

Detailed Syllabus of Continuous Professional Development (CPD) Examination

Stage – I Examination

CI Financial Management

1. Analysis of Financial Statements:

Analysis and Interpretation of Financial Statements, Techniques and limitations of Financial Analysis, Ratio Analysis, Funds Flow Analysis and Cash Flow Analysis.

2. Concepts of Value and Return:

Time preferences for money, present value, future value, value of annuity, Rate of Return.

3. Investment Decisions:

Concepts of Capital Budgeting, Capital Budgeting Appraisal Methods, Tactical Versus Strategic Investment Decisions, Capital Rationing, Factors Affecting Capital Investment Decisions.

4. Financial Planning and Capital Structure:

Estimating Capital Requirements, Fixed Capital, Working Capital, Capitalization, Patterns of Capital Structure

5. Sources of Finance:

Financial Markets, Security Financing, Debentures, Loan Financing, Bridge Finance, Loan Syndication, Book-Building, New Financial Institutions, Venture Capital Institutions, Mutual Funds, Factoring Institutions, New Financial Instruments: Commercial Papers, Securitization of Debt, Global Depository Receipts (GDR), Derivatives: Options, Forward, Future and SWAP, Lease Financing: Concept of Leasing, Types of Lease Agreements, Difference Between Hire Purchase and Lease Financing.

6. International Financial Management:-

Foreign Exchange Market, Exchange Risk Management, Mode of Payment in International Trade; Open Account, Bank Transfer, Letter of Credit, Consignment Sale.

7. Public Procurement:

Principles and Methods of Public Procurement, Transparency and Professionalism in Public procurement, Penalties & debarment etc. Provisions relating to Procurement of goods and services, Outsourcing of services, Contract management and Inventory management as embodied in the General Financial Rules, Indian Contract Act, 1872, The Arbitration & Conciliation Act, 1996.

Suggested Readings:

1. Taxman's Financial Management by Sh. Ravi M. Kishore
2. Indian Financial System by Sh. H R Machiraju, published by Vikas Publishing House Pvt. Ltd. New Delhi 8.
3. Public Procurement Bill, 2012.
4. General Financial Rules (Chapter 6,7,8)
5. Indian Contract Act, 1872.
6. The Arbitration & Conciliation Act, 1996.

C2- Auditing Principles and Standards

Financial and Compliance Audit, Methods and Procedure of auditing including auditing in Information Technology (IT) Environment, Regulations issued on Audit and Accounts issued by the CAG of India. MSO (Audit) including Financial Attest Audit Manual, Auditing Standards issued by the CAG of India, International Auditing Standards issued by the IFAC. Auditing Standards issued by the INTOSAI

Suggested Reading:-

1. Auditing Standards issued by the CAG of India
2. International Auditing Standards issued by IFAC
3. Auditing Standards issued by the INTOSAI
4. MSO (Audit) including financial attest audit manual
5. Regulations on Audit and Accounts.

Stage –II Examination

C 3 - PUBLIC FINANCE

1. Public Financial Management

Meaning and Importance of Public Finance, The Principle of Maximum Social Advantage, Role of Public Finance under different Economic Systems, Concept and Principles of Federal Finance, Analytical study of Union Budget, Government Accounting Standards issued by the GASAB.

2. Public Expenditure

Principles of Public Expenditure, Revenue and Capital Expenditure, Development and Non-Development Expenditure, Effects of Public Expenditure

3. Public revenue

Sources of Revenue, Taxes, Canons of Taxation, Characteristic of Good Tax System, The Theory of Tax Structure Development, Changes in Tax Structure under the Impact of Economic Development, Incidence of taxation Money Burden and Real Burden. Factors Determining Incidence, Relative Merits and Demerits of Direct and Indirect Taxes.

4. Problem of equity

Cost of Service Principle, Benefit or 'Quid Pro Quo' Theory. 'Ability to Pay' Theory, Proportional vs. Progressive Taxation. Taxable Capacity.

5. Public debt

Classification of Public Debt. Purposes of Public Debt. Methods of Debt Redemption. Voluntary or Forced Loans. Effects of Public Debt on Production, Distribution, Consumption and Level of Income and Employment.

6. Economic development and Planning

Concepts of National Income & Product, Central Banking Principles, Functions of Central Banks, Monetary Policy Vs Fiscal Policy, Balance of Payments, Determinants of economic growth, Government Measures to Promote Economic Development, Regulatory Bodies established by laws, Provision of Economic and Social Overheads, Provision of Financial Facilities, Institutional Changes, Direct Participation, Indirect Measures, Forms of Planning : Planning by inducement and planning by Direction, Centralized planning vs. Decentralized Planning Pre-requisites of a Successful Planning.

Suggested Readings:

1. Public Finance in Theory & Practice by Dr. S.K.Singh, published by S.Chand & Company, New Delhi
2. Modern Economic Theory by Dr. K.K. Dewett and Sh M.H. Navalur published by Shyam Lal Charitable Trust, New Delhi (sole distributor S.Chand & Company Ltd, New Delhi)
3. Union Budget
4. Government Accounting Standards issued by the GASAB
5. Fiscal Responsibility and Budget Management Act, 2003

C4- Auditing – Methods and techniques

1. Performance Auditing including Public Private Partnership (PPP) audit, Formulating audit plans including risk analysis. Use of quantitative techniques and analytical procedure in audit, Framing audit objectives and issue analysis, Setting audit criteria, audit of Internal controls including forensic audit, Audit evidence and documentation, Quality assurance in auditing including audit quality management framework and Assurance through Peer Review, Reporting and following audit findings/observations.

2. Practice Guide Series and supplementary guidelines issued by the CAG of India. International Auditing Standards and International Auditing Practice Statements issued by the IFAC, Auditing standard issued by the INTOSAI.

Suggested Reading:-

1. Auditing Standards & Performance Auditing Guidelines issued by the CAG of India
2. Public Audit Guidelines issued by the CAG of India.
3. Internal Control Evaluation Manual issued by the CAG of India.
4. Practice Guide Series and supplementary guidelines issued by the CAG of India.
5. International auditing standards and practice statements issued by IFAC
6. Auditing Standards and guidelines issued by INTOSAI
7. CAG's standing order on role of audit in relation to cases of fraud & corruption
8. Audit Quality Management Framework and Quality Assurance through Peer Review

Stage –III Examination

C5- General Studies & Current Economic Developments

Candidate's awareness of current national issues and topics of socio- economic relevance in Current environment such as the following:

1. The Indian economy and issues relating to planning, mobilization of resources, growth, development and employment.
2. Issues arising from the social and economic exclusion of large sections from the benefits of development issues relating to good governance and accountability to the citizens.
3. Environmental issues, ecological preservation, conservation of natural resources.
4. Issues relating to India's Economic Interaction with the World such as foreign trade, foreign Investment: economic and diplomacy issues relating to oil, gas and energy flows: the role and functions of I.M.F., World Bank, W.T.O., WIPO etc which influence India's economic interaction with other countries and international institutions.
5. Current developments in the field of science and technology, information technology, space, nanotechnology, biotechnology and related issues regarding intellectual property rights.

C-6 – APPLIED PUBLIC AUDITING

Candidate' proficiency in application of best practices in Public Auditing, reporting of audit observations and assessing the impact of audit findings will be tested on the basis of generally accepted auditing and assurance standards such as –

Auditing Standards, Guidelines and Best practices series issued by the C&AG of India,
International Auditing standards, practice statements and Assurance Standards issued by the IFAC.
Auditing standards and best practices guidelines issued by the INTOSAI.