

CHARTERED ACCOUNTANCY COURSE

PROSPECTUS



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Board of Studies

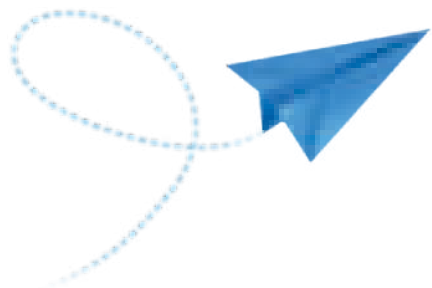
**The Institute of
Chartered Accountants of India**

(Set up by an Act of Parliament)



The Institute of Chartered Accountants of India

VISION



ICAI becomes World's leading accounting body, a regulator and developer of trusted and independent professionals with world class competencies in accounting, assurance, taxation, finance and business advisory services.



MISSION 2030

ICAI will leverage technology and infrastructure and partner with its stakeholders to...

- + Impart world class education, training and professional development opportunities to create global professionals.
- + Develop an independent and transparent regulatory mechanism that keeps pace with the changing times.
- + Ensure adherence to highest ethical standards.
- + Conduct cutting edge research and development in the areas of accounting, assurance, taxation, finance and business advisory services.
- + Establish ICAI members and firms as Indian multi-national service providers.

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PROSPECTUS

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Chartered Accountancy Course

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The Institute



The Institute of Chartered Accountants of India



The Institute of Chartered Accountants of India (ICAI) is a statutory body set up by an Act of Parliament, viz. The Chartered Accountants Act, 1949 (Act No. XXXVIII of 1949) for the regulation of profession of Chartered Accountancy in the country. The Institute functions under the administrative control of the Ministry of Corporate Affairs, Government of India and is the second largest professional body of Chartered Accountants in the world.

The affairs of the ICAI are managed by a Council in accordance with the provisions of the Chartered Accountants Act, 1949 and the Chartered Accountants Regulations, 1988. The Council constitutes of 40 members of whom 32 are elected by the Chartered Accountants and remaining 8 are nominated by the Central Government generally representing the Comptroller and Auditor General of India, Securities and Exchange Board of India, Ministry of Corporate Affairs, Ministry of Finance and other stakeholders.

The Institute has its headquarters in New Delhi. In addition, it has five Regional Councils located in Mumbai, Chennai, Kolkata, Kanpur and New Delhi and 164 Branches spread all over the country. The Institute has also 35 chapters outside India located in Abu Dhabi, Australia (Melbourne), Australia (Sydney), Bahrain, Botswana, Brisbane, British Columbia (Vancouver), Canada (Toronto), Doha, Dubai, Eastern Province (Saudi Arabia), Indonesia, Jeddah, Kenya (Nairobi), Kuwait, Luxembourg, Netherlands (Amsterdam), New Zealand (Auckland), Nigeria, Oman (Muscat), Port Moresby (Papua New Guinea), UAE Ras - Al Khaimah, Riyadh, Singapore, Tanzania (Dar Es Salaam), Thailand (Bangkok), Uganda (Kampala), UK (London), US (New York), USA (San Francisco) and Zambia.

Over a period of time, the ICAI has achieved recognition as a premier accountancy body not only in the country but also globally, for maintaining highest standards in technical, ethical areas and for sustaining stringent examination and education standards. Since 1949, the profession has grown leaps and bounds in terms of members and student base. The primary functions of the Institute are...

- + Regulate the profession of Accountancy
- + Education and Examination of Chartered Accountancy Course
- + Continuing Professional Education of Members
- + Conducting Post Qualification Courses
- + Formulation of Accounting Standards
- + Prescription of Standard Auditing Procedures
- + Laying down Ethical Standards
- + Monitoring Quality through Peer Review
- + Exercise Disciplinary Jurisdiction
- + Financial Reporting Review
- + Input on Policy matters to Government.





Courses Offered by ICAI

I. Chartered Accountancy Course

II. Post Qualification Courses for Members

- ☞ Information Systems Audit (ISA)
- ☞ Diploma on Management and Business Finance (DMBF)
- ☞ Post Qualification Diploma in International Taxation
- ☞ Diploma in Insurance and Risk Management (DIRM)
- ☞ Management Accountancy Course (MAC)/ Corporate Management Course (CMC)/ Tax Management Course (TMC)
- ☞ International Trade Laws & World Trade Organisation (ITL & WTO)

III. Certificate Courses for Members

- ☞ Certificate Course on GST
- ☞ Certificate Course on Public Finance & Government Accounting
- ☞ Certificate Course on ADR (Arbitration, Mediation & Conciliation)
- ☞ Certificate Course on Anti Money laundering Laws (Anti- Money Laundering Specialist)
- ☞ Certificate Course on Cooperatives
- ☞ Certificate Course on Not-for-Profit Organizations (NPOs)
- ☞ Certificate Course on Wealth Management and Financial Planning
- ☞ Certificate Course on Enterprise Risk Management
- ☞ Certificate Course on Concurrent Audit of Banks
- ☞ Certificate Course on Internal Audit
- ☞ Certificate Course on Forensic Accounting and Fraud Detection
- ☞ Certificate Course on Indian Accounting Standards (Ind AS)
- ☞ Certificate Course on Forex and Treasury Management
- ☞ Certificate Course on Derivatives



The Accountancy Profession

Over the years, the Chartered Accountancy profession has achieved rapid growth by virtue of quality professional services being rendered by its members, and has come to occupy a prominent role in our economy and society. As against a meagre membership of 1,700 in 1949, today the membership of the Institute is over 3,00,000. Increasing responsibilities are being entrusted by the Government and the society at large on the members of the profession and their specialized knowledge and skills are being utilized in various fields of activities. Statutory recognition is given to the role of the members of the profession and their audit / certification is insisted upon for various purposes in different statutes.

The Institute is playing a prominent role in the international accounting bodies by virtue of its membership and active involvement in the activities of International Federation of Accountants (IFAC), International Accounting Standards Board (IASB), Confederation of Asian and Pacific Accountants (CAPA) and South Asian Federation of Accountants (SAFA).



Educational Activities

The Institute undertakes educational activities through its Committees. It has three educational committees, viz., Board of Studies, Continuing Professional Education Committee and the Technical Directorate.

As a part of its responsibility to regulate the profession of Chartered Accountancy, the Institute enrolls students for the Chartered Accountancy Course, imparts theoretical education and monitors practical training to be undergone by them as per the requirements of the Chartered Accountants Regulations, 1988. It also holds qualifying examinations for its registered students and issues Certificate of Practice to Members, intending to practice the profession.



Board of Studies

The Board of Studies is responsible for formulating and implementing policies and programmes relating to education of students. The mission of the Board of Studies is to provide a strong foundation of knowledge, skills and professional values that enables them to grow as wholesome professionals and adapt to changes throughout their professional career. The main activities carried out by the Board of Studies on continuous basis are as follows..

- + To recommend to the Council the broad policies governing theoretical education and practical training of the students undergoing Chartered Accountancy Course.
- + To provide high quality theoretical education to students of Chartered Accountancy Course by making available regular updation of educational publications like Study Material, Case Studies, Case Scenarios, MCQs, Revision Test Papers, Mock Test Papers, etc.
- + To continuously review the Study Material for qualitative upgradation.
- + To provide Model Answers to the Question Papers of the respective examinations conducted for the CA Students by the Examination Department and to interact with Reviewers / Examiners through the Examination Department for the finalization of Model Answers.
- + To impart theoretical education through virtual classes and e-books.
- + To contribute to the Council's periodical exercise of Review of the scheme of Education and Training including related amendments in CA Act/Regulations.
- + To conduct Practical Assessment Training Test to assess the knowledge gained by students during the course of their Practical Training.
- + To bring out regularly students' journal for the benefit of Chartered Accountancy students.
- + To interact with other institutions of higher learning within and outside the country and professional accounting bodies of the world and exchanged useful information.
- + To interact with UGC/ AIU for equivalence of CA Course.
- + To interact with Institutions / Universities for pursuing Ph.D. by the Members of ICAI and Endowments purposes.
- + To conduct Commerce Summit along with UGC/AIU for Vice-Chancellors' of various universities all over India.
- + To promote Commerce Education across the Country by assisting UGC in preparing curriculum for B.Com and BBA course.
- + To promote Commerce Education across the country at schools level as a knowledge partner, and interact with Secondary and Higher education Board, State Level Board, CBSE, etc.
- + Fostering Research by partnering with Universities of national and International repute enabling members to pursue academic and analytical research leading to Ph.D.
- + To enhance the knowledge and expertise of the BOS Faculty by making them attend various relevant programmes / Technical Committees Meetings conducted by ICAI or any outside reputed bodies.



Scheme of Education & Training

Scheme of Education and Training

The Institute of Chartered Accountants of India periodically reviews its scheme of education and training to remain in tandem with developments in the field of education and other changes at the national and global levels. Evolving business and changing environment also demands newer skills from the accounting professionals. ICAI, being a member body of International Federation of Accountants (IFAC), has to comply with the International Education Standards [IES 1 to IES 8]. Accordingly, the scheme of education has been designed and implemented from July 1, 2017.

Objectives of the Scheme

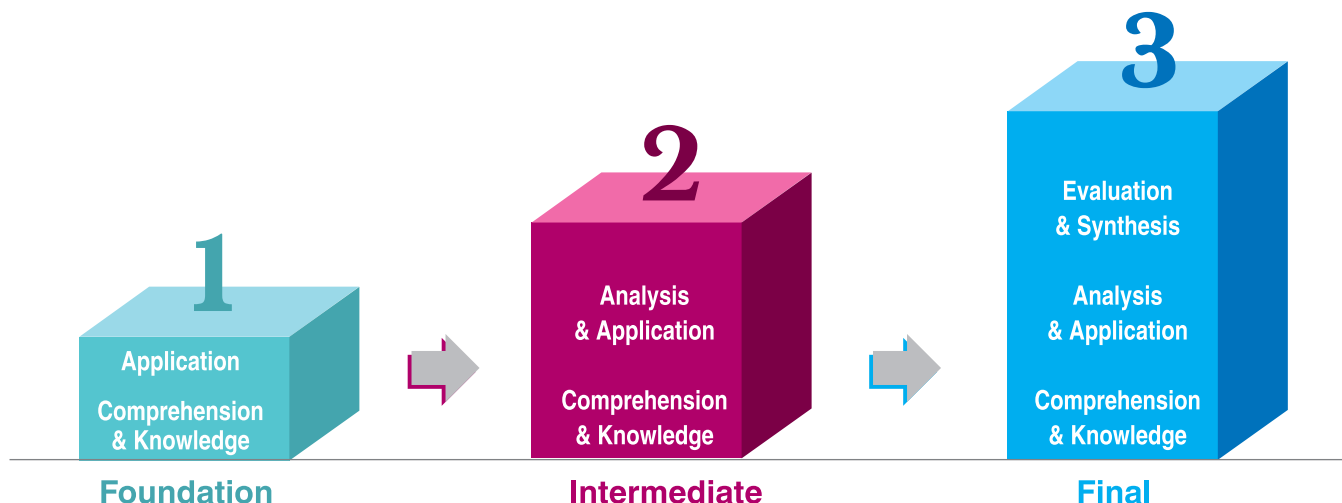
- + Encouraging young talented students having aptitude for accounting education to make an early entry to the profession through Foundation Route.
- + Encouraging graduates and other appropriately qualified students to pursue this course through Direct entry.
- + Complementing theoretical education with practical training.
- + Instilling technical skills through Information Technology Trainings under ICITSS and Advanced ICITSS.
- + Instilling interpersonal and soft skills through Orientation Course and Management and Communication Skills (MCS) Course under ICITSS and Advanced ICITSS.
- + Inculcating professional ethical values and attitudes among students.
- + Inculcating analytical ability among the students through case studies.
- + Globalizing Chartered Accountancy education through organization of education and training abroad.

Progression of Skills over Different Levels:

Basis for Assessment of Professional Competence

Assessment of professional competence of any professional course is essential to enhance the credibility of the profession by permitting only those who meet the profession's competence requirements to become chartered accountants. Therefore, Chartered Accountancy assessment pattern is such that it tests the sufficiency of technical competence, professional skills and professional values, ethics and attitudes acquired during practical training.

The assessment of professional skills would also progress from "knowledge and comprehension" to "application and analysis" and "evaluation and synthesis" over different levels from Foundation to Final; as given below:





Entry Routes to CA Course

Under the Scheme of Education and Training, a candidate can pursue Chartered Accountancy Course either through (i) Foundation Course Route or (ii) Direct Entry Route.

I. Foundation Course

This is an entry to the CA Course for the candidates who have appeared for class XII examinations.

Steps under Foundation Route...

- + Register with Board of Studies (BoS) after passing Class X examination.
- + Register for the Foundation Course on or before the 1st day of January or the 1st day of July for the examination to be held in the month of May/June or November/December respectively
- + Appear in Class XII examination.
- + Appear for Foundation examination in May (June) / November (December) after appearing in 10+2 Examination.
- + Qualify Class XII and Foundation Course.
- + Register with the BoS for the Intermediate Course.
- + Complete 8 months of study course.
- + Appear and Pass in either or both Groups of Intermediate Course.
- + Successfully complete Four Weeks Integrated Course on Information Technology and Soft Skills (ICITSS) any time after registering for Intermediate Course but before commencement of the Practical Training.
- + Register for Three Years Practical Training on passing either or both the Groups of Intermediate Course.
- + Register for the Final Course after qualifying both the Groups of Intermediate Course.
- + Successfully complete Four Weeks Advanced Integrated Course on Information Technology and Soft Skills (AICITSS) during the last two years of Practical Training but before appearing for Final Examination.

- + Appear in Final examination during last six months of practical training.
- + Complete Practical Training
- + Qualify both groups of Final Course.
- + Become Member.

II. Direct Entry Route

The ICAI allows the following candidates to enter directly to its Intermediate Course:

- A. Commerce Graduates/Post-Graduates (with minimum 55% marks) or Other Graduates/Post-Graduates (with minimum 60% marks) and
- B. Intermediate level passed candidates of Institute of Company Secretaries of India and Institute of Cost Accountants of India

In brief, candidates who are Graduates/ Post Graduates in Commerce having secured in aggregate a minimum of 55% of the total marks or its equivalent grade in the examination conducted by any recognized University (including open University) by studying any three papers carrying a minimum of 50 marks in a semester/year and cumulatively 100 or more marks over the entire duration of the concerned course out of Accounting, Auditing, Mercantile Laws, Corporate Laws, Economics, Management (including Financial Management), Taxation (including Direct Tax Laws and Indirect Tax Laws), Costing, Business Administration or Management Accounting or similar to the title of these papers with different nomenclatures or other than those falling under Commerce stream having secured in aggregate a minimum of 60% of the total marks or its equivalent grade in the examination conducted by any recognized University (including Open University) or Candidates who have passed the Intermediate level examination conducted by The Institute of Cost Accountants of India or by The Institute of Company Secretaries of India are exempted from qualifying Foundation and can register directly to Intermediate Course.

Candidates who are pursuing the Final Year Graduation Course can also register for the Intermediate Course on provisional basis and such student's registration would be regularized and they can commence practical training only on submission of satisfactory proof of having passed the Graduation examination with the specified percentage of marks within six months from the date of appearance in the final year graduation examination and on successful completion of ICITSS (Orientation Course and Information Technology). During the provisional registration period, a candidate can undergo and complete ICITSS (Orientation Course and Information Technology). If such candidate fails to produce the proof within the aforesaid period, his provisional registration shall stand cancelled and the registration and other fees paid by him shall not be refunded/adjusted and no credit shall be given for the theoretical education undergone.



Steps under Direct Entry Scheme for...

- a. Eligible Graduates and Post Graduates...
 - + Register with the BOS for the Intermediate course (provisional registration allowed to the students doing Final year of graduation).
 - + Successfully complete Four Weeks ICITSS before commencement of the Practical Training.
 - + Register for Three Years Practical Training.
 - + Appear in Intermediate Examination after Nine months of Practical Training.



- + Qualify Intermediate Course.
 - + Register for the Final Course after qualifying both Groups of Intermediate Course.
 - + Successfully complete Four Weeks AICITSS during the last two years of Practical Training but before appearing for Final Examination.
 - + Appear in Final examination during last six months of practical training.
 - + Complete Practical Training.
 - + Qualify both groups of Final Course.
 - + Become Member
- b. Students who have passed Intermediate level examination of the Institute of Company Secretaries of India or the Institute of Cost Accountants of India...
- + Register with the BoS for the Intermediate Course.
 - + Complete 8 months of study course.
 - + Appear and Pass in either or both Groups of Intermediate Course.
 - + Successfully complete Four Weeks ICITSS anytime after registering for Intermediate Course but before commencement of the Practical Training.
 - + Register for Three Years Practical Training on passing either or both the Groups of Intermediate Course.
 - + Register for the Final Course after qualifying both the Groups of Intermediate Course.
 - + Successfully complete Four Weeks AICITSS during the last two years of Practical Training but before appearing for Final Examination.
 - + Appear in Final Examination during last six months of Practical Training.
 - + Complete Practical Training
 - + Qualify both groups of Final Course.
 - + Become Member.

Papers of Foundation Course

- Paper 1: Principles and Practice of Accounting
- Paper 2: Business Laws & Business Correspondence and Reporting
 Section A: Business Laws
 Section B: Business Correspondence and Reporting
- Paper 3: Business Mathematics and Logical Reasoning & Statistics
 Part I: Business Mathematics and Logical Reasoning
 Part II: Statistics
- Paper 4: Business Economics & Business and Commercial Knowledge
 Part I: Business Economics
 Part II: Business and Commercial Knowledge

Papers of Intermediate Course

Group I

- Paper 1: Accounting
- Paper 2: Corporate & Other Laws
 Part I: Company Law
 Part II: Other Laws

FOUNDATION
INTERMEDIATE



Paper 3: Cost and Management Accounting

Paper 4: Taxation

Section A: Income-tax Law

Section B: Indirect Taxes

Group II

Paper 5: Advanced Accounting

Paper 6: Auditing and Assurance

Paper 7: Enterprise Information Systems & Strategic Management

Section A: Enterprise Information Systems

Section B: Strategic Management

Paper 8: Financial Management & Economics for Finance

Section A: Financial Management

Section B: Economics for Finance

Papers of Final Course

Group I

Paper 1: Financial Reporting

Paper 2: Strategic Financial Management

Paper 3: Advanced Auditing and Professional Ethics

Paper 4: Corporate and Economic Laws

Part I: Corporate Laws

Part II: Economic Laws

Group II

Paper 5: Strategic Cost Management and Performance Evaluation

Paper 6: Elective Paper (One to be chosen from the list of Elective Papers)

List of Elective Papers

6A Risk Management

6B Financial Services & Capital Markets

6C International Taxation

6D Economic Laws

6E Global Financial Reporting Standards

6F Multi-disciplinary Case Study

Paper 7: Direct Tax Laws & International Taxation

Part I: Direct Tax Laws

Part II: International Taxation

Paper 8: Indirect Tax Laws

Part I: Goods and Services Tax

Part II: Customs & FTP

NOTE: The Accounting Technician Course is under revision

ELECTIVES





Skill Assessment



under the Scheme of Education and Training - Ensuring Dynamism in Assessment

In context with the Skill Assessment for the Scheme of Education and Training for the subjects at all the levels, students are made aware of the level of skills which would be assessed in respect of each content area and can accordingly prepare for the examination. This would ensure dynamism in assessment, which is one of the principles of assessment laid down under IES 6.

FOUNDATION COURSE		Level I Comprehension & Knowledge	Level II Application
1	Principles and Practice of Accounting	5%-20%	80%-95%
2A	Business Laws	50%-65%	35%-50%
2B	Business Correspondence and Reporting	100%	
3	Business Mathematics and Logical Reasoning & Statistics		100%
4I	Business Economics	40%-50%	50%-60%
4II	Business and Commercial Knowledge	100%	

INTERMEDIATE COURSE		Level I Comprehension & Knowledge	Level II Analysis & Application
1	Accounting	5%-15%	85%-95%
2	Part I: Company Law	40%-55%	45%-60%
2	Part II: Other Laws	35%-55%	45%-65%
3	Cost and Management Accounting	20%-30%	70%-80%
4A	Income-tax law	5%-20%	80%-95%
4B	Indirect Taxes	20%-45%	55%-80%
5	Advanced Accounting	5%-15%	85%-95%
6	Auditing and Assurance	30%-55%	45%-70%
7A	Enterprise Information Systems	30%-55%	45%-70%
7B	Strategic Management	50%-70%	30%-50%
8A	Financial Management	20%-30%	70%-80%
8B	Economics for Finance	60%-80%	20%-40%



FINAL COURSE		Level I Comprehension & Knowledge	Level II Analysis & Application	Level III Evaluation & Synthesis
1	Financial Reporting	5%-15%	55%-85%	15%-25%
2	Strategic Financial Management	10%-20%	20%-40%	50%-60%
3	Advanced Auditing and Professional Ethics	20%-35%	45%-70%	10%-20%
4	Corporate & Economic Laws			
	Part I: Corporate Laws	10%-20%	60%-70%	15%-25%
	Part II: Economic Laws	40%-60%	40%-60%	
5	Strategic Cost Management and Performance Evaluation	10%-15%	45%-55%	35%-40%
7	Direct Tax Laws & International Taxation			
	Part I: Direct Tax Laws	5%-10%	60%-80%	15%-30%
	Part II: International Taxation	15%-25%	75%-85%	
8	Indirect Tax Laws			
	Part I: Goods and Services Tax	10%-30%	45%-75%	15%-25%
	Part II: Customs & FTP	25%-55%	45%-75%	

**NOTE**

1. It may be presumed that the skills specified in Level I are inherent in Level II i.e., only when the candidate possesses Level I skills, he would be able to achieve Level II skills. Likewise, the skills specified in Levels I and II are inherent in Level III i.e., only when a candidate possesses Level I and II skills, he would be able to achieve Level III skills.
2. The weightage assigned to skills for assessment are also the guiding factor for development of study material also. In other words, discussions in the study material would be synchronized with the weightage assigned to the different skills. For example, in line with the weightage assigned to Level III skills, the study material for Final Course should provide for problems involving application of such higher level skills.
3. The skill-wise weightage has not been indicated in respect of Final Course Paper 6 which is an Elective Paper. In this paper, the assessment would be case study/case scenario based, for which higher level skills, namely, analysis, evaluation and synthesis are a pre-requisite.



Skill Assessment Specification Grid

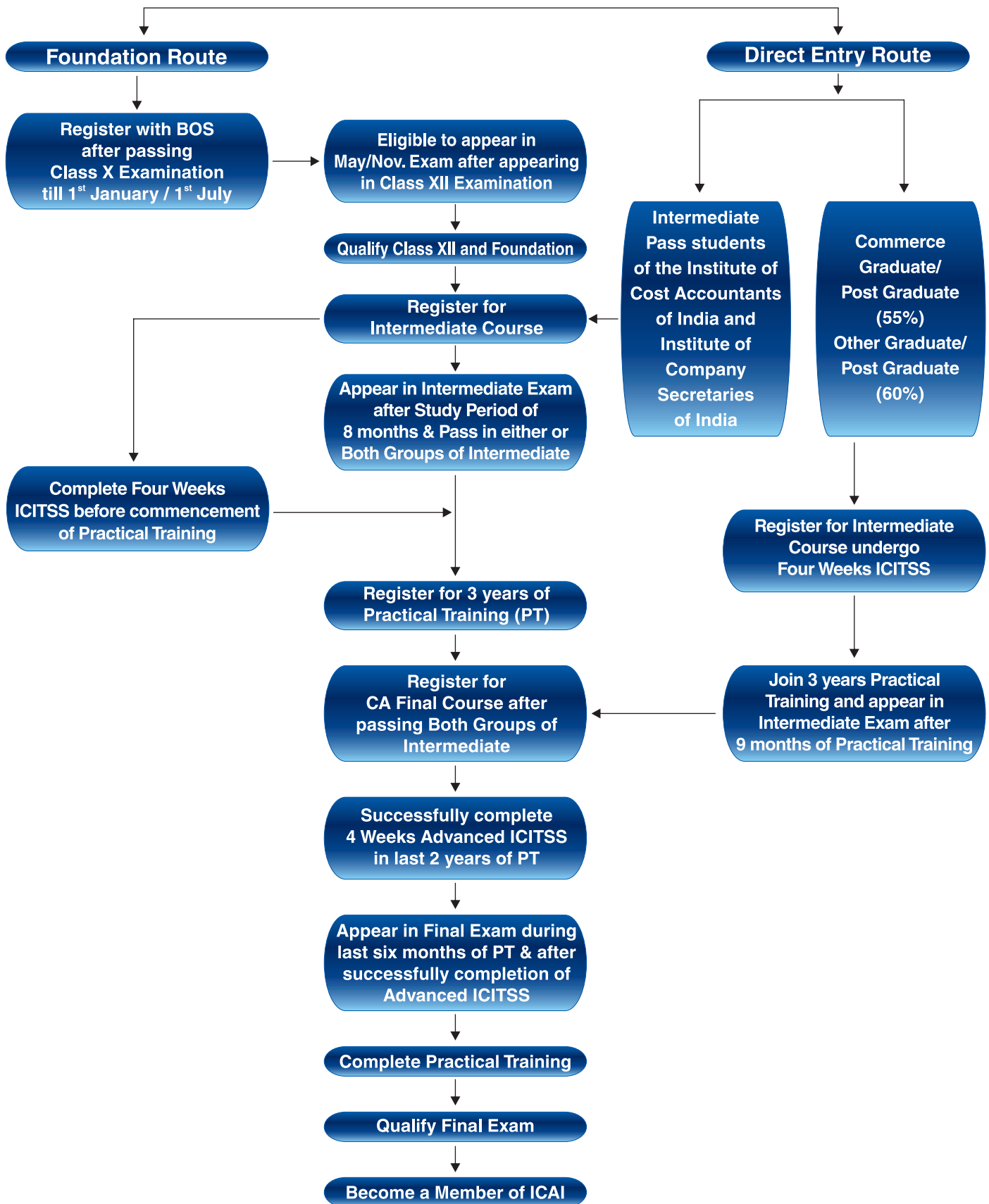


Skill Levels	Manner of Assessment of Skills	Illustrative Verbs used to construct learning outcomes
Comprehension & Knowledge	Defining, stating, enlisting, identifying and explaining concepts / provisions / theories / principles relating to the relevant subject area.	List, State, Define, Describe, Explain, Recognize Identify, Classify, Discuss Combination of verbs: Comprehend and Explain; Identify and explain
Analysis & Application	Application: Applying concepts / provisions / theories / principles in problem solving in non-complex scenarios.	Apply, Examine, Identify Calculate, Reconcile, Solve Combination of verbs: Compare and contrast
	Analysis: Applying, comparing and analysing concepts / provisions / theories / principles in problem solving in moderately complex scenarios .	Analyse, Integrate, Compute, Decide, Solve, Prepare, Advise, Determine, Estimate Combination of verbs: Analyse and apply
Evaluation & Synthesis	Integrating and assessing provisions / principles / concepts / theories to resolve complex problems and issues.	Advise, Integrate, Decide, Evaluate, Recommend, Interpret, Compute Combination of verbs: Analyse, integrate and apply

NOTES

- For demonstrating a higher level skill, the illustrative verbs suggested for describing representative tasks are in addition to the verbs suggested for demonstrating the preceding level skills. For instance, for demonstrating evaluation and synthesis, the illustrative verbs suggested are in addition to the verbs suggested for demonstration of application and analysis.
- The verbs used for demonstrating application skills may sometimes be appropriate for demonstrating analysis also and vice versa. The level of complexity, however, is higher for demonstrating “analysis” as compared to “application”. Likewise, the verbs used for Level II may sometimes be appropriate for Level III also. The level of complexity, however, is higher for demonstrating evaluation and synthesis vis-à-vis analysis.

Education and Training at a Glance





Foundation Course

Candidates who wish to pursue Chartered Accountancy Course can register for Foundation Course after passing Class 10th examination.

Registration Procedure

ICAI has a centralised Self Service portal to manage the process of registration and submit self attested documents. Initial registration and subsequent administrative interactions throughout the life cycle of students covering Intermediate and Final courses are done through this portal and there is no need for personal visit or submission of physical documents.

Candidate has to visit <https://www.icai.org/post/students-services> for the process of registration and click on the link - **Entry level forms [Foundation and Intermediate (Direct Entry)]**. Student will need a valid email address and mobile number to complete the OTP based registration process and submit softcopies of documents. After successful submission of forms, the documents will be verified and registration will be confirmed by the Institute. Students will also be provided details to order study material through the centralised distribution system portal, i.e., **icai-cds.org**

S. No.	Details of Fee	Rupees (₹)	For Foreign Student US\$
1.	Cost of Foundation Prospectus	200	20
2.	*Foundation Registration Fee	9,000	700
3.	Subscription for Members' Journal (For one Year) (Optional)	400	40

*Students from newly formed Union Territories of Jammu, Kashmir and Ladakh and North – East States need to pay only ₹2250/- if they register between 20th September, 2019 and 31st March, 2022. They need to upload the following self attested documents at the time of registration (i) Domicile Certificate (ii) Proof of Identity – Aadhaar Card / Passport / Voter ID.



Subjects & Syllabus



Paper 1

Principles and Practice of Accounting

100 Marks

Objective

To develop an understanding of the basic concepts and principles of Accounting and apply the same in preparing financial statements and simple problem solving.

Contents

1. Theoretical Framework

- i. Meaning and Scope of accounting
- ii. Accounting Concepts, Principles and Conventions
- iii. Accounting terminology - Glossary
- iv. Capital and revenue expenditure, Capital and revenue receipts, Contingent assets and contingent liabilities
- v. Accounting Policies
- vi. Accounting as a Measurement Discipline - Valuation Principles, Accounting Estimates
- vii. Accounting Standards - Concepts and Objectives
- viii. Indian Accounting Standards - Concepts and Objectives

2. Accounting Process

- I. Books of Accounts
- ii. Preparation of Trial Balance
- iii. Rectification of Errors

3. Bank Reconciliation Statement

Introduction, reasons, preparation of bank reconciliation statement.

4. Inventories

Cost of inventory, Net realizable value, Basis and technique of inventory valuation and record keeping.



5. Concept and Accounting of Depreciation

Concepts, Methods of computation and accounting treatment of depreciation, Change in depreciation methods.

6. Accounting for Special Transactions

i. Bills of exchange and promissory notes

Meaning of Bills of Exchange and Promissory Notes and their Accounting Treatment; Accommodation bills.

ii. Sale of goods on approval or return basis

Meaning of goods sent on approval or return basis and accounting treatment.

iii. Consignments

Meaning and Features of consignment business, Difference between sale and consignment, Accounting treatments for consignment transactions and events in the books of consignor and consignee.

iv. Average due Date

Meaning, Calculation of average due date in various situations.

v. Account Current

Meaning of Account Current, Methods of preparing Account Current.

7. Final Accounts of Sole Proprietors

Elements of financial statements, Closing Adjustment Entries, Trading Account, Profit and Loss Account and Balance Sheet of Manufacturing and Non-manufacturing entities.

8. Partnership Accounts

i. Final Accounts of Partnership Firms

ii. Admission, Retirement and Death of a Partner including Treatment of Goodwill

iii. Introduction to LLPs and Distinction of LLPs from Partnership.

9. Financial Statements of Not-for-Profit Organizations

Significance of Receipt and Payment Account, Income and Expenditure Account and Balance Sheet, Difference between Profit and Loss Account and Income and Expenditure Account. Preparation of Receipt and Payment Account, Income and Expenditure Account and Balance Sheet.

10. Introduction to Company Accounts

i. Definition of shares and debentures

ii. Issue of shares and debentures, forfeiture of shares, re-issue of forfeited shares

iii. Statement of Profit and Loss and Balance Sheet as per Schedule III to the Companies Act, 2013.

Paper 2 : Business Laws & Business Correspondence and Reporting

Paper 2: Section A - Business Laws

60 Marks

Objective

To develop an understanding of significant provisions of select business laws and acquire the ability to address basic application-oriented issues.



Contents

- 1. The Indian Contract Act, 1872:** An overview of Sections 1 to 75 covering the general nature of contract, consideration, other essential elements of a valid contract, performance of contract, breach of contract, Contingent and Quasi Contract.
- 2. The Sale of Goods Act, 1930:** Formation of the contract of sale, Conditions and Warranties, Transfer of ownership and delivery of goods, Unpaid seller and his rights.
- 3. The Indian Partnership Act, 1932:** General Nature of Partnership, Rights and duties of partners, Reconstitution of firms, Registration and dissolution of a firm.
- 4. The Limited Liability Partnership Act, 2008:** Introduction- covering nature and scope, Essential features, Characteristics of LLP, Incorporation and Differences with other forms of organizations.
- 5. The Companies Act, 2013 :** Essential features of company, corporate veil theory, Classes of companies, types of share capital, Incorporation of company, Memorandum of Association, Articles of Association, Doctrine of Indoor Management

NOTE *If new legislations are enacted in place of the existing legislations, the syllabus would include the corresponding provisions of such new legislations with effect from dates notified by the Institute.*

Paper 2: Section B - Business Correspondence And Reporting

40 Marks

Objective

To acquire and develop good communication skills requisite for business correspondence and reporting.

Contents

Part I

- 1. Communication**
 - I. Types
 - ii. Directions
 - iii. Network
 - iv. Process
 - v. Problems
 - vi. Barriers
 - vii. Types of Communication
 - a. Interpersonal Skills
 - b. Listening Skills
 - c. Emotional Intelligence
 - viii. Exercises with Answers

Part II: Sentence Types and Word Power

2. Sentence Types (Direct-Indirect, Active-Passive Speech)

- i. Sentence: Definition
- ii. Classification of sentence based on connotation
 - a. Assertive sentences
 - b. Interrogative sentences
 - c. Imperative sentences
 - d. Exclamatory sentences
 - e. Optative sentences
- iii. Sentence Structure
 - a. Subject and Predicate
 - b. Verb (Auxiliary, Finite)
 - c. Object (Direct, Indirect)
 - d. Complement
 - e. Adjunct or Adverbial
 - f. Clause Structure
 - g. Types of Clauses
 1. Independent clauses
 2. Dependent clauses
 3. Relative or noun clauses
- iv. Types of sentences
 - a. Simple sentence
 - b. Compound sentence
 - c. Complex sentence
 - d. Compound-complex sentence
- v. Direct-Indirect Speech
 - a. Introduction
 - b. Procedure for converting Direct speech into Indirect speech
 - Rules for converting Direct speech into Indirect speech
 - Change in pronouns
 - Change in tenses
 - Change in modals
 - Changes for Imperative sentences
 - Changes for Exclamatory sentences
 - Changes for Interrogative sentences
 - Punctuation in Direct speech
 - c. Rules for converting Indirect speech into Direct speech
- vi. Active Passive Voice: Introduction
 - a. Usage : Active Vs passive voice
 - b. Reasons for using Passive voice
 - c. Changing Passive voice to Active voice
 - d. Changing Active voice to Passive voice
 - e. Suggestions for using Active and Passive voice



- vii. Verbs Voice: Active or passive
- viii. Exercises with Answers

3. Vocabulary Root Words, Synonyms, Antonyms, Prefixes, Suffixes), Phrasal verbs, Collocations & Idioms

- I. Introduction
- i. Significance of improving vocabulary
- ii. How to improve vocabulary
- iii. Root words
- iv. Synonyms and Antonyms
- v. Words formed by using Prefixes
- vi. Words formed by using Suffixes
- vii. Phrasal verbs
- viii. Collocations
- ix. Idioms
- x. Exercises with Answers

Part III: Comprehension Passages and Note Making

4. Comprehension Passages

- i. Introduction to Comprehension Passages
- ii. Points to ponder
- iii. Sample Passages with answers
- iv. Exercises with Answers

5. Note Making

- i. Introduction to Note Making
- ii. Significance of Note Making
- iii. Detailed Format $\square\square$ Heading(Title)
 - a. Sub-heading
 - b. Indentation
 - c. Points
 - d. Use of abbreviations
 - e. Summary
 - f. Content
 - g. Expression
- iv. Steps to Comprehend and summarize text
- v. Helpful Hints
- vi. Sample Passages with Notes
- vii. Exercises with Answers



Part IV: Developing Writing Skills

6. Introduction to Basic Writing

- I. Introduction
- ii. Process of writing
- iii. Styles of Writing
- iv. Significance of writing skills for students
- v. Writing Conventions
- vi. Characteristics of good writing
- vii. Do's and Don'ts of good writing
- viii. Exercises with Answers Hints

7. Précis Writing

- i. What is Précis writing?
- ii. Features of good Précis writing
- iii. How to write a Précis
- iv. Do's and Don'ts of Précis writing
- v. Examples(Passages with Précis)
- vi. Exercises with Answers

8. Article Writing

- i. What is an Article?
- ii. Essential elements of Article Writing
- iii. Detailed Format
 - a. Title
 - b. By-Writer's Name
 - c. Body
 - Introduction
 - Main Idea-Support
 - Conclusion
 - d. Sample Articles
 - e. Exercises with Answers

9. Report Writing

- i. What is a Report?
- ii. Essential elements of Report Writing
- iii. Kinds of Reports
 - a. Reporting for a Meeting/Assembly
 - b. Reporting for a Newspaper
 - c. Reporting for a Magazine
- iv. Detailed Format for (iii) above
 - a. Title
 - b. By-Writer's Name
 - c. Place, Date



- d. Body
 - What
 - When
 - Where
 - Who
 - How
- e. Tips and Conventions of Report Writing
- f. Sample Reports
- g. Exercises with Answers Clues

10. Writing Formal Letters

- i. Types of Letters
 - a. Circulars
 - b. Complaints
 - c. Memos
 - d. Promotional Content
 - e. Sales
 - f. Recovery/Remittances
- ii. Detailed format for (I) above
 - a. Date
 - b. Salutation
 - c. Subject
 - d. Body of the letter
 - First paragraph
 - Second paragraph
 - e. Complimentary Closure
- iii. Points to Remember
- iv. Sample Letters
- v. Exercises with Answers Clues

11. Writing Formal Mails

- i. How to Write a Formal Mail?
- ii. Writing Effective Mails
- iii. Essential elements of Mails
 - a. Subject line
 - b. Formal Greetings
 - c. Target Audience(Reader)
 - d. Clarity and Conciseness
 - e. Formal Closing
 - f. Proof read
 - g. Feedback
- iv. Tips and Conventions of Mails
- v. Sample Mails
- vi. Exercises with Answers Clues



12. Resume Writing

- i. Essential Elements of Resume
 - a. Name and contact details
 - b. Objective Summary
 - c. Academic Qualifications and Achievements
 - d. Co-curricular Achievements
 - e. Training Programs attended/completed
 - f. Strengths
 - g. Interests/Hobbies
 - h. Declaration
 - l. Signature
- ii. Resume Writing Tips and Conventions
- iii. Sample Resumes
- iv. Exercises with Answers Clues

13. Meetings

- i. Notice
- ii. Agenda
- iii. Drafting minutes
- iv. Action Taken Report
- v. Exercises with Answers Clues.

Paper 3

Business Mathematics, Logical Reasoning and Statistics

100 Marks

Objective

1. To develop an understanding of the basic Mathematical and Statistical tools and their application in Business, Finance and Economics.
2. To develop logical reasoning skills and apply the same in simple problem solving.

Contents

Part A: Business Mathematics 40 Marks

1. Ratio and Proportion, Indices and Logarithms

Ratio and Proportion (Business Applications related to Ratio and Proportion) Laws of Indices, Exponents and Logarithms and Anti Logarithms.

2. Equations and Matrices

- i. Equations: Simultaneous linear equations up to three variables, Quadratic and Cubic equations in one variable.



- ii. Matrices: Algebra of Matrices, Inverse of a Matrix and determinants, solving system of equations by Cramer's Rule (involving not more than three variables).

3. Linear Inequalities with Objective Functions and Optimization w.r.t. objective function.

4. Time value of Money

- i. Simple Interest
- ii. Compound interest
- iii. Depreciation
- iv. Effective Rate of Interest
- v. Present Value
- vi. Net Present Value
- vii. Future Value
- viii. Perpetuity
- ix. Annuities
- x. Sinking Funds
- xi. Valuation of Bonds
- xii. Calculations of Returns
 - a. Nominal Rate of Return
 - b. Effective Rate of Return
 - c. Compound Annual Growth Rate (CAGR).

5. Permutations and Combinations

Basic concepts of Permutations and Combinations: Introduction, Factorial, Permutations results, Circular Permutations, Permutations with restrictions, Combinations with standard results.

6. Sequence and Series

Introduction Sequences, Series, Arithmetic and Geometric progression, Relationship between AM and GM and Sum of n terms of special series

7. Sets, Relations and Functions

8. Basic applications of Differential and Integral calculus (Excluding the trigonometric applications), Applications of Marginal Cost and Marginal Revenue etc..

Part B: Logical Reasoning 20 Marks

1. Number series, Coding and Decoding and odd man out.
2. Direction Tests
3. Seating Arrangements
4. Blood Relations
5. Syllogism.

Part C: Statistics 40 Marks**1. Statistical description of Data**

Statistical Representation of Data, Diagrammatic representation of data, Frequency distribution, Graphical representation of Frequency Distribution - Histogram, Frequency Polygon, Ogive, Pie-chart.

2. Measures of Central tendency and Dispersion

Measures of Central Tendency and Dispersion: Mean, Median, Mode, Mean Deviation, Quartiles and Quartile Deviation, Standard Deviation, Co-efficient of Variation, Coefficient of Quartile Deviation.

3. Probability

Probability: Independent and dependent events; mutually exclusive events. Total and Compound Probability and Mathematical Expectation.

4. Theoretical Distributions

Theoretical Distributions: Binomial Distribution, Poisson distribution – Basic application and Normal Distribution - Basic applications.

5. Correlation and Regression

Correlation and Regression: Scatter diagram, Karl Pearson's Coefficient of Correlation Rank Correlation, Probable Error and Probable limits. Regression lines, Regression equations, Regression coefficients.

6. Index Numbers and Time Series

a. Index Numbers: Uses of Index Numbers, Problems involved in construction of Index Numbers, Methods of construction of Index Numbers.

b. Time Series Analysis - Components of Time Series and Calculation of Trend by Moving Average Method.

Paper 4 - Business Economics & Business and Commercial Knowledge 100 Marks

Paper 4: Part I - Business Economics60 Marks

Objective

To develop an understanding of concepts and theories in Business Economics and apply such concepts and theories in simple problem solving.

Contents**1. Introduction to Business Economics**

- i. Meaning and scope of Business Economics
- ii. Basic problems of an Economy and role of Price Mechanism.



2. Theory of Demand and Supply

- i. Meaning and determinants of demand, Law of demand and Elasticity of demand – Price, Income and Cross elasticity
- ii. Theory of consumer's behaviour - Marshallian approach and Indifference curve approach
- iii. Demand Forecasting
- iv. Meaning and determinants of supply, Law of supply and Elasticity of supply.

3. Theory of Production and Cost

- i. Meaning and Factors of production
- ii. Laws of Production - The Law of Variable Proportions and Laws of Returns to Scale, Producer's equilibrium
- iii. Concepts of Costs - Short-run and long-run costs, Average and marginal costs, Total, fixed and variable costs.

4. Price Determination in Different Markets

- i. Various forms of markets - Perfect Competition, Monopoly, Monopolistic Competition and Oligopoly
- ii. Price determination in these markets.

5. Business Cycles

- i. Meaning
- ii. Phases
- iii. Features
- iv. Causes behind these Cycles.

Paper 4: Part II - Business and Commercial Knowledge

40 Marks

Objective

To develop an understanding of common business and commercial concepts and to keep abreast with developments in the business and commercial world.

Contents

1. Business and Commercial Knowledge - An Introduction

Nature of Business, Profession and Employment. Objectives of Business. Economic and Non-Economic Activities, Forms of Business Organizations.

2. Business Environment

Micro and Macro Environment, Elements of Micro Environment – Consumers/Customers, Competitors, Organization, Market, suppliers, Intermediaries, Elements of Macro Environment – Demographic, Economic, Political-legal, Socio-cultural, Technological, Global Environment.

3. Business Organizations

Overview of selected Indian and Global Companies.

4. Government Policies for Business Growth

Policies creating conducive business environment such as Liberalization, Privatization, Foreign Direct Investment.

5. Organizations Facilitating Business

- i. Indian Regulatory Bodies - RBI, SEBI, CCI, IRDAI
- ii. Indian Development Banks - NABARD

6. Common Business Terminologies

- i. Finance and Stock & Commodity Markets Terminology
- ii. Marketing Terminology
- iii. Banking Terminology
- iv. Other Business Terminology.

NOTE *Students are expected to read at least one financial newspaper and one business magazine on a regular basis. They may also watch a business channel to remain updated about the developments related to commercial world.*

Admission to Foundation Examination

1. Candidate shall be admitted to Foundation Examination, if
 - a. He is registered on or before 1st January/1st July for the examination to be held in the month of May/November or June/December respectively as decided by the Council and
 - b. He has appeared in Senior Secondary (10+2) examination conducted by an examining body constituted by law in India or an examination is recognized by the Central Government or the State Government as equivalent thereto (Annexure A)
2. Candidate shall pay Examination fees, as may be fixed by the Council for Foundation Examination.

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

Requirements for Passing Foundation Examination

A candidate is declared to have passed the Foundation examination, if he obtain at one sitting a minimum of 40% marks in each paper and minimum of 50% marks in the aggregate of all the papers.

Paper Nos. 1 & 2 will be subjective type while Paper Nos. 3 & 4 will be of Objective Type with Negative Marking.

Virtual Coaching Classes

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

e-Books

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



Annexure A

List of Examinations treated as equivalent to Senior Secondary Examination

- + Board of Intermediate Education, Andhra Pradesh
- + Assam Higher Secondary Education Council
- + Bihar School Examination Board
- + Central Board of Secondary Education (CBSE)
- + Chhatisgarh Board of Secondary Education
- + Council for Indian School Certificate Examinations (CISCE)
- + Goa Board of Secondary and Higher Secondary Education
- + Gujarat Secondary & Higher Secondary Education
- + Board of School Education, Haryana
- + H. P. Board of School Education
- + J & K State Board of School Education
- + Jharkhand Academic Council
- + Government of Karnataka Department of Pre-University Education
- + Kerala Board of Higher Secondary Education
- + Maharashtra State Board of Secondary & Higher Secondary Education
- + Board of Secondary Education, Madhya Pradesh
- + Council of Higher Secondary Education, Manipur
- + Meghalaya Board of School Education
- + Mizoram Board of School Education
- + Nagaland Board of School Education
- + Council of Higher Secondary Education, Orissa
- + Punjab School Education Board
- + Board of Secondary Education, Rajasthan
- + Tamil Nadu State Board of School Examinations
- + Tripura Board of Secondary Education
- + U. P. Board of High School and Intermediate Education
- + Board of School Education, Uttarakhand
- + West Bengal Council of Higher Secondary Education
- + Chhatisgarh State Open School
- + MP State Open School
- + National Institute of Open School
- + Rajasthan State Open School
- + The West Bengal Council of Ravindra Open School
- + Banasthali Vidyapith



- + 5 (Five) passes at GCE 'O' level/GCSE/IGCSE in A/B/C Grades and two passes at GCE 'Advanced' level examination of the approved British Examining Bodies, subject to submission of equivalence certificate issued by the Association of Indian Universities certifying that the examination passed/ appeared is equivalent to +2 stage qualification of an Indian Body.
- + Students who have completed two years of higher education including Diploma course after passing 10th class, conducted either by Central/ State Government(s) and on passing such a course have either been admitted to first year of graduation course or have passed the graduation course conducted by any University, including Open Universities, established by law in India shall be also eligible for admission to the Foundation Course.
- + 10+2 Examination of any other recognized Board/University not covered above but recognized by Association of Indian Universities (AIU) as equivalent to Senior Secondary (10+2) Examination as recognized by Central Government.



Intermediate Course

Candidates can register for Intermediate level of CA Course through two routes, namely

- i. After qualifying Foundation Course, or
- ii. Through Direct Entry, if candidates are Graduates/Post Graduates with prescribed percentage of marks or have qualified the Intermediate Level examination of the Institute of Cost Accountants of India / the Institute of Company Secretaries of India.

Direct Entry Route

The ICAI allows the following candidates to enter directly to its Intermediate Course

- A. Commerce Graduates/Post-Graduates (with minimum 55% marks) or Other Graduates/Post-Graduates (with minimum 60% marks) and
- B. Intermediate level passed candidates of Institute of Company Secretaries of India and Institute of Cost Accountants of India

Candidates who are Graduates/ Post Graduates in Commerce having secured in aggregate a minimum of 55% of the total marks or its equivalent grade in the examination conducted by any recognized University (including open University) by studying any three papers carrying a minimum of 50 marks in a semester/year and cumulatively 100 or more marks over the entire duration of the concerned course out of Accounting, Auditing, Mercantile Laws, Corporate Laws, Economics, Management (including Financial Management), Taxation (including Direct Tax Laws and Indirect Tax Laws), Costing, Business Administration or Management Accounting or similar to the title of these papers with different nomenclatures or other than those falling under Commerce stream having secured in aggregate a minimum of 60% of the total marks or its equivalent grade in the examination conducted by any recognized University (including Open University) or Candidates who have passed the Intermediate level examination conducted by The Institute of Cost Accountants of India or by The Institute of Company Secretaries of India are exempted from qualifying Foundation and can register directly to Intermediate Course.

Provisional Registration

Candidates who are pursuing the Final Year of Graduation Course can also register for the Intermediate Course on provisional basis and their registration would be regularized only on submission of satisfactory proof of having passed the Graduation examination with the specified percentage of marks within six months from the date of appearance in the final year graduation examination then they can commence practical training and on completion of ICITSS (Information Technology (IT) and Orientation Course (OC)). During the provisional registration period, a student can undergo and complete ICITSS (IT and OC). If such candidate fails to produce the proof within the aforesaid period, his provisional registration shall stand cancelled and the registration and other fees paid by him shall not be refunded/adjusted and no credit shall be given for the theoretical education undergone.

Conversion to Direct Entry Route

Existing Students of Common Proficiency Course / Foundation Course on being eligible to join Intermediate Course through Direct Entry can any time register for Intermediate Course through Direct route by paying the Intermediate Registration fees only.



Existing Students of Intermediate (IPC) Course through CPT / Foundation Course on being eligible to join Intermediate Course through Direct Entry can convert to Intermediate through Direct route by paying ₹ 1000 as conversion charges and study material will be provided free of cost but have to register for the balance group of Intermediate, if any.

Registration Procedure

ICAI has a centralised Self Service portal to manage the process of registration. All administrative interactions throughout the life cycle of students covering Intermediate and Final courses are done through this portal and there is no need for personal visit or submission of physical documents. Students need to submit self-attested documents online by visiting <https://www.icai.org/post/students-services>. Direct Entry students may also register by filling Online Registration Form given on the Page. Click on the link - Entry level forms [Foundation and Intermediate (Direct Entry)]. Students of Foundation route can also convert to Direct entry route by logging into Self-service portal and follow the process of conversion. On completion of the registration process, the study material can be ordered by the students through Centralized Dispatch on the portal icai-cds.org.

Registration Fees

Candidates through Foundation Route can opt for registration for Group I or Group II or Both Groups of Intermediate while Direct Entry Route candidates have to register for both the groups only. Payment of the fees is to be made as per the below chart.

Registration Options / Various charges	Both Groups (₹)	Both Groups (US\$)	Group I / II (₹)	Group I / II (US\$)
Registration Fee	15,000**		11,000**	
Students' Activities Fee	2,000		2,000*	
Registration fee as articulated assistant	1,000			
Total Fees	18,000	1,000	13,000	600

*To be paid once

Cost of Prospectus Rs.200 (US \$ 20) is to be paid by direct entry students in addition to above fees.

**Students from newly formed Union Territories of Jammu, Kashmir and Ladakh and North–East States need to pay only ₹4500/- for both groups and ₹3250/- for single group if they register between 20th September, 2019 and 31st March, 2022. They need to upload the following self attested documents at the time of registration (i) Domicile Certificate (ii) Proof of Identity – Aadhaar Card / Passport / Voter ID.

Subjects & Syllabus



Paper 1

Accounting

One Paper - Three hours - 100 Marks

Objective

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

Contents

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

**5. Accounting for Special Transactions**

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

6. Special Type of Accounting

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

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

Paper 2

Corporate and Other Laws

One Paper - Three Hours - 100 Marks

Part I: Company Law (60 Marks)

Objective

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

Contents

The Companies Act, 2013 - Sections 1 to 148

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

Part II: Other Laws (40 Marks)

Objective

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

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

Contents

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

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

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

Paper 3

Cost and Management Accounting

One Paper - Three Hours - 100 Marks

Objective

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

Contents

1. Overview of Cost and Management Accounting

i. Introduction to Cost and Management Accounting

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



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

ii. Elements of Cost and preparation of Cost Sheets

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

2. Ascertainment of Cost and Cost Accounting System

i. Material Cost

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

ii. Employee Cost

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

iii. Overheads

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

iv. Concepts of Activity Based Costing (ABC)**v. Recording and Accounting of Costs**

- a. Non-integrated Cost Accounting system- Ledger under non-integral system
- b. Integrated (Cost and Financial) Accounting system- Ledgers under integral system.
- c. Difference between the Non- integrated and Integrated Accounting system.
- d. Reconciliation of profit as per Cost and Financial Accounts (under Non-Integrated Accounting System).

3. Methods of Costing**i. Single Output/ Unit Costing**

ii. Job Costing: Job cost cards and databases, collecting direct costs of each job, attributing overheads to jobs, Application of job costing.

iii. Batch Costing: Determination of optimum batch quantity, Ascertainment of cost for a batch, Preparation of batch cost sheet, Treatment of spoiled and defective work.

iv. Contract Costing

- a. Ascertainment of cost of a contract, Progress payment, Retention money, Escalation clause, Cost plus contract, Value of work certified, Cost of Work not certified.
- b. Determination Value of work certified, Cost of work not certified, Notional or Estimated profit from a contact.

v. Process / Operation Costing

- a. Process cost recording, Process loss, Abnormal gains and losses, Equivalent units of production, Inter-process profit, Valuation of work in process.
- b. Joint Products- Apportionment of joint costs, Methods of apportioning joint cost over joint products,
- c. By-Products- Methods of apportioning joint costs over by-products, treatment of By-product cost.

vi. Costing of Service Sectors

- a. Determination of Costs and Prices of services.

4. Cost Control and Analysis**i. Standard Costing**

- a. Setting up of Standards, Types of Standards, Standard Costing as method of performance measurement.
- b. Calculation and Reconciliation of Cost Variances-
 - Material Cost Variance, employee Cost Variance, Variable Overheads Variance and Fixed Overhead Variance.

ii. Marginal Costing

- a. Basic concepts of marginal costing, Contribution margin, Break-even analysis, Break –even and profit volume charts, Contribution to sales ratio, Margin of Safety, Angle of Incidence, Cost-Volume-Profit Analysis (CVP), Multi- product break- even analysis, Consideration of Limiting factor (key factor),
- b. Determination of Cost of a product/ service under marginal costing method, determination of cost of finished goods, work-in-progress,
- c. Comparison of Marginal costing with absorption costing method- Reconciliation of profit under the both methods,



- d. Short term decision making using the above concepts (basic / fundamental level).

iii. Budget and Budgetary Control

- a. Meaning of Budget, Essentials of Budget, Budget Manual, Budget setting process, Preparation of Budget and monitoring procedures.
- b. The use of budget in planning and control
- c. Flexible budget, Preparation of Functional budget for operating and non- operating functions, Cash budget, Master budget,
- d. Introduction to Principal/ Key budget factor, Zero Based Budgeting (ZBB), Performance budget, Control ratios and Budget variances.

Paper 4

Taxation

One Paper - Three Hours - 100 Marks

Objective

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

Section A: Income-tax Law (60 Marks)

Contents

1. Basic Concepts

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

2. Residential status and scope of total income

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

3. Incomes which do not form part of total income

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

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

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

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

5. Income of other persons included in assessee's total income

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

6. Aggregation of income; Set-off, or carry forward and set-off of losses

- i. Aggregation of income
- ii. Concept of set-off and carry forward and set-off of losses
- iii. Provisions governing set-off and carry forward and set-off of losses under different heads of income
- iv. Order of set-off of losses

7. Deductions from gross total income

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

8. Computation of total income and tax liability of individuals

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

9. Advance tax, tax deduction at source and introduction to tax collection at source

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

10 Provisions for filing return of income and self-assessment

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



Section B: Indirect Taxes (40 Marks)

Contents

1. Concept of indirect taxes

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

2. Goods and Services Tax (GST) Laws

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

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

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

Group II - Paper 5

Advanced Accounting

One Paper - Three Hours - 100 Marks

Objective

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

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

Contents

1. Application of Accounting Standards

AS 4 : Contingencies and Events Occurring After the Balance Sheet Date

AS 5 : Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies

AS 7: Construction Contracts

AS 9: Revenue Recognition

AS 14: Accounting for Amalgamations

AS 17: Segment Reporting

AS 18: Related Party Disclosures

AS 19: Leases

AS 20: Earnings Per Share

AS 22: Accounting for Taxes on Income

AS 24: Discontinuing Operations

AS 26: Intangible Assets

AS 29: Provisions, Contingent Liabilities and Contingent Assets.

2. Special Aspects of Company Accounts

(i) Accounting for employee stock option plan;

(ii) Buy back of securities;

(iii) Equity shares with differential rights;

3. Reorganization and liquidation of Companies

(i) Accounting for amalgamation (excluding inter-company holding) and reconstruction;

(ii) Accounting involved in liquidation of companies.

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

5. Consolidated Financial Statements

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

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

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

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



Paper 6

Auditing and Assurance

One Paper - Three Hours - 100 Marks

Objective

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

Contents

1. Nature, Objective and Scope of Audit

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

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

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

2. Audit Strategy, Audit Planning and Audit Programme

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

3. Audit Documentation and Audit Evidence

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

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

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

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

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

(The list of items is illustrative only)



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

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

Paper 7

Enterprise Information Systems & Strategic Management

One Paper - Three Hours - 100 Marks

Section A: Enterprise Information Systems (50 Marks)

Objective

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

Contents

1. Automated Business Processes

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

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

2. Financial and Accounting Systems

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

3. Information Systems and its Components

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

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

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

5. Core Banking Systems

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

Section B: Strategic Management (50 Marks)

Objective

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

Contents

1. Introduction to Strategic Management

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



2. Dynamics of Competitive Strategy

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

3. Strategic Management Process

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

4. Corporate Level Strategies

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

5. Business Level Strategies

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

6. Functional Level Strategies

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

7. Organisation and Strategic Leadership

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

8. Strategy Implementation and Control

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

Paper 8**Financial Management & Economics for Finance**

One Paper - Three Hours - 100 Marks

Section A - Financial Management (60 Marks)**Objective**

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

Contents**1. Financial Management and Financial Analysis****i. Introduction to Financial Management Function**

- a. Objective and scope of financial management
- b. Role and purpose
- c. Financial management environment
- d. Functions of finance executives in an organization
- e. Financial distress and insolvency.

ii. Financial Analysis through Ratios

- a. Users of the financial analysis
- b. Sources of financial data for analysis
- c. Calculation and Interpretation of ratios:
 - Analysing liquidity
 - Analysing leverage
 - Analysing solvency
 - Analysing efficiency/ activity
 - Analysing profitability
- d. Limitations of ratio analysis

2. Financing Decisions**i. Sources of Finance**

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



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

ii. Cost of Capital

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

iii. Capital Structure Decisions

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

iv. Leverages

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

3. Capital Investment and Dividend Decisions

i. Capital Investment Decisions

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

ii. Adjustment of Risk and Uncertainty in Capital Budgeting Decision

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

iii. Dividend Decisions

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

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

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

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

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

Contents**1. Determination of National Income**

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

2. Public Finance

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

3. The Money Market

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

4. International Trade

- i. Theories of International Trade



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

Admission to Intermediate Examination

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

Important

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

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

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

Requirements for Passing Intermediate Examination

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

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

Exemption

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

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

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

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

Live Coaching Classes

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

e-Books

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



Final Course

After successfully passing Intermediate Examination, a student enters into the last leg of the Chartered Accountancy Course i.e. the Final Course. The Final Course consists of two Groups - Group I and Group II. Group I consists of Four Core papers and Group II consists of Three Core Papers alongwith One Elective Paper. Students at the time of registration for Final Course have to opt for one out of the six options available in the Elective Paper.

Registration Procedure

ICAI has a centralised Self Service portal to manage the process of registration. All administrative interactions throughout the life cycle of students covering Intermediate and Final courses are done through this portal and there is no need for personal visit or submission of physical documents. Students need to submit self-attested documents online within the Self Service Portal.

Candidate has to visit <https://www.icai.org/post/students-services> to reach Self Service Portal for the process. After successful registration, students will be provided details to order study material through the Centralised Distribution System Portal, i.e., <https://icai-cds.org/>.

Registration Fees

An eligible student shall register for Final Course on payment of the below fees...

Details	Rupees (₹)	For Foreign Students (US\$)
Final Registration Fee	22,000*	1,100

*Students from newly formed Union Territories of Jammu, Kashmir and Ladakh and North – East States need to pay only ₹5500/- if they register between 20th September, 2019 and 31st March, 2022. They need to upload the following self attested documents at the time of registration (i) Domicile Certificate (ii) Proof of Identity – Aadhaar Card / Passport / Voter ID.

Subjects & Syllabus





Paper 1

Financial Reporting

One Paper - Three Hours - 100 Marks

Objective

- (a) To acquire the ability to integrate and solve problems in practical scenarios on Indian Accounting Standards for deciding the appropriate accounting treatment and formulating suitable accounting policies.
- (b) To gain the prowess to recognize and apply disclosure requirements specified in Indian Accounting Standards while preparing and presenting the financial statements.
- (c) To develop the skill to prepare financial statements of group entities which includes subsidiaries, associates and joint arrangements based on Indian Accounting Standards.
- (d) To develop an understanding of the various forms of reporting (other than financial statements) and accounting for special transactions, and apply such knowledge in problem solving.

Contents:

1. **Framework for Preparation and Presentation of Financial Statements** in accordance with Indian Accounting Standards (Ind AS).
2. **Application of Indian Accounting Standards (Ind AS)** with reference to General Purpose Financial Statements
 - (i) Ind AS on First time adoption of Indian Accounting Standards
 - (ii) Ind AS on Presentation of Items in the Financial Statements
 - (iii) Ind AS on Measurement based on Accounting Policies
 - (iv) Ind AS on Income Statement
 - (v) Ind AS on Assets and Liabilities of the Financial Statements including Industry specific Ind AS
 - (vi) Ind AS on Items impacting the Financial Statements
 - (vii) Ind AS on Disclosures in the Financial Statements
 - (viii) Other Ind AS
3. **Indian Accounting Standards on Group Accounting**
 - (i) Business Combinations and Accounting for Corporate Restructuring (including demerger) (as per Ind AS)
 - (ii) Consolidated and Separate Financial Statements (as per Ind AS)
4. **Accounting and Reporting of Financial Instruments (as per Ind AS)**
5. **Analysis of Financial Statements**
6. **Integrated Reporting**
7. **Corporate Social Responsibility Reporting**

Notes:

1. If either a new Indian Accounting Standard (Ind AS) or Announcements and Limited Revisions to Ind AS are issued or the earlier one are withdrawn or new Ind AS, Announcements and Limited Revisions to Ind AS are issued in place of existing Ind AS, Announcements and Limited Revisions to Ind AS, the syllabus will accordingly include / exclude such new developments in the place of the existing ones with effect from the date to be notified by the Institute.
2. The specific inclusions / exclusions in any topic covered in the syllabus will be effected every year by way of Study Guidelines.

Paper 2

Strategic Financial Management

One Paper - Three Hours - 100 Marks

Objective

To acquire the ability to apply Financial Management theories and techniques in strategic decision making.

Contents

1. Financial Policy and Corporate Strategy

- i. Strategic decision making framework
- ii. Interface of Financial Policy and strategic management
- iii. Balancing financial goals vis-à-vis sustainable growth.

2. Risk Management

- i. Identification of types of Risk faced by an organisation
- ii. Evaluation of Financial Risks
- iii. Value at Risk (VAR)
- iv. Evaluation of appropriate method for the identification and management of financial risk.

3. Security Analysis

- i. Fundamental Analysis
- ii. Technical Analysis
 - a. Meaning
 - b. Assumptions
 - c. Theories and Principles
 - d. Charting Techniques
 - e. Efficient Market Hypothesis (EMH) Analysis

4. Security Valuation

- i. Theory of Valuation
- ii. Return Concepts
- iii. Equity Risk Premium
- iv. Required Return on Equity
- v. Discount Rate Selection in Relation to Cash Flows
- vi. Approaches to Valuation of Equity Shares
- vii. Valuation of Preference Shares
- viii. Valuation of Debentures/ Bonds

5. Portfolio Management

- i. Portfolio Analysis
- ii. Portfolio Selection
- iii. Capital Market Theory
- iv. Portfolio Revision



- v. Portfolio Evaluation
- vi. Asset Allocation
- vii. Fixed Income Portfolio
- viii. Risk Analysis of Investment in Distressed Securities
- ix. Alternative Investment Strategies in context of Portfolio Management

6. Securitization

- I. Introduction
- ii. Concept and Definition
- iii. Benefits of Securitization
- iv. Participants in Securitization
- v. Mechanism of Securitization
- vi. Problems in Securitization
- vii. Securitization Instruments
- viii. Pricing of Securitization Instruments
- ix. Securitization in India

7. Mutual Funds

- I. Meaning
- ii. Evolution
- iii. Types
- iv. Advantages and Disadvantages of Mutual Funds

8. Derivatives Analysis and Valuation

- i. Forward/Future Contract
- ii. Options
- iii. Swaps
- iv. Commodity Derivatives

9. Foreign Exchange Exposure and Risk Management

- i. Exchange rate determination
- ii. Foreign currency market
- iii. Management of transaction, translation and economic exposures
- iv. Hedging currency risk
- v. Foreign exchange derivatives - Forward, futures, options and swaps

10. International Financial Management

- i. International Capital Budgeting
- ii. International Working Capital Management
 - a. Multinational Cash Management
 - Objectives of Effective Cash Management
 - Optimization of Cash Flows/ Needs
 - Investment of Surplus Cash
 - b. Multinational Receivable Management

- c. Multinational Inventory Management

11. Interest Rate Risk Management

- i. Interest Rate Risk
- ii. Hedging Interest Rate Risk
 - a. Traditional Methods
 - b. Modern Methods including Interest Rate Derivatives

12. Corporate Valuation

- i. Conceptual Framework of Valuation
- ii. Approaches/Methods of Valuation
 - a. Assets Based Valuation Model
 - b. Earning Based Models
 - c. Cash Flow Based Models
 - d. Measuring Cost of Equity
 - Capital Asset Pricing Model (CAPM)
 - Arbitrage Pricing Theory
 - Estimating Beta of an unlisted company
 - e. Relative Valuation
 - Steps involved in Relative Valuation
 - Equity Valuation Multiples
 - Enterprise Valuation Multiple
 - f. Other Approaches to Value Measurement
 - Economic Value Added (EVA)
 - Market Value Added (MVA)
 - Shareholder Value Analysis (SVA)
 - g. Arriving at Fair Value

13. Mergers, Acquisitions and Corporate Restructuring

- i. Conceptual Framework
- ii. Rationale
- iii. Forms
- iv. Mergers and Acquisitions
 - a. Financial Framework
 - b. Takeover Defensive Tactics
 - c. Reverse Merger
- v. Divestitures
 - a. Partial Sell off
 - b. Demerger
 - c. Equity Carve outs
- vi. Ownership Restructuring
 - a. Going Private
 - b. Management/Leveraged Buyouts
- vii. Cross Border Mergers

14. Startup Finance



- i. Introduction including Pitch Presentation
- ii. Sources of Funding
- iii. Start up India Initiative

Paper 3

Advanced Auditing & Professional Ethics

One Paper - Three Hours - 100 Marks

Objective

1. To acquire the ability to analyze current audit practices and procedures and apply them in auditing engagements.
2. To acquire the ability to solve cases relating to audit engagements.

Contents

1. **Auditing Standards, Statements and Guidance Notes:** Engagement & Quality Control Standards, Statements and Guidance Notes on Auditing issued by the ICAI; Elements of system of quality control, leadership responsibilities for quality within the firm, Acceptance and Continuance of clients relationships and specific engagements, Engagement Performances, etc. (SQC 1 Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements).
2. **Audit Planning, Strategy and Execution:** Planning the flow of Audit work; Audit strategy, Audit plan, Audit programme and importance of supervision; Principal's ultimate responsibility; Extent of delegation; Control over quality of audit work; Analytical Procedures prior to audit as well as towards finalization; Concept of Principal Auditor and Other Auditor, Acceptance as Principal Auditor, Procedures to be performed by Principal Auditor, Co-ordination between the Principal Auditor and Other Auditor (SA 600 Using the Work of Another Auditor); Concept of Internal Audit Functions and its evaluation, Using the work of the internal audit function, Using internal auditors to provide direct assistance (SA 610 Using the Work of Internal Auditors); Auditor's Expert – Meaning, Need for an Auditor's Expert, Understanding the Auditor's Expert, Agreement with the Auditor's Expert, Adequacy of the Auditor's Expert's Work (SA 620 Using the Work of an Auditor's Expert).
3. **Risk Assessment and Internal Control:** Evaluation of internal control procedures; Components of internal controls; Internal control and risk assessment; Risk-based audit- audit risk analysis, general steps; Internal audit; Reporting on internal control weaknesses (SA 265 Communicating Deficiencies in Internal Control to Those Charged With Governance and Management); Framework on Reporting of Internal Controls.
4. **Special aspects of Auditing in an Automated Environment:** Key features of automated environment, related risks and controls, Standards, Guidelines and procedures, using relevant frameworks and best practices, understanding and documenting automated environment, Enterprise Risk Management overview, assessing IT-related risks and controls, evaluating risks and controls at entity level and process level, Considerations of automated environment at each phase of audit cycle, using relevant analytical procedures and tests using data analytics, key concepts of auditing in real-time automated environments such as E-Commerce, ERP, Core

Banking, etc.

5. **Audit of Limited Companies:** Application of Relevant Provisions under the Companies Act, 2013 relating to Audit and Auditors and Rules made thereunder; Powers/rights, duties of auditors; Branch Audit; Significance of true and fair view; Dividends and divisible profits- financial, legal, and policy considerations; depreciation; Special features of audit of Limited Liability Partnerships (LLPs)- Eligibility for audit, appointment of auditor, remuneration, etc. Audit report under the Companies Act, 2013; Reporting under CARO.
6. **Audit Reports:** Basic elements of auditor's report; Types of opinion; Notes on accounts; Distinction between notes and qualifications; Distinction between audit reports and certificates; Communication to Management and those charged with Governance; Self Review threats; Drafting of different types of Audit Reports.
7. **Audit Committee and Corporate Governance:** Audit committee; Role of auditor in Audit Committee and Certification of Compliance of Corporate Governance; Compliances with Laws and Regulations (SA 250 Consideration of Laws and Regulations in an Audit of Financial Statements); Disclosure requirements including those of SEBI; Regulatory requirements of Corporate Governance, Report on Corporate Governance.
8. **Audit of Consolidated Financial Statements:** Provisions under the Companies Act, 2013 in respect of Accounts of Companies and Rules made thereunder; Audit of Consolidated Financial Statements- responsibility of parent company, Auditor of the consolidated financial statements; Audit considerations- permanent consolidation, current period consolidation; Reporting.
9. **Special features of audit of Banks, Insurance & Non Banking Financial Companies,**
10. **Audit under Fiscal Laws:** Audit under Fiscal Laws, viz. Direct and Indirect Tax Laws including documentation for Form 3CD etc.
11. **Audit of Public Sector Undertakings:** Special features, Directions of Comptroller and Auditor General of India; Concept of propriety audit; Performance audit; Comprehensive audit.
12. **Liabilities of Auditors:** Professional negligence; Civil liabilities; Criminal liabilities; Liabilities under different statutes for example Income Tax Act, Companies Act.
13. **Internal Audit, Management and Operational Audit:** Provisions of internal audit as per Companies Act, 2013; Scope of internal auditing; Relationship between internal and external auditor; Basics of Internal Audit Standards issued by the ICAI; Drafting of Internal Audit Report; Management audit and Operational audit.
14. **Due Diligence, Investigation and Forensic Audit:** Due Diligence Review; Audit versus Investigation; Steps for investigation; Types of investigation; procedure, powers, etc. of investigator; Types of Fraud, indicators of fraud, follow-up thereof; Forensic audit-meaning, difference between statutory audit and forensic audit, forensic audit techniques, forensic audit report etc.
15. **Peer Review and Quality Review**
16. **Professional Ethics:** Code of Ethics with special reference to the relevant provisions of the Chartered



Accountants Act, 1949 and the Regulations thereunder.

NOTE 1. The specific inclusions/exclusions in any topic covered in the syllabus will be effected every year by way of Study Guidelines.

2. The provisions of the Companies Act, 1956 which are still in force would form part of the syllabus till the time their corresponding or new provisions of the Companies Act, 2013 are enforced.
3. If new legislations/Standards Engagement of Quality Control/Guidance Notes/Statements are enacted in place of the existing legislations, the syllabus would include the corresponding provisions of such new legislations with effect from a date notified by the Institute. The changes in this regard would also form part of Study Guidelines.

Paper 4

Corporate and Economic Laws

One Paper - Three Hours - 100 Marks

Part I: Corporate Laws (70 Marks)

Section A: Company Law

Objective

To acquire the ability to analyze interpret and apply the provisions of the company law in practical situations.

Contents

1. **The Companies Act, 2013** and Rules framed thereunder in its entirety with specific reference to section 149 onwards...
 - i. Appointment and Qualifications of Directors
 - ii. Appointment and remuneration of Managerial Personnel
 - iii. Meetings of Board and its powers
 - iv. Inspection, Inquiry and Investigation
 - v. Compromises, Arrangements and Amalgamations
 - vi. Prevention of Oppression and Mismanagement
 - vii. Winding Up
 - viii. Producer Companies*
 - ix. Companies incorporated outside India
 - x. Miscellaneous Provisions
 - xi. Compounding of offences, Adjudication, Special Courts
 - xii. National Company Law Tribunal and Appellate Tribunal
2. **Corporate Secretarial Practice** - Drafting of Notices, Resolutions, Minutes and Reports

*Excluded from Syllabus by way of study guidelines

Section B: Securities Laws

Objective

To acquire the ability to analyze the significant provisions of select securities laws.

1. **The Securities Contract (Regulation) Act, 1956 and the Securities Contract (Regulation) Rules, 1957: Introduction and important provisions.**
2. **The Securities Exchange Board of India Act, 1992, and SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.**

Part II: Economic Laws (30 Marks)

Objective

To acquire the ability to analyze the significant provisions of economic laws.

Contents

1. **The Foreign Exchange Management Act, 1999** - Introduction, broad structure of FEMA, Definition, Regulation and Management of Foreign Exchange, Contraventions and Penalties in brief, miscellaneous provisions.
2. **The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002** - Important Definitions, Regulation of Securitisation and Reconstruction of Financial Assets of Banks and Financial Institutions, (Enforcement of Security Interest, Offences and Penalties, Miscellaneous Matters*).
3. **The Prevention of Money Laundering Act, 2002** - Definitions, Punishment for the Offence of Money laundering, Obligation of Banking Companies, Financial Institutions and Intermediaries or a person carrying on a designated business or profession, Appellate Tribunal, Special Court, Procedure for Attachment and Confiscation of Property and Recovery of fines and penalties.
4. **Foreign Contribution Regulation Act, 2010** - Definitions, Regulation of Foreign contribution and miscellaneous provisions
5. **The Arbitration and Conciliation Act, 1996** - General Provisions, Arbitration agreement, Tribunal, Conciliation
6. **The Insolvency and Bankruptcy Code, 2016** - Preliminary, Corporate insolvency resolution process, Liquidation process and other provisions

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

* Excluded from Syllabus by way of study guidelines

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



Paper 5

Strategic Cost Management And Performance Evaluation

One Paper - Three Hours - 100 Marks

Objective

1. To apply various cost management techniques for planning and controlling performance in order to set, monitor and control strategic objectives.
2. To develop skills of analysis, synthesis and evaluation in cost management to address challenges and issues which might affect or influence the management of performance with in organisations.

Contents

Part A: Strategic Cost Management and Decision Making

Sub Part I: Strategic Cost Management

1. **Introduction to Strategic Cost Management**
 - i. Concept of Strategic Cost Management
 - ii. Limitations of Traditional Cost Management
 - iii. Traditional vs. Strategic Cost Management
2. **Modern Business Environment**
 - I. Introduction/Characteristics of the Modern Business Environment
 - ii. Cost of Quality, Total Quality Management, Business Excellence Model
 - iii. Throughput Accounting and Theory of Constraints
 - iv. Supply Chain Management (SCM)
 - v. Gain Sharing Arrangements
 - vi. Outsourcing
3. **Lean System and Innovation**
 - i. Introduction to Lean System
 - a. Just-in-Time (JIT)
 - b. Kaizen Costing
 - c. 5 Ss
 - d. Total Productive Maintenance (TPM)
 - e. Cellular Manufacturing/ One-Piece Flow Production Systems
 - f. Six Sigma (SS)
 - ii. Introduction to Process Innovation and Business Process Re-engineering (BPR)
4. **Cost Management Techniques**
 - i. Cost Control/Waste Control, Cost Reduction
 - ii. Target Costing
 - iii. Value Analysis/Value Engineering



- iv. Pareto Analysis
- v. Life Cycle Costing
- vi. Environmental Management Accounting

5. Cost Management for Specific Sectors

- i. Agricultural Sector
- ii. Information Technology Sector
- iii. Power Sector

Sub Part II: Strategic Decision Making

1. Decision Making

- i. Decision Making using CVP Analysis
- ii. Decision Making using Relevant Cost Concepts
- iii. Decision Making using Activity Based Costing
- iv. Ethical and Non-Financial Considerations Relevant to Decision Making

2. Pricing Strategies/Decisions

- i. Theory & Principles of Product Pricing
- ii. Pricing - New Product, Finished Products & Pricing of Services
- iii. Sensitivity Analysis in Pricing Decisions
- iv. Pricing Decision under Special Circumstances
- v. Pricing Strategies

Part B: Performance Evaluation and Control

Sub Part I: Performance Evaluation and Reporting

1. Performance Measurement and Evaluation

- i. Responsibility Accounting
- ii. Linking Critical Success Factors (CSFs) to Key Performance Indicators (KPIs) and Corporate Strategy; Performance Measurement Models - The Balanced Scorecard, The Performance Pyramid, The Performance Prism and The Building Block Model; Divisional Performance Measures; Benchmarking Schemes
- iii. Performance Measurement in the Not-for-Profit Sector
- iv. Preparation of Performance Reports

2. Divisional Transfer Pricing

- i. Meaning, Purpose and Principles of Transfer Pricing
- ii. Methods of Transfer Pricing
- iii. The Behavioural Consequences arising from Divisional Structures
- iv. International Transfer Pricing

3. Strategic Analysis of Operating Income

- i. Operating Profit Analysis
- ii. Advanced Activity Based Costing, Activity Based Management (ABM), Activity Based Budgeting (ABB)



Sub Part II: Managerial Control

1. Budgetary Control

- i. The Concept of Feedback and Feed Forward Control
- ii. Behavioural Aspects of Budgeting - Imposed Style, Participative Budget
- iii. Behavioural Aspects of Budgetary Control
- iv. Beyond Budgeting

2. Standard Costing

- i. Analysis of Advanced Variances
- ii. Integration of Standard Costing with Marginal Cost Accounting
- iii. Reconciliation of Profit
- iv. Variance Investigation Techniques, Interpretation of Variances, Possible Interdependence Between Variances and Reporting
- v. Behavioural Aspects of Standard Costing, Limitation of Standard Costing (including its use in the contemporary business environment)

Part C: Case Study

Case Study (covering Course Concepts)

General Note

Applications of the following **Quantitative Techniques** are required to be studied to linkage to course concept:

- a. Linear Programming
- b. Learning Curve/ Experience Curve

Paper 6A

Risk Management

One Paper - Four Hours - 100 Marks

Objective

1. To gain knowledge and an insight into the spectrum of risks faced by businesses and to learn techniques of managing risks.
2. To build capability for applying such learning to address risk related issues in real business scenarios.

Contents

1. Introduction to Risk

- i. The Concept of Risk
- ii. Risk and Uncertainty : Distinction
- iii. Classification of Risks
- iv. Dynamic Nature of Risks



- v. Types of Risk (illustrative list)
 - a. Strategic and Operational Risks
 - b. Business Risk
 - c. Financial Risk
 - d. Information Risk
 - e. Liquidity Risk

2. Source and Evaluation of Risks

- i. Identification and Sources of Risk
- ii. Quantification of Risk and various methodologies
- iii. Impact of Business Risk
- iv. Identify and assess the impact upon the stakeholder involved in Business Risk
- v. Role of Risk Manager and Risk Committee in identifying Risk

3. Risk Management

- i. Concept of Risk Management
- ii. Objective and Process of Risk Management
- iii. Importance of Risk Management
- iv. Risk Management techniques

4. Evaluation of Risk Management Strategies

- I. Risk Management Strategy alignment with Business Strategy
- ii. Internal Control environment and linkings with Risk Management
- iii. Risk Culture and attitudes to Risk Management
- iv. Integrated Risk Reporting and Stockholder responsibilities
- v. IT Risk Management - Disaster Recovery

5. Risk Model

- I. VAR
- ii. Stress Testing
- iii. Scenario Analysis
- iv. Country and Sovereign Risk Models and Management

6. Credit Risk Measurement and Management

- i. Understanding the component of credit risk
- ii. Evaluating credit risk
- iii. Mitigating Credit risk
- iv. Qualitative and Quantitative techniques to manage risk
- v. Credit scoring models

7. Risk Associated With Corporate Governance

- i. Evaluation of Risk Associated with Governance
- ii. Description and evaluation of framework for Board level consideration of risk
- iii. OECD Guidelines for Corporate Governance



8. Enterprise Risk Management

- + Definition, Scope and Techniques

9. Operational Risk Management

- + Definition, Scope and Techniques

Following topics covered in the paper of Financial Management (Paper 8 Part A, Intermediate Level) and Strategic Financial Management (Paper 2, Final Level) also forms the part of the syllabus.

- + Risk Analysis Capital Budgeting Decisions
- + Foreign Exchange Risk
- + Interest Rate Risk.

Paper 6B

Financial Services and Capital Markets

One Paper - Four Hours - 100 Marks

Objective

1. To gain knowledge of financial services rendered by intermediaries and banks and their role and activities in the financial market in general and capital market in particular;
2. To acquire the ability to apply such knowledge to address issues in practical scenarios.

Contents

1. Global Financial Markets

- i. Introduction to Global Financial Market
- ii. Role of Financial Market in Economic Development of a country
- iii. Stakeholders in Financial Market (Domestic and Global)
- iv. Indian Financial Market scenario

2. Impact of various Policies of Financial Markets

- i. Credit Policy of RBI
- ii. Fed Policy
- iii. Inflation Index, CPI, WPI, etc.

3. Capital Market - Primary

- i. New Issue Market - Domestic and Global
- ii. Private Placement, QIP, Disinvestment
- iii. Right Issue

4. Capital Market - Secondary

- i. Secondary Market
- ii. Stock Market Operations
- iii. Indian Debt Market



5. Money Market

- i. Basics of Money Market
- ii. Money Market Participants
- iii. Money Market Instruments
- iv. Repo and Reverse Repo
- v. CRR, SLR
- vi. MIBOR, LIBOR
- vii. Government Securities Market

6. Institutions and Intermediaries

- I. Depository
- ii. Stock and Commodity Exchanges – Indian and Global
- iii. Intermediaries
- iv. Institutional Investors
- v. FPIs
- vi. Custodians
- vii. Clearing Houses

7. Commodity Market

- i. What are Commodity Markets
- ii. Role of Commodity Markets
- iii. Commodity Market in India
- iv. Application of Derivative in Commodities
- v. Global Commodities Exchanges

8. Banking as source of Capital including NBFCs

- i. Concept of Project Financing
- ii. Working Capital Management
- iii. Reverse Mortgage

9. Mutual Funds

- I. Meaning
- ii. Evolution
- iii. Types
- iv. Performance Measures, NAV
- v. Mutual Fund Organisation
- vi. Advantages and Disadvantages of Mutual Fund
- vii. Exchange Traded Funds (ETFs)
- viii. Real Estate Investment Trusts (REITs)
- ix. Infrastructure Investment Trusts (Invits)

10. Private Equity

- i. Meaning and Classification
 - a. Venture Capital



- b. Buyouts
- c. Special Cases
- d. Hurdle rate
- e. Paid in Capital
- f. Term Sheet
- ii. Cost of Investing in Private Equity
- iii. Exit Routes
- iv. Valuation of Private Equity Transactions
- v. Private Equity Funds (Distribution of returns in General Partner and Limited Partners)

11. Investment Banking

- I. Concept
- ii. Functions
- iii. Challenges
- iv. Developments in Investment Banking
- v. Merchant Banking and issue management

12. Credit Rating

- I. Introduction
- ii. Rating Services
- iii. Objectives and types
- iv. Uses
- v. Credit Rating Process
- vi. Credit Rating Methodology
- vii. Rating Revisions
- viii. Credit Rating Agencies in India and abroad
- ix. Limitations with case studies

13. Treasury Operations

- i. Raising and Deployment of Funds
- ii. Risk Management

14. Risk Management

- i. Preventive Controls
- ii. Early Signals
- iii. Credit Risk

15. Credit Derivatives

- i. Credit Default Swaps
- ii. Collateralized Debt Obligations (CDO)
- iii. Pricing of Credit Derivative Instruments

16. Leasing Decision

17. Factoring**18. SEBI Guidelines**

Following topics covered in the paper of Strategic Financial Management (Paper - 2) and Corporate and Economic Laws (Paper - 4) also forms the part of the syllabus

- + Securitization
- + Fixed Income Securities (Valuation of Bonds/ Debentures)
- + Derivatives
- + Interest Rate Risk
- + The Securities and Exchange Board of India Act, 1992
- + Legislative framework on listing agreements
- + The Securities Contract (Regulation) Act, 1956
- + Chapter III-D of the RBI Act, 1934

Paper 6C

International Taxation

One Paper - Four Hours - 100 Marks

Objective

To develop an understanding of the concepts, principles and provisions relevant to international taxation and acquire the ability to apply such knowledge to make computations and address issues in practical case scenarios.

Contents

Part I: Taxation of International Transactions & Non-resident Taxation in India

1. Transfer Pricing provisions under the Income-tax Act, 1961, including

- i. Arm's Length Price
- ii. International Transactions
- iii. Most Appropriate Method
- iv. Functions, Assets and Risk Analysis
- v. Documentation & Compliances
- vi. Specific Reporting Regime in respect of Country by Country reporting and master file
- vii. Advance Pricing Agreements

2. Other Provisions relating to taxation of international transactions and non-resident taxation under the Income-tax Act, 1961

- i. Non-resident Taxation (including Source Rule of Taxation)
- ii. Double Taxation Relief
- iii. Advance Rulings

3. Law and Procedures under the Black Money (Undisclosed Foreign Income and Assets) and Imposition of Tax Act, 2015 - An Overview.



Part II: Other aspects of International Taxation

1. Overview of Model Tax Conventions

- i. OECD Model Tax Convention
- ii. UN Model Tax Convention
- iii. US Model Tax Convention*

2. Tax treaties, Application and Interpretation

- i. Features of Tax treaties
- ii. Overview of Tax Information Exchange Agreements
- iii. Commentaries and their importance
- iv. Role of Vienna Convention in application and interpretation of tax treaties

3. Anti Avoidance Measures

- i. Controlled Foreign Corporations
- ii. Base Erosion and Profit Shifting
- iii. Other Anti Avoidance Measures

4. Taxation of E-Commerce Transactions

- I. Introduction
- ii. Emerging issues
- iii. Equalisation levy

NOTE

If any new legislation(s) are enacted in place of an existing legislation(s), the syllabus will accordingly include the corresponding provisions of such new legislation(s) in the place of the existing legislation(s) with effect from the date to be notified by the Institute. Similarly, if any existing legislation(s) on direct tax laws ceases to be in force, the syllabus will accordingly exclude such legislation(s) with effect from the date to be notified by the Institute.

The specific inclusions/exclusions in any topic covered in the syllabus, wherever required, will be effected by way of Study Guidelines every year, if required. Specific inclusions/exclusions in a topic may also arise due to additions/deletions made every year by the Annual Finance Act.

Paper 6D

Economic Laws

One Paper - Four Hours - 100 Marks

* Excluded from Syllabus by way of study guidelines

Objective

To develop an understanding of the provisions of different economic laws and acquire the ability to apply such knowledge to address issues in practical case scenarios.

Contents

1. World Trade Organization (WTO) covering its Role, Principles, Functions and Dispute Settlement Mechanism*
2. Competition Act, 2002 and Rules/ Regulations
3. Real Estate (Regulation and Development) Act, 2016 [Central Act and Rules/ Regulations]
4. Insolvency and Bankruptcy Code, 2016 and Rules/ Regulations
5. Prevention of Money Laundering Act, 2002 and Rules/ Regulations
6. Foreign Exchange Management Act, 1999 and Rules/ Regulations
7. Prohibition of Benami Property Transactions Act, 1988 and Rules/ Regulations

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

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

Paper 6E

Global Financial Reporting Standards

One Paper - Four Hours - 100 Marks

Objective

- a. To develop an understanding of the key concepts and principles of International Financial Reporting Standards and to acquire the ability to apply such knowledge to make computations and address issues in practical case scenarios.
- b. To develop an understanding of the significant differences between IFRS and US GAAPs and apply the same in practical case scenarios.

Contents

1. Conceptual Framework for Financial Reporting as per IFRS
2. Application of International Financial Reporting Standards
3. Significant differences between IFRS and US GAAPs

Paper 6F

Multi-disciplinary Case Study

One Paper - Four Hours - 100 Marks

* Excluded from Syllabus by way of study guidelines

Objective

- To analyze and integrate the concepts, principles and provisions of accounting, auditing, taxation, corporate laws, finance and business strategy and management to address issues in practical case scenarios.



Coverage

This paper will include Case Studies covering the following areas.

1. Financial Accounting and Reporting
2. Audit and Assurance
3. Taxation
4. Finance and Financial Management
5. Management Accounting
6. Corporate Laws
7. Business Strategy and Management

Paper 7

Direct Tax Laws & International Taxation

One Paper - Three Hours - 100 Marks

Part I: Direct Tax Laws (70 Marks)

Objective

To acquire the ability to analyze and interpret the provisions of direct tax laws and recommend solutions to practical problems.

Contents

Law and Procedures under the Income-tax Act, 1961

1. Basis of charge, residential status, income which do not form part of total income, heads of income, income of other persons included in assessee's total income, aggregation of income, set-off and carry forward of losses, deductions from gross total income, rebates and reliefs
2. Special provisions relating to companies and certain persons other than a company¹
3. Provisions relating to charitable and religious trusts and institutions, political parties and electoral trusts
4. Tax Planning, Tax Avoidance & Tax Evasion
5. Collection & Recovery of Tax, Refunds
6. Income-tax Authorities, Procedure for assessment, Appeals and Revision
7. Settlement of Tax Cases, Penalties, Offences & Prosecution
8. Liability in Special Cases²
9. Miscellaneous Provisions and Other Provisions³

Part II: International Taxation (30 Marks)

Objective

To develop an understanding of the concepts, principles and provisions of International Taxation and acquire the ability to apply such knowledge to make computations and to address application oriented issues.

1. Including firms, LLPs, Trusts, AOPs, BOIs, Securitisation Trusts, Business Trusts, Investment fund etc.

2. Representative assesseees, Executors etc.

3. The entire Income-tax law is included at the final level. Any residuary provision under the income-tax Act, 1961, not covered under any of the above Specific Provisions or under Part II International Taxation, would be covered under "Other Provisions". Further, if any new Chapter is included in the Income-tax Act, 1961, the syllabus will accordingly include the Provisions relating thereto.

Contents

1. Taxation of international transactions and Non-resident taxation
 - i. The provisions under the Income-tax Act, 1961, including
 - a. Specific provisions relating to Non-residents
 - b. Double Taxation Relief
 - c. Transfer Pricing & Other Anti-Avoidance Measures
 - d. Advance Rulings
 - ii. Equalisation levy
2. Overview of Model Tax Conventions - OECD & UN
3. Application and interpretation of Tax Treaties
4. Fundamentals of Base Erosion and Profit Shifting

NOTE If any new legislation(s) are enacted in place of an existing legislation(s), the syllabus will accordingly include the corresponding provisions of such new legislation(s) in the place of the existing legislation(s) with effect from the date to be notified by the Institute. Similarly, if any existing legislation(s) on direct tax laws ceases to be in force, the syllabus will accordingly exclude such legislation(s) with effect from the date to be notified by the Institute.

Further, the specific inclusions/exclusions in any topic covered in the syllabus, wherever required, will be effected by way of Study Guidelines every year, if required. Specific inclusions/exclusions in a topic may also arise due to additions/deletions made every year by the Annual Finance Act.

Paper 8

Indirect Tax Laws

One Paper - Three Hours - 100 Marks

Part I: Goods & Services Tax (75 Marks)

Objective

To acquire the ability to analyze and interpret the provisions of goods and services tax law and recommend solutions to practical problems.

Contents

1. **Goods and Services Tax (GST) Law as contained in the Central Goods and Services Tax (CGST) Act, 2017 and Integrated Goods and Services Tax (IGST) Act, 2017 including**
 - (i) Introduction to GST in India including Constitutional aspects
 - (ii) Levy and collection of CGST and IGST – Application of CGST/IGST law; Concept of supply including composite and mixed supplies, inter-State supply, intra-State supply, supplies in territorial waters; Charge of tax including reverse charge; Exemption from tax; Composition levy
 - (iii) Place of supply
 - (iv) Time and Value of supply
 - (v) Input tax credit
 - (vi) Computation of GST liability
 - (vii) Procedures under GST including registration, tax invoice, credit and debit notes, electronic way bill, accounts and records, returns, payment of tax including tax deduction at source and tax collection at source, refund, job work



- (viii) Liability to pay in certain cases
- (ix) Administration of GST; Assessment and Audit
- (x) Inspection, Search, Seizure and Arrest
- (xi) Demand and Recovery
- (xii) Offences and Penalties
- (xiii) Advance Ruling
- (xiv) Appeals and Revision
- (xv) Other provisions¹

Part II: Customs & FTP (25 Marks)

Objective

1. To develop an understanding of the customs laws and acquire the ability to analyze and interpret the provisions of such laws.
2. To develop an understanding of the basic concepts of foreign trade policy to the extent relevant to indirect tax laws and acquire the ability to analyze such concepts.

Contents

1. Customs Law as contained in the Customs Act, 1962 and the Customs Tariff Act, 1975

- (i) Introduction to customs law including Constitutional aspects
- (ii) Levy of and exemptions from customs duties – All provisions including application of customs law, taxable event, charge of customs duty, exceptions to levy of customs duty, exemption from custom duty
- (iii) Types of customs duties
- (iv) Classification and valuation of imported and export goods
- (v) Officers of Customs; Appointment of customs ports, airports etc.*
- (vi) Import and Export Procedures including special procedures relating to baggage, goods imported or exported by post, stores
- (vii) Provisions relating to coastal goods and vessels carrying coastal goods*
- (viii) Warehousing*
- (ix) Drawback
- (x) Demand and Recovery*; Refund
- (xi) Provisions relating to prohibited goods, notified goods, specified goods, illegal importation/exportation of goods*
- (xii) Searches, seizure and arrest; Offences; Penalties; Confiscation and Prosecution*
- (xiii) Appeals and Revision; Advance Rulings; Settlement Commission*
- (xiv) Other provisions^{2*}

2. Foreign Trade Policy to the extent relevant to the indirect tax laws

- (i) Introduction to FTP – legislation governing FTP, salient features of an FTP, administration of FTP, contents of FTP and other related provisions
- (ii) Basic concepts relating to import and export
- (iii) Basic concepts relating to export promotion schemes provided under FTP

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

1. The entire CGST and IGST laws are included in the syllabus at the Final level. Any residuary provision under the CGST Act, 2017 and IGST Act, 2017, not covered under any of the above specific provisions; would be covered under "Other provisions". Further, if any new Chapter is included in the CGST Act, 2017 and IGST Act, 2017, the syllabus will accordingly include the provisions relating thereto.

Further, the specific inclusions/exclusions in any topic covered in the syllabus will be effected every year by way of Study Guidelines, if required.

** The topics marked with asterisk have been excluded from the syllabus by way of Study Guidelines.*

Admission to Final Examination

1. Students shall be admitted to Final Examination if
 - a. He is registered for the Final Course;
 - b. Has completed the Practical Training on or before the last day of the month preceding the month in which the examination is to be held or has been serving the last six months of practical training, including excess leave, if any, on the first the month in which the examination is to be held and
 - c. Has successfully completed Advanced Integrated Course on Information Technology and Soft Skills (Adv. IT & MCS)
2. Students shall pay Examination fees, as may be fixed by the Council for Final Examination
3. The subjects of Final Course are classified into two groups. The students can study and appear in the Examination group-wise or both the groups together.

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

Requirements For Passing Final Examination

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

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

Exemption

A candidate who appeared in all the papers comprised in a Group/unit and fails in one or more papers comprised in that Group/Unit but secures a minimum of 60% of the marks in any paper(s) of that Group/Unit shall be eligible for exemption in that paper(s) in the next following three examinations.

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

2.The entire customs law is included in the syllabus at the Final level. Any residuary provision under the Customs Act, 1962 or Customs Tariff Act, 1975, not covered under any of the above specific provisions, would be covered under "Other Provisions". Further, if any new Chapter is included in the Customs Act, 1962 or Customs Tariff Act, 1975, the syllabus will accordingly include the provisions relating thereto.



Further, the Council of the Institute has decided to grant the exemptions under new syllabus approved by it under clause (iv) of regulation 31 of the Chartered Accountants Regulations, 1988 in respect of Final Examination for existing students in respect of the group/paper qualified by them under the old scheme. The details are available at <https://www.icai.org/post/exemption-s-from-appearing-in-a-paper-s-or-group-of-ca-exams-under-the-new-scheme-of-education-and-training-w-e-f-may-2018-examinations-09-01-2018>.

Live Coaching Classes

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

e-Books

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

Knowledge Portal of Board of Studies

The study material along with all the BoS publications such as Revision Test Papers, Suggested Answers, Mock Test Answers, previous attempts' question papers and Supplementary Study Material are uploaded on the Institute website at BoS Knowledge Portal (<https://www.icai.org/post/bos-knowledge-portal>) in a scheme-wise, course-wise and paper-wise manner. The Study Material is available in chapter-wise and unit-wise manner. The Study Material, Revision Test Papers and Suggested Answers of Hindi Medium for all papers are also being uploaded as and when translated. PDF copy of Students' Journal is also available here.

A feedback window is also there in BoS Knowledge Portal wherein the students can provide their feedback on the study materials of the new scheme, so that the same can be taken into consideration.

The Board of Studies also uploads regular announcements through Board of Studies Announcements at <https://www.icai.org/category/board-of-studies-announcements> which are categorized into different categories for convenient access. The different categories are as under:

- Common Proficiency Test (CPT)
- Foundation Course
- Intermediate Course
- Intermediate (Integrated Professional Competence) Course / Accounting Technician Course (ATC)
- Final Course
- Final Course under Regulation 31 (ii) of CA Regulations, 1988
- e-Learning
- Events
- Four Weeks Residential Programme
- Opportunities to acquire additional under graduate and post graduate qualification
- Important Announcements



Information Technology Training & Soft Skills Course

The Institute of Chartered Accountants of India has developed two Courses namely, Integrated Course on Information Technology and Soft Skills (ICITSS) and Advanced Integrated Course on Information technology (AICITSS) each Consisting of four Weeks duration for shaping Chartered Accountants as complete Business Managers with an all-round personality.

Integrated Course on Information Technology and Soft Skills (ICITSS)

A student is required to complete successfully Integrated Course on Information Technology and Soft Skills (ICITSS) consisting of Information Technology (IT) and Orientation Course (OC) each of 15 days before registering for Articleship Training. The objective of ICITSS is to familiarize the students with diversified field of Accountancy profession, to make them tech-savvy and to develop their communication and presentation skills and to foster values such as integrity, transparency so as to groom them as professionals in future.

i. Course on Information Technology

The Information Technology Course aims to equip the entrants to face the emerging challenges in globalized competitive business environment.

- + To develop an understanding for use of Information Technology in the field of accounting and auditing and uniform theoretical and practical knowledge to all the aspiring CA students.
- + To provide training focused on knowledge of Electronic Spread Sheet, Data Base Management System, Computer Assisted Audit Technique (CAAT) and Accounting Package etc.

Eligibility

A Student has to mandatorily complete the Course on Information Technology Training before commencement of Practical Training.

Duration

The classes are scheduled for minimum 6 hours per day, in 15 working days.

Fee

The fee shall be ₹ 6,500 (Six Thousand Five Hundred only) per student on non-residential basis, inclusive of course material and tea/refreshments.

Syllabus

The broad areas of the course content is available in Section-A.

ii Orientation Course

The Orientation Course aims to equip the entrants of the profession...

- + To familiarize with various dimensions of the Indian Accountancy Profession.
- + To develop effective communication and presentation skills.
- + To groom and motivate the entrants to be knowledgeable and skilled professionals.
- + To expand the significance of practical training in the life of a professional.
- + To foster values such as integrity, transparency and Independence in the budding professionals.



**Eligibility**

A student has to mandatorily complete the Orientation Course before commencement of Practical Training.

Duration

The classes are scheduled for 6 hour per day in 15 working days.

Fee

The fee shall be ₹ 7,000 (Seven thousand only) per student on non-residential basis, inclusive of course material and tea/refreshments.

Syllabus

The broad areas of the course content is available in Section-B.

Advanced Integrated Course on Information Technology and Soft Skills (AICITSS)

A student is required to complete successfully Advanced Integrated Course on Information Technology and Soft Skills(AICITSS) consisting Advanced Information Technology (Advanced IT) and Management and Communication Skills (MCS) Course each of 15 days during the last two years of Practical training but compulsory before appearing for the final examination. The Course is designed with an idea that at the end of the session, each and every student is well-equipped to cope up with the effective and efficient use of IT Tools and to develop inter-personal and leadership skills as per global competitive environment.

i. Course on Advanced Information Technology

- + To develop practical skills to understand the intricacies of auditing in ERP environments using IT.
- + To understand the importance of IT General Controls (ITGCs) and its impact on assessment of ERP controls, assessment of application controls and access rights.
- + To provide training focused on application software relevant for the work of a professional accountant including using Auditing in ERP Environment, Enterprise Resource Planning (ERP), MS Excel as Audit Tool and advanced features of Electronic Spreadsheet, DBMS etc.

Eligibility

A Students undergoing Practical training shall be required to do Course on Advanced Information Technology (Advanced IT) under AICITSS during the last two years of Practical training but to complete the same before being eligible to appear in the Final Examination.

NOTE Students would be tested on Advanced Information Technology (AICITSS) through online test paper/ OMR Test Paper which they would be required to qualify with the requisite grades to be eligible to appear for Final Examination. The said grades would be reflected in the mark sheet of Final Examination.

Duration

The classes are scheduled minimum 6 hours per day, in 15 working days.

Fee

The fee shall be ₹ 7,500 (Seven thousand five hundred only) per student on non-residential basis, inclusive of course material and tea/refreshments.

Syllabus

The broad areas of the course content is available in Section-C.

ii. Management & Communication Skills Course (MCS)

The Management & Communication Skills Course aims to equip the students to the profession with some essential skills, such as...

- + To sharpen communication and presentation skills
- + To develop inter-personal and leadership skills
- + To provide an understanding of contemporary business environment and opportunities
- + To prepare the student for a career either in employment or in practice, by educating them to be adaptable and accountable

Eligibility

A Student undergoing Practical training shall be required to do Management and Communication Course (MCS) under AICITSS during the last two years of Practical training but to complete the same before being eligible to appear in the Final Examination.

Duration

The classes are scheduled for 6 hour per day in 15 working days.

Fee

The fee shall be ₹ 7,000 (Seven thousand only) per student on non-residential basis, inclusive of course material and tea/refreshments.

Syllabus

The broad areas of the course content is available in Section-D.

iii. Four Weeks' Residential Programme on Professional Skills Development (Optional)

To imbibe the professional skills required for effective functioning in business organizations and the profession, the Board of Studies organises Four Weeks' Residential Programme at ICAI's Centre of Excellence, Hyderabad.

Eligibility

All students who have passed Chartered Accountancy Final or IPCC/PCC/Intermediate (IPC)/Intermediate examination and are pursuing second year of Practical Training or have completed Practical Training may join the course. The students are exempted from Management and Communications Skills (MCS) of AICITSS Course who undergo Four Weeks' Residential Programme on Professional Skills Development.

Duration

The duration of the programme is Four Weeks.





Fee

The fee shall be ₹ 48,000/- (Rupees Forty Eight Thousand Only) per student on residential basis.

Syllabus

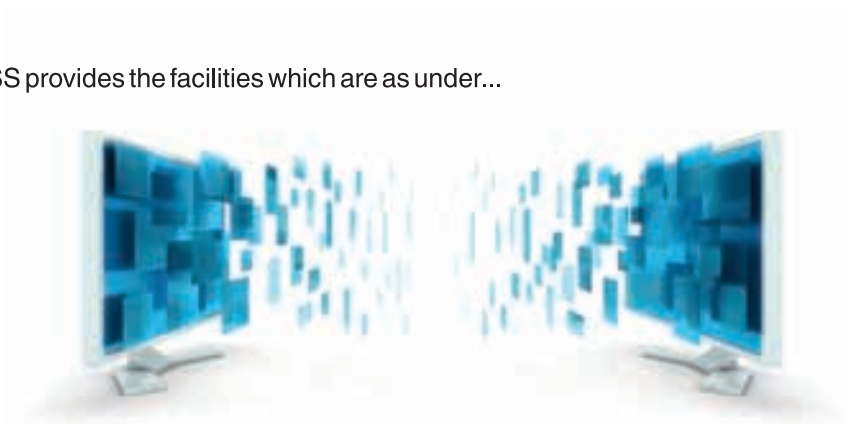
The broad areas of the course content is available in Section-E.

Registration for ICITSS and AICITSS Courses through Online Portal

The Board of Studies has developed Online Registration Portal to facilitate students to register in Soft Skill Courses (ICITSS and Advanced ICITSS) and make the payment of the course fee online using Credit/Debit card from all across the Country.

The Online portal for ICITSS and Advanced ICITSS provides the facilities which are as under...

- + Single sign on for all the courses
- + Online Registration for available Batch
- + Online Payment
- + Batch Transfer Facility
- + Online Feedback Submission
- + Online Certificate Generation



The students are required to login at Online Portal <http://cloudcampus.icaai.org> or www.icaionlineregistration.org and register in a particular batch launched by the Programme Organising Unit. After registration, the student is required to take a print of the acknowledgement slip from the portal and submit the same along with other documents, as mentioned in the acknowledgement slip, to the concerned Programme Organising Unit at least two days before the commencement of the batch. After verifying the documents, the concerned POUs will confirm the registration.

SYLLABUS OF ICITSS

Section A - Course on Information Technology

	Topics	(Hours)
1.	E Learning-Computer Fundamentals, Operating Systems, CBS	10
2.	MS - Word	06
3.	MS - Excel	30
4.	MS - PowerPoint	12
5.	Data Bases using MS Access	06
6.	CAAT	18
7.	Accounting Package	18

Section B - Orientation Course

	Topics	(Hours)
1.	About the Institute, Academic & Technical Guidance, General Management	06
2.	Developing Personal Traits	12
3.	Business Communication	12
4.	Presentation	24
5.	Interpersonal & Negotiation Skills	12
6.	Office Procedure	06
7.	Business Environment	06
8.	Strategic Decision Making	06
9.	Practical (Project)	06

Section C - Course on Advanced Information Technology

	Topics	(Hours)
1.	Auditing in an ERP Environment	44
2.	Advanced Excel	18
3.	MS Excel as Audit Tool	18
4.	Database Application using MS Access	12
5.	Enterprise Resource Planning	18

Section D - Management & Communication Skills

	Topics	(Hours)
1.	Business Communication	12
2.	Presentation	18
3.	Interpersonal & Negotiation Skills	18
4.	Leadership, Team Building and Career Development	12
5.	Office etiquettes	06
6.	Interview Preparation	12
7.	Strategic Thinking	06
8.	Professional Ethics	06

Section E - Four Weeks Residential Programme on Professional Skills Development

	Topics	(Hours)
1.	Developing Personal Traits	36
2.	Business Communication & Presentation	36
3.	Interpersonal & Negotiation Skills	19.5
4.	Business - Social Etiquettes	18
5.	Practice Development and Management	30
6.	General Management	22.5
7.	Arbitration and Allied Laws	09
8.	Current Affairs/Sessions with Subject experts	06
9.	Sessions with Government Officials	03



Practical Training, Industrial Training & Stipend

Practical Training/Articled Training

The unique requirement of practical training/articled training is instrumental in shaping a well-rounded professional and also ensure that students have an opportunity to acquire on-the-job work experience of a professional nature. Such a practical training...

- + Inculcates a disciplined attitude for hard work.
- + Develops necessary skills in applying theoretical knowledge to practical situations.
- + Provides exposure to overall socio-economic environment in which organizations operate.
- + Develops ethical values.

Duration: Three years.

When to Commence

- i. Foundation Route students can commence after completing Integrated Course on Information Technology and Soft Skills (ICITSS) and passing either or both groups of Intermediate Examination.
- ii. For direct entrants coming through Graduation and Post-Graduation route, the practical training commences immediately after registration in Intermediate Course and completion of four weeks ICITSS.
- iii. Students who have passed Intermediate level Examination of the Institute of Companies Secretaries of India or the Institute of Cost Accountants of India can commence only after completing ICITSS and passing either group or both groups of Intermediate Examination.

Students can commence articled training by submitting Form 103 and an agreement on training is to be entered with Principal in Form 102. The entire period of practical training can be served with a practicing member or it can be served partly with a practicing member and partly in an approved industrial establishment as an Industrial Trainee. The period of such industrial training may range between 9-18 months during the last duration of 3 year of practical training. Only students of Final course are eligible for industrial training.

In order to ensure that articled assistants get due training, students who are undergoing practical training can upload the details of work performed by them in web based e-diary system.

Objectives of Training Programme

Main objectives of the training programme include the following:

- i. **Acquisition of adequate theoretical knowledge:** The objectives of the theoretical education meant for the chartered accountancy course are-
 - + to impart necessary technical knowledge in relevant fields;
 - + to build up necessary comprehension and analytical skills; and
 - + to inculcate a professional and ethical approach.

The primary responsibility of imparting theoretical education rests with the Board of Studies through distance learning mode.

The Principal ensures on a day-to-day basis that trainees acquire and assimilate adequate theoretical knowledge with a view to providing strong foundation for building up of a professional chartered accountant. Such a theoretical knowledge can be supplemented by the firm directly by organizing group meetings, inter-firm/ intra-firm meetings, etc.



- ii. **Developing skills in applying theoretical knowledge to practical situations:** A professional accountant is not only required to acquire necessary theoretical knowledge but also to possess necessary skill to apply that knowledge to practical problems encountered by him. Practical training, encompassing sufficient range and depth of work experience, enables a trainee to acquire knowledge and skill by participation in activities performed by professional accountants. The ability to develop solutions to practical problems through application of theoretical knowledge is acquired by the trainees in the course of their practical training. Thus, a training programme must blend theoretical knowledge and practical training. For details, refer to training guide on our website.
- iii. **Inculcating a disciplined attitude:** Practical training scheme also has the effect of disciplining and conditioning the mind of the trainee so that he gets attuned to the work environment and learns the virtues of patience and methodical work. The sincerity, integrity, objectivity and hard work of individual members of the Institute contribute to the position and prestige of the whole profession.
- iv. **Imbibing due professional orientation:** Practical training imparted by a firm of chartered accountants must aim to endow due professional orientation amongst trainees. Apart from virtues of independence and integrity, trainees must imbibe professional orientation towards clients and social consciousness. Ability to communicate and articulate effectively with the client must also be developed as a part of the training programme.
- v. **Developing ethical values:** Practical training also helps the trainees to develop professional competence and related skills as also to acquire certain ethical values and norms expected of professional accountants. Since the trainee, on completion of practical training and on passing the examination, will become a member of the Institute, it is imperative that he must be acquainted with the role of a chartered accountant and the code of ethics.

Design of Training Programme

The Member In-charge of Training (MIT)/Principal may make a detailed assessment of the training environment so as to identify the areas in which the firm must provide training and the contribution which the firm can expect from trainees. Such an assessment will ensure that the training programme is relevant to the needs of the trainees and the firm. The following factors may be considered in this context.

- i. are view of the timing, type and total amount of work generated by the firm;
- ii. an assessment of the partners and staff with the experience, skills and qualifications needed to undertake the work and to provide supervision to trainees;
- iii. availability or otherwise of senior trainees for supervising the work done by junior trainees;
- iv. reviewing the arrangements for instructions, particularly experience needs to be supplemented by theoretical training;
- v. The period for which trainees will be available for work. (The effect of releasing trainees from assignments for courses or study leave must be taken into account); and
- vi. whether there are any deficiencies in the work experience available to trainees and how these may be overcome e.g. by secondment .

In designing the training programme, the following components are considered simultaneously so as to make it meaningful.

- i. Categories of work experience
- ii. In-house theoretical training

- iii. Development of professional attitude
- iv. Phasing of training programme.

The training programme is planned to ensure that the above components are included therein. The above components which are integrated into a logical sequence and which will provide trainees with the skills expected of them, are considered in detail in later paragraphs.

While considering integration of various components of a training programme the following elements are noteworthy:

- i. Assigning progressive work experience commensurate with the expanding abilities of the trainees around:- a number of 'core' assignments for each trainee and further assignments selected to broaden the trainee's experience which will not necessarily be repeated.
- ii. Designing a study plan to ensure that trainees are fully prepared to take examinations for which they are eligible.
- iii. Ensuring that work experience is preceded and backed by practical instruction including briefing before each assignment to ensure that the requirements of Accounting Standards and Auditing Standards relevant to the business of the auditee, etc. are fulfilled and that application of practical techniques to the circumstances of individual clients is properly understood.
- iv. Ensuring that any in-house theoretical training is integrated with practical work experience, which will update the Trainees/Students with latest knowledge and developments.
- v. Assigning higher levels of technical and supervisory responsibility and client contact designed to ensure that personal and managerial skills are developed.
- vi. Ensuring that professional attitude and an understanding of professional ethics are developed by all trainees.

Categories of Work Experience

The categories of work experience are generally grouped as under...

- + Accounting
- + Auditing (including internal audit)
- + Taxation (direct and indirect)
- + Information technology
- + Management services (including services in the field of financial management and corporate affairs)
- + Other areas, if any.

The aforesaid areas generally include the following...

i. Financial Reporting

- + Maintaining of books of accounts - manual or computerized
- + Preparation of financial statements
- + Application of statutory provisions, compliance with AS or Ind AS and other pronouncements of the Institute, etc.
- + Analysis and interpretation of financial statements
- + Preparation of various reports other than financial statements.

- ii. **Auditing** includes statutory audits, audit of various type of business and non- business organizations, tax audit, EDP audit, internal audit, operational audit, management audit and certification work.



- + Preparing audit programmes
- + Audit working papers and documentation
- + Understanding, recording and evaluating internal control system
- + Performing substantive audit procedures
- + Scrutinizing financial statements
- + Compliance with standards of auditing
- + Drafting audit report.

iii. Direct Tax Laws

- + Computation of total income and tax liability of different persons under the income-tax law
- + Determination of advance tax liability and computation of advance tax payable in each installment
- + Computation of interest for delay in payment of advance tax, deferment of advance tax etc.
- + Computation of interest/fee payable under the provisions of income-tax law
- + Assist in preparation of the statement of particulars in Form 3CD and other forms under the income-tax law
- + Assist in preparation and e-filing of income-tax returns
- + Assist in valuation of stocks, securities, etc. under the different provisions of income-tax law
- + Assist in tax planning
- + Assist in drafting of appeals, etc.
- + Assist in procedural compliance under the income-tax law e.g. compliance of provisions relating to tax deduction/collection at source
- + Computation of arm's length price in case of international transaction or specified domestic transaction
- + Computation of deduction under section 91, in respect of income earned by a resident in a country with which India does not have a DTAA
- + Computation of equalisation levy.

iv. Indirect Tax Laws

- + With GST being introduced from July 1, 2017, the work experience in indirect tax laws would entail assisting the Principal in.
 - Obtaining registration for the client
 - Filing of periodical statements, returns and other particulars
 - Determination of eligible credits and GST liability
 - Payment of taxes
 - Determination of interest/fee payable and payment thereof
 - Advising clients in restructuring/redesigning businesses to be in sync with GST laws
 - Reviewing existing contracts of supply of goods and services to analyse the impact of GST thereon and drafting new contracts taking into account the GST laws
 - Consultancy for smooth transition to new regime
 - Preparing case for opinions, drafting of appeals, memorandum of cross objections
 - Tax planning/optimisation.

iv. Information technology including computer applications

Use of skills acquired by the students during the 100 hours Information Technology Training in their actual work areas such as.

- + Use of customised or standard accounting packages, enterprise resource planning, etc.

- + Developing and maintaining data bases
- + Data extraction and analysis techniques
- + E-commerce - audit and legal considerations
- + System development life cycle
- + Business continuity planning
- + Information security
- + Information systems audit
- + Cyber laws and information technology
- + Learn how to e-file/upload information on sites as Income Tax, VAT, ROC, GST and NSDL etc.

v. Management consultancy and other services including services in the field of financial management and corporate affairs such as...

- + Preparation of fund flow and cash flow statements and forecasts
- + Projection of working capital requirements
- + Preparation of project reports
- + Preparation and processing of loan applications
- + Amalgamation and merger schemes
- + Planning capital structure
- + Drafting of Memorandum and Articles of Association
- + Formation of Companies
- + Preparation and analysis of Prospectus
- + Raising of capital, new issues and matters concerned therewith including SEBI Guidelines
- + Drafting of Minutes
- + Insolvency/Liquidation proceedings
- + Preparing and Reviewing Budgets.

vi. Other areas may include work study, organisational structure, design and conduct of training programmes, corporate planning.

The categorization of work experience as above should not be considered exhaustive or rigid as it is quite likely that working in a particular field may also overlap with other areas. For instance, work experience in the area of accounting and auditing may not be distinguishable in actual practice as both areas are quite inseparable from each other. Further, computers may be used in any of the aforesaid categories of work experience.

Providing Effective Work Experience

To make work experience effective, the following procedures may be observed.

1. The trainee's academic and other background should be ascertained and the work assigned should be such as would give him new experience. It is also preferable to assign all aspects of the work to a trainee in progressive stages rather than small portions of unrelated jobs. Necessary additional briefing should be given to such trainees who do not possess an educational background like a degree in Commerce. The assignment should be discussed with the trainee in advance and he should be informed about the nature of the client's business, the general economic conditions in which client operates and special features, if any, regarding the assignment. The following steps may be taken in this direction:
 - i. ensuring that before undertaking new work, trainees receive the knowledge, skill and understanding required to perform that work effectively;



- ii. providing any further explanation, instruction or correction as may be necessary, as a normal part of the supervisory process;
 - iii. clarifying relevant issues during the review of completed work.
2. In the case of an audit assignment, the trainee should be encouraged to study the audit reports of previous years to acquaint himself with all the relevant facts. Wherever possible, a visit to the client's works should also be arranged. The importance of working papers should also be explained to the trainee.
3. In the case of a tax assignment, the trainees who have acquired sufficient background of tax laws may be briefed about peculiar features of transactions of a client requiring special tax considerations etc. The trainee may be encouraged to study and analyses prior years' assessments, familiarize himself with various admissible and inadmissible deductions and prepare comprehensive draft tax returns, refer relevant case laws etc.
4. For achieving maximum benefit, a review of the working papers must be conducted in the presence of the trainee and additional work or enquiry should be assigned to the same trainee. The review gives a good opportunity to transmit to the trainee the benefit of a senior's skill, experience and knowledge and when conducted on a friendly basis, encourages the trainee to ask questions to appreciate the relationship of his work to the entire assignment and to understand other related aspects of work which might have been overlooked. In brief, it induces the trainee to understand the "why and how" of the matters under consideration. It needs little emphasis that work experience should not be confined to particular areas of work, but should cover all aspects of work in a chartered accountant's office.
5. Review of the work experience by MIT/Principal on a continuous basis would ensure that work performed by the trainee is of requisite standard. Deficiencies in the work experience, if any, noted by the MIT/Principal can be taken care of while allocating subsequent assignments. Such a review would also assist the MIT/Principal in subsequent completion of Training Records.

Industrial Training (Regulation 51)

The Institute, in furtherance of its objectives of providing to the industries, members with adequate knowledge and background of industrial functioning, conceived the concept of industrial training. The concept, inter alia, envisages the preparation of trainees, who intend to build their careers in industries, after becoming chartered accountants, in a manner mutually beneficial.

Training in an industrial/commercial/financial environment provides the trainees with the opportunity to develop a problem-solving attitude and to have an insight into the functioning of the accounts department. It also diversifies their practical experience and helps them in developing the attributes of team work and correlation with members of other professions and disciplines. It is intended to provide the trainees with a new dimension to their experience. This would necessarily involve exposure of trainees to the entire gamut of activities of industrial establishments in a phased and systematic manner. An exposure to the working environment of a large commercial organization will give them an integrated view of its operations. It is essential that the member imparting training in industrial including commercial and financial enterprises, recognizes that perception of the overall business environment is the prime objective of such training.

Eligibility and other conditions for undergoing Industrial Training

- i. An articled assistant who has passed the Intermediate (IPC) Examination / Professional Competence Examination/ Professional Education (Examination - II) or Intermediate examination can serve as an Industrial trainee in any of the financial, commercial, industrial undertakings as may specified by the Council or such other institution or organization as may be approved by the Council from time to time.
- ii. Articled assistant before proceeding for Industrial Training has to intimate his principal atleast three months before the date on which such training has to commence.
- iii. Period of Industrial Training may range between minimum of nine months to maximum of Eighteen months during the last duration of three years of practical training.
- iv. The Industrial Training shall be received under a member of the Institute. An Associate who has been a member for a continuous period of at least three years is entitled to train one industrial trainee and fellow is entitled train two industrial trainee at a time, whether such trainees are articled assistants or audit assistants.
- v. An agreement of training is to be entered in the approved form i.e. Form No. 104
- vi. On satisfactory completion of industrial training, the principal has to issue service certificate in the approved form i.e. Form No. 105.

Industrial training also offers an opportunity to the trainees to take part in specialized accounting exercises. Thus, for instance, the closing of accounts provides an opportunity for them to acquire the skills necessary as a concomitant to the theoretical knowledge which they have acquired earlier. Industrial training may also expose the trainees to management accounting, cost accounting, management information system, EDP etc. It also provides an opportunity to them to participate in the work relating to corporate laws, taxation and secretarial practice.

Part of Practical Training Outside India

Regulation 54A contains a provision whereby a Principal can depute an articled assistant not exceeding six months to any member outside India who is eligible to engage and train such trainees under the bye-laws of an institution or body, etc. set up in the respective country under the relevant Statutes. It may be noted that in such cases, no Deed of Articles need to be executed for such training nor any intimation be sent to the Institute in this regard. Further, the Principal shall include the particulars of such training in the Report to the Council in terms of Regulation 64. Hence, it is an excellent opportunity for articled assistants who are undergoing training in India to get exposure outside India as well. It is not necessary that articled assistant is deputed only to a member of the Institute located in that country. In fact, articled assistant can be deputed to any member of that country's accounting institution or body set-up under the relevant statute provided such member is entitled to train articled assistants (by whatever name called) in that country.

Revised Guidelines for Training of Articled Assistants outside India

- i. A Chartered Accountant is eligible to train an articled assistant provided his main occupation is the practice of the profession of Accountancy at the time of engaging articled assistants as well as in each of the qualifying years on the basis of which he claims eligibility to train articled assistants.
- ii. Any member engaged in any other business, occupation or holding part time certificate of practice is not entitled to train articled assistant.



- iii. Any member employed as a Paid Assistant or engaged as a partner in a foreign firm of Chartered Accountants will also be eligible to train articled assistants at par with the paid assistants with a firm of Chartered Accountants in India. All conditions applicable to the Paid Assistants in India would be applicable to them as well. However, in case of a foreign firm, such a foreign firm shall have at least one partner who is either a member of the Institute or who is eligible to become a member of the Institute, in terms of MRA.

Provided that every Chartered Accountant from ICAI who is registered as an auditor and obtained a license and registration number from the appropriate competent authority abroad to establish a professional firm and carry out the attest function and who meets the international/local experience and expertise criteria laid down by the law shall be eligible to train articled assistants as under.

Category	Period of Continuous Practice	Entitlement of Articled Assistant(s)
i.	An associate or fellow in continuous practice for a period up to 3 years	1
ii.	An associate or fellow in continuous practice for any period from 3 years to 5 years	2
iii.	An associate or fellow in continuous practice for any period from 5 years to 10 years	4
iv.	An associate or fellow in continuous practice for any period from 10 years	5

It would also be essential for such member abroad to produce the copy of License and certificate of registration issued by the competent authority abroad to him as individual member and to the professional firm with whom he is affiliated to the Institute with current validity at the time of registration of articlehip.

Further where an Indian Chartered Accountant is working as paid assistant in a firm where there is no Indian CA as a partner such paid assistant shall not be entitled to train any articled assistant.

- iv. The members shall provide a professional address as envisaged in Regulation 2(1)(xiii) as well as an address in India.

(As per the said Regulation, professional address means...

- a. an address of the place where the member is carrying on his profession (or where he is carrying on his profession at more than one place, the principal place), or
- b. if a member is employed, the place of employment or at his option the place of his residence
- c. the place of residence, if the member neither carried on the profession nor is employed.

It may please be noted that an address in India is essential in any of the situation).

- v. Since there is full time employment visa instead of Trainee Visa for students who wish to register their articleship with chartered accountants abroad according to the immigration laws of Gulf Cooperation Council (GCC) Countries, so such employees shall be treated at par with the articled assistants registered in India.

It would be essential for such articled assistants abroad to produce the copy of such visa and immigration details

along with a copy of passport at the time of registration of articleship. The terms and conditions that may be made applicable for training articled assistant in India from time to time shall mutates mutandis apply for training of articled assistant abroad.

- vi. The period of practical training shall be 3 years or 3 ½ years, as applicable, under a practising chartered accountant abroad. However, the articled / audit assistants should have an option to undergo industrial training in accordance with the Regulations 51 & 72 of the Chartered Accountants Regulations, 1988 during the last 18 Months of Practical Training.
- vii. The Industrial Training may be imparted by the Chartered Accountants working abroad in a financial, commercial or industrial undertaking with minimum fixed assets & minimum total turnover or minimum paid up capital as may be specified by the Council (whatever the value specified in terms of Indian currency may be deemed as applicable in foreign countries in their respective currencies) or such other organization or institution approved by the Council. In case of a member employed outside India, and eligible to impart Industrial training outside India, is unable to submit Annual Report/Balance sheet of the corporate/undertaking the member is working with, the member may submit a self declaration about the particulars of the undertaking along with the application.
- viii. The terms & conditions contained in Regulation 54 and Regulation 54A dealing with secondment shall be applicable to the articled assistants receiving training abroad.
- ix. The Principal shall send training reports as prescribed along with the service certificate to be issued in Form 109 & 108 as the case may be.
- x. The principal shall impart training in accordance with the guidelines contained in Training Guide. He shall maintain a record of practical training imparted by him to the articled assistant and report to the Council in the form prescribed in the training guide.
- xi. The rates, terms and conditions of stipend prescribed as payable to the articled assistants receiving training in India shall be applicable to the articled assistants receiving training aboard except that the same rate of stipend in equivalent terms specified in respective national currencies of the countries concerned instead of Indian Rupees.
- xii. Regulation of training in terms of office hours and working days holidays will be applicable as per local office timings and laws. However, requirements of total training hours will be the same as applicable in India, the terms of which are given hereunder...
 - a. The working hours for the articled assistants shall be 35 hours in a week excluding the lunch break.
 - b. The office hours of the Principal for providing article training to the articled assistant shall not be generally before 9.00 a.m. or after 7.00 p.m.
 - c. The normal working hours for the articled assistant shall not start after 11.00 a.m. or end before 5.00 p.m.
 - d. The working hours for the articled assistants should not exceed 35 hours in a week excluding the lunch break and normally an articled assistant be required to work during the normal working hours fixed for articled assistants.
 - e. In case of exigencies of work with Principal, an article assistant may be required to work beyond his / her



normal working hours. However, under such circumstances, the aggregate number of working hours shall not exceed 45 hours per week. The requirement to work beyond 35 hours in a week should not be a practice but only in exceptional circumstances.

Further, where the articulated assistant is required to work beyond normal working hours, and aggregate of such hours exceed 35 hours per week, he / she shall be entitled to compensatory leave calculated with reference to number of completed working hours, over and above, 35 hours per week.

Further conduct of training will be regulated as per provisions of the relevant Regulations as follows...

Regulation 60: Working hours of an Articled Assistant

“Subject to such directions as may be issued by the Council, the working hours of an articulated assistant shall be 35 hours per week to be regulated by the Principal from time to time”.

Regulation 65: Articled assistant not to engage in any other occupation

“Without the previous permission of the Council, obtained on application made in the *approved form, no articulated assistant shall, during the period of his service as an articulated assistant, take any other course of study or training, whether academic or professional, or engage in any business or occupation.”

Regulation 66: Enquiries against Articled Assistant

1. Where a complaint or information of any misconduct or breach of Regulation 65 or breach of any of the covenants contained in the articles is received against an articulated assistant from his principal or any other person, the President or the Vice President as the Executive Committee may decide from time to time, may cause an investigation to be made.
2. The Executive Committee may, on a consideration of the report of the investigation and after giving the articulated assistant an opportunity of being heard, make any of the following orders, namely...
 - i. direct that the papers be filed and the complaint be dismissed, if the Executive Committee finds that the articulated assistant is not guilty of any misconduct or breach of Regulation 65 or breach of any of the covenants contained in the articles; or
 - ii. if the articulated assistant is found guilty, reprimand the articulated assistant or cancel the registration of articles or direct that any period already served under such articles shall not be reckoned as service for the purpose of the period of practical training specified in Regulation 50.
3. The articulated assistant, the registration of whose articles has been cancelled under this regulation, shall not, except with the permission of the Executive Committee be retained or taken as an articulated assistant or audit assistant by any member”.

Regulation 67: Complaint against the Principal

1. Where an articulated assistant makes a complaint against his principal on a matter concerning his training as an articulated assistant, the President or the Vice- President as the Executive Committee may decide from time to time, may cause an investigation to be made and submit a report to the Executive Committee.
2. The Executive Committee shall submit the report of the investigation to the Council with its recommendations.

3. The Council may, on a consideration of the report of the Executive Committee, pass such order as it may consider expedient, including an order withdrawing the entitlement of the principal to train one or more articled assistants either permanently or for a specified period.
4. The President or the Vice-President as the Executive Committee may decide from time to time, may, pending an investigation of the complaint, either terminate or suspend the articles and allow the articled assistant to be accepted as additional articled assistant by a member, notwithstanding anything contained in Regulation 43.

Secondment/Exchange (Regulation 54)

In order to expose the trainees at large to multi-disciplinary work and variety of business situations, the arrangement of secondment has been provided in the Regulation 54. The procedure relating to secondment enables an articled trainee to gain practical experience, in areas where the Principal may not be in a position to provide the same, in the office of another member in practice on the basis of a mutually agreed arrangement. Secondment is allowed with the consent of the articled trainee from one member to another member who is entitled to train articled trainees in his own right or to a member in industry who is entitled to train industrial trainees. The member to whom the trainee is seconded is not entitled to train more than two such trainees on secondment at a time. The aggregate period of secondment cannot exceed one year. The Council may permit secondment with more than one such member provided the minimum period of secondment shall be four months. Where an articled trainee is seconded to a member in industry, the total period spent in industry including the period of industrial training should not exceed 18 Months. During secondment the member with whom the articled assistant is seconded shall be required to pay the stipend and is responsible for imparting training and maintaining records and also required to forward the records to the principal on completion of period of secondment. The principal is required to include particulars of the secondment in the report to the Council under Regulation 64.

Apart from the secondment of a trainee from one firm to another firm or to an industry, firms may exchange trainees on mutual basis for a limited period to the advantage of firms and trainees. Such an arrangement is also quite flexible like the scheme of secondment and enables the firms to overcome deficiency, if any, in practical training imparted to trainees.

In-house theoretical training

It is another important component of practical training as practical work experience can be supplemented by arranging in-house theoretical training. Such training involves laying the foundation of knowledge and skills on which the work experience is built-up. It is not an alternative to work experience and it cannot compensate for any deficiencies in the quality or extent of work experience within the office. Theoretical training may be provided by the firm or through a group training scheme organized by two or more firms. Some of the advantages may be listed as follows.

- i. Sharing of work experience by one set of trainees with another batch leads to enhancement in overall level of knowledge
- ii. Group-discussion and presentation by trainees in the presence of MIT/Principal not only helps in sorting out ticklish points of a particular client but also in broadening the vision of trainees
- iii. A number of trainees can acquire practical knowledge and practice technical skills simultaneously. This may be more cost-effective than providing individual instruction



- iv. Communication becomes more effective
- v. Trainees can be exposed to latest developments in the field and asked to apply these developments in real-life situations
- vi. The total time devoted by supervisors is reduced as trainees tend to perform better.

A theoretical training programme would include an induction course for new trainees introducing the office, the Institute (in particular, its ethical standards), student training records, basic book-keeping, accounting, theory of auditing and taxation.

Periodic courses throughout the training period, for example...

- + Preparation of statutory accounts
- + Analytical review of accounts
- + Preparation of working papers
- + Basic supervisory skills
- + Hands-on computer training; and
- + Flow-charting internal control system.

In-house theoretical training may be carried out internally by firms or by groups of firms where the size of each such firm does not permit conducting the training programme individually. Such formation of groups would be both economical and effective.

Stipend to Articled Assistants

A person registered as an articled assistant is entitled to receive a minimum monthly stipend as per the rates specified under the Chartered Accountants Regulations, 1988. The current minimum rates of monthly stipend (w.e.f.23.01.2015) payable, depending on the situation of the normal place of service of the articled assistants are as follows.

	Classification of the normal place of service of the articled assistants	Stipend payable per month (₹)		
		During the first year of training	During the second year of training	During the remaining period of training
1.	Cities/Towns having population of 20 lakh and above	2,000	2,500	3,000
2.	Cities/Towns having a population of 4 lakh and above but less than 20 lakh	1,500	2,000	2,500
3.	Cities/Towns having a population of less than 4 lakh	1,000	1,500	2,000

Permission to pursue other courses of study including guidelines on working hours

Under Regulation 65 and Regulation 78 of the Chartered Accountants Regulations, 1988 an articled/audit assistant cannot take up any other course of study or training, whether academic or professional, without prior permission of the Council. The permission may be granted to an articled/audit assistant, for pursuing one additional course of study at a time during the period of practical training on submission of request in the prescribed form.

Permission to pursue other courses

- I. During the working hours, the articled assistant is not permitted to attend college/other institutions for pursuing any course including graduation. Accordingly, college timings of such course should not be such (after taking into account the time required to commute) which clash with the normal working hours of the articled training.
- ii. To ensure that the working hours do not clash with the graduation or any other course, if any, pursued by the articled assistant, each articled assistant shall be required to obtain specific permission from the ICAI for pursuing graduation or other course as permitted under the Chartered Accountants Regulations by submitting Form No. 112, within one month from the date of joining the college or course to the ICAI.
- iii. The Certificate in Form No. 112 indicating college timings etc. shall be counter-signed by the concerned Principal of the college with the seal and stamp of the College and also indicating the telephone number/s and full address of the College.
- iv. In case a student does not comply with the above requirements or violates any of the above guidelines, his/her articleship period shall not be recognized.

Practical Training Assessment

The Board of Studies (Academic) conducts an online MCQ-based test for the students who are pursuing practical training. The students are being assessed at two stages, first after the completion of first year of training and second after the completion of second year. It has been introduced to imbibe the importance of practical training among the student fraternity.

These tests are recommendatory in nature, i.e. a student can opt not to appear in any or both of these tests. The grades are assigned in these tests and the average grade of the student at both the levels appears in the virtual certificate issued to the student after qualifying the Final examination. If a student does not appear in both these tests, this virtual certificate will not be issued to the student.



Code of Conduct

Code of Conduct for the Students of Chartered Accountancy Course

The Council of the Institute has laid down 'Code of Conduct for CA Students' to be observed while pursuing Chartered Accountancy Course. This Code of Conduct is applicable to all students who are pursuing Chartered Accountancy Course and includes students who have completed practical training. The 'Code of Conduct for CA Students' is given below.

Preamble

The Council of the Institute of Chartered Accountants of India hereby lays down the Code of Conduct to maintain decorum and discipline amongst the students of the Chartered Accountancy Course. While dealing with the members of the Institute and other public in general, it is expedient to ensure the Code of Conduct for students undergoing practical training under the Chartered Accountancy Course including students registered for Foundation, Intermediate/ Final Course and even those students who have already completed practical training.

Regulation 66 of the Chartered Accountants Regulations, 1988 makes an explicit mention that the Code of Conduct is applicable to the Students undergoing practical training under the Chartered Accountancy Course and deals with relevant procedure to be followed in case of breach of the same.

Interpretations: In this Code of Conduct, unless otherwise stated,

- + "Act" means The Chartered Accountants Act, 1949 (XXXVIII of 1949) as amended from time to time.
- + "Regulations" means regulations made under the Chartered Accountants Act, 1949"
- + "Institute" means the Institute of Chartered Accountants of India (ICAI) constituted under the Chartered Accountants Act, 1949.
- + "Council" means the Council of the Institute.
- + "Board/Board of Studies (BoS)" is a non-standing Committee of the Council under Section 17(2) of the Chartered Accountants Act, 1949.
- + "Executive Committee" is the standing Committee of the Council formed under Section 17(1) of the Act.
- + "Examination Committee" is the standing Committee formed under Section 17(1) of the Act".
- + Principal" or "Employer" means a member entitled to train Articled Assistants and Audit Assistants under the Chartered Accountants Regulations, 1988.
- + "Articled Assistant" means an articled assistant as referred to in clause (j) of sub-section (2) of Section 30 of the Act engaged under articles by a member entitled to train articled assistants under the Regulations;
- + "Audit assistant" means an assistant engaged in audit service by a member entitled to train audit assistants under the Regulations;
- + "Accredited Institution" means institution authorized by the Board of Studies for the purpose of organizing classes for Chartered Accountancy students as per guidelines issued from time to time.

1. General

- 1.1 Students who are registered as articled / audit assistants under the provisions of the Chartered Accountants Act, 1949 / Regulations framed thereunder (hereinafter referred to as "trainees" or "articled / audit trainees") should conduct themselves in accordance with the guidelines provided hereunder whilst undergoing practical training under the Chartered Accountants Regulations, 1988.

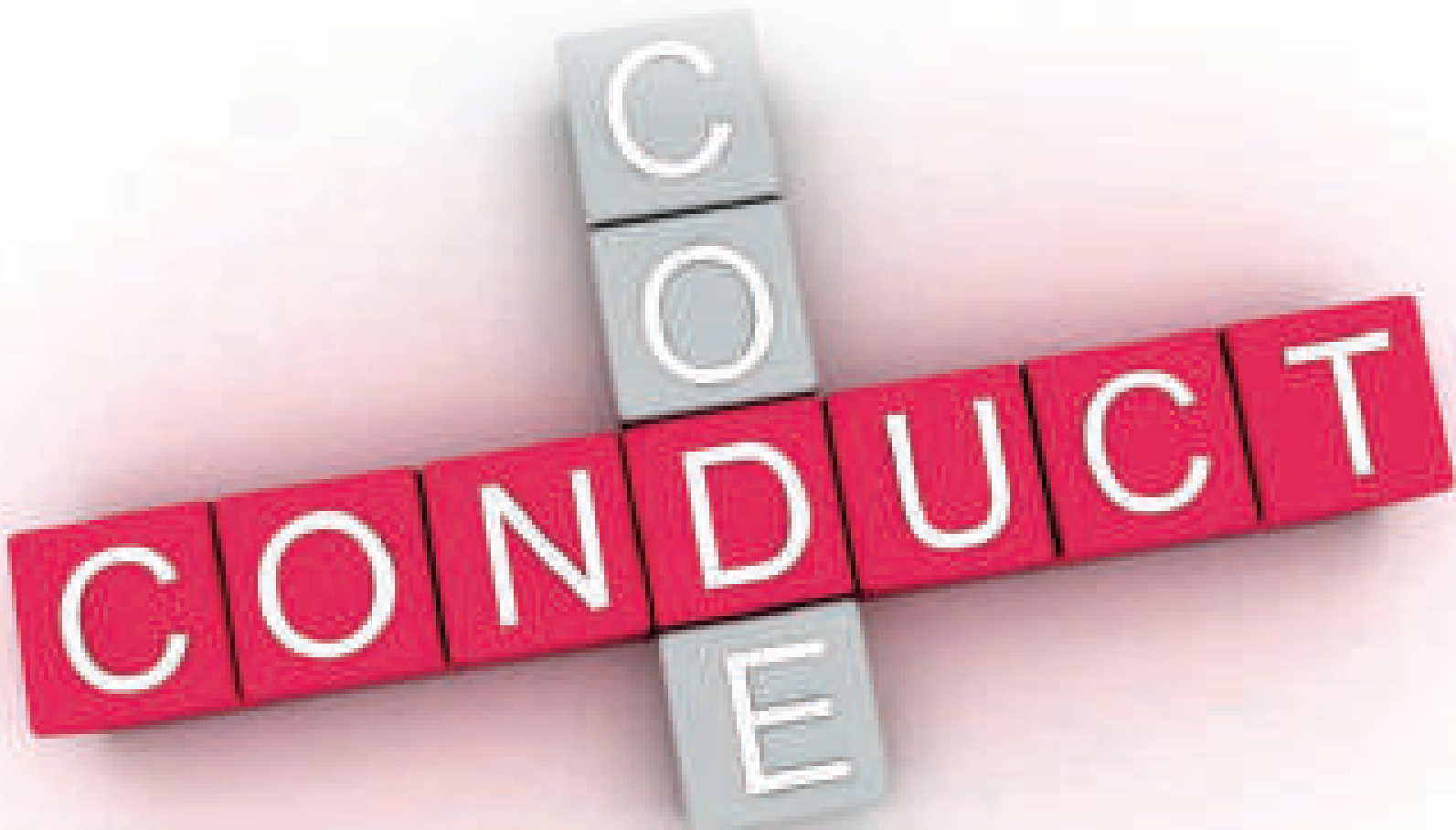


- 1.2 The Code of Conduct shall be applicable to all students including Foundation, Intermediate and also students pursuing the Final course who have / have not completed their articulated training and, thus, shall be held liable in case they mis-handle / damage any assets / property/ infrastructure of ICAI or at its authorized Centre(s) / Venue(s) also shall be bound by various provisions under the proposed Code of Conduct. Further such person(s) shall also be required to maintain decency and decorum while attending programmes like seminars, conferences, mock tests, ICITSS (IT & OC) & Adv ICITSS (Adv IT & MCS) or any other course/programme etc. organized by the Institute or its regional councils / branches.

2. Conduct of Articled / Audit Assistant

An Articled / Audit Assistant shall comply with the following principles of the code of conduct:

- 2.1 The articulated / audit assistant shall, at all times, diligently and faithfully serve the Principal in the practice of profession of Accountancy.
- 2.2 The articulated/audit assistant shall follow the covenants contained in the Deed of Articles and the provisions of the Act and Regulations as may be applicable, from time to time.
- 2.3 The articulated / audit assistant shall be responsible for the quality and correctness of the work done by him in the course of practical training, either in the office of the Principal or in the offices of any of the clients of the Principal.
- 2.4 The articulated / audit assistant shall not, at any time, during the continuation of his articleship - destroy, cancel, obliterate, spoil, embezzle, spend, take away with him/her copies of books, papers, plans, documents, monies,





stamps, hardware, software or chattels whether belonging to the Employer or his personal representative(s) / assignees / partner(s) / client(s) which came into his/her hands or, custody or possession, or allow any other person to use the same without the prior approval of his employer.

- 2.5 The articled / audit assistant should at all times observe discipline and follow guidelines, rules and regulations set out by his/her employer and not act in any manner that will bring disrepute to his/ her employer or the profession in General.
- 2.6 The articled / audit assistant shall obey and follow all lawful and reasonable instructions of his/ her Employer and shall not depart or absent himself/herself from the training of the Employer at any time during the said term without the prior consent of his/her employer or partners but shall at all times during the said term conduct himself/herself with honesty and propriety.
- 2.7 The articled / audit assistant shall behave in a responsible manner as a prospective member of the profession, with his colleagues, staff members in his Employer's office, Employer's clients and their representatives, Institute's officials & employees and judicial, quasi-judicial and other authorities, wherever he/she represents his/her employer.
- 2.8 The articled / audit assistant shall conduct himself/herself in a manner which shall show that he/ she is endowed with impeccable character and help him/her to uphold ethical principles and professional Code of Ethics.
- 2.9 The articled / audit assistant shall not obtain any monetary help or assistance or any form of gratification directly or indirectly from the clients of the Principal, their officials or representatives.
- 2.10 Students, while undergoing Articled Training shall adhere to the formal Dress Code as per the local culture and tradition. Students while undergoing Orientation Course, Management and Communication Skills (MCS) course, Information Technology, Advanced Course should maintain discipline and decorum apart from adhering to dress code (Advisory Dress Code: Male Students: Full Sleeves Shirts and Trousers; Female Students: Sarees / Salwar Kurta / Suit. While appearing before the appellate authority, they may also wear a suit and a tie).



Memorandum of Understanding (MOU) & Mutual Recognition Agreement



Mutual Recognition Agreement (MRA)/ Memorandum of Understanding (MOU) with Overseas Accountancy Bodies

ICAI has qualification reciprocity agreement with the following accounting bodies.

- 1) The South African Institute of Chartered Accountants (SAICA)
- 2) The Institute of Certified Public Accountants (CPA Ireland)
- 3) The Chartered Professional Accountants of Canada
- 4) The Institute of Chartered Accountants in England and Wales

**ICAI also has technical cooperation MOUs with a number of countries.
For details visit www.icai.org**





Miscellaneous



Opportunities for Members

Globalisation has had a positive impact and opened new avenues for the country to establish its distinctive position in the knowledge world. The accelerated economic growth within the country has also increased the demand for skilled and competent human resource. The global accountancy profession has been particularly conscious of this need and has been working towards integration of knowledge and skills to develop competent chartered accountants to keep pace with the growing demands of the knowledge economy.

Chartered Accountancy is a challenging career at the cutting edge of trade, industry and economic growth. The best way for a chartered accountant to leverage knowledge economy is to imbibe its traits - innovation, dynamism and change management being the most significant. It is also critical for them to keep a tab on the technological developments. Finally, they should be able to "MAP the GAP" by integrating their knowledge with the requisite professional skills and values to evolve as competent chartered accountants. No wonder that the Chartered Accountancy is a high status profession and a passport to challenging and rewarding career in industry and commerce. Chartered Accountants possess abilities necessary for deciding and acting upon the high-pressure situations.

Chartered Accountancy is a profession that imparts the best of technical skills in accounting, auditing, taxation, financial and management areas. Chartered Accountants today, have occupied top management positions in public as well as private sectors. They also render professional and consultancy/advisory services in the areas of financial reporting and auditing, taxation, finance, and management accounting.

The society has increasingly recognized the services of CAs in entire gamut of financial reporting and management consultancy including management accounting, management information and control systems, international finance, information technology and financial services sector. CAs today are part of the top management team and hold key positions in the corporate sector. Even in the government, they occupy prominent positions. Rapid changes taking place in the economy have further opened up new vistas of opportunities for the Chartered Accountants. On becoming a Chartered Accountant, you have many options for pursuing challenging and rewarding career.

In this Scheme, the chartered accountant will be equipped not only with the technical competence, professional skills and professional values, but also with ethics and attitudes in order to gear up to take on new roles. The emerging CAs would be able to help industry and small businesses in understanding the nuances and the compliances under the new regime thereby facilitating ease of doing business. CAs would now be able to play a significant role in helping businesses avert risks thereby facilitating the businesses to contribute towards make in India and nation building.

Independent Professional Practice

As practitioners of public accounting, CAs may start professional practice as a proprietor or join any existing firm as a partner or staff member. A CA has been entrusted with substantial responsibility under various legislations such as compulsory audit of the accounts of all companies, banks, cooperative societies, stock brokers, big income-tax assesseees, large bank borrowers, etc.

A Chartered Accountant also provides compilation and review services as and when required by enterprises. While practicing as an independent professional, a CA also acts as a business advisor by providing all kinds of services including the preparation of financial reports, helping the business to secure loans, preparing financial projections showing how the loans will be repaid, and determining the viability of business. As a tax advisor, CA helps business and individuals to comply with tax laws and represent his clients before government agencies.



Global Scenario

Today, the Indian Chartered Accountancy qualification is well recognised in many countries as Indian CAs are taking up attractive global careers. Indian CAs are highly sought because of their skill sets and high quality of education.

The opportunities are simply ever increasing. Today, huge opportunities are available for professionals with specialized knowledge and skills sought by global organizations. These include areas of globally accepted financial reporting, national and international taxation, finance and corporate law. The knowledge of local laws and regulations, of course, places Chartered Accountants in a stronger position to supply services to global organizations entering the Indian Market.



Below given are the opportunities which chartered accountants can avail as per their interest...

Professional Opportunities for Chartered Accountant as a Global Accountant

Knowledge of Ind AS / IFRSs will benefit the Chartered Accountants in a way that they will be able to cater their services as experts in the area of financial reporting in different parts of the world. They would be able to scan the financial statements of multi-nationals and avert probable frauds. Also, for chartered accountants in industry as well as in practice, their mobility to work in different parts of the world would increase.

Further, Ind AS / IFRS requires valuation of assets and liabilities at fair values. For the purpose of fair valuation, our industry will require valuers. Therefore, our CAs may also venture into this new area of valuation by becoming valuers. Certain industries like Banking and Insurance are most affected by the implementation of Ind AS. CAs will have plethora of opportunities to render their services on application of Ind AS to these industries.

Chartered Accountant as an Auditor

Appointment of Chartered Accountants as auditors is mandatory under the Companies Act, 2013, therefore, knowledge gained in auditing subject would be helpful to him while conducting statutory audit of Companies for example listed Companies, Private Ltd. Companies, Government Companies, Banks etc. Under Income Tax Act 1961, Tax Audit is also statutorily required to be conducted by Chartered Accountants, education of Auditing would be imperative to conduct such audits.

Also, certain entities like Political Parties, Co-operative Societies, Non-Profit Organizations are also required to get their

accounts audited by Chartered Accountants which would definitely require deep knowledge in auditing. Moreover, Internal Audit is also made obligatory for certain class of Companies.

Professional Opportunities for Chartered Accountants in the Direct Taxes domain

Audit of Accounts

The provisions relating to tax audit were introduced in the statute book in the year 1984, marking a milestone in the history of chartered accountancy profession in the realm of professional opportunity in direct taxes. Since tax audit was introduced to ensure the accuracy of books of accounts maintained, which forms the basis of computation of income, the responsibility entrusted to chartered accountants. The disclosure requirements under the notified income computation and disclosure standards (ICDSs) also have to be captured in the tax audit report.

Special audit, directed by the Assessing Officer owing to nature and complexity of accounts, volume of accounts, doubts about the correctness of the accounts, multiplicity of transactions in the accounts and interest of revenue, is another important responsibility entrusted to chartered accountants.

Audit of trusts and institutions whose total income without giving effect to the exemption provisions exceeds the maximum amount not chargeable to income-tax in any previous year has also been entrusted to chartered accountants. The exemption available to electoral trusts is also subject to the condition that their accounts are audited by a chartered accountant.

Further, the profit-linked tax deductions from gross total income [Section 80-IA to 80-ID] shall not be admissible unless the accounts of the undertaking eligible for such deductions have been audited by a chartered accountant and the audit report is furnished along with the return of income.

Certification

In addition to audit, there are certain provisions under the Income-tax Act, 1961 which require certification by a chartered accountant. For instance, every company to which the provisions of minimum alternate tax applies have to furnish a report by a chartered accountant certifying the correctness of computation of book profit. There is a similar requirement for every person to whom the provisions of alternate minimum tax are applicable.

Verification

Besides audit and certification, certain requirements under the Income-tax Act, 1961 necessitate statements/returns to be duly verified by a chartered accountant.

For instance, a non-resident having liaison office in India set up in accordance with RBI guidelines has to submit a statement duly verified by a chartered accountant in respect of its activities in a financial year to the jurisdictional Assessing Officer.

Advisory and Compliance Services

In addition, CAs also render advisory and compliance services in the field of direct taxes.

Professional Opportunities for Chartered Accountants in the domain on Goods and Services Tax (GST)

114 GST has opened up plethora of professional opportunities for the Chartered Accountants in practice as well as in



industry. CAs can help in undertaking impact analysis of GST for various industries, manufacturers, traders, service providers etc. Services of CAs would be most sought for ensuring smooth transition to new tax regime as transition phase would be the time wherein maximum doubts/issues are expected to arise. GST Laws provide for audit by professionals.

CAs, being the audit specialists, may explore the avenue of audit of financial statements under GST. They may also render other assurance services for GST like analysing internal controls, compliance audit, assistance in departmental audits, entrepreneurial consultancy etc. CAs can impart training on GST to businesses to make them understand GST functionality. They can also assist in the training programmes organised by the Government for their officials.

In addition to the opportunities in-house, implementation of GST might also bring in professional opportunities at a global level as GST is one of the most widely implemented tax world-wide. Knowledge of GST will help in decoding tax regimen of other countries thus enabling CAs to provide advisory services and undertaking work in the area of knowledge process outsourcing. Further, CAs may also provide capacity building services across the globe to other countries who intend to implement GST in their countries.

Opportunities for Chartered Accountants in the Field of Finance

Traditionally the role of chartered accountant was limited to ordinary financial management functions such as investment decisions, capital structure decisions and dividend decisions. But now a days Chartered Accountants can also render services in the following dynamic areas...

1. Strategic Financial Decisions
2. Capital and Money Market
3. Foreign Exchange Risk Management
4. Mergers and Acquisitions
5. Investment Banking
6. Treasury Management
7. Hedge Funds
8. Portfolio Management
9. Risk Management
10. Mutual Funds
11. Credit Rating
12. Venture Capital.

Opportunities in the Field of Management Consultancy Services

A Chartered Accountant plays a vital role in assisting businesses to improve the use of their resources, increase their efficiency and achieve their objectives. As a management consultant CA can also identify, evaluate and recommend ways to increase revenue and reduce operating costs, analyze operations and suggest changes in structure and individual responsibilities, conduct special studies, prepare recommendations, plans and programs, and provide advice and technical assistance in their implementation.

Chartered Accountants by application of their technical knowledge and business experience have been able to cater to the client's changing needs. The services rendered by them include...

- + Market research and demand studies



- + Budgeting, inventory management, working capital management
- + Personnel recruitment and selection, incentive plans
- + Business policy, corporate planning, organization development, growth and diversification
- + Organization structure and behavior, development of human resources
- + Systems analysis and design, and computer related services
- + Advisor or consultant to an issue
- + Registrar to an issue and for transfer of shares/other securities
- + Quality audit, energy audit and environmental audit
- + Design, Development and Implementation of the Strategy of the business
- + Development of KPIs that Support Strategic and Sustainable Goals
- + Provide Relevant Information for Better Decision Making.

Industry/Government Service

A Chartered Accountant may prefer to join an industry or government organization and hold responsible positions. Chartered Accountants are responsible for developing, analyzing and reporting on information needed for business decisions. They also evaluate the financial effects of management's actions. A Chartered Accountant may also take up the job of an educator at a university / college level. Many Chartered Accountants hold responsible positions in business or industrial firms as CEOs, Managing Directors, Director (Finance) and Chief Accountants.



Scholarships & Fee Concessions

SCHOLARSHIP

The Board of Studies -Operations (SSEB) grants various Scholarships to its students. The students are facilitated to submit online application with no manual intervention for selection of Scholarship. The automated Scholarship process will select the students under various categories namely Merit, Merit cum Need, Need based for Economically Weaker Students and Endowment Scholarship. The Institute has created Rs. 100 crores of Earmark Corpus Fund and Endowment Schemes are also created by individual donors/Trusts/Societies, which are used for disbursement of Scholarship. Intermediate and Final course Students can apply online for the Scholarship by login at Self Service Portal (SSP). The Scholarships are awarded on quarterly basis in a year.

DETAILS OF SCHOLARSHIP

1. MERIT SCHOLARSHIP

Scholarship Amount	Rs. 2500 per month
Eligibility	a. Rank holders of Intermediate Examinations, whose names appear at Sl. No. 1 to 10 and in case the rank at Sl. No. 10 continues to further ranks i.e. to Sl. No. 11 or to Sl. No. 12 or so on, then all such Rank holders.
	b. Student must register for Final Course before making application.
Period of Scholarship	30 Months or remaining period of Articleship, whichever is less.

2. MERIT-CUM-NEED BASED SCHOLARSHIP

Scholarship Amount	Rs. 2000 per month
Eligibility	a. Rank holders of Intermediate Examinations other than those covered under Merit Scholarship.
	b. Student must register for Final Course before making application.
	c. Income of Parents should not be more than Rs. 3,00,000 per annum.
Period of Scholarship	30 Months or remaining period of Articleship, whichever is less.

3. NEED BASED FOR ECONOMICALLY WEAKER STUDENTS SCHOLARSHIP

(i) INTERMEDIATE STUDENTS

Scholarship Amount	Rs. 1500 per month
Eligibility	a. Students who are registered for Intermediate Course either through Foundation Route or through Direct Entry Route.
	b. Income of Parents should not be more than Rs. 3,00,000 per annum.
Period of Scholarship	a. 9 months commencing from the following month of registration for Intermediate Course.
	b. Additional 3 months if the Student has completed Orientation Course and Integrated Course on Information Technology and Soft skills (ICITSS) within first 9 months of registration for Intermediate Course.
	c. Additional 3 months if the Student has passed any one Group in Intermediate Examination within 12 months of Registration for Intermediate Course.

(Note: Students who passes both Groups of Intermediate can apply for Scholarship as Final registered students)

**(ii) FINAL STUDENTS**

Scholarship Amount	Rs. 1500 per month
Eligibility	a. Students who are registered for Final Course.
	b. Income of Parents should not be more than Rs. 3,00,000 per annum.
Period of Scholarship	30 Months or remaining period of Articleship, whichever is less.

ENDOWMENT SCHOLARSHIP

Many Philanthropists and Donors have instituted Corpus for Award of Scholarship for “Need based for Economically Weaker Students” as per the Criteria stipulated by the Donors. Criteria for the selection of Students under the Endowment Scheme are as applicable under “Need Based for Economically Weaker Students”

- (i) Top 10 rank holders of Intermediate and Final Examination are exempted from payment of fee for attending Residential Programme on Professional Skills Development.
- (ii) 90% fee exemption to economically weaker students of Intermediate and Final Examination from payment of total fee for attending Residential Programme on Professional Skills Development under the following guidelines:
 - Student whose parents' total annual income for the previous Financial Year should not be more than Rs.2,00,000/-.
 - Student should secure minimum 60% marks in PCC/ IPCC/ Intermediate/ Final whichever is relevant.
 - Maximum Two students shall be selected per batch.
 - Student shall be recommended by Central Council Member/ BoS Co-opted Member.
 - Income Proof Certificate shall be submitted on the letter head of the Principal by the student undergoing Articleship (Practical Training) (Part I)/ letter head of the Principal under whom student has completed his Articleship Training (Part II).
 - While selecting candidates the performance of their Intermediate(IPC)/ Intermediate/ Final Course as well as parents' income are taken into consideration.
 - The final decision for selection of the student shall be taken by the Chairman, Board of Studies.

Scholarship to Meritorious students of Senior Secondary Board

The Board of Studies -Operations SSEB also grants Scholarships to Meritorious students of Class 12th: The candidates who secure first two ranks in various senior secondary boards (from any stream) and join CA Course within 1 year of passing class 12th, the course fees for Foundation level would be refunded back to them in six equal instalments on submission of the prescribed declaration.

Fee concessions to differently abled students

Differently abled students who are suffering from permanent disability of 40% or above are eligible for following facilities and fee exemptions while pursuing CA course.

1. Exemption from payment of registration fees at the time of submission of application form for following courses:
 - i. Registration fee in respect of Intermediate and Final Courses.
 - ii. Article registration fee.
 - iii. ICITSS (IT & OC).
 - iv. Advanced ICITSS (Advanced IT & MCS)

Along with the application form, such students shall be required to enclose the copy (ies) of the certificate(s) issued by the Govt. Hospital duly attested by any of the following authorized persons:

- i. DCOs Heads/Regional Heads/Officer-in-charge of the Branch.
- ii. Principal under whom such student is registered for Articleship.
- iii. Central Council Member / Regional Council Member / Managing Committee Member of the Branch.

Further, while scrutinizing the application form(s), if it was found that he was not eligible for exemption of registration fee, such student shall be required to pay the requisite registration fee(s) within one month of the date of communication to be sent to him and that their date of registration in the course/programme shall be considered only from the date of receipt of the requisite fee(s) in the Institute.

1. Exemption from payment of fees for ICITSS (IT). Such students are required to undertake self- study from the Study Materials and qualify two test papers for IT.
2. Exemption from payment of fees for undergoing ICITSS (OC). Such students can either opt to (i) attend all the classes or (ii) appear in two test papers of 3 hours each after a study period of 15 days from the date of registration and after thoroughly studying the Background Material.
3. Exemption from payment of fees for Advanced ICITSS (Advanced IT). Such students are required to undertake self-study from the Study Material and pass the requisite exam.
4. Exemption from payment of fees for undergoing Advanced ICITSS (MCS). Such students can either opt to (i) attend all the classes or (ii) appear in two test papers of 3 hours each after a study period of 15 days from the date of registration and after thoroughly studying the Back ground Material.

For availing the above facilities and fee exemptions, differently abled student is defined as under:

1. Physical Disability

- A. Locomotor disability (a person's inability to execute distinctive activities associated with movement of self and objects resulting from affliction of musculoskeletal or nervous system or both), including...
 - a. "leprosy cured person" means a person who has been cured of leprosy but is suffering from...
 - i. loss of sensation in hands or feet as well as loss of sensation and paresis in the eye and eye-lid but with no manifest deformity;
 - ii. manifest deformity and paresis but having sufficient mobility in their hands and feet to enable them to engage in normal economic activity;
 - iii. extreme physical deformity as well as advanced age which prevents him/her from undertaking any gainful occupation, and the expression "leprosy cured" shall construed accordingly;
 - b. "cerebral palsy" means a Group of non-progressive neurological condition affecting body movements and muscle coordination, caused by damage to one or more specific areas of the brain, usually occurring before, during or shortly after birth;
 - c. "dwarfism" means a medical or genetic condition resulting in an adult height of 4 feet 10 inches (147 centimeters) or less;



- d. "muscular dystrophy" means a group of hereditary genetic muscledisease that weakens the muscles that move the human body and persons with multiple dystrophy have incorrect and missing information in their genes, which prevents them from making the proteins they need for healthy muscles. It is characterised by progressive skeletal muscle weakness, defects in muscleproteins, and the death of muscle cells and tissue;
- e. "acid attack victims" means a person disfigured due to violent assaults by throwing of acid or similar corrosive substance.

B. Visual impairment

- a. "blindness" means a condition where a person has any of the following conditions, after best correction...
 - i. total absence of sight; or
 - ii. visual acuity less than 3/60 or less than 10/200 (Snellen) in the better eye with best possible correction; or
 - iii. limitation of the field of vision subtending an angle of less than 10 degree.
- b. "low-vision" means a condition where a person has any of the following conditions, namely...
 - i. visual acuity not exceeding 6/18 or less than 20/60 upto 3/60 or upto 10/200 (Snellen) in the better eye with best possible corrections; or
 - ii. limitation of the field of vision subtending an angle of less than 40 degree up to 10 degree.

C. Hearing impairment

- a. "deaf" means persons having 70 DB hearing loss in speech frequencies in both ears;
- b. "hard of hearing" means person having 60 DB to 70 DB hearing loss in speech frequencies in both ears;

- D. "speech and language disability" means a permanent disability arising out of conditions such as laryngectomy or aphasia affecting one or more components of speech and language due to organic or neurological causes.

2. Intellectual disability, a condition characterised by significant limitation both in intellectual functioning (reasoning, learning, problem solving) and in adaptive behaviour which covers a range of every day, social and practical skills, including -

- a. "specific learning disabilities" means a heterogeneous group of conditions wherein there is a deficit in processing language, spoken or written, that may manifest itself as a difficulty to comprehend, speak, read, write, spell, or to do mathematical calculations and includes such conditions as perceptual disabilities, dyslexia, dysgraphia, dyscalculia, dyspraxia and developmental aphasia;
- b. "autism spectrum disorder" means a neuro-developmental condition typically appearing in the first three years of life that significantly affects a person's ability to communicate, understand relationships and relate to others, and is frequently associated with unusual or stereotypical rituals or behaviours.

3. Mental behaviour

"mental illness" means a substantial disorder of thinking, mood, perception, orientation or memory that grossly impairs judgment, behaviour, capacity to recognise reality or ability to meet the ordinary demands of life, but does not include retardation which is a condition of arrested or incomplete development of mind of a person, specially characterised by sub normality of intelligence.



4. Disability caused due to -

- a. chronic neurological conditions, such as...
 - i. "multiple sclerosis" means an inflammatory, nervous system disease in which the myelin sheaths around the axons of nerve cells of the brain and spinal cord are damaged, leading to demyelination and affecting the ability of nerve cells in the brain and spinal cord to communicate with each other;
 - ii. "parkinson's disease" means a progressive disease of the nervous system marked by tremor, muscular rigidity, and slow, imprecise movement, chiefly affecting middle-aged and elderly people associated with degeneration of the basal ganglia of the brain and a deficiency of the neurotransmitter dopamine.

- b. Blood disorder
 - i. "haemophilia" means an inheritable disease, usually affecting only male but transmitted by women to their male children, characterised by loss or impairment of the normal clotting ability of blood so that a minor wound may result in fatal bleeding;
 - ii. "thalassemia" means a group of inherited disorders characterised by reduced or absent amounts of haemoglobin.
 - iii. "sickle cell disease" means a haemolytic disorder characterised by chronic anaemia, painful events, and various complications due to associated tissue and organ damage; "haemolytic" refers to the destruction of the cell membrane of red blood cells resulting in the release of haemoglobin.

5. Multiple Disabilities (more than one of the above specified disabilities) including deaf blindness which means a condition in which a person may have combination of hearing and visual impairments causing severe communication, developmental, and educational problems.

6. Any other category as may be notified by the Central Government.



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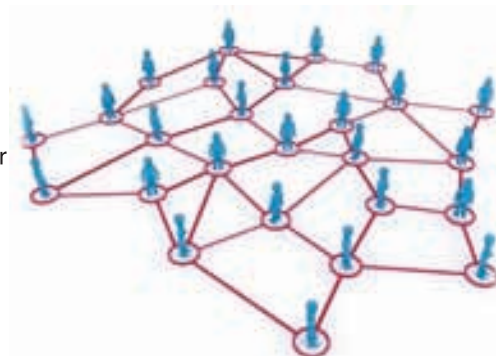
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