

CERTIFICATE IN ACCOUNTING AND AUDITING
1. SCHEME OF EXAMINATIONS

PAPER	SUBJECTS	CREDIT	MAX MARKS		TOTAL
			INT	EXT	
Paper-I	Financial Accounting	5	25	75	100
Paper – II	Corporate Accounting	6	25	75	100
Paper-III	Cost and Management Accounting	5	25	75	100
Paper-IV	Practical Auditing	4	25	75	100

2. SYLLABUS

Paper I- Financial Accounting

Learning Objectives:

- To enable the students to equip with the principles of accounting in general.
- To understand the system of keeping financial accounting records

Unit I: Basics of Accounting- Accounting Conventions- Accounting Equations- Trial Balance- Ledger accounts- Final Accounts.

Unit II: Depreciation – Meaning, Causes, Types – Straight-Line Method – Written Down Value Method – Insurance Claims – Average Clause (Loss of Stock only).

Unit III: Single Entry – Meaning, Features, Defects, Differences between Single Entry and Double Entry System – Statement of Affairs Method – Conversion Method.

Unit IV: Branch accounts – Dependent Branches – Stock & Debtors System - Departmental Accounts – Basis for allocation of expenses – Interdepartmental transfer at cost or selling price – Hire-purchase and Installment System – Default and Repossession – Installment Purchase System.

Unit V: Partnership Accounts – Admission of a Partner – Retirement of a Partner – Death of a Partner. Dissolution of partnership – Insolvency of a partner (application of Indian Partnership Act, 1932) – Insolvency of all partners – Gradual realization of asset and Piece – meal distribution.

Note: Questions in Section A, B & C shall be in the proportion of 20:80 between theory and problem.

Reference Books

1. R.L. Gupta & V.K Gupta – Advanced Accounting
2. T.S. Reddy & A.Murthy – Financial Account
3. Shukla & Grewal – Advanced Accounting
4. Jain & Narang – Financial Accounting
5. P.C.Tulsian – Financial Accounting
6. Parthasarathy & A.Jaffarulla – Financial Accounting

Paper II –Corporate Accounting

Learning Objectives:

- To impart knowledge on corporate accounting methods and procedures and to develop skills in the preparation of company accounting statements and in their analysis
- To bring a comprehensive understanding of the advanced issues in accounting for assets, liabilities and owner's equity

Unit I: Issue of Shares and Debentures – various kinds – Forfeiture – Re-issue – Underwriting of Shares and Debentures

Unit II: Purchase of Business-- Profits prior to Incorporation. – Computation of Managerial Remuneration- Schedule III for Financial Statements- Valuation of Goodwill and Shares.

Unit III: Alteration of Share Capital – Internal Reconstruction and Reduction of Capital - Amalgamation – Absorption and external reconstruction of a company

Unit IV: Liquidation – Calculation of Liquidator's Remuneration - Liquidator's final statement of receipts and payments.

Unit V: Accounts of holding companies (inter -company investments excluded) - Preparation of Company Final Accounts – Company Balance Sheet preparation.

Note: Questions in Section A, B & C shall be in the proportion of 20:80 between theory and problem.

Reference Books

1. R.L.Gupta – Corporate Accounting
2. T.S.Reddy&A.Murthy – Corporate Accounting
3. Shukla & Grewal – Advanced Accounting
4. Jain & Narang – Company Accounts
5. Chakraborty – Advanced Accountancy

Paper III- Cost and Management Accounting

Learning Objectives:

To enable the students to evaluate the costs and benefits of different conventional and contemporary costing systems

To impart knowledge on cost and management accounting techniques and to develop the skills of students in the preparation of cost and management accounting statements

To enable the students to analyze cost-volume-profit techniques and understand the preparation of cash flow and fund flow statement to determine optimal managerial decisions.

UNIT I: Cost Accounting – definition, meaning and objectives- advantages and importance- elements of cost and preparation of cost sheets and Tenders-Management Accounting – Meaning, Scope, Importance and Limitations - Management Accounting vs. Cost Accounting - Management Accounting vs. Financial Accounting.

Unit II: Materials - Economic Ordering Quantity- Maximum , minimum and Reordering levels- Methods of Pricing Issues- Labour: Importance of labour cost control- Various Methods of Wage Payments- Calculation of Wages- Methods of Incentives (Bonus) Schemes- Recording labour time- Treatment of “Over Time” and “Idle Time”- Labour Turnover

UNIT III:Overheads (Factory, administration, selling and distribution)- Definition and Meaning of overheads- Classification- Absorption of overheads including “Machine Hour Rate”

UNIT IV: Analysis and interpretation of Financial Statements, nature, objectives, and tools – methods - Comparative Statements, Common Size Statement and Trend Analysis-Ratio analysis - interpretation, benefits and limitations. Classifications of ratios - liquidity, profitability, turnover, capital structure and leverage.

UNIT V: Funds Flow & Cash Flow Statements - Budget and budgetary control- meaning, objectives, merits and demerits - types of budgets- production, cash and flexible budgets. Marginal Costing (excluding Decision-Making) - Absorption Costing and Marginal Costing - CVP Analysis - Break-Even Analysis - Break Even Chart.

Note: Questions in Section A, B & C shall be in the proportion of 20:80 between theory and problem.

Reference Books

1. Dr. Maheswari S.N.- Management Accounting
2. Chadwick- The Essence of Management Accounting
3. Charles T. Horngen and Gary N. Sundem- Introduction to management accounting
4. Sharma and Shashi K.Gupta- Management accounting 5. T.S. Reddy &Y. Hari Prasad Reddy.
5. Hansen/ Mowen- Cost management accounting and control.

Paper IV – Practical Auditing

Learning Objectives:

- To enable the students to understand the auditing procedures and contemporary auditing practices
- To facilitate the students to gain knowledge of various techniques and importance of auditing

UNIT I: Introduction - Meaning and Definition of Auditing - Objectives - Advantages and Limitations of Audit - Scope of Audit - Classifications of Audit - Audit Planning - Audit programme- Audit Note Book, - Audit working papers - Ownership and Custody - Test checking and Routine checking - Internal control - Objectives - Technique for evaluation of Internal Control System. Internal check - difference between Internal control, Internal check and Internal Audit .

UNIT II: Vouching and Verification - Vouching - Meaning and Definitions - Objectives. Trading Transactions - Audit of Ledger- Scrutinizing of ledgers - Vouching of cash Receipts and Payments - Vouching of outstanding Assets and Liabilities - Verification - Meaning - Objectives and Process - Valuation of Assets and liabilities - Distinction between Verification and Valuation.

UNIT III: Audit and Accounting Standards - Types of Audit - Statutory Audit - Concurrent Audit - Stock Audit - Cost Audit - Secretarial Audit - CAG Audit - Management Audit. Accounting Standards - Standards on Auditing - Standards on Internal Audit - Penal Provisions - Role of National Financial Reporting Authority (NFRA)

UNIT IV: Auditors and Audit Report Appointment - Procedures - Eligibility and Qualifications - Powers and Duties - Rotation and Removal of Auditors - Resignation of Auditors - Remuneration of Auditors - Audit report - Preparation and presentation. Auditor's responsibilities and liabilities towards Shareholders, Board and Audit Committee. Restriction on other Services.

UNIT V: Recent Trends in Auditing - EDP Audit - Meaning - Division of auditing in EDP environment. Impact of Computerization on Audit Approach -Procedure of Audit under EDP system- Social Audit- Environmental (Green) Audit- Forensic Audit.

ReferenceBooks

1. Auditing, D.P. Jain Konark Publishers Pvt. Ltd.
2. Auditing, Principles and Practice, Ravinder Kumar and Virender Sharma, Eastern Economy Edition.
3. Practical Auditing, B.N. Tandon, Sultan Chand and Co., New Delhi.
4. Contemporary Auditing, Kamal Gupta, Tata Mc Graw Hill.
5. Practical Auditing, DinkarPagare, Sultan Chand & Sons
6. Sundar. K &Paari. K, Practical Auditing, Vijay Nicole Imprints Pvt. Ltd. Chennai
