



FINAL COURSE

GROUP -III

Paper 11: Capital Market Analysis & Corporate Laws (One Paper: 3 hours:100 marks)

Objective:

- To know application of the various regulations for financial and capital markets
- To understand Companies Act and compliances under the same
- To gain basic knowledge on Corporate Governance Principles and purpose of good corporate governance

A. Capital Market Analysis (50 Marks)

1. Introduction of Capital Market & Capital Market Instruments

10%

- Capital Market / Security Market
- Primary Market / New Issues / IPO Market
- Secondary Market / Stock Market / Stock Exchange
- Depositories
- Private placements of shares / Buy back of shares
- CAPM vs Market Model
- Issue mechanism
- Forward Contract and future contracts
- Clearing mechanism

2. Capital & Financial Market Regulation

10%

- Financial System and Capital Market Instruments,
- SEBI – Regulation of Market and Control,
- Collective Investment Schemes, Depositories, Dematerialization of Securities,
- Regulation of banking & finance companies – role of Reserve Bank of India and Banking Ombudsmen; Regulation of Insurance sector by Insurance Regulation and Development Authority (IRDA),
- Cyber Law and regulation of e-commerce and electronic financial transactions,
- Contemporary issues and Development

3. Capital Market Analysis

30%

- Stock market efficiency;
- Risk and Return;
- Investment Analysis;
- Cost of Finance And Financing Structures;
- Capital Asset Pricing Model;
- Products on Stock Exchanges: Equity / Stock Markets, Basket Trading, Derivatives, Debt Markets- Retail and Wholesale, Interest Rate Futures, Exchange Traded Funds, Mutual Funds (Close Ended).
- Risk Management System: Capital Adequacy Requirements, Intra day Trading limits, Gross Exposure Limit, Margining Procedure.
- Derivatives Markets: Introduction to Options and Futures, Explanation of Market Terminologies, Pay-off Structure, Basic Trading Strategies, Weekly Options.
- Debt Markets: Debt Products traded in Stock Exchanges, Wholesale Debt Markets, and Retail Debt Markets.
- Commodity Market & Trading Corporate Actions: Bonus, Rights, Dividend, Buy Back etc., Regulations to be followed by the Corporates, Impact on the Shareholders.
- Portfolio Management
 - Basic Principle, Functions and Activities
 - Factors effecting investment decision in portfolio management
 - Investment strategy
 - Portfolio theory
 - Use of matrix approach in investment decisions
- Mutual Funds
 - Role of Mutual Fund in financial market
 - Advantage of investment in mutual fund
 - Regulations and operations
 - Investors right and obligation



B. Corporate Law & Corporate Governance (50 Marks)

4. Corporate functionalism in the context of Companies Act & Corporate Laws

30%

- Introduction, Incorporation and its Consequences,
- Financial Structure and Membership,
- Management and Control of Companies,
- Inter-corporate loans, Investments, Guarantees and Security,
- Maintenance of Statutory Books/Registers and Filing of Returns,
- Winding-up,
- Joint Ventures,
- Corporate Accountability,
- Competition Act and Competition Commission,
- Information Act and its corporate implication, Emerging Issues and Concepts
- Merger and Acquisition
 - Reason for merger acquisition
 - Objective of acquisition
 - Gain from merger
 - Problem of merger and acquisition
 - Issues related to Companies Act 1956, Industrial(Development & Regulation) Act, Sick Industrial (Special Provision) Act, Income Tax Act, SEBI Regulations
 - Function of Court
 - Reconstruction
 - De-merger or division

5. Corporate Governance

20%

- Genesis, Narasimhan Committee and other Committee Recommendations on Corporate Governance,
- Effective Board of Directors and its role,
- Independent Directors and Audit Committee, Remuneration Committee, Nomination Committee;
- Evaluation of effectiveness of Internal Control-Management Accounting applications and Directors' Responsibility Statement;
- Going Concern status-financial and other indicators, role of management audit, evaluation of going concern uncertainties;
- Related party transactions and disclosures;
- Project management audit and corporate governance;
- Relevance of Risk Evaluation and Risk management;
- Evaluation of key financial decisions and disclosures;
- Management Audit for investors' protection in the context of Corporate Governance,
- Corporate Governance Norms as prescribed by SEBI,



Paper 12: Financial Management & International Finance (One Paper: 3 hours:100 marks)

Objectives:

- Understand the scope, goals and objectives of Financial Management
- To provide expert knowledge on concepts, methods and procedures involved in using Financial Management for managerial decision-making
- To gain knowledge of international monetary and financial system

1. Overview of Financial Management

10 %

- Finance and Related Disciplines
- Scope of Financial Management,
- Planning environment
- Key decisions of Financial Management
- Emerging role of finance managers in India
- Earnings distributions policy
- Compliance of regulatory requirements in formulation of financial strategies
- Sources of finance – long term, short term and international
- Exchange rate – risk agencies involved and procedures followed in international financial operations

2. Financial Management Decisions

15 %

- Capital structure theories and planning
- Cost of capital
- Designing Capital Structure
- Capital budgeting
- Lease financing
- Working capital management
- Financial services
- Dividend and retention policies
- Criteria for selecting sources of finance, including finance for international investments
- Effect of financing decisions on Balance Sheet and Ratios
- Financial management in public sector
- Role of Treasury function in terms of setting corporate objectives, funds management – national and international
- Contemporary developments – WTO, GATT, Corporate Governance, TRIPS, TRIMS, SEBI regulations as amended from time to time

3. Financial analysis & planning

10%

- Funds flow and cash flow analysis
- Financial ratio analysis -Ratios in the areas of performance, profitability, financial adaptability, liquidity, activity, shareholder investment and financing, and their interpretation.
- Limitations of ratio analysis
- Identification of information required to assess financial performance
- Effect of short-term debt on the measurement of gearing.

4. Operating and financial leverages

5%

- Analysis of operating and financial leverages
- Concept and nature of leverages operating risk and financial risk and combined leverage
- Operating leverage and Cost volume Profit analysis – Earning Before Interest and Tax (EBIT) and Earning Per Share (EPS), indifference point.

5. Financial Strategy

15 %

- Financial and Non-Financial objective of different organizations
- Impact on Investment, finance and dividend decisions
- Sources and benefits of international financing
- Alternative Financing strategy in the context of regulatory requirements
- Modeling and forecasting cash flows and financial statements based on expected values for variables – economic and business
- Sensitivity analysis for changes in expected values in the models and forecasts
- Emerging trends in financial reporting



- 6. Investment Decisions** **15 %**
- Costs, Benefits and Risks analysis for projects
 - Linking investment with customer's requirements
 - Designing Capital Structure
 - The impact of taxation, potential changes in economic factors and potential restrictions on remittance on these calculations
 - Capital investment real options
 - Venture Capital financing
 - Hybrid financing / Instruments
- 7. Project Management** **10%**
- Project Identification and Formulation
 - Identification of Project opportunities
 - Project Selection Consideration and Feasibility Studies
 - Project appraisal & Cost Benefit analysis
 - Source of Project Finance & Foreign Collaboration
- 8. International Finance** **10%**
- Minimization of risk,
 - Diversification of risk
 - Forward and futures,
 - Forward rate agreements
 - Interest rate swaps
 - Caps, floors and collars
 - Parity theorems
 - FDI
 - Money market hedge
 - Options.
- 9. Sources of International Finance** **5%**
- Raising funds in foreign markets and investments in foreign projects
 - Forward rate agreements and interest rate guarantees
 - Transaction, translation and economic risk, Interest rate parity, purchasing power parity and the Fisher effects
 - Foreign Direct Investment
- 10. International Monetary and Financial System** **5%**
- Understanding the International Monetary System
 - Export and Import Practices
 - International Financial Management: Important issues and features, International Capital Market
 - International Financial Services and Insurance: Important issues and features



Paper 13: Management Accounting- Strategic Management (One Paper: 3 hours:100 marks)

Objective:

- To understand the importance of strategic and risk management and apply tools for strategic analysis appropriately
- To develop the ability to understand the risks both internal and external and build capabilities to manage risks

A. Strategic Management

60%

1. Introduction to Business Strategy

10%

- Meaning and implications of corporate planning, long range planning, business policy planning and strategic planning; strategic management processes; meaning and use of mission, goals, objectives and targets, profit gap, sales gap, risk gap and other strategies;
- SWOT analysis; target selling strategy formulation and implementation, monitoring mechanism, strategies for stagnation versus growth, strategies for growth through expansion versus diversification & diversification vs core competency.
- Acquisition and merger strategy, strategy of joint venture both in India and abroad.
- Marketing strategy as a part of corporate strategy, growth under inflation and protection of shareholder, real capital.
- Financial objectives, non- financial objectives, resources analysis and evaluation.

2. Forecasting and planning for strategy

10%

- Forecast trend and changes – social, political, legal and technological impacts.
- Distribution channels and competitive forces. Government policies, economic growth and government expenditure.
- Public and private sector investments,
- International trade practices and government policies for capacity expansion, new industries, subsidiaries and substitutes

3. Model Building and models

10%

- Strategies in the development of models, Delphi Model, econometric, mathematical programming, budgetary and heuristic model.
- Sensitivity analysis and the characteristics of models.
- Limitations in model building vis- a-vis simulation techniques.
- Life cycles, Porters generic strategic, Ausoj's model, BCG matrix and other models

4. Marketing strategy

10%

- Production orientation versus market orientation, marketing objectives, framework and management of marketing mix.
- Linkage between strategic planning and marketing strategy-both forward and backward.
- Research and intelligence- source for the techniques for acquiring information necessary for marketing decision-making market shares.

5. Application of management accounting in strategic management

20%

- Marketing strategy: analysis of marketing costs and profitability, product development policy & strategy, pricing policies and strategies, budgetary control in marketing, evaluation and control of sales activities;
- Operations Management Strategy: process, technology and logistic strategies, inventory policies and strategies, Human Resource Management policies and strategies,
- Financial Strategies and Strategic Total Cost Management

B. Risk Management

40%

6. Risk Measurement and Management

15%

- Introduction, Risk and Risk Management,
- Objectives of Risk Management,
- Risk Measurement and Pooling, Total Loss Distribution,
- Pooling and Diversification,
- Ruin Probability

7. Risk insurance:

10%

- Insurability of Risk and Insurance Contracts,
- Insurance Pricing, Analysis Tools, Demand for Risk Management (Utility Theory),
- Legal Liability, Corporate Liability, Liability Issues,
- Insurance case study: Auto Insurance (or such other insurance industry segment as may be notified)
- Commercial Insurance.

8. Corporate risk management:

15%

- Risk Management and Shareholders,
- Risk Retention/Reduction,
- Financial Risk Management,
- Futures and Options,
- Asset / Liability Management,
- Project risk management, Enterprise Risk Management



Paper 14: Indirect & Direct - Tax Management (One Paper: 3 hours:100 marks)

Objectives:

- To gain expert knowledge about the direct and indirect tax laws in force and the relevant rules and principles emerging from leading cases.
- To provide an insight into practical aspects and apply the provisions of laws to various situations.
- To understand the various external Auditing Requirements under tax laws.

1. Central Excise	20%
2. Customs	10%
3. Service Tax	10%
4. Export Promotion Schemes, Foreign Trade Policy, EOU, SEZ.	10 %
5. Central Sales Tax/ VAT Act	5%
6. Income Tax including Fringe Benefit Tax.	20%
7. Wealth Tax	5%
8. Case Studies under Direct and Indirect Taxes.	20%



Group IV

Paper 15: Management Accounting - Enterprise Performance Management (One Paper: 3 hours:100 marks)

Objective:

- To understand the importance of performance measurement - both financial and non financial
- To develop the skill of decision making to have competitive advantage
- To gain knowledge of different tools of quality management

1. Management Control Systems

10%

- Control Systems within the framework of the organization
- The application of control systems and related theory to the design of management accounting control systems
- Structure and operation of management accounting control systems
- Behavioural consequences of using management accounting controls);
- Variation in control needs and systems dependent on organizational structure
- Management accounting system - need for detailed costing, overhead allocation and budgeting, identification of non-value adding activities in the accounting function

2. Operations Management

15%

- An overview of operations strategy and its importance
- Systems used in operations management: Manufacturing Resource Planning (MRP), Optimised Production Technologies (OPT), Just-in-Time (JIT) and Enterprise Resource Planning (ERP).
- Use of the Intranet in information management
- Strategies for balancing capacity and demand including level capacity
- Demand management strategies.
- Benchmarking and Business Process Re-engineering (BPR).

3. Cost Planning and Analysis for Competitive Advantage

25%

- Value analysis and quality function deployment.
- The benefits of just-in-time production, total quality management and theory of constraints
- Kaizen costing, continuous improvement and cost of quality reporting.
- Learning curves and their use in predicting product/service costs, derivation of learning rate and learning index.
- Activity-based management in the analysis of overhead and its use in improving the efficiency of repetitive overhead activities.
- Multi-product break-even analysis, including break-even and profit/volume charts, contribution/sales ratio, margin of safety etc.
- Simple product mix analysis in situations where there are limitations on product/service demand and one other production constraint.
- Target costing.
- Life cycle costing and implications for marketing strategies.
- Value chain and supply chain management
- Strategic Total Cost Management

4. Treatment of Uncertainty in Decision Making

20%

- The nature of risk and uncertainty.
- Sensitivity analysis in decision modeling and the use of computer software for 'what if' analysis.
- Assignment of probabilities to key variables in decision models.
- Analysis of probabilistic models and interpretation of distributions of project outcomes.
- Expected value tables and the value of information.
- Decision trees for multi-stage decision problems.

5. Enterprise performance measurement systems

15%

- Balanced Score Card, EVA
- Segment Performance

6. Quality Management

15%

- Approaches to quality management, including Total Quality Management (TQM), Statistical Quality Control (SQC) .
- The use of benchmarking in quality measurement and improvement.
- Practices of continuous improvement (e.g. Quality circles, Kaizen, 5S, 6 Sigma).
- Different methods of quality measurement (i.e. operational, financial and customer measures)
- Contemporary developments in quality management.
- External quality standards (e.g. the various ISO standards appropriate to products and organizations).
- Global awards for best practices and business performance



Paper 16: Advanced Financial Accounting & Reporting (One Paper: 3 hours:100 marks)

Objectives:

- To gain expert knowledge of the professional standards, principles and procedures developed globally
- by and their application to different practical situations
- To understand the scope and quality of external reporting and its use in published accounts

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|---|------------|
| 1. Introduction to IAS, US GAAP, Indian Accounting Standards | 15% |
| <ul style="list-style-type: none">• GAAP in India• US GAAP- Statements and Standards, hierarchy of US GAAP• International Accounting Standards• Relative view of AS (India), IAS and US GAAP on different issues | |
| 2. Preparation of Company Accounts under various circumstances | 20% |
| <ul style="list-style-type: none">• Relevant Terms• Types of Mergers, methods of accounting• Treatment of Goodwill arising on Merger.• Purchase Consideration and Settlement.• Accounting in the books of vendor / transferor company.• Accounting for investment in subsidiary.• Accounting of holding companies• Consolidation of financial statements.• Corporate Financial restructuring• Accounting standards relevant to these concepts. | |
| 3. Group Financial Statements | 25% |
| <ul style="list-style-type: none">• Holding company, Subsidiary Company and Associate company• Consolidated Income Statement, Balance Sheet and Cash Flow Statements for Group of companies• Concept of fair value at the time of acquisition• Impact on group financial statements at the point of acquisition• Compare and contrast acquisition and equity methods of accounting• Reconstruction schemes , De-merger• Preparation and interpretation of segmental analysis, inter-firm comparisons | |
| 4. Segment Reporting | 10% |
| 5. Developments in External Reporting | 20% |
| <ul style="list-style-type: none">• Applicability of a particular accounting standard.• Interpretation of various accounting standards.• Scope of accounting standards.• Compliance with the Accounting Standards.• Annual Reports – Statutory Requirements and External reports• Preparation of Financial information in the Annual Reports• External Reporting under capital market regulations• Disclosure of post Balance Sheet events .• Financial Reporting across the world• Exposure to reporting under US and UK laws• IFRS requirements for reporting | |
| 6. Government Accounting in India | 10% |
| <ul style="list-style-type: none">• General Principles.• Comparison with commercial accounting.• Role of the Comptroller and Auditor General of India.• Role of the Public Accounts Committee.• Review of accounts. | |



Paper 17: Cost Audit & Operational Audit and Ethics (One Paper: 3 hours:100 marks)

Objectives:

- To gain an in-depth knowledge of the techniques and methods of planning and conducting Cost Audit
- To develop the skill in Internal Control, Internal Auditing and Operational Audit

1. Basics of cost audit, appointment of cost auditor

10%

- Nature and scope of cost audit.
- Provisions under Companies Act relating to maintenance of Cost Records and Cost Audit.
- Cost auditor – appointment, rights and responsibilities
- Structuring the cost audit

2. Cost Audit Report Rules

10%

- Provisions of Cost Audit Report Rules 2001
- Form of cost audit report
- Annexures to the cost audit report
- Pro-forma to the cost audit report.
- Usefulness of Cost Audit.

3. Cost Accounting Record Rules

20%

- Procedure for prescription of cost accounting record rules
- Cost accounting record rules and its applicability
- Provisions of cost accounting record rules for various industries.

4 Cost Accounting Standards

10%

Section II - Internal Audit and Operational Audit

1. Basics of internal audit and operational audit

10%

- Concept of internal and operational audit
- Internal Audit - techniques and procedures
- Internal Audit Report.
- Operational audit – techniques and procedures
- Operational audit report
- Special reports for banks, shareholders, employees etc
- evaluation of internal control system, budgetary control system, inventory control system, management information system.

2. Management Audit in Different forms and functions

10%

- Corporate Services Audit
- Audit checks of different functions
- Corporate Governance and Audit Committee

3. Various types of audit and their process;

10%

- Due Diligence audit
- SOX Audit
- Energy Audit – meaning & methodology
- Productivity audit
- Inventory audit
- VAT Audit.
- Special audit under excise , service tax and customs records by cost accountant
- Environment audit
- Qualities of good certificate/report
- Bank Audit and Concurrent Audit.
- Systems Audit.
- Audit under ERP environment.



4. Fields for practicing cost accountants

5%

- Statutory,
- Non Statutory.
- WTO regime.
- Assessment and quantification of losses under marine, fire & accident policies
- ANTI-DUMPING – meaning, process, role of cost accountants

5. Professional Ethics

10%

- Meaning of professional values and ethics,
- ICWAI & IFAC guidelines for professional values and ethics,
- Ethical codes applicable to professional Accountants in India, Ethical code for Cost Accountants under Cost and Works Accountants Act, 1959 and The Cost and Works Accountants Regulations, 1959, as amended up to date.

6. Auditing and Assurance standards

5%



Paper 18: Business Valuation Management (One Paper: 3 hours:100 marks)

Objectives:

- To gain knowledge in different techniques of valuation of assets and liabilities
- To understand the legal implications of merger and acquisitions

1. Valuation Basis

(10%)

- Principles and techniques of valuation
- Asset valuation.
- Earnings valuation
- Cash flow valuation.
- Other valuation basis
- Efficient market hypothesis
- Impact of changing capital structure on the market value of the company
- Priorities of different stakeholders in terms of business valuation.

2. Valuation of Mergers and Acquisitions

(20%)

- Assets and cash flows
- The strengths and weaknesses of various valuation method
- Recognition of the interest of various stakeholders
- Selection of appropriate cost of capital for valuation
- Synergistic benefits
- Forms of consideration and terms of acquisitions
- Post merger integration process
- Implications of regulations for business combinations
- Types of exit strategies and their implications.

3. Valuation of Assets and Liabilities

(40%)

- Forms of intellectual property and methods of valuation
- Valuation of fixed assets
- Valuation of inventories
- Valuation of investments
- Valuation of shares
- Dividend growth valuation models
- MM theory
- Valuation of options
- Valuation of intangibles
- Human resource accounting
- Valuation of goodwill, patents and copyrights
- Valuation of brands
- Valuation of real estate
- Relevant accounting standards.

4. Case studies

(30%)