



The Chartered Accountant Student

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CHAIRMAN'S COMMUNICATION

My Dear Students,

As I write this monthly missive to you, it dawns on me that six months have passed at the speed of lightning and there are still an equal number of missives to be written. From the depths of my heart, I profusely thank each and every one of you for your affectionate, appreciative and morale boosting letters and e-mails. The month of September is ahead of us and many of you would be neck deep in study for the forthcoming examinations. I hope to welcome many of you writing the Final Exams to the CA fraternity. For those writing PE I or PE II exams, I hope that you too will climb the next rung of the ladder towards your goal.

POINT TO PONDER

A C.A. Student once asked God "What surprises you most about mankind?" God replied "They lose their health to make money and then they lose their money to restore their health. By thinking seriously about the future, they forget the present, such that, they live neither for the present nor for the future. They live, as if they will never die and they die, as if they have never lived. It is time mankind realizes the fact that those who live for others only can live even after their death." The analogy is loud and clear. **When we live for others, we live in their hearts forever.**



**CA. V. MURALI,
Chairman, Board
of Studies**



**CA. T.N. Manoharan , President , ICAI and CA. V. Murali,
Chairman, BOS , ICAI after the successful All India CA
Students' Conference at Chennai**

To be happy, don't do whatever you like, but like whatever you do. Happiness comes not from having much to live on but having much to live for. Difficulties in your life do not come to destroy you but to help you to realize your hidden potential.

The greatest transformations are from within. Sri Sri Ravi Shankar's golden words regarding the Art of Living come to mind – **We must enjoy the essence of life with the spice, the pitfalls, the dark moments and the good times.** To be effective in whatever we do, we must first develop a passion for what we are doing and enjoy the same. At the same time, if others say that our level of competency is not upto the standard, it does not mean that we sit back diffidently, letting the world pass on by. As Henry Van Dyke said **"Use what talent you possess, the woods would be very silent , if no birds sang except those that sang best."**

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Glimpses of 19th All India CA Students' Conference held at Chennai on 26th and 27th August, 2006



CA. T.N. Manoharan , President , ICAI being welcomed



CA. V. Murali, Chairman, BOS, ICAI welcoming the delegates



CA. T.N. Manoharan inaugurating the conference



CA. T.N. Manoharan and CA. V. Murali with student delegates from Sri Lanka



CA. T.N. Manoharan, President, ICAI addressing the students



Mr. Santosh Datta, CCIT, Chennai addressing the delegates



CA. Jaydeep N. Shah, Vice-Chairman, BOS presenting a memento to Mr. Santosh Datta



CA. T.N. Manoharan, President, ICAI being presented with a shawl

Chairman's Communication (Continued from page 1)

TIPS TO BECOME A DISPASSIONATE, PRACTICAL, DOWN TO EARTH AND MATURE PERSON

One has to learn to be dispassionate and see the world as it is and the people as they are, and certainly not as a world of our conception or what one wants them to be. Accepting the situation as it is and dealing with the matter dispassionately, demands patience and seeing things as they are.

The following are useful tips to become a dispassionate, practical, down to earth and mature person:

1. Live in the present without being shackled by the dead past or the unborn future.
2. Perform deeds which conform to your thoughts and words.
3. Try to change things which you can, but live in peace with things that you cannot change.
4. Keep persevering despite setbacks.
5. Have the humility to accept mistakes gracefully.
6. Face disappointments and adversity without becoming bitter.
7. Do not rub others and do not get rubbed by others.
8. Develop the ability to see differences without resentment or anger.
9. Be willing to give up an instant advantage in favour of a long term gain.

10. Moderation in temper is always a virtue, but moderation in principles is always a vice.
11. Respond to the needs of others with compassion.
12. Remember nothing in life is to be feared; it is only to be understood.
13. Remember Anger begins in Folly and ends in repentance.
14. Little minds are tamed and subdued by misfortune, but great minds rise above them.
15. Understand that Life is too short to be wasted in intolerance, hatred, prejudice and revenge.

Dear students, if you follow the aforesaid tips, you are assured of a smooth passage through life.

GRAND SUCCESS OF THE 19TH ALL INDIA CA STUDENTS CONFERENCE AT CHENNAI

This mega All India C.A. Students Conference under the theme “NEW FRONTIERS OF PROFESSIONAL EXCELLENCE” held at Chennai on 26th and 27th August, 2006 was a grand and phenomenal success wherein 1560 students participated. The Conference was inaugurated by our Honourable President, CA.T.N.Manoharan who was the Chief Guest on the first day and Mr.Santosh Datta, IRS, Chief Commissioner of Income Tax, Chennai was the Chief Guest on the Second day of the conference. At the end of the first day, a Grand Cultural show depicting the various traditions and cultural heritage of our great country was performed by a reputed professional group.

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On the Second day of the Conference a “C.A. Student Talent Show” was organized showcasing the multifaceted and varied talents of our C.A. Students. Magic Show, Mimicry, Mono-acting, singing and dancing were performed before our Chief Guest and the talented students have been honoured. We had student contingents from Pakistan, Sri Lanka and Bangladesh who have attended the Conference under the ‘SAFA Student Exchange Programme.’ The Sri Lankan students performed a graceful dance Programme. Mr.Santosh Datta, Chief Commissioner of Income Tax, Chennai also joined the students in rendering some old immortal Hindi Songs.

I thank the students for their enthusiastic participation all through the conference.

NATIONAL CONVENTION FOR STUDENTS AT KOLKATA

The response of the students who attended the Kolkata Convention was stupendous and very heartening. The warmth and affection bestowed upon me was tremendous and I was thrilled to hear the speakers, the young students speak with confidence, with command over the subjects chosen.

STUDENTS AWARENESS PROGRAMME AT GHAZIABAD

The students who attended the CA Career Awareness Programme at Ghaziabad was large, enthusiastic and keen to absorb and comprehend about the revised CA Curriculum, the transitional provisions and about taking up Chartered Accountancy as a Career choice.

CAREER PROSPECTS FOR CHARTERED ACCOUNTANTS

Presently there are about 1,30,000 members of the Institute and every year about 7500 students qualify as Chartered Accountants. During the year 2005, 7455 newly qualified Chartered Accountants joined the profession and only about 17% of them obtained Certificate of Practice and the remaining 83% opted for employment.

In the campus interview held recently, the freshers have been able to get salary in the range of about Rs.4 lakhs to Rs.6 lakhs per annum. While the maximum

salary was Rs.12 lakhs per annum, the minimum was Rs.2 lakhs per annum. There is an acute shortage of accounting professionals in India and abroad.

During the campus interviews held in February/ March, 2006 a total number of 1144 candidates were absorbed by 102 companies, the details of which are summarized below :

Top six recruiters

S. No.	Name of the organization	Number of Jobs offered
1	Progeon Limited	163
2	Gecis (formerly GE Capital International Services)	160
3	Tata Sons	68
4	Reliance Industries Limited	63
5	ICICI Lombard GIC Limited	52
6	Tata Consultancy Services Limited	52

Top five Sector-wise absorption

S. No.	Industry	Jobs offered
1	Business Process Outsourcing	334
2	Information Technology	125
3	Chartered Accountancy firms	116
4	Insurance	61
5	Banking	53

CA EXAMINATION RESULTS

The Students of CA course have done well in examinations as evidenced by the results declared in July, 2006. The Students have recorded an all time high percentage of passes after the existing curriculum was introduced in 2001. The results of examinations are as follows :

Examination	Group	No. of candidates appeared	No. of candidates passed	% of pass
Final	Both Groups	7048	1608	22.81
	Group - I	15334	5828	38.01
	Group - II	17924	5711	31.86
Professional Education Examination - II	Both Groups	22617	5770	25.51
	Group - I	34806	10945	31.45
	Group - II	37234	14119	37.92

Professional Education Exami- nation - I		32181	13519	42.01
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UPDATE ON THE NEW CA COURSE CURRICULUM - THE INITIATIVES OF THE BOARD OF STUDIES

The Board of Studies has brought out comprehensive Informative Booklets regarding the Common Proficiency Test (CPT) and the Professional Competency Course (PCC). The Board of Studies has also brought out relevant prospectus for both CPT and PCC.

I am pleased to inform you that the new set of study materials are ready for delivery. As soon as the regulatory requirements are satisfied and the New Course is formally launched, this will be made available to the students. However, our active involvement in the preparation of study materials has in no way affected the publication of Revision Test papers for November, 2006 Examinations. These revision test papers have since been published. We have announced the schedule of virtual classes in this issue. I wish you to take full advantage of these classes - expert faculty members will be providing you guidance on various important topics.

THE IMPORTANCE OF GOAL SETTING AND ITS EXECUTION

If you want to live a happy life, tie it to a goal, not to people or circumstances. I was reading in a book about these leisure cruises advertised as “Cruises to nowhere.” Generally these cruises are scheduled lazing around in the ship, sumptuous meals, and after circling for a few days the ship comes back to pier without touching any exotic destination. It’s a fun way to occupy oneself for a few days but its no way to spend one’s life. It is important that our life does not become a cruise to nowhere. One must identify a destination, set course towards it and do all that is possible to reach that destination. Rather than be

driftwood that is tossed about in the river current, we must be the Captains of our ship and soul. Dare to dream and act upon the dream. The Founder of Atari – Nolan Bushnell once remarked ***“Everyone gets an idea in the shower. But the successful ones get out of the shower, dry off and do something about it.”*** Hence, thinking and dreaming is not enough, one has to go all out, the full slog, to reach out and make the vision a reality.

German poet and novelist Johann Wolfgang Von Goethe once said ***“Thinking is easy, acting is difficult, and to put one’s thoughts into action is the most difficult thing in the world.”*** We spend our days waiting for the ideal path to appear in front of us but we forget that paths are made by walking, not waiting.

A NOTE FOR THOSE PREPARING FOR THE FORTHCOMING C.A. EXAMINATIONS

Visualisation, persistence and perseverance are the keys that will unlock the doors to success in the examinations. Sometimes you get emotionally tired and want to throw in the towel. My advice is don’t let these dark clouds come your way. ***Have the determination of the mirror which never loses its ability to reflect even when it is broken into pieces.*** Doggedly keep your aim and goals true, these megrims will vanish without a trace. Stay focussed, plan your study strategy based on each subject, be regular in your study and repeat, review and revise till you are confident. I think that for CA Students who are preparing for exams there is no better advice than what Benjamin Franklin said ***“Never leave that till tomorrow which you can do today.”***

WRAP UP POINT

Nothing can stop the man with the right mental attitude from achieving his goal; Nothing on earth can help the man with the wrong mental attitude. A savant had said ***“What I believe about life determines how I perceive life, which determines what I receive from life.”*** H.G.Wells well known

writer opined once that ***“wealth, place and power are no measures of success. The only true measure of success is the ratio between what we might have been and what we have become.”***

A WORD: Dear students, choose your words with care and caution because:-

“A careless word may kindle strife

A cruel word may wreck a life

A bitter word may hate instill

A brutal word may smite and kill.

A gracious word may smooth the way

A joyous word may light the day

A lively word may lessen stress

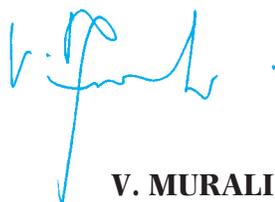
A loving word may heal and bless”.

Wishing each and every one of you a life filled with academic fulfilment and bliss at home.

Good bye and Good Luck.

With warm professional regards,

Forever, yours in service,



V. MURALI

Chairman, Board of Studies

Case Study

A case study ‘*Exploring Value in Sunshine Agro Foods*’ relevant for the students of Final course was included in the March issue of the students’ newsletter. Students were requested to send their responses to the Case Study. The best reply was to be awarded a certificate and cash prize of rupees one thousand. However, no response received was of desired standard and hence no prize is being awarded.

The solution to the Case Study will be hosted on the website of the Institute.

MRP/RSP Based Valuation of Goods Under Central Excise

Dr. A.M. Sherry

Section 4A of the Central Excise Act 1944 provides a method of valuation of goods on the basis of retail sale price (RSP) for charging excise duty. The provisions of Section 4A are overriding provisions i.e. if a product is notified under Section 4A then the valuation will be done on the basis of only Section 4A and not Section 4 i.e. where the goods are assessed on the basis of transaction value.



What is RSP/MRP?

The maximum retail price is the maximum price at which the excisable goods in packaged form may be sold to the ultimate consumer and includes all taxes, local or others, freight, transport charges, commission payable to dealers and all charges towards advertisement, delivery, packing, forwarding and the like and price is the sole consideration for such sale. However, if any act/rules or other law requires that price declared on a package should be exclusive of any taxes, it is called retail sale price. For example say, in case of drugs covered under Drug Price (Control) Order (DPCO), MRP is required to be exclusive of local taxes.

The essential conditions for applicability of Section 4A are as follows :

- i) The goods should be covered under Standards of Weights and Measures Act, 1976. As per rule 3 of Standards of Weights and Measures (Packaged commodities) Rules, 1977, the provision of marking MRP/RSP is applicable to packaged goods made for retail sale. The provisions of this act/rules are not applicable for unpacked/loose sales.
- ii) The Central Government through notification specifies the commodities and the abatement permissible. Central Government gives abatement from retail selling price for determination of assessable value under excise valuation.
- iii) Central Government considers excise duty, sales tax, freight and other taxes payable on goods while determining the abatement rate.

For example: Say Colgate Toothpaste MRP for 200 gm pack is Rs.50. The abatement allowed is 40%. CENVAT rate is 16%. In this case, the excise duty shall be charged on Rs.30 (after abatement of 40% on MRP of Rs.50), which will be Rs.4.80 plus 2% Education Cess i.e. Rs.0.96.

The present notification relevant for MRP based valuation is Notification No.2/2006-Central Excise (N.T.) dated 1-3-2006. The details of various items notified with their Chapter/Heading/Sub-Heading and abatement given are as follows :

The author is a Associate Professor at National Institute of Financial Management, Faridabad.

S. No.	Chapter or heading or sub heading of the First Schedule	Description of Goods	Abatement as a percentage of retail sale price
1	0402 91 10 or 0402 99 20	Concentrated (condensed) milk, whether sweetened or not, put up in unit containers and ordinarily intended for sale	---
2	17 or 21	Preparations of other sugars	40%
3	1702	Sugar syrups not containing added flavouring or colouring matter; artificial honey, whether or not mixed with natural honey; caramel	40%
4	1704	Gums, whether or not sugar coated (including chewing gum, bubblegum and the like)	40%
5	1704 90	All goods, other than white chocolate	35%
6	1704 90	White chocolate	40%
7	1805 00 00 or 1806 10 00	Cocoa powder, whether or not containing added sugar or other sweetening matter	35%
8	1806	Chocolates in any form, whether or not containing nuts, fruit kernels or fruits, including drinking chocolates	35%
9	1806	Other food preparations containing cocoa	35%
10	1901 20 00 or 1901 90	All goods	35%
11	1902	All goods	---
12	1904	All goods	35%
13	1905 31 00 or 19051920	Biscuits	35%
14	1905 32 11 or 1905 32 90	Waffles and wafers, coated with chocolate or containing chocolate	35%
15	1905 32 90	All goods, other than wafer biscuits	40%
16	1905 32 19 or 1905 32 90	Wafer biscuits	35%
17	2101 11 or 2101 12 00	Extracts, essences and concentrates, of coffee, and preparations with a basis of these extracts, essences or concentrates or with a basis of coffee	35%

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18	2102	All goods	35%
19	2105 00 00	Ice cream and other edible ice, whether or not containing cocoa	---
20	2106 90 20, 2403	Pan masala and Pan Masala containing tobacco	50%
21	2106 90 30	All goods	35%
22	2106	Ready to eat packaged food, texturised vegetable proteins (Soya bari), and instant food mixes such as Pongal mix, Vadai mix, Pacoda mix, Payasam mix, Gulab jamun mix, Rava Dosa mix, Idli mix, dosai mix, Murruku mix, and Kesari mix.	37%
23	2106 90 11	Sharbat	35%
24	2106 10 00, 2106 90 50, 2106 90 70, 2106 90 80, 2106 90 91 or 2106 90 99	All goods (other than S.No 22 above)	40%
25	2201 10 10, 2201 90 90, 2202 10 90, 2202 90 90	Mineral waters	50%
26	2201 10 20 or 2202 10 10	Aerated waters	42.5%
27	2209	Vinegar and substitutes for vinegar obtained from acetic acid	40%
28	2403 99 10 or 2403 99 20	All goods	50%
29	2523 21 00 or 2523 29	White cement, whether or not artificially coloured and whether or not with rapid hardening properties	35%
30	2710	Lubricating oils and Lubricating preparations	40%
31	3204 20	Synthetic organic products of a kind used as fluorescent brightening agents or as a Luminophores	35%
32	3206	All goods other than pigments and inorganic products of a kind used as luminophores	35%
33	3208, 3209, 3210	All goods	40%
34	3212 90 20	Dyes and other colouring matter put up in forms or small packing of a kind used for domestic or laboratory purposes	40%
35	3213	All goods	40%
36	3214	All goods	40%
37	3303, 3304, 3305 or 3307	All goods	40%

38	3306 10 20	Toothpaste	35%
39	3401 19 or 3401 20 00	Soap (other than paper, wadding, felt and nonwovens, impregnated, coated or covered with soap or detergent)	35%
40	3401 11, 3401 19, 3402 except 3402 90 20	Organic surface active products and preparations for use as soap in the form of bars, cakes, moulding pieces or shapes	35%
41	3403	Lubricating preparations (including cutting-oil preparations, bolt or nut release preparations, anti-rust or anti-corrosion preparation and mould release preparations based on lubricants)	35%
42	3405	Polishes and creams, for footwear furniture, floors, coachwork, glass or metal; scouring pastes and powders and similar preparations (whether or not in the form of paper, wadding, felt, non-wovens, cellular plastics or cellular rubber, impregnated, coated or covered with such preparations), excluding waxes of heading No. 3404	35%
43	3506	Prepared glues and other prepared adhesives, not elsewhere specified or included	40%
44	3702	All goods (other than for X-ray and unexposed Cinematographic films)	40%
45	3808	Insecticides, fungicides, herbicides, weedicides and pesticides	35%
46	3808 40 00 or 3808 90 90	Disinfectants and similar products	40%
47	3814 00 10	Thinners	40%
48	3819	Hydraulic brake fluids and other prepared liquids for hydraulic transmission, not containing or containing less than 70% by weight of petroleum oils or oils obtained from bituminous minerals	40%
49	3820 00 00	Anti-freezing preparations and prepared deicing fluids	40%
51	3919	Self adhesive tapes of plastics	40%
52	3923, 3924	Insulated ware	45%
53	4816	Carbon paper, self-copy paper, duplicator stencils, of paper	40%
54	4818 except 481840, 4818 50 00	Cleansing or facial tissues, handkerchiefs and towels, of paper pulp, paper, cellulose wadding or webs of cellulose fibres.	40%

ARTICLE

55	6401 to 6405	The following goods, namely:- (i) Footwear of retail sale price exceeding Rs 250/- and not exceeding Rs 750/- per pair (ii) All other footwear	37% 40%
56	6506 10	Safety headgear	40%
57	6907 10 10, 6907 90 10	Vitrified tiles, whether polished or not	45%
58	6908	Glazed tiles	45%
59	7321	Cooking appliances and plate warmers, other than LPG gas stoves (with burners only, without other functions such as, grills or oven	40%
60	7321	LPG gas stoves (with burners only, without other functions such as, grills or oven)	35%
61	7323, 7615 19 10	Pressure Cookers	30%
62	7324	Sanitary ware of iron or steel	40%
63	7418 20 10	Sanitary ware of copper	40%
64	8212	Razors and razor blades (including razor blade blanks in strips)	40%
65	8305 20 00, 8305 90 20	Staples in strips, paper clips, of base metal	40%
66	8414 51, 8414 59	Electric fans	40%
67	8415	Window room air-conditioners and split air-conditioners of capacity upto 3 tonnes	30%
68	8418	Refrigerators	40%
69	8421 21	Water filters and water purifiers, of a kind used for domestic purposes	40%
70	8422 11 00, 8422 19 00	Dish washing machines	35%
71	8450	Household or laundry type washing machines, including machines which both wash and dry	40%
72	8469	Typewriters	35%
73	8470 (except 8470 40, 8470 50, 847090)	Calculating machines and pocket-size data recording, reproducing and displaying machines with calculating functions	40%
74	8472 90 10	Stapling machines	40%
75	8506 except 8506 90 00	Primary cells and primary batteries	40%
76	8509 except 8509 90 00	Electro-mechanical domestic appliances with self-contained electric motor	40%
77	8510 except 8510 90 00	Shavers, hair clippers and hair-removing appliances, with self contained electric motor	40%

78	8513 except 8513 90 00	Portable electric lamps designed to function by their own source of energy (for example, dry batteries, accumulators, magnetos), other than lighting equipment of heading No. 8512	35%
79	8516	Electric instantaneous or storage water heaters and immersion heaters; electric space heating apparatus and soil heating apparatus; electrothermic hair dressing apparatus (for example, hair dryers, hair curlers, curling tong heaters) and hand dryers; electric smoothing irons; other electro-thermic appliances of a kind used for domestic purposes	40%
80	8517 11, 8517 19 or 8517 21 00	Telephone sets including telephones with cordless handsets; video phones; facsimile machines	40%
81	8519, 8520	All goods	40%
82	8521	All goods	40%
83	8523	Unrecorded audio cassettes	40%
84	8523, 8524	Video cassettes	40%
85	8523 20, 8524	Magnetic discs	40%
86	8525	Pagers, cellular or mobile phones	40%
87	8527	Radio sets including transistors sets, having the facility of receiving radio signals and converting the same into audio output with no other additional facility like sound recording or reproducing or clock in the same housing or attached to it	35%
88	8527	Reception apparatus for radio-broadcasting, whether or not combined, in the same housing, with sound recording or reproducing apparatus or a clock (other than goods covered at S.No. 86)	40%
89	8528	Television receivers (including video monitors and video projectors) whether or not incorporating radio broadcast receivers or sound or video recording or reproducing apparatus	35%
90	8536	All goods	40%
91	8539	The following goods, namely:- (i) Compact Fluorescent Lamp (CFL) falling under tariff item 8539 31 10 (ii) All other goods	37% 40%

92	9006	Photographic (other than cinematographic) Cameras	35%
93	9101, 9102	All goods, other than braille watches	35%
94	9103, 9105	Clocks	45%
95	9612	All goods	35%
96	9617 00 11, 9607 00 12	Vacuum flasks	40%

Issues in MRP/RSP Valuation

◆ **MRP Printed Voluntarily on Products:** Where affixation of MRP is statutorily required and products/packages are voluntarily printed with MRP, in that case, the valuation of such goods shall be done on the basis of Section 4 and not on the basis of Section 4A. Section 4A is applicable only when the packaged goods are statutorily required to be marked with MRP under Standards of Weights and Measures Act, 1976 and notified by the Central Government for the purpose of valuation on MRP basis. Hence, voluntarily marked packages shall not come under the purview of MRP based valuation under Section 4A.

◆ **Where more than one MRP is printed on products:** The MRP printed on package is required to be inclusive of taxes. Rate of taxes vary from State to State. In some cases, manufacturer may print different prices for different States. In some cases, manufacturer earmarks different packages for different areas and marks different prices for different areas. For example – Say on Roohafza, 700 ml Sharbat bottle two MRPs are printed – one Rs.79 (for sales in Delhi) and another Rs.83 (for sales in rest of the country). In this case, the excise duty shall be levied on Rs.83 minus abatement allowed.

If a package bears more than one retail sale price, maximum out of these will be deemed to be the retail sale price for the purpose of Section 4A. Where different retail sale price are declared on different packages, each such retail price shall be the RSP for the purpose of valuation of central excise.

◆ **Discounted MRP/Slashed down MRP:** In market, we find products where MRP is printed which is discounted/slash down by putting lower MRP for attracting customer for product at reduced price. For example – Say a Vim bar cake MRP is Rs.10 is crossed with a new discounted MRP of Rs.8. In this case excise duty shall be calculated on Rs.8 minus abatement. Hence, reduced price printed shall be the basis of valuation for excise, which is actually a retail price.

◆ **Whether Department can challenge MRP ?:** In ITC Limited V. CCE (2004) 171 ELT 433 = AIR 2005 SC 1370

= 2004 AIR SCW 7208 – 64 RLT 341 (SC), it has been held that excise officer cannot challenge or investigate into genuineness of MRP printed on package. Hence, MRP fixed shall be the criteria for the purpose of calculation of excise duty without going into detail by the department as to how it is calculated.

◆ **Tampering the MRP:** If the price marked on product is increased through tampering/altering, etc. after removal then such increased price shall be the basis of determination of value for the purpose of valuation. Tampering, removing, altering is an offence and goods are liable to confiscation.

◆ **Selling the product below MRP Price:** If a product is sold by a retailer at a price, which is lower than the printed MRP by his own choice to attract the market, the excise duty shall be levied on the printed price minus abatement and not on the reduced price by the retailer.

◆ **CSD Sale:** Sometimes question arises about the valuation of goods under CSD sale whether it should be at MRP or Selling Price by CSD Depot. Even in case of goods cleared to CSD Canteen where the goods are sold below MRP, the criteria for excise valuation shall be the printed MRP. For example, Canteen Stores Department sells a Nescafe Coffee – 100 gm pack MRP is Rs.85 and it is sold in CSD Canteen for Rs.55 to Defence Service Personnel at various places below MRP and the label carry the words “For CSD Only”. Even MRP printed shall be the criteria for excise valuation.

◆ **Reusable Containers:** In the case of reusable containers of the product, the Board has directed in its Circular No.697/13/2003-CX dated 27-2-2003 as under:

“The returnable deposit or the deposit of empty container is not an additional consideration for sale of the particular product”, (para 3)

“If the cost of the reusable container is amortised and included in the cost of the product itself, the question of adding any further amount towards this account does not arise....” (para 5).

◆ **Free Supply:** In case of free supply (along with the quantity sold), there is no sale and, therefore, its value is not includible in the assessable value of the sold quantity – 2004 (174) E.L.T. (Trib.) – Vinayaka Mosquito Coil Mfg. Co. v. CCE. See also 2004 (167) E.L.T. 385 (S.C.) – Sony India Ltd. V. CC.

◆ **Export Sale:** Export goods are excluded from applicable of Standards of Weights and Measures Act, 1976 and Rules made there under and hence they are not required to have MRP. All the goods cleared for export shall not come under the purview of Section 4A.

First Quarter Review of the Annual Policy of 2006-07 – A Brief

Prem Bhutani

Recently, the Reserve Bank of India (RBI) presented its First Quarter Review of the Annual Policy 2006-07. Following are the highlights of the quarterly review of the RBI.

- ◆ The GDP forecast has been left unchanged at 7.5 to 8 per cent for 2006-07.
- ◆ Inflation forecast has been left unchanged at 5 to 5.5 per cent for 2006-07.
- ◆ All the three sectors – agriculture, industry and services have performed fairly well during the first quarter of 2006-07.
- ◆ Business confidence is quite high as revealed by the opinion poll conducted by the RBI.
- ◆ The balance of payments situation is satisfactory despite the mounting problems of oil price rise and rising non-oil imports reflecting the buoyancy in domestic economic activity. This is due to the healthy invisibles receipts and inflow under capital account.
- ◆ The non-food bank credit rose by 32.9% on year to year basis. Similarly, retail loans, housing loans, commercial real estate loans, and loans to industry, construction and agriculture, rose 74%, 115.5% and 101.3%, 26%, 52.6% and 35.5% respectively.

In spite of all the above developments, the RBI has raised the Repo rate and Reverse Repo rate by 25 basis points each to 7 percent and 6 percent respectively. (The Repo rate is the rate at which the RBI lends funds to banks and Reverse repo rate is the rate at which the RBI borrows funds from banks.) This is the fifth time in a year that the reverse repo rate has been hiked. There seem to be three reasons as to why the RBI found it necessary to hike the crucial rates.

1. There is excess liquidity in the country. There is liquidity overhang to the tune of Rs. 91,231 crore. Money supply grew by 18.8% as on July 8, 2006 against 13.8% a year back. The RBI had forecasted the supply growth to be around 15%.
2. Growth in credit has been out of alignment with the deposits.
3. The rising inflation has also rattled the RBI in taking pre-emptive action. The Wholesale Price Index rose by 4.7% over the year. But the rise in the prices of food grains has been much more. Further, the Consumer Price Indices for agricultural labour, industrial workers and urban non-manual employees have increased tremendously this fiscal compared to the last fiscal. The RBI also fears that the global inflationary rates may translate into domestic rates. Therefore, as a



precautionary measure, the RBI has increased the repo rate and reverse repo rate. It wants to keep the inflation with in the sensible range of 5 - 5.5%.

As a result of increase the repo and the reverse repo rates, interest rates the banks charge for home loans, consumer loans etc. will rise. Similarly, the deposit rates will also rise. Borrowers may feel discouraged to borrow and investment activities may get adversely affected. This may ultimately put the economy on a slow growth lane and the projected growth of 7-7.5% may not be realized.

Video Lecture Series

To provide the harmonious education of high quality to the students, the Board of Studies is bringing out a series of video lectures of reputed faculty. In all thirty-six lectures are planned by March 31, 2007. To begin with three lectures are already released and another three are under production. The list is as follows:

Subject	Topic	Speaker
<i>Already released</i>		
Direct Taxes (Final Course)	Capital Gains (Part I)	Dr Girish Ahuja
Direct Taxes (Final Course)	Capital Gains (Part II)	Dr Girish Ahuja
Business & Corporate Laws (PE - II)	Membership of Company	Dr P T Giridharan
<i>Under Production</i>		
Fundamentals of Accounting (PE-I/CPT)	Insurance Claims	CA. S.B. Zaware
Accounting (PE-II/PCC)	Hire Purchase and Installment Payment System	CA. S.B. Zaware
Income Tax (PE-II/PCC)	Taxation of Salaries	CA. R. Devarajan

Corrigendum

The First batch of students under CPT are eligible for Final Examination in the November, 2010 examinations. This was inadvertently printed as May, 2010 in the August, 2006 issue of the Newsletter. The error is regretted.

The author is Deputy Director, ICAI.

19th All India CA Students' Conference – Report

The 19th All India C.A. Students' Conference is held at DON BOSCO Auditorium, No.13, Casa Major Road, Figmore, Chennai on August 26 & 27, 2006. The theme of the Conference is "New Frontiers of Professional Excellence". The conference was attended by 1560 students. It remains as a memorable function of the Board of Studies wherein the active involvement of the students, quality of the papers presented, responses which those papers generated on the floor and session handled by expert faculty members reached a great height. The conference begun with thought provoking, inspiring and memorable lecture delivered by CA. T.N.Manoharan, President, ICAI.

There were four technical and four special sessions.

First Technical Session : Accounting Standards and Corporate Financial Reporting

Chairman of First Technical Session : CA. M.P. Vijay Kumar

◆ AS 11 – The Effects of Changes in Foreign Exchange Rates : Ms. R. Uthra

◆ AS 15 – Employee Benefits : Mr. Rabindra Kaiborta

◆ AS 22 – Accounting for Taxes on Income: Mr. Hitesh Chhugani

Special Session I : Career Strategies for Chartered Accountants

Speaker : CA. Pattabhiram

Second Technical Session : Taxation

Chairmen of Second Technical Session : 1. CA. G. Sekar

2. CA. T.G. Suresh

◆ Emerging Scenario of Service Tax in India : Mr. Alok Kumar Surana

◆ Fringe Benefit Tax: Mr. Avinash Gupta

◆ Issues in International Taxation: Mr. S.B.Navaneeth

Special Session II : Strategies for Success in Chartered Accountancy Examinations

Speakers : CA. Nagarajan, CA. B. Saravana Prasath

Third Technical Session : Auditing and Corporate Laws

Chairmen of Third Technical Session : 1. CA. S. Ganapathy

2. Mr. B. Ravi

SAFA Students' Exchange Programme

Under the SAFA Students' Exchange programme 17 Students, 1 Official and 1 member of the central council of the Institute of Chartered Accountants of Sri Lanka (ICASL), 7 students of the Institute of Chartered Accountants of Pakistan and one student of the Institute of Chartered Accountants of Bangladesh participated in the conference under SAFA Students' Exchange Programme. Apart from active participation in the Conference, interaction with chartered accountancy firms and dignitaries of the ICAI were part of the exchange programme. The delegation from the ICASL also participated in the Joint Seminar with Calicut University organised by the Board of Studies. This exchange programme evoked a broader dialogue between students and meaningful exchange of ideas among the students of neighbouring countries. Our students demonstrated exemplary behaviour as host and involvement of the foreign students was of very high order.

◆ Auditing in a Computerised Environment : Mr. Siddharth

◆ Risk Based Auditing: Ms. Mathura Rajalingam

◆ Issues in Corporate Governance: Mr. Tauseef Ahmed

◆ Issues in Corporate Governance: Ms. S. Aparna

Special Session III : Winning Communication & Public Relations Skills and Personality Development

Chairman : Mr. Santosh Datta, IRS, Chief Commissioner of Income Tax-I, Chennai

Speaker : CA. V. Murali, Chairman, Board of Studies, ICAI

Fourth Technical Session : Strategic Financial Management

Chairman of Fourth Technical Session : CA. L. Muralidharan

◆ Corporate Restructuring : Mergers, Demergers, Acquisitions and Disinvestments: Ms. Jyostna Kancharla

◆ Emerging Trends in Corporate Resource Mobilisation and Fund Management: Mr. Sumit Sarma

◆ Financial Derivatives: Mr. B. Thiagarajan

Special Session IV : Career Counselling and New Chartered Accountancy Course – Revised Scheme of Education and Training & Transitional Provisions

Chairman : CA. Jaydeep Narendra Shah, Vice-Chairman, Board of Studies

Speaker : Dr. T.P. Ghosh, Director of Studies

In this session queries of the students on various issues relating to the new scheme of education and training and transitional issues were resolved.

Non receipt - The Chartered Accountant Student

Several students are complaining non-receipt of the students' newsletter to the different addresses of the Institute which are then forwarded to the Board of Studies. This leads to unnecessary delay in redressing their problems. **For speedier disposal students should send their complaints to casnewsletter@icai.org** and not to other addresses. Physical mails may be sent to the address given in the next paragraph. **Similarly, non-receipts of the journal 'The Chartered Accountant' should be sent to the eb@icai.org.**

It may also be noted that students' newsletter is sent the students of Professional Education (Course-I), Professional Education (Course-II) for one year each and final course for three years. Beyond which they need to subscribe separately by sending a demand draft of Rs 60 (*for students*) in favour of The Secretary, The Institute of Chartered Accountants of India, payable in New Delhi to Board of Studies, C-1, Sector-1, Noida 201301. Students should also check their mailing address. In case PIN Code (Postal Index Code) is either missing or incorrect, kindly inform the concerned Regional Office giving full particulars of address along with correct PIN Code. This would also enable us to ensure smooth and prompt delivery of the Newsletter.

3rd National Convention for CA Students – Report

Amid much fanfare the two days gala event, “**3rd National Convention for CA Students-Discovering New Frontiers**” was successfully organized by Board of Studies of Institute of Chartered Accountants of India in Kolkata on August 12 & 13, 2006. The programme directed towards providing thematic knowledge to the students was successfully hosted by the EIRC & Eastern India CA Student Association. The first day of the convention commenced with the recitation of Saraswati Vandana & Ganesh Vandana. CA S. K Agarwal, Chairman of EIRC while welcoming the delegates and other dignitaries thanked Board of Studies for providing the opportunity for hosting a National Convention in Kolkata, the City of joy. The Convention was inaugurated by Shri Sudhansu Seal, Hon’ble Member of Parliament and CA.T.N Manoharan, Hon’ble President of ICAI by lighting the traditional lamp. In his inaugural address the President, while welcoming the delegates, complemented the team of volunteers and the Managing Committee of EICASA for their sincere efforts in organizing the Convention. He also focused on various plans and policies undertaken by Board of Studies for the welfare and benefit of student community. He also appreciated the role and contribution of the Director of Studies, staff/officers and faculty for their efforts in organizing the Convention, in particular for bringing out a good book containing useful papers on different topics. CA K P Khandelwal, Member, BOS Committee also gave a thought provoking address to students. The inaugural session came to an end by a vote of thanks by CA Vikash Jain, Vice Chairman, EIRC and Chairman, EICASA

Nearly nine hundred delegates participated in the Convention.

There were four technical sessions wherein in all 22 papers were presented by 24 paper writers:

- ◆ The first Technical Session on Accounting & Auditing was chaired by **CA. Abhijit Bandyopadhyay, Council Member.**
- ◆ The 2nd Technical Session on Taxation was chaired by **CA Anjan Sarkar & CA Sumantra Guha.**
- ◆ The 3rd Technical Session on Information Technology was conducted on the second day of the Convention. It was chaired by **C.A. Debashish Mitra.**
- ◆ The 4th Technical Session was chaired by **C.A. Pankaj Dhanuka.**

In addition, there were two special sessions spread over one on each day :

The first special session was chaired by **Mr. Krishanu Bhattacharya**, Honorary Treasurer & Secretary of EIRC. Speakers were - **CA Rajesh Poddar**, Assistant Company Secretary, ITC & **CA Ms. Veena Hingarh**. The second special session on **CA – Strategies for Success** was chaired by Mr. CA Chandan Chattopadhyay. CA V.Murali, Chairman, Board of Studies was also invited on the dais to conduct the session.

He gave numerous valuable tips to the students to be successful in life like creation of team spirit, avoiding and minimizing mistakes to excel. His fabulous speech, full of inspiring quotes, was liked by all. This session also had Ms. Bidisha Sen and Ms. Atika Dhandia from “THE ART OF LIVING” teaching students ways to success. On the first day a grand cultural programme was held - DHAMAKA 2006.

The event concluded with a Valedictory Session on the second day. Mr. Vikash Jain, acted as the moderator of the session. The guest speaker CA P.M. Narielwala and CA V. Murali exhorted the students by saying ‘believe in yourself, explore/identify the potential in you and conquer the heights you want to scale....’The mega event came to an end with **Prize Distribution Ceremony** whereby certificates were presented to all delegates, best paper presenters, EICASA members & volunteers.

Virtual Classes

Time: 6.00 pm –8.00 PM (Report 15 minutes in advance)

The Board of Studies has decided to conduct 10 virtual classes for Professional Education Course II and Final Course students during the period 12th September – 23rd September, 2006 as per the schedule given below. The classes will be conducted at 21 Reliance World centers across the country from 6 P.M.- 8 P.M. The students do not have to pay any fee.

Schedule for Final Course classes

Date	Subject	Topic	Faculty
12.9.06	Direct Taxes	Assessment of Special Cases	CA. Kalpesh Sanghavi, Mumbai
13.9.06	Corporate Law & Secretarial Practice	Board Meeting	Dr. P.T. Giridharan, Joint Director of Studies
14.9.06	Direct Taxes	Business Taxation	CA. Girish Ahuja , Delhi
19.9.06	MAFA	Options and Futures	Dr. T.P. Ghosh, Director of Studies
20.9.06	Advanced Accounting	AS-20- Earning Per Share	CA. M.P Vijay Kumar, Chennai
22.9.06	Direct Taxes	Taxation of capital gains	CA. Kalpesh Sanghavi, Mumbai

Schedule for Professional Education Course II

Date	Subject	Topic	Faculty
15.9.06	Accounting	Investment Accounts	CA. S.B. Zaware, Pune
18.9.06	Accounting	Accounting for Amalgamation	CA. Deepak Mistri, Mumbai
21.9.06	Financial Management	Cost of Capital	Mr. R.K. Srivasatava, Deputy Director of Studies
23.9.06	ITCST	Business Taxation – Significant Aspects	CA R. Devarajan, Addl. Director of Studies

Details of the Reliance World centers where these classes will be conducted are given on the “Students” page of www.icaai.org. Since each centre has limited capacity (15-20 persons), entry will be on “First come first serve basis”. Students are advised to register themselves at concerned ICAI Branch office for attending the class.

Professional Competence Course

Frequently Asked Questions (FAQs)

1. What is Professional Competence Course (PCC)? Which course will it replace?

It is the first stage of theoretical education of the two-staged chartered accountancy course. It will replace the existing Professional Education (Course – II).

2. What is Professional Competence Examination (PCE)?

It is the first stage examination (post-entry, i.e. after passing CPT) of the chartered accountancy course is named as Professional Competence Examination (PCE).

3. Who can join PCC?

◆ A student who has passed Common Proficiency Test and Senior Secondary Examination (10+2 examination) conducted by an examining body constituted by law in India or an examination recognized by the Central Government as equivalent thereto may join the Professional Competence Course.

◆ Simultaneously, the student will also register for practical training.

◆ In addition, a student has to register and undergo 100 Hours Information Technology Training.

4. When can one join PCC?

Expected date of registration of PCC is in early September 2006. Keep watch on our website www.icai.org for further announcement.

5. What is the detailed syllabus?

PCC syllabus was printed on pages 16-20 in the August, 2006 issue of the Newsletter. Students may also download it from the website www.icai.org.

6. Is there any scholarship for meritorious students?

First three rank holders of CPT will be granted full exemption from the payment of registration and tuition fees at the time of registration for article / audit training and PCC including registration fee for 100 Hours Information Technology Training.

7. Is there any other scholarship?

The Institute offers merit-cum-need and need-based scholarship to the existing students of Professional Education (Course-II). Also various endowment funds offer monthly scholarships. Similar schemes will be worked out for PCC students.

8. Is there any fee concession for disabled students?

Yes. Disabled students are granted full exemption from payment of registration and tuition fees.

9. Who are disabled students?

Disabled students are defined as follows:

(a) *Blindness* – “Blindness” refers to a condition where a person suffers from any of the following conditions, namely:

- ◆ total absence of sight;
- ◆ visual acuity not exceeding 6/60 or 20/200 (snellen) in the better eye with correcting lenses; or
- ◆ limitation of the field of vision subtending an angle of 20 degree or worse.

(b) *Low vision* – “Low vision” means a person with impairment of visual functioning even after treatment or standard refractive correction but who uses or is potentially capable of using vision for the planning or execution of a task with appropriate assistive device.

(c) *Leprosy cured* – “Leprosy cured” means any person who has been cured of leprosy but is suffering from

- ◆ loss of sensation in hands or feet as well as loss of sensation and paresis in the eye and eye-lid but with no manifest deformity;
- ◆ manifest deformity and paresis but having sufficient mobility in their hands and feet to enable them to engage in normal economic activity;
- ◆ extreme physical deformity as well as advanced age which prevents him from undertaking any gainful occupation, and the expression “leprosy cured” shall be constructed accordingly.

(d) *Hearing impairment* – “Hearing impairment” means loss of sixty decibels or more in the better ear in the conversational range of frequencies.

(e) *Locomotors disability* – “Locomotors disability” means disability of the bones, joints or muscles leading to substantial restriction of the movement of the limbs or any form of cerebral palsy.

(f) *Permanent and total loss of voice* – A disabled student has to submit a certificate of suffering from disability, certified by a physician / surgeon / oculist working in a Government hospital, as the case may be.

10. Is there any other scheme of fee concession?

Yes. The children of military and para-military forces who are studying chartered accountancy course and whose either of the parents have lost their lives in action are exempted from payment of tuition and registration fees. This concession of fees will be made available on production of necessary documents.

11. What are the new subjects in PCC as compared to the existing Professional Education (Course-II)

The following are the new subjects in PCC:

- ◆ Strategic Management
- ◆ Business Ethics
- ◆ Business Communication
- ◆ Service Tax and VAT

See box *comparative subjects* for the comparative subjects in Professional Education (Course-II) and PCC:

12. How to prepare for Professional Competence Examination?

- ◆ The Board of Studies will provide a Study Package to the students registering for the course. The package will contain books relating to each subject covered in the Course. A student can prepare on self-study basis. He can get guidance from the Board of Studies by making e-mail to guidance@icai.org.
- ◆ Accredited Institutions conduct oral coaching classes. If a student requires additional help, he can join such accredited institutions.
- ◆ Board of Studies organises virtual classes in which expert faculty

Comparative Subjects	
Existing	New
Professional Education (Course-II)	Professional Competence Course
Group I	Group I
Paper 1: Accounting Paper 2: Auditing Paper 3 : Business and Corporate Laws Section B: Corporate Laws (40 marks)	Advanced Accounting Auditing and Assurance Law, Ethics and Communication Part I: Law (60 Marks) Business Laws (30 Marks) Company Law (30 Marks) Part II: Business Ethics (20 Marks) Part III: Business Communication (20 Marks)
Group II	Group II
Paper 4: Cost Accounting and Financial Management Section A: Cost Accounting (60 marks) Section B: Financial Management (40 marks) Paper 5: Income-tax and Central Sales Tax Section A: Income Tax (75 marks) Section B: Central Sales Tax (25 marks) Paper 6: Information Technology	Cost Accounting and Financial Management Part I: Cost Accounting (50 marks) Part II: Financial Management (50 marks) Taxation Part I: Income-tax (75 Marks) Part II: Service Tax and VAT (25 Marks) Information Technology and Strategic Management Section A: Information Technology (50 marks) Section B: Strategic Management (50 marks)

of different subject areas speak on selected topics. A student can attend such classes.

- ◆ The Board of Studies releases from time to time video CDs containing lectures of various experts on different subjects which offer a classroom like learning experience.
- ◆ The Institute will also conduct revision classes in different Regions and major Branches of the institute.

13. Is the Institute organizing any oral coaching classes to assist the students for preparation?

Yes, there are accredited institutions which are engaged in conducting oral coaching classes. A list of such institutions will be available in the website www.icai.org.

14. What are the different modules for oral coaching?

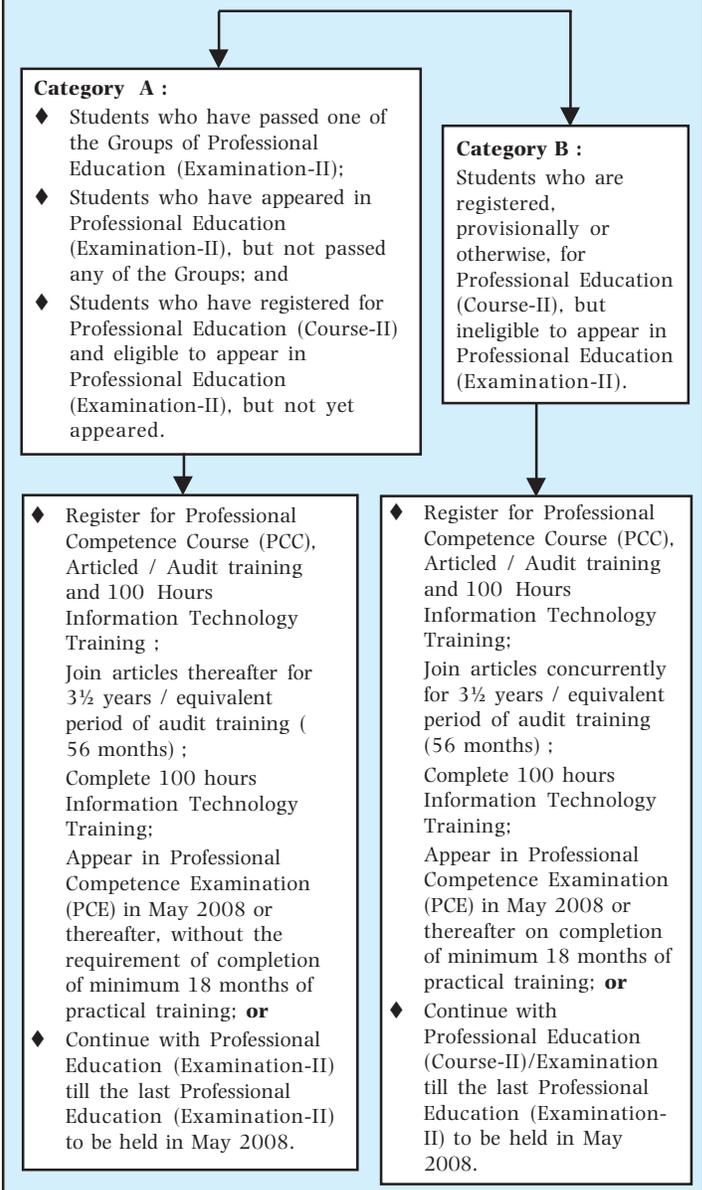
Two different coaching modules are designed for conducting oral coaching classes for PCC:

Module I	Crash course comprising of 100 days	3 hours per day	Total teaching hours: 300
Module II	Regular course comprising of 175 days	2 hours per day	Total teaching hours : 350

Students may opt for a module depending upon his academic level in the corresponding (10+2 examination) or other academic course(s).

15. What is the transition scheme for existing students of Professional Education (Course-II) who have qualified PE-I/

Students of Professional Education (Course-II) who have qualified PE-I/Foundation Examination



Foundation Examination? Can a student, who is presently studying PE (Course-II), join PCC?

Students of the Professional Education (Course-II) would fall under the following broad categories:

- (a) Students who have passed one of the Groups of Professional Education (Examination-II);
Students who have appeared in Professional Education (Examination-II), but not passed any of the Groups; and
Students who have registered for Professional Education (Course-II) and eligible to appear in Professional Education (Examination-II), but not yet appeared.

(b) Students who are registered, provisionally or otherwise, for Professional Education (Course-II), but ineligible to appear in Professional Education (Examination-II).

Transition scheme for the categories of candidates falling under (a) above is as under:

- ◆ Join articles thereafter for 3½ years; complete Information Technology Training , appear in Professional Competence Examination (PCE) in May 2008 or thereafter without the requirement of completion of minimum 18 months of practical training; or
- ◆ Continue with Professional Education (Examination-II) till the last Professional Education (Examination-II) to be held in May 2008.

Transition scheme for the categories of students falling under (b) above is as under:

- ◆ Join articles for 3½ years; complete Information Technology Training and complete 18 months of practical training; and thereafter appear in PCE; or
- ◆ Continue with Professional Education (Course-II)/Examination till the last Professional Education (Examination-II) to be held in May 2008.

In addition, students who have passed Professional Education (Examination-II) either at the time of commencement of the proposed Scheme or later, but not joined articles due to various reasons, are to be allowed to join articles up to May 2009. They will be required to complete CCT/IT training before joining articles. They can join articles thereafter for a period of 3 years.

Note: A PE-II student who has not passed PE-I/Foundation Examination, may pass CPT before joining articleship . Alternatively, they may continue PE- II course and after passing PE-II Examination join 3 years of articleship under old scheme. He is entitled to appear in the Final examination on completion of 24 months of articleship training.

16. Is there any scheme for continuation of exemption granted for existing students of Professional Education – II ?

A Professional Education (Course-II) student who has been granted an exemption under Regulation 37A(7) in one or more papers shall continue to enjoy the said exemption in the corresponding paper(s) under PCC as given in box *subject-wise exemption*:

17. A student had appeared for the Professional Education (Examination-II) May-2006 result of which has been declared.

Unfortunately he has failed in both the groups. He wants to know:

(i) Is it possible for him to switch over to the new scheme which has been introduced by the ICAI from this year?

(ii) If so, when will the procedure for such change over will begin? And to whom should he contact for this purpose?

(iii) Would we advice to switch over to the new scheme?

Answers (i) Yes. He can switch over to PCC. (ii) The new scheme is expected to be implemented on and from September 1, 2006. (iii) Given in box *switching over to new scheme* is a comparative position which a student should evaluate and take decision.

18. I am a PE-II Student. I am going to appear Both Groups in November 2006. I want to know whether new scheme i.e., PCC would affect the syllabus of subjects of PE-II Examination to be held in Nov. 2006.

Introduction of New syllabus will not affect your PE-II Examination to be held in Nov. 2006. The name of the examination under new syllabus is Professional Competence Examination (PCE) which has a different syllabus.

19. Transition scheme for PE-II student refers to ‘students eligible to appear’. Does it mean those students to whom Coaching Completion Certificates have been issued by Regional Offices?

Eligible to appear means they have completed 10 months study period. It may so happen that they have not been yet issued Eligibility Certificate (EC). What is important that whether the prescribed study period is over. There may be delay in issuance of EC or it is possible that one or two test papers are under checking.

20. If existing PE-II students want to continue with PE-II till May 2008, can they join articleship from 1st Sept. 2006? If No, When they can join articleship?

No. They can join articleship only after passing PE-II. For them the articleship training will be of 3 years as per the existing scheme.

21. If an existing PE-II student (who have qualified PE-I/

Subject-wise Exemption	
Existing Professional Education (Course-II)	New Professional Competence Course
Group I	Group I
Paper 1: Accounting	Advanced Accounting (100 marks)
Paper 2: Auditing	Auditing and Assurance (100 marks)
Paper 3: Business and Corporate Laws	Law, Ethics and Communication Part I:
Section A: Business Law (60 marks)	Law (60 marks)
Section B: Corporate Laws (40 marks)	Business Laws (30 marks)
	Part II: Business Ethics (20 marks)
	Part III: Business Communication (20 marks)
Group II	Group II
Paper 4: Cost Accounting and Financial Management	Cost Accounting and Financial Management
Section A: Cost Accounting (60 marks)	Part I: Cost Accounting (50 marks)
Section B: Financial Management (40 marks)	Part II: Financial Management (50 marks)
Paper 5: Income-tax and Central Sales Tax	Taxation
Section A: Income Tax (75 marks)	Part I: Income-tax (75 marks)
Section B: Central Sales Tax (25 marks)	Part II: Service Tax and VAT (25 marks)
Paper 6: Information Technology	Information Technology and Strategic Management
	Section A: Information Technology (50 marks)
	Section B: Strategic Management (50 marks)

Foundation Examination) continues with PE-II till May 2008 and does not clear any group of PE-II till May 2008 Examination, for appearing in PCE to be held in Nov. 2008 examination, whether he will have to join articleship for 3 and 1/2 years, complete articles of 18 months first then appear in PCE?

Yes. He has to once again start with the new syllabus. But he does

not have to complete 18 months of articleship as he is eligible to appear in PE-II Examination.

22. What is practical training?

Please refer to the Training Guide published by the Board of Studies. Under the new scheme, a student has to undergo articulated training of three and a half years or equivalent period of audit training. A period of eight months of audit training is equivalent to six months of articulated training. No fraction period is counted.

23. What duration of practical training is required to be completed before appearing in PCE?

After completing not less than fifteen months of practical training, three months prior to the first day of the month in which examination is held, a student can apply for PCE. For example, for appearing in PCE to be held in May 2008, as on January 31, 2008 a student should complete fifteen months of articulated training or equivalent duration of audit training.

24. What is Information Technology Training (ITT)?

While studying PCC a student has to pursue a course on 100 Hours ITT. This will replace present scheme of 250 Hours Compulsory Computer Training Programme.

25. Who will conduct this training?

Board of Studies has accredited various Regional Councils and Branches of the ICAI and other institutions for conducting 100 Hours ITT. A list of the accredited institutions will be available on the website www.icaai.org and also in the Manual for ITT published by the Board of Studies.

26. Is there any separate fees for undergoing the training?

Yes. The accredited institutions will charge fees in the range of Rs.3500–4000 plus applicable service tax.

27. Should a student register with the Board of Studies for undergoing ITT and pay separate registration fees?

When a student registers for articulated / audit trainee and PCC with the Institute, automatically he is granted registration for ITT. No separate fees is chargeable for registration of ITT with the Institute.

28. Will the Board of Studies provide any study materials for ITT?

Yes. The Board of Studies will offer a set of study materials covering various topics of the ITT which a student should study while undergoing the training.

29. Can a student undergo ITT from the first day of registration of articulated/audit training and PCC? Is there any preparation time before joining ITT?

As stated earlier, a student can join PCC and articulated / audit training by registration with the Institute and simultaneously he is granted registration for ITT. But it will be difficult for a student to join ITT on the same day as there is academic linkage between ITT and Information Technology subject covered in PCC. It is desired that a prior knowledge of introductory chapters of Information Technology subject will be helpful in appreciating various sessions of ITT. Also there is a need for appreciating articulated/ audit trainee and role of Information Technology therein. Therefore, a student is allowed join ITT only on completion of three months of articulated / equivalent period of audit training.

Switching over to New Scheme	
Existing Scheme	New scheme
<p>Assumption One: He passes PE-II in November, 2006. Results will be available in the middle of Jan., 2007 He registers for 3 years articulated training, say, on and from 1.2.2007.</p> <p>His articulated training will be completed on 31.1.2010. He will be eligible to appear in Final Exam. In May, 2009 pending 12 months of articulated training.</p> <p>He should in fact prepare for New Final as last Old Final exam will be held in Nov. 2010.</p> <p>2009. He should not take risk for old Final. In case of failure to qualify within that exam will lead to preparation for New Final course which should be avoided.</p>	<p>Register for Professional Competence Course on 1.9.2006 and also register for articulated training under the new scheme of articulated training is for 3 ½ years.</p> <p>First PCE examination will be held in May 2008. His articulated training will be completed on 28.2.2010. His first attempt for New Final will be in May 2010.</p> <p>He has to expect passing in May 2008 PCE or in November 2008 PCE such that he can appear in May</p> <p>Otherwise there will be further delay in completing CA. But if he passes PCE in November 2009, then it will be difficult to prepare and appear in Final within 6 months.</p>
<p>Assumption Two:</p> <p>He passes PE-II in May 2007. Results will be available in the middle of Aug . 2007. He registers for 3 years Articled training, say, on and from 1.9.2007.</p> <p>His articulated training will be completed on 31.8.2010.</p> <p>He will be eligible to appear in Final Exam in November 2009 pending 12 months of articulated training.</p> <p>Risk involved : Last PE-II examination will be held in May 2008. Any failure in November 2006 / May 2007 will create tremendous pressure on the student. Time will elapse but articulated training could not be started. Failure to pass PE-II by May 2008 examination may cause a disastrous situation. He has to start afresh with new PCE and articleship for 3 ½ years.</p> <p>Advantage : If the student is well prepared to pass PE-II either in November 2006 or May 2007, a calculated risk can be taken.</p>	<p>There is minor initial difficulty to wait till May 2008. But articulated training commences immediately ; so there will be no tension in the training leg. A comfortable preparation time will be there. In case the student is well prepared to pass PCE in May 2008, he will be in advantageous position than the uncertain situation to continue with PE-II without articles.</p>

30. What is the syllabus of ITT?

The syllabus of ITT is given in next column on this page.

31. Can an existing student of PE-II join 100 Hours ITT?

Yes. On launching of the new 100 Hours ITT, existing 250 Hours CCT will be withdrawn and therefore, all students of PE-II who have not yet undergone 250 Hours CCT will be allowed to join 100 Hours ITT.

32. Can a graduate join PCC directly?

No. Only a student who has passed CPT and 10+2 are allowed to join PCC. Of course, all students who have passed erstwhile Foundation Examination / PE-I Examination can join PCC

33. What is the eligibility for appearing in PCE?

- ◆ After completing not less than fifteen months of practical training, three months prior to the first day of the month in which examination is held, a student can apply for PCE.
- ◆ He should also complete 100 Hours Information Technology Training.

34. Where to submit/despatch filled in application form?

The application form is to be submitted in consonance with the address of the student is given in box below:

The student should make the draft payable accordingly to Mumbai, Chennai, Kolkata, Kanpur and New Delhi respectively. Students, who are submitting application forms online, are advised to take a print out of the filled in application form, affix the photograph, sign the application form and despatch to the appropriate office of the Institute as stated above. A copy of the prospectus will be sent to such students along with the study package.

Regional Office in Consonance with the Address of the Student	
Gujarat, Maharashtra, and Goa Union Territories of Daman & Diu and Dadra & Nagar Haveli	Western India Regional Council The Institute of Chartered Accountants of India, ICAI BHAWAN "Anveshak" 27, Cuffe Parade, Colaba, Post Box No. 6081, Mumbai – 400 005. Phone: 022-39893989 • Fax: 022-39802953. E-mail: wro@icai.org
Andhra Pradesh, Kerala, Karnataka, Tamil Nadu and the Union Territories of Pondicherry and Lakshadweep Islands Nungambakkam,	Southern India Regional Council The Institute of Chartered Accountants of India, ICAI BHAWAN, 122, M.G. Road, Post Box No. 3314, Chennai – 600 034 Phone: 044-39893989 • Fax: 044-30210355 E-mail: sro@icai.org
Assam, Meghalaya, Nagaland, Orissa, West Bengal, Manipur, Tripura, Sikkim, Arunachal Pradesh, Mizoram, Andaman-Nicobar Islands	Eastern India Regional Council The Institute of Chartered Accountants of India, ICAI BHAWAN, 7, Anandi Lal Poddar Sarani, (Russell Street) Kolkata – 700 071 Phone: 033-39893989 • Fax: 033-30211145 E-mail: ero@icai.org
Uttar Pradesh, Bihar, Madhya Pradesh, Rajasthan, Uttaranchal, Chhatisgarh and Jharkhand	Central India Regional Council The Institute of Chartered Accountants of India, ICAI BHAWAN, Post Box No. 314, 16/77B, Civil Lines, Kanpur – 208 001 Phone: 0512-3989398 • Fax: 0512-3011173 E-mail: cro@icai.org
Delhi, Haryana, Himachal Pradesh, Jammu & Kashmir, Punjab and Union Territory of Chandigarh	Northern Regional Office The Institute of Chartered Accountants of India, ICAI BHAWAN, 52-54, Vishwas Nagar Delhi-110032 Phone: 011-39893990 • Fax: 011-30210680 E-mail: nro@icai.org

Syllabus for 100 Hrs. Information Technology Training Programme

Sl. No.	topic	duration
1.	Computer Fundamentals	1 hr.
2.	Operating Systems	6 hrs.
3.	MS-Word	6 hrs.
4.	MS-Excel	15 hrs.
5.	MS-PowerPoint	5 hrs.
6.	Data Bases	15 hrs.
7.	MS-Office utilities	3 hrs.
8.	Accounting package	20 hrs.
9.	Computer Aided Audit Techniques	12 hrs.
10.	Web Technology and E-Commerce	10 hrs.
11.	Introduction to Visual Basic	5 hrs.
12	Digital Signature and Verification of Electronic Record	2 hours

Total **100 hrs.**

Structure of Examination

Online Examination	60 Marks
Project Report to be evaluated by the BOS	20 Marks
Module tests	20 Marks
Pass Marks	60 Marks

Syllabus Total duration: **100 hours**

COMPUTER FUNDAMENTALS

Duration: 1 hour

- A. Introduction to Computer (Target teaching time (TTT):1 Hour)
- Introduction to Computers
 - Characteristics of Computers
 - The Computer System
 - Categories of Computers (Micros to Super Computers)
 - Parts of Computers: CPU, BUS, I/O CO Processors, Ports(serial and parallel), Expansion slots, Add on Cards, On board Chips, LAN cards, Multimedia cards, Cache Memory, Buffers, Controllers and drivers
 - I/O Devices
 - (Demonstration of the Computer System)

OPERATING SYSTEMS

Duration : 6 hours

- A. Introduction to Operating Systems (TTT : 1 hour)
- B. An overview of various operating systems (Unix / Linux, DOS, Windows) (TTT : 2 hours)
- C. Features of latest Windows Operating Systems (TTT : 3 hours)

INTRODUCTION TO WORD PROCESSOR

DURATION : 6 HOURS

- A. Introduction to MS-Word 2000 (TTT : 2 hours)
- Getting started with MS-Word
 - Document Creation – How to create document.
 - Word Document Manipulation
 - Mail Merge
 - Printing a Word Document

B. Tables handling (TTT : 1 hour)

- Formatting the Tables
- Inserting, filling and formatting a table
- Designing complex Tables

C. Finding, Replacing and Proofing Text (TTT : 1 hour)

- Finding and Replacing Text
- Editing and Proofing Text
 - Spell check and correction
 - Grammar Check and correction
 - Image Handling

D. Creating Macros (TTT : 2 hours)

- Sending E-mail from Word
- Import / Export of files
- Converting Word Document to Web Document, PDF files
- Hyperlinks and OLE
- Security features in MS-Word
 - Protection of Documents
 - Password for Documents
 - Checking for viruses in macros

INTRODUCTION TO ELECTRONIC SPREAD SHEETS DURATION: 15 HOURS

A. Introduction to MS-Excel 2000 (TTT : 1 hour)

- Applications of Electronic Spreadsheets
- Features of MS-Excel
- Starting MS-Excel
- What is a workbook?
- Using sheets in a Workbook
- Entering Data
- Entering Series
- Editing Data
- Clearing Cells
- Saving a Workbook
- Closing a Workbook
- Quitting MS-Excel

B. Cell Referencing, Ranges and Functions (TTT : 3 hours)

- Cell Referencing
- Ranges
- Range Names
- Formulae
- Functions: Mathematical, Statistical
- Financial Functions such as NPV (Net present value), Future value, IRR (Internal Rate of Return), EMI (Equated Monthly Installments, Compounding Yearly, periodic and monthly)
- Auto Sum
- Auto Calculate
- Using Names in a Formula
- Formula Error Messages
- Formula Editing
- Copying Formulae

C. Formatting Worksheets and Creating Charts (TTT : 2 hours)

- Working with Worksheets
- Restructuring Worksheets
- Formatting Data
- Entering Data Quickly

- Creating Charts
- Graphical presentation Such as Lines, Bars, Stacked Bars, Pie

D. Data Forms and Printing (TTT : 3 hours)

- Database
- Data Form
- Sorting Data
- Filtering
- Creating Subtotals
- Pivot Table
- Printing in Excel

E. Creating Macros (TTT : 3 hours)

- Import/export of data for MIS
- Opening non-Excel files in Excel
- Using passwords/protecting worksheets
- Spreadsheet Applications

F. Data analysis through Excel (TTT: 3 Hours)

INTRODUCTION TO PRESENTATION SOFTWARE DURATION: 5 HOURS

A. Introduction to MS-Power Point 2000 (TTT : 1 hour)

- Use of Wizards and Templates
- Preparing Presentations
- Slides
- Handouts
- Speaker's Notes
- Outlines
- Media Clips
- Charts
- Graphs

B. Starting MS-Power Point (TTT : 1 hour)

- The MS-Power Point Window
- The MS-Power Point Views
- Presentations and Slides
- Creating a New Presentation
- Creating a new Slide
- Changing the layout for a Slide
- Deleting a Slide
- Running a Slide Show
- Saving a Presentation

C. Working with Slides, Slide Show and Printing Presentation (TTT : 3 hours)

- Opening a Presentation
- Changing the Order of the Slides
- Editing the Slide Master
- Changing the Color Schemes
- Changing the Background
- Adding text
- Adding Clip Art /scanned objects
- Working with word art
- Drawing Objects
- Working with Slide Show
- Setting up a slide show
- Controlling the Slide Show
- Adding the Transitions to the Slide Show
- Special effects in detail

Setting Slide timings
 Printing a Presentation
 Pack and Go
 Creating and using Standard Templates

DATA BASES

Duration: 15 hours

A. Data base Basics

(TTT : 2 hours)

Types of Databases: List, Hierarchical, Network, Relational (RDBMS)
 DDL (Data Definition Language)
 DML (Data Manipulation Language)
 DA (Data Administration)
 SQL (Structured Query Language)

B. Introduction to Data Base Management System(DBMS)

(TTT : 2 hours)

Introduction to MS Access

What is MS-Access?
 What are databases used for?
 Component of databases
 Opening file in Access
 Managing databases from the Database/ Access wizard
 Navigating in Access
 Navigating with the databases/Access wizard
 Navigating with switchboard -wizard
 Entering data in a database
 Entering data by hand
 Entering data using a form
 Importing information into a database
 Linking a table from another database
 Exporting Information from a database
 Saving Information in a database
 Closing a database and Existing Access

C. Building and Customizing a Database

(TTT : 2 hours)

Building databases using the Access
 Building a database by self
 Working with tables
 Building tables with the table
 Renaming the table
 Working with forms
 What is a form?
 Creating a form with the Form Wizard
 Working with the form with the form Wizard
 Working with the form
 Modifying a form

D. Programming

(TTT : 5 hours)

Structured Query Language(SQL)
 Creating Macros
 Saving & Executing a Macro
 Running a Macro

E. Working with Queries and Reports

(TTT : 3 hours)

Working with queries
 Creating a Query
 Modifying a Query
 Working with reports
 Creating a report with the report wizard

Creating a report with Auto report
 Opening a report
 Applying an auto format to the report
 Report Sequence, Data source
 Page Size, Margins (Left, Top, Right, Bottom)
 Report Headers
 Page Headers, Numbers, Reporting date, For the period details,
 Page Footers
 Columns (Column Source, Title, Formatting numeric, character,
 date, amount (DR/CR), Totaling)
 Group Suppression of repeated lines
 Inter column space
 Groups (Group Bands, Grouping Fields)
 Detailed Reports, Summary Reports
 Report output controls (Pages, control totals, summary)
 Printing of reports (including tables)

F. Importing and linking data

(TTT : 1 hour)

Compacting a database
 Backing up a Database

OTHER UTILITIES AND OFFICE

AUTOMATION TOOLS

DURATION : 3 HOURS

A. Scheduler, Calendar, Microsoft Binder

(TTT : 1 hour)

B. Outlook 2000

(TTT : 2 hours)

Configuring Outlook for your email.
 Sending, receiving and managing the email , mail polling, mail merge to a database file.
 Sending and viewing attachments.
 Acting on messages
 Recalling, printing, and moving messages
 Searching for, and subscribing to, mailing lists.
 Using Outlook to subscribe to, and viewing Newsgroups

ACCOUNTING PACKAGES

DURATION : 20 HOURS

A. Basic Concepts relating to Financial Accounting

(TTT : 3 hours)

Chart of Accounts, Concept of Financial Year
 The General Ledger Master (Entering Opening Balances)
 Grouping of GL Accounts
 The Sub Ledger Master (Entering Party Accounts Debtors and Creditors)
 Types of Sub ledger (Open type and Brought Forward type)
 Types of Transactions [Main Cash receipts and payments, Petty Cash receipts and payments, Bank deposits, cheques and bank charges, Journal vouchers (Debits and Credits)]

B. Introduction to any Window based Accounting Package

(TTT : 3 hours)

Installing & Starting the package
 Setting up a new Company
 Setting up account heads
 Voucher Entry
 Viewing & editing data

C. Generating Books of Accounts

(TTT : 4 hours)

Daybooks (Cash, Bank, Columnar Analysis type, Journals)
 Postings

Printing of Checklists, Reports such Subsidiary Ledgers, General Ledgers
 Finalisation
 Financial Statements (Trial Balance, Profit and Loss / Balance Sheet)
 Closing and reopening of Books for Subsequent Financial Years after audit.

D. Financial Analysis Tools (TTT : 6hours)

Cash Flow, Funds Flow Statements, Ratio Analysis, Budget vs. Actual Expenditures, Sales Analysis, Trend Analysis, Consolidation, security review

Backup, restore, audit trail / transaction trail

Accessing database, Querying, exporting data from MS_EXCEL/ MS_ACCESS for financial analysis

E. Weaknesses to look for in Accounting Packages (TTT : 2 hours)

Password controls not strong

Lack of the following Audit Trails

 Authorisation Signature

 Log of data modification

 Log of deleted data

 Log of user accesses of files

 Before and after images of altered data

 Missing and duplicate serial numbers

 Warning on duplicate entries

Unauthorised modification of Heads of account

Non-Provision for freezing entered data

Back up provisions inadequate

Limited number crunching capacity

Easy exit to operating system

Usage of unencrypted files

Inadequate controls on automatic entries

Inflexibility of document formats

Inability to add / rename fields

Introduction to Other Accounting Packages(TTT : 2 hours)

COMPUTER AIDED AUDIT TECHNIQUES

DURATION : 12 HOURS

A. Controls and Auditing in Computer Environment (TTT : 2 hours)

Frequently used checks such as

Field Checks numeric, Alpha, Lower Limit, Upper Limit, Range, Slab, Valid Codes, Sign test, check digits

Group of Fields Tests

Record Level Tests,

Group of Records Tests

Table Level Tests and Checks such as control totals, hash totals

Inter table tests like Master present, Master missing

System and inter system tests

Reasonableness checks (Materiality)

B. Audit Techniques (TTT : 3 hours)

Review of Systems

Test data Checking (Simple, compound and complex errors)

Test data pack

Test data generation

Parallel processing

Parallel programming

Source Code Review

Examination of Audit trail

Log file review

Random sampling Techniques

Using Generalized Audit Software

Using Audit Routines as part of regular software

Using separate audit programs

Audit systems

Audit of Systems Development process (including system documentation)

Audit of SDLC (Systems Development Life Cycle)

Pre / Concurrent / Post Audit of Transactions

C. Cyber Audit using remote logins (TTT : 3 hours)

Audit by simulation of errors, frauds

Audit of Data Security such as online, offline, offsite backups

Audit of System Security such as logins, access rights

System Performance Audit

D. Data Extraction and Analysis Tools using SQL commands (TTT : 2 hours)

E. Different Tools available in RDBMS / ERP useful in Audit (TTT : 2 hours)

WEB TECHNOLOGY & SYSTEM SECURITY

AND MAINTENANC DURATION : DURATION : 10 HOURS

A. Web Technology (TTT : 2 hours)

Internet

Mailing Services

Internet Addressing

Browser

www

Placements

B. Telnet, Internet Telephony (TTT : 1 hours)

C. Reference sites (TTT : 1 hour)

D. Internet security& System security (TTT : 2 hour)

System preventive maintenance(virus scan, defragmentation, junk file

deletion, tracking record deletion)

System security(password, Network setting)

G. E-Commerce (TTT: 2 hours)

Web Commerce

Advertisement

Purchase Online

Payment Gateways

H. Electronic Data Interchange (EDI) (TTT: 2 hours)

What is EDI?

Components of EDI

INTRODUCTION TO VISUAL BASIC

DURATION : 5 HOURS

DIGITAL SIGNATURE AND VERIFICATION OF ELECTRONIC RECORD

DURATION : 2 Hours

Announcements

1. Fee Structure of CPT, Professional Competence Course and Registration of articleship and New Final Course

The following fee structure has been decided:

1	2	3
	Fees for (i) Indian students residing in India and other SAARC countries and Bhutan, and (ii) students belonging to other SAARC countries and Bhutan (In Rs.)	Students other than stated in Column 2 i.e. (i) the students of foreign countries other than SAARC countries and Bhutan and (ii) Indian students residing abroad other than SAARC countries and Bhutan US\$
(1) Common Proficiency Test (already decided by the Council)	1500	200
(2) Professional Competence Course:		
(a) Registration fee as articulated/ audit clerk	500	
(b) Students' Associations fee	500	
(c) Registration fee with BOS	500	
(d) Tuition fee for PCC	4000	
(e) Registration fee for 100 hours ITT	<u>2000</u> 7500	500
Final Course	8500	600

Notes:

- Students of Professional Education (Course-I) who want to switch over to CPT under new scheme of education and training, are required to remit Rs.100. The Board of Studies will provide them study materials free of cost.
- An existing student of Professional Education (Course-II), who opts for switching over to PCC is exempt from payment of Registration fee with the Board of Studies and tuition fee of Rs.4000. He has to pay Rs.400 towards cost of study materials and Rs.250 for re-registration fee.
- As per the transition scheme, if a student opts for switching over to PCC and he has already paid registration fee of Rs.2000 for 250 Hours CCT Programme, he is exempt from payment of Registration fee for 100 Hours ITT on production of fee receipt. Students should attach a copy of such fee receipt along with filled Form Nos.102 & 103.

2. Transition Scheme for Professional Education (Course-I) Student : Refund of Examination Fee Remitted for appearing in the Examination to be held in November 2006

Students are presently filling Examination forms for appearing in Professional Education (Examination-I) to be held in November 2006 on payment of the prescribed examination fee. Many of these students are interested in joining CPT as and when the course is launched.

In case a student does not want to appear Professional Education (Examination-I) to be held in November 2006, switch over to CPT and apply for CPT Examination to be held in November 2006, it has been decided that the examination fee paid on account of Professional Education (Examination-I) be refunded.

3. Provisionally registered students for Professional Education (Course-II) – Delayed appearance in graduation examination or delayed submission of graduation result

Regulations 28A (2) (ii) & (3) of the Chartered Accountants Regulations , 1988 allows a student, who has passed second year graduation examination, to provisionally register for Professional Education (Course-II) giving declaration to the effect that he is eligible to appear in the final year examination within six months from the date of provisional registration and he intends to appear in the said final year examination. Such a student is required to furnish proof of passing the examination within six months from the date of appearing in the final year examination for the purpose of confirmation of the registration.

It has been brought to the notice that there are delays on the part of certain examining bodies to conduct the final year examination because of unavoidable circumstances and also there may be consequential delay in the publication of the result which may cause lapse on the part of the students to fulfil the requirements as stated above. These are normally treated as unintended lapses on the part of these students which should not affect their studies.

Under the above circumstances, while submitting graduation result, such a student should make an application stating the reason for delay along with appropriate documents. All such applications are analyzed case by case basis and unintended lapses be condoned.

Accordingly, a student who is provisionally registered for Professional Education (Course-II), but fails to submit the result within the specified time because of delay in conducting examination and/or publication of result may be granted confirmation of registration.

4. Implementation of 100 Hours Information Technology Training (ITT) and withdrawal of 250 Hours Compulsory Computer Training Programme (CCT)

It has been decided to introduce the 100 Hours ITT on and from December 1, 2006 in place of 250 Hours Compulsory Computer Training on the basis of the fact that the computer

awareness among the students at the school level has increased and thereby many modules of the existing 250 Hours CCT have become redundant.

Syllabus of the 100 Hours ITT is available in the Institute's website www.icaai.org as a separate announcement.

Existing students of Professional Education (Course-II), who wish to switch over to Professional Competence Course, they have to fill in Form Nos. 102 & 103 and to make a request in the prescribed letter for switching over to PCC. They are required to pay a comprehensive fee as stated in the Bos/Announcement/fee-structure/227/06 dated August 14, 2006 which includes registration fee for 100 Hours ITT.

Existing students of Professional Education (Course-I) and Professional Education (Course-II) who have not yet undergone 250 Hours Compulsory Computer Training and wish to continue under the existing syllabus should also undergo 100 hours ITT which will be implemented on and from December 1, 2006.

It is further clarified that existing students of Professional Education (Course-I) and Professional Education (Course-II), who wish to switch over to new course and join PCC and article training, should commence 100 hours ITT on completion of 3 months of article training.

Existing students, who have already paid registration fee with Board of Studies for 250 hours CCT but not commenced and / or completed training and want to switch over to the new course, are exempt from payment of Registration Fee for 100 hours ITT on production of fee receipt.

5. Proposed Relaxation in Eligibility to appear in the CA Final Examination – updated

Attention is invited of all students pursuing Chartered Accountancy Course and undergoing practical training, in particular, that as per the Draft Chartered Accountants Regulations, 2006, they will be eligible to appear in the Final Examination during last one year of practical training (instead of last six months of training). Therefore, students who are eligible to appear in May 2007 attempt as per the existing Regulations will be eligible to appear in November 2006 attempt subject to fulfilment of other eligibility conditions and approval of the Government in this regard.

Since the cut-off date for submission of eligibility test paper for appearing in November 2006 examination is July 31, 2006, it is perceived that the above-stated category of students will be in difficulty to submit eight test papers within the prescribed cut-off date. Therefore, the Board of Studies has decided to extend the cut-off date for such students till October 15, 2006.

Students are advised to follow official announcement hosted on the website/ students' Newsletter – The Chartered Accountant Student and to ignore rumours in this regard.

Illustrative situations:

Sl. No.	Date of articleship	Eligible term for registration appearance in the Final Examination as per the existing Regulations	Proposed Relaxation
1.	2.11.2003–1.5.2004	November 2006	November 2006
2.	2.5.2004–1.11.2004	May 2007	November 2006
3.	2.11.2004–1.5.2005	November 2007	May 2007
4.	2.5.2005–1.11.2005	May 2008	November 2007

Note: These illustrations are based on normal leave entitlement as per Regulation 59 of the Chartered Accountants Regulations, 1988.

6. Revision Test Papers

Revision test papers for the ensuing Professional Education (Examination - I), Professional Education (Examination - II) and Final Examination scheduled to be held in November, 2006 have been printed. Regional offices are in the process of sending a copy of the same to the students eligible to receive it free. Other desirous students may acquire it from the Sales Counters. It is also proposed that they will be hosted on the website of the Institute from October 1, 2006

7. Applicability of various Publications for November 2006 Examination

The following List of Institute's Publications is relevant for the forthcoming examination i.e. November, 2006.

Final Course

Paper 1: Advanced Accounting

I. Statements and Standards

1. Framework for the Preparation and Presentation of Financial Statements
2. Accounting Standards – AS 1 to AS 29 [including revised AS 15 (2005)].

II. Guidance Notes on Accounting Aspects

1. Guidance Note on Treatment of Reserves Created on Revaluation of Fixed Assets.
2. Guarantees and Counter-Guarantees Given by Companies.
3. Guidance Note on Treatment of Expenditure during Construction Period.
4. Guidance Note on Accrual Basis of Accounting.
5. Guidance Note on Accounting Treatment for Excise Duty.
6. Guidance Note on Accounting for Depreciation in Companies.
7. Guidance Note on Availability of Revaluation Reserve for Issue of Bonus shares.
8. Guidance Note on Accounting Treatment for MODVAT/ CENVAT.
9. Guidance Note on Accounting for Equity Index and Equity Stock Futures and Options (2003).

10. Guidance Note on Accounting for Corporate Dividend Tax.
11. Guidance Note on Accounting for Investments in the Financial Statements of Mutual Funds.
12. Guidance Note on Accounting for Employee Share-based Payments.
13. Guidance Note on Accounting for Fringe Benefits Tax.

Paper 3: Advanced Auditing

I. Professional Topics/Subjects

1. Code of Ethics

II. Statements and Standards

1. Framework of Statements on Standard Auditing Practices and Guidance Notes on Related Services.
2. Auditing and Assurance Standards AAS 1 to AAS 34
3. Statement on Qualifications in Auditor's Report
4. Statement on the Companies (Auditor's Report) Order, 2003 [2005 Edition].

III. Guidance Notes/Study Guide/Monograph

Guidance Notes on Auditing Aspects:

1. Guidance Note on Independence of Auditors
2. Internal Control Questionnaire.
3. Guidance Note on Accountant's Report on Profit Forecasts and / or Financial Forecasts.
4. Guidance Note on Audit Reports and Certificates for Special Purposes
5. Guidance Note on Audit of Fixed Assets.
6. Guidance Note on Audit under Section 44AB of the Income Tax Act [2005 Edition].
7. Guidance Note on Audit of Abridged Financial Statements.
8. Guidance Note on Audit of Inventories.
9. Guidance Note on Audit of Debtors, Loans and Advances.
10. Guidance Note on Audit of Investments.
11. Guidance Note on Audit of Miscellaneous Expenditure.
12. Guidance Note on Audit of Cash and Bank Balances.
13. Guidance Note on Audit of Liabilities.
14. Guidance Note on Audit of Revenue.
15. Guidance Note on Audit of Expenses.
16. Guidance Note on Section 227 (3) (e) and (f) of the Companies Act, 1956.
17. Guidance Note on Certificate of Corporate Governance [2006 Edition].
18. Guidance Note on Revision of Audit Report.
19. Guidance Note on Computer Assisted Audit Techniques (CAATs).

Paper 4: Corporate Laws and Secretarial Practice

April, 2006 edition (revised as on February, 2006) is relevant for November, 2006 Examination. April, 2006 edition is updated and contains latest amendments in the SEBI (DIP) Guidelines 2000 as amended in February 2006, on which study material is updated.

Paper 7: Direct Taxes

1. Study Material for Direct Taxes (as amended by Finance Act, 2005) – July 2005 edition. The relevant assessment year is A.Y.2006-07.
2. Select cases in Direct and Indirect Taxes (2005) – An

Essential reading for the Final Course.[Portions relating to Direct Taxes]

3. Final Course – Supplementary Study Paper – Direct Taxes and Indirect Taxes – Amendments made by the Finance Act, 2005. [Portions relating to Direct Taxes]. This publication is relevant for those who have any earlier edition (prior to July 2005 edition) of the Direct Taxes study material.

Note – For the purposes of examination in direct taxes, study material for A.Y.2006-07 containing the law as amended by the Finance Act, 2005 is relevant. This study material contains amendments made by notifications/circulars/other legislations up to 30.04.2005. The amendments made between 01.05.2005 to 30.04.2006 are published in the Revision Test Papers for November 2006 examination. All these amendments are relevant for November 2006 examination.

Paper 8 : Indirect Taxes

1. Study Material for Indirect Taxes (as amended by Finance Act, 2005).
2. Select cases in Direct and Indirect Taxes (2005) – An Essential reading for the Final Course [Portions relating to Indirect Taxes]
3. Final Course – Supplementary Study Paper – Direct Taxes and Indirect Taxes – Amendments made by the Finance Act, 2005 [Portions relating to Indirect Taxes]. This publication is relevant for those who have any earlier Indirect Taxes Study Material (prior to the one as amended by Finance Act, 2005).

Note – For the purposes of examination in indirect taxes, study material containing the law as amended by the Finance Act, 2005 is relevant. This study material contains amendments made by notifications/circulars/other legislations up to 30.04.2005. The amendments made between 01.05.2005 to 30.04.2006 are published in the Revision Test Papers for November 2006 examination. All these amendments are relevant for November 2006 examination.

Professional Education Course II

Paper 1: Accounting

Accounting Standards 1 to 29 [including revised AS 15(2005)]. For the students at PE-II level, Accounting Standards and Guidance Notes related to the topics given in the study material are more relevant. They are not expected to know in detail the advanced standards like Consolidated Financial Statements (AS 21), Accounting for Investments in Associates in Consolidated Financial Statements (AS 23), Discontinuing Operations (AS 24), Financial Reporting of Interests in Joint Ventures (AS 27), Impairment of Assets (AS 28) and Provisions, Contingent Liabilities and Contingent Assets (AS 29).

For the topic of Accounts of Insurance Companies, the Insurance Regulatory and Development Authority (Preparation of Financial Statements and Auditor's Report of Insurance Companies) Regulations, 2002 will be applicable.

Paper 2: Auditing

Auditing and Assurance Standards – 1 to 28.

Students at PE II level are expected to have familiarity with all these Auditing and Assurance Standards. They are expected to know in-depth only such Auditing Standards, which have been dealt within the main text of the study material.

Paper 3: Business & Corporate Laws

The study material revised and updated as on 15th November 2005 edition is relevant for November 2006 Examination. There has been no legislative change since then.

Paper 5: Income-tax and Central Sales Tax

1. Study Material for Income-tax and Central Sales Tax (as amended by the Finance Act, 2005) - June 2005 edition. The relevant assessment year is A.Y.2006-07
2. Professional Education (Course-II) – Supplementary Study Paper – Income-tax and Central Sales-tax – Amendments made by the Finance Act, 2005. This publication is relevant for those who have any earlier edition (prior to June 2005 edition) of the study material.

Note – For the purposes of examination in Income-tax and central sales tax, study material for A.Y.2006-07 containing the law as amended by the Finance Act, 2005 is relevant. This study material contains amendments made by notifications/circulars/other legislations up to 30.04.2005. The amendments made between 01.05.2005 to 30.04.2006 are published in the Revision Test Papers for November 2006 examination. All these amendments are relevant for November 2006 examination.

8. Debar from appearing in the examinations

- ◆ *NO.13-CA(EXAMS)/UFM/PE-II/N2K5/R.NO.14773/KK-051972:* In exercise of the powers conferred by Regulation 41 read with Regulation 176 of the Chartered Accountants Regulations, 1988, the Council of the Institute of Chartered Accountants of India has decided that the appearance of Shri Amit Goel, 809-E, Lohiya Marg – 3, Gautam Gali, Babarpur, Shahdara, Delhi – 110 032, bearing roll no. 14773 in the Chartered Accountants Professional Education - II Examination held in November 2005 be cancelled and further he be debarred from appearing in the Professional Education - II Examination till and inclusive of November 2006.
- ◆ *NO.13-CA(EXAMS)/UFM/PE-II/N2K5/R.NO.24905/EPT0004253:* In exercise of the powers conferred by Regulation 41 read with Regulation 176 of the Chartered Accountants Regulations, 1988, the Council of the Institute of Chartered Accountants of India has decided that the appearance of Shri Rabi Narayan Jena, c/o Sandhya Biswas, Vill./P.O.: Dhalua, Kolkata – 700 152, bearing roll no. 24905 in the Chartered Accountants Professional Education - II Examination held in November 2005 be cancelled and further he be debarred from appearing in the Professional Education - II Examination till and inclusive of November 2006.
- ◆ *NO.13-CA(EXAMS)/UFM/PE-II/N2K5/R.NO.18150/NPT0008206:* In exercise of the powers conferred by Regulation 41 read with Regulation 176 of the Chartered Accountants Regulations, 1988, the Council of the Institute of Chartered Accountants of India has decided that the appearance of Shri Preetam Sankar Bhowmik, Main road, Ward no.17, East side of Anukul Sagar, Karimganj, Assam - 788 710, bearing roll no. 18150 in the Chartered Accountants Professional Education - II Examination held in November 2005 be cancelled and further he be debarred from appearing in the Professional Education - II Examination till and inclusive of November 2007.
- ◆ *NO.13-CA(EXAMS)/UFM/PE-II/M2K6/R.NO.6997/SRO0153666:* In exercise of the powers conferred by Regulation 41 read with Regulation 176 of the Chartered Accountants Regulations, 1988, the Council of the Institute of Chartered Accountants of India has decided that the appearance of Shri Ramesh Ratnala, c/o Gangadhara Rao Duvvada, D.No. 2-63/1, Panuku Mandal, West Godavari – 534 156 (A.P.), bearing roll no. 6997 in the Chartered Accountants Professional Education - II Examination held in May 2006 be cancelled and further he be debarred from appearing in the Professional Education - II Examination till and inclusive of May 2007.
- ◆ *NO.13-CA(EXAMS)/UFM/PE-II/M2K6/R.NO.56203/NRO0154851:* In exercise of the powers conferred by Regulation 41 read with Regulation 176 of the Chartered Accountants Regulations, 1988, the Council of the Institute of Chartered Accountants of India has decided that the appearance of Shri Radhesham Rohilla, s/o Shri Ram Bhagat, Village – Singh Pura, P.O. – Safidon, Distt. – Jind – 126 112 (Haryana), bearing roll no. 56203 in the Chartered Accountants Professional Education - II Examination held in May 2006 be cancelled and further he be debarred from appearing in the Professional Education - II Examination till and inclusive of November 2006.
- ◆ *NO.13-CA(EXAMS)/UFM/PE-II/M2K6/R.NO.07015/CCP47521/ERO0106594:* In exercise of the powers conferred by Regulation 41 read with Regulation 176 of the Chartered Accountants Regulations, 1988, the Council of the Institute of Chartered Accountants of India has decided that the appearance of Ms. Sarwani Modi, c/o Utkal Hardware and Paints, Naya Sarak, Cuttack – 753 002, bearing roll no. 07015 in the Chartered Accountants Professional Education - II Examination held in May 2006 be cancelled and further she be debarred from appearing in the Professional Education - II Examination till and inclusive of May 2007.
- ◆ *NO.13-CA(EXAMS)/UFM/PE-II/M2K6/R.NO.17927/ NRO-0085382:* In exercise of the powers conferred by Regulation 41 read with Regulation 176 of the Chartered Accountants Regulations, 1988, the Council of the Institute of Chartered Accountants of India has decided that the appearance of Shri Girish Kumar, 5/222, Krishna Bhawan, Lalita Park, Laxmi Nagar, Delhi – 110 092, bearing roll no. 17927 in the Chartered Accountants Professional Education - II Examination held in May 2006 be cancelled and further he be debarred from appearing in the Professional Education - II Examination till and inclusive of November 2006.





GMCS course – valedictory session at Chennai on 9.8.2006



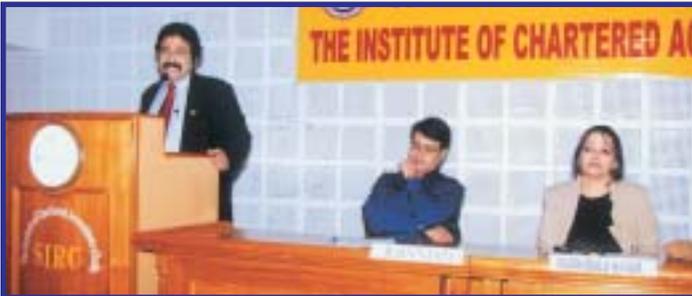
GMCS course Inauguration, Mr. M. Rajan, Resource person seen at the extreme left



CA. Selva Ganesh, Member, BOS addressing the GMCS course participants



CA. R. Bupathy, Past President, ICAI, Mr. Vijaykumar, resource person at the valedictory session of GMCS at Chennai on 2.8.2006



CA. V. Murali, Chairman, BOS addressing the members on 3.8.2006



CA. V. Murali, Chairman, BOS sharing a hilarious moment at the valedictory session of GMCS course on 24.8.2006



Mr. Lasantha Wickremasinghe, Central Council Member, Institute of Chartered Accountants of Sri Lanka presenting a memento to CA. T.N. Manoharan



CA. V. Murali and CA. Anuj Goel inaugurating career counselling programme at Ghaziabad



CA. V. Murali being presented with a bouquet at the CA Career Awareness programme held at Ghaziabad on 5.8.2006



CA. S. Santhanakrishnan, Central Council member, ICAI addressing the members and students at Chennai on 9.9.2006

Glimpses of 3rd National Convention for CA Students held at Kolkata on 12th and 13th August, 2006



Inauguration by CA. T.N. Manoharan, President, ICAI



Mr. S.P. Yadav, Vice-chairman, EICASA being presented with a memento by CA. V. Murali



Mr. H. Garg, Secretary, EICASA being presented with a memento by CA. V. Murali



Valedictory session addressed by CA. P.M. Narielvala, Past President, ICAI



Management Committee members of EICASA along with CA. V. Murali



CA. V. Murali, Chairman, BOS dancing to the tunes of Dhamaka 2006

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Editor : V Murali

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