

## Important Announcement

1<sup>st</sup> August, 2013

**Sub: Revision of syllabus of Group - I - Paper- 4 - Taxation - Part - II and Group - II - Paper - 7 - Section A: Information Technology of Intermediate (IPC) Course; and Group - II - Paper - 6 Information Systems Control and Audit and Group - II - Paper - 8 - Indirect Tax Laws of Final Course.**

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As per the decision of the Council taken at its 324<sup>th</sup> held in March, 2013, it is notified for information of students and the public at large that the examination in the following papers effective from November 2014 examination and onwards shall be held as per the revised syllabus, as specified by the Council in terms of its authority as vested in Regulation 28E (3) and 31(ii) in respect of Intermediate (IPC)/Accounting Technician Examination and Final Examination respectively.

<b>Intermediate (IPC) Examination/ Accounting Technician Examination (ATE) under Regulation 28E (3) of the Chartered Accountants Regulations, 1988.</b>	<b>Paper 4:</b> Part I : No change  Part II: Taxation i.e. Service Tax (25 Marks) and VAT (25 Marks)  <b>Paper 7: Section A: Information Technology (50 Marks)</b>
<b>Final Examination under Regulation 31 (ii) of the Chartered Accountants Regulations, 1988</b>	<b>Paper 6: Information Systems Control and Audit (100 Marks)</b>  <b>Paper: 8: Indirect Tax Laws (100 Marks)</b>

The detailed Revised Syllabi in respect of aforesaid papers of Intermediate (IPC) and Final Examinations are hereby attached for the information of students and general public.

It is clarified that there is no change in the syllabus of remaining papers of Intermediate (IPC) Course and Final Course, except as specified above.

**Director, Board of Studies**

INTERMEDIATE (IPC), GROUP I, PAPER 4: TAXATION

Syllabus

PART II – INDIRECT TAXES (50 MARKS)

Objective:

To develop an understanding of the basic concepts of the different types of indirect taxes and to acquire the ability to analyse the significant provisions of service tax.

1. Introduction to excise duty, customs duty, central sales tax and VAT – Constitutional aspects, Basic concepts relating to levy, taxable event and related provisions
2. Significant provisions of service tax
  - (i). Constitutional Aspects
  - (ii) Basic Concepts and General Principles
  - (iii) Charge of service tax including negative list of services
  - (iv) Point of taxation of services
  - (v) Exemptions and Abatements
  - (vi) Valuation of taxable services
  - (vii) Invoicing for taxable services
  - (viii) Payment of service tax
  - (ix) Registration
  - (x) Furnishing of returns
  - (xi) CENVAT Credit [Rule 1 -9 of CENVAT Credit Rules, 2004]

Note – If new legislations are enacted in place of the existing legislations the syllabus will accordingly include the corresponding provisions of such new legislations in place of the existing legislations with effect from the date to be notified by the Institute. Students shall not be examined with reference to any particular State VAT Law.

# Intermediate (IPC), Group-II, Paper-7A: Information Technology

Paper - 7A: Information Technology (50 Marks)

## Syllabus

Level of Knowledge: Working Knowledge

Objective: "To develop understanding of Information Technology as a key enabler and facilitator of implementing Information Systems in enterprises and their impact on business processes and controls".

### Contents

#### **1. Business Process Management & IT**

- Introduction to various Business processes – Accounting, Finances, Sale, Purchase etc.
- Business Process Automation – Benefits & Risks
- Approach to mapping systems : Entity Diagrams, Data Flow Diagrams, Systems Flow diagrams, Decision trees/tables,
- Accounting systems vs. Value chain automation, Information as a business asset
- Impact of IT on business processes, Business Risks of failure of IT
- Business Process Re-engineering

#### **2. Information Systems and IT Fundamentals**

- Understand importance of IT in business and relevance to Audit with case studies.
- Understand working of computers and networks in business process automation from business information perspective
- Concepts of Computing (Definition provided by ACM/IEEE and overview of related terminologies)
- Overview of IS Layers – Applications, DBMS, systems software, hardware, networks & links and people
- Overview of Information Systems life cycle and key phases
- Computing Technologies & Hardware – Servers, end points, popular computing architectures, emerging computing architectures & delivery models – example: SaaS, Cloud Computing, Mobile computing, etc.
- Example: Overview of latest devices/technologies – i5, Bluetooth, Tablet, Wi-Fi, Android, Touchpad, iPad, iPod, Laptop, Notebook, Smartphone, Ultra- Mobile PC etc.)

#### **3. Telecommunication and Networks**

- Fundamentals of telecommunication
- Components and functions of Telecommunication Systems
- Data networks – types of architecture, LAN, WAN, Wireless, private and public networks etc.
- Overview of computing architectures – centralised, de-centralised, mainframe, client-server, thin-thick client etc.
- Network Fundamentals – Components, Standards and protocols, Network risks & controls – VPN, Encryption, Secure protocols,

- Network administration and management – concepts and issues
- How information systems are facilitated through telecommunications.
- How Internet works, Internet architecture, key concepts, risks and controls
- e-Commerce and M-commerce technologies

#### **4. Business Information Systems**

- Information Systems and their role in businesses
- IT as a business enabler & driver – ERP, Core Banking System, CRM, SCM, HRMS, Payment Mechanisms
- The relationship between organisations, information systems and business processes
- Accounting Information Systems and linkages to Operational systems
- Business Reporting, MIS & IT
- Organisation Roles & responsibilities and table or authorities, importance of access controls, privilege controls
- Specialised systems - MIS, DSS, Business Intelligence, Expert Systems, Artificial Intelligence, Knowledge Management systems etc.

#### **5. Business process automation through Application software**

- Business Applications – overview and types
- Business Process Automation, relevant controls and information systems
- Information Processing & Delivery channels and their role in Information Systems
- Key types of Application Controls and their need
- Emerging concepts – Virtualisation, Grid Computing, Cloud delivery model

## Final Course, Group-II, Paper-6:

### Information Systems Control and Audit

(One Paper – Three Hours - 100 Marks)

#### Syllabus

Level of Knowledge: Advanced Knowledge

Objective: "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".

#### Contents

##### 1. Concepts of Governance and Management of Information Systems

Governance, Risk and compliance and relationship between governance and management.

Role of information technology and IS Strategy in business strategy, operations and control, business value from use of IT, business impact of IS risks different types of Information Systems Risks, IS Risk management overview, IT Compliance overview – Role and responsibilities of top management as regards IT-GRC. Role of Information Systems Assurance. Overview of Governance of Enterprise IT and COBIT

##### 2. Information Systems Concepts

Overview of information systems in IT environment and practical aspects of application of information systems in enterprise processes. Information as a key business asset and its relation to business objectives, business processes and relative importance of information systems from strategic and operational perspectives. Various types of business applications, overview of underlying IT technologies.

##### 3. Protection of Information Systems

Need for protection of Information systems, types of controls, IT general controls, logical access controls & application controls. Technologies and security management features, IS Security Policies, procedures, practices, standards and guidelines, IT controls and control objectives, Role of technology systems in control monitoring, segregation of duties. Impact of IT controls on Internal controls over financial reporting, cyber frauds and control failures.

##### 4. Business Continuity Planning and Disaster recovery planning

Assessing Business Continuity Management, Business Impact Analysis and Business Continuity Plans, Disaster recovery from perspective of going concern, Recovery Strategies

##### 5. Acquisition, Development and Implementation of Information Systems (SDLC)

Business process design (integrated systems, automated, and manual interfaces), Software procurement, RFP process, evaluation of IT proposals, computing ROI, Computing Cost of IT implementation and cost benefit analysis, systematic approach to SDLC and review of SDLC controls at different stages.

##### 6. Auditing & Information Systems

Different types of IS audit and assurance engagements. Evaluating IT dependencies for audit planning. Overview of continuous auditing. Auditing Information Systems- Approach methodology, and standards for auditing information systems. IS Audit planning, performing an IS audit, rules of digital evidence, best practices and standards for IS audit.

Reviewing General Controls, Application Controls, Application control reviews: Review of controls at various levels/layers such as: Parameters, user creation, granting of access rights, input, processing and output controls.

7. Information Technology Regulatory issues

Overview of Specific section of IT Act 2008 & Rules as relevant for assurance: Electronic Contracting, digital signatures, cyber offences, etc. Need for systems audit as per various regulations such as: SEBI Clause 49 listing requirements and internal controls, systems control & audit requirements as per RBI, SEBI, IRDA. Concepts of Cyber forensics/Cyber Fraud investigation, Overview of Information Security Standards ISO 27001, ISAE 3402/SA 402, ITIL

8. Emerging Technology: Overview of Cloud Computing, Software as a Service, Mobile Computing & BYOD, Web 2.0 & social media, Green IT and related security and audit issues

## FINAL GROUP II

### PAPER 8 : INDIRECT TAX LAWS

(One paper – Three hours – 100 marks)

#### Syllabus

Level of Knowledge: Advanced knowledge

Objectives:

- (a) To gain advanced knowledge of the principles of the laws relating to central excise, service tax and customs
- (b) To acquire the ability to apply the knowledge of the provisions of the above-mentioned laws to various situations in actual practice

Contents:

Section A: Central Excise (25 marks)

Central Excise Act, 1944 and the Central Excise Tariff Act, 1985

Section B: Service Tax (50 marks)

Law relating to service tax as contained in the Finance Act, 1994 as amended from time to time

Section C: Customs and Foreign Trade Policy (25 marks)

Customs Act, 1962, Customs Tariff Act, 1975 and Foreign Trade Policy to the extent relevant to the Customs Law

Note – If new legislations are enacted in place of the existing legislations relating to central excise, customs and service tax, the syllabus will accordingly include such new legislations in place of the existing legislations with effect from the date to be notified by the Institute.