaluation of option pricing – delta, gamma, vega/lambda, theta, rho.
- (c) Swaps and Swaption – meaning, types, features, benefits, role of financial intermediaries, interest rate swaps, valuation of different swaps
- (d) Interest rate derivatives – meaning, interest rate caps, interest rate collars, forward rate agreements, interest rate futures

8. Financial Risk Management in International Operations

- (a) Forex market, equilibrium exchange rate, exchange rate arrangements, bid-ask rate and bid-ask rate spread, cross rate, currency arbitrage: two-point and three-point, parity conditions in International Finance: Purchasing Power Parity – Unbiased Forward Rate Theorem – Interest Rate Parity – Fisher Effect – International Fisher Effect, arbitrage operations, covered interest arbitrage
- (b) Exchange rate risk management – forex hedging tools, exposure netting, currency forward, cross currency roll over, currency futures, options, money market hedge, asset-liability management
- (c) Foreign Investment Analysis: International Portfolio Investment – International Capital Budgeting.
- (d) Sources of Foreign currency, debt route, depository receipts, American Depository Receipts (ADRs) – sponsored, unsponsored, Global Depository Receipts (GDRs), Warrants, Foreign Currency Convertible Bonds (FCCBs), Euro Issues, Euro Commercial Paper, Euro Convertible Bonds, Note Issuance Facility, Participating Notes
- (e) Foreign Investment in India, Joint Ventures, Foreign Technology
- (f) Taxation Issues in cross-border financing and investments,
- (g) International Transfer Pricing – Objectives – Arm's length pricing – techniques, advance pricing agreements, Maximization of MNC's income through Transfer Pricing strategy

Section C: Security Analysis & Portfolio Management [20 marks]

9. Security Analysis & Portfolio Management

- (a) Security analysis, Fundamental analysis, Economic analysis, Industry analysis, Company analysis, Technical analysis, Momentum analysis - arguments and criticisms
- (b) Market indicators, Support and resistance level, Patterns in stock price
- (c) Statistic models, Bollinger bands
- (d) Portfolio Management – meaning, objectives and basic principles, discretionary and non-discretionary portfolio managers
- (e) Theories on stock market movements – Dow Jones Theory, Markowitz Model
- (f) Risk analysis- types, systematic and unsystematic risk, standard deviation and variance, security beta, market model, alpha
- (g) Portfolio analysis- CAPM and assumption, Security and Capital market line, decision making based on valuation, risk return ratio, arbitrage pricing model, portfolio return, portfolio risk co-efficient of variance, co-variance, correlation coefficient, correlation and diversification, minimum risk portfolio, hedging risks using risk free investments, project beta, levered and unlevered firms and proxy beta

Section D: Investment Decisions [25 marks]

10. (a) Investment decisions under uncertainty

- (i) Estimation of project cash flow
- (ii) Relevant cost analysis
- (iii) Project reports- features and contents
- (iv) Project appraisal steps- general, inflationary and deflationary conditions
- (v) Techniques of project evaluation
- (vi) Investment decisions under uncertainties
- (vii) Difference in project life – EAC and LCM approaches, Capital Rationing, NPV vs. PI, NPV vs. IRR
- (viii) Social Cost Benefit Analysis, Break-even Analysis
- (ix) Inflation and Financial Management
- (x) Sensitivity Analysis, Certainty Equivalent Approach, Decision Tree Analysis, Standard Deviation in Capital Budgeting
- (xi) Hiller's Model, Hertz's Model
- (xii) Discount Rate Component, Risk Adjusted Discount Rate
- (xiii) Option in Capital Budgeting

(b) Investment in advanced technological environment

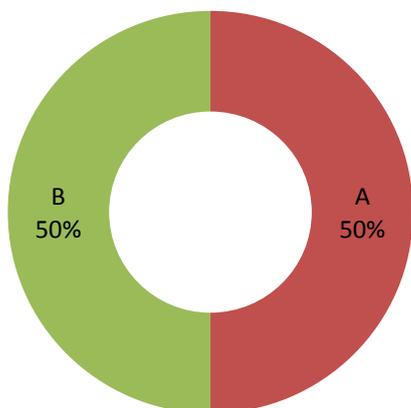
- (i) Financial forecasting
- (ii) Strategic management and Strategy levels
- (iii) Interface of financial strategy with corporate strategic management
- (iv) Completed financial plan, Corporate taxation and financing, Promoter's contribution
- (v) Cost of capital – cost of different sources of capital, weighted average cost of capital, marginal cost of capital, capital asset pricing model
- (vi) Debt financing- margin money, refinancing, bridge finance, syndication of loan and consortium, seed capital assistance, venture capital financing, deferred payment guarantee
- (vii) Lease financing – finance and operating lease, lease rentals, sale and lease back, cross-border leasing
- (viii) Debt securitization- features, advantages, factoring, forfeiting, bill discounting

(c) International Investments

- (i) World financial markets
- (ii) Foreign portfolio investments
- (iii) Modern portfolio theory
- (iv) Issues posed by portfolio investment
- (v) Foreign portfolio trends in India- emerging trends and policy developments

Paper 15: Business Strategy and Strategic Cost Management

Syllabus Structure



| | | |
|---|---------------------------|-----|
| A | Business Strategy | 50% |
| B | Strategic Cost Management | 50% |

ASSESSMENT STRATEGY

There will be written examination (including case study/ caselet analysis) paper of three hours

OBJECTIVES

On completion of this subject students should have developed skills of analysis, evaluation and synthesis in cost and management accounting and, in the process, created an awareness of current developments and issue in the area. The subject covers the complex modern industrial organizations within which the various facets of decision-making and controlling operations take place; the subject includes discussion of costing systems and activity based costing, activity management, and implementation issues in modern costing systems.

Learning Aims

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

- ❖ Understand the nature of strategic competitiveness and develop the ability to analyze the competitive environment facing a firm, assess the attractiveness of the industry and isolate potential sources of competitive advantage and disadvantage
- ❖ Develop business level strategies by defining the type of advantage sought, scope of operations and activities required to deliver the chosen strategy. Assess the likely sustainability of firm strategies and competitive positions
- ❖ Identify the conventions and doctrines of managerial and cost accounting and other generally accepted principles which may be applied in the contemporary cost management models.
- ❖ Identify major contemporary issues that have emerged in managerial accounting.
- ❖ Discuss a number of issues relating to the design and implementation of cost management models in modern firms.

Skill set required

Level C : Requiring skill levels of knowledge, comprehension, application, analysis, synthesis and evaluation

Final Course: Syllabus 2012

| | |
|---|------------|
| Section A : Business Strategy | 50% |
| 1. Business Strategy | |
| 2. Strategy Development | |
| 3. Strategy Position | |
| 4. Strategy Choice | |
| 5. Strategic Integration | |
| Section B : Strategic Cost Management | 50% |
| 6. Strategic Cost Management (SCM) and Control | |
| 7. Strategic Decision Making | |
| 8. Budgetary Control and Standard Costing in Profit Planning | |
| 9. Process Control and Activity Based Cost Management, JIT& ERP | |
| 10. Cost of Quality and Total Quality Management | |
| 11. Application of Operation Research and Statistical Tools in Strategic Decision Making (Advanced level) | |
| 12. Entrepreneurial approach to Cost Management – with reference to core competencies | |

Section A: Business Strategy [50 marks]

1. Business Strategy

- (a) Introduction to Business Strategy
- (b) Nature of Business strategy and strategic decisions
- (c) Characteristics of strategic decisions
- (d) Levels of strategy
- (e) Vocabulary of strategy
- (f) Strategic Management, The Strategic Position, Strategic Choices, Strategy into Action
- (g) Designing and Managing Multi-business firm
- (h) Implementation and limits of Business Strategy

2. Strategy Development

- (a) Process of strategy development
- (b) Strategic planning systems
- (c) Strategic leadership
- (d) Organizational politics
- (e) Logical incrementalism
- (f) The learning organization-imposed strategy
- (g) Multiple process of strategy development, intended and realized strategies
- (h) Strategic draft- strategic management un uncertain and complex conditions

3. Strategic Position

- (a) The Strategic Position – the macro environment, PESTEL framework
- (b) Structural drivers of change
- (c) Differential impact of environmental influences- scenarios, industries & structures
- (d) Sources of competition- 5 Forces framework, competencies & core competencies, strategic groups & organizational fields
- (e) Customer Value- strategic gaps, SWOT
- (f) Linkages – importance, performing better than competitors
- (g) Benchmarking, industry norms and standards, experience learning curve

4. Strategic Choice

- (a) Corporate Level Strategy, the Corporate portfolio, Growth Share Matrix, BCG,GE, Arthur D. Little Business Level Strategy, forces influencing business strategy
- (b) Bases of Competitive Advantage, pricing based strategies, added value or differentiation strategy, hybrid strategy, focused differentiation, failure strategies, differentiation vs.legitimacy
- (c) Sustaining competitive advantage, sustaining low price advantage, sustaining differentiation based advantage, competition and collaboration
- (d) Game theory – simultaneous games, sequential games, repeated games, changing the rules of games
- (e) Competitive strategy in hypercompetitive conditions, overcoming traditional bases of competitive advantage, escalating basis of competition, successful hypercompetitive strategies, value chain strategy

5. Strategic Integration

- (a) Vertical Integration and its alternatives
- (b) Diversification and strategic cope
- (c) M & A, Internal Development, Alliances
- (d) Competitive Dynamics

Section B: Strategic Cost Management [50 marks]

6. Strategic Cost Management and Control

- (a) **Strategic Cost Management** – conceptual framework, environmental influences on cost management practices, role of SCM in strategic positioning,
- (b) **Strategic Costing** – life cycle costing, target costing, Kaizen Costing, JIT Theory and constraints, Business Process Re-engineering (BPR) and Benchmarking
- (c) **Cost Control and Cost Reduction** – basics, process, methods and techniques of cost reduction programme

7. Strategic Decision Making

- (a) **Decision-making and Pricing strategies:** Inventory decision; product-development decision, product policy, plant location, managerial decision-making; Cost-plus /Mark-up Pricing ; Return on Investment Pricing ; Return on Net-worth Pricing; Evaluation of different Pricing Methods ; Pricing a new Product ; sensitivity analysis in pricing decisions; Monopoly Pricing vs. Competitive Pricing; Bottom Line Pricing
- (b) **Costing of Service Sector** – methods, pricing, performance measurement
- (c) **Transfer Pricing** - Objectives, Methods (Cost Based, Market Price Based, Negotiated Pricing), Advantages and Disadvantages, Criteria for setting Transfer Prices, Transfer Price in different situations, Situations causing Conflicts and resolving the Conflicts;
- (d) **Relevant Cost Analysis** : Relevant Cost, Irrelevant Costs - Sunk or Historical Cost, Committed Cost, Absorbed Cost, Situations where Fixed Costs become relevant for decision –making and its related implications
- (e) **Target Costing** – methodology, methods of establishment of target costs, attributable costing, back-flush accounting, target selling
- (f) **Life Cycle Costing** - Life Cycle Costing -Meaning of Life Cycle, characteristics of life cycle concept, importance and benefits of life cycle costing , Product Life Cycle Costing, Project Life Cycle Costing
- (g) **Kaizen Costing** – concept, procedure for implementation, evaluation, benefits, challenges

8. Budgetary Control and Standard costing in profit Planning

- (a) **Budgetary Control, Zero Base Budgeting** -
- (b) **Lean Accounting**
- (c) **Responsibility Accounting**
- (d) **Variance Analysis** - Investigation of Variances, Planning and Operating Variances, Quality Cost Variances, Controllable / Non-controllable Variances, Relevant Cost Approach to Variance Analysis; Learning effect in Variance Analysis; Single and Partial Plan for standard processing costing, variance analysis under marginal costing and absorption costing; ratio analysis; application of budgetary control and standard costing in profit planning

9. Process Control and Activity Based Cost Management, JIT& ERP

- (a) Process Control – Instrumentation and Modern Control System
- (b) Process Modelling and Simulation
- (c) Activity Based Cost Management - Concept , purpose, benefits, stages, relevance in decision-making and its application in Budgeting, Traditional Vs. ABC System – comparative analysis
- (d) JIT – introduction, Benefits
- (e) Failure of traditional performance measurement criteria
- (f) Use of specific performance measures in JIT
- (g) ERP and its application in strategic cost management

10. Cost of Quality and Total Quality Management

- (a) Quality Control, Quality Assurance , Quality Management
- (b) TQM – basics, stages, principles, control, corrective actions
- (c) PRAISE-Steps, Problems, implementation
- (d) Cost of Quality Report
- (e) Continuous Process Improvement

11. Application of Operation Research and Statistical Tools in Strategic Decision Making (Advanced level)

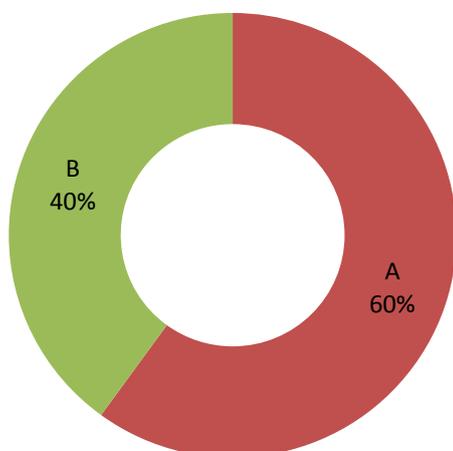
- (a) Assignment, Transportation, Linear Programming
- (b) Learning Curve
- (c) Simulation
- (d) Network Analysis
- (e) Time Series Analysis- Time series analysis including moving totals and averages, treatment of seasonality, trend analysis using regression analysis and application of these techniques in forecasting product and service volume

12. Entrepreneurial approach to Cost Management – with reference to core competencies

- (a) Strategic advantages and long-term perspective of cost management
- (b) Strategic cost benefit analysis of different business restricting propositions and strategic business decision making aspects
- (c) Objective based costing
- (d) Value Analysis, Value Chain Analysis and Value Engineering
- (e) Profitability analysis, Process value analysis, Activity analysis, linkage analysis, application of linkage analysis in cost reduction and value addition
- (f) Business Process Outsourcing (BPO) – introduction, concept, major areas, advantages, types, drawbacks
- (g) Value Management – introduction, meaning, VCM architecture, methodology, advantages
- (h) IGPG (International Good Practices & Governance) – Public Accountants

Paper 16: Tax Management & Practice

Syllabus Structure



| | | |
|---|-----------------------------|-----|
| A | Tax Management | 60% |
| B | Tax Practice and Procedures | 40% |

ASSESSMENT STRATEGY

There will be written examination paper of three hours

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 and to understand the various external Auditing Requirements under tax laws.

Learning aims

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

- ❖ Tax planning and management under Direct and Indirect Taxes
- ❖ Explain case laws governing core provisions of the above Acts
- ❖ Explain tax assessment for various assesseees and return filing procedures
- ❖ Explain powers of various assessing authorities
- ❖ Explain rebate, relief, refund under various provisions of these Acts
- ❖ Explain International Taxation and other relevant issues

Skill set required

Level C : Requiring skill levels of knowledge, comprehension, application, analysis, synthesis and evaluation

Final Course: Syllabus 2012

| | |
|---|------------|
| Section A : Tax Management | 70% |
| 1. Central Excise | |
| 2. Customs law | |
| 3. Service tax | |
| 4. Export promotion schemes, foreign trade policies, EOU, SEZ, EXIM Policy (with special reference to impact on tax planning) | |
| 5. Central Sales Tax and VAT Act | |
| 6. Income Tax | |
| 7. Wealth Tax | |
| 8. International Taxation | |
| Section B : Tax Practice and Procedures | 30% |
| 9. Case study analysis | |

Section A: Tax Management [70 marks]

1. Central Excise

- (a) The Central Excise Law – Assessments, Demands, Refund, Exemptions, Power of Officers
- (b) Adjudication, Appeals, Settlement Commission, Penalties
- (c) Central Excise Audit and Special Audit under 14A and 14AA of Central Excise Act
- (d) Tariff Commission and other Tariff authorities

2. Customs Law

- (a) Valuation, Customs Procedures, Import and Export Procedures, Baggage, Exemptions, Warehousing, Demurrage, Project Import and Re-imports
- (b) Penalties and Offences
- (c) Anti-dumping Duty – Valuation under Customs Law, application of cost accounting principles in assessment, Impact of tax on GATT 94, WTO, Anti Dumping processing

3. Service Tax

- (a) Introduction, Nature of Service Tax, Service Provider and Service Receiver, Registration and related issues
- (b) Negative List of Services, Exemptions and Abatements
- (c) Valuation of Taxable Services
- (d) Payment of service Tax, Returns of Service Tax
- (e) CENVAT Credit Rules, 2004
- (f) Place of Provision of Service Rules, 2012
- (g) Other aspects of Service Tax
- (h) Special Audit u/s 72A of the Finance Act, 1994 for Valuation of Taxable Services

4. Export Promotion Schemes, Foreign Trade Policies, EOU, SEZ, EXIM Policy (with special reference to impact on tax planning)

- (a) Export Promotion Schemes,
- (b) Export Oriented Units (EOU)
- (c) Foreign Trade Policies
- (d) Special Economic Zone (SEZ)
- (e) EXIM Policy

5. Central Sales Tax and VAT Act

- (a) **Central Sales Tax**
 - (i) Assessment of transactions related to Stock Transfer, Branch transfer, Inter State Sale
 - (ii) Returns and assessment procedures under Central Sales Tax (CST)
- (b) **Value Added Tax (VAT)**
 - (i) Assessment of transactions related to stock & branch transfer under State VAT Act
 - (ii) Returns and assessment procedures under State VAT Act

6. Income Tax

- (a) Assessment of Individuals, HUF, Firms (including LLP), Association of Persons(AOPs), Co-operative Societies, Trusts, Charitable and Religious Institutions, Mutual Associations, Companies (including Dividend Distribution Tax (DDT), Minimum Alternate Tax (MAT) and other special provisions relating to companies)
- (b) Taxation of Non-Residents, Double taxation Relief, Double Taxation Avoidance Agreements (DTAAs)
- (c) Return of Income and procedure of Assessment
- (d) Search, Seizure & Survey and special procedure for Assessment of Search cases,
- (e) Income of other persons included in Assessee's Total Income; Aggregation of Income and Set off or Carry Forward of Losses; Deductions in computing Total Income; Rebates & Reliefs; Applicable Rates of Tax and Tax Liability
- (f) Advance Rulings; Settlement Commission, Appeals and Revision, Penalties and Prosecutions
- (g) Business Reorganisation
- (h) Income Tax Authorities
- (g) Liability in Special Cases

7. Wealth Tax

- (a) Valuation of assets and Computation of Taxable Wealth
- (b) Return of Wealth Tax and assessment procedure

8. International Taxation

- (a) International Taxation & Transfer Pricing issues
- (b) Application of Generally Accepted Cost Accounting Principles and techniques for determination of Arm's Length Price
- (c) Indirect Taxation issues in cross-border services
- (d) General Anti-Avoidance Rule (GAAR) – concept and application
- (e) Advance Pricing Agreement (APA) – concept and application

Section B : Tax Practice and Procedures [30 marks]

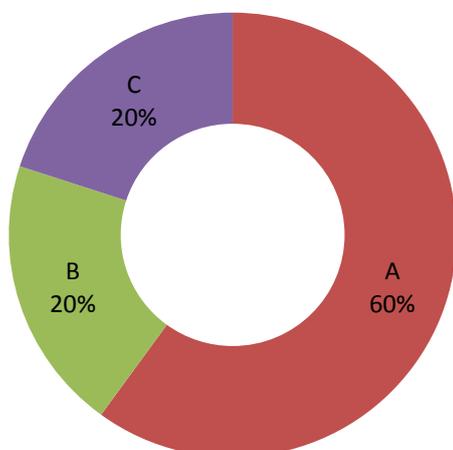
9. Case Study Analysis

Disclaimer: The contents of this subject/ paper shall be reviewed every 6 months and shall be incorporated accordingly.

Paper 17: Strategic Performance Management

Syllabus Structure

The syllabus comprises the following topics and study weightage:



| | | |
|---|--|-----|
| A | Performance Management | 60% |
| B | IT & Econometric tool in Performance Management | 20% |
| C | Enterprise Risk Management | 20% |

ASSESSMENT STRATEGY

There will be written examination paper of three hours

OBJECTIVES

To understand the tools for application and measurement of performance for strategic decision making. To develop and present appropriate strategies taking into consideration the risk profile of the organization

Learning Aims

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

- ❖ Understand the relevance of performance management for strategic decision making
- ❖ Develop skill to interpret, evaluate and recommend strategies for decision making to have competitive advantage
- ❖ Apply Information Technology (IT) – based and Econometric tools for performance management
- ❖ Evaluate the risks associated with strategies of an organization

Skill set required

Level C: Requiring skill levels of knowledge, comprehension, application, analysis, synthesis and evaluation.

Final Course: Proposed Syllabus 2012

| | |
|---|------------|
| Section A : Performance Management | 60% |
| 1. Conceptual Framework of Performance Management | |
| 2. Performance Evaluation | |
| 3. Strategic Performance Evaluation and Management Tools | |
| 4. Strategic Reasoning and Decision Analysis | |
| 5. Economic efficiency of the firm – impact analysis on performance | |
| 6. Financial Performance Indicators (FPis) and Non-financial Performance Indicators (NFPIs) for Profitability | |
| Section B : IT & Econometric tool in Performance Management | 20% |
| 7. Application of IT and Econometric tools in Performance Management | |
| Section C : Enterprise Risk Management | 20% |
| 8. Enterprise Risk Management | |
| 9. Performance Evaluation and Corporate Failure | |

Section A: Performance Management [60 Marks]

1. Conceptual Framework of Performance Management

- (a) Performance Management- concept, components and related matrices
- (b) Performance, Productivity and Efficiency
- (c) Strategic assessment, business environment analysis
- (d) Competitive intelligence, communication of strategy, result analysis
- (e) Financial performance analysis
- (f) Process analysis
- (g) Supply Chain Management (SCM)
- (h) Customer Relationship Management (CRM)- Customer Profitability analysis; Customer intelligence, Customer Satisfaction Index (CSI), etc

2. Performance Evaluation

- (a) Divisional Profitability
- (b) Human productivity and performance analysis
- (c) Return on investment
- (d) The distinction between economic and managerial performance evaluation
- (e) Economic value added (residual income)
- (f) Transfer Pricing (including cost-plus, market, negotiated and dual prices)
- (g) Interaction of Transfer Pricing and Taxation – post-evaluation of strategic business arrangements

3. Strategic Performance Evaluation and Management Tools

- (a) Bench marking
- (b) Business process re-engineering
- (c) Value Chain- understanding of all chain of activities and the value gained at each
- (d) Activity, Porter's Value Chain Management Evaluation and Performance Analysis of strategic decisions executed through :
 - (i) Target Costing- profit planning and cost management
 - (ii) Activity Based Management - understand cost to improve customers value
 - (iii) Life cycle costing
- (e) Lean Management; Process Mapping

4. Strategic Reasoning and Decision Analysis

- (a) Game theory – introduction, extensive form games, Normal form games
- (b) Decision trees
- (c) Attitude towards risk
- (d) The expected value of perfect information

5. Economic efficiency of the firm – impact analysis on performance

- (a) Profit-maximization under different market structure
- (b) Market factors affecting Pricing decisions
- (c) Product policies- product line (extent and mix); promotion strategies, branding strategies; distribution strategies

6. Financial Performance Indicators (FPIs) and Non-financial Performance Indicators (NFPIs) for Profitability

- (a) Key indicators – for measuring financial performance and non-financial performance
- (b) Methods for improvement of productivity and profitability
- (c) Balance Score Card

Section B: IT & Econometric tool in Performance Management [20 marks]

7. Application of IT and Econometric tools in Performance Management

- (a) Impact of developments in information technology and e-commerce
- (b) Data Availability (Capturing relevant data which is interpretable); Data envelopment analysis (DEA); Data Mining (DM) Data Quality (How technology and IT applications are efficient in ensuring data quality)
- (c) Artificial neural networks
- (d) Six Sigma (SS)
- (e) Statistical quality control (SQL)
- (f) Stochastic frontier analysis (SFA); Fuzzy Sets Theory (FST); Malmquist Index (MI)
- (g) Principal Component Analysis (PCA)
- (h) Total Productivity Management (TPM)
- (i) Supply Chain Management (SCM)
- (j) Software tools (Spread sheets to BI applications)
- (k) Different resources of technology: Data Warehouse, Business Intelligence Systems,
- (l) Scorecards and Dashboards, Decision Support Systems, Management Information Systems, OLAP - Online Analytical Processing tools

Section C: Enterprise Risk Management [20 marks]

8. Enterprise Risk Management

(a) Risk Management

Risk Management – Introduction and objectives
Risk Measurement - Pooling, Diversification, Total Loss Distribution, Ruin Probability
Risk Analysis – risk mapping and key risk indicators

(b) Corporate Risk Management

Risk Management and Shareholders
Risk Retention / Reduction
Asset / Liability Management
Project Risk Management , Enterprise Risk Management
Value at Risk (VAR), Basel – I, II & III (proposed)

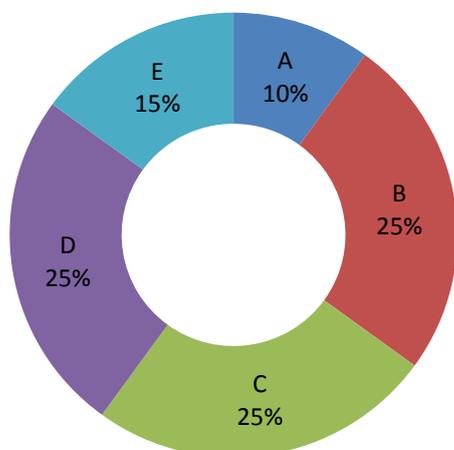
9. Performance Evaluation and Corporate Failure

- (a) Identify key-indicators for assessment of corporate failure
- (b) Application of generally accepted cost accounting techniques and tools for analyzing quantitative and qualitative performance measurement
- (c) Strategic measures to prevent Corporate Failures, Prediction Models used to assess corporate failure
- (d) Identify and discuss performance improvement strategies that may be adopted in order to prevent corporate failure
- (e) Impact of Long term survival – for consideration of life-cycle issues
- (f) Identification and procedure of operational changes to performance management systems required to implement the performance improvement strategies.

Paper 18: Corporate Financial Reporting

Syllabus Structure

The syllabus comprises the following topics and study weightage:



| | | |
|---|--|-----|
| A | Generally Accepted Accounting Principles | 10% |
| B | Business Combinations – Accounting & Reporting | 25% |
| C | Group Financial Statements | 25% |
| D | Developments in Financial Reporting | 25% |
| E | Government Accounting in India | 15% |

ASSESSMENT STRATEGY

There will be written examination paper of three hours.

OBJECTIVES

To understand the recognition, measurement, disclosure and analysis of information in an entity's financial statements to cater the needs of the stakeholders

Learning Aims

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

- ❖ Demonstrate the financial statements for understanding of stakeholders
- ❖ Analyze the impact of GAAP and its application for reporting and compliance
- ❖ Evaluate financial statements for strategic decision making
- ❖ Interpret and apply the ongoing developments for financial reporting

Skill set required

Level C: Requiring skill levels of knowledge, comprehension, application, analysis, synthesis and evaluation.

Final Course: Proposed Syllabus 2012

| | |
|---|------------|
| Section A : Generally Accepted Accounting Principles (GAAP) | 10% |
| 1. Evolution and Convergence of International Accounting Standards | |
| Section B : Business Combinations – Accounting & Reporting | 25% |
| 2. Accounting for Business Combinations | |
| Section C : Group Financial Statements | 25% |
| 3. Consolidated Financial Statements | |
| Section D: Developments in Financial Reporting | 25% |
| 4. Sustainability Reporting | |
| 5. Accounting and Reporting of Financial Instruments and other External Reporting | |
| 6. Share based payments | |
| 7. Voluntary Disclosures | |
| 8. Reporting through XBRL (Extended Business Reporting Language) | |
| Section E: Government Accounting in India | 15% |
| 9. Government Accounting Standards in India [issued by the Government Accounting Standards Advisory Board (GASAB)] – overview and application in Government Accounting, accounting and reporting procedures | |

Final Course: Proposed Syllabus 2012

Section A: Generally Accepted Accounting Principles (GAAP) [10 marks]

1. Evolution and Convergence of International Accounting Standards

- (a) GAAP in India, Hierarchy of GAAP in India
- (b) International Financial Reporting Standards (IFRSs)
- (c) Relative view of AS and IFRSs
- (d) Accounting Standards (AS) – applicability, interpretation, scope and compliance

Section B: Business Combinations – Accounting and Reporting [25 marks]

2. Accounting for Business Combinations (as per Ind AS)

- (a) Relevant Terms, Types of merger, methods of accounting, treatment of Goodwill arising on merger, Purchase consideration and settlement
- (b) Accounting in books of vendor/ transferor company
- (c) Accounting for investment in subsidiary
- (d) Accounting for holding companies (including chain holdings, cross holdings, multiple holdings)
- (e) Corporate financial restructuring
- (f) Reconstruction schemes, De-merger
- (g) Notes to Accounts- relevance related to published Financial Statements
- (h) SPVs

Section C: Group Financial Statements [25 marks]

3. Consolidated Financial Statements

- (a) Consolidation of foreign - Holding Company, Subsidiary Company and Associate Company including multiple sub subsidiaries.
- (b) Concept of a group, Purposes of consolidated financial statements ,Consolidation procedures -Minority interest, Goodwill, Treatment Pre -acquisition profit and Post - acquisition profit and concept of Fair value at the time of acquisition
- (c) Consolidated Income Statement, balance Sheet and Cash Flow Statements for Group of companies
- (d) Impact on group financial statements at the point of acquisition
- (e) Treatment of investment in associates in consolidated financial statements. Compare and contrast acquisition and equity methods of accounting
- (f) Treatment of investment in joint ventures in consolidated financial statements

Section D: Developments in Financial Reporting [25 marks]

4. Sustainability Reporting

- (a) Concept of Triple Bottom Line Reporting
- (b) Global Reporting Initiative (GRI)
- (c) International Federation of Accountants (IFAC)

5. Accounting and Reporting of Financial Instruments and other External Reporting

- (a) Meaning, recognition , de-recognition and offset, compound financial instruments
- (b) Measurement of financial instruments
- (c) Hedge Accounting
- (d) External Reporting under capital market regulations , Disclosures
- (e) Annual Reports- Statutory requirement and External report, Preparation of Financial Information, Disclosure of post balance sheet events
- (f) Financial reporting across the world with reference to reporting under US and UK laws
- (g) AS 30, 31, 32

6. Share based payments in Ind AS

- (a) Meaning, Equity settled transactions, Transaction with employees and non-employees
- (b) Determination of fair value of equity instruments
- (c) Vesting conditions, Modification, cancellation and settlement, Disclosures

7. Voluntary Disclosures

- (a) Disclosure issues
- (b) Value Added Statements
- (c) Economic Value Added, Market Value Added, Shareholders' Value Added
- (d) Human Resource Accounting
- (e) Financial reporting by mutual funds, Non-banking finance companies, Merchant Bankers, Stock and Commodity market intermediaries
- (f) Management discussion and analysis

8. Reporting through XBRL (Extended Business Reporting Language)

Section E: Government Accounting in India [15 marks]

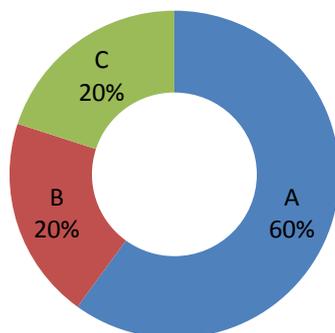
9. Government Accounting in India

- (a) General Principles
- (b) Comparison with commercial accounting
- (c) Role of Comptroller and Auditor General of India
- (d) Role of Public Accounts Committee, Review of Accounts
- (e) Government Accounting Standards issued by Government Accounting Standards Advisory Board (GASAB)
- (f) Government Accounting and Reporting

Paper 19: Cost and Management Audit

Syllabus Structure

The syllabus comprises the following topics and study weightage:



| | | |
|---|--------------------------------------|-----|
| A | Cost and Management Audit | 60% |
| B | Internal Audit and Operational Audit | 20% |
| C | Case Study on Performance Analysis | 20% |

ASSESSMENT STRATEGY

There will be written examination (including case study/ caselet analysis) paper of three hours

OBJECTIVES

To promote the knowledge of Cost and Management Accountancy to provide educational facilities for training of budding professionals for excelling in the field of management accounting. To promote the decision-making skills and administrative competence relevant to management accounting and corporate management in general.

Learning Aims

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

- ❖ Focus on basic cost information, appropriately computed cost centre wise, system based cost data support for decision making processes
- ❖ Ensure uniformity and maintain cost records as per Generally Accepted Cost Accounting Principles
- ❖ Tabulate the cost information and construct the system thus evolved for gainful operation and use in the strategy making for measuring productivity, profitability, etc.
- ❖ Prepare cost audit report in compliance with statutory obligations
- ❖ Understand the usefulness of cost audit and interpret for stakeholders view
- ❖ Discuss the concepts of management audit and demonstrate its usefulness
- ❖ Evaluate the performance of an organization through cost accounting records and cost audit reports
- ❖ Recommend desired course of action for optimal utilization of scarce resources which can lead to improve the productivity and profitability of an organization

Skill set required

Level C: Requiring skill levels of knowledge, comprehension, application, analysis, synthesis and evaluation.

Final Course: Proposed Syllabus 2012

| | |
|---|------------|
| Section A : Cost and Management Audit | 60% |
| 1. Cost Accounting Record Rules | |
| 2. Cost Audit Report Rules | |
| 3. Cost Accounting Standards | |
| 4. Cost Audit & Assurance Standards | |
| 5. Cost Auditor – appointment and related issues | |
| 6. Management Reporting under Cost Audit | |
| Section B: Internal Audit and Operational Audit | 20% |
| 7. Internal Audit and Operational Audit | |
| Section C: Case Study on Performance Analysis | 20% |

Section A: Cost and Management Audit [60 marks]

1. Cost Accounting Record Rules

- (a) Procedure for prescription of cost accounting record rules
- (b) Cost accounting record rules and its applicability
- (c) Provisions of cost accounting record rules for various industries

2. Cost Audit Report Rules

- (a) Provisions of Cost Audit Report Rules, 2001
- (b) Form of cost audit report
- (c) Annexures to the cost audit report
- (d) Pro-forma to the cost audit report
- (e) Usefulness of Cost Audit

3. Cost Accounting Standards

4. Cost Audit & Assurance Standards

5. Cost audit, appointment of cost auditor

- (a) Nature and scope of cost audit
- (b) Provisions under Companies Act relating to maintenance of Cost Records and Cost Audit
- (c) Cost auditor-appointment, rights and responsibilities
- (d) Structuring the cost audit
- (e) Product-group Classification

6. Management Reporting under Cost Audit

- (a) Management Reporting issues under Cost Audit

Section B: Internal Audit and Operational Audit [20 marks]

7. Internal audit and operational audit

- (a) Concept of internal and operational audit
- (b) Internal Audit –techniques and procedures
- (c) Internal Audit Report
- (d) Operational Audit- techniques and procedures
- (e) Operational audit report
- (f) Special report for banks, shareholders, employees etc
- (g) Evaluation of internal control system, budgetary control system, inventory control system, management information system
- (h) Management Audit- concepts, procedures

Section C: Case Study on Performance Analysis [20 marks]

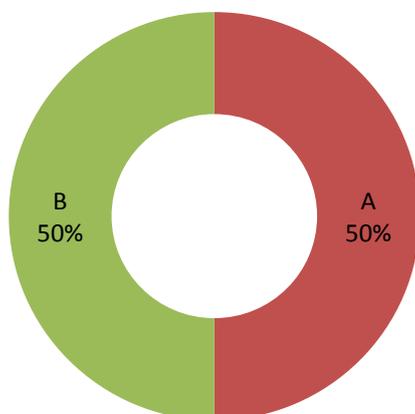
Case Study on the basis of Form III of the Companies (Cost Audit Report) Rules, 2011

FORM OF THE PERFORMANCE APPRAISAL REPORT

Paper 20: Financial Analysis & Business Valuation

Syllabus Structure

The syllabus comprises the following topics and study weightage:



| | | |
|---|--------------------|-----|
| A | Financial Analysis | 50% |
| B | Business Valuation | 50% |

ASSESSMENT STRATEGY

There will be written examination (including case study/ caselet analysis) paper of three hours

OBJECTIVES

To enable cost and management accountant professionals through analysis of financial statements to calibrate the lens to bring the business into focus. To identify the imperfections in the financial statements and frame strategic action to eradicate the dirt on the lens which may distort the financial picture. To enable business decision making through appropriate analysis of statements. To gain knowledge of the application of valuation principles and techniques in business environment.

Learning Aims

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

- ❖ Understand the financial statements for analysis
- ❖ Apply appropriate measures for executing the financial analysis
- ❖ Make fundamental analysis through financial statement analysis
- ❖ Translate the understanding for business valuation
- ❖ Interpret the statements for managerial decision-making
- ❖ Evaluate the results for setting strategies
- ❖ Recommend strategic financial decisions

Skill set required

Level C: Requiring skill levels of knowledge, comprehension, application, analysis, synthesis and evaluation.

Final Course: Proposed Syllabus 2012

| | |
|---|------------|
| Section A: Financial Analysis | 50% |
| 1. Financial Modeling – concepts and application | |
| 2. The Analysis of the Statement of Shareholders' Equity | |
| 3. The Analysis of the Balance Sheet and Income Statement | |
| 4. The Analysis of the Cash Flow Statement | |
| 5. The Analysis of Profitability | |
| 6. The Analysis of Growth and Sustainable Earnings | |
| Section B : Business Valuation | 50% |
| 7. Business Valuation Basics | |
| 8. Valuation in Mergers and Acquisitions | |
| 9. Fair Value in Accounting Measurement | |
| 10. Valuation of Intangibles | |

Section A: Financial Analysis [50 marks]

1. Financial Modeling for Project Appraisal

- (a) Use of Functions like Net Present Value (NPV), Internal Rate of Return (IRR), etc.,
- (b) Forecasting techniques

2. The Analysis of the Statement of Shareholders' Equity

- (a) The Analyst's Checklist
- (b) Reformulating the Statement of Owners' Equity
- (c) Comprehensive Income Reporting
- (d) Financial Analysis – ratio analysis and report writing

3. The Analysis of the Balance Sheet and Income Statement

- (a) The Analyst's Checklist
- (b) Reformulation of the Balance Sheet
- (c) Reformulation of the Income Statement (Tax allocation, issues in reformulating income statements)
- (d) Comparative analysis of the Balance Sheet and Income Statement (Common size analysis ; trend analysis)

4. The Analysis of the Cash Flow Statement

- (a) The Analyst's checklist
- (b) GAAP Statement of Cash Flows and Reformulated Cash Flow Statements
- (c) Analysis of cash flow statement and quality of earnings

5. The Analysis of Profitability

- (a) The Analyst's Checklist
- (b) Du Point Analysis
- (c) Cutting to the Core of Operations (the analysis of profitability)
 - (i) First level breakdown (distinguishing financing and operating activities and the effect of leverage)
 - (ii) Second level breakdown (drivers of operating profitability)
 - (iii) Third level breakdown (profit margin drivers; turnover drivers; borrowing cost drivers)

6. The Analysis of Growth and Sustainable Earnings

- (a) The Analyst's Checklist
- (b) Growth Analysis
- (c) The Analysis of Changes in Profitability and Sustainable Earnings
 - (i) Analysis of changes in operations
 - (ii) Issues in identifying sustainable earnings
 - (iii) Operating leverage
 - (iv) Analysis of changes in financing
- (d) The Analysis of Growth in Shareholders' Equity
- (e) Growth, Sustainable Earnings, Evaluation of P/B Ratios and P/E Ratios
 - (i) How price-to-book ratios and trailing P/E ratios articulate
 - (ii) Training Price-Earnings Ratios and Transitory Earnings
 - (iii) P/E Ratios and Analysis of Sustainable Earnings

Section B: Business Valuation [50 marks]

7. Business Valuation Basics

- (a) Principles and techniques of valuation – DCF, Multiple methods, Accounting based valuation
- (b) Asset Valuation ; Earning Valuation ; Cash flow valuation ; Other valuation basis

8. Valuation in Mergers and Acquisitions

- (a) Assets and Cash Flows - strengths and weaknesses of various valuation method
- (b) Recognition of interest of various stakeholders
- (c) Selection of appropriate cost of capital for valuation
- (d) Synergistic benefits
- (e) Forms of Consideration and terms of acquisitions
- (f) Post merger integration process
- (g) Implications of regulations for business combinations
- (h) Types of exit strategies and their implications
- (i) Shareholder Value Analysis
- (j) Exchange Ratio- Bases used for Computation

9. Fair Value in Accounting Measurement

- (a) Concept
- (b) Measurement techniques and standards, Challenges
- (c) Accounting treatment

10. Valuation of Intangibles

- (a) Intellectual Property
- (b) Intangibles
- (c) Brand Valuation

(Syllabus contents are subject to modification as may be required)