

# SYLLABUS

## SET A

**PAPER : CORPORATE AND ECONOMIC LAWS (100 MARKS)**

**PART I : CORPORATE LAWS (70 MARKS)**

**SECTION A : COMPANY LAW (50 MARKS)**

### Objective

To acquire the ability to analyse, interpret and apply the provisions of the Company Law in practical situations.

### Contents

**The Companies Act, 2013** and Rules framed thereunder in its entirety with specific reference to section 149 onwards:

- 1 Appointment and Qualifications of Directors
- 2 Appointment and Remuneration of Managerial Personnel
- 3 Meetings of Board and its Powers
- 4 Inspection, Inquiry and Investigation
- 5 Compromises, Arrangements and Amalgamations
- 6 Prevention of Oppression and Mismanagement
- 7 Winding Up
- 8 Miscellaneous Provisions
- 9 Adjudication, Special Courts, National Company Law Tribunal
- 10 e-Filing

**SECTION B : SECURITIES LAWS (20 MARKS)**

### Objective

To acquire the ability to analyse the significant provisions of the SEBI Act.

### Contents

Overview of the Securities Exchange Board of India Act, 1992, and references of following Regulations:

- 1 SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015
- 2 SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018
- 3 SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 2011
- 4 SEBI (Prohibition of Insider Trading) Regulations, 2015

**PART II : ECONOMIC LAWS**

**(30 MARKS)**

**Objective**

To acquire the ability to analyse the significant provisions of select Economic Laws.

**Contents**

- 1 The Foreign Exchange Management Act, 1999 and significant Rules and Regulations: Introduction, Broad structure of FEMA, Definition, Regulation and Management of Foreign Exchange, Contraventions and Penalties in brief, Miscellaneous Provisions.
- 2 The Foreign Contribution Regulation Act, 2010 and its Regulation: Definitions, Regulation of Foreign Contribution and Miscellaneous Provisions.
- 3 The Insolvency and Bankruptcy Code, 2016 and significant Rules and Regulations: Significant concepts covered uptill section 33 of the Code.

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

The specific inclusions/exclusions in the various topics covered in the syllabus will be affected every year by way of study guidelines, if any.



# SYLLABUS

## SET B

**PAPER : STRATEGIC COST & PERFORMANCE MANAGEMENT (100 MARKS)**

### Objective

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

### **PART A : STRATEGIC COST MANAGEMENT**

#### **1 An Introduction to Strategic Cost Management**

- i Managing Cost Strategically- Strategic Cost Management, Limitations of Traditional Cost Management, Traditional vs. Strategic Cost Management
- ii Organisational Context- Gaining Competitive Advantage, Value Proposition, Osterwalder's Business Model Canvas
- iii External Environment Context- Industry Profitability, Basis of Competition, Industry Key Success Factors, Understanding Customers and Markets
- iv Information Technology the Strategic Context- IS/IT and Porter's Five Forces, IT/IS and the Value Chain
- v The Role of Management Accountant as a Leader- Communication, Decision Making, Business Ethics

#### **2 Modern Business Environment**

- i Introduction/ Characteristics of the Modern Business Environment
- ii Quality to Business Excellence- Cost of Quality, Total Quality Management
- iii Supply Chain Management (SCM)
- iv Gain Sharing Arrangements
- v Downsizing, Outsourcing and Offshoring

#### **3 Lean System and Innovation**

- i Introduction to Lean System
  - a Just-in-Time (JIT)
  - b Kaizen Costing
  - c 5S
  - d Total Productive Maintenance (TPM)
  - e Cellular Manufacturing/ One-Piece Flow Production Systems
  - f Six Sigma (SS)
- ii Introduction to Process Innovation

#### **4 Specialist Cost Management Techniques**

- i Cost Control/ Waste Control, Cost Reduction
- ii Target Costing
- iii Throughput Accounting and Theory of Constraints
- iv Life Cycle Costing
- v Environment Management Accounting

#### **5 Management of Cost Strategically for Emerging Business Models**

- i Changing Business Environment- Digital Technologies, Business Ecosystems, Hyper Competition, Transformation and Disruption, Advanced Manufacturing, Lean Start-up, Agile Organisations, Start-ups vs Incumbents, Intrapreneurship, Innovation Hubs and Incubators, Supply Chain Partnerships
- ii Business Models
  - a Hyper disruptive Business Models
  - b Models relevant to Sustainability
  - c Models relevant to Emerging National Markets
- iii Strategic Responses to New Business Models

#### **6 Strategic Revenue Management**

- i Decision Making Techniques
  - a CVP Analysis
  - b Relevant Cost Concepts
- ii Pricing Decisions
  - a Theory & Principles of Product Pricing
  - b Pricing – New Product, Finished Products, Pricing of Services, Emerging Business Models
  - c Sensitivity Analysis in Pricing Decisions
  - d Pricing Decision under Special Circumstances
  - e Ethical and Non-financial Considerations
- iii Pricing Strategies
  - a Pricing Strategies
  - b Kano's performance attributes

#### **7 Strategic Profit Management**

- i Operating Profit Analysis
- ii Activity Based Profitability Analysis, Activity Based Management (ABM), Activity Based Budgeting (ABB)
- iii Pareto Analysis

## **PART B : STRATEGIC PERFORMANCE MANAGEMENT**

### **1 An Introduction to Strategic Performance Management**

- i Performance Management and Its link to Strategy
- ii Role of Performance Management in Business Integration using Models such as Value Chain and McKinsey's 7S
- iii Influence of Organisation's Structure, Culture and Strategy on Performance Measurement
- iv Strategic Performance Issues in Complex Business Structures
- v Behavioural Aspects
- vi Predicting and Preventing Corporate Failure

### **2 Strategic Performance Measures in Private Sector**

- i Critical Success Factors and Link to Performance Measurement, Key Performance Indicators (KPI)
- ii Financial Measures- Gross Profit, ROCE, ROI, EPS, RI, NPV, EVA etc.
- iii Non-Financial Performance Measures- Linkage between performance measures (Balanced Scorecard); Link Strategy, Operations and Performance (Performance Pyramid); Link between achievement of the corporate strategy and the management of human resources (The Building Block Model); Triple Bottom Line
- iv The role of quality in management information and performance measurement systems

### **3 Strategic Performance Measures in the Not-for-Profit Organisations**

- i Diversity in objectives, difficulties in measuring outputs
- ii 'value for money' service provision as a measure of performance in not-for-profit organisations and the public sector
- iii Adapted Balanced Scorecard

### **4 Preparation of Performance Reports**

### **5 Divisional Transfer Pricing**

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

### **6 Standard Costing**

- i Analysis of Advanced Variances
- ii Integration of Standard Costing with Marginal Cost Accounting
- iii Reconciliation of Profit

- iv Variance Investigation Techniques, Interpretation of Variances, Possible Interdependence Between Variances and Reporting
- v Behavioural Aspects of Standard Costing, Limitation of Standard Costing (including its use in the contemporary business environment)

## **PART C : CASE STUDY**

### **1 Case Study**

- i Covering Course Concepts
- ii Combination of MCQs and extended response questions

#### **General Note-**

- i *The Strategic Cost & Performance Management exam builds upon the skills and knowledge examined in the "Strategic Management" and "Cost and Management Accounting" exams. At this stage candidates will be expected to demonstrate an integrated knowledge of the subject and an ability to relate their technical understanding of the subject to issues of strategic and operational importance to the organisation.*
- ii *Basic Applications of the following Quantitative Techniques are required to be studied for linkage to the course concept: (a) Linear Programming (b) Learning Curve/Experience Curve.*



# SYLLABUS

## SET C

**PAPER : RISK MANAGEMENT (100 MARKS)**

### Objective

To gain knowledge and acquire an insight into the spectrum of risks faced by businesses and to develop an understanding of the techniques of managing risks in practical case scenarios.

### Contents

#### 1 Introduction & Overview

- i Introduction to Risk & Uncertainty
- ii Classifications & Types of Risks
- iii Importance & Objectives
- iv Overview of Mitigation & Controls
- v Opportunities in RM for CAs

#### 2 Risk Strategy & Governance

- i Risk Management Frameworks
- ii Implementation of Risk Management Policies & Processes
- iii Enterprise Risk and linkage to Business
- iv Governance & Ethical dimensions
- v Legal, Regulatory & Compliance

#### 3 Role of Risk Stakeholders

- i Board Oversight
- ii Role of CEO, Management
- iii Role of Risk Managers, Owners
- iv Role of Auditors (Statutory/Internal)

#### 4 Risk Assessment

- i Risk Identification
- ii Risk Evaluation (Impact/Likelihood)
- iii Risk Quantification & Ratings
- iv RM Quantification Tools
- v Risk Prioritization & Heat Matrix

## **5 Risk Response**

- i Risk Appetite
- ii Risk Treatment Techniques
- iii Controlling Risk
- iv Contingency Planning

## **6 Risk Monitoring & Reporting**

- i Information & Communication
- ii Automation & Continuous Monitoring
- iii Auditing & Evaluating Risk
- iv Continuous & Periodic Reporting

## **7 Strategic Risk**

- i Business Portfolio Risks
- ii Industry/Competition Risks
- iii Investments & Funding of Growth
- iv Product/Service Risks

## **8 Operational Risk**

- i Process level Risk Management
- ii Outsourcing Risks & 3rd Party Risk
- iii Supply Chain (Sale/ Purchase)
- iv Product/Service Quality etc.

## **9 Emerging Issues in ERM**

- i External Influences
- ii Global Developments
- iii Technology & Automation



**PAPER 2 : SUSTAINABLE DEVELOPMENT AND SUSTAINABILITY REPORTING (100 MARKS)**

**Objective**

- a To develop an understanding of the concepts and principles of Sustainable Development.
- b To analyse impact of business decisions on Sustainable Development.
- c To recognise the emerging trends in sustainability.

**Contents**

**1 Fundamentals of Sustainable Development**

- i Origin
- ii Key terms
- iii Need for sustainability
- iv Decoding Sustainable Development
- v Benefits of integrating sustainability in business
- vi State of sustainability in current business planning

**2 Sustainability Reporting in India**

- i National Guidelines on Responsible Business Conduct, 2018 (NGRBC)
  - Background and Structure
  - Nine Principles of NGRBC
  - Linkage with the Sustainable Development Goals (SDGs)
- ii Sustainability Reporting Standards Board of ICAI
- iii Social Stock Exchange and Institute of Social Auditors of India

**3 Business Responsibility and Sustainability Reporting (BRSR) in India**

- i Business Responsibility and Sustainability Report issued by Committee on Business Responsibility Reporting of Ministry of Corporate Affairs
- ii Securities Exchange Board of India (SEBI) Circular on Business Responsibility and Sustainability Reporting (BRSR)
- iii Business Responsibility and Sustainability Reporting (BRSR) Disclosures
- iv Sustainability Reporting Maturity Model (SRMM), ICAI
- v Overview of Format of Business Responsibility and Sustainability Reporting (BRSR) Lite

#### **4 Global Trends in Sustainability Reporting**

- i United Nations Sustainable Development Goals (UNSDG) and Reporting
  - Objective
  - Structure
  - The 17 Sustainable Development Goals (SDGs)
- ii Overview of Key Global Sustainability Reporting Standards and Frameworks
- iii International Sustainability Standards Board (ISSB) and overview of its Sustainability Reporting Standards

#### **5 Sustainability Assurance**

- i Overview of Assurance Standards on sustainability
- ii Types of Assurance: Limited vs. Reasonable



**PAPER 3 : PUBLIC FINANCE AND GOVERNMENT ACCOUNTING (100 MARKS)**

**Objective**

To develop an understanding of the economic policies of the Government, Budgets, Fiscal tools, Government Grants, Public Funds, Rules, Regulations and Accounting Systems pertaining to Government departments/Institutions of Centre, State and Local-Self Government.

**Contents**

- 1 Introduction to Government Functioning:** Role and responsibilities of Central, State, Panchayati Raj Institution and Urban Local Bodies, Union-State-Local Government Fiscal Relations, Fiscal Federalism.
- 2 Constitutional Provisions and Related Authorities:** 112. Annual financial statement. 113. Procedure in Parliament with respect to estimates. 114. Appropriation Bills. 115. Supplementary, additional, or excess grants. 116. Votes on account, votes of credit and exceptional grants. 117. Special provisions as to financial Bills, 148. Comptroller and Auditor-General of India. 149. Duties and powers of the Comptroller and Auditor-General. 150. Form of accounts of the Union and of the States 280. Finance Commission. 281. Recommendations of the Finance Commission. State Finance commission, CGA, Niti Aayog.
- 3 Public Finance:** Meaning, Importance, Scope and Categories, Fiscal/Budgetary functions, Distinction between Private and Public Finance, Public Finance & Economic System, Fiscal & Monetary Policies.
- 4 Public Revenue:** Sources of Tax and Non-tax Revenue for Centre, States and Local Government, Efficiency and Equity in Tax Policy Design, Tax Policy and Tax Administration in India, Tax collection by Government- Union, State & Local Governments.
- 5 Budget:** Budget Cycle: Planning, Preparation, Execution, Monitoring, how to interpret data from Budget document, Fiscal Deficit, Primary Deficit, Revenue and Effective Revenue Deficit.
- 6 Public Debt/Bond:** Meaning and Types of Public Debt, Burden of Public Debt, Principles of Public Debt Management, Debt Profile of the Union Government, Debt servicing, Role of multilateral agencies.
- 7 Public Expenditure:** Canons of Public Expenditure; Classification of Public Expenditure; Wagner's Law of Public Expenditure; Public Expenditure as an Instrument of Fiscal Policy: PFM Structure - An Introduction and IT Intervention.
- 8 Union & State Accounts:** Constitutional Provisions, Structure of various ministries/departments of Government of India, Controller General of Accounts - Hierarchy and Functions, Structure of Government Accounts and Flow of Funds, Classification of Government Accounts - Consolidated Fund, Contingency Fund and Public Accounts, Classification of Government expenditure in India including introduction to Chart of Accounts, Banking Arrangements, Bankers to the Government.
- 9 Urban Local Bodies:** Introduction - NMAM, National Municipal Asset Valuation Manual, State Municipal Accounts Manuals/Rules and ASLBs.
- 10 Standard Internal Control and Risk Management:** Internal Control Systems in Government, Internal Audit, Outcome Budgeting & Reporting, Procurement Control, Asset Controls, Cash Controls, etc., Type of Audit - Role of CAG & PAC, Contingent liability, and Parliamentary Control, Brief Introduction of IGAS, IGFRS and IPSAS.

**PAPER 4 : THE INSOLVENCY AND BANKRUPTCY (100 MARKS)  
CODE, 2016**

**Objective**

To develop an understanding of the Code and acquire the ability to apply such knowledge in practical situations.

**Contents**

**The Insolvency and Bankruptcy Code, 2016 covering references of Significant Rules and Regulations:**

- 1 Introduction:** Covering Journey of development of Insolvency and Bankruptcy Code and its importance.
- 2 Preliminary:** Relevant Definitions and application of the Code.
- 3 Insolvency Resolutions and Liquidation for Corporate Persons:** Corporate Insolvency Resolution Process, Liquidation Process, Pre-Packaged Insolvency Resolution Process, Fast Track Corporate Insolvency Resolution Process, Voluntary Liquidation of Corporate Persons, Adjudicating Authority for Corporate Persons.
- 4 Insolvency Resolution and Bankruptcy for Individuals and Partnership Firms:** Preliminary (Application & Definitions), Fresh Start Process, Insolvency Resolution Process, Bankruptcy Order for Individuals & Partnership Firms, Administration & Distribution of the Estate of the Bankrupt, Adjudicating Authority, Offences & Penalties.
- 5 Regulation of Insolvency Professionals, Agencies and Information Utilities:** The Insolvency and Bankruptcy Board of India, Powers & Functions of the Board, Insolvency Professional Agencies, Insolvency Professionals, Information Utilities, Inspection & Investigation, Finance, Accounts & Audit.
- 6 Miscellaneous provisions** including Forms 1-6 filed for initiation of CIRP before the NCLT, lists of all rules and regulations under IBC.
- 7 Significant Judicial Pronouncements** under Insolvency and Bankruptcy Code, 2016.

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

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

**Objective**

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

**Contents****1 Background of International Taxation**

- i Genesis of international taxation
- ii International tax conflicts and double taxation
- iii Meaning of treaty
- iv Source rule vs. Residence rule of taxation

**2 Overview of the Income-tax Act, 1961**

- i Charge of income-tax and important definitions
- ii Residential Status and Control and Management
- iii Scope of total income
- iv Concept of 'deemed accrual'– Section 9
- v Business connection (including significant economic presence)

**3 Non-resident Taxation**

- i Categories of income and their taxability
- ii Withholding tax
- iii Return filing obligations of non residents

**4 Taxation of E-Commerce Transactions (including Equalization levy)****5 Double Taxation Relief**

- i Concept of double taxation and circumstances that give rise to double taxation
- ii The Concept of Tax Neutrality
- iii Types of Relief
- iv Tax Residency Certificate
- v Treaty shopping

## 6 Model Tax Conventions

- i Introduction – OECD and UN Model Tax Conventions
- ii Comparative analysis of some of the significant articles of OECD and UN Model Tax Conventions (with examples of India's DTAA's with USA, Singapore, UK, UAE and Netherlands)
- iii Protocol to DTAA's (MFN Clause)

## 7 Transfer Pricing

- i Introduction
- ii International transaction
- iii Associated Enterprises
- iv Specified domestic transaction
- v Arm's-length price
- vi Computation of arm's-length price
- vii Safe Harbour rules (SHRs)
- viii Overview of Advance Pricing Agreement
- ix Secondary Adjustment and Thin Capitalisation
- x Documentation and Compliances

## 8 Overview of BEPS

**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 6 : THE ARBITRATION AND CONCILIATION ACT, 1996 (100 MARKS)**

**Objective**

To develop an understanding of the Arbitration and Conciliation Law and acquire the ability of understanding issues in practical situations.

**Contents**

- 1 Introduction:** Introduction to the various modes of Alternate Dispute Redressal Mechanism (ADRs).
- 2 Fundamentals of Arbitration:** General provisions, Arbitration Agreement, Conduct of Arbitral Proceedings, Making of Arbitral Award and Termination of Proceedings, Recourse against Arbitral Award, Finality and Enforcement of Arbitral Awards.
- 3 Enforcement of Certain Foreign Awards:** Types of Arbitration, Arbitral Awards (Adhoc, Domestic and International Commercial Awards), Enforcement of Foreign Awards (New York Convention Awards and Geneva Convention Awards).
- 4 Conciliation:** Difference between Arbitration and Conciliation, Commencement of Conciliation Proceedings, Number of Conciliators, Appointment of Conciliators, Submission of Statements to Conciliator, Conciliator not bound by Certain Enactments, Role of Conciliator, Administrative Assistance, Communication between Conciliator and Parties, Disclosure of Information.

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

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



**Objective**

- a To develop an understanding of the basic concepts of Forensic Accounting and its application in Fraud Investigations.
- b To acquire the ability to apply such concepts in practical case scenarios.

**Contents**

**1 Background & Overview**

- i Brief overview & evolution of Forensic Accounting profession
- ii Increasing Importance of Forensic Accounting profession
- iii Legal & Regulatory ramifications
- iv Opportunities in Forensic Accounting for Chartered Accountants

**2 Introduction & Basic Concepts**

- i Meaning of Fraud, Forensics, Forensic Accounting, Investigations
- ii Differences between Audit, Forensics & Investigations
- iii Roles & Responsibilities of Stakeholders
- iv Theories and Vulnerabilities of Fraud
- v Introduction to Forensic Accounting and Investigations Standards (FAIS)

**3 Nature & Types of Frauds**

- i Different Categories of Fraud
- ii Different Nature of Frauds
- iii Types of Occupational Frauds – Fraud Tree
- iv Specialised Areas/schemes of Fraud
- v Cyber Fraud/Crime
- vi Fraud Mechanisms

**4 Financial Statement Frauds**

- i Characteristics, nature and Reasons
- ii Different types of Financial Statement Frauds
- iii Legal & Regulatory provisions related to Financial Statement Frauds
- iv Fraud Risk Factors in Financial Statement Frauds



## **5 Process of Forensic Investigation**

- i Initialization & defining mandate
- ii Develop Plan & gather expertise
- iii Gathering Relevant Evidence
- iv Perform the analysis
- v Reporting
- vi Court proceedings

## **6 Fraud Detection**

- i Fraud Predication/Indicators
- ii Quantitative Evidence – Data Mining & Analysis
- iii Qualitative Evidence
- iv Law and Evidence
- v Applying Hypothesis

## **7 Digital Forensics**

- i Digital Evidence
- ii Use of Technology Tools
- iii Laboratory Analysis of Physical and Electronic Evidence
- iv Important legal sections of Information Technology Act

## **8 Interviewing Skills**

- i Art & Science of Interviews – Nature & Type
- ii The Interview Process
- iii Importance of Non-verbal Cues
- iv Recording the Statements
- v Case Studies/Role play

## **9 Writing a Forensic Investigation Report**

- i Summary of findings
- ii Presenting & discussing draft report
- iii Key Elements as per Forensic Accounting and Investigations Standards (FAIS)
- iv Assumptions and Limitations

## **10 Fraud Prevention**

- i Anti-Fraud Policies / Vigilance Mechanism
- ii Internal Controls and Systems & Processes
- iii Compliance Culture
- iv Disciplinary Mechanism

### **Objective**

- a To develop conceptual understanding of valuation, various approaches and methodologies.
- b To develop understanding of the regulatory requirements and the framework.
- c To develop basic understanding towards applying various valuation methodologies, techniques and its approaches on business organizations.

### **Contents**

#### **1 Introduction to Valuation**

- i Genesis of Valuation
- ii Valuation under present scenarios
- iii Reference to important terminologies
  - Valuation
  - Valuer
  - Registered Valuer
  - Types of Value
  - Distinction between Price and Value
  - Valuation Bases and Premise
  - Valuation Date

#### **2 Need and Purpose of Valuation**

- i Purpose of Valuation
- ii Transaction based Valuation
- iii Regulatory & Tax based Valuation
- iv Other Requirements based Valuation

#### **3 Valuation Approaches and Methodologies**

- i Valuation Approaches (Definition)
  - Asset Based Approach
  - Income/Earning Based Approach
    - (a) Price/Earnings Ratio & Price/Growth Ratio
    - (b) Earning measure on Cash Flow Basis (DCF Approach)
    - (c) Earning measure non-Cash Flow Basis (Non DCF Approach)
  - Market Based Approach
- ii Fair Value Computation
- iii Guidelines for opting Approaches/ Methodologies under various circumstances

#### **4 Valuation Documentation and Report**

- i Purpose of Valuation
- ii Transaction based Valuation

## 5 Valuation Standards

Basic understanding of ICAI Valuation Standards 2018 and its application

## 6 Other Applications of Valuation

Valuation in specific Situations and Cases

- i Valuation of Inventories
- ii Valuation of Investments
- iii Fixed Income Instruments
- iv Valuation of Intangibles
- v Valuation of Liabilities



**PAPER 9 : FINANCIAL SERVICES AND CAPITAL MARKETS (100 MARKS)**

**Objective**

- a To gain knowledge of financial services rendered by various intermediaries and their role and activities in the financial market, especially in capital market.
- b To acquire the ability to apply such knowledge to address issues in practical scenarios.

**Contents**

**1 Introduction to Financial Markets**

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

**2 Impact of various Policies of Financial Markets**

- i Credit Policy of RBI
- ii Fed Policy
- iii Cost Inflation Index
- iv Consumer Price Index
- v Wholesale Price Index

**3 Capital Market – Primary**

- i Basics of Capital Markets
- ii Segments of Capital Markets
- iii Capital Market Instruments
- iv Aspects of Primary Market – Kinds of Securities, Types of Offer Documents, Issue Requirements, Intermediaries to the Capital Markets, Book Building, Special Purpose Acquisition Companies, Application Supported by Blocked Amount (ASBA), Green Shoe Option, Anchor Investors, Private Placement of Shares, Right Issue, Exit Offers

**4 Capital Market – Secondary**

- i Introduction to Secondary Market
- ii Development of the Stock Market in India
- iii Stock Market Organization in India
- iv Demutualization of Stock Exchanges
- v Share Trading in Secondary Market – Trading buy a Retail Investor, Algorithmic Trading, Basket Trading

- vi Stock Market and its Operations – Growth of Stock Exchanges, Characteristics of Stock Exchanges in India, Functions of Stock Exchanges, Basics of Stock Market Indices, Index Management, Rebalancing and Reconstitution, Uses of Market Indexes
- vii Risk Management in Secondary Market – Trading Rules and Regulations, Circuit Breakers to curb excess volatility, Trading and Settlement, National Securities Clearing Corporation Limited, Market Making System, Securities Lending and Borrowing, Short Selling, Straight Through Processing, Margin Trading, Block Mechanism in Demat Account
- viii Other aspects of Secondary Market – Buy Back of Shares, Block and Bulk Deals
- ix Indian Debt Market
- x Emerging Markets–GIFT City, Power Exchange, Energy Exchange, Social Stock Exchange

## **5 Money Market**

- i Basics of Money Market
- ii Money Market Participants
- iii Money Market Instruments
- iv Cash Reserve Ratio and Statutory Liquidity Ratio
- v Determination of Interest Rates – MIBOR, LIBOR, Replacement of LIBOR
- vi Money Market Instruments – Government Securities (G Sec)
- vii Recent developments in Money Market
- viii Repo and Reverse Repo
- ix CRR, SLR
- x Day Count Convention

## **6 Bond Market**

- i Introduction to Bond Market
- ii Primary Bond Market vs Secondary Bond Market
- iii Types of Bond Market
- iv Bond Market Strategies
- v Bond Indices
- vi Bond Market vs. Stock Market

## **7 Derivative Market**

- i Introduction to Derivatives
- ii Forward Contract
- iii Futures Contract
- iv Options Contract
- v Concept of Swaps

## **8 Institutions and Intermediaries**

- i Depository
- ii Stock and Commodity Exchanges – Indian and Global
- iii Intermediaries in the Capital Markets – Merchant Bankers, Registrars to an issue and Share Transfer Agents, Underwriters, Bankers to an issue, Debenture Trustees, Portfolio Managers,
- iv Stockbrokers, and sub-brokers
- v Institutional Investors
- vi Foreign Portfolio Investors (FPIs)
- vii Custodians
- viii Clearing Houses – Indian and Global

## **9 Commodity Market**

- i Introduction of Commodity Markets
- ii Role of Commodity Markets
- iii Commodity Market in India–Including warehousing and physical settlement
- iv Application of Derivative in Commodities
- v Global Commodities Exchanges

## **10 Mutual Funds**

- i Meaning
- ii Evolution
- iii Mutual Fund Organization
- iv Types of Mutual Funds
- v Net Asset Value (NAV)
- vi Performance Measurement
- vii Advantages and Disadvantages of Mutual Fund
- viii Factors influencing the selection of Mutual Funds
- ix Signals highlighting the exit of investors from the Mutual Fund Scheme
- x Money Market Mutual Funds
- xi Exchange Traded Funds (ETFs)
- xii Real Estate Investment Trusts (REITs)
- xiii Infrastructure Investment Trusts (Invits)
- xiv Other aspects – Side Pocketing and Tracking Error

## **11 Private Equity**

- i Meaning of Private Equity
- ii Classification of Private Equity
  - Venture Capital
  - Buyouts
  - Hurdle rate
  - Paid in Capital
  - Term Sheet
- iii Cost of Investing in Private Equity
- iv Exit Routes
- v Valuation of Private Equity Transactions
- vi Private Equity Funds (Distribution of returns in General Partner and Limited Partner)
- vii Contemporary issues in Private Equity – The rise of patient capital, Ethical Issues

## **12 Investment Banking**

- i Concept
- ii Functions
- iii Challenges
- iv Developments in Investment Banking
- v Merchant Banking and Issue Management

## **13 Credit Rating**

- i Introduction
- ii Rating Services
- iii Objectives and types
- iv Uses
- v Credit Rating Process
- vi Credit Rating Methodology
- vii CAMEL Model in Credit Rating
- viii Rating Revisions
- ix Credit Rating Agencies in India and abroad
- x Credit Rating agencies and the US Sub-prime crisis
- xi Limitations of Credit Rating
- xii Contemporary Aspects in Credit Rating

## 14 Leasing

- i Meaning, types, advantages, and disadvantages of Leasing
- ii Financial evaluation of lease proposal from the perspective of Lessee and Lessor
- iii Break Even Lease Rental (BELR) from Lessee's and Lessor's point of view
- iv Cross Border Leasing
- v Regulatory Aspects of Leasing

## 15 Factoring

- i Concept, Definition and Mechanism of Factoring
- ii Types/Forms of Factoring
- iii Functions of a Factor
- iv Benefits of Factoring
- v Factors inhibiting the growth of Factoring in India
- vi Forfaiting
- vii Forfaiting vs Export Factoring
- viii Regulatory Aspects of Factoring

## 16 SEBI Regulations – Compliances in Capital Markets





**PAPER 10 : FOREX AND TREASURY MANAGEMENT (100 MARKS)**

**Objective**

To gain knowledge in the field of Forex and Treasury Management, deal with its complexities, and apply it in practical situations.

**Contents**

**1 Organizational Structure of Treasury**

- i Introduction of Treasury
- ii Treasury – Its Evolution and Objectives
- iii Organization Structure of Treasury – Front, Back & Mid Office
- iv Functions of Treasury Department
- v Role of Treasury and Treasurer in:
  - Raising Capital
  - Managing Bank Relationships
  - Money Management
  - Treasury Performance Management
  - Liquidity Management
  - Credit Management
  - Forex Management
  - Risk Management
- vi Responsibilities of a Treasurer
- vii Integrated Treasury Management – Cost Centre and Profit Centre

**2 Process of Treasury**

- i Treasury Management – Systems and Techniques
- ii Treasury Policy and Procedure Manual
- iii Delegation with Accountability:
  - Open Position Limits: Daylight, Overnight, Asset Position Limit, Intraday Limit
  - Deal Size, Individual Dealer's Limit
  - Stop Loss Limits
- iv Control and Reporting Requirements
- v Dealing and Trading Operations – Control and Orderly Conduct, Moral and Ethical Codes, Checks of Balances, Signing Ethical Code Agreement
- vi An insight into:
  - Float, Availability, Swaps
  - Account Analysis, Clearing Houses
  - Lockboxes, Disbursement
- vii Benchmark Rates for Discounting Cash Flows

- viii Liquidity and Cash Flow Management – CRR
  - Objectives, Sources and Deployment
  - Internal Control, Netting, Gap Management
- ix Treasury Management Processes like Domestic Treasury Remittances, International Treasury Remittances
- x Payment & Settlement Systems, CCIL, CLS, RTGS, NEFT and SWIFT
- xi Dealing Room Operations: Nostro / Vostro/ Loro, Mirror A/cs – Open Currency Position, Cash Position by Dealers

### 3 Types of Treasuries

- i Treasury – Manufacturing and Service Corporates:
- ii Background
  - Contribution Analysis
  - Operating and Financial Leverage
  - Liquidity Management
  - Foreign Exchange Exposures
  - Commodity Exposures
  - Credit Exposures
  - Debt Restructurings
- iii Treasury – Banking
  - Background
  - Capital Adequacy
  - Yield Curve and Spreads
  - Credit Risks
  - Foreign Exchange Risk
  - Interest Risks
  - Re-financing Risks
  - Securitization
  - Asset Liability Management
- iv Treasury – Special Reference to:
  - Insurance Companies (Life & General)
  - Mutual Fund Organizations
  - Chit Fund Organizations
  - Housing Finance Companies
  - Non-banking Financial Companies
  - Government (Either State or Central)
  - Reserve Bank of India
  - Profit Centre Vs. Non-Profit Treasury

### 4 Treasury – Domestic

- Classification of Treasury Market:
- Domestic or National Treasury Market
  - Forex or International Treasury Markets

### 5 Treasury – Forex

- i Foreign Exchange Markets:
  - Different Kinds of Inter – Bank Forex Markets
  - Highly Traded Markets – Cash/OTC
  - Nature of Transactions
  - Cross Border Currency Flows
  - Liberalization of Exchange Control

- Role of Banks in Forex Market
  - Factors Impacting Forex Market
  - Convertibility and BOP
- ii Forex Concepts:
- Exchange Rate Quotes
  - Factors affecting Exchange Rates
  - Exchange Rate Mechanism
  - Spot and Cross and Forward Rates
  - Premium and Discount
  - Forward Contracts–Booking, Extension, Cancellation
- iii International Treasury:
- Market Participants
  - Various Forex Treasury Products
  - Volatility of Major Currencies
  - Currency Trading
  - Global Securities – Portfolio Management
- iv Derivative Markets:
- Futures, Options and Swaps
  - Price Calculation of Various Instruments
  - Swaps – Outright Deals, Dealer Operations
  - Trends in Futures Market
  - Short Term Interest Rate Futures
- v Interest Rate Derivatives:
- Introduction
  - Brief terminologies
  - Hedging



# SYLLABUS

SET D

**PAPER 1 : THE CONSTITUTION OF INDIA (100 MARKS)**  
**AND ART OF ADVOCACY**

## Objective

- a To have basic knowledge of the Constitution governing the State, Government and rights and duties of the Citizens.
- b To develop an understanding of the legal system in India and acquire knowledge and apply basic principles of drafting and pleading.

**PART I : THE CONSTITUTION OF INDIA**

## Contents

- 1 **Introduction:** Preamble, Features, Sources, the Union and its Territory, Citizenship, Fundamental Rights, Duties and Directive Principles.
- 2 **Government of Union:** The Executive, Parliament, Judiciary.
- 3 **Government of States:** The Executive, State Legislature, High courts in the States.
- 4 **Relation between Union and the States:** Legislative relations, Administrative relations, Financial relations.
- 5 Emergency Provisions
- 6 Procedure for Amendments

## **PART II : ART OF ADVOCACY**

### **Contents**

- 1 Development of Legal System in India
- 2 Representation by Chartered Accountants in Tribunals
- 3 Basic Rules of drafting and pleading

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

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 2 : PSYCHOLOGY & PHILOSOPHY (100 MARKS)**

**SECTION A : PSYCHOLOGY**

### **Objective**

- a To develop knowledge and understanding of basic concepts in psychology and its implication in the accountancy process.
- b To give a practical/utilitarian perspective of psychological concepts that is applicable in personal and work life.

### **Contents**

#### **1 Introduction (Definition, Orientation and Scope)**

- i What is Psychology?
- ii Misconceptions in Psychology
- iii Applications and Scope of Psychology in Accounting and accountancy

#### **2 Personality**

- i Understanding Personality (HEXACO model and Dark Triad theory)
- ii Role of Personality during human interaction in accounting
- iii Mindfulness and Decision Making
- iv Factors affecting Decision Making (Attitude: stereotypes and prejudices; aptitude and motivation)
- v Decision Making under uncertainty

#### **3 Individual level psychological process**

- i Emotional Intelligence Concept (self-awareness, self-regulation, self-management, relationship management) of EI
- ii Strategies to enhance EI in day-to-day activities
- iii Navrasa
- iv Communication (verbal and nonverbal)
- v Stress Management & Work-life Balance
- vi Understanding stress (Eustress and Distress)
- vii Practical ways to deal with stress

#### **4 Psychological processes in Organizations**

- i Groups, Leadership and Change Management
- ii Conceptual understanding (Group Think, Conformity and Social loafing, Work Teams, Leadership, Change management) and its application in modern accounting
- iii PsyCap and Goal Setting in Accountancy Self-efficacy, Optimism, Hope and Resilience and goal setting in accounting

## **SECTION B : PHILOSOPHY**

### **Objective**

- a To develop an understanding of the usefulness of philosophy in contemporary life.
- b To develop an understanding of the philosophical methods of critical thinking and analytical reasoning and know who we are and how we ought to conduct ourselves.

### **Contents**

#### **1 General Discussions on Philosophy and Reasoning**

- i What is Philosophy?
- ii Core branches in Philosophy (Indian and Western)
  - Epistemology (Theory of Knowledge- Truth, Justification and Belief)
  - Metaphysics (Nature of Reality: Mind-Body Dualism, Nature of Consciousness)
  - Axiology (Ethics and Aesthetics)
- iii Characteristics of Indian Philosophy: Darshana Shastra

#### **2 Critical Thinking and Reasoning**

- i Argument and Evaluation
- ii Informal Fallacy

#### **3 Ethics: Who we are & How we ought to conduct ourselves**

- i Virtue Ethics and Theory of Excellence: Plato and Aristotle
  - Teleology (Theory of Means and End)
  - Deontology (Concept of Duty)
- ii Indian Ethics
  - Aims of Life: Dharma (Duty), Artha (Wealth), Kama (Pleasure), Moksha (Liberation)
  - Yoga: Karma Yoga, Bhakti Yoga, Jnana Yoga, Raja Yoga
  - Meditation: Chitta Vritti Nirodha, Yama and Niyama

#### **4 Usefulness of Philosophy in Contemporary life (especially for CAs)**

- i Business Ethics
  - Karma Yoga for superior business performance
  - Lokasamgraha in Bhagavad Gita
  - Leadership and Communication
- ii Justice: Freedom, Responsibility and Action
- iii Gender and Environment

**PAPER 3 : ENTREPRENEURSHIP AND START-UP ECOSYSTEM (100 MARKS)**

**Objective**

To gain knowledge and acquire the ability to develop multidimensional skills in Entrepreneurship and Start-Up Ecosystem.

**Contents**

- 1 Part A: Introduction to Entrepreneurship & Startups:** Meaning and concept of entrepreneurship & Startups, the history of entrepreneurship development, Types of entrepreneurs, Role of entrepreneurship & Startups in economic development, Rise of Startups: Global Perspective, Rise of Startups: Indian Perspective. The skills/ traits required to be an entrepreneur, creative and design Thinking, the entrepreneurial decision process, Succession Planning and Managing Family Business  
  
**Part B: Startup Registration:** DPIIT Recognition, Benefits, Government Seed Funding, etc.
- 2 Crafting business models and Lean Start-ups:** Introduction to business models; Creating value propositions-conventional industry logic, value innovation logic; customer focused innovation; building and analysing business models; Business model canvas, Introduction to lean start-ups, Business Pitching
- 3 Product Development:** Building a Minimum Viable Product (MVP), Journey towards building "Product Market Fit", Practical case studies on journey of successful startups from MVP to PMF, Prototype and Agile development methodology for tech Startups, Identify critical success elements: Product (tech), Product (offering), Procurement, Supply Chain
- 4 Pitching the idea and presentation:** Drafting of Pitch Deck and Business Plan, Art of Elevator Pitch, Rules/Steps of Pitching the idea, Art of Persuasion
- 5 Institutions Supporting Small Business Enterprises:** Central level institutions. State level institutions. Other agencies. Industry Associations. Current government schemes supporting entrepreneurship
- 6 Funding & Valuation:** Understanding basics of Startup Funding & where to get investment, Quantifying the seed capital, Prerequisite of Startup Funding, Financial Modelling for the Startups, How to approach Angel Investors & VC Firms, understanding Term Sheet, Investor Agreement and Equity Dilution, the science behind 'Startup Valuation'
- 7 Legal considerations for a Startup:** Choosing an ideal entity type and overview of registration process, Startup Equity Split among cofounders and equity vesting, ESOP Planning and other best practices, Drafting of Cofounder Agreement, Registering intellectual property rights (IPRs) [Patent, Copyright and Trademark, etc.]
- 8 Startup Incubators & Acceleration:** Difference between incubators and accelerators, Choosing the right one (factors and effect thereof), Working of incubators and accelerators
- 9 Miscellaneous:** Case studies on success stories, Role of Startup Advisors & Funding Agents, Building a right Startup Team, Founder's grooming: Role of PR Building Activities in success of startups, Being part of Startup Community and leading it and Exit Strategies



**PAPER 4 : DIGITAL ECOSYSTEM AND CONTROLS (100 MARKS)**

**Objective**

To develop competencies and skillsets in evaluation of controls and relevant evidence gathering in an IT environment using IT tools and techniques for effective and efficient performance of accounting, assurance, financial technologies and compliance services.

**Contents**

**1 Governance and Management of Digital Ecosystem**

- Key concepts of Governance and IT strategy
- Governance, Risk and Compliance (GRC) Framework
- Risk fundamentals and related terms, Sources, and types of risk
- Enterprise Risk Management Framework
- Information Systems Security Policy
- Business Continuity Planning and Disaster Recovery Planning

**2 Information Systems Life Cycle**

- Information System Acquisition
- Information System Development methodologies
- Information Systems implementation and maintenance

**3 Information Systems' Control**

- Information Systems' Control and its classification
- Overview of Information Technology Tools
- Illustrations on Risks and Controls of specific business processes

**4 Digital Data and Analysis**

- Data privacy
- Data assurance
- Introduction to Personal Data Protection Bill, 2019
- Regulatory compliance in terms of relevant sections of Information Technology Act, 2000
- Introduction to Data Analytical tools and Techniques
- Introduction to Business Intelligence (BI) tools and techniques

**5 Digital Economy**

- ABCD of Fintech
- Digital payments, Digital Currency, and Cryptocurrency
- e-business and their associated risks and controls
- Emerging Technologies and Concepts