

CA FINAL SYLLABUS

PAPER 1: FINANCIAL REPORTING

Level of Knowledge: Advanced knowledge

(One paper – Three hours – 100 Marks)

Objectives:

- (a) To gain ability to analyze financial statements including consolidated financial statements of group companies and financial reports of various types of entities,
- (b) To gain ability to apply valuation principles,
- (c) To familiarise with recent developments in the area of financial reporting,
- (d) To gain ability to solve financial reporting and valuation cases.

Contents:

1. Accounting Standards, Accounting Standards Interpretations and Guidance Notes on various accounting aspects issued by the ICAI and their applications.
2. Overview of International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS), Interpretations by International Financial Reporting Interpretation Committee (IFRIC), Significant difference vis-a-vis Indian Accounting Standards.
Understanding of US GAAP,
Applications of IFRS and US GAAP.
3. Corporate Financial Reporting - Issues and problems with special reference to published financial statements.
4. Accounting for Corporate Restructuring (including inter-company holdings).
5. Consolidated Financial Statements of Group Companies Concept of a Group, purposes of consolidated financial statements minority interest, Goodwill, Consolidation procedures – Minority interests, Goodwill, Treatment of pre- acquisition and post-acquisition profit.
Consolidation with two or more subsidiaries, consolidation with foreign subsidiaries.
Consolidated profit and loss account, balance sheet and cash flow statement.
Treatment of investment in associates in consolidated financial statements.
Treatment of investments in joint ventures in consolidated financial statements.
6. Accounting and Reporting of Financial Instruments
Meaning, recognition, derecognition and offset, compound financial instruments
Measurement of financial instruments

- Hedge accounting
- Disclosures
- 7. Share based payments
 - Meaning, Equity settled transactions, Transaction with employees and non- employees
 - Determination of fair value of equity instruments
 - Vesting conditions
 - Modification, cancellation and settlement
 - Disclosures
- 8. Financial Reporting by Mutual funds, Non-banking finance companies, Merchant bankers, Stock and commodity market intermediaries.
- 9. Valuation
 - (a) Concept of Valuation
 - (b) Valuation of Tangible Fixed Assets
 - (c) Valuation of Intangibles including Brand Valuation and Valuation of Goodwill
 - (d) Valuation of Liabilities
 - (e) Valuation of Shares
 - (f) Valuation of Business
- 10. Developments in Financial Reporting
 - (a) Value Added Statement
 - (b) Economic Value Added, Market Value Added, Shareholders' Value Added
 - (c) Human Resource Reporting
 - (d) Inflation Accounting

Note: If either old Accounting Standards (ASs), Accounting Standards Interpretations (ASIs), Guidance Notes (GNs), Announcements and Limited Revisions to ASs are withdrawn or new ASs, GNs, Announcements and Limited Revisions to AS are issued by the Institute of Chartered Accountants of India in place of existing ASs, ASIs, GNs, 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.