

CAT SYLLABUS 2012



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)

NOTIFICATION
FOR INTRODUCTION OF
CERTIFICATE IN ACCOUNTING TECHNICIANS

“SYLLABUS 2012”

CAT SYLLABUS 2012

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)
12, SUDDER STREET, KOLKATA-700 016.

Kolkata, the 1st January, 2013

NOTIFICATION

No. CMA (4)/2013: In pursuance of sub-regulation (b) of Regulation 20B and Regulations 30 & 31 of the Cost and Works Accountants Regulations, 1959, it is hereby notified that in exercise of powers conferred by clause (a) of sub-section (2) of Section 15 of the Cost and Works Accountants Act, 1959, the Council of the Institute of Cost Accountants of India at its 277th meeting held on 1st October, 2012 has approved the "Syllabus 2012" for introduction w.e.f. 1st January, 2013 as annexed in Annexures 1 & 2. Students admitted to the Courses of the Institute, w.e.f. 1st January, 2013 shall pursue Courses under "Syllabus 2012".

The First Examination under "Syllabus 2012" shall be conducted in December 2013.

The Last Examination under "Syllabus 2008" shall be conducted in June 2014.

Examination under both the Syllabi shall be conducted simultaneously as under:

Examination to be held in	Examinations to be held under	
June 2013	CAT Syllabus 2008	
December 2013	CAT Syllabus 2008	CAT Syllabus 2012
June 2014	CAT Syllabus 2008	CAT Syllabus 2012
December 2014 and onwards (until further notification)	CAT Syllabus 2012	

This issues with the approval of the competent authority.

Kaushik Banejee
Additional Secretary

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Summary of the Course:

Foundation Course (Entry Level) Part-I

Paper I: Fundamentals of Financial Accounting

Paper II Applied Business and Industrial Laws

Paper III Financial Accounting - 2

Paper IV: Statutory Compliance

Delivery Strategy

Class Room oral coaching

Learning Strategy

Class Room Learning

On-line/off-line self paced studies

ASSESSMENT STRATEGY

On line/off line periodical self-assessment

Course end examination- Multiple Choice Questions

To be answered in OMR answer sheets/on-line

Competency Level (Part-II)

- (A) Fundamentals of computers
- (B) Filing of statutory returns
- (C) Introduction to costing principles and preparation of cost statements
- (D) 5-days Orientation Programme

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FOUNDATION COURSE (ENTRY LEVEL) PART-I

Paper I: Fundamentals of Financial Accounting

OBJECTIVES

To provide an insight into the fundamentals of financial accounting and its principles.

Learning Aims

The Syllabus aims to test the student's ability to:

- ❖ Understand and explain the conceptual framework of Accounting
- ❖ Prepare Accounts for various entities under different situations

Skill set required

Level A: Requiring the skill levels of knowledge and comprehension

CONTENTS
Fundamentals of Financial Accounting-(Accounting Paper I)
1. Process of Accounting
2. Reconciliation Statement
3. Accounting for Depreciation
4. Preparation of Final Accounts
5. Accounting for Special Transactions
6. Cash and Fund Flow Statements

Section A: Fundamentals of Financial Accounting

1. Process of Accounting

- (a) Basic Accounting Formulas and Accounting Terminologies

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- (b) Capital and Revenue transactions- capital and revenue expenditures, capital and revenue receipts
- (c) Measurement, Valuation and Accounting estimates
- (d) Double entry system, Books of prime entry, Subsidiary Books
- (e) Recording of Cash and Bank transactions
- (f) Voucher preparations
- (g) Preparation of Ledger Accounts
- (h) Preparation of Trial Balance- interpretation and usefulness
- (i) Rectification of Errors

2. Reconciliation Statements

- (a) Bank Reconciliation Statement
- (b) Receivables / Payables Reconciliation Statement

3. Accounting for Depreciation

Methods, computation and Accounting treatment

4. Preparation of Final Accounts

- (a) **Of a Profit making concern (for sole proprietorship concern and partnership firm only)**
 - (i) Preparation of Trading Account, Profit & Loss Account and Balance Sheet
 - (ii) Accounting treatment of bad debts, reserve for bad and doubtful debts, provision for discount on debtors and provision for discount on creditors
- (b) **Of a Not-for- Profit making concern**
 - (i) Preparation of Receipts and Payments Account;
 - (ii) Preparation of Income and Expenditure Account
 - (iii) Preparation of Balance Sheet

5. Accounting for Special Transactions

- (a) Bills of Exchange
- (b) Consignment
- (c) Joint Venture
- (d) Sale of goods on approval or return basis

6. Cash and Fund Flow Statements

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Paper II: Applied Business and Industrial Laws

Syllabus Structure

OBJECTIVES

To gain basic knowledge in Laws and Ethics to understand the concepts of legal compliance requirements from entry level executives.

Learning Aims

The syllabus aims to test the student's ability to:

- ❖ Acquire adequate knowledge of the basic concepts of laws
- ❖ Understand the basic knowledge of legal compliance and requirements

Skill sets required

Level A: Requiring the skill levels of knowledge and comprehension

Note: *Subjects related to applicable statutes shall be read with amendments made from time to time.*

Section A : Fundamentals of Applied Commercial Laws	70%
1. Laws of Contracts	
2. Laws relating to Sale of Goods	
3. Banking Laws and operations	
4. Partnership Act & Limited Liability Partnership	
Section B: Fundamentals of Applied Industrial	30%

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Laws	
5. Factories Act,1948 & Shop Act	
6. Payment of Wages Act, 1936 and Minimum Wages Act,1948	
7. The Employees' State Insurance Act, 1948	
8. Provident Fund Act	
9. Payment of Bonus Act	
10. Payment Gratuity Act	

Section A: Fundamentals of Applied Commercial Laws [70 marks]

1. Laws of Contracts

- (a) Essential elements of a contract, offer and acceptance
- (b) Void and voidable agreements
- (c) Consideration, legality of object and consideration
- (d) Capacity of Parties, free consent
- (e) Quasi-contracts, contingent contracts, termination or discharge of contracts

2. Laws relating to Sale of Goods

- (a) Definition
- (b) Transfer of ownership
- (c) Performance of the Contract of Sale

3. Banking Laws and operations

- (a) Basics of Banking laws and regulations
- (b) Concept of working capital and term funds
- (c) Acceptance and negotiation
- (d) Rights and liabilities of Parties
- (e) Dishonor of a Negotiable Instrument
- (f) Banking procedures and negotiable instruments

4. (I) Partnership Act

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- a. Nature of Partnership
- b. Rights and Liabilities of Partners
- c. Dissolution of Firms

(II) Limited Liability Partnership

- a. Features
- b. Difference between Partnership and LLPs
- c. Difference between LLPs and Companies

Section B: Fundamentals of Industrial Laws [30 marks]

5. Factories Act,1948 & Shop Act

- (a) Objective, Scope
- (b) Applicability of Factories Act,1948

6. Payment of Wages Act, 1936 and Minimum Wages Act,1948

- (a) Objective , Scope
- (b) Applicability of Payment of Wages Act, 1936 and Minimum Wages Act,1948

7. The Employees' State Insurance Act, 1948

- a) Objective, scope
- b) Applicability of ESI Act, 1948

8. Provident Fund Act

- a) Objective, scope
- b) Applicability of PF Act

9. Payment of Bonus Act

- a) Objective, scope
- b) Applicability of Bonus Act

10. Payment of Gratuity Act

- a) Objective, scope
- b) Applicability of Gratuity Act, 1948

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Paper III:Financial Accounting- 2

Objective: To train the students on Pay Roll Accounting, Store Accounting, Sales Accounting and Asset Accounting enable them to gain skills in these areas.

Sl. No	Course	Weightage
A	Pay Roll Accounting	25%
B	Store Accounting	25%
C	Sales Accounting	25%
D	Asset Accounting	25%

(A) Pay Roll Accounting:

1. Concept of Pay Roll Accounting
2. Process of Pay Roll Accounting
Pay/Salary, Gross-earnings, deductions- statutory and non-statutory deductions- responsibility of the employers
3. Statutory Deductions- EPF/ESI/Income Tax/Professional Tax/other and its accounting.

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4. Accounting of Bonus and Gratuity

(B) Store Accounting

- (i) Pricing of purchase of materials
- (ii) Issue of materials from stores.
- (iii) Pricing of returned materials
- (iv) Issue of materials to other formations
- (v) Issue of materials for disposals

(C) Sales Accounting

1. Recognize revenue items at the proper time on the income statement.
2. Account for cash and credit sales.
3. Compute and interpret sales returns and allowances, sales discounts, and bank credit card sales.
4. Manage cash and its importance to the company.
5. Estimate and interpret uncollectible accounts receivable balances.
6. Assess the level of accounts receivable.
7. Develop and explain internal control procedures.

(D) Asset Accounting

1. Meaning of Asset Accounting
2. Current Asset Accounting
3. Fixed Asset Accounting
4. Project Accounting

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Paper IV: Statutory Compliance

OBJECTIVES

To gain understanding and to provide working knowledge of procedures, records and returns under tax laws and companies act.

Learning Outcomes

On completion of their studies students should be able to:

- Know the basic principles underlying direct as well as indirect taxes.
- Know various records and returns under tax laws.
- Know statutory compliance under companies act.

(A) Concept of Taxation

1. Central Excise

- Concept of Excise
- Laws relating to Excise
- Goods Manufactured & Manufacturer
- Classification of goods
- Valuation under central excise.
- Basic Procedures and Records
 - i) Registration
 - ii) Storage & Accounting
 - iii) Invoice
 - iv) Excise Duty Payment
 - v) Periodic Returns

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- vi) Export Procedures
- vii) Export under Bond and Export under Rebate
- viii) Bringing goods in Factory for repairs

- CENVAT CREDIT

- i) Background of Cenvat
- ii) Cenvat on Inputs / Input Service and Capital Goods
- iii) Availment & Utilization of Cenvat Credit
- iv) Exempted Goods / services and obligation
- v) Removal of inputs / capital goods
- vi) Records / Accounting of Cenvat

- Job-Work under Excise
- Small Scale Industries and Excise.

2. Customs

- i) Introduction
- ii) Scope
- iii) Types of Customs Duties
- iv) Valuation under Customs
- v) Customs Procedures
- vi) Import Procedure
- vii) Export Procedure
- viii) Baggage
- ix) Exemptions / Refunds

3. Service Tax

- Background
- Nature of Service Tax
- Service Provider and receiver
- Value of service
- Negative List
- Procedure
 - i) Registration
 - ii) Billing
 - iii) Payment
 - iv) Returns
- Export & Import of Services Shared be same as one

4. VAT / CST

- Scope
- Interstate / Intrastate Sale
- Various forms under CST

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- Returns

5. Income Tax

- Basic Concepts
 - i) Assessment Year
 - ii) Previous Year
 - iii) Person
 - iv) Assesse
 - v) Income
 - vi) Residence/Non-residence,etc...
- Income exempt from Tax
- Salary
- House Property
- Profits & Gains of Business or Profession
- Assessments
- TDS
- Returns

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COMPETENCY LEVEL PART-II

Objective:

The Courses under Competency Level will enable the students to have application oriented learning and enhance their skill sets in managing the functions of entry level accounting and other related areas.

Delivery Strategy

Class Room Training and hands on Training on Computers

Learning Strategy

Class Room Learning
On-line/off-line self paced studies

ASSESSMENT STRATEGY

On line periodical self-assessment
Course end on-line assessment.

(A) Fundamentals of Computers

- (i) Hardware
- (ii) Software
- (iii) Peripherals

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- (iv) Microsoft Windows
- (v) Microsoft Office
- (vii) Microsoft Excel
- (viii) Computerized Accounting- Tally ERP 9.0

(B) Filing of Statutory Returns

- (i) Income Tax
- (ii) TDS
- (iii) Service Tax
- (iv) VAT/GST
- (v) PF
- (vi) ESI
- (vii) Professional Tax
- (viii) Forms & Returns under MCA 21

(C) Introduction to Costing Principles & Preparation of Cost Statements

- a) Cost Data collection, Cost Sheet formats,
- b) Preparation of Cost Sheets (historical cost sheets and estimated cost sheets)
- c) preparation of cost sheets leading to project Accounting/controls)

(D) Five day Orientation Program