

PAPER 1: 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) Capital and revenue expenditure, capital and revenue receipts, contingent assets and contingent liabilities.
- (iv) Accounting policies.
- (v) Accounting as a measurement discipline – valuation principles, accounting estimates. Accounting Standards - concepts and objectives.

2. Accounting Process

- (i) Recording accounting transactions: principles of double entry book-keeping, books of original entry - journal, subsidiary books, cash book, ledger-format, posting from journal and subsidiary books, balancing of accounts.
- (ii) Preparation of trial balance.
- (iii) Rectification of errors.

3. Bank Reconciliation Statement

Introduction, reasons and preparation of bank reconciliation statement.

4. Inventories

Meaning, basis and technique of inventory valuation, cost of inventory, net realizable value and record system.

5. Depreciation and Amortisation

Tangible and intangible assets-Meaning and difference, concepts, methods of computation and accounting treatment of depreciation / amortisation, change in depreciation method.

6. Bills of exchange and Promissory notes

Meaning of bills of exchange and promissory notes and their accounting treatment; accommodation bills.

7. Preparation of 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. Financial Statements of Not-for-Profit Organizations

Significance and preparation of receipt and payment account, income and expenditure account and balance sheet, difference between profit and loss account and income and expenditure account.

9. Accounts from Incomplete Records (excluding preparation of accounts based on ratios).

10. Partnership and LLP Accounts

- (i) Final accounts of partnership firms and LLPs.
- (ii) Admission, retirement and death of a partner including treatment of goodwill.
- (iii) Dissolution of partnership firms and LLPs including piecemeal distribution of assets.

11. Company Accounts

- (i) Definition of shares and debentures.
- (ii) Issue of shares and debentures, forfeiture of shares, re-issue of forfeited shares.
- (iii) Redemption of preference shares and debentures (excluding purchase and redemption of own debentures and sinking fund method).
- (iv) Accounting for bonus issue and right issue.

PAPER 2: BUSINESS LAWS (100 MARKS)

Objective

To develop general legal knowledge of the law of Contracts, Sales and understanding of various forms of businesses and their functioning to regulate business environment and to acquire the ability to address basic application-oriented issues.

Contents

1. Indian Regulatory Framework

Major Regulatory Bodies such as Ministry of Finance, Ministry of Corporate Affairs, SEBI, RBI, IBBI, Ministry of Law and Justice, etc.

2. The Indian Contract Act, 1872

General nature of contract, Consideration, Other essential elements of a valid contract, Performance of contract, Breach of contract, Contingent and Quasi Contract, Contract of Indemnity and Guarantee, Contract of Bailment and Pledge, Contract of Agency.

3. 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.

4. The Indian Partnership Act, 1932

General Nature of Partnership, Rights and Duties of partners, Reconstitution of firms, Registration and Dissolution of a firm.

5. The Limited Liability Partnership Act, 2008

Introduction-covering nature and scope, Essential features, Characteristics of LLP, Incorporation and Differences with other forms of organizations.

6. 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.

7. The Negotiable Instruments Act, 1881

Meaning of Negotiable Instruments, Characteristics, Classification of Instruments, Different provisions relating to Negotiation, Presentment of Instruments, Rules of Compensation.

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.

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: QUANTITATIVE APTITUDE (100 MARKS)

Objective

- a. To develop an understanding of the basic mathematical and statistical tools and apply the same in business, finance and economic situations.
- b. To develop logical reasoning skills.

Contents

The whole syllabus of Quantitative Aptitude shall be divided into three broad areas:

- **Business Mathematics**
- **Logical Reasoning**
- **Statistics**

PART A: BUSINESS MATHEMATICS (40 MARKS)

1. **Ratio and proportion, Indices and Logarithms:** Ratio and proportion and Time and work-related problems, Laws of Indices, Exponents and Logarithms and Anti Logarithms.
2. **Equations:** Equations: Linear Simultaneous linear equations up to three variables, Quadratic and Cubic equations in one variable. Applications in Business related problems.
3. **Linear Inequalities:** Linear Inequalities: Linear Inequalities in one and two variables and the solution space.
4. **Mathematics of Finance:**
 - Simple Interest
 - Compound interest
 - Nominal and Effective Rate of Interest
 - Present Value
 - Net Present Value
 - Future Value
 - Perpetuity
 - Annuities
 - Sinking Funds
 - Calculating of EMI
 - Calculations of Returns: Nominal and Effective rate of Return
 - Compound Annual growth rate (CAGR)

5. **Permutations and Combinations:** Basic concepts of Permutations and combinations: Introduction, the 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 and Business Applications.
7. **Sets, Relations, and Functions. Basics of Limits and Continuity functions.**
8. **Basic applications of Differential and Integral calculus in Business and Economics (Excluding the trigonometric applications).**

PART B: LOGICAL REASONING (20 MARKS)

9. **Number series coding and Decoding and odd man out**
10. **Direction Tests**
11. **Seating Arrangements**
12. **Blood Relations**

PART C: STATISTICS (40 MARKS)

13. **Unit 1: Statistical Representation of Data:** Diagrammatic representation of data, Frequency distribution, Graphical representation of Frequency Distribution – Histogram, Frequency Polygon, Ogive, Pie-chart.
Unit:2 Sampling: Basic principles of sampling theory, comparison between sample survey and complete enumeration, some important terms associated sampling types of sampling, sampling and non-sampling errors.
14. **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.
15. **Probability:** Independent and dependent events; mutually exclusive events. Total and Compound Probability and Bayes' theorem.
16. **Theoretical Distributions:** Random variables, Discrete and Continuous Random variables, Expectation of a discrete random variable, Theoretical Distributions: Binomial Distribution, Poisson distribution – basic application and Normal Distribution – basic applications.
17. **Correlation and Regression:** Scatter diagram, Karl Pearson's Coefficient of Correlation Rank Correlation, Regression lines, Regression equations, Regression coefficients.
18. **Index Numbers:** Uses of Index Numbers, Problems involved in construction of Index Numbers, Methods of construction of Index Numbers. BSE SENSEX and NSE.

PAPER 4: BUSINESS ECONOMICS (100 MARKS)

Objective

To develop an understanding of the concepts and theories of Economics and to acquire the ability for addressing application-oriented issues.

Contents

1. Introduction to Business Economics

Meaning and scope of Business Economics.

Basic Problems of an Economy and Role of Price Mechanism.

2. Theory of Demand and Supply

Meaning and Determinants of Demand, Law of Demand and Elasticity of Demand – Price, Income and Cross Elasticity.

Theory of Consumer's Behaviour – Indifference Curve approach.

Meaning and Determinants of Supply, Law of Supply and Elasticity of Supply, Market Equilibrium and Social Efficiency.

3. Theory of Production and Cost

Meaning and Factors of Production, Short Run and Long Run.

Law of Production – The Law of Variable Proportions and Laws of Returns to Scale, Producer's Equilibrium.

Concepts of Costs – Short-run and long-run costs, Average and Marginal Costs, Total, Fixed and Variable Costs.

4. Price Determination in Different Markets

Market Structures: Perfect Competition, Monopoly and Monopolistic Competition. Using Game Theory to study Oligopoly.

Price Determination in these Markets.

Price- Output Determination under different Market Forms.

5. Determination of National Income

a. Macro Economic Aggregates and Measurement of National Income.

b. Determination of National Income: Keynes' Two Sector Basic Model, Three Sectors and Four Sectors Models.

6. Business Cycles

- Meaning
- Phases
- Features
- Causes behind these Cycles

7. Public Finance

- a. Fiscal functions: An Overview, Centre and State Finance.
- b. Market Failure/ Government intervention to correct market failure.
- c. Process of budget making: Sources of Revenue, Expenditure Management, and Management of Public Debt.
- d. Fiscal Policy.

8. Money Market

- a. Concept of Money Demand.
- b. Important theories of Demand for Money.
- c. Concept of Money Supply, Cryptocurrency and other new terminology.
- d. Monetary Policy.

9. International Trade

- a. Theories of International Trade including theories of intra-industry trade by Krugman.
- b. Trade Policy – The Instruments of Trade Policy.
- c. Trade Negotiations.
- d. Exchange Rates and its economic effects.
- e. International Capital Movements: Foreign Direct Investment.

10. Indian Economy (Before 1950- Chanakya and Nand Vansh, OECD Paper (1950-1991), Basic knowledge 1991 Onwards.

PAPER 1 : ADVANCED ACCOUNTING (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 Indian Accounting Standards (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.
 - i Applicability of Accounting Standards to various entities.
 - ii Application of Accounting Standards:
 - AS 1 Disclosure of Accounting Policies
 - AS 2 Valuation of Inventories
 - AS 3 Cash Flow Statements
 - 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 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 14 Accounting for Amalgamations (excluding inter-company holdings)
 - AS 15 Employee Benefits
 - AS 16 Borrowing Costs Leases
 - AS 17 Segment Reporting
 - AS 18 Related Party Disclosures
 - AS 19 Leases
 - AS 20 Earnings Per Share

AS 21 Consolidated Financial Statements of single subsidiaries
(excluding problems involving acquisition of Interest in Subsidiary
at Different Dates, Cross holding, Disposal of a Subsidiary and
Foreign Subsidiaries)

AS 22 Accounting for Taxes on Income

AS 23 Accounting for Investment in Associates in Consolidated Financial
Statements

AS 24 Discontinuing Operations

AS 25 Interim Financial Reporting

AS 26 Intangible Assets

AS 27 Financial Reporting of Interests in Joint Ventures

AS 28 Impairment of Assets

AS 29 Provisions, Contingent Liabilities and Contingent Assets

4. Company Accounts

(i) Schedule III to the Companies Act, 2013 (Division I)

(ii) Preparation of financial statements – Statement of Profit and Loss,
Balance Sheet and Cash Flow Statement

(iii) Buy back of securities

(iv) Accounting for reconstruction of companies

5. Accounting for Branches including foreign branches

PAPER 2: CORPORATE AND OTHER LAWS (100 MARKS)

PART I– COMPANY LAW AND LIMITED LIABILITY PARTNERSHIP LAW (70 MARKS)

Objective

To develop an understanding of the legal provisions and acquire the ability to analyse and apply the laws in practical situations.

Contents

- I. The Companies Act, 2013:** including important rules and drafting of notices, resolutions etc.–
 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
 11. Companies Incorporated Outside India
- II. The Limited Liability Partnership Act, 2008 including important Rules**

PART II- OTHER LAWS (30 MARKS)

Objective

- a. To develop an understanding of the General Clauses Act.
- b. To develop an understanding of the rules for interpretation of statutes.
- c. To have basic understanding of the Foreign Exchange Management Act, 1999.

Contents

- 1. 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 and Miscellaneous provisions.

2. **Interpretation of Statutes:** Rules of Interpretation of Statutes, Aids to Interpretation, Rules of Interpretation/Construction of Deeds and Documents.
3. **The Foreign Exchange Management Act, 1999:** Significant definitions and concepts of Current and Capital Account Transactions.

Note: *If any new legislation(s) is/are enacted in place of the existing legislation(s), the syllabus would include the corresponding provisions of such new legislation(s) with effect from a date notified by the Institute.*

The specific inclusion(s)/exclusion(s) in the various topics covered in the syllabus will be effected every year by way of Study Guidelines, if required.

PAPER 3: TAXATION (100 MARKS)
SECTION A: INCOME TAX LAW (50 MARKS)

Objective

- a. To develop an understanding of the provisions of income-tax law.
- b. To acquire the ability to apply such provisions to solve problems and address application oriented issues.

Contents

1. Basic Concepts:

- (i) Income-tax law: An introduction
- (ii) Significant concepts in income-tax law, including person, assessee, previous year, assessment year, income, agricultural income
- (iii) Basis of Charge
- (iv) Procedure for computation of total income and tax payable in case of individuals

2. Residential status and scope of total income:

- (i) Residential status
- (ii) Scope of total income

3. 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 professionCapital gains
- (iv) Income from other sources

4. Provisions relating to clubbing of income, set-off or carry forward and set-off of losses, deductions from gross total income.

5. Advance Tax, Tax deduction at source and tax collection at source.

6. Provisions for filing return of income and self-assessment.

7. Computation of total income and income-tax payable by an individual under the alternative tax regimes under the Income-tax Act, 1961 to optimise tax liability.

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 place of the existing legislation(s) with effect from the date to be notified by the Institute. Similarly, if any existing legislation(s) on income tax law 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 inclusion(s)/exclusion(s) in any topic covered in the syllabus 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.

SECTION B: GOODS AND SERVICES TAX (GST)(50 MARKS)

Objective

- a. To develop an understanding of the provisions of goods and services tax law.
- b. To acquire the ability to apply such provisions to address/ solve issues in moderately complex scenarios.

Contents

1. GST Laws: An introduction including Constitutional aspects.
2. Levy and collection of CGST and IGST:
 - (i) Application of CGST/IGST law
 - (ii) Concept of supply including composite and mixed supplies
 - (iii) Charge of tax including reverse charge
 - (iv) Exemption from tax
 - (v) Composition levy
3. Basic concepts of:
 - (i) Classification
 - (ii) Place of supply
 - (iii) Time of supply
 - (iv) Value of supply
 - (v) Input tax credit
4. Computation of GST liability.
5. Registration.
6. Tax invoice; Credit and Debit Notes; Electronic way bill.
7. Accounts and Records.
8. Returns.
9. 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 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 inclusion(s)/ exclusion(s) in the various topics covered in the syllabus will be effected every year by way of Study Guidelines. The specific inclusion(s)/ exclusion(s) may also arise due to additions/ deletions every year by the annual Finance Act.

PAPER 4: COST AND MANAGEMENT ACCOUNTING (100 MARKS)

Objective

- a. 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.
- b. To develop an understanding of cost accounting statements.
- c. To acquire the ability to apply information for cost ascertainment, planning, control and decisionmaking.
- d. To apply costing methods to determine the costs for different purposes.
- e. To apply appropriate techniques to support short term decisions.

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. Digital Costing.

(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. Introduction to procurement procedures. Valuation of receipts, issue and closing stock of Material, Stock verification.
- b. Material requirement analysis through digital costing including Government e-Marketplace (GeM). Introduction to Costing through Enterprise Resource Planning (ERP). Process of tender and quotation.
- 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 inventory control ratios, Digital Inventory control.
- d. Treatment of Normal/Abnormal Losses w.r.t. waste, scrap, spoilage, defective, obsolescence.

(ii) Employee Cost:

- a. Introduction to Attendance and Payroll procedures.
- b. Elements of wages- Basic pay, Dearness Allowance, Overtime, Bonus, Holiday and leavewages, Allowances and perquisites.
- c. Employee Cost Control.
- d. Employee Turnover- Methods of calculating employee turnover, causes of employee turnover, effects of employee turnover.
- e. Remuneration systems and incentive schemes- Premium Bonus Method (Halsey Plan and Rowan Plan).

(iii) Direct Expenses:

Identification of direct expenses with the main product or service and its treatment.

(iv) 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.

(v) Concepts of Activity Based Costing (ABC).

(vi) Integration of cost and financial data:

- a. Recording of financial data and its segregation.
- b. Introduction to Non-integrated and Integrated Accounting system.
- c. Items included in cost accounts only but financial accounts and vice versa.
- 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) 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.

(v) Costing of Service Sectors:

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 Material Cost, Labour cost, Variable Overhead, Fixed Overhead.

(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).
- 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 both the methods.
- d. Short term decision making:
 - Make or buy decision
 - Discontinuation decision
 - Multiproduct break-even analysis
 - Limiting factor (key factor)

(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 functionsd Cash budget, Master budget.
- d. Introduction to Principal/ Key budget factor, Zero Based Budgeting (ZBB), Performance budget, Control ratios and Budget variances.
- e. Budgets and motivation.
- f. Feedback and Feed forward controlling in budgeting.

PAPER 5: AUDITING AND ETHICS (100 MARKS)

Objective

- a. To develop an understanding of the concepts 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.
- b. To understand and apply the concept of ethics while performing audit.

Contents

1. Nature, Objective and Scope of Audit:

Auditing Concepts: Origin of Auditing, Meaning of Audit, Need for Audit (Benefits of Audit), Objective of the Audit, Scope of Audit, External Audit engagements, Qualities of Auditor.

- Inherent Limitations of an Audit; Relationship of auditing with other disciplines.

(SA 200 Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Standards on Auditing).

2. Audit Strategy, Audit Planning and Audit Program:

(SA 300 Planning an Audit of Financial statements)

- Auditor's responsibility to plan an audit of financial statements. Benefits of audit planning.
- Planning is a continual and iterative process.
- Discussion of elements of planning with the entity's management. Involvement of Key Engagement Team Members in planning the audit. Preliminary engagement activities.
- The auditor's consideration of client continuance and ethical requirements. Planning activities.
- Establishing an overall audit strategy- Assistance for the auditor. Development of audit plan.
- Documenting the overall audit strategy and audit plan; Audit program.
- Development of Audit Plan and Program.

3. Risk Assessment and Internal Control:

- Audit Risk.
- Risk of Material Misstatement, Inherent Risk and Control Risk, Detection Risk.
- Sampling and Non-Sampling Risk.
- Concept of Materiality, Materiality in Planning and Performing an Audit.
- Auditor's responsibility to apply the concept of materiality.

- Auditor's determination of materiality is a matter of professional judgement. Materiality and AuditRisk.
- Application of materiality in planning and performing the audit. Concept of Performance materiality.
- Determining materiality and performance materiality when planning the audit.
- Use of Benchmarks in determining materiality for the financial statements as a whole. Materiality level or levels for particular classes of transactions, account balances or disclosures.
- Revision in materiality as the audit progresses. Documenting the Materiality.

(SA 320 Materiality in Planning and Performing an Audit).

- 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).

Digital Audit: 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.

Overview and Introduction: The Auditor's Responses to Assessed Risks-SA 330.

4. **Audit Evidence:**

- Meaning of Audit Evidence.
- Relevance and Reliability of audit evidence; Sufficient appropriate audit evidence, Meaning of Assertions.
- Assertions contained in the Financial Statements. Source of audit evidence.
- Test of controls.
- Substantive Procedures- Test of details and Substantive analytical procedures, Audit procedures for obtaining audit evidence.
- Evaluation of Audit Evidence (SA 500 Audit Evidence), Audit Trail.

(Using the work of Internal Auditors – SA 610)

- Internal audit function.

- External Auditor's Responsibility for the audit, Evaluating the internal audit function.
- Basics of Internal Financial Control and reporting requirements. Distinction between Internal Financial Control and Internal Control over Financial Reporting.
- Audit Sampling: (SA 530 Audit Sampling). Meaning of Audit Sampling.
- Designing an audit sample; Types of sampling (Approaches to Sampling).
- Sample Size and selection of items for testing; Sample selection method.
- Obtaining evidence of existence of inventory; Audit procedure to identify litigation & claims, obtaining evidence regarding the presentation and disclosure of segment information (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).
- 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).

5. 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 Equipment, 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)

6. Audit Documentation

- 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).

7. Completion and Review

- Meaning of Subsequent Events;
- Auditor's obligations in different situations of subsequent events.
- Procedures for 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). Overview and
- Introduction of Evaluations of Misstatements identified during the audit (SA 450).
- 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)
- Overview and Introduction of SA 260: Communication with Those Charged with Governance.
- Overview and Introduction of SA 265 Communicating Deficiencies in Internal Control to Those Charged with Governance and Management.

8. Audit Report

- Forming an opinion on the Financial Statements.
- Auditor's Report- basic elements (SA 700 Forming an Opinion and Reporting on Financial Statements).
- Communicating key Audit Matters in the Independent Auditor's Report (SA 701) Types of Modified Opinion, Circumstances When a Modification to the Auditor's Opinion is Required, Qualified, Adverse Disclaimer 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 (SA 710 Comparative Information – Corresponding Figures and Comparative Financial Statements).
- Branch audit; Joint audit; Reporting requirements under the Companies Act, 2013 including CARO.

9. Special Features of Audit of Different Type of Entities

Appointment of Auditor, Audit Procedure and Audit Report in respect of different Category of Entities: Government; Local bodies; Not-for-profit organizations; Trust and Societies, Partnership Firms, Audit of different type of undertakings, i.e., Educational Institutions, Hotels, Clubs, Hospitals, etc., Basics of Limited Liability Partnerships (LLPs) Audit and Co-operative Societies Audit.

10. 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.

11. Ethics and Terms of Audit Engagements

- Meaning of Ethics.
- Ethics is a State of Mind, Need for Professional Ethics.
- Principles based approach v Rules based approach (Ethical or Legal).
- The fundamental principles of Professional Ethics: Integrity; Objectivity; Professional Competence and Due care; Confidentiality; Professional Behaviour.
- Independence of Auditors.
- Threats to Independence: Self Interest threats; Self Review threats; Advocacy threats; Familiarity threats; Intimidation threats.
- Safeguards to Independence; Professional Skepticism, Terms of Audit Engagements 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).
- Overview and Introduction of SQC 1 Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.
- Overview and Introduction of SA 220 - Quality Control for an Audit of Financial Statements).

Notes

- (i) *The specific inclusions/exclusions in any topic covered in the syllabus will be effected by way of Study Guidelines.*

- (ii) *If any new legislations / Standards on Auditing / Guidance Notes / Statements are enacted in place of the existing legislations / Standards on Auditing / Guidance Notes / Statements, the syllabus will accordingly include the corresponding provisions of such new legislations / Standards on Auditing / Guidance Notes / Statements, with effect from the date to be notified by the Institute. The changes in this regard would also form part of Study Guidelines.*

PAPER 6: FINANCIAL MANAGEMENT AND STRATEGIC MANAGEMENT (100 MARKS)

SECTION A : FINANCIAL MANAGEMENT (50 MARKS)

Objective

- a. To develop an understanding of various aspects of Financial Management and acquire the ability to apply such knowledge in decision-making.
- b. To understand various finance functions like financing decision, investment decision, dividend decision.
- c. To develop an understanding of working capital management and its component.

Contents

1. Financial Management and Financial Analysis:

(i) Introduction to Financial Management Function:

- a. Objective and scope of financial management.
- b. Profit Maximisation, Wealth Maximisation and Value Creation.
- c. Role of Financial Manager and Financial Controller.
- d. Financial management environment.
- e. Functions of finance executives in an organization.
- f. 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.
- d. Limitations of ratio analysis.

2. Financing Decisions and Cost of Capital:

(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. Contemporary sources of funding- P2P lending, Equity funding, Crowd funding, Start-up funding, etc.
- d. Internal fund as a source of finance.

- e International sources of finance.
- f Other sources of finance- Lease Financing, Sale and lease back, Convertible debt, Venturecapital, 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.

(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 capitalstructure.
- 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.

2. 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 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, Process for calculating MIRR, Strengths of the MIRR approach.
 - Profitability Index.

(ii) Dividend Decisions:

- a. Basics of Dividends.
- b. Cash dividend, stock dividend/ bonus share, stock-splits, share buy back.
- 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:

- 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. Credit Management:
 - Credit granting.
 - Monitoring accounts receivables.
 - Debt collection.
- h. Management of Accounts Payables (Creditors).
- i. Management of Cash, Treasury management.
- j. Banking norms of working capital finance.

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 in business situations.

Contents

1. Introduction to Strategic Management:

- (i) Meaning and Nature of Strategic Management.
- (ii) Importance and Limitations of Strategic Management.
- (iii) Strategic Intent - Vision, Mission, Goals and Values.
- (iv) Strategic Levels in Organizations (Network, Corporate, Business and Functional).

2. Strategic Analysis: External Environment:

- (i) International and Macro Environment: PESTLE Analysis.
- (ii) Defining the industry for analysis (Value Chain, PLC).
- (iii) Porter's Five Forces - Industry environment analysis.
- (iv) Understanding customers and markets.
- (v) Competition in the industry.

3. Strategic Analysis: Internal Environment:

- (i) Understanding key stakeholders (Mendelow's Model).
- (ii) Strategic drivers (Industry & markets, Customers, Channels, Product & Services, Competitive Advantage).
- (iii) The role of resources and capabilities.
- (iv) Combining external and internal analysis (SWOT Analysis).
- (v) Gaining competitive advantage (Michael Porter's Generic Strategies).

4. Strategic Choices:

- (i) Strategic Choices: Concentric, Conglomerate, Market Development, Product Development, Innovation, Horizontal integration, vertical integration, Turnaround, Divestiture, Liquidation.
- (ii) How to Develop Strategic Options:
 - Ansoff's Matrix
 - ADL Matrix
 - BCG Matrix
 - GE Matrix

5. Strategy Implementation and Evaluation:

- (i) Implementation: Formulation vs. Implementation Matrix, Linkages and Issues.
- (ii) Strategic Change through Digital Transformation.
- (iii) Organisation Structure (hard) and Culture (soft).
- (iv) Strategic Leadership.
- (v) Strategic Control.
- (vi) Strategic Performance Measures.

SUBJECTS & SYLLABUS

FINAL

PAPER 1: FINANCIAL REPORTING (100 MARKS)

Objective

- a To acquire the ability to integrate and solve problems in practical scenarios on Indian Accounting Standards (Ind AS) 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 (Ind AS) while preparing and presenting the financial statements.
- c To develop the expertise to prepare financial statements of group entities which includes subsidiaries, associates and joint arrangements based on Indian Accounting Standards (Ind AS).
- d To develop understanding of certain Accounting Standards and solve problems in practical scenarios where treatment is different in both the standards.

Contents

1 Introduction to General Purpose Financial Statements as per Indian Accounting Standard (Ind AS)

Statutory provisions: Applicability criteria

Division II of Schedule III to the Companies Act, 2013 and Guidance Note thereupon

2 Conceptual Framework for Financial Reporting under Indian Accounting Standards (Ind AS)

3 Application of Ind AS with reference to General Purpose Financial Statements

- i Ind AS on Presentation of Items in the Financial Statements
 - Ind AS 1 "Presentation of Financial Statements"
 - Ind AS 34 "Interim Financial Reporting"
 - Ind AS 7 "Statement of Cash Flows"
- ii Ind AS on Measurement based on Accounting Policies
 - Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors"
 - Ind AS 10 "Events after the Reporting Period"
 - Ind AS 113 "Fair Value Measurement"
- iii Ind AS on Income Statement
 - Ind AS 115* "Revenue from Contracts with the Customers"
- iv Ind AS on Assets and Liabilities of the Financial Statements
 - Ind AS 2 "Inventories"
 - Ind AS 16 "Property, Plant and Equipment"
 - Ind AS 116* "Leases"
 - Ind AS 23 "Borrowing Costs"
 - Ind AS 36 "Impairment of Assets"
 - Ind AS 38 "Intangible Assets"
 - Ind AS 40 "Investment Property"
 - Ind AS 105 "Non-current Assets Held for Sale and Discontinued Operations"
 - Ind AS 19 "Employee Benefits"
 - Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets"
- v Ind AS on Items impacting the Financial Statements
 - Ind AS 12* "Income Taxes"
 - Ind AS 21 "The Effects of Changes in Foreign Exchange Rates"

- vi Ind AS on Disclosures in the Financial Statements
 - Ind AS 24 "Related Party Disclosures"
 - Ind AS 33 "Earnings per Share"
 - Ind AS 108 "Operating Segments"
- vii Other Ind AS
 - Ind AS 20 "Accounting for Government Grants and Disclosure of Government Assistance"
 - Ind AS 102 "Share Based Payment"
 - Ind AS 41 "Agriculture"
- viii Ind AS on Financial Instruments (it includes Ind AS 32, Ind AS 109, Ind AS 107)
 - Financial Instruments: Scope and Definitions
 - Classification and Measurement of Financial Assets and Financial Liabilities
 - Financial Instruments: Equity and Financial Liabilities
 - Derivatives and Embedded Derivatives
 - Recognition and Derecognition of Financial Instruments
 - Hedge Accounting
 - Disclosures

4 Ind AS on Group Accounting

- i Business Combinations (Ind AS 103)
- ii Consolidated and Separate Financial Statements (it includes Ind AS 110, Ind AS 111, Ind AS 27, Ind AS 28, Ind AS 112)

5 First time adoption of Indian Accounting Standards (Ind AS 101)

6 Analysis of financial statements (as per Ind AS)

7 Ethics with Accounting Concepts

Identify and explain the key ethical issues

8 Technology and Accounting

Evolution of Accounting in the technological environment

Notes:

1. *Discussion on AS 7, AS 9, AS 19 and AS 22 will be given along with corresponding Ind AS 115, Ind AS 116 and Ind AS 12.
2. If either a new Ind AS or Announcements and Limited Revisions to Ind AS are issued or the earlier one is withdrawn or new Ind AS, Announcements and Limited Revisions to Ind AS are issued in place of existing 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 as decided by the Institute.
3. The specific inclusions / exclusions in any topic covered in the syllabus will be affected every year by way of Study Guidelines.

PAPER 2: ADVANCED FINANCIAL MANAGEMENT (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 Advanced role of CFO in various matters including Value Creation
- ii Strategic decision making framework
- iii Interface of Financial Policy and strategic management
- iv 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 Advanced Capital Budgeting Decisions

- i Current trends in Capital Budgeting
 - Impact of Inflation on Capital Budgeting Decisions
 - Impact of change in technology on Capital Budgeting
 - Impact of change in Government Policies on Capital Budgeting
- ii Dealing with Risk in Investment Decisions
- iii Internal and External Factors affecting capital budgeting decision
- iv Methods of incorporating risk in Capital Budgeting
- v Adjusted Present Value
- vi Optimum Replacement Cycle

4 Security Analysis

- i Fundamental Analysis
- ii Technical Analysis
 - Meaning
 - Assumptions
 - Theories and Principles
 - Charting Techniques – Basics
 - Efficient Market Hypothesis (EMH) Analysis
- iii Equity Research and tools available

5 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
- ix Role and Responsibilities of Valuers
- x Precautions need to be taken by a Valuer before accepting any valuation assignment

6 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 Avenues
 - Real Estate
 - Gold
 - Private Equity
 - REITs
 - Hedge Funds
 - ETFs
 - Mutual Funds
 - Commodities

7 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 Risks in Securitization
- x Tokenization
- xi Securitization in India

8 Mutual Funds

- i Meaning
- ii Types
- iii Advantages and Disadvantages of Mutual Funds
- iv Evaluation of Mutual Funds
- v Role of Fund Manager in Mutual Funds
- vi Hedge Funds
- vii Role of FIIs in Mutual Funds

9 Derivatives Analysis and Valuation

- i Introduction to Forwards, Futures and Options
- ii Futures Market
- iii Pricing of Forwards and Futures
- iv Hedging using Futures
- v Options
 - Option Pricing
 - Option Greeks
 - Exotic Options
- vi Credit Derivatives
- vii Real Options
- viii Derivative Mishaps and Lessons
- ix Swaps
- x Commodity Derivatives
- xi Weather Derivatives
- xii Electricity Derivatives

10 Foreign Exchange Exposure and Risk Management

- i Factors affecting foreign exchange rate
- ii Role of SWIFT in Foreign Exchange
- iii National and International Payment Gateways

- iv Exchange rate determination
- v Foreign currency market
- vi Management of Foreign Exchange Risk

11 International Financial Management

- i International Capital Budgeting
 - Offshore Investment Strategies vis-à-vis Domestic Capital Budgeting
 - Project vis-à-vis Parent Cash Flows
 - Discounting Rate and Adjusting Cash Flows
 - Adjusted Present Value
- ii Raising funds from International Sources
- iii Sovereign Funds
- iv International Financial Centre (GIFT City)
- v International Working Capital Management
 - Multinational Cash Management
 - Objectives of Effective Cash Management
 - Optimization of Cash Flows/ Needs
 - Multinational Receivable Management
 - Multinational Inventory Management

12 Interest Rate Risk Management

- i Benchmark Rates
- ii Interest Rate Risk
- iii Hedging Interest Rate Risk
 - Traditional Methods
 - Asset and Liability Management (ALM)
 - Forward Rate Agreement (FRA)
 - Modern Methods including Interest Rate Derivatives
 - Interest Rate Futures
 - Interest Rate Options
 - Swaps
 - Swaptions

13 Business Valuation

- i Conceptual Framework of Valuation
- ii Approaches/ Methods of Valuation
 - Assets Based Valuation Model
 - Earning Based Models
 - Cash Flow Based Models
 - Measuring Cost of Equity
 - Capital Asset Pricing Model (CAPM)
 - Arbitrage Pricing Theory
 - Estimating Beta of an unlisted company
 - Relative Valuation
 - Steps involved in Relative Valuation
 - Equity Valuation Multiples
 - Enterprise Valuation Multiple
 - Other Approaches to Value Measurement
 - Economic Value Added (EVA)
 - Market Value Added (MVA)
 - Shareholder Value Analysis (SVA)
 - Arriving at Fair Value
- iii Going concern and Non Going concern valuation
- iv Valuation of Distressed Companies
- v Valuation of Start ups
- vi Valuation of Digital Platforms
- vii Valuation of Professional/ Consultancy Firms
- viii Impact of ESG on valuation

14 Mergers, Acquisitions and Corporate Restructuring

- i Conceptual Framework
- ii Rationale
- iii Forms
- iv Mergers and Acquisitions
 - Financial Framework
 - Takeover Defensive Tactics
 - Reverse Merger
- v Divestitures
 - Partial Sell off
 - Demerger
 - Equity Carve outs
- vi Ownership Restructuring
 - Going Private
 - Management/ Leveraged Buyouts
- vii Unlocking the value through Mergers & Acquisitions and Business Restructuring
- viii Cross Border Mergers
- ix Special Purpose Acquisition Companies (SPACs)

15 Startup Finance

- i Introduction including Pitch Presentation
- ii Concept of Unicorn
- iii Startup Initiative of GOI
- iv Sources of Funding
- v Succession planning in Business



PAPER 3: ADVANCED AUDITING, ASSURANCE AND PROFESSIONAL ETHICS (100 MARKS)

Objective

- a To gain the ability to analyse current auditing practices and procedures and apply them in auditing engagements.
- b To develop the ability to solve cases relating to audit engagements.

Contents

1 Quality Control

SQC 1 Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements

SA 220 Quality Control for an Audit of Financial Statements

2 General Auditing Principles and Auditors Responsibilities

SA 240 The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements

SA 250 Consideration of Laws and Regulations in an Audit of Financial Statements

SA 260 Communication with Those Charged with Governance

SA 299 Joint Audit of Financial Statements

SA 402 Audit Considerations Relating to an Entity Using a Service Organisation

(Note: Content of SA 200 Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Standards on Auditing; SA 210 Agreeing the Terms of Audit Engagements and SA 230 Audit Documentation is covered in depth at Intermediate level. Thus, application part of above SAs may be discussed in the form of Case Study at Final level.)

3 Audit Planning, Strategy, and Execution

SA 300 Planning an Audit of Financial Statements; (Content is covered in depth at Intermediate level, therefore, application part of SA 300 may be discussed in the form of Case Study at Final level.)

SA 450 Evaluation of Misstatements identified During the Audit

SA 520 Analytical Procedures

SA 540 Auditing Accounting Estimates, Including Fair Value Accounting Estimates and Related Disclosures

SA 610 Using the Work of Internal Auditors

SA 620 Using the Work of an Auditor's Expert

4 Materiality, Risk Assessment and Internal Control

Evaluation of Internal Control Procedures; Components of Internal Controls; Internal Control and Risk Assessment; Auditor's response to assessed risks; Risk-Based Audit- Audit Risk Analysis; Reporting on Internal Control Weaknesses, Framework on Reporting of Internal Controls

SA 265 Communicating Deficiencies in Internal Control to Those Charged with Governance and Management

SA 330 The Auditor's Responses to Assessed Risks

(Note: Content of SA 315 Identifying and Assessing the Risk of Material Misstatement through Understanding the Entity and its Environment and SA 320 Materiality in Planning and Performing an Audit is covered in depth at Intermediate level. Thus, application part of above SAs may be discussed in the form of Case Study at Final level.)

5 Audit Evidence

(Note: Content of SA 500 Audit Evidence; SA 501 Audit Evidence – Specific Considerations for Selected Items; SA 505 External Confirmations; SA 510 Initial Audit Engagements – Opening Balances; SA 530 Audit Sampling & SA 550 Related Parties is covered in depth at Intermediate level. Thus, application part of above SAs may be discussed in the form of Case Study at Final level.)

6 Completion and Review

(Note: Content of SA 560 Subsequent Event; SA 570 Going Concern and SA 580 Written Representation is covered in depth at Intermediate level. Thus, application part of above SAs may be discussed in the form of Case Study at Final level.)

7 Reporting

SA 700 Forming an Opinion and Reporting on Financial Statements

SA 701 Communicating Key Audit Matters in the Independent Auditor's Report

SA 705 Modifications 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

SA 710 Comparative Information – Corresponding Figures and Comparative Financial Statements

SA 720 The Auditor's Responsibility in Relation to Other Information

8 Specialized Areas

Basic and Overview of SA 800 Special Considerations–Audits of Financial Statements Prepared in Accordance with Special Purpose Frameworks

Basic and Overview of SA 805 Special Considerations–Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement

Basic and Overview of SA 810 Engagements to Report on Summary Financial Statements

9 Audit-related Services

Basic and Overview of SRS 4400 Engagements to Perform Agreed-upon Procedures Regarding Financial Information

Basic and Overview of SRS 4410 Compilation Engagements

10 Review of Financial Information

Basic and Overview of SRE 2400 Engagements to Review Historical Financial Statements

Basic and Overview of SRE 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity

11 Prospective Financial Information and Other Assurance Services

Basic and Overview of SAE 3400 The Examination of Prospective Financial Information

Basic and Overview of SAE 3402 Assurance Reports on Controls at a Service Organisation

Basic and Overview of SAE 3420 Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus

12 Digital Auditing and Assurance

Auditing digitally and Digital auditing, Usage of Automated Tools such as CAAT, Data Analytics, Artificial Intelligence, etc., Remote Auditing

13 Group Audits

Audit of Consolidated Financial Statements – Responsibility of Parent Company, Auditor of the Consolidated Financial Statements; Audit Considerations – Permanent Consolidation, Current Period Consolidation; Reporting

Audit of Group Financial Statements including the work of Component Auditors

(SA 600 Using the Work of Another Auditor)

14 Special Features of Audit of Banks & Non-Banking Financial Companies

15 Overview of Audit of Public Sector Undertakings: Concept of Propriety Audit; Performance Audit; Comprehensive Audit

16 Internal 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; Audit Trail, Internal Audit as a Management Function

17 Due Diligence, Investigation and Forensic Accounting: 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 Accounting– meaning, difference between Statutory Audit and Forensic Accounting, Forensic Accounting and Investigation Report, Introduction of Forensic Accounting and Investigation Standards

18 Emerging Areas: Sustainable Development Goals (SDG) & Environment, Social and Governance (ESG) Assurance, etc.

19 Professional Ethics and Liabilities of Auditors: Introduction of Code of Ethics as per IESBA and Code of Ethics with special reference to the relevant provisions of the Chartered Accountants Act, 1949 and the Regulations thereunder; Application of Fundamental Principles; Application of Threats, Evaluation of Threats; Addressing Threats and Safeguards; Conceptual Framework; Important Provisions of Chartered Accountants Act, 1949 and Chartered Accountants Regulations 1988

Note: If any new legislations / Engagement and Quality Control Standards/ Guidance Notes / Statements are enacted in place of the existing legislations / Engagement and Quality Control Standards / Guidance Notes / Statements, the syllabus will accordingly include the corresponding provisions of such new legislations / Engagement and Quality Control Standards / Guidance Notes / Statements, with effect from the date to be notified by the Institute.

Similarly, if any existing legislations / Engagement and Quality Control Standards/ Guidance Notes / Statements ceases to be in force, the syllabus will accordingly exclude such legislations / Engagement and Quality Control Standards/ Guidance Notes / Statements with effect from the date to be notified by the Institute.

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

PAPER 4: DIRECT TAX LAWS & INTERNATIONAL (100 MARKS) TAXATION

Objective

- a To acquire the ability to analyse and interpret the provisions of direct tax laws and recommend optimal solutions to practical problems in a tax efficient manner; and
- b To apply the provisions of direct tax laws and the concepts, principles and provisions of international taxation to recommend solutions to issues involved in cross border transactions.

Contents

- I
 - i Comprehensive computation of income-tax liability of companies and other entities under the alternative tax regimes under the Income-tax Act, 1961 to optimise tax liability
 - General provisions under the Act for computation of total income and tax liability of companies and other entities
 - Special tax regimes under the Act for companies and other entities
 - Optimisation of tax liability of companies and other entities through tax planning
 - ii Special Provisions relating to charitable and religious trust and institutions, political parties and electoral trusts, business trusts, securitisation trusts, investment funds and other funds/trusts
 - iii Anti-avoidance provisions under the Act
 - iv Provisions to address tax challenges on digitalisation

2 Tax Administration and Appellate Mechanism

- i Deduction, Collection and Recovery of Tax
- ii Income-tax Authorities
- iii Assessment Procedures
- iv Appeals and Revision; and Dispute Resolution
- v Provisions to counteract unethical tax practices
 - Taxation of undisclosed income under the Income-tax Act, 1961
 - Taxation of undisclosed foreign income and assets
 - Penalties and offences and prosecution
- vi Miscellaneous Provisions
- vii Tax Audit

3 International Taxation

- i Taxation of cross border transactions and Non-resident taxation under the Income-tax Act, 1961, including
 - Transfer Pricing
 - Non-resident Taxation
 - Double Taxation Relief
 - Advance Ruling
- ii Other Aspects of International Taxation, namely,
 - Significant articles of OECD and UN Model Tax Conventions
 - Fundamentals of BEPS
 - Application and Interpretation of Tax Treaties
 - Latest developments in International Taxation

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 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 5: INDIRECT TAX LAWS

(100 MARKS)

PART I: GOODS AND SERVICES TAX (80 MARKS)

Objective

To acquire the ability to analyse and interpret the provisions of the goods and services tax law and recommend solutions to case scenarios.

Contents

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 Case studies based on following:
Levy and collection of CGST and IGST – Application of CGST/IGST law; Concept of supply, inter-State supply, intra-State supply, supplies in territorial waters; Charge of tax including reverse charge; Classification; Exemption from tax; Place of supply; Time of Supply; Value of supply; Input tax credit; Computation of GST liability
- ii Procedures under GST including registration, tax invoice, credit and debit notes, electronic way-bill, accounts and records, returns, payment of tax
- iii Refunds and case studies based on refund provisions
- iv Job work
- v Liability to pay in certain cases
- vi Administration of GST; Assessment and Audit
- vii Inspection, Search, Seizure and Arrest
- viii Demand and Recovery; Offences and Penalties
- ix Appeals and Revision
- x Advance Ruling
- xi Ethics under GST
- xii Other provisions *

**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.*

PART II: CUSTOMS & FTP (20 MARKS)

Objective

To develop an understanding of the customs laws and foreign trade policy and acquire the ability to analyse and interpret the provisions of such laws/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 customs duties 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 Import and Export Procedures including special procedures relating to baggage, goods imported or exported by post, stores
- vi Warehousing
- vii Refund

2 Foreign Trade Policy

- 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: While covering the above laws, students should familiarise themselves with the ethical considerations and information technology aspects involved in the compliance of these laws.

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.

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

PAPER 6: INTEGRATED BUSINESS SOLUTIONS (100 MARKS) (MULTI-DISCIPLINARY CASE STUDY WITH STRATEGIC MANAGEMENT)

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.

Contents

This paper will be entirely case study based and would assess the integrated knowledge of following subjects:-

- 1 Financial Reporting
- 2 Advanced Financial Management
- 3 Advanced Auditing, Assurance and Professional Ethics
- 4 Direct Tax Laws & International Taxation
- 5 Indirect Tax Laws
- 6 Corporate and Economic Laws
- 7 Strategic Cost & Performance Management



INFORMATION TECHNOLOGY TRAINING & SOFT SKILLS COURSE

With an aim at shaping Chartered Accountants as complete Business Managers equipped with a well-rounded personality, The Institute of Chartered Accountants of India has developed two Courses viz: Integrated Course on Information Technology and Soft Skills (ICITSS) and Advanced Integrated Course on Information Technology and Soft Skills (AICITSS). Each course is of Four Weeks duration.

Integrated Course on Information Technology and Soft Skills (ICITSS)

A student is required to successfully complete the course consisting of Information Technology Training (IT) and Orientation Course (OC) before commencement of Practical Training.

Objective

The objective of ICITSS is to:

- develop an understanding for use of Information Technology in the field of accounting and auditing
- develop communication and presentation skills
- groom and motivate the entrants to become knowledgeable and skilled professionals

ICITSS Details:

	Information Technology Training (IT)	Orientation Course(OC)
Eligibility	After successful registration in CA Intermediate course and before joining Practical Training	After successful registration in CA Intermediate course and before joining Practical Training
Duration	Minimum 6 Hrs. per day for 15 days	Minimum 6 Hrs. per day for 15 days
Fee	Rs 6500 (Rs. Six Thousand five hundred only)	Rs 7000 (Rs. Seven Thousand only)
Syllabus	The Broad areas of the course content of IT is available in Section A	The Broad areas of the course content of OC 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 after the end of the practical training period but before appearing in Final level examination.

Objective

The Course is designed with an objective to inculcate:

- effective and efficient use of IT Tools
- inter-personal and leadership skills

Course on Advanced Information Technology

The course aims to

- develop practical skills to understand the intricacies of Forensic accounting and fraud detection
- understand the importance of Digital Forensics & Cyber Security
- provide training focused on Auditing of Financial Business Processes in SAP/Oracle/MS Dynamics, etc.
- impart hands-on experience through Data Analytical tools such as Microsoft Power BI, Python, KNIME and RPA

Management & Communication Skills Course (MCS)

The course aims to

- sharpen communication and presentation skills
- develop interpersonal and leadership skills
- provide an understanding of contemporary business environment and opportunities
- inculcate adaptability and accountability

AICITSS Details:

	Advanced Information Technology Training (Adv ITT)	Management & Communication Skills Course (MCS)
Eligibility	After completion of Practical Training and before appearing for Final level.	After completion of Practical Training and before appearing for Final level
Duration	Minimum 6 Hrs. per day for 15 days	Minimum 6 Hrs. per day for 15 days
Fee	Rs 7500 (Rs. Seven Thousand five hundred only)	Rs 7000 (Rs. Seven thousand only)
Syllabus	The Broad areas of the course content of Adv ITT is available in Section C	The Broad areas of the course content of MCS is available in Section D

Registration for ICITSS and AICITSS Courses

Online Registration Portal <http://cloudcampus.icaai.org> or www.icaionlineregistration.org has been developed to facilitate students to register for the courses and make online payment using Credit/Debit card/Net Banking.

The portal facilitates registration in a batch launched by the Programme Organising Unit. After registration, the student is required to take a print of the acknowledgement slip and submit the same along with other documents, as mentioned in the 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.

The Online portal for ICITSS and Advanced ICITSS provides the facilities 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
- Online Print Acknowledgement
- Biometric Student Attendance
- Token Generation After Cancellation
- Branch Accounting Dashboard
- Branch Reporting Dashboard

NOTE: Students would be tested on Advanced Information Technology (AICISS) 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.



SYLLABUS

Syllabus of ICITSS

Section A – Course on Information Technology

Topics	Hours
E-learning(Basics of MS-Word, MS-Power Point, MS-Excel)	10
Overview of Statutory & Tax Compliances	20
MS- Access	12
Data Analytics using CAAT tools- MS Excel / IDEA / Caseware	30
Overview of Accounting Packages – SAP/Tally /Zoho/Oracle etc.	48

Section B – Orientation Course

Topics	Hours
An overview of ICAI, SWOT Analysis	6
Visualize the Future – Articleship Training, Business Environment – Indian & Global	6
Fundamental pillars of success – Attitude, Values & Ethics	6
Self- Analysis, Planning & Prioritizing, Goal Setting & Accountability, Stress & Time Management	6
Introduction to Effective Communication, Listening Skills, Conversational Skills & Interpersonal Skills, Business Communication, Etiquettes, Articulation Skills	6
Extempore by the student	6
Importance of Motivation for high performance, Reading and Comprehension Skills	6
Art of Questioning, Group Discussion & its significance, Making Effective Presentations – Art of Presentation	6
Case-based presentations related to Industries, Introduction to Project Report/ Pitch Deck Presentation	6
Understanding Teams and team building approach / Relationship Management	6
Code of Conduct for CA students, Office Etiquettes, Executive Presence	6
Developing Research Aptitude, Business Domains and their significance, Comparison between Inter-firm and Intra firm	6
Social Media – Evolving Platforms of Communication, Adaptability and flexibility	6
Practical/ Testing of Verbal Skills	6
Extempore by the students, Final Swot analysis	6

Syllabus of AICITSS

Section C- Advanced Course on Information Technology

Topics	Hours
E-learning on Forensic accounting and Fraud detection	10
Basics of Digital Forensic and Cyber Security	20
Data Analytics	42
Auditing of Financial Business Processes in SAP/Oracle/MS Dynamics, etc.	36
RPA	12

Section D – Management and Communication Skills (MCS)

Topics	Hours
Introduction of the Course, Effective Communication	6
Express to Impress	6
Business Communication	6
Meaning and Importance of Emotional Intelligence, Interpersonal Skills	6
Stress Management, Change Management and succeeding in the VUCA World, Negotiation Skills	6
Leadership- How to become a vigilant leader	6
Strategic Thinking	6
Teamwork & building successful Teams	6
Public Speaking	6
Interview Preparation,	12
Diversity & Inclusion, Client Orientation	6
Design Thinking, Professional Opportunities for CAs	6
Practical/ Testing of Presentation Skills – presentation by students	6
360-degree Professional Ethics, Extempore	6