

VOL SJ6 | ISSUE 2 | PAGES 36 | FEBRUARY 2015 | R50



The Institute
of Chartered
Accountants of
India
(Set up by an act of
Parliament)

The Chartered Accountant STUDENT

Your monthly guide to CA news, information and events



Focus on your Goals
to achieve Greater Heights

EDITORIAL BOARD

President and Editor-in-chief

CA. K. Raghu, Bengaluru

Vice President

CA. Manoj Fadnis, Indore

Chairman and Editor

CA. M. Devaraja Reddy, Hyderabad

Vice Chairman

CA. Prafulla Premasukh Chhajed, Mumbai

Members

CA. Anuj Goyal, Ghaziabad
 CA. Babu Abraham Kallivayalil, Kochi
 CA. Charanjot Singh Nanda, New Delhi
 CA. Mukesh Singh Kushwah, Ghaziabad
 CA. Nihar Niranjana Jambusaria, Mumbai
 CA. Sanjeev K. Maheshwari, Mumbai
 CA. S. Santhanakrishnan, Chennai
 CA. Shyam Lal Agarwal, Jaipur
 CA. Subodh Kumar Agrawal, Kolkata
 CA. Sumantra Guha, Kolkata
 CA. Tarun Jamnadas Ghia, Mumbai
 CA. Vijay Garg, Jaipur
 CA. Vijay Kumar Gupta, Faridabad
 CA. V. Murali, Chennai
 Shri Gautam Guha, New Delhi
 Shri J. S. Deepak, New Delhi
 Shri Manoj Kumar, New Delhi
 Shri Salil Singhal, Gurgaon
 Shri Sidharth Kumar Birla, New Delhi
 Shri R. K. Jain, New Delhi

Co-opted Members

CA. Ananthanarayana Pai K.
 CA. C. S. Gupta
 CA. M. R. Krishnamurthy
 CA. Prashant Shekhar Panda
 CA. Prerak Agarwal
 CA. Ravinder Singh Kalra
 CA. Sunil Kumar Gulati

Director - Board of Studies

Shri Vijay Kapur

Editorial Support

Prem Bhutani, Deputy Director
 K. Sudhakaran, Assistant Director
 Dr. Ruchi Gupta, Sr. Executive Officer

Office

Board of Studies
 The Institute of Chartered Accountants of India, ICAI Bhawan, A-29, Sector-62, Noida-201 309.
 Phone : 0120-3045938

HEAD OFFICE

The Institute of Chartered Accountants of India, ICAI Bhawan, Indraprastha Marg, New Delhi-110 104.

INSIDE

- 3 Message - President
- 4 Message - Vice President
- 5 Message - Chairman, Board of Studies
- 6 IFRS Convergence in India
- 10 **May 2015 Examination: Some Essentials for Preparation**
 Paper 7A: Information Technology Intermediate (IPC)
 Paper 6: Information Systems Control and Audit at final level
- 14 Paper 7 Section B: Strategic Management at Intermediate (IPC)
- 16 Paper 4: Corporate and Allied Laws at Final level
- 19 Applicability of Standards/Guidance Notes/Legislative Amendments etc. for May, 2015 – Final Examination
- 21 Applicability of Standards/Guidance Notes/Legislative Amendments etc. for May, 2015 – Final Examination
- 24 Academic Update - Accounting
- 26 Examination - Intermediate (IPC) Examination
- 29 Examination - Common Proficiency Test
- 32 Examination Results - Toppers
- 33 Crossword Puzzle

SWACHH BHARAT - A STEP TOWARDS CLEANLINESS

ANNUAL SUBSCRIPTION RATES

CA Students	Members and Others	Overseas
R200	R500	US \$ 100

Total Circulation: 4,36,189

Check your Address: All students should check their mailing address printed on back cover. In case, there is any change or the PIN Code (Postal Index Code) is either missing or is incorrect, kindly inform immediately the concerned Regional Office, giving full particulars of your address alongwith correct PIN Code. This would enable us to ensure regular and prompt delivery of the Journal.

Correspondence with regard to subscription, advertising and writing articles

Email: writesj@icai.in

Non-receipt of Students' Journal

Email: nosj@icai.in

EDITOR: CA. M. Devaraja Reddy

Printed and published by Shri Vijay Kapur, on behalf of The Institute of Chartered Accountants of India, New Delhi.

PUBLISHED at the Institute's Office at Indraprastha Marg, New Delhi and printed at Spenta Multimedia Plot 15,16 & 21/1, Village Chikhholi, Morivali, MIDC, Ambarnath (West), Dist. Thane

The views and opinions expressed or implied in THE CHARTERED ACCOUNTANT STUDENT are those of the authors and do not necessarily reflect those of ICAI. Unsolicited articles and transparencies are sent at the owner's risk and the publisher accepts no liability for loss or damage. Material in this publication may not be reproduced, whether in part or in whole, without the consent of ICAI.

DISCLAIMER: The ICAI is not in any way responsible for the result of any action taken on the basis of the advertisement published in the Journal.



Dear Students,

The time has come when I have to say adieu to you all as the President of this august Institute. I want to thank you all from the core of my heart for providing me with this amazing opportunity to serve as your President. I must admit, that I have enjoyed my tenure as President here and appreciate having the opportunity to work with and for the members and the students of the Institute. It has been an honour to serve as President of this great Institute and along side so many talented, dedicated and inspirational individuals. My colleagues, our students and our alumni makes this Institute one of the finest centres of academic endeavour in the world, and I have no doubt that the Institute will continue to build our legacy into the future.

As rightly said by Henri Bergson *"To exist is to change, to change is to mature, to mature is to go on creating oneself endlessly"*. It is time for change in ICAI too—a change of guard at the very top. Yes, very soon you will have a new President, a new direction and a new surge of energy.

Looking back on my tenure, it has been twelve months since I took over as President of this great Institution and although that time seems to have flown by, I am gratified by what we are able to accomplish together. During this period,

a number of significant students' friendly developments have taken place that I believe have enhanced the Institute's position as one of the best professional Institutions in the world.

In our teaching and educational development, and in our influence on our related professions, there is a great deal to celebrate and cause for pride. Our 850,000 students had been one of my topmost priorities with a vision to reset ICAI future priorities and revitalise and re-align Indian accountancy education with the emerging imperatives and global best practices. This was done through a new Committee on Review of Education and Training, readying of new CA Curriculum for final consideration of the Council, Cloud Campus, increased reading rooms, ITT Centres, specialised all-encompassing training, courses tailor-made for future requirements, multi-dimensional analytical and soft-skills development, online mentoring, etc. These are just some of the milestones that should pay dividends in the time to come. Following are the highlights of major initiatives for ICAI students:

Committee for Review of Education and Training (CRET)

As communicated to you earlier, the Institute in 2014, set up a Committee for Review of Education and Training (CRET), to review the existing system of education and training including the curriculum and to examine whether or not it is adequate in the context of existing requirements and anticipated changes in the environment.

The New Scheme proposes to keep the existing Three Tiers of Theoretical Education but with the nomenclature as Foundation, Intermediate and Final. All students would appreciate that formulation of the final scheme involves various steps like getting approval from the Government, drafting new regulations, exposing the draft scheme to the public etc. Accordingly, the exact timeline of implementation of the scheme shall

be dependent upon such approvals and procedures

Cloud Campus: An online e- Education and Support Platform:

The ICAI Cloud Campus started on an enthusiastic note on July 01, 2014 has been widely appreciated by the student community. Especially, the Live Video Lectures: a remarkable step to bring closer our students and provide them a unique facility for live interaction. So far, we could organize 25 mentoring sessions. Taking into account, the good response, the number of sessions is now increasing continuously. I hope the IT driven initiatives like this will narrow the gap between the students and the Institute and generate a sense of belongingness.

Stipend Doubled:

The students are always at the core of my heart and it gives me immense pleasure especially to inform that in the latest move to serve the cause of our students, we have doubled their stipend. I strongly believe that this initiative will provide a much-needed help to our students especially from economic weaker section of society.

Infra support strengthened:

It is our endeavor to provide the best possible infrastructure support to our students to develop their knowledge, skill, ability and behaviour to perform in a professional standard. We have identified this area as a key lever for achieving expanding results. New ITT centres, Reading Rooms, GMCS centres, examination centres and branches have been opened to impart synchronised and uniform theoretical and practical knowledge to all the aspiring CA students. The Institute has established its own IT labs equipped with latest computers, software and other infrastructural facilities at almost all its branches and regional offices

Examination Initiatives:

Our examination system is regarded as one of the toughest and best

in the world. The reason is that we have been constantly improvising the same in tune with the times. Taking this drive forward, many hi tech initiatives such as providing the students, certified copies of their answer books in soft copies, facility to correct the students' particulars online and submission of examination forms, online.

I take this opportunity to congratulate all the students who have come out with flying colours in the CA examinations, of which the results have been declared recently. I specially congratulate those who have achieved Ranks and made your family and the Institute proud. Those who could not clear this time do not be dejected or discouraged. It is time for introspection and learn from the past mistakes. After all ***"Failure is the condiment that gives success its flavor."***

Now, as I sign off as President of ICAI, I would like to convey my best wishes to all the students. It has been a true privilege to be able to lead this Institute, to work with so many talented colleagues and to help position this great Institute to continue delivering on its mission to this profession. I also feel overwhelmed by the love and affection showed on me by all of you. I believe, I am leaving the Institute on a strong foundation, poised for even greater success in future. It is only a beginning, always. And so I say to you on this occasion, as I leave, I leave proud of those who have stood by me and served this Institute. I am confident that you all will extend your full support to my successor who will be able to take the Institute to even greater heights.

Thank you for the chance to serve in this role. I wish you all the best.

K. Raghu

CA. K. Raghu
President
The Institute of Chartered Accountants of India



My Dear Students,

At the outset, let me congratulate the successful candidates of Final examinations and Common Proficiency Test held in November, 2014 and December, 2014 respectively. The examinations of chartered accountancy are not as tough as some of the students perceive them to be. With a focused approach and concerted hard-work you can easily pass them. A good number of the students not only pass in their first attempts but also do it with good marks and secure ranks.

New world needs multi-talented accounting professionals who are able to work in evolving business dynamics. To deliberate and brainstorm the impact of recent developments on accountancy & commerce education an 'Accountancy and Commerce Education Summit' was organized in Delhi. It was a real pleasure to meet a number of Head of academic Institutes, and senior academicians at the summit who have assembled to discuss new paradigms in the commerce and professional accountancy education in the country. One thing that I particularly felt was that there is need for standardization and stronger harmonization of accountancy education across the country. The Chartered Accountancy Course has to be a natural extension for commerce graduates while main-

taining a balance so that the students from non-commerce background do not find it unduly difficult.

I also had opportunities to meet and interact with the students at a number of conventions and conclaves organized in different cities, wherever I have visited. In the year 2014-15, the Board of Studies has so far organized 23 National Conventions, 10 National Conclaves, 1 All India Conference, 2 Regional Conferences and 1 Sub-Regional Conference for CA students. There was also an International Conference of CA Students in Bangalore. I personally feel that the conferences/conclaves play a pivotal role in updating the students with the latest information and knowledge. Apart from these, the Board of Studies is also organizing other programmes in the interest of the students such as elocution and quiz contest. 92 branches have organized Elocution and 97 branches have organized Quiz Contest this year. The 20th All India Elocution Contest and the 14th All India Quiz Contest will be held on 28th January 2015 at Centre of Excellence, Hyderabad.

These programmes *inter alia* help you to sharpen your soft skills besides help you in getting contemporary knowledge. In the present era, 3C's – Communication, Confidence and Commitment – are considered sine qua non for success. To be a successful professional, you need to learn and practice these 3 C's rigorously. You need indomitable desire and focus to develop these abilities and virtues. Swami Vivekananda said - *If the mind is intensely eager, everything can be accomplished—mountains can be crumbled into atoms.* The Institute is also organizing intensive - four weeks residential programme on professional skills development for the benefit of the students. The students should actively participate in such programmes for self-development and growth so that they are able to achieve success.

Another virtue that has become important is having strong emotional intelligence, the ability to identify, use, understand, and manage emotions in positive ways to relieve stress, communicate effectively, empathize with others, overcome challenges, and defuse conflict. It will enable you to recognize your own emotional state and the emotional states of others, and engage with people in better way and form healthier relationships. It will also help you to achieve greater success and lead a more fulfilling life. Thus, EQ can be developed by reducing stress, remaining focused, and staying connected to yourself and others.

Further, I would like to highlight the importance of time management. The management of time in appropriate and judicial manner is key to unfold the doors of success in the domain of personal and professional front. It is a smart managerial skill that has to be absorbed by all of you. Take it as a set of principles, skills, and planning on which by working together you can get more value out of your time. By managing your time effectively, you can easily schedule efforts to learn new things and develop your natural talents and abilities in a very easy manner. I strongly recommend you to draft a focused plan for accomplishing your educational pursuits in a synchronized, organized and predetermined time frame.

I convey my best wishes to all our students to achieve success in their all personal and professional endeavours.

Yours truly,



CA. Manoj Fadnis

Vice President
The Institute of Chartered Accountants of India



I am writing this last message with a heart filled with mixed feelings. A satisfied feeling since I am able to stand to my level of expectations and a bit nostalgic remembering the good times which I have enjoyed during my tenure which is now about to get over. Firstly I would congratulate all of you who have successfully passed examinations held in November, 2014 and stepped to the next level. But those of you who could not get through the examinations should not get disheartened because in all my communications I had always talked about patience, persistence, perseverance and hard work which are the keys to success. Just go on with your good work and even the highest stars can fall for you. Over the past year, let me sum up the initiatives taken by the Board of Studies under my stewardship.

ICAI cloud campus was launched on 1 July, 2014 to provide education to your doorsteps. On just a mouse click you have access to your subjects and specific courses. It includes various additions for your benefit. Video Lectures on practical problem solving subjects is a highly praised by all of you. It also provides Articled Training Resources including checklists to assist in audit. Online Mentoring is a big hit and is available for all the levels subject wise. You can ask your queries on the particular session which would be answered subject to the availability of time and relevance.

25 mentoring sessions have already being organised by the BoS Faculty members. The number of sessions is now continuously increasing seeing such good response from all of you.

Besides the above, Additional reading rooms for CA students have been set up at Pimpri, Indore, NIRC (Delhi), Faridabad, Karnal and Patiala, Kurnool, NIRC (2nd), Jamnagar, Thane-2 (Dombivali), Guwahati, Howrah-2nd. With this the total numbers of Additional Reading Rooms are 97 now. The Board accredits Institutions to offer coaching classes for the CPT, Intermediate (IPC) and Final Courses. Because of this accreditation has been granted for oral coaching classes to 56 institutes for CPT Course, 16 institutes for Intermediate (IPC) Course and 2 for Final Course. GMCS and Orientation Programme are basically conducted to improve your overall personality. 5 new centres have been approved to start the GMCS Courses and Orientation Programme.

Mock Tests were conducted through Regional Councils and their Branches with a view to encourage students to evaluate their preparations for the examinations. 98 Branches including 5 Regional Councils organized Mock Tests for Intermediate (IPC) and Final level Students in the month of April & May, 2014. 107 Branches including 5 Regional Councils organized CPT Mock Tests for June, 2014 examinations. 97 Branches including 5 Regional Councils organized Mock Tests for Intermediate (IPC) and Final level Students in the month of September & October, 2014. 95 Branches including 5 Regional Councils organized CPT Mock Tests for December, 2014 examinations.

The Board of Studies, has always endeavoured to give you the best of services. It organized 23 LIVE webcasts from February to December 2014 for all the three levels of CA Course, and their recordings have also been made available to the students through links on the website. It has started providing

e-Learning DVD's as a part of the Study Material issued to Students of CPT, Intermediate (IPC) and Final Course to enable students to study at their convenience anytime and anywhere. Study Material is now divided in different modules. The availability of study material in module form provide the flexibility to carry and study the same at ease. National Conventions are also very important for your overall personality development. So taking it into consideration number of National Conventions has increased from Four to Six per region due to wider dispersal of students in the Regions and space constraints at the venues.

A lot of other achievements includes various recognitions by different Universities. Academic Council of Bharati Vidyapeeth Deemed University, Pune has recognized Chartered Accountancy qualification to pursue Ph.D. Programme of the University. CMR University, Bangalore has recognized Chartered Accountancy qualification having passed graduation equivalent to Post-graduate degree in Commerce or allied disciplines for the purpose to pursue Ph.D. Programme of the University. Academic Council of Mangalayatan University, Aligarh has recognized Chartered Accountants who have passed the Final Examinations of the ICAI with at least 55% marks will be eligible for registration for Ph.D. (Total 105 Universities/Institutions) have recognized Chartered Accountancy qualification for pursuing Doctorate of Philosophy (Ph.D.) programme.

Perhaps you must have noticed a lot of developments took place in 2013 under my chairmanship. I hope my successor would take further initiatives for your benefits and growth.

Wishing you all, the very best in life.

CA. M. Devaraja Reddy
Chairman, BOS

IFRS Convergence in India



The Author is a member
of the Institute (Mem. No. 038755)

Financial reporting quality plays a very significant role in the economic growth of a country, as it assists in conducting its economic and financial affairs in a prudent and transparent manner. For taking various economic decisions, there is a need for accurate, relevant and consistent information.

Aforementioned objectives can be met through establishment of sound financial reporting system in the country. The Institute of Chartered Accountants of India (ICAI) being a premier accounting body in the country, has always played a very influential role in taking Indian financial reporting system to new heights and achieving international benchmarks by taking necessary initiatives from time to time. In this direction, it is observed that various nations across the globe are pursuing convergence of their national Accounting Standards with International Financial Reporting Standards (IFRSs) or their outright adoption. Accordingly, in order to enable Indian accountancy profession to discharge its responsibilities towards the world of business and the country in the most efficient manner, the ICAI also decided in 2007 to converge the national Accounting Standards with IFRS.

The Hon'ble Finance Minister of India, in his Budget Speech in July 2014 has also announced –

“There is an urgent need to converge the current Indian accounting standards with the International Financial Reporting Standards (IFRS). Indian Accounting Standards (Ind AS) converged with IFRS shall be applied by the Indian companies from the financial year 2015-16 voluntarily and from the financial year 2016-17 on a mandatory basis. Based on the international consensus, the regulators will separately notify the date of implementation of AS Ind for the Banks, Insurance companies etc. Standards for the computation of tax would be notified separately.”

Pursuant to the above announcement, various steps have been taken to facilitate the implementation of IFRS- converged Indian Accounting Standards (Ind AS), such as issuance of roadmap for implementation of Ind AS by the Ministry of Corporate Affairs (MCA), formulation of Ind AS by the ICAI, consideration of these Ind AS by the National Advisory Committee (NACAS) and recommendation of the same to the MCA for notification, etc.

Substantial benefits are expected by convergence with IFRS. Implementation of IFRS-converged Indian Accounting Standards would help in bringing excellence in financial reporting, as these standards are based on the premise that the financial statements should be transparent and should faithfully represent the actual financial position and performance of the entity. These Standards would enable comparability of financial information, which will boost investor confidence, thereby enabling companies to raise capital at lower costs. It will provide better access to global capital markets and reduction in the cost of capital leading to overall economic growth. Since these Standards are based on fair value approach, historical costs will be replaced by fair values in several balance sheet items, which will enable the entities to know its true worth. By providing transparent and comparable financial information, reporting as per these Standards will provide an impetus to cross-border acquisitions, will enable partnerships and alliances with foreign entities, and lower the cost of integration in post-acquisition periods. Accounting professionals having expertise in these Standards would also get global recognition.

DECISION TO CONVERGE AND NOT ADOPT IFRS

India decided to converge and not to adopt IFRS. This implies that while formulating IFRS-converged Indian Accounting Standards (Ind AS), efforts have been made to keep these Standards, as far as possible, in line with the corresponding IAS/IFRS and departures have been made where considered absolutely essential, due to the economic environment of the country and the existing accounting framework.

ROADMAP FOR IMPLEMENTATION OF IND AS

The Ministry of Corporate Affairs has, after consultations with various stakeholders and regulators, including the ICAI, has recently issued a road map for companies other than Banking Companies, Insurance Companies and Non-Banking Finance Companies (NBFC's) for implementation of Indian Accounting Standards (Ind AS) converged with the International Financial Reporting Standards (IFRS). As per the road map, Ind AS shall be applicable to the companies on voluntary basis for financial statements for accounting periods beginning on or after April 1, 2015, with the comparatives for the periods ending 31st March, 2015 or thereafter. For the companies specified below, Ind AS shall be mandatory for the accounting periods beginning on or after April 1, 2016, with comparatives for the periods ending 31st March, 2016, or thereafter,

- (a) Companies whose equity and/or debt securities are listed or are in the process of listing on any stock exchange in India or outside India and having net worth of ` 500 Crore or more.
- (b) Companies other than those covered above, having net worth of ` 500 Crore or more.
- (c) Holding, subsidiary, joint venture or associate companies of companies covered under (a) and (b) above.

Further, for the following companies, Ind AS shall be mandatory for the accounting periods beginning on or after April 1, 2017, with comparatives for the periods ending 31st March, 2017, or thereafter:

- (a) Companies whose equity and/or debt securities are listed or are in the process of being listed on any stock exchange in India or outside India and having net worth of less than rupees 500 Crore.
- (b) Companies other than those covered above that is unlisted companies having net worth of rupees 250 crore or more but less than rupees 500 Crore.
- (c) Holding, subsidiary, joint venture or associate companies of companies covered under paragraph (a) and (b) above.

However, Companies whose securities are listed or in the process of listing on SME exchanges shall not be required to apply Ind AS. Such companies shall continue to comply with the existing Accounting Standards unless they choose otherwise.

It has been clarified that once a company opts to follow the Ind AS, it shall be required to follow the Ind AS for

all the subsequent financial statements. Companies not covered by the above roadmap shall continue to apply existing Accounting Standards prescribed in Annexure to the Companies (Accounting Standards) Rules, 2006.

MAJOR CARVE-OUTS FROM IND AS/IFRS

Some of the major carve-outs made from IFRS are discussed below:

Carve-out regarding classification of a loan liability in case any loan condition is not met

IAS 1, *Presentation of Financial Statements*, requires all the assets and liabilities to be classified as either current or non-current on the basis of criteria prescribed in the standard. The current, non-current classification is used for analyzing the financial position of the company by various stakeholders, such as, creditors, shareholders, etc. IAS 1 requires that in case of a loan liability, if any condition of the loan agreement which was classified as non-current, is breached on the reporting date, such loan liability should be classified as current. This affects various parameters measuring financial position of a company adversely. Under Indian banking system, a long-term loan agreement generally contains a large number of conditions. Some of these conditions are substantive, such as, recalling the loan in case interest is not paid, and some conditions are procedural and not substantive, such as, periodical submission of stock statements by the entity. In view of requirements of IAS 1, if any condition is not met, such liability needs to be classified as current. It has been noted that generally, customer-banker relationships are developed whereby in case of any procedural breach, a loan is generally not recalled. Also, in many cases, a breach is rectified after the balance sheet date and before the approval of financial statements. Even in such cases, IAS requires loans to be classified as current. Accordingly, Ind AS 1 has been amended to address this issue, by clarifying that where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Carve-out regarding recognition of lease rentals

Companies enter into various kinds of lease agreements to get the right to use an asset of the lessor. It has been noted that generally, considering the Indian inflationary situation, lease agreements contain periodic rent escalation. IAS 17, *Leases*, requires all the lease rentals to be charged to statement of profit and loss on straight-line basis. For example, an agreement for lease of 3 years may provide that the initial rent of R10,000 will increase to R15,000 after one year and R20,000 after another year. As per IFRS, in the first year, on straight lining basis, rent of R15,000 would

be charged to the statement of profit and loss even though the agreement provides for payment of R10,000. However, it has been felt that where there are periodic rent escalation in line with the expected inflation so as to compensate the lessor for expected inflationary cost increases, the rentals shall not be straight-lined. A carve-out has therefore been made in Ind AS 17, to provide that leases rentals should be charged to the statement of profit and loss in accordance with the lease agreement.

Carve-out regarding treatment of penalties included in the consideration

IFRS 15, *Revenue from Contracts from Customers*, provides that all types of penalties which may be levied in the performance of a contract should be considered in the nature of variable consideration and the same should be excluded from the consideration while recognising the revenue. However, Ind AS 115 has been amended to provide that penalties shall be accounted for as per the substance of the contract. Where the penalty is inherent in determination of transaction price, it shall form part of variable consideration and should be excluded from the consideration, otherwise the same should not be reduced from the consideration and the transaction price shall be considered as fixed.

Carve-out regarding recognition of Investment Property using fair value model

Investment property is property, i.e., land or building, held by an entity to earn rental income or to achieve gain through capital appreciation. Such a business is generally undertaken by real estate companies. With regard to measurement of such property, IAS 40, *Investment Property*, allows use of cost model or fair valuation model. In case fair value model is used, the unrealized gains and losses are required to be recognized in the statement of profit and loss. It has been noted that fair values of such property are not reliable. Moreover, using fair value model may lead to recognition and distribution of unrealised gains. Considering the aforementioned factors, a carve-out has been made in Ind AS 40 by not allowing fair value model.

Carve-out regarding recognition of bargain purchase gain arising on a business combination

Many a times, a business is acquired by a company where value of the business in terms of the fair value of net assets acquired is more than the consideration paid, which results into gain in the hands of the acquiring company. Such a gain is called bargain purchase gain under IFRS. IFRS 3, *Business Combinations*, requires such gains to be recognised in the statement of profit and loss as income. Since such gains occur at the time of acquiring a business, at present, these are considered to be of the nature of a capital profit and therefore recognised as capital reserve and not recognised in the statement of profit and loss. It has been felt that recognising such gains in the statement of profit and loss will result into recognition of unrealised gains, which may get distributed in the form

of dividends. Moreover, companies can manipulate their statement of profit and loss through acquisitions, which may not be in the interest of the stakeholders of the company. Therefore, departure has been made to recognise such gains in the capital reserve as per the existing Accounting Standard (AS) 14, *Accounting for Amalgamations*, notified under the Companies Act.

Carve-out regarding classification of Foreign Currency Convertible Bonds (FCCBs)

In order to raise funds at lower rate of interest compared to the interest rates prevailing in India, many Indian companies are accessing foreign markets. For this purpose, these companies are issuing Foreign Currency Convertible Bonds (FCCBs). These foreign currency denominated convertible bonds contain an option whereby the bond holders get an option to convert these bonds into equity. At present, such bonds are classified as a liability in the balance sheet. As per the accounting treatment prescribed under IFRS, viz., under IAS 32, *Financial Instruments: Presentation*, equity conversion option in case of foreign currency denominated convertible bonds is considered a derivative liability which is embedded in the bond. Gains or losses arising on account of change in fair value of the derivative need to be recognised in the statement of profit and loss as per IFRS. The fair value of the option is based on the fair value of the share prices of the company. If there is decrease in the share price, the fair value of derivative liability would also decrease which would result in recognition of gain in the statement of profit and loss. This would bring unintended volatility in the income statement due to volatility in share prices. This will also not give a true and fair view of the liability as in this situation, when the share prices fall, the option will not be exercised. However, it has been considered that if such an option is classified as equity, fair value changes would not be required to be recognised. Accordingly, necessary changes have been made in the definition of financial liability in Ind AS 32, whereby conversion option in FCCB would be considered as equity. In this case, equity would not be required to be re-measured at fair value. The ICAI is discussing this issue with IASB with a view to bring about change in IAS 32.

CURRENT STATUS OF FORMULATION OF IND AS

It is worthwhile to note that the convergence is a continuous process. In order to remain converged with IFRS, the Indian Accounting Standards need to be issued/revised corresponding to the IFRS being issued/revised by the IASB from time to time. In this context, it may be noted that, 35 Indian Accounting Standards (Ind AS) converged with IFRS, formulated by the ICAI, after recommendation thereof by the National Advisory Committee on Accounting Standards, were approved by the MCA and placed on its website in February, 2011. These Standards could not be implemented due to various tax issues. Post-February 2011, not only significant amendments have been made in IFRS, but various new IFRS have been issued. In order to implement Ind AS as per the dates announced by the Hon'ble Finance Minister, the earlier formulated

Ind AS have been revised and new Ind AS corresponding to new IFRS issued by the IASB have been formulated by the ICAI. These Standards have been considered by the NACAS and the same have been recommended to the MCA for notification purposes. It is expected that the Ind AS will be notified shortly.

CAPACITY BUILDING AND OTHER INITIATIVES

In addition to formulation of Indian Accounting Standards, the ICAI is committed to make every possible effort to ensure that these Standards are implemented in the same spirit in which they have been formulated. For this purpose, the ICAI has constituted a Committee, namely, Ind AS (IFRS) Implementation Committee, to deal with issues coming up in implementation of these Standards. The Committee provides guidance to the members and other stakeholders in the form of Educational Materials on Indian Accounting Standards. This Committee is also taking adequate steps to enhance the knowledge of the members and other stakeholders for proper implementation of IFRS-converged Indian Accounting Standards (Ind ASs) by conducting workshops, seminars and IFRS Certificate Course.

Apart from the above, the ICAI makes every possible effort to participate and interact with the IASB and other Standard-Setters to discuss Indian concerns in the context of IFRS. Incisive comments are submitted to the IASB on their various consultative documents. This helps in raising Indian concerns at the earliest, which enables the IASB to address the same in the best possible manner.

CONCLUSION

It may be concluded that by taking a lead in all possible ways, the Institute has paved the way for implementation of IFRS-converged Indian Accounting Standards, which would bring financial reporting in India at par with the international financial reporting. While India is moving towards convergence at present, in future the Indian accountancy profession is expected to play a significant role not only in Indian financial reporting system, but also in international financial reporting by playing an influential role in the formulation of IFRSs before their finalization. In future, the ICAI would make an increased contribution to international accounting on the basis of its rich experience, such as, its survival in the global financial crisis because of its prudence based accounting principles and would aim to emerge as a global accounting leader. ■

ANNOUNCEMENT



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
(Set-up by an Act of Parliament)



CONVOCATION – 2014 (II ROUND)

As you are aware, for promoting a sense of bonhomie among members, and also for bringing them closer to the Institute, the Institute of Chartered Accountants of India organizes Convocations for distribution of Certificates. This is an occasion to mark the entry of new members into the CA fraternity.

ICAI invites members enrolled during the period of **June, 2014 to November, 2014**, to participate in the Convocation wherein Certificate of Membership will be awarded amidst the august gathering of the President, ICAI and other dignitaries.

The schedule of the proposed Convocations is as under:

ICAI CONVOCATION – 2014 (II ROUND)

Kolkata – 3rd February, 2015 (Tuesday)

New Delhi – 6th February, 2015 (Friday)

Jaipur – 7th February, 2015 (Saturday)

This schedule has been released for the advance information to the participants. Further details about the Venue and Timing of the Convocation Programme schedule will be intimated separately to the participants by the concerned Regional Office of ICAI.

Members, who are enrolled during February, 2014 to May, 2014, due to any reason, could not attend the last Convocation held in July and August, 2014 may also participate in the proposed Convocation. They are advised to be in touch with concerned Regional Office of ICAI to register their participation.

Joint Secretary
MC & MSS Section

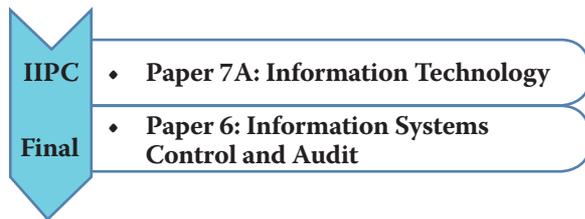
May 2015 Examination: Some Essentials for Preparation

Paper 7A: Information Technology Intermediate (IPC)

Paper 6: Information Systems Control and Audit at final level

The aim of this write-up is to provide general guidance as to how to study for May 2015 examination. The guidance given herein is supplementary to the manner of study followed by you and is intended to improve your existing technique, but aims to give ideas on how to improve your existing study techniques, as it is essential that you adopt methods and techniques with which you feel comfortable.

Keeping in view the enormity and realistic applications of Information Technology, the subject has been introduced at two levels in purview of Chartered Accountancy profession as shown below:



Intermediate (IPC) - Paper 7A: Information Technology

Know your syllabus

Before getting started for sincere and well disciplined study of your subject, you should become familiar with your syllabus. The curriculum of Paper 7A: Information Technology has been divided in five chapters.

The level of knowledge expected is working knowledge and its designed in a way that it serves its objective that is “To develop understanding of Information Technology as a key enabler and facilitator of implementing Information systems in enterprises and their impact business processes and controls.”

Chapter wise preparation tips:

- (i) During preparation of the first chapter, students should understand the concepts of various business processes and their representation through various mapping systems and how these business processes are impacted by IT. Students should pay emphasis on bringing a clarity on Business Process Management’s principles and practices and their implementation in a structured manner to have better understanding of them. Further, students should understand various business

processes flows before representing them with the help of any mapping system.

- (ii) Consequently in the second chapter, students should focus on comprehending IT fundamentals and the emerging technologies/devices helpful in automating business processes. To provide better understanding of the Information systems, the Information Systems Life Cycle is incorporated in this chapter. Further, an overview of latest devices and technologies used nowadays has been incorporated in the chapter to keep you updated.
- (iii) The third chapter deals with telecommunication and networking concepts which lay a foundation for the student to comprehend working of internet, e-commerce and m-commerce. The understanding of these concepts is need of the hour. Students may draw comparative analysis on different architectures, topologies, transmission modes after establishing the topic clarity. Further, Network Security is the major concern area, so the chapter provides an overview of different security measures that can be adopted against network threats, risks and vulnerabilities.
- (iv) The fourth chapter links the concepts of first three chapters and gives an insight about different business information systems and their reporting through Information Technology and different online payment mechanisms. Students will get a fair idea about different types of Information Systems and their advantages in the real time world while reading this chapter.
- (v) In the last chapter, students would be able to appreciate numerous business applications and the emerging technologies in the IT field like Cloud Computing, Grid computing etc. The controls needed in Business Process Automation from an auditors’ perspective are dealt here in depth. The content of the chapter has been drafted in a comprehensive manner to enable the students to prepare in a better way for their examination.

Final - Paper 6: Information Systems Control and Audit (ISCA)

Know your syllabus

The curriculum of Paper 7A: Information Technology builds a basic understanding of Business processes, and various information systems associated with them.

Taking this understanding to one level above, Paper 6: Information Systems Control and Audit at final Level of Chartered Accountancy Course deals with Control and Audit of these Information systems.

The level of knowledge expected is advanced knowledge and its designed in a way that it serves its objective that is “To develop competencies and skill-sets in evaluation of controls and relevant evidence gathering in an IT environment using IT tools and techniques for effective and efficient performance of accounting, assurance and compliance services provided by a Chartered Accountant”.

Chapter-wise Tips for Preparation

While studying ISCA paper, students need to understand the linkages between the chapters at macro-level. This will help them in recollecting the concepts during examination. Chapter-wise suggestions are given as follows:

(i) First of all, students should understand the key points covered in the first chapter. Undoubtedly, usage of IT is rapidly increasing in most of the large enterprises and also to a great extent even in small and medium enterprises. Further, there is an increasing thrust on corporate governance by regulators encompassing governance, risk management and controls. The use of IT covering all key aspects of business processes of an enterprise impacts not only ‘how information is processed’ but also ‘how computerized information systems are used for strategic and competitive advantage’. Internal controls are integral part of information systems of an enterprise. Hence, it is important to understand ‘how information systems are organized’ and ‘how controls are integrated’. In this chapter, students should understand the relevance of IT in Governance and other related concepts. Further, they should cover the topic IT Governance and Governance on Enterprise IT (GEIT). Afterwards, students should also understand that successful design and deployment of information systems using IT, determines the success of an enterprise. Hence, it is critical to ensure that the required controls are implemented not only from IT perspective but also from management and regulatory perspective. This requires that the controls are implemented from Governance perspective using a holistic approach and has involvement of the senior management as required. Implementing IT Governance as subset of enterprise governance ensures that implementation of IT meets all the stakeholder requirements including regulators and management. Regulatory requirements mandate not only implementation of governance but also its independent evaluation. Hence, auditors are required to evaluate these aspects in their roles as internal or external auditors. As IT proliferates, there is increasing demands for pro-active objective assessments

of governance, risk, compliance and controls of information systems. Accordingly, students should understand the Enterprise Risk Management, internal controls and related concepts. They should also cover various concepts relating to risk namely, vulnerabilities, attacks, threats etc. Once conceptual clarity has been acquired, students should have an idea about Risk assessment/management process. Finally, students should thoroughly study COBIT 5, which is a well-known GEIT Framework used by the enterprises worldwide.

(ii) As the name of the paper is ‘Information Systems Control and Audit’; it is essential that students should understand about the information systems and its related concepts. Accordingly, second chapter of ISCA is on “Information Systems Concepts”, which provides an overview of different information systems. In this chapter, students should clearly understand the general concepts of the systems, and their types. In addition, they should also understand the practical aspects of application of information systems in various processes of an enterprise. Further, they should realize that information is a key business asset and accordingly they should thoroughly study the topic ‘information’ and its various attributes.

Afterwards, students should understand the relative importance of information systems from strategic and operational perspective along with different types of information systems such as MIS, DSS, EIS, and ES etc. For each type of information systems, its features, attributes, advantages, and limitations must be clearly understood. Students should thoroughly understand the key points given in the material; however, they may write the description of these points in their own language with full coverage of related concepts. Finally, they should also have an overview of underlying IT technologies.

(iii) Information security plays a vital role in today’s highly connected world. Any information system must have three fundamental aspects: resist, tolerate and recover. Hence, the third chapter is dedicated to protection of Information Systems and its related concepts. Students should clearly understand the need for information security and its importance to enterprises, its detailed concepts, various information security policies and their hierarchy. In addition, they should also focus on different categories of information that may be considered sensitive and how the same needs to be protected. A control is a system that prevents, detects, or corrects unlawful events. In an information system, necessary controls must be incorporated at the appropriate places starting from the development itself. Keeping in mind the aforementioned fact, the chapter provides a detailed discussion on the controls.

EXAMINATION ||

Accordingly, students should understand the need for the controls and related topics. They should also understand responsibility for controls from the perspective of Management, IT, Personnel, Auditors, and cost effectiveness of control procedures. Then, they should try to understand various IS Control Techniques and particularly User Controls. Afterwards, they should clearly understand the controls over data integrity and security, which are very essential towards protection of information systems. In addition, they should also cover Logical & Physical Access Controls and Environmental Controls along with their related concepts. Understanding of these controls is essential to the Chartered Accountants to strengthen their ability for conducting IS Audit in any organization. They should also have an overview of the techniques to commit cyber frauds and finally, the students should assess the impact of these cyber frauds on business enterprises.

(iv) Information systems should continue without fail at any circumstances. 'What strategies should be followed to achieve this goal' is discussed in the fourth chapter on Business Continuity Planning and Disaster Recovery Planning. First of all, students should realize the need for Business Continuity Management (BCM) in enterprises, and understand BCM Policy, Business Continuity Planning (BCP) and its objectives/goals in depth. Moreover, students should know that how Business Continuity Plan is actually developed, covering all the eight phases. Students should also focus on various backup techniques and disaster recovery plans. Further, various audit tools and techniques must be understood by the students and finally, audit of Disaster Recovery and Business Continuity Plan must be covered in detail, which focuses on various important checkpoints relating to auditing.

(v) As the paper is basically dedicated to Information Systems Controls; only the generalized knowledge of information systems is not sufficient rather various concepts of the Software Development Life Cycle (SDLC) are also needed. Accordingly, the fifth chapter is on SDLC in which all the relevant concepts of SDLC for a Chartered Accountant perspective are introduced. In this chapter, students should grasp the key issues for the system development process. They should understand the Request for Proposal (RFP) process and its evaluation along with the concepts of Return on Investment (RoI) in terms of investments made in systems.

Afterwards, concepts relating to all the development models namely Waterfall, Spiral etc. used for developing the software should be clearly understood. Normally, the weaknesses of the previous model are addressed by the next model, and these weaknesses become the

strengths of the current model. In this way, students may remember the concepts of various models. Further, it also establishes a link between the need for businesses and the method adopted to develop the suitable information system for them. Further, all the phases of SDLC namely Preliminary Investigation, Requirements Analysis, Designing, Coding, Testing, Implementation, and Maintenance should be studied with the coverage of all the major activities in each of the phases in detail. Here, it is also noteworthy to mention that students must have the knowledge of appropriate controls required for various stages of SDLC starting from Preliminary Investigation till Maintenance. Finally, a checklist relating to SDLC is also included at the end of this chapter, which should be clearly understood by the students.

(vi) Sixth Chapter is on auditing of information systems. In the chapter, first of all, students should understand Information System Audit and the method of performing the same. Further, they should also know that an organization may face losses; incase, it does not get it audited. Afterwards, students should assess the impact of computers on audit and audit procedures adapted. Then, they should understand the detail steps to perform an Information System Audit. The idea of pre-audit survey and planning of an audit, for effective execution of an audit should also be understood by them in-depth. Afterwards, students should also gain the knowledge of various auditing standards that an auditor can use for performing a systems audit. In addition, they should understand the auditing and evaluation techniques of general, physical and environmental controls including specialized security arrangements like firewalls.

Concept of continuous auditing along with its advantages and disadvantages must be understood by the students. Finally, students should go through application controls covering input, processing and output controls along with their audit in detail. In addition, they must have the knowledge of operational, tactical and strategic layers of Application Security Controls and related audit issues.

(vii) In the current IT driven environment, there was a tremendous need for introducing laws to facilitate ecommerce and give legal recognition to electronic records and digital signatures. Realizing this need, Govt. of India introduced Information Technology Act in the year 2000. However, due to various transformations in technology, it was felt necessary to carry out certain amendments to make the Act more relevant and accordingly, Govt. of India passed these amendments through a bill in 2008. Students should understand various definitions covered under this act, and clearly understand the important provisions of this Act.

Afterwards, students should also know the requirements regarding system audit/disclosure by other governing bodies like RBI, SEBI and IRDA etc. Recognizing the importance of Information Security, Government of India has also introduced National Cyber Security Policy, 2013 in July, 2013, which should also be understood by the students. In addition, they should also go through other related standards like ISO 27001 and ITIL in detail with emphasis on the key points of each standard in depth. Here, it is noteworthy to mention that Students must keep themselves updated with the latest developments in the standards.

- (viii) Emerging technologies are seen to be having enormous potential to meet the global challenges of enterprises and accordingly, the eighth and last chapter is dedicated to the emerging technologies. In this chapter, students should start from the cloud computing, which simply means the use of computing resources as a service over a network typically the internet. They should study the pertinent issues and goals of cloud computing. Further, they should understand the cloud computing architecture and environment covering public, private and hybrid clouds. In addition, students must have an overview of different cloud computing models like Infrastructure as a Service (IaaS), Platform as a Service (PaaS), Software as a Service (SaaS), Network as a Service (NaaS) and Communication as a Service (CaaS). Afterwards, they should also learn numerous advantages that can be achieved by implementing cloud architecture in an enterprise. Like any other technology, in spite of its various advantages, cloud computing also has certain major challenges, which requires proper attention from research community. These challenges must be clearly understood by the students.

Afterwards, students should have an overview of Mobile Computing and BYOD (Bring Your Own Device). While going through BYOD, they must know the emerging threats arising due to the same. Then, they should read the Web 2.0 and Social Media along with other related concepts. Finally, students should study the topic of Green IT and its associated sub topics like Green IT Security Services and Challenges. The main objective of this chapter is to make the students familiar with the latest technological developments in the related areas.

Relevant knowledge inputs provided by BoS for study

Once you are aware of the syllabus, the next step is to find and assimilate the knowledge inputs which have been provided by the Board of Studies, to study the subject. For better understanding of the paper, Board of Studies has provided many knowledge inputs.

In their preparation for the Examinations, following are the suggested inputs for reading:

- (i) **Study Material:** provides the base which enables the students to read and understand the subject- matter. For students appearing for May 2015 examination, the following study materials are applicable.

Paper	Edition
Intermediate (IPC) Paper 7A:IT	July 2014
Final Paper 6:ISCA	August 2013

- (ii) **Practice Manual:** is an additional reading material for practice and understanding of the subject. Students should practice questions from the Practice manual after preparing the Chapters from the study material.

Paper	Edition
Intermediate (IPC) Paper 7A:IT	April 2014
Final Paper 6:ISCA	April 2014

- (iii) **Revision Test Papers (RTP):** For assessing their preparation and updating themselves with the relevant updations/amendments in the subject for May 2015 examinations, students should refer RTP for May, 2015 examination.

- (iv) **CA Students' Journal:** The monthly students' journal "The Chartered Accountant Student Journal" is another source, which contributes to the pool of knowledge in the form of articles, case studies, reports, academic updates, announcements etc.

Further, students are also advised to go through the Examiner comments provided at the end of the Suggested Answers to various Examinations which will help them to remove their shortcomings and improve their knowledge and performance.

Writing makes you Perfect

Students often feel that reading, understanding and familiarizing with the subject is enough. The process does not end there. After reading and before the examination, one may test self by way of undertaking a mock test under examination conditions. This may be done by attempting a model/previous year examination question paper and comparing with the suggested answers. By this, you can examine how far you are recapitulating the subject, of course, the time in completion of the paper.

At the End

Passing exams is partly a matter of intellectual ability, but however accomplished you are in that respect, you can improve your chances significantly by the use of appropriate study and revision techniques. ■

Paper 7 Section B: Strategic Management at Intermediate (IPC)

A. Introduction

Today, in the face of globalization, the explosion of competitors and the related emergence of a core competence in organizations, it is imperative for the strategic leaders in India to play a pivotal role in facilitating to understand and analyze the pace and momentum of the competition. Clearly, the globalized world also implies an enhancement in strategic planning and that should be made available through new and suitable processes of synthesis and transmission by the strategic thinkers. The existing and emerging challenges in today's business environment need solution with insights.

Organizations are functioning in a highly dynamic business environment. They continually evolve their plans and strategies to grow or survive. Chartered Accountants with their holistic knowledge, skills and financial acumen, possess strong capabilities to assist organizations in shaping-up the future of the organizations. Knowledge of the concept of strategic management will help them to have a sense of long term direction, and minimize

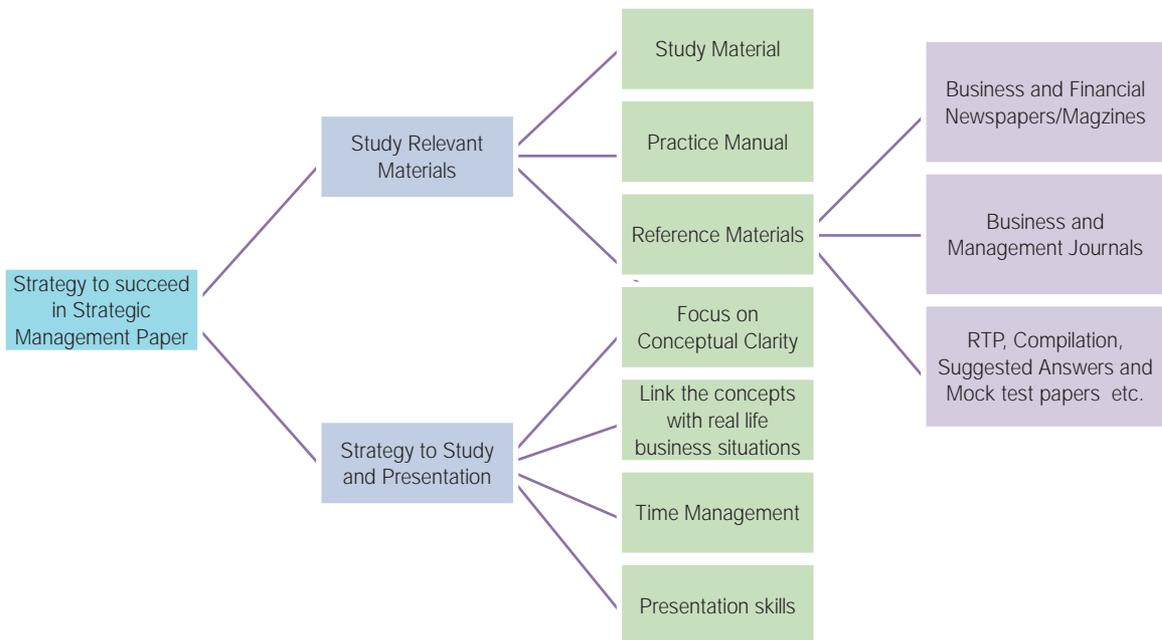
the effect of adverse conditions and changes in business environment.

The concepts of strategic management will help students of Chartered Accountancy to learn the critical issues and concerns facing the organizations. Assimilation of the concepts of strategic management will also help them to learn, how organizations can respond to the vagaries of business environment. Sound grasp of the subject will also help them in accelerating their career growth. Knowledge of the subject is very important at higher levels in organizations.

B. Chapter Related Tips

The study material in the subject is comprehensive enough to be relied on by the students to acquire reasonable working knowledge to perform well in the examination. The only requirement is that the students have to develop keen interest in the subject right from the beginning of their CA studies.

It has been noticed that often students tend to feel that this subject can be easily crammed in a couple of days.



A superficial preparation of a few selected topics for a few days or weeks before the examination is likely to lead the students into serious trouble during the examination time. Students have to set aside adequate time to cover all portions of the study material. They have to understand the subject comprehensively. It is very important that students must understand the relevance of each concept

in a practical scenario. For this purpose, they must read Business Magazines/Journals, Financial Newspapers, etc.

Students will find innumerable examples of strategic relevance around them. These examples may relate to introduction of new products, mergers, diversifications, sell off and so on. Student can make a habit to discuss such strategic actions of business with other students, to

analyze and understand the circumstances under which such decisions are taken and the benefits and the risks emerging out of it.

Chapter-wise tips are given below:

Chapter One-Business Environment: This chapter of study material covers all about the Business Environment. In this chapter, the study material covers the meaning and objectives of a business, environmental effect on business, environmental analysis, and characteristics of business environment. For this, students should read the economy related news and articles in business magazines/Newspapers, to understand real life business environmental factors which directly or indirectly help in or impair the organizational functioning. After understanding the concept of business environment, students should thoroughly study the elements of micro business environment and macro business environment which are extensively defined in this chapter. To gain a deeper understanding of competitive environment of a business organisation, Michael Porter's five forces model has been included in this chapter.

Chapter Two-Business Policy and Strategic Management: This chapter depicts the path of strategic management. Students should carefully understand the meaning and nature of corporate strategy. After understanding the concept of strategic management, students should go through the framework and importance of strategic management. Further, strategic decision making and strategic management model are also introduced. Later, students should learn the strategic vision, mission, objectives and goals along with the levels of strategic management. You can browse websites of some of the major companies and study their vision and mission.

Chapter Three-Strategic Analysis: This chapter is completely dedicated to strategic analysis. Students should understand situational analysis, SWOT analysis, TOWS matrix along with methods of industry and competitive analysis. For practical knowledge, students can conduct SWOT analysis of one or two leading organisations. Portfolio analysis is also introduced in this chapter covering BCG matrix, Ansoff's matrix, ADL matrix, GE model.

Chapter Four-Strategic Planning: Strategic planning is defined in this chapter. After understanding the concept of strategic planning, students should go through corporate strategy formulation and implementation process with its five stages. Further, students should learn the strategic alternatives given by Glueck and Jauch and Michael Porter's generic strategies. This chapter also elucidates different strategies including diversification, divestment, retrenchment and turnaround. These strategic alternatives can be clearly understood by reading the articles published in various business magazines, Newspapers etc. In the last few years, Indian companies have done some major global merger and acquisitions. So, the various types of mergers are also included in this chapter.

Chapter Five-Formulation of Functional Strategy:

This chapter explains various functional strategies, viz; marketing, production, logistics, research & development, finance and human resources. Students should also focus on the areas covered by each functional strategy.

Chapter Six-Strategy Implementation and Control: Strategic management process does not end with the decision. In this chapter, the issues and interrelationships between strategy formulation and implementation are discussed. The chapter considers the organization structure for strategy implementation and covers functional structure, divisional structure, strategic business units (SBUs), matrix structure, network structure and hourglass structure. Later, strategic leadership is discussed. The chapter reveals the leadership role in strategic implementation and also explains the two basic approaches of leadership styles, viz., transformational leadership and transactional leadership style.

It also introduces the steps to initiate strategic change along with Kurt Lewin change process. Control function of strategic management is also introduced.

Chapter Seven-Reaching Strategic Edge: In this last chapter, students should learn some of the recent and evolving concepts in strategic management such as BPR, benchmarking, TQM and six sigma. Some of the contemporary strategic issues are also introduced in this chapter.

C. Examination Strategy:

It is advisable to all the students to attempt the compulsory question. A few more hints with regard to the approach for attempting the various types of examination questions in the subject are offered as under:

- (a) **Correct/Incorrect with Comments type questions:** Here, you have to briefly explain the statement in your own words on what it is about. Then, examine the extent to which and the conditions under which the statement is valid. Outline the limitations of the statement. Your answer has to be analytical and objective, without losing focus on the statement.
- (b) **Short Notes:** Your answer should be precise, brief, and to the point. Not much explanation is required in answering short-note questions. You have to write the essential aspects in a nutshell. You can score well in short notes, by making a neat and concise presentation of the relevant subject matter.
- (c) **Essay type Questions:** Give a brief introduction by way of defining the relevant concepts. Reach the heart of the question and explain the major features or matters in a logical point-wise manner with sub-headings for each point. Give a few examples in support of your reasoning. Never deviate from the main thrust of the question. Cover as many points as are reasonably necessary to do justice to the question. Avoid going round and round by harping on one or two points repetitively in different ways. ■

Paper 4: Corporate and Allied Laws at Final level

Law is the system of rules which a particular country or community recognizes as regulating the actions of its members and which it may enforce by the imposition of penalties. The world economy is buzzing with the concept of liberalisation and globalization. Hence, it is imperative for our economic policies to be in tune with the several reforms to cater to global changes.

Knowledge of laws which are relevant for different business sectors of the economy is, therefore, very crucial and essential for a Chartered Accountant as one of his core function is to advise clients with regard to various statutory compliances and planning. Considering the significance of the various laws, paper on various relevant laws has been included in the Chartered Accountancy curriculum at 'Final' Level [Paper 4: Corporate and Allied Laws].

The students must be aware that with the enactment of the Companies Act, 2013, the syllabus of "Corporate and Allied Laws" was revised comprehensively. Thus, it has been informed that the relevant sections of the Companies Act, 2013 notified till 30th September, 2014 along with the remaining provisions of the Companies Act, 1956 (if any) will also be applicable for May 2015 examinations.

I. The study material of Corporate and Allied Laws (Edition: October 2014) consists of 25 chapters. Module 1 comprising of Section A: Company Laws consists of 18 chapters. These chapters contain notified applicable provisions of the Companies Act, 2013 along with relevant Rules, Notifications, Circulars and Clarifications and some provisions from the Companies Act, 1956, which are still relevant for May 2015 examinations.

The Business sector of the economy consists of the Corporate. These corporate have to follow a lot of legal compliances and with the advent of the Companies Act, 2013, these compliances have increased manifold. You as a Chartered Accountant are expected to know what all provisions are applicable on the company and its various stakeholders. Thus, section A of the Study material has been made based on the Companies Act.

'Section A' Study Material starts with the Notified definitions under the Companies Act, 2013. These definitions will help the students in describing the meaning of a particular word to bring in more clarity.

The topic of dividend should be prepared keeping in mind that the chapter also contains some of the sections of the Companies Act, 1956 that are still relevant for May 2015 examinations.

Accounts and Audit are one of the core works of a Chartered Accountant. This topic assumes a great

importance from the practical point of view, also help you to know provisions relating to necessary books that are to be kept by the company, Accounting Standards as prescribed by the Central Government, Financial Statements, Directors' Responsibility statement. You should familiarize yourself with the concepts of this chapter and the knowledge gained may be applied while working in practical scenario.

Directors are the mind behind the working of a company. You are expected to know about appointment, disqualifications of directors, vacation of office, rotation of directors, and retirement of directors, concept of additional, alternate and nominee director, appointment of managing director, whole time director or manager, managerial remuneration, key managerial personnel, compensation for loss of office. The directors have been granted some specific powers, which they exercise in their meetings. These three (3, 4 and 5) chapters should be studied together. This will help you to have a grasp over the concepts of directors. Further, do practice writing resolutions and agendas of meeting of directors, which are also covered in the chapter 18 of the Study material.

The topic related with the drafting will help you to learn the various drafting skills required while making notices, resolutions, agenda, Minutes. It is the general comment from the examiners' that students are lacking in drafting skills. You may read some resolutions and agendas of the companies to analyze how in practical scenario these resolutions etc are drafted. You may also read and practice writing some notices that are given in business newspapers, which will improve drafting skills and also help you in writing answers during exams.

The topic of Miscellaneous provisions is very important as it covers other remaining provisions of the Company Law as according to the Companies Act, 1956 and the Companies Act, 2013.

Two new chapters have been introduced in the syllabus viz. National Company Law Tribunal and Appellate Tribunal and Special Courts. Special Courts, a newly introduced concept has assumed greater importance especially in the recent times as this will help in speedy trial of all offences under the Act. However, the Chapter of NCLT and NCLAT has been made non applicable for the students for May 2015 attempt.

The Companies Act, 2013 has introduced the concepts of independent directors, data base for independent directors, duties of directors, concept of key managerial personnel, secretarial audit for bigger companies, functions of company secretary,

Vigil Mechanism, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Stakeholders Relationship Committee, Prohibition on forward dealings in securities of company by director or key managerial personnel, Prohibition on insider trading of securities and increased scope of related party transactions. Apart from the topics mentioned above, pay special attention towards all the concepts that have been newly introduced by the New Act.

You should note that the chapters dealing with ‘Compromise, arrangement and amalgamations’; ‘Prevention of Oppression and Mismanagement’; ‘Revival and Rehabilitation of Sick companies’; ‘Winding up’ dealing with provisions applicable when the company is in the process of winding up of companies and ‘Producer companies’ are to be read according to the Companies Act, 1956. Here, it is to be noted that the chapter of revival and rehabilitation of sick companies has been made not applicable for May 2015 examinations.

Section B covered in Module-2 covers the Allied Laws. It consists of 7 chapters.

Stock market plays a significant role in development of the economy. The stock markets facilitate mobilization of funds from investors and channelize the same into market for development of the economy. Thus, it is important to know the provisions of the Securities Exchange Board of India, 1992, along with the SEBI (ICDR) Regulations and the Securities Contracts (Regulation) Act, 1956. In order to have a grasp on the provisions and regulations applicable while dealing in securities, you are advised to read the SEBI (ICDR) Regulations, 2009 thoroughly.

The ‘Foreign Exchange Management Act, 1999’ contains the provisions that regulate the flow of foreign exchange resources of the country when trading and mobilization of resources are at international level. This chapter contains some important topics related to authorized dealer, current account transactions, capital account transactions, purposes for which remittances are allowed outside India, contraventions under the Act and the related penalties and appeal. You may lay special emphasis on the current and

capital account transactions that are permitted (with or without limits) or prohibited.

‘The Competition Act, 2002’ was laid to prevent practices that have an adverse effect on competition, protect interest of consumers, and ensure freedom of trade with regulations from the authority. This chapter deals with the prohibitions of certain agreements, abuse of dominant position and regulation of combinations. It also talks about Competition Commission of India, penalties and appeals under the Act.

A topic covering a brief overview of ‘Banking Regulation Act, 1949’, ‘the Insurance Act, 1938’, ‘the Insurance Regulatory and Development Authority Act, 1999’, ‘the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002’, has also been covered in the Module 2 of Study material.

‘The Prevention of Money laundering Act, 2002’, aims at combating channelizing of money into illegal activities. The Act provides for attachment and seizure of property and records, stringent penalties and punishments.

The topic of ‘Interpretation of statutes, deeds and documents’ is very important as it is imperative to interpret the law correctly to understand the exact intention of the law makers. This chapter forms the base to decode the objective of any provision of legislation. Once you have understood this chapter, try to apply the knowledge gained while reading the provisions of law.

Note: While reading every chapter from Study Material, make short notes. This will help to revise the syllabus within a day during examination.

II. Practice Manual: The Practice manual of Corporate and Allied Laws contains the chapters in a same flow as that in the study material. Once you have completed a chapter from the study material, reference of same from the practice manual also will help you in better understanding of the topics and simultaneously help to analyze as to how to apply the knowledge of law in practical situation based questions.

III. Students may note that the following Amendments/Notifications/Circulars are applicable for May 2015 examinations:

S.NO.	Name of the Act /Regulation	Subject Matter
(i)	The SEBI Act, 1992	The Ministry of Law and Justice vide Notification dated 25 th August, 2014 has issued Securities Laws (Amendment) Act, 2014 which is available at the following link http://www.sebi.gov.in/cms/sebi_data/attachdocs/1409135096979.pdf
(ii)	SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009	SEBI vide Notification dated 25 th August, 2014 has issued SEBI (Issue of Capital and Disclosure Requirement) (Second Amendment) Regulations, 2014 which is available at the following link http://www.sebi.gov.in/cms/sebi_data/attachdocs/1409120871432.pdf

EXAMINATION ||

Please note that the following two chapters are not applicable for May 2015 examinations:

S.No.	Subject Matter
1.	Chapter 9 of the study material (October, 2014 edition) covering provisions relating to Revival and Rehabilitation of Sick-Industrial Companies.
2.	Chapter 15 of the study material (October, 2014 edition) covering provisions relating to the National Company Law Tribunal and Appellate Tribunal.

The above applicable amendments along with questions and answers from every chapter will also be covered in the revisionary test papers applicable for May 2015 examinations. You are advised to read the revisionary test paper for self – assessment.

IV. You may also give the Mock test papers conducted at various branches of the Institute. These are designed in a manner similar to the exam conditions and will enable you to assess your preparation under conditions similar to exams.

V. The key for doing well in the examinations is to start early preparations by understanding the purpose behind the enactment, reading the enactment, analyzing and applying the provisions in the practical situations, learning the key points of the provisions, recalling, revising and practicing the provisions by writing the provisions, referring the past year papers, if relevant, and attempting mock test papers in a 3 hours exam hall model.

It is pertinent to remind again that the syllabus of the subject has been revised comprehensively and the Companies Act, 2013 is at nascent stage. You are advised to read every topic very carefully. Simultaneously do keep in mind that some provisions of the Companies Act, 1956 are still applicable for May 2015 examinations. Hence, you have to read them also.

VI. Handling of Paper: Since, 90 to 95% of the paper is based on Application/Problem oriented questions, while attempting such questions; you should be able to pinpoint the legal points or issues involved in any statement, problem or situation given in the question. It is desirable to support answers with relevant sections and leading case laws on the matter wherever necessary. However, you may desist from citing wrong Section numbers or irrelevant Case laws. A common feedback from the Examiners is that students are generally weak in the English Language though they are thorough in the subject. This problem can be overcome only by way of writing and also undertaking self-examination. Just as there are no short cuts to success, there is no short cut a well-reasoned answer.

The answer to the application-oriented question may be presented as following:

- (i) Heading (If possible)
- (ii) Relevant Legal Provision (with Correct Section Number and Correct name of the Act with year)
- (iii) The facts given in the problem
- (iv) Co-relation of the legal provision with the facts.
- (v) Conclusion

Passing exams is partly a matter of intellectual ability, but however accomplished you are in that respect you can improve your chances significantly by the use of appropriate study and revision techniques. ■

CORRIGENDUM

1. Study Material of Part II: Indirect Taxes of Paper 4: Taxation [October, 2014 Edition relevant for May, 2015 and November, 2015 Examinations] – Printed copy

- (i) In Chapter 1, pg. no. 1.47 under heading 2.13, sub-point (1), the words “or an importer who issues an invoice on which CENVAT credit can be taken.” be added at the end of the paragraph after the words “.....or otherwise uses excisable goods”.
- (ii) In Chapter 6, under sub-heading “B. In case of insurer carrying on life insurance business [Sub-rule (7A)]”, the word “on”, wherever it appears in the table, be replaced with ‘at’.

2. Practice Manual of Part II: Indirect Taxes of Paper 4: Taxation [October, 2014 Edition relevant for May, 2015 and November, 2015 Examinations] – Printed copy

- (i) At page no. 6.10, the table in answer to Q. 17 be substituted with the following table:

Particulars	Rate of interest p.a.	Interest (R)
Delay from 07.11.2014 - 06.05.2015	18% for first six months	5,445 [60,500 x 18% x 6/12]
Delay from 07.05.2015 - 06.11.2015	24% for next six months	7,260 [60,500 x 24% x 6/12]
Delay from 07.11.2015 - 06.01.2016	30% for period beyond one year	3,033 [60,500 x 30% x 61/365]
Total Interest		15,738

The above substitution be also made at page no. 99 and page no. 211 in the printed copies of Supplementary Study Paper – 2014 for Part II: Indirect Taxes of Paper 4: Taxation (IIPCC) and Paper 8: Indirect Tax Laws (Final) respectively.

- (ii) At page no. 7.16, in Note no. 2 to Question 25, the words “definition of capital goods excludes office equipment” be substituted with the words “same is not used for providing the construction service.”

All the above corrections have been incorporated in the publications hosted on the BoS Knowledge Portal at the ICAI website.

Applicability of Standards/Guidance Notes/Legislative Amendments etc. for May, 2015 – Intermediate (IPC) Examination

Paper 1: Accounting Standards

AS No.	AS Title
1	Disclosure of Accounting Policies
2	Valuation of Inventories
3	Cash Flow Statements
6	Depreciation Accounting
7	Construction Contracts (Revised 2002)
9	Revenue Recognition
10	Accounting for Fixed Assets
13	Accounting for Investments
14	Accounting for Amalgamations

Paper 5: Advanced Accounting Standards

AS No.	AS Title
4	Contingencies and Events occurring after the Balance Sheet Date
5	Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies
11	The Effects of Changes in Foreign Exchange Rates (Revised 2003)
12	Accounting for Government Grants
16	Borrowing Costs
19	Leases
20	Earnings Per Share
26	Intangible Assets
29	Provisions, Contingent Liabilities and Contingent Assets.

Note Regarding Applicability for Paper 1 and Paper 5: The relevant notified Sections of the Companies Act, 2013 up to 30th September 2014 will be applicable for May, 2015 Examination and for other legislative amendments including relevant Notifications / Circulars / Rules / Guidelines issued by Regulating Authority cut-off date will be 31st October, 2014.

Non-Applicability of Ind ASs for May, 2015 Examination: The MCA has hosted on its website 35 Indian Accounting Standards (Ind AS) without announcing the applicability date. Students may note that these Ind ASs are not applicable for May, 2015 Examination.

Paper 2: Business Laws, Ethics and Communication

I. The Companies Act, 2013 :
Relevant notified Sections 1 to 122 of the Companies Act, 2013 up to 30th September 2014 by the Ministry

of Corporate Affairs are applicable except **Section 75** relating to 'damages for fraud', **Section 48** relating to "Variation of shareholders' right", **Section 66** related to "Reduction of share capital", **Section 97** relating to "Power of tribunal to call AGM", **Section 98** relating to "Power of Tribunal to call meetings of members, etc., and **Section 99** relating to "Punishment for default in complying with provisions of sections 96 to 98", of the Companies Act, 2013. For other legislative amendments including relevant Notifications/Circulars/Rules/Guidelines issued by Regulating Authority cut-off date will be 31st October, 2014.

II. The Employees' Provident Funds Miscellaneous Provisions Act, 1952-

1. The Employees' Deposit Linked Insurance (Amendment) Scheme, 2014
2. Employees' Pension (Amendment) Scheme, 2014

Paper 4 : Taxation

Applicability of the Finance Act, Assessment Year etc. for May, 2015 examination

The provisions of income-tax and indirect tax laws, as amended by the Finance (No.2) Act, 2014, including circulars and notifications issued upto 31st October, 2014. The relevant assessment year for income-tax is A.Y. 2015-16.

Paper 6 : Auditing and Assurance

I. Standards on Auditing (SAs)

S.No	SA	Title of Standard on Auditing
1	SA 200	Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Standards on Auditing
2	SA 210	Agreeing the Terms of Audit Engagements
3	SA 220	Quality Control for Audit of Financial Statements
4	SA 230	Audit Documentation
5	SA 240	The Auditor's responsibilities Relating to Fraud in an Audit of Financial Statements
6	SA 250	Consideration of Laws and Regulations in An Audit of Financial Statements
S.No	SA	Title of Standard on Auditing
7	SA 260	Communication with Those Charged with Governance
8	SA 265	Communicating Deficiencies in Internal Control to Those Charged with Governance and Management
9	SA 299	Responsibility of Joint Auditors
10	SA 300	Planning an Audit of Financial Statements
11	SA 315	Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and its Environment
12	SA 320	Materiality in Planning and Performing an Audit

EXAMINATION ||

13	SA 330	The Auditor's Responses to Assessed Risks
14	SA 402	Audit Considerations Relating to an Entity Using a Service Organization
15	SA 450	Evaluation of Misstatements Identified during the Audits
16	SA 500	Audit Evidence
17	SA 501	Audit Evidence - Specific Considerations for Selected Items
18	SA 505	External Confirmations
19	SA 510	Initial Audit Engagements-Opening Balances
20	SA 520	Analytical Procedures
21	SA 530	Audit Sampling
22	SA 540	Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures
23	SA 550	Related Parties
24	SA 560	Subsequent Events
25	SA 570	Going Concern
26	SA 580	Written Representations
27	SA 600	Using the Work of Another Auditor
28	SA 610	Using the Work of Internal Auditors
S.No	SA	Title of Standard on Auditing
29	SA 620	Using the Work of an Auditor's Expert
30	SA 700	Forming an Opinion and Reporting on Financial Statements
31	SA 705	Modifications to the Opinion in the Independent Auditor's Report

32	SA 706	Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report
33	SA 710	Comparative Information – Corresponding Figures and Comparative Financial Statements
34	SA 720	The Auditor's Responsibility in Relation to Other Information in Documents Containing Audited Financial Statements

II. Statements

Statement on Reporting under Section 227(1A) of the Companies Act, 1956 (Section 143 of the Companies Act, 2013).

III. Guidance Notes

1. Guidance Note on Audit of Inventories.
2. Guidance Note on Audit of Debtors, Loans and Advances.
3. Guidance Note on Audit of Investments.
4. Guidance Note on Audit of Cash and Bank Balances.
5. Guidance Note on Audit of Liabilities.
6. Guidance Note on Audit of Revenue.
7. Guidance Note on Audit of Expenses.

IV Applicability of the Companies Act, 2013:

The relevant notified Sections of the Companies Act, 2013 up to 30th September 2014 will be applicable for May, 2015 Examination and for other legislative amendments including relevant Notifications / Circulars / Rules / Guidelines issued by Regulating Authority cut-off date will be 31st October, 2014. ■

Fee: Nil

2 CPE

Training Programme on Soft Skills for Professional Development

26th February, 2015

**THYAGARAJ STADIUM,
SHRI GANGANATH MARG,
INA COLONY, NEW DELHI**

Organized by: Committee on Management Accounting (CMA), ICAI

Particulars	Timings
Registration of Participants	10:00 AM to 11:00 AM
Session on Soft Skills for Professional Development Speaker : Sri Sri Ravi Shankar	11:00 AM to 01:00 PM

Delegation Fees for Members and Students of ICAI: Nil.

For registration:

Please visit the link given below for submission of registration form.

https://docs.google.com/forms/d/1UV9kqHVv30Hrg1HjwwBiRSSmHWRGvA7qNVh7Aa1-ICA/viewform?c=0&w=1&usp=mail_form_link

Further for any assistance/query, contact Committee Secretariat, CMA, ICAI,

Contact Details: 0120-3876879, 9350572094.

Programme Chairman: CA. Anuj Goyal, Central Council Member, ICAI

Applicability of Standards/Guidance Notes/ Legislative Amendments etc. for May, 2015 – Final Examination

Paper 1: Financial Reporting

I. Framework for the Preparation and Presentation of Financial Statements.

II. Accounting Standards

AS No.	AS Title
1	Disclosure of Accounting Policies
2	Valuation of Inventories
3	Cash Flow Statements
4	Contingencies and Events Occurring after the Balance Sheet Date
5	Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies
6	Depreciation Accounting
7	Construction Contracts (Revised 2002)
9	Revenue Recognition
10	Accounting for Fixed Assets
11	The Effects of Changes in Foreign Exchange Rates (Revised 2003)
12	Accounting for Government Grants
13	Accounting for Investments
14	Accounting for Amalgamations
15	Employee Benefits
16	Borrowing Costs
17	Segment Reporting
18	Related Party Disclosures
19	Leases
20	Earnings Per Share
21	Consolidated Financial Statements
22	Accounting for Taxes on Income
23	Accounting for Investment in Associates in Consolidated Financial Statements
24	Discontinuing Operations
25	Interim Financial Reporting
26	Intangible Assets
27	Financial Reporting of Interests in Joint Ventures
28	Impairment of Assets
29	Provisions, Contingent Liabilities and Contingent Assets
30	Financial Instruments: Recognition and Measurement
31	Financial Instruments: Presentation
32	Financial Instruments: Disclosure

Note: Applicability of Ind ASs

The Ministry of Corporate Affairs has placed on its website 35 Indian Accounting Standards (Ind ASs - the expression Ind AS is used in India in place of IFRS) without announcing their applicability date. **Since these Ind ASs have not been notified by MCA, the same are not applicable for May, 15 Examinations.** However, students should have overall general understanding of Ind Ass, since they generally correspond to IFRSs except certain carve outs and there is a full chapter on IFRS in the present syllabus of Financial Reporting.

III. Guidance Notes on Accounting Aspects

1. Guidance Note on Accrual Basis of Accounting.
2. Guidance Note on Accounting Treatment for Excise Duty.
3. Guidance Note on Terms Used in Financial Statements.
4. Guidance Note on Availability of Revaluation Reserve for Issue of Bonus Shares.
5. Guidance Note on Accounting Treatment for MODVAT/CENVAT.
6. Guidance Note on Accounting for Corporate Dividend Tax.
7. Guidance Note on Accounting for Employee Share-based Payments.
8. Guidance Note on Accounting for Credit Available in respect of Minimum Alternate Tax under the Income Tax Act, 1961.
9. Guidance Note on Measurement of Income Tax for Interim Financial Reporting in the context of AS 25.
10. Guidance Note on Applicability of Accounting Standard (AS) 20, Earnings per Share.
11. Guidance Note on Remuneration paid to key management personnel – whether a related party transaction.
12. Guidance Note on Applicability of AS 25 to Interim Financial Results.
13. Guidance Note on Turnover in case of Contractors.
14. Guidance Note on the Revised Schedule VI to the Companies Act, 1956 (Schedule III to the Companies Act, 2013).

IV. Applicability of the Companies Act, 2013 and other Legislative Amendments:

The relevant notified Sections of the Companies Act, 2013 up to 30th September 2014 will be applicable

EXAMINATION ||

for May, 2015 Examination and for other legislative amendments including relevant Notifications/Circulars/Rules/Guidelines issued by Regulating Authority cut-off date will be 31st October, 2014.

Paper 3: Advanced Auditing and Professional Ethics

I. Statements and Standards

- Statement on Reporting under Section 227(1A) of the Companies Act, 1956 (Section 143 of the Companies Act, 2013).
- Framework for Assurance Engagements.

II. Engagements and Quality Control Standards on Auditing

S.No	SA	Title of Standard on Auditing
1	SQC 1	Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements
2	SA 200	Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Standards on Auditing
3	SA 210	Agreeing the Terms of Audit Engagements
4	SA 220	Quality Control for Audit of Financial Statements
5	SA 230	Audit Documentation
6	SA 240	The Auditor's responsibilities Relating to Fraud in an Audit of Financial Statements
7	SA 250	Consideration of Laws and Regulations in An Audit of Financial Statements
8	SA 260	Communication with Those Charged with Governance
9	SA 265	Communicating Deficiencies in Internal Control to Those Charged with Governance and Management
10	SA 299	Responsibility of Joint Auditors
11	SA 300	Planning an Audit of Financial Statements
12	SA 315	Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and its Environment
13	SA 320	Materiality in Planning and Performing an Audit
14	SA 330	The Auditor's Responses to Assessed Risks
15	SA 402	Audit Considerations Relating to an Entity Using a Service Organization
16	SA 450	Evaluation of Misstatements Identified during the Audits
17	SA 500	Audit Evidence
18	SA 501	Audit Evidence - Specific Considerations for Selected Items
19	SA 505	External Confirmations
20	SA 510	Initial Audit Engagements-Opening Balances
21	SA 520	Analytical Procedures
22	SA 530	Audit Sampling

S.No	SA	Title of Standard on Auditing
23	SA 540	Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures
24	SA 550	Related Parties
25	SA 560	Subsequent Events
26	SA 570	Going Concern
27	SA 580	Written Representations
28	SA 600	Using the Work of Another Auditor
29	SA 610	Using the Work of Internal Auditors
30	SA 620	Using the Work of an Auditor's Expert
31	SA 700	Forming an Opinion and Reporting on Financial Statements
32	SA 705	Modifications to the Opinion in the Independent Auditor's Report
33	SA 706	Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report
34	SA 710	Comparative Information – Corresponding Figures and Comparative Financial Statements
35	SA 720	The Auditor's Responsibility in Relation to Other Information in Documents Containing Audited Financial Statements
36	SA 800	Special Considerations-Audits of Financial Statements Prepared in Accordance with Special Purpose Framework
37	SA 805	Special Considerations-Audits of Single Purpose Financial Statements and Specific Elements, Accounts or Items of a Financial Statement
38	SA 810	Engagements to Report on Summary Financial Statements
39	SRE 2400	Engagements to Review Financial Statements
40	SRE 2410	Review of Interim Financial Information Performed by the Independent Auditor of the Entity
41	SAE 3400	The Examination of Prospective Financial Information
42	SAE 3402	Assurance Reports on Controls At a Service Organisation
43	SRS 4400	Engagements to Perform Agreed Upon Procedures Regarding Financial Information
44	SRS 4410	Engagements to Compile Financial Information

III. Guidance Notes and other publications

- Code of Ethics
- Guidance Note on Independence of Auditors.
- Guidance Note on Audit Reports and Certificates for Special Purposes.
- Guidance Note on Audit under Section 44AB of the Income-tax Act (Revised in view of Latest Form 3CA, 3CB and 3CD notified on 25th July).

5. Guidance Note on Audit of Inventories.
6. Guidance Note on Audit of Debtors, Loans and Advances.
7. Guidance Note on Audit of Investments.
8. Guidance Note on Audit of Cash and Bank Balances.
9. Guidance Note on Audit of Liabilities.
10. Guidance Note on Audit of Revenue.
11. Guidance Note on Audit of Expenses.
12. Guidance Note on Sections 227(3)(e) and (f) of the Companies Act, 1956(Section 143 of the Companies Act, 2013).
13. Guidance Note on Computer Assisted Audit Techniques (CAATs).
14. Guidance Note on Audit of Payment of Dividend.
15. Guidance Note on Audit of Capital and Reserves.

IV Applicability of the Companies Act, 2013 and Other Legislative Amendments:

The relevant notified Sections of the Companies Act, 2013 up to 30th September 2014. will be applicable for May, 2015 Examination and for other legislative amendments including relevant Notifications/Circulars/Rules/ Guidelines issued by Regulating Authority cut-off date will be 31st October, 2014.

Paper 4 : Corporate and Allied Laws

I Applicability of Relevant Amendments/Circulars/ Notifications/Regulations etc.

1. **The Companies Act, 2013** : The relevant notified Sections of the Companies Act, 2013 up to 30th September 2014 will be applicable for May, 2015 Examination and for other legislative amendments including relevant Notifications / Circulars / Rules / Guidelines issued by Regulating Authority cut-off date will be 31st October, 2014.
2. **The SEBI Act, 1992** : The Ministry of Law and

Justice vide Notification dated 25th August, 2014 has issued Securities Laws (Amendment) Act, 2014 which is available at the following link http://www.sebi.gov.in/cms/sebi_data/attachdocs/1409135096979.pdf

3. **SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009** : SEBI vide Notification dated 25th August, 2014 has issued SEBI (Issue of Capital and Disclosure Requirement) (Second Amendment) Regulations, 2014 which is available at the following link http://www.sebi.gov.in/cms/sebi_data/attachdocs/1409120871432.pdf

Note: Study Material (October 2014 edition) in this regard has been hosted under BoS Knowledge Portal, ICAI and hard copy of the same is also available.

II Non-Applicability of the following Amendments/ Circulars/Notifications

S.No.	Subject Matter
1.	Chapter 9 of the study material (October, 2014 edition) covering provisions relating to Revival and Rehabilitation of Sick-Industrial Companies.
2.	Chapter 15 of the study material (October, 2014 edition) covering provisions relating to the National Company Law Tribunal and Appellate Tribunal.

Paper 7 : Direct Tax Laws & Paper 8 : Indirect Tax Laws

Applicability of the Finance Act, Assessment Year etc. for May, 2015 Examination

The provisions of direct and indirect tax laws, as amended by the Finance (No.2) Act, 2014, including notifications and circulars issued up to 31st October, 2014. The applicable assessment year for Direct Tax Laws is A.Y.2015-16. ■

Important Announcement

Attention: Intermediate (IPC) Course & Final Course students

Subject: Release of Practice Manual of Business Laws, Ethics and Communication, Intermediate (IPC) Course and Corporate and Allied Laws, Final course based on revised syllabus relevant for May 2015 Examination and onwards

As students are aware that the syllabus of Business Laws, Ethics and Communication, Intermediate (IPC) Course and Corporate and Allied Laws, Final course have been revised in terms of the decision of the Council taken at its 333rd meeting held in May, 2014 and relevant new sections of the Companies Act, 2013 notified till 30th September, 2014 would be applicable for May, 2015 examinations. [Refer to the detailed Announcements dated 20th May, 2014 hosted on the Institute's website and published in June, 2014 issue of the Students' Journal]

The Practice Manual of above subjects relevant for May, 2015 Examination has been hosted on the Institute's website for ready reference.

Physical copies of the Practice Manual are available at the sales counters of the Institute.

Director, Board of Studies

Accounting

1 Amendment to Schedule VII to the Companies Act, 2013

MCA vide notification no. G.S.R. 741(E) dated 24th October, 2014 has made further amendments to Schedule VII to the Companies Act, 2013, by notifying two more avenues for incurring eligible expenditure under CSR requirements for companies. According to the said notification, the contributions to the Swachh Bharat Kosh set up for the promotion of sanitation and contributions to the Clean Ganga Fund set up for rejuvenation of river Ganga, will also be considered as eligible expenditure qualifying for CSR.

[Source: www.mca.gov.in]

Note: The above given academic update is applicable for May, 2015 examination.

2 Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014

SEBI vide *Circular No. LAD-NRO/GN/2014-15/16/1729 dated 28th October, 2014* has formulated the SEBI (Share Based Employee Benefits) Regulations, 2014 which replaces the SEBI (Employees Stock Option Plan) Guidelines, 1999. The said Regulations deal with various provisions relating to employee stock option schemes, employee stock purchase schemes, stock appreciation rights schemes, general employee benefits schemes and retirement benefit schemes formulated by listed companies. The regulations deal with definition of eligible employees, formation of compensation committee, shareholders approvals variation of terms of issue, listing, compliances etc. For the complete text of this notification please refer to the link: http://www.sebi.gov.in/cms/sebi_data/attachdocs/1414568485252.pdf

[Source: www.sebi.gov.in]

Note: The above given academic update is applicable for May, 2015 examination.

3 Revised Regulatory Framework for NBFCs

RBI vide notification no. DNBR (PD)CC.No. 002/03.10.001/2014-15 dated November 10, 2014 has revised the regulatory provisions relating to the functioning of NBFCs (except primary dealers) in India. The revised provisions deal with widespread aspects like Requirement of Minimum NOF of R200 lakh, Deposit acceptance, definition of systemically important NBFCs, prudential norms for NBFCs, asset classification, provisioning, disclosures in financial statements etc. For a complete text of the

circular, please refer to the link: <http://rbi.org.in/scripts/NotificationUser.aspx?Id=9327&Mode=0>
[Source: www.rbi.org.in]

Note: The above given academic update is not applicable for May, 2015 examination.

In a significant step towards convergence of Indian

4 Road Map Revised for Implementation of Indian Accounting Standards for Companies Other Than Banking Companies, Insurance Companies and NBFCs; Notification to Follow Soon

accounting standards with the IFRS, the Ministry of Corporate Affairs (MCA) on January 2, 2015 announced a roadmap for adoption of Indian Accounting Standards (Ind AS) which is closely aligned with the International Financial Reporting Standards (IFRS), as issued by International Accounting Standards Board (IASB).

In pursuance of the Budget statement, the Ministry of Corporate Affairs, Government of India after wide consultations with various stakeholders and regulators, on January 2, 2015 has announced a revised Road Map for companies other than Banking Companies, Insurance Companies and Non-Banking Finance Companies (NBFC's) for implementation of Indian Accounting Standards (Ind AS) converged with the International Financial Reporting Standards (IFRS).

According to it, the Indian Accounting Standards (Ind AS) shall be applicable to the companies as follows:

- (i) On voluntary basis for financial statements for accounting periods beginning on or after April 1, 2015, with the comparatives for the periods ending 31st March, 2015 or thereafter;
- (ii) On mandatory basis for the accounting periods beginning on or after April 1, 2016, with comparatives for the periods ending 31st March, 2016, or thereafter, for the companies specified below:
 - (a) Companies whose equity and/or debt securities are listed or are in the process of listing on any stock exchange in India or outside India and having net worth of `500 Crore or more.
 - (b) Companies other than those covered in (ii) (a) above, having net worth of R500 Crore or more.
 - (c) Holding, subsidiary, joint venture or associate companies of companies covered under (ii) (a) and (ii) (b) above.
- (iii) On mandatory basis for the accounting

periods beginning on or after April 1, 2017, with comparatives for the periods ending 31st March, 2017, or thereafter, for the companies specified below:

- (a) Companies whose equity and/or debt securities are listed or are in the process of being listed on any stock exchange in India or outside India and having net worth of less than rupees 500 Crore.
- (b) Companies other than those covered in paragraph (ii) and paragraph (iii)(a) above that is unlisted companies having net worth of rupees 250 crore or more but less than rupees 500 Crore.
- (c) Holding, subsidiary, joint venture or associate companies of companies covered under paragraph (iii) (a) and (iii) (b) above.

However, Companies whose securities are listed or in the process of listing on SME exchanges shall not be required to apply Ind AS. Such companies shall continue to comply with the existing Accounting Standards, unless they choose otherwise.

- (iv) Once a company opts to follow the Indian Accounting Standards (Ind AS), it shall be required to follow the Ind AS for all the subsequent financial statements.
- (v) Companies not covered by the above roadmap shall continue to apply existing Accounting Standards prescribed in Annexure to the Companies (Accounting Standards) Rules, 2006.

[Source: www.pib.nic.in]

Note: The above given academic update is not applicable for May, 2015 examination.

(Board of Studies)

Announcement

ICAI Four Weeks Residential Programme on Professional Skills Development

The Board of Studies is pleased to announce next two batches of Four Weeks Residential Programme on Professional Skills Development at NIFM, Faridabad and CoE, Hyderabad as under:

Venue	Participant	Fees	Date	Links for Registration
National Institute of Financial Management (NIFM), Faridabad (www.nifm.ac.in)	Men &Women	R45,000/-	6 th February, 2015 to 4 th March, 2015	http://220.227.161.86/36176bos25610-main.pdf
Centre of Excellence (CoE), Hyderabad	Men	R40,000/-	20 th February, 2015 to 19 th March, 2015	http://220.227.161.86/35915fwrp-jan-feb15-main.pdf

The programme aims to help the Chartered Accountancy students and newly qualified Chartered Accountants in imbibing the professional skills required for effective functioning in business organisations and the profession. The Programme environment focuses on development of communication skills, personal qualities, interpersonal and teamwork skills, problem solving skills and leadership skills.

Students who have passed Chartered Accountancy IPCC/PCC/PE-II examination and pursuing last year of article training or completed Articleship training are invited to join the course for their respective batch. Recently qualified Chartered Accountants are also welcome to join the course.

Registration may be made by paying 20% of fees through Credit card or Net Banking facility using online payment portal.

In view of **limited seats**, please send your registration as early as possible. Registration is normally on **First-come-First-serve basis**, subject to logical criteria.

For online registration and further details, visit the Board of Studies Announcements under the Students Icon on the Home Page of ICAI website www.icai.org. For any query, contact: 0120-3045935/949.

Director, Board of Studies



To be Published in Part III Section 4 of the Gazette of India

NOTIFICATION

20 January, 2015

No. 13-CA (EXAM)/M/2015: In pursuance of Regulation 22 of the Chartered Accountants Regulations, 1988, the Council of the Institute of Chartered Accountants of India is pleased to notify that the Intermediate (IPC) and Final examinations will be held on the dates given below at the following places, provided that sufficient number of candidates offer themselves to appear from each centre.

Similarly, Examinations in Post Qualification Course under Regulations 204, viz.: Insurance and Risk Management (IRM) examination (which are open to the members of the Institute) will be held on the dates given below at the above places (centres in India only), provided that sufficient number of candidates offer themselves to appear from each of the above places.

Intermediate (IPC) Examination

[As per syllabus contained in the scheme notified by the Council under Regulation 28 E (3) of the Chartered Accountants Regulations, 1988]

Group-I: 3rd, 6th, 8th & 10th May 2015

Group-II: 12th, 14th & 16th May 2015

(Afternoon Session: 2.00 PM to 5.00 PM) (IST)

Final Examination

[As per syllabus contained in the scheme notified by the Council under Regulation 31 (ii) of the Chartered Accountants Regulations, 1988.]

Group -I: 2nd, 5th, 7th & 9th May 2015

Group -II: 11th, 13th, 15th & 17th May 2015

(Afternoon Session: 2.00 PM to 5.00 PM) (IST)

Places Of Examination Centres In India: (For All Examinations)

1	AGRA	2	AHMEDABAD	3	AHMEDNAGAR
4	AJMER	5	AKOLA	6	ALAPPUZHA
7	ALIGARH	8	ALLAHABAD	9	ALWAR
10	AMBALA	11	AMRAVATI	12	AMRITSAR
13	ANAND	14	ANANTAPUR	15	ASANSOL
16	AURANGABAD	17	BANGALORE	18	BAREILLY
19	BATHINDA	20	BEAWAR	21	BELGAUM
22	BELLARY	23	BERHAMPORE	24	BHARATPUR
25	BHARUCH	26	BHAVNAGAR	27	BHILWARA
28	BHIWANDI	29	BHIWANI	30	BHOPAL
31	BHUBANESWAR	32	BHUJ	33	BIKANER
34	BILASPUR	35	CHANDIGARH	36	CHENNAI
37	CHITTORGARH	38	COIMBATORE	39	CUTTACK
40	DEHRADUN	41	DELHI / NEW DELHI	42	DHANBAD
43	DHULE	44	DURG	45	DURGAPUR

46	ERNAKULAM	47	ERODE	48	FARIDABAD
49	FATEHABAD	50	GANDHIDHAM	51	GANDHINAGAR
52	GHAZIABAD	53	GORAKHPUR	54	GUNTUR
55	GURGAON	56	GUWAHATI	57	GWALIOR
58	HISAR	59	HUBLI	60	HYDERABAD
61	ICHALKARANJI	62	INDORE	63	JABALPUR
64	JAIPUR	65	JALANDHAR	66	JALGAON
67	JAMMU	68	JAMNAGAR	69	JAMSHEDPUR
70	JHANSI	71	JHUNJHUNU	72	JIND
73	JODHPUR	74	KAITHAL	75	KAKINADA
76	KANNUR	77	KANPUR	78	KARIMNAGAR
79	KARNAL	80	KISHANGARH	81	KOLHAPUR
82	KOLKATA	83	KOLLAM	84	KOTA
85	KOTTAYAM	86	KOZHICODE	87	KUMBAKONAM
88	KURNOOL	89	LATUR	90	LUCKNOW
91	LUDHIANA	92	MADURAI	93	MANGALORE
94	MAPUSA (GOA)	95	MARGAO (GOA)	96	MATHURA
97	MEERUT	98	MORADABAD	99	MUMBAI
100	MUZAFFARNAGAR	101	MYSORE	102	NAGPUR
103	NANDED	104	NASHIK	105	NAVI MUMBAI
106	NAVSARI	107	NEEMUCH	108	NELLORE
109	NOIDA	110	ONGOLE	111	PALGHAT
112	PALI MARWAR	113	PANIPAT	114	PANVEL
115	PATIALA	116	PATNA	117	PIMPRI-CHINCHWAD
118	PONDICHERRY	119	PUNE	120	RAIPUR
121	RAJAMAHENDRAVARAM	122	RAJKOT	123	RANCHI
124	RATLAM	125	REWARI	126	ROHTAK
127	ROURKELA	128	SAHARANPUR	129	SALEM
130	SAMBALPUR	131	SANGLI	132	SANGRUR
133	SATARA	134	SHIMLA	135	SIKAR
136	SILIGURI	137	SIRSA	138	SIVAKASI
139	SOLAPUR	140	SONEPAT	141	SRI GANGANAGAR
142	SRINAGAR	143	SURAT	144	SURENDRANAGAR
145	THANE	146	THIRUVANANTHAPURAM	147	THRISSUR
148	TINSUKIA	149	TIRUCHIRAPALLI	150	TIRUNELVELI
151	TIRUPATI	152	TIRUPUR	153	TUTICORIN
154	UDAIPUR	155	UDUPI	156	UJJAIN
157	VADODARA	158	VAPI	159	VARANASI
160	VASAI	161	VELLORE	162	VIJAYAWADA
163	VISAKHAPATNAM	164	WARANGAL	165	YAMUNA NAGAR

EXAMINATION ||

Insurance And Risk Management (Irm) Examination

Modules I to IV 11th, 13th, 15th & 17th May 2015

Places Of Examination Centres Overseas: (For Intermediate (Ipc) And Final Examinations Only)

1) Abu Dhabi 2) Dubai 3) Kathmandu 4) Muscat

Payment of fees for the examinations should be made by Demand Draft only. The Demand Drafts may be of any Scheduled Bank and should be drawn in favour of The Secretary, The Institute of Chartered Accountants of India, payable at New Delhi only.

The Council reserves the right to withdraw any centre at any stage without assigning any reason.

Applications for admission to Intermediate (IPC) and Final examinations are required to be made either online at <http://icaiaexam.icaai.org> free of cost (i.e. R1000/- for Intermediate (IPC) & Final candidates for the cost of application form shall not be charged if applications are filled in online) or in the relevant prescribed form, copies of which may be obtained from the Deputy Secretary (Examinations), The Institute of Chartered Accountants of India, 'ICAI BHAWAN', Indraprastha Marg, New Delhi – 110002 on payment of R1,000/- per application form in respect of Intermediate (IPC) and Final Examination candidates, whereas the Examination application form for Insurance and Risk Management (IRM) examination are to be filled up in the paper based form only and is priced at R100/- per application form. The forms shall also be made available in the Regional and Branch Offices of the Institute and can be obtained there from on cash payment on or from 3rd February, 2015.

Applications together with the prescribed fee by Demand Draft of any Scheduled Bank may be sent so as to reach the Deputy Secretary (Examinations) at New Delhi not later than 24th February, 2015. However, applications will also be received at Delhi Office after 24th February, 2015 and upto 3rd March, 2015 with late fee of R500/-. Applications for the students' examinations only duly filled in will also be received by hand delivery at the office of Institute at New Delhi and at the Decentralised Offices of the Institute at Mumbai, Chennai, Kolkata, Kanpur, Delhi, Ahmedabad, Bangalore, Ernakulam, Hyderabad, Indore, Jaipur, Nagpur, Pune, Surat, Thane and Vadodara upto 3rd March, 2015. Candidates residing in these cities are advised to take advantage of this facility. Applications received after 3rd March, 2015 shall not be entertained under any circumstances.

However, application forms duly completed for the Post Qualification Course Examination

i.e. Insurance and Risk Management (IRM) will be received only at the New Delhi office of the Institute.

The candidates who apply online at <http://icaiaexam.icaai.org> from 3rd February, 2015 to 24th February, 2015 and remit the fee online by using either VISA or MASTER Credit/ Debit Card shall not be charged R1000/- in case of Intermediate (IPC) & Final examination (i.e. cost of application form fee). They shall however, be required to remit additional R500/- towards late fee in case the application online is made after 24th February, 2015 and upto 3rd March, 2015.

The fees payable for the various examinations are as under:

INTERMEDIATE (IPC)	
For Both the Groups / Unit - 9	R1600/-
For one of the Groups / Unit 1 to 8	R1000/-
FINAL EXAMINATION	
For Both the Groups	R2250/-
For one of the Groups	R1250/-
Insurance & Risk Management (Irm) Examination	R1000/-

Candidates of Intermediate (IPC) and Final examination opting for Dubai /Abu Dhabi / Muscat are required to remit, US\$ 350 and US\$ 400 respectively or their equivalent Indian Currency irrespective of whether the candidates appears in a group or in both the groups or in a unit.

Candidates of Intermediate (IPC) and Final Examinations opting for Examination Centre at Kathmandu are required to remit Indian R2250/- and Indian R3000/- respectively or their equivalent relevant foreign currency irrespective of whether the candidates appear in a group or in both the groups or in a unit.

Option To Answer Papers In Hindi:

Candidates of Intermediate (IPC) and Final Examinations will be allowed to opt for Hindi medium for answering papers. Detailed information will be found printed in the Information Sheets attached to the relevant application form. However the medium of Examinations will be only English in respect of Post Qualification Course viz.: Insurance and Risk Management (IRM) Examination.

(V. Sagar)
Acting Secretary



The Institute of Chartered Accountants of India
 [Set up by an Act of Parliament]
 Post Box No.7112, 'ICAI BHAWAN', Indraprastha Marg
 New Delhi – 110002

To be Published in Part III Section 4 of the Gazette of India

NOTIFICATION

20 January, 2015

No.13-CA (EXAM)/CPT/June/2015: In pursuance of Regulation 22 of the Chartered Accountants Regulations, 1988, the Council of the Institute of Chartered Accountants of India is pleased to notify that the **Common Proficiency Test** will be held on **Sunday, 14th June, 2015** in two sessions as below, at the following centres, provided that sufficient number of candidates offer themselves to appear from each centre.

per provisions of Regulation 25 D (3) of the Chartered Accountants Regulations, 1988.]

First Session (i.e. Morning Session)	10.30 AM to 12.30 PM (IST) Section - A Fundamentals of Accounting Section - B Mercantile Laws
Second Session (i.e. Afternoon Session)	2.00 PM to 4.00 PM (IST) Section - C General Economics Section - D Quantitative Aptitude

[This Common Proficiency Test will be conducted as

Places Of Examination Centres In India:

1	AGRA	2	AHMEDABAD	3	AHMEDNAGAR
4	AJMER	5	AKOLA	6	ALAPPUZHA
7	ALIGARH	8	ALLAHABAD	9	ALWAR
10	AMBALA	11	AMRAVATI	12	AMRITSAR
13	ANAND	14	ANANTAPUR	15	ASANSOL
16	AURANGABAD	17	BANGALORE	18	BAREILLY
19	BATHINDA	20	BEAWAR	21	BELGAUM
22	BELLARY	23	BERHAMPORE	24	BHAGALPUR
25	BHARATPUR	26	BHARUCH	27	BHAVNAGAR
28	BHILWARA	29	BHIWANI	30	BHOPAL
31	BHUBANESWAR	32	BHUJ	33	BIKANER
34	BILASPUR	35	CHANDIGARH	36	CHENNAI
37	CHITTORGARH	38	COIMBATORE	39	CUTTACK
40	DEHRADUN	41	DELHI / NEW DELHI	42	DHANBAD
43	DHULE	44	DUNDLOD	45	DURG
46	DURGAPUR	47	ERNAKULAM	48	ERODE
49	FARIDABAD	50	FATEHABAD	51	GANDHIDHAM
52	GANDHINAGAR	53	GHAZIABAD	54	GORAKHPUR
55	GUNTUR	56	GURGAON	57	GUWAHATI
58	GWALIOR	59	HISAR	60	HUBLI
61	HYDERABAD	62	INDORE	63	JABALPUR

EXAMINATION ||

64	JAIPUR	65	JALANDHAR	66	JALGAON
67	JAMMU	68	JAMNAGAR	69	JAMSHEDPUR
70	JHANSI	71	JHUNJHUNU	72	JODHPUR
73	KAITHAL	74	KAKINADA	75	KANNUR
76	KANPUR	77	KARIMNAGAR	78	KARNAL
79	KISHANGARH	80	KOLHAPUR	81	KOLKATA
82	KOLLAM	83	KOTA	84	KOTTAYAM
85	KOZHICODE	86	KUMBAKONAM	87	KURNOOL
88	LATUR	89	LUCKNOW	90	LUDHIANA
91	MADURAI	92	MANGALORE	93	MAPUSA (GOA)
94	MARGAO (GOA)	95	MATHURA	96	MEERUT
97	MORADABAD	98	MUMBAI	99	MUZAFFARNAGAR
100	MYSORE	101	NAGPUR	102	NANDED
103	NASHIK	104	NAVI MUMBAI	105	NAVSARI
106	NEEMUCH	107	NELLORE	108	NOIDA
109	ONGOLE	110	PALGHAT	111	PALI MARWAR
112	PANIPAT	113	PANVEL	114	PATIALA
115	PATNA	116	PIMPRI-CHINCHWAD	117	PONDICHERRY
118	PUNE	119	RAIPUR	120	RAJAMAHENDRAVARAM
121	RAJKOT	122	RANCHI	123	RATLAM
124	REWARI	125	ROHTAK	126	ROURKELA
127	SAHARANPUR	128	SALEM	129	SAMBALPUR
130	SANGLI	131	SANGRUR	132	SATARA
133	SHIMLA	134	SIKAR	135	SILIGURI
136	SIRSA	137	SIVAKASI	138	SOLAPUR
139	SONEPAT	140	SRI GANGANAGAR	141	SRINAGAR
142	SURAT	143	SURENDRANAGAR	144	THANE
145	THIRUVANANTHAPURAM	146	THRISSUR	147	TINSUKIA
148	TIRUCHIRAPALLI	149	TIRUNELVELI	150	TIRUPATI
151	TIRUPUR	152	TUTICORIN	153	UDAIPUR
154	UDUPI	155	UJJAIN	156	VADODARA
157	VAPI	158	VARANASI	159	VASAI
160	VELLORE	161	VIJAYAWADA	162	VISAKHAPATNAM
163	WARANGAL	164	YAMUNA NAGAR		

Places Of Examination Centres Overseas:

(1) ABU DHABI (2) DUBAI (3) KATHMANDU

The Council reserves the right to withdraw any centre at any stage without assigning any reason.

Applications for admission to Common Proficiency Test is required to be made in the relevant prescribed form as contained in the Information Brochure, which may be obtained from the **Deputy Secretary (Examinations)**, The Institute of Chartered Accountants of India, ICAI

Bhawan, Indraprastha Marg, New Delhi – 110002 on payment of R1,500/- (R500/- towards examination fee and R1,000/- towards cost of application form and Information brochure) per application form. The fee for candidates opting for Abu Dhabi and Dubai centres will be US \$170 (US \$ 150 towards examination fee and US \$ 20 towards cost of application form and information brochure) or its equivalent Indian Currency. The fee for the candidates opting for Kathmandu centre are required to remit INR.1,850/- (INR 850/- towards examination fee and INR 1,000/- towards the cost of application form

and information brochure) or its equivalent foreign Currency. Since the cost of Information brochure containing Common Proficiency Test application form includes the examination fee, no separate fee is required to be remitted at the time of submitting the filled in application form. The Information brochure containing Common Proficiency Test application form will also be available in the Regional and Branch Offices of the Institute and can be obtained there from on cash payment on or from **7th April, 2015**.

Common Proficiency Test application forms duly filled in may be sent so as to reach the **Deputy Secretary (Examinations)** at New Delhi not later than **28th April, 2015**. Applications received after **28th April, 2015** shall not be entertained under any circumstances. Applications duly filled in will be received by hand delivery at the office of Institute at New Delhi and at the Decentralised Offices of the Institute at Mumbai, Chennai, Kolkata, Kanpur, Delhi, Ahmedabad, Bangalore, Ernakulam, Hyderabad, Indore, Jaipur, Nagpur, Pune, Surat, Thane and Vadodara upto **28th April, 2015**. Candidates residing in these cities are advised to take advantage of this facility. **It may be noted that there is no provision**

for acceptance of application forms after 28th April, 2015 with late fee.

The candidates who fill up the examination application form **online** at <http://icaiaexam.icaai.org> from **7th April, 2015 (10.00 hrs) to 28th April, 2015 (17.30 hrs)** and remit the fee online by using either VISA or MASTER Credit/Debit Card **shall not be charged R 1,000/-** (i.e. cost of application form fee).

The aforesaid Common Proficiency Test (CPT) is open only to students registered with the Institute of Chartered Accountants of India for the Common Proficiency Course on or before 1st April, 2015 and fulfill the requisite eligibility conditions.

Question Paper Booklet Language:

Common Proficiency Test is an objective type multiple choice questions based examination. Candidates will be allowed to opt for Hindi medium Question Paper Booklet for answering the questions. Detailed information will be found given in the Information brochure.

(V. Sagar)
Acting Secretary

Online Mentoring on ICAI Cloud Campus - <http://cloudcampus.icaai.org>

The ICAI Cloud Campus enables Students to learn anytime and from anywhere using e-Learning, Audio Lectures, Video Lectures and Online Mentoring. Students can even learn through Mobile Enabled e-Learning facility on the Students Learning Management System (LMS) on their Mobile Phones/ Smart Phones/Tablets. Online Mentoring is one of the major value added features on the Cloud Campus. The schedule of online mentoring sessions from 3.00 p.m. to 4.00 p.m. is as follows:

Online Mentoring Schedule

Date	Course	Topic	Faculty
Feb 4	Final	Paper 5: Advanced Management Accounting	Dr. N N Sengupta and CA. Deepak Gupta
Feb 6	IIPC	Paper 1: Accounting	CA. Seema Gupta
Feb 11	Final	Paper 4: Corporate and Allied Laws	Ms. Megha Goel
Feb 13	IIPC	Paper 4: Taxation (Part I-Income Tax)	CA. Priya Subramanian and CA. Aparna Chauhan
Feb 20	IIPC	Paper 4: Taxation (Part II-Indirect Tax)	CA. Smita Mishra and CA. Shefali Jain
Feb 23	IIPC	Paper 2: Business Laws Ethics and Communication	Ms. Nisha Gupta
Feb 25	Final	Paper 2: Strategic Financial Management	CA. Ashish Gupta
Feb 27	IIPC	Paper 7: Information Technology and Strategic Management Section A: Information Technology	Ms. Sukriti Arora

Students are advised to register for Online Mentoring Sessions on the ICAI Cloud Campus and provide specific questions/queries that they need to be discussed at least **48 working hours** before the session. Links to access the aforementioned Online Mentoring Sessions are also available on the <http://cloudcampus.icaai.org> under Online Mentoring.

Director, Board of Studies

Toppers of Chartered Accountants Examinations Final Examination-November 2014



VIJENDER AGGARWAL
First
Gurgaon



POOJA R. PAREEK
Second
Ahmedabad



SANTOSH P. NANKANI
Third
Nandurbar



NIKITA GOEL
Third
Howrah

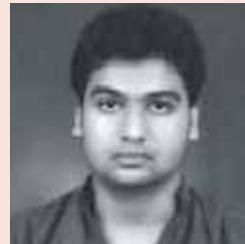
Common Proficiency Test December 2014



PANASA VISWESWARA RAO
First
Vijayawada



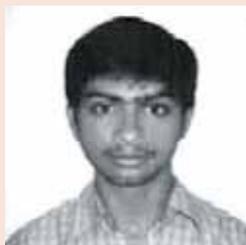
PRANAV PRATIK TULSHYAN
First
Kathmandu



ROHIT KUMAR SONI
First
Raipur



PRATHI SAI KIRAN
Second
Guntur



**YERRASANI MANOJ
KUMAR REDDY**
Second
Guntur



MALISETTY SURYA PRAKASH
Third
Guntur

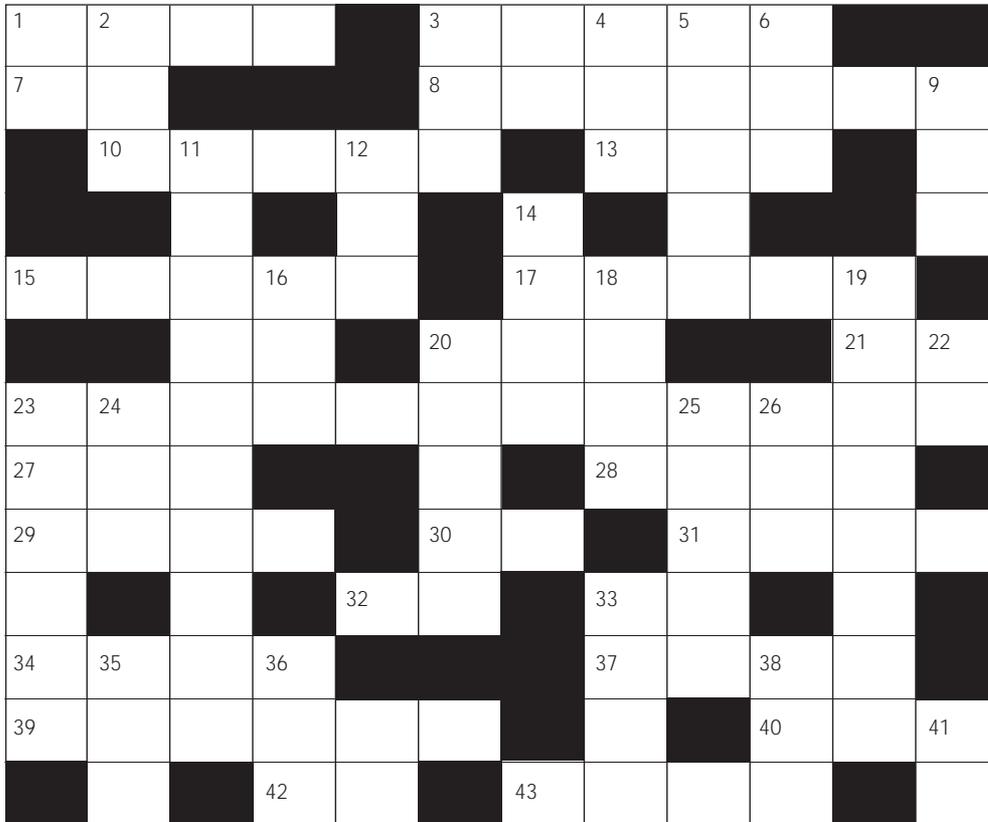


BOLLA MANISHA
Second
Vijayawada



CHITTHARI MAHESH
Third
Vijayawada

Our Hearty Congratulations



ACROSS

1. Section 245A(b) has been amended by the Finance (No.2) Act, 2014 to increase the scope of definition of -----, in respect of which an assessee can make an application to the Settlement Commission.
3. Fiscal year in India starts in _____.
7. Roman numeral for six.
8. _____costs are associated with the purchase and sale of goods.
10. ----- concept has been introduced by the Finance (No.2) Act, 2014 for determination of arm's length price.
13. India is the second largest producer of ----- in the world after China.
15. Under private placement, company making an offer shall ____ its securities within 60 days from the date of receipt of application money.
17. Margin of safety is the difference between the expected levels of _____and the break-even sales.
20. _____is an online based conferencing discussion system and was one of the earliest British Internet service providers.
21. ____ Sir with Love, is the famous book by E. R. Braithwaite.
23. As per new section 245-O, ----- of Authority for Advance Rulings to be a person who has been a Judge of a High Court.
27. Chartered Accountants with ____ qualification will have an edge in matters involving computer aided audit.
28. The term used to find average in statistics.
29. A synonymous of Quote.

30. Opposite of Yes.

31. An agency of Government of India for insurance sector supervision and development.
32. ____Department: A wing of ICAI which looks into Mutual Recognition Agreements (MRAs) with other countries.
33. ____ (s) help in making decisions in business.
34. The -----is a line of portable media players and multi-purpose pocket computers designed and marketed by Apple Inc.
37. The ----- was a group of what are now separate countries, dominated by Russia and existing from 1922 to 1991.
39. Budget _____is a schedule, document or booklet which shows, in written forms the budgeting organisation and procedures.
40. -----can be used to access databases from your web pages.
42. Latin word of example.
43. An act or movement of putting one leg in front of the other in walking or running.

DOWN

1. A -----gives an overview of a person's experience and other qualifications.
2. Broadcast.
3. Copy
4. ----- may refer to decomposition, the process by which organic matter breaks down.
5. A conception of something in its perfection.
6. ----- is a lightweight multi-paradigm programming language designed as a scripting language with extensible semantics as a primary goal.

9. Trigonometric ratio.

11. Cost _____is the allotment of whole item of cost to a cost centre or cost unit.
12. To receive or come to have possession, use, or enjoyment of
14. ----- is the Earth's largest and most populous continent, located primarily in the eastern and northern hemispheres.
16. To sing or chant in praise of somebody.
18. ----- is a coastal town and the capital of Nzema East Municipal district, district in Western Region of South Ghana.
19. _____ costs are compared with actual costs, to determine variances.
20. ----- is the most populous Country in the World.
22. Opposite of off.
23. A person harmed, injured, or killed as a result of a crime, accident, or other event or action.
24. ----- mark is a certification mark for industrial products in India.
25. The Finance (No.2) Act, 2014 has provided for a scheme for taxation of and Invits.
26. Abbreviation of March.
33. Synonymous of leave, usually permanently.
35. All existing assesses or taxpayers or persons who are required to furnish a return of income, even on behalf of others, must obtain -----.
36. It is often used to denote that a deadline for a payment is at hand.
38. A German multinational software corporation that makes enterprise software to manage business operations and customer relations.
41. Conjunction used with either.



CA. K. Raghu, President, ICAI launches ICAI Clean India Programme on the occasion of International Conference for CA Students in Bengaluru. CA. Babu K. Thevar, Chairman, Bengaluru Branch also seen in picture among other dignitaries.



CA. K. Raghu, President, ICAI interacting with the students of Kollam Branch of ICAI.



CA. K. Raghu, President, ICAI interacting with the students on the occasion of National Convention for CA Students at Udupi. Also seen in picture, CA. M. Devaraja Reddy, Chairman, Board of Studies and CA. Babu Abraham Kallivayalil, Central Council Member.



CA. K. Raghu, President, ICAI and Vice President, CA. Manoj Fadnis with the students on the occasion of National Convention for CA Students in Mumbai. CA. Prafulla Chhajed, Vice Chairman, Board of Studies and Central Council Members, CA. Sanjeev Maheshwari and CA. Jay Chhaira also seen in picture among other dignitaries.



CA. K. Raghu, President, ICAI and Vice President, CA. Manoj Fadnis with the students of Ganganagar Branch of ICAI.



CA. K. Raghu, President, ICAI along with his Central Council Colleagues, CA. Charanjot Singh Nanda, CA. Sanjay Agarwal and the managing committee members of Dubai Chapter of ICAI on the occasion of World Women's Summit held in Dubai.

CA. K. Raghu, President, ICAI and Vice President, CA. Manoj Fadnis with the students of Jaipur Branch. ICAI immediate past President, CA. Subodh Agrawal, Chairman, Board of Studies, CA. M. Devaraja Reddy, Central Council Members, CA. Shyam Lal Agarwal, CA. Vijay Garg, CA. Anuj Goyal also seen in picture among other dignitaries.



CA. K. Raghu, President, ICAI presenting the certificate of membership to a newly qualified Chartered Accountant at the Convocation held in Bengaluru in the presence of CA. M. Devaraja Reddy, Chairman, Board of Studies, Central Council Member, CA. V. Murali, SIRC Chairman, CA. P. V. Rajarajeswaran and the Chairman, Bangalore Branch, CA. Babu K. Thevar.

CA. K. Raghu, President, ICAI presenting the certificate of membership to a newly qualified Chartered Accountant at the Convocation held in Mumbai in the presence of Vice President, CA. Manoj Fadnis, CA. Prafulla Chhajed, Vice Chairman, Board of Studies and Central Council Members, CA. Sanjeev Maheshwari, CA. Nilesh Vikamsey and CA. Shrinivas Y. Joshi and WIRC Chairman, CA. Anil Bhandari.



Inauguration of ITT Centre at Calicut. CA. K. Raghu, President, ICAI along with Central Council Member, CA. Babu Abraham Kallivayalil, SIRC Chairman, CA. P. V. Rajarajeswaran and other dignitaries.

CA. K. Raghu, President, ICAI inaugurating the ICAI Reading Room at Bengaluru in the presence of Chairman, Board of Studies, CA. M. Devaraja Reddy, Central Council Member, CA. V. Murali, SIRC Chairman, CA. P. V. Rajarajeswaran and the Chairman, Bangalore Branch, CA. Babu K. Thevar.



CA. K. Raghu, President, ICAI addressing the Accountancy & Commerce Education Summit in New Delhi. CA. Manoj Fadnis, Vice President, ICAI, CA. M. Devaraja Reddy, Chairman, Board of Studies, Vice Chairman, CA. Prafulla Chhajed, Central Council Member, CA. Vijay Gupta and Director, Board of Studies, Shri Vijay Kapur also seen in the dais.



CA. K. Raghu, President, ICAI lighting the auspicious lamp to inaugurate the National Conclave of CA Students at Trichur. Chairman, Board of Studies, CA. M. Devaraja Reddy, Central Council Member, CA. Babu Abraham Kallivayalil, Chairman, Trichur Branch, CA. Sijo P. L. also seen in picture.



CA. K. Raghu, President, ICAI lighting the auspicious lamp to inaugurate the International Conference for CA Students in Bengaluru. Vice President, CA. Manoj Fadnis, Chairman, Board of Studies, CA. M. Devaraja Reddy, Vice Chairman, CA. Prafulla Chhajed, Central Council Member, CA. G. Sekar, SIRC Chairman, CA. P. V. Rajarajeswaran and the Chairman, Bangalore Branch, CA. Babu K. Thevar also seen in picture.



CA. K. Raghu, President, ICAI lighting the auspicious lamp to inaugurate the Convocation Ceremony at Indore in the presence of Vice President, CA. Manoj Fadnis, Central Council Members, CA. V. Murali and CA. Mukesh Singh Kushwah and other dignitaries.

If undelivered, please return to: The Institute of Chartered Accountants of India, ICAI Bhawan, Indraprastha Marg, New Delhi-110104