



## INTERMEDIATE COURSE

### GROUP -I

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

#### Objectives

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

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



**Objectives**

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

**A. Commercial & Industrial Law ( 50 marks)**

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



**B. Auditing ( 50 Marks)**

**1. Auditing Basics**

**10%**

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

**2. Companies Act Provisions relating to Audits**

**10%**

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

**3. Review and Audit of Internal Control Systems**

**15%**

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

**4. Information System Audit.**

**10%**

**5. Introduction to Management Audit.**

**5%**



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

**Objectives:**

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

**1. Direct Taxes- Comprehensive Study. 50%**

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

**2 Practical problems and case studies under Direct Taxes.**

**50%**



## **Group II**

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

#### **Objectives**

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

#### **1. Basic aspects of Cost Accounting 15 %**

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

#### **2. Cost Accounting Methods and systems 20%**

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

#### **3. Decision Making Tools 20%**

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

#### **4. Budgeting 15%**

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

#### **5. Standard Costing 15%**

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

#### **6. Costing and performance management 10%**

- Business performance measurement for performance improvement

#### **8. Recent trends in cost and Management Accounting 5%**



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

**Objective:**

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

**A. Operation Management ( 50 marks)**

**1. Overview of Production Process 15 %**

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

**2. Production Planning & Productivity management 15%**

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

**3. Maintenance Management 10%**

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

**4. Resource Management 10%**

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



**B. Information Systems ( 50 marks)**

**1. Information System Analysis and Design.**

**10%**

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

**2. Database Management Systems**

**15%**

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

**3. Management Information Systems (MIS)**

**15%**

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

**4. Enterprise Resource Planning (ERP)**

**10%**

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



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

**Objectives:**

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

**1. Canons of Taxation - Indirect Taxes**

**5%**

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

**2. Central Excise**

**25%**

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

**3. Customs laws**

**15%**

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

**4. Service Tax**

**15%**

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

**5. Central Sales Tax Act & VAT Act.**

**15%**

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





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

**6. Practical problems and Case Studies under Indirect Tax Laws**

**25%**