

OFFICE OF COMPTROLLER AND AUDITOR GENERAL OF INDIA
10 BAHADUR SHAH ZAFAR MARG
NEW DELHI - 110124

No. 810/14-Exam/Revised Syllabus/2018
Dated 27 August 2019

Examination Wing
Circular No. 17 of 2019

To

Heads of Department of IA&AD offices
(As per e-mail list)

Subject: Revised Syllabus of Revenue Audit Examination and Continuous Professional Development Examinations

Sir/Madam,

The competent authority has approved the *revised syllabus* of the following departmental examinations:

- (i) **Revenue Audit Examination**
- (ii) **Continuous Professional Development Examinations (CPD I, CPD II & CPD III)**

The revised syllabus (copy enclosed) is being uploaded on CAG's website and can be viewed/downloaded from the website. **No hardcopy will be sent.**

2. The revised syllabus of **Revenue Audit Examination** shall be implemented from the **Main Examination 2019**, which is likely to be held in the month of November.
3. The revised syllabus of **Continuous Professional Development Examinations (CPD I, CPD II & CPD III)** shall be implemented from the **Main Examination 2020**.
4. **Goods and Services Tax (GST)** has been introduced in the revised syllabus of Revenue Audit Examination. Therefore, necessary training in GST needs to be imparted to the candidates. Instructions in this regard will be issued shortly.
5. Receipt of this circular may please be acknowledged by email to examsection@cag.gov.in

Yours faithfully,



(Manish Kumar)

Director General (Examination)

Revised Syllabus of Continuous Professional Development Examinations

Stage I Examination

C-1 Financial Management

Duration: 2 hours

Maximum Marks: 100

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 preference 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. Indian Contract Act, 1872, The Arbitration & Conciliation Act, 1996.

Suggested Reading:

The suggested reading is as follows:

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. The Indian Contract Act 1872 as amended up to 31 December 2017
4. The Arbitration & Conciliation Act, 1996 as amended up to 31 December 2017

C-2 Accounting and Auditing Principles & Standards

Duration: 2 hours

Maximum Marks: 100

Provisions of -

1. CAG's Auditing Standards 2017
2. International Auditing Standards issued by the IFAC
3. Indian Accounting Standards (IND ASs) notified by the Ministry of Corporate Affairs
4. Indian Government Accounting Standards (IGASs) issued by Government Accounting Standards Advisory Board (GASAB)
5. International Public Sector Accounting Standards (IPSAS) issued by International Public Sector Accounting Standards Board (IPSASB)
6. Guidelines on Data Analytics issued by CAG

Suggested Reading:

The suggested reading is as follows:

Standards and Guidelines issued by the authorities concerned, as indicated above.

C-3 Public Finance

Duration: 2 hours

Maximum Marks: 100

Sl. No. Syllabus and Topics

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, Latest Finance Commission-recommendations and implementation (as available on 1st April of the previous year). Analytical study of Union Budget and Fiscal Responsibility and Budget Management Act, 2003

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, 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.

5. Public Debt

Classification of Public Debt. Purposes of Public Debt. Methods of Debt Redemption. 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 Reading:

The suggested reading is as follows:

- (i) Public Finance in Theory & Practice by Dr. S. K. Singh, published by S. Chand & Company, New Delhi
- (ii) Part II to VIII of 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)
- (iii) Union Budget (latest available)
- (iv) Fiscal Responsibility and Budget Management Act, 2003 and FRBM Rules 2004, as amended up to 1st April of the previous Financial Year
- (v) Recommendations of latest Finance Commission (as available on the 1st April of the previous Financial Year)

C-4 General Principles of Economics

Duration: 2 hours

Maximum Marks: 100

<u>Sl. No.</u>	<u>Syllabus and Topics</u>
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	<u>Economics</u>
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| 1. | Basic Concepts |
| 2. | Demand and Supply |
| 3. | Consumer Theory |
| 4. | Production and Costs |
| 5. | Types of Markets |
| 6. | Definitions and characteristics of different types of markets |

	<u>International Trade</u>
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| 7. | Basics – classical and neo-classical trade theories |
| 8. | Instruments of Trade Policy |
| 9. | International Financial System |

Suggested Reading:

The suggested reading is as follows:

- (i) Economics by Paul Samuelson and William Nordhaus (Indian Edition)
- (ii) Modern Economic Theory by K.K. Dewett & M.H. Navalur

Stage III Examination

C5- General Studies & Current Economic Developments

Duration: 2 hours

Maximum Marks: 100

This paper seeks to test the 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 IMF, 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.
6. Sustainable Development Goals and their implementation in India

Suggested Reading:

The suggested reading/sources are as follows:

<http://www.niti.gov.in/content/overview-sustainable-development-goals#>

National e-Governance Programme (NeGP)

<http://meity.gov.in/divisions/national-e-governance-plan>

Digital India

<http://digitalindia.gov.in/>

C6 Information Systems Audit

Duration: 2 hours

Maximum Marks: 100

PART I: INTRODUCTION

- 1 Overview of Information Systems Auditing
- 2 Conducting an Information Systems and Audit

PART II: THE MANAGEMENT CONTROL FRAMEWORK

- 3 Top management Controls
- 4 Systems Development Management Controls
- 5 Programming Management Controls
- 6 Data Resource Management Controls
- 7 Security Management Controls
- 8 Operations Management Controls
- 9 Quality Assurance Management Controls

PART III: THE APPLICATION CONTROL FRAMEWORK

- 10 Boundary Controls
- 11 Input Controls
- 12 Communication Controls
- 13 Processing Controls
- 14 Database Controls
- 15 Output Controls

PART IV: EVIDENCE COLLECTION

- 16 Audit Software
- 17 Code Review, Test Data and Code Comparison
- 18 Concurrent Auditing Techniques
- 19 Interviews, Questionnaires and Control Flowcharts
- 20 Performance Measurement Tools

PART V: EVIDENCE EVALUATION

- 21 Evaluating Asset Safeguarding and Data Integrity
- 22 Evaluating System Effectiveness
- 23 Evaluating System Efficiency

PART VI: INFORMATION SYSTEMS AUDIT MANAGEMENT

- 24 Managing the Information Systems Audit Function

Suggested Reading:

The suggested reading/sources are as follows:

Information Systems Control and Audit by Ron Weber (published by Pearson)