

VISION

"To be the Preference in Value Optimization for Business"

MISSION STATEMENT

"To develop strategic leaders through imparting quality education and training in Management Accounting, to continually set and upgrade professional standards and to conduct research, bringing value-addition to the economy"

SYLLABUS - 2005



Estd. 1951

Institute of Cost and Management Accountants of Pakistan

(Constituted under Cost & Management Accountants Act 1966)

Head Office: ST-18/C, Block-6, Gulshan-E-Iqbal, Karachi-75300

Telephone: (92- 21) 9243900,1,2 & 4 Fax: (92- 21) 9243342 Website: www.icmap.com.pk



List of Course

Code Stage-1

- S-101** Fundamentals of Financial Accounting
- S-102** Business Economics
- S-103** Business Laws
- S-104** Business English

Stage-2

- S-201** Fundamentals of Cost and Management Accounting
- S-202** Management and Marketing
- S-203** Business Mathematics & Statistics
- S-204** Introduction to Information Technology

Stage-3

- S-301** Financial Accounting
- S-302** Business Taxation
- S-303** Cost and Management Accounting - Performance Appraisal
- S-304** Presentation & Communication Skills

Stage-4

- S-401** Advanced Financial Accounting & Analysis
- S-402** Integrated Management
- S-403** Corporate Laws & Secretarial Practices

Stage-5

- S-501** Financial Reporting
- S-502** Management Accounting Decision Making
- S-503** Risk Management and Audit

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- S-601** Strategic Financial Management
- S-602** Information Systems and I.T. Audit
- S-603** Management Accounting - Business Strategy



STAGE-1

S-101 - FUNDAMENTALS OF FINANCIAL ACCOUNTING

i. Introduction:

This course basically deals with the Fundamentals of Financial Accounting. The students are expected to learn an understanding of accounting concepts, principles, procedures and systems for preparation of financial statements, computer-based accounting application, accounting treatment of current assets and liabilities, tangible and intangible assets. Students should become adept at classifying problems, situations and applying the required accounting principles.

ii. Objectives:

To provide the students with:

- an applied knowledge of accounting principles, concepts and skills of accounting, and preparing

financial statements manually and through computer.

iii. Outcomes:

On completion of this course, students should be able to:

- apprehend and explain the fundamental accounting principles and concepts,
- record transactions in journal,
- prepare ledger accounts, trial balance,
- prepare bank and cash accounts, bank reconciliation statements and petty cash statements,
- make year-end adjustments, prepare adjusted trial balance,
- prepare profit and loss account and balance sheets from adjusted trial balance,
- prepare manufacturing accounts,
- calculate depreciation by using different methods,
- prepare bad debts accounts and provision for doubtful debts,
- compute inventory by using different valuation methods,

INDICATIVE GRID:

| SYLLABUS CONTENT AREA | WEIGHTAGE |
|---|------------------|
| SECTION – A | |
| 1. Accounting Concepts and Principles (IAS 1,2, & 18) | 20% |
| 2. Accounting Procedures and Systems | |
| SECTION-B | |
| 3. Control Accounts | |
| 4. Inventory Accounting | |
| 5. Accounts Receivable | |
| 6. Accounting for Bills of Exchange | |
| 7. Payroll Accounting | |
| 8. Cash Control | |
| 9. Tangible Non-Current Assets (IAS–16 including Revaluation of Assets) | |
| 10. Intangible Non-Current Assets (including IAS – 38 portion only) | |
| 11. Rectification of Errors | |
| 12. Computer based Accounting Systems | 60% |
| SECTION-C | |
| 13. Preparation of Financial Statements of a Sole Proprietor (trading, service & manufacturing concern) | 20% |
| TOTAL | 100% |

Note: The weightage shown against each section indicates, study time required for the topics in that section. This weightage does not necessarily specify the number of marks to be allocated to that section in the examination.

CONTENTS

SECTION – A

1. Accounting Concepts and Principles

Definition and scope of financial accounting; basic principles of accounting; concepts and conventions

underlying accounting statements, the impact of International Accounting Standards as applicable in Pakistan. (IAS 1,2, & 18).

2. Accounting Procedures and Systems

Principles of double-entry book-keeping; accrual-based accounting system, adjusting, closing and reversing entries, methods of keeping and



presenting books of prime entry (cash book, petty cash book, sales journal, purchase journal, purchase and sales return journals etc); principal and subsidiary ledgers, trial balance.

SECTION-B

3. Control Accounts

Receivable control accounts; payable control accounts, errors of control accounts (including subsidiary ledger) and reconciliation of control accounts and subsidiary ledger.

4. Inventory Accounting

Nature and classes of inventories, periodic and perpetual inventory systems, periodic and perpetual inventory system; requirements and application of IAS-2.

5. Accounts Receivable

Receivables and its subsidiary ledger; recording bad debts and its recovery; estimation of allowance for bad and doubtful debts (both income statement and balance sheet approaches of estimation).

6. Accounting for Bills of Exchange

Recording bills of exchange, endorsements and discounting of bills, accommodation bills.

7. Payroll Accounting

Objectives of payroll accounting; internal control over payroll, gross earnings of employees, computing gross earnings; calculation and recording of payroll taxes and deductions; maintenance of payroll journal; accounting for payroll taxes.

8. Cash Control

Preparation of petty cash statement and maintenance of petty cash system; preparation of bank reconciliation statement; cash receipts and payments accounts. The purpose, requirements and process of internal audit relating to cash control; financial control, errors and frauds.

9. Tangible Non-Current Assets (IAS-16 including Revaluation of Assets)

Recognition and measurement of tangible non-current assets; distinction between and application of principles of capital and revenue expenditures, concept of depreciation; methods and recording of depreciation; change of method; revision of life of an asset; accounting for disposal and exchange of tangible non-current assets; application of IAS-16.

10. Intangible Non-Current Assets (including IAS-38 Portion only)

Nature and composition of intangible assets; accounting treatment of intangible assets of goodwill and research and development; methods of goodwill computation; impairment of goodwill (concept and recording entry); capitalization of development cost; amortization development cost (concept and recording entry); application of IAS-38 in respect of research and development and goodwill.

11. Rectification of Error

Type and corrections of errors not affecting trial balance; corrections of errors affecting trial balance including suspense accounts.

12. Computer-based Accounting Systems

Computer-based application in accounting; advantages of computer-based systems, ways of achieving Internal controls in a computer-based accounting system.

SECTION- C

13. Preparation of Financial Statements of a Sole Proprietor (both trading & manufacturing concern)

Elements and components of Financial Statements in accordance with format of IAS-1; Financial Statements (balance sheet, income statement and cash flow statement) of sole proprietor in respect of trading; reference to basic financial ratios (liquidity ratios only).



| CORE READINGS | | |
|--|---|---|
| TITLE | AUTHOR | PUBLISHER |
| Frankwood Business Accountancy Accounting Principles | Frankwood Jerry. J IASB | Pearson Education Ltd, England John Willey & Sons. Inc., England International Accounting Standards Board, London. |
| IFRSs/IASs Accounting: The Basis for Business Decision | Robert F. Meigs, Jan R. Williams, Susan F. Hakar, Mark S. Bettner Jack L. Smith | Irwin McGraw-Hill, New York |
| Accounting Principles | Jack L. Smith | McGraw-Hill Company Inc., New York |
| Financial Accounting Fundamentals | PBP | Professional Business Publications, Lahore. |
| ADDITIONAL READINGS | | |
| An Introduction to Accountancy | S.N. Maheshwari | Vikas Publishing House, New Delhi. |
| Advanced Accounting | S.P. Jain | Kalyani Publisher, New Delhi. |



STAGE-1

S-102 - BUSINESS ECONOMICS

i. Introduction:

This course is designed to focus on fundamentals of economic concepts, and develop understanding and skill of the students, in order to enable them to identify and correlate various economic issues, to cost and management accounting for taking managerial decisions.

ii. Objectives:

This course enables the students to:

- identify how a market economy functions,
- develop an understanding of the economic environment, under which business operates,
- develop the economic analysis for the guidance and information of decision-makers, and
- identify the economic factors, influencing the behaviour and performance of firms and industries.

iii. Outcomes:

On completion of this course, students should be able to:

- explain the basic concepts of scarcity choice,
- describe the consumer behaviour and its analysis, differentiate between small and large-scale production,

- identify and explain types of internal and external economies,
- explain law of demand and causes of change in demand other than change in price,
- describe types of elasticity of demand, determinants and measurement of elasticity and law of supply, elasticity,
- explain the cost of production,
- distinguish between implicit costs and explicit costs,
- explain how under perfect competition the equilibrium price of a commodity is equal to its marginal cost and average cost of production,
- explain the functioning of a market economy,
- explain how the price system works by applying appropriate economic concepts and principles,
- identify macro-economic concepts to explain the measurement and determination of national income,
- explain inflation and its causes,
- differentiate between domestic and international trade,
- explain the problems and performance of industrial sector in Pakistan and to
- explain foreign private investment and its impact on Pakistan economy.

INDICATIVE GRID:

| SYLLABUS CONTENT AREA | WEIGHTAGE |
|---|------------------|
| SECTION-A MICRO-ECONOMICS 1. Nature and Scope of Economics 2. Consumer Behaviour and its Analysis 3. Demand, Supply and Price Determination 4. Scale of Production 5. Cost and Revenue 6. Market Structure, Price and Output Determination | 40% |
| SECTION-B MACRO-ECONOMICS 7. Concept of National Income 8. Keynes Theory of Employment and National Income 9. Money Banking and Finance 10. International Trade | 30% |
| SECTION-C ECONOMY OF PAKISTAN 11. Growth, Structure and Performance of Pakistan Economy 12. Agriculture Sector 13. Industrial Sector 14. Foreign Trade and Economic Assistance | 30% |
| TOTAL | 100% |

Note: The weightage shown against each section indicates, study time required for the topics in that section. This weightage does not necessarily specify the number of marks to be allocated to that section in the examination.



CONTENTS

SECTION-A

MICRO-ECONOMICS

1. Nature and Scope of Economics

Basic concepts- economic wants and allocation of scarce resources. Natural resources, labour capital and enterprise. Production possibility frontier and concept of opportunity cost. Key features of market, planned and mixed economy-merits and demerits.

2. Consumer Behaviour and its Analysis

Utility-kinds and aspects. Cardinal and ordinal approaches of utility. Law of diminishing marginal utility. Indifference curve analysis and consumer equilibrium. Price effect, income effect and substitution effect.

3. Demand, Supply and Price Determination

Demand- Determinants of demand, law of demand, shift in demand, elasticity of demand, measurement of elasticity of demand. Percentage and total outlay methods. Brief description of cross and income elasticity of demand. Determinants and importance of elasticity of demand. Supply stocks and supply. Determinants of supply, law of supply, shift in supply. Elasticity of supply-Determinants of elasticity of supply. Market equilibrium-surplus and shortage conditions. Consumer and Producers surplus.

4. Scale of Production

Production function. Small and large scale production- advantages and disadvantages. Internal and external economies of scale. Laws of returns. (Special emphasis on law of diminishing returns). Very brief introduction of returns to scale.

5. Cost and Revenue

Average, marginal and total cost. Marginal, average and total revenue in perfect and imperfect competition. Concept of implicit and explicit cost.

6. Market Structure, Price and Output Determination

Characteristics of perfect and imperfect competition (monopoly, oligopoly and monopolistic competition) in short run and long run. Price discrimination in monopoly.

SECTION- B

MACRO- ECONOMICS.

7. Concept of National Income

Circular flow of national income. Concepts of national income GDP, GNP, NNP, NI at factor cost and PI. Methods to measure national income Difficulties and importance.

8. Keynes Theory of Employment and National Income

Consumption saving and investment function. Investment multiplier, acceleration, inflationary and deflationary gaps, taxation, budget.

9. Money Banking and Finance

Nature and functions of money, quantity theory of money; inflation- its causes , effects and measures to control. Functions of commercial banks, credit creation and role of commercial banks in economic development of Pakistan. Functions of central bank , monetary policy and role of central bank in the economic development of Pakistan. Brief introduction of money and capital market.

10. International Trade

Balance of trade and balance of payment, causes of adverse balance of payment and methods to correct them. Exchange rate determination. Protectionism or barriers to free international trade. Arguments in favor or against protection. WTO.

SECTION- C

ECONOMY OF PAKISTAN

11. Growth, Structure and Performance of Pakistan Economy

Growth and structure of economy- overview of economic policies in Pakistan.

12. Agriculture Sector

Role of agriculture in economic development; performance and problems of agriculture sector; needs and types of agriculture credit; problems and solutions of rural credit, case for and against agriculture tax. Role of ZTBL in the supply of rural credit. Agriculture marketing, its problems and measures for its improvement.



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13. Industrial Sector

Overview of industrial sector of Pakistan; performance and problems of industrial sector; causes of industrial backwardness; privatization of state-owned enterprises; needs and types of industrial credit.

14. Foreign Trade and Economic Assistance

Exchange rate and convertibility of Pak rupee; devaluation and its impact on Pakistan's economy; forms of foreign economic assistance, cost and benefit of foreign economic assistance; foreign private investment and its impact on Pakistan's economy.

| CORE READINGS | | |
|---|--|---|
| TITLE | AUTHOR | PUBLISHER |
| Economics | David Begg / Stanley Fischer & Rudiger Dornbusch | McGraw Hill Book Co. Europe Shoppenhanaers Road, Maidenhead, Berkshire SL6 2QL, England. |
| Economics | Paul A. Samuelson and William D. Nordhaus | McGraw-Hill Companies, Inc. 1221 Avenue of the Americas, New York, NY 10020. |
| Economics | Campbell R. McConnell/Stanley L. Brue | McGraw-Hill, Co. Inc., Princeton Road, S-1 Hightslown, NJ 08520, New York. |
| Economics for Business | PBP | Professional Business Publications, Lahore. |
| Economy of Pakistan | Prof. Dr. Khawaja Amjad Saeed | Distributed by Oxford University Press, Karachi. |
| Pakistan Economic Survey (Latest) | Finance Division, Economic Advisor Wing | Government of Pakistan. |
| Economy of Pakistan 2004-2005 | Saeed Nasir and Kamal Haider | ----- |
| ADDITIONAL READINGS | | |
| TITLE | AUTHOR | PUBLISHER |
| Pakistan: Economic and Social Statistics | Prof. Dr. Khawaja Amjad Saeed | Institute of Business Management, G.P.O. Box No. 1164, Lahore. |
| Micro Economics 4th Edition | David N. Hyman | McGraw-Hill, Co. Inc., Princeton Road, S-1 Hightslown, NJ 08520, New York. |
| Macro Economics 4th Edition | David N. Hyman | McGraw-Hill, Co. Inc., Princeton Road, S- 1 Hightslown, NJ 08520, New York. |
| Modern Economic Theory | Kewal Krishan Dewett/Adarsh Chand | Shyam Lal Charitable Trust, Ram Nagar, New Delhi-11055. |
| Issues in Pakistan's Economy | S. A. Zaidi | Oxford University Press, Karachi. |



STAGE-1

BUSINESS LAWS (S-103)

i. Introduction:

This course is designed to focus on the important topics of Business Laws, governing the operational aspects of business. A thorough study of this course will develop students' knowledge and ability to comprehend the salient features of business laws easily.

ii. Objectives:

To provide the students with a knowledge of business laws, enabling them to:

- formulate various business plans helpful for operational and long-term decisions-making,
- advise the management on the financial and non-financial implications of business laws, for the effective operations of the business.

iii. Outcomes:

- On completion of this course, students should be able to:
- identify and describe the sources of business laws,
- identify and explain various aspects of contracts such as communication, acceptance and revocation of proposals, essentials of

valid contract performance, discharge, breach of contract and damages for breach of contract, contract of bailment,

- describe how an agency is created,
- differentiate between contract of Indemnity and Guarantee,
- explain the classes of agent and describe the agent's duty to the principal and principal's duty to agent,
- identify and explain the rights and liabilities of parties to a contract, when principal is disclosed or undisclosed,
- describe the ways when an agency is terminated,
- explain the kinds of contract of sales,
- differentiate between hire-purchase contract and deferred payment sale,
- identify and explain the conditions of sale of goods, transfer of property, transfer of title of goods, performance of the contract of sale,
- identify and explain various laws contained in Partnership Act, 1932,
- identify and explain the provisions contained in Negotiable Instruments Act, 1881.
- Identify and explain the provisions enunciated in Industrial Relations Act, 2008, Workmen's Compensation Act, 1923 and West Pakistan Industrial and Commercial Employment (Standing Order) Ordinance, 1968.

INDICATIVE GRID:

| SYLLABUS CONTENT AREA | WEIGHTAGE |
|--|------------------|
| SECTION - A 1. Introduction to Legal System of Pakistan | 10% |
| SECTION-B BUSINESS LAWS 2. The Contract Act, 1872 3. Sale of Goods Act, 1930 4. Partnership Act, 1932 5. Negotiable Instruments Act, 1881 6. TRIPS and TRIMS | 60% |
| SECTION- C INDUSTRIAL LAW 7. Industrial Relations Act, 2008 8. West Pakistan Industrial and Commercial Employment (Standing Order) Ordinance, 1968. 9. Factories Act 1934 / Workmen's Compensation Act 1923 10. Social Security Ordinance, 1965 | 30% |
| TOTAL | 100% |

Note: The weightage shown against each section indicates, study time required for the topics in that section. This weightage does not necessarily specify the number of marks to be allocated to that section in the examination.



CONTENTS

SECTION -A

1. Introduction to Legal System in Pakistan

- Definition and sources of law
- Interpretation of Statutes (Acts and Ordinances)
- Structure of Subordinate and Superior Courts
- Legal Maxims

LEGAL MAXIMS

1.1 Maxims expressing fundamental legal principles;

- Ubi jus ubi remedium – There is no wrong without a remedy.
- Ignorantia Facit Excusat - Ignorantia Juris Non Excusat – Ignorance of fact excuses, Ignorance of law does not

1.2 Maxims Relating to the Mode of Administering Justice.

- No man is to be a judge in his own cause.

1.3 Maxims Relating to Property.

- Nexo Dat Quod non Habet - No one gives what he does not possess.
- Sic utere tus utalienum non laedas - Enjoy your own property in such a manner as not to injure that of another person.

1.4 Maxims Relating to Contracts & Torts

- Caveat Emptor - Let the Buyer Beware.
- Ex turpi causa non oritur actio / Ex dolo malo non oritur actio - A contract founded upon an illegal or immoral consideration cannot be enforced.
- Respondeat Superior – Let the principal be held responsible.

1.5 Maxims Expressing Rules Founded on Public Policy

- Salus populi est suprema lex – Regard for the public welfare is the highest law.
- Vigilantibus, Non Dormientibus jura Subveniunt - The law assists those who are vigilant, not to those who sleep over their rights.

SECTION- B

BUSINESS LAWS

2. The Contract Act, 1872

Difference between Contract and agreement; Void, voidable and enforceable agreements; Elements/ingredients of a contract; proposal;

acceptance and revocation; void agreements; Free consent, Coercion, Undue Influence, Fraud, Mistake, Misrepresentation; flaws in capacity; quasi – contracts; contingent contracts; contracts which must be performed; time and place for performance; performance of reciprocal promises, appropriation of payments; contracts which need not be performed; anticipatory breach of contract; actual breach of contract; remedies of breach of contract; doctrine of frustration; various discharges of contracts; Bailment; contract of indemnity and guarantee; Principal and agent; creation of agency; kinds of agents; duties and rights of an agent; duties and rights of principal scope, extent and kinds of agent's authority; liabilities of principal to third party; personal liability of agent to third party; termination of agency.

3. Sale of Goods Act, 1930

Contract of sale and its kinds; formalities of the contract of sale; subject matter of contract of sale; the price, conditions and warranties; transfer of property as between seller & buyer; the Doctrine of "nemo dare potest quod non-habet" and its exceptions; the Doctrine of "caveat emptor", performance of the contract of the sale; rights of unpaid seller; suits for breach of the contract of sale; auction sale.

4. Partnership Act, 1932

Essentials and the nature of partnership; kinds of partnership; general duties of partners; qualified duties of partners; rights of partners; liabilities of partners; the Doctrine of implied authority; the Doctrine of holding out; admission of a minor to the benefits of partnership; re-constitution of a firm (incoming & outgoing partners); modes of dissolution of a firm; registration of firm; effect of non-registration.

5. Negotiable Instruments Act, 1881

Promissory note; bill of exchange; cheques; inland instruments; foreign instruments; ambiguous instruments; inchoate stamped instruments; parties to negotiable instruments; liabilities of parties; negotiation of instruments and its kinds; presentment of instruments; discharge from liabilities on negotiable instruments; presumptions as to negotiable instruments.



6. TRIPS and TRIMS

Laws relating to TRIPS and TRIMS including intellectual property rights, Trade marks Act and Copy Right Act.

6.1 Introduction

- a) Concept of Intellectual Property
- b) Intellectual Property Rights
- c) Necessity of Intellectual Property Rights Protection
- d) International Intellectual Property Organizations
- e) Future of Intellectual Property Rights

6.2 Intellectual Property Rights Laws in Pakistan

- a) The Copyright Ordinance, 1962
- b) The Registered Designs Ordinance, 2000
- c) The Registered Layout-Designs of Integrated Circuits Ordinance, 2000
- d) The Patents Ordinance, 2000
- e) The Trade Marks Ordinance, 2001
- f) The Merchandise Marks Act, 1889
- g) The Trade Marks (Invalidation and Summary Registration) Act, 1950
- h) The Electronic Transaction Ordinance, 2002
- i) Section relating to infringement of Trade, Property and other Marks in the Pakistan Penal Code, 1860.

6.3 International Treaties, Agreements Conventions, Protocols And Regulations, Etc. (Only Introduction)

SECTION- C

INDUSTRIAL LAW

7. Industrial Relations Act, 2008

Trade unions; workers' participation and dispute resolution, labour courts, National Industrial Relations Commission; authorities, decisions, settlements and awards, penalties and procedures, causation and remoteness of damage.

8. Standing Order

West Pakistan Industrial and Commercial Employment (Standing Order) Ordinance, 1968.

9. Factories Act 1934 / Workmen's Compensation Act 1923:

Provisions regarding health and safety, working hours including rest intervals, working holidays and overtime, employment of women and children etc. Workman's Compensation Act 1923, provisions regarding definitions, employers' liability for compensation, amount of compensation, methods of calculating wages, review, commutation and distribution of compensation, report of fatal accidents, and medical examination etc.

10. Social Security Ordinance, 1965.

Provincial Social Security Ordinance 1965: provisions, regarding definitions, amount and payment of contributions, records and returns, benefits including sickness and maternity benefits, death grants, disablement pension etc.



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| CORE READINGS | | |
|--|---|---|
| TITLE | AUTHOR | PUBLISHER |
| Business Law | M.C. Kuchhul | Vikas Publishing House, New Delhi. |
| (A Manual of) Mercantile Law | M. C. Shukla | S. Chand & Co., Ram Nagar, New Delhi 110055, India. |
| Bare Acts | Govt. of Pakistan | Publications Division, Govt. of Pakistan. |
| Mercantile Law | Luqman Baig | Ghanzanfar Academy Pakistan, 30, Urdu Bazar Karachi |
| Mercantile and Industrial Laws in Pakistan | Prof. Dr. Khawaja Amjad Saeed | Institute of Business Management, G.P.O. Box No. 1164, Lahore. |
| Labour Code | M. Shafi / P. Shafi | Bureau of Labour Publications, 8, Business Centre, Mumtaz Hasan Road, P.O. Box 5833, Karachi – 74000. |
| ADDITIONAL READINGS | | |
| Elements of Mercantile Law | N.D. Kapoor | Sultan Chand & Sons, New Delhi. |
| Mercantile Law and Industrial Law | Q. A. Wadud | Sun-rise Publishing Qazi Villa, A/17-2- B, National Cement, Housing Society, Rashid Minhas, Road, Gulshan-e-Iqbal Karachi 75300. |
| The Intellectual Property, Intellectual Property laws in Pakistan and international Treaties on IPRs | G.M. Chaudhry Chaudhry M. Zafar Iqbal | Federal Law House, Main Plaza, Chandni Chowk, Murree Road, Rawalpindi. |
| Broom's Legal Maxims | Herbert Broom | Sweet and Maxwell London Pakistan Law House, Karachi. |
| Handbook of Legal Terms & Phrases Judicially Defined. | M. Ilyas Khan | Pakistan Law House, Karachi. |



STAGE-1

BUSINESS ENGLISH (S-104)

i. Introduction

Business English consists of the following three sections:

- English Grammar and Usage,
- Reading and Writing,
- Listening and Speaking.

ii. Objectives

This course enables students to:

- write and speak grammatically correct English,

- listen and comprehend various situations of business environment,
- develop their writing and speaking skills in different business situations.

iii. Outcomes

On completion of the course, students should be able to:

- know the correct use of grammar,
- listen, understand and speak English correctly and fluently,
- write business letters, pre'cis and reports correctly,
- give presentation on a given business situation effectively.

INDICATIVE GRID

| SYLLABUS CONTENT AREA | WEIGHTAGE |
|--|-------------|
| SECTION – A 1. English Grammar and Usage | 30% |
| SECTION – B 2. Reading and Writing | 40% |
| SECTION – C 3. Listening and Speaking | 30% |
| Total | 100% |

Note: The weightage shown against each section indicates, study time required for the topics in that section. This weightage does not necessarily specify the number of marks to be allocated to that section in the examination.

CONTENTS

SECTION – A

1. English Grammar and Usage

Structure of a sentence, subject and predicate, correct use of articles, parts of speech; use of auxiliaries (can, could, shall, will, should, would, etc.); prepositions; tenses; direct and indirect narration; active and passive; prepositional combinations and verbal phrases, antonyms and synonyms, words often confused and misused, pairs of words, phrases and clauses; types of sentences; (affirmative/negative, interrogative, exclamatory, imperative), kinds of sentences, (simple, complex, compound), synthesis of sentences, punctuation.

SECTION – B

2. Reading and Writing

Reading comprehension of paragraphs and articles. Writing essays; informal letters, report, and preics.

SECTION – C

3. Listening and Speaking

In the class rooms, the students must be given different business situations for learning presentation skills and situations can be such as: talking about responsibilities at work, receiving visitors, seeking information, sales negotiations etc; participation in group discussions; expressing effectively in meetings and interviews; making effective presentation.



| CORE READINGS | | |
|---|-----------------------|---|
| TITLE | AUTHOR | PUBLISHER |
| Mastering English Grammar | S. H. Burton | Macmillan Education Ltd., Houndmills, Basingstoke, Hampshire RG21 2XS and London. |
| Understanding and Using English Grammar | Betty Schramfer Azar | Pearson Longman ESL St. Laurent, Quebec Canada - H4S 1R3 |
| English for Business Studies 3rd Edition | L. Gartside | Pitman Publishing Ltd., 128, Long Acre, London WC2E 9AN U.K. |
| Language Three & Four | Sadler Hayllar Powell | Macmillan Education, 627 Chapel Street, South Yarra, Victoria 3141. |
| ADDITIONAL READINGS | | |
| A Quick English Reference | J.S. Hooper | Oxford University Press, Karachi. |
| High School English Grammar and Composition | P.C. Wren / H. Martin | S. Chand & Company Ltd 7361, Ram Nagar, New Delhi - 110055 |

Note: Teachers and students are encouraged to use authentic materials from newspapers, magazines and electronic media to develop reading, writing, listening and speaking skills.



STAGE-2

FUNDAMENTALS OF COST AND MANAGEMENT ACCOUNTING (S-201)

i. Introduction:

This course is designed to make the students familiar with the application of basic methods and techniques of cost and management accounting. The course deals with the cost concepts, cost classification and cost flows, material, labour, factory overhead costing, marginal costing, standard costing and budgeting.

ii. Objectives:

To provide the students with an appropriate knowledge of Cost and Management Accounting to enable them to:

- apply cost methods and techniques for preparing and presenting information for decision-making and cost control, and
- prepare standard costs and variances.

iii. Outcomes:

On completion of this course, students should be able to:

- understand cost concepts, objectives, scope, cost flow and classification,
- prepare cost of production report and cost statement under process cost accounting system and job order costing system, respectively,
- understand and explain material, labour, factory overhead costing and control,
- calculate and interpret material, labour, overheads variances,

INDICATIVE GRID

| SYLLABUS CONTENT AREA | WEIGHTAGE |
|---|------------------|
| SECTION - A INTRODUCTION 1. Concept and Scope of Cost Accounting 2. Cost Classification and Flows | 20% |
| SECTION - B COST ACCOUNTING 3. Material Costing and Control 4. Labour Costing and Control 5. Factory Overhead Costing and Control 6. Costing Systems | 50% |
| SECTION - C INFORMATION FOR PLANNING AND CONTROL 7. Standard Costing 8. Marginal Costing and Break-even analysis | 30% |
| TOTAL | 100% |

Note: The weightage shown against each section indicates, study time required for the topics in that section. This weightage does not necessarily specify the number of marks to be allocated to that section in the examination.

CONTENTS

SECTION –A

INTRODUCTION

1. Concepts and Scope of Cost Accounting

Definition and concept of cost, Cost object, Cost elements, Sources and uses of cost data, Cost

accounting v/s financial accounting, Costing department and its relationship with other departments, Role of cost accounting in a management information system, Uses of cost data.



2. Cost Classification and Flows

Direct and indirect cost, Product and period cost, Controllable and uncontrollable cost, Fixed and variable cost, Semi-variable and step fixed cost, Cost flow, Statement of cost of goods manufactured and sold.

SECTION – B

COST ACCOUNTING

3. Material Costing and Control

Procedure of material procurement, Two-bin system, The use of **FIFO**, **LIFO** and weighted average for material, valuation and the pricing for material issue, Stock taking and perpetual inventory, Treatment of differences between physical and book stock, Economic order quantity, Effect of quantity discount on EOQ, Reorder level, safety stock and maximum stock, ABC Control.

4. Labour Costing and Control

Direct and indirect labour, Productivity and efficiency, Remuneration methods, Straight piece rate and differential piece rate, Incentive wage plan, Group bonus, Time sheet and job cards, Overtime and idle time, Payroll, Labour turnover rate.

5. Factory Overhead Costing and Control

Classification and collection of overhead, Predetermined overhead applied rate, Factory overhead cost: planned, applied and actual, Over

and under applied factory overhead and its disposal, Departmentalisation of overhead, Allocation, apportionment and reapportionment of overhead costs, Repeated distribution and algebraic method for reciprocal, service department costs.

6. Types of Costing Systems

Establishment of cost accounting system, Principles of double entry system of costing, Integrated and interlocking cost accounts, Chart of account and coding for costing, Introduction to process costing, Incomplete process and concept of equivalent units, Format of process account and cost of production report Job order costing, Operation / service costing

SECTION - C

INFORMATION FOR PLANNING AND CONTROL

7. Standard Costing

Preparation of standard cost, Material price and usage variances, Labour rate and efficiency variances, Variable overhead expenditure and efficiency variances, Fixed overhead budget and volume variances.

8. Marginal Costing and Break-even Analysis

Marginal cost and contribution margin, Contribution margin to sales ratio (C/S ratio), Break-even in units and value, Margin of safety ratio (M/S ratio), Break-even graph

| CORE READINGS | | |
|------------------------------------|---|---|
| TITLE | AUTHOR | PUBLISHER |
| Cost Accounting | F. Usry, H. Hammer & Adolph Matz | South Western Publishing Co., Cincinnati, Ohio, U.S.A. |
| Cost Accounting | T. Lucy | DP Publications, Aldyne Place, 142-144 Uxbridge Road, Shepherds Bush Green, London W12 8AW. |
| Management Accounting Fundamentals | PBP | Professional Business Publications, Lahore. |
| ADDITIONAL READING | | |
| Cost & Managerial Accounting | Jack Gray & Don Ricketts | McGraw-Hill Company Inc., Princeton Road, S-1 Hightslown, NJ08520, New York. |
| Management and Cost Accounting | Colin Drury | Thomson Learning, High Holborn Ouse, 50-51 Bedford Row, London |
| Cost Accounting | Charles T. Horngren, Srikant M. Datar George Foster | Prentice Hall of India, New Delhi. |



STAGE-2

MANAGEMENT AND MARKETING (S-202)

i. Introduction:

This course consists of management, human resource management, change management, operations management and marketing management. This will help the students to identify, correlate and apply these concepts to other core subjects of Professional stages for decision-making.

ii. Objectives:

This course enables the students to:

- appreciate the theoretical approaches of organisational management,
- visualise and analyse business model of an organisation,
- understand methods and procedures to manage the people, and

- understand the techniques for strategic marketing management to promote business.

iii. Outcomes:

On completion of this course, students should be able to:

- explain the various functional areas of an organisation,
- assess various means for introducing change,
- examine and analyse the problems associated with quality in an organisation,
- examine the career planning activities of an organisation,
- make available chain management as a strategic process, and
- evaluate and describe the marketing concepts, and the role of technology in modern marketing.

INDICATIVE GRID:

| SYLLABUS CONTENT AREA | WEIGHTAGE |
|--|------------------|
| SECTION-A MANAGEMENT 1. Introduction to Organisations and Management 2. Management Process 3. Understanding Groups & Teams 4. Human Resource Management | 50% |
| SECTION-B MARKETING MANAGEMENT 5. Introduction to Marketing Management 6. Product and Services Strategy 7. Pricing Products: Pricing Considerations Approaches and Pricing Strategies 8. Advertising, Sales Promotion and Public Relations 9. Distribution Channels and Logistics Management 10. Other Topics in Marketing Management | 50% |
| TOTAL | 100% |

Note: The weightage shown against each section indicates, study time required for the topics in that section. This weightage does not necessarily specify the number of marks to be allocated to that section in the examination.

CONTENTS

SECTION-A

MANAGEMENT

1. Introduction to Organisations and Management

- i. Definition of Management
- ii. Roles of a Manager

- iii. Definition of an Organization
- iv. External Environment of an organization
- v. Internal Environment of an organization
- vi. Linkage between Individual, Group, and Structures within an organization.



2. Management Process

2.1 Planning and Decision-Making

The definition of planning; types of plan; the planning process; planning tools and techniques; Managerial ethics and decision Making process.

2.2 Organizing and Managing Change

Defining organizational structure and design; factors affecting organizational design; forms of organizational design; application of organizational design; sources of power; line and staff authority; effective delegation; decentralization and centralization; Management and Organizational Change; the forces of change; need of change; the change process; resistance to change. Lewin's three step change modes; reorganization (merger and acquisition); restructuring; rightsizing.

2.3 Controlling and Decision Making

Concept of control; types of control; inventory Management; Demand and Capacity Management; TQM & ISO Systems, Business Process Re-engineering; Six Sigma and Kaizen.

3. Understanding Groups and Teams

3.1 Difference between groups and teams; understanding group behavior and group decision-making process; groups and teamwork; turning groups into effective teams;

3.2 Leadership

Managers verses leaders; contemporary theories of leadership; contemporary issues in leadership; developing and managing effective teams

3.3 Motivating Employees

Concept of motivation; current issues in motivation; from theory to practice.

4. Human Resources Management

The human resource management process; human resources planning; recruitment and selection; orientation; performance appraisal; (in MBO); employees training; compensation and benefits; the human resources environment; competition influences; labor relation influences; legal and regulatory influences; Global influences; technological, economic and social influences.

SECTION - B

MARKETING MANAGEMENT

5. Introduction to Marketing Management

Marketing defined, needs, wants, exchange, transactions and relationships, markets, 4P's of marketing; Market Segmentation; levels of market segmentation; evaluating and selecting market segment; market targeting; positioning product in the market.

6. Product and Service Strategy

What is a product and product life cycle. The product service continuum; levels of product; product classifications: consumer products, industrial products, organisations, persons, places and ideas; individual product decision; product attributes: branding, packaging, labelling, product support services; product line decisions; product mix decisions; services marketing; nature and characteristics of a service.

7. Pricing Product: Pricing Considerations approaches and Pricing Strategies

General pricing approaches: cost-based pricing, value-based pricing, and competition-based pricing; new-product pricing strategies; market-skimming pricing, market-penetration pricing; product mix pricing strategies: product-line pricing, optional-product pricing, captive-product pricing, by-product pricing, product bundle pricing; price-adjustment strategies: discount and allowance pricing, segmented pricing, psychological pricing, promotional pricing, geographical pricing, international pricing; price changes; initiating price changes, responding to the price changes.

8. Advertising, Sales Promotion and Public Relations

Major decisions in advertising: organising for advertising; setting objectives; setting the advertising budget; advertising strategy; advertising evaluation; international advertising decisions; sales promotion: rapid growth of sales promotion; setting sales-promotion objectives; selecting sales-promotion tools; developing the sales-promotion programme, public relations; major public relations tools.

9. Distribution Channels and Logistic Management



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The nature of distribution channels; why are marketing intermediaries used? Distribution channel functions, number of channel levels; channel behaviour and organisation; vertical marketing systems, horizontal marketing systems, hybrid marketing systems; physical distribution and logistics management: nature and importance of physical distribution and marketing logistics; goals

of the logistics functions; integrated logistics management.

10. Other Topics in Marketing Management

Marketing research; Marketing in the Digital Age; major Forces shaping the digital age; marketing strategy in the digital age; E-marketing domains; conducting e-commerce.

| CORE READINGS | | |
|---|------------------------------------|--|
| TITLE | AUTHOR | PUBLISHER |
| Strategic Management 10th Edition | John Thompson | CIMA London. |
| Management 6 th Edition | Stephen P. Robins and Mary Coulter | Prentice Hall International Inc., New York. |
| Principles of Marketing 8 th Edition | Philip Kotler and Gary Armstrong | Prentice Hall International Inc., New York. |
| Strategic Management 7 th Edition | Fred R. David | Prentice Hall International Inc., New York. |
| Organisational Management and Information Systems | PBP | Professional Business Publications, Suite # 3, 5 Third Floor, Taj Arcade, 73-Jail Road, Lahore. |
| ADDITIONAL READINGS | | |
| HR. Management Manual (Managers Pocket Guide Series) | – | Penguin Books, New Delhi, India. |
| HRM/HRD: Personnel Management | Prof. Dr. Khawaja Amjad Saeed | Institute of Business Management, G.P.O. Box No. 1164, Lahore. |
| Management: Text & Cases | Prof. Dr. Khawaja Amjad Saeed | Institute of Business Management, G.P.O. Box No. 1164, Lahore. |
| Marketing Cases | Prof. Dr. Khawaja Amjad Saeed | Institute of Business Management, G.P.O. Box No. 1164, Lahore. |



STAGE-2

BUSINESS MATHEMATICS & STATISTICS (S-203)

i. Introduction:

This course comprises basic concepts and techniques of mathematics & statistics. A thorough knowledge in the areas of basic mathematics and presentation of data, is an essential skill for management accountant. The management accountant should understand statistical concepts, because of the need to estimate the uncertainties of business decisions. This course also gives basic understanding of mathematical techniques applied for, forecasting in corporate planning and Financial Management.

ii. Objectives:

To provide the students with the basic knowledge of mathematics and statistics to enable them to:

- use and interpret mathematical and statistical methods, and
- present the results of quantitative nature, in a suitable form for taking business decisions.

iii. Outcomes:

On completion of this course, students should be able to:

- describe and demonstrate the use of mathematical and statistical techniques,
- understand the proper use of formulae and ratios,
- describe reasonableness in the computation of answer,
- understand and apply techniques for summarising and analysing data,
- describe and demonstrate the use of probability, in case of involvement of risk and uncertainty,
- describe and apply financial mathematical techniques, and
- describe and demonstrate forecasting techniques.

INDICATIVE GRID:

| SYLLABUS CONTENT AREA | WEIGHTAGE |
|--|-------------|
| SECTION-A BUSINESS MATHEMATICS 1. Preliminaries 2. Mathematical Functions 3. Differentiation 4. Optimisation: Application 5. Integral Calculus 6. Matrix Algebra 7. Sequence And Series 8. Mathematics of Finance | 50% |
| SECTION-B STATISTICS 9. Probability Theory 10. Probability Distributions 11. Decision-Making 12. Statistical Forecasting | 25% |
| SECTION-C OPERATIONAL RESEARCH 13. Network Analysis 14. Linear Programming 15. Optimisation | 25% |
| TOTAL | 100% |

Note: The weightage shown against each section indicates, study time required for the topics in that section. This weightage does not necessarily specify the number of marks to be allocated to that section in the examination.



CONTENTS

SECTION-A

BUSINESS MATHEMATICS

1. Preliminaries

Factorization, Equations, Inequalities, Absolute Value Relationships. Quadratic Equation and Nature of Roots, Mid-Points, Two Point Formula, Distance Formula, Rectangular Co-ordinate System

2. Mathematical Functions

Functions, Domain Range Relationship, Restricted Domain and Range, Univariate, Bivariate and Multivariate Functions. Value of the Functions. Graph Representation of the Functions, Type of Functions (Constant, Linear, Rational, Combinations, Composite, Polynomial, etc.), Applications of the Linear Functions, Break-Even Models (Analysis)

3. Differentiation

The Limit and Introduction, Average rate of change, Concepts of derivative and differentiation, Basic Rules of Differentiation. Instantaneous-rate of change. Partial Derivatives and Mixed Partial Derivatives

4. Optimisation: Application

Derivatives, Maxima and Minima, Curve Sketching, 1st and 2nd Derivative Tests, Restricted-domain considerations revenue, Cost and profit applications, additional applications

5. Integral Calculus

Concepts of Anti-derivatives, Integration, Rules of Integration, Definite and indefinite integrals. Application of Integral Calculus.

6. Matrix Algebra

Concept of Matrices, Addition, Subtraction, Multiplication, Inverse of Matrices, Solution of linear equation with the help of Matrices (up to three variables), The Determinant and its Properties. Cramer's Rule, Gaussian Elimination Method, Method of Elimination. Slope Intercept form, selected applications

7. Sequence and Series

Concept of Sequence and Series, Arithmetic And Geometric Progression and its business applications. Arithmetic and Geometric Means etc.

8. Mathematics of Finance

Concepts of Interest rate, Simple and Compound Interest, single-payment computations, Present value, Nominal and Effective Interest Rates. Concept of Annuities and Their Future Value, Annuities and their present value, Mortgages, Cost-Benefit Analysis, Discounted Cash Flow, Net Present Value.

SECTION-B BUSINESS STATISTICS

9. Probability Theory

Introduction to sets and set operation, permutations and combinations, Basic probability concepts, Statistical dependence and independence, Rules of Probability (Additive and Multiplicative). Conditional Probability, Marginal Probability, Joint Probability.

10. Probability Distribution

Probability Distributions, Measures of Central Tendency, Statistical Dispersions, Normal and Binomial Distributions.

11. Decision-Making

Sampling Methods (Probability and Non-Probability Sampling), Sampling Distribution of Mean, Estimation (Confident Intervals) for single population mean, Test of hypothesis (t & z test) for single population mean, Chi-Square Test, Concept of Sample Size.

12. Statistical Forecasting

Linear Correlation Coefficient, Coefficient of Determination, Linear regression model, Least square methods, semi-average, moving average, Index Number (Simple and Weighted).

SECTION-C

OPERATIONAL RESEARCH

13. Network Analysis

Critical Path Analysis (CPM), Gantt Charts Analysis of network, crashing program evaluation and network analysis, activity-on-arrow and activity-on mode diagrams, probabilities network.

14. Linear Programming

Optimisation by linear programming using graphical and simplex methods. Sensitivity Analysis.

15. Optimisation

Linear and non-Linear Optimisation.



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| CORE READINGS | | |
|---|---|---|
| TITLE | AUTHOR | PUBLISHER |
| Quantitative Techniques | T. Lucy | DP. Publications Ltd., Aldine place, 142-144 Uxbridge Road Shepherds Bush, Green, London W12 8AW. |
| Introduction to Statistics | Ronald E. Walpole | Macmillan Publishing Co. Inc. New York. |
| Applied Mathematics for Business, Economics & the Social Sciences. | Frank S. Budnick | McGraw-Hill Company Inc., Princeton Road, S-1 Hightslown, NJ08520, New York. |
| Business Mathematics | PBP | Professional Business Publications, Lahore. |
| ADDITIONAL READING | | |
| Business Mathematics | Mirza Muhammad Hassan & Muhammad Ali Mirza | Farooq Kitab Ghar, 32-33 Urdu Bazar, Karachi. |



STAGE-2

INTRODUCTION TO INFORMATION TECHNOLOGY (S-204)

i. Introduction:

This course is designed to focus on the theoretical and practical aspects of computer skill. The students will be provided with practical and theoretical coaching facilities to gain knowledge within the framework of the course.

ii. Objective:

To provide the essential IT knowledge related to business systems, irrespective of their work primary domain and role.

iii. Outcomes:

This course will cover both theoretical and practical aspects of IT knowledge. On completion of this course student will be able to have knowledge of following theoretical and practical topics:

(a) Theoretical Knowledge

- explain the basic knowledge of IT,
- explain the characteristics of computers and its classification,

- describe some of the major components of a computer system and explain their relationships to one other,
- explain computer system's CPU and memory,
- explain several types of input and output devices and their functions,
- describe multimedia, benefits and its applications,
- understand the difference between application software and system software,
- explain the different functions and differences of operating system,
- describe the low-level and high-level languages,
- describe the role of utility programme,
- describe different communication protocols,
- describe the local area network, wide area network and other types of network,
- describe some security issues involved with computer network usage.

(b) Practical Training

- Ability to use
 - Word processor package,
 - Spread-sheet package,
 - Presentation package,
 - Internet and E-mail.

INDICATIVE GRID

| | SYLLABUS CONTENT AREA | WEIGHTAGE |
|-------------------------|--|-------------|
| 1. Theory (30 hours) | - Introduction - Hardware - Software - Networks | 50% |
| 2. Practical (30 hours) | - Microsoft Windows - Microsoft Word - Microsoft Excel - Microsoft PowerPoint - Internet - Accounting Package | 50% |
| | TOTAL | 100% |

Note: The weightage shown against each section indicates, study time required for the topics in that section. This weightage does not necessarily specify the number of marks to be allocated to that section in the examination.



CONTENTS

1. THEORY

Module: Introduction (02 hours)

Fundamental characteristics of computers, Classification of computers, Components of a computer system, Networks, Computer Security, Internet.

Module: Hardware (10 hours)

Central Processing Unit (CPU) & Memory

Control unit, Arithmetic logical unit, registers, Memory (RAM and ROM), Types of RAM (SRAM and DRAM), Cache Memory, Registers, Data-bases, Ports (Serial, Parallel and USB)

Input and Output

Keyboards, Mouse, Electronic Pens, Touch-Screens, Track-ball, Touch-pad, Digitiser, Scanners, Digital Cameras, Voice Recognition, Kinds of outputs (Softcopy and Hardcopy), Display Devices (CRT and Flat Panel), Screen clarity (Resolution, Dot pitch and Refresh rate), Video display adopters, Printers (impact and Non-impact), Plotters, computer output microfilm and microfiche.

Storage and Multimedia

Magnetic Disk Systems, Floppy Disks, Hard Disks, Optical Discs (CDs, DVDs), Magnetic Tape Systems, Online Storage, Smart Cards, Flash Memory Devices, What Is Multimedia, Advantages and Disadvantages of using Multimedia, Multimedia Applications.

Module: Software (08 hours)

Definition of software, Classification of software (Application software and System software), Definition of operating system, different type of operating systems, functions of operating systems, Processing techniques for increasing efficiency (multi-tasking, multi-threading, multi-processing, time-sharing, virtual memory and spooling), Programming languages (Low-level languages and high-level languages), Compiler, Interpreter, generation of languages, Procedural and non-procedural languages, Utility programmes (compression software, diagnostic programmes, back-up utilities and disk-defragmentation).

Module: Network & Security Issues (10 hours)

Definition of network, Topologies, Types of networks (LAN, WAN, VAN, MAN and VPN), Communication Protocols (Ethernet, Token Ring, TCP/IP and WAP), OSI models, Transmission Mediums, Transmission Direction, Transmission Mode, Network Devices

(Switch, routers, and modem), Security issues (Viruses, Firewall and unauthorised access), Digital signatures, Bluetooth, Security issues (Computer viruses, unauthorised access and firewall), Biometric devices.

2. PRACTICAL

Microsoft Windows (02 hours)

The start menu, Manipulating windows, Copy Files, Moving Files, Deleting Files, Create folder, Search files, customised your desktop.

Microsoft Word (04 hours)

Editing, format, insert, view and file menu commands in word-processor, Paragraph/page/character formats. Letters, reports, standard templates, user-defined templates, Mail merge using data from spread-sheets and/or tables, formatting, borders, size of columns, rows, captions, table of contents, table of figures and index, page layout, print formatting, Linking and embedding spread-sheet, presentation and other integrated package documents, slide master, presentation package, Drawing toolbox: Shapes, lines, text boxes, aligning, distributing, grouping, flipping objects. Slide animation commands. Inserting chart, table, picture word processor and spread-sheet.

Microsoft Excel (10 hours)

File, edit, view, insert, format menu commands: Print/page set up, custom header/footer, Absolute, relative addressing, cell labelling. Formulae, copying formulae. Use of different types of functions. Cell formatting, bordering, alignment, number. Data types, formats, conversion Tools: Sorting, filtering. Linking worksheets, pivot table, paste special Import/export of data from/to word processors, databases, text-files. Data format conversion problems charts: Bar charts, pie charts, formatting. Suitability, conditional formatting.

Microsoft PowerPoint (04 hours)

Create Slide, Edit Slide, Insert Slide, Run Slide Show, Insert Pictures, Add Animation, Slide Transitions, Formatting Slides, Add Sounds, Slide Colour Scheme, Using video clips and audio files, Enter text in your slides, Insert and resize a digital image or clip art (online, from PowerPoint), Apply a design template, Draw lines, Draw and colouring shapes, Create 3D shapes, Create Charts / tables, Add narration.

Internet (02 hours)

Accessing Internet, Intranet, Extranet, Internet Addresses, Surfing the web, Using bookmark and the history list, Searching the web, E-mail, Sending e-mails,



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receiving e-mails, managing e-mails, Connectivity issues, How to block spamming (Unwanted e-mails).

Accounting Packages (08 hours)

Under accounting package, a Peachtree Accounting Software will be practically taught. The accounting package through coverage of Peachtree software gives a thorough introduction to the concepts of computerised

accounting. The students will learn how to post, retrieve and manage the books electronically and design reports as per managements' requirements. It gives a comprehensive coverage to the software with hands-on training. By the end of the course, students will be comfortable with the package and can meet various job requirements of the professional managers, while taking decision based on financial reporting.

| CORE READINGS | | |
|--|---------------------------------|---|
| TITLE | AUTHOR | PUBLISHER |
| Computer Fundamentals (Concepts, Systems & Applications) | Pradeep K.Sinha Priti Sinha | Professional Business Publication Suite # 3, 5 Third Floor, Taj Arcade 73-Jail Road, Lahore |
| Computer, 8/E | H.L Capron | Prentice Hall International Inc. |
| A Complete book on Information Technology | Dr. Rajesh Trehan | Cyber tech (CCT) |
| MS Office 2000 | Gini Courter Annette Marquis | Sybex |
| ADDITIONAL READINGS | | |
| TITLE | AUTHOR | PUBLISHER |
| Network Security (Second Edition) | Chris Brenton Camreon Hunt | Sybex |
| CISA Manual | CISA | Information Systems Audit and Control Associations, Inc., 3701 Algonquin Road, Suite 1010 Rolling Meadows, Illinois, 60008 USA. |



STAGE-3
FINANCIAL ACCOUNTING (S-301)

i. Introduction:

This course covers specialised accounting as well as preparation of financial statements, according to local laws and International Accounting Standards as applicable in Pakistan.

ii. Objectives:

To provide the students with a knowledge of accounting enabling them to:

- prepare financial statements for different types of business such as joint venture, consignments, Royalties, Branches / Departments, Partnership, Non-profit organisations and Sole-proprietorship,
- prepare financial statements of companies as per requirements of the companies ordinance 1984 and IASs as applicable in Pakistan, and
- compute and interpret working capital ratios and analyse various items of current assets and liabilities, to highlight the current financial position of the companies.

iii. Outcomes:

On completion of this course, students should be able to:

- prepare accounts and financial statements of joint venture, consignment, royalties, partnership, branches and departmental types of businesses,

- prepare receipts and payments accounts and financial statements of non-profit organisations,
- prepare financial statements from incomplete records,
- understand the procedures to be followed in formation of companies,
- identify and explain accounting treatment of expenses, incurred during the course of formation of a company,
- identify and explain reasons for profit appropriation,
- identify and explain reasons why any loss/gain is debited or credited to retained earnings,
- prepare and present financial statements of companies, according to local laws and International Accounting Standards, with appropriate notes,
- explain potential matters that should be considered, while making a regulatory framework for published accounts,
- describe the role of the International Accounting Standards,
- prepare a statement of changes in Equity,
- compute working capital ratios for business sectors,
- prepare cash management models, identify and choose the most appropriate model,
- appraise debtors and creditors policies and methods of inventory management

INDICATIVE GRID:

| SYLLABUS CONTENT AREA | WEIGHTAGE |
|--|------------------|
| SECTION-A 1. Accounting for Joint Venture 2. Accounting for Consignments 3. Accounting treatment of Royalties 4. Branch & Departmental Accounting | 30% |
| SECTION-B 5. Accounting for Partnership concerns 6. Preparation of Financial Statements from Incomplete Records 7. Financial Statements of Non-Profit making organizations | 30% |
| SECTION-C 8. Company Formation & Retained Earnings 9. Preparation of Company Financial Statements in accordance with International Accounting Standards (IAS – 1) 10. Financial Statements (Balance Sheet & Income Statement) of a single company in accordance with 4 th & 5 th schedule of Companies Ordinance 1984. 11. Computation of basic financial ratios (analysis not required) 12. Application of IFRs / IASs (IAS 1, 8, 10, 16) | 40% |
| TOTAL | 100 |



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Note: The weightage shown against each section indicates, study time required for the topics in that section. This weightage does not necessarily specify the number of marks to be allocated to that section in the examination.

CONTENTS

SECTION-A

1. Accounting for Joint Venture

Accounting treatment when separate books of accounts are maintained, and when separate books are not maintained; Memorandum recording methods.

2. Accounting for Consignments

Nature and operation of the consignment; accounting for the completed and incomplete consignments including losses (normal and abnormal both) and stock valuations.

3. Accounting Treatment of Royalties

Preparation of journal entries and accounts; minimum rent account; shortage account; and royalty suspense account. Accounting treatment of sub-leases.

4. Branch & Departmental Accounting

Operation of a branch; accounting systems for branches (including dependent and independent branches) and head office; reciprocal accounts and inter-branch transactions; preparation of combined statements for head office and branches; departmental accounting, working paper for combined statements.

SECTION-B

5. Accounting for Partnership Concerns

Formation of partnership; distribution of profits among partners; changes in partners' ratios, admission of a partner; retirement and death of a partner; dissolution of firm; conversion of partnership into a company.

6. Preparation of Financial Statements from Incomplete Records

Preparation of income statement and balance sheet from incomplete record.

7. Financial Statements of Non-Profit Making Organizations

Preparation of receipt & payment summary; preparation of income and expenditure account and balance sheet.

SECTION-C

8. Company Formation & Retained Earnings

Formation of public and private Companies as per Companies Ordinance 1984; concept and nature of shares and share capital; types of shares and share capital; recording of issue of shares against cash and for consideration other than cash; concept of partly and fully paid shares; share splits; right issue of shares; bond shares (stock dividend); purchase of own shares (treasury stock); sources of retained earnings; retained earnings appropriation to dividends and reserves; concept and types of dividends and reserves; accounting for dividends, reserves and reserve funds.

9. Preparation of Company Financial Statements in accordance with International Accounting Standards (IAS – 1)

Requirements of relevant, IFRSs / IASs; forms and contents of the Financial Statements as per IAS-1.

10. Financial Statements (Balance Sheet & Income Statement) of a single company in accordance with 4th & 5th schedule of Companies Ordinance 1984.

Requirement of 4th & 5th schedule of Companies Ordinance 1984; balance sheet, profit and loss; statement of changes in owners' equity and notes to the accounts.

11. Computation of Basic Financial Ratios (analysis not required)

12. Application of IFRs / IASs

IAS 1, 8, 10, 16.



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| CORE READINGS | | |
|--|--|--|
| TITLE | AUTHOR | PUBLISHER |
| Frank Wood's Business Accounting | Frank Wood/Alan Sangster | Pearson Education Ltd, England. |
| International Financial Reporting Standards (IFRSs/IASs) | International Accounting Standards Board | International Accounting, Standards Board, 30 Cannon Street London EC4M 6XH, United Kingdom. |
| Financial Accounting and Tax Principles | PBP | Professional Business Publications, Lahore. |
| An Introduction to Accountancy | S.N.Maheshwari/S.K Maheshwari | Vikas Publishing House, (Pvt) Ltd., 576, Masjid Road, Jangpura, New Delhi. |
| Advanced Accountancy | R. L. Gupta | Sultan Chand & Sons, Publishers 23, Daryaganj, New Delhi. |
| ADDITIONAL READING | | |
| Accounting: The Basis for Business Decisions | Robert F. Meigs / Walter B. Meigs | McGraw-Hill Publishing Company Inc., New York. |



STAGE -3

BUSINESS TAXATION (S-302)

i. Introduction:

This course covers Income Tax Ordinance, 2001, the Income Tax Rules, 2002 and other Tax Laws such as the Sales Tax Act, 1990, Customs Act, 1969 and Federal Excise Act, 2005, as amended to date.

ii. Objectives:

To provide the students with an in-depth knowledge of Tax Laws, enabling them to apply in decision-making process in different business situations.

iii. Outcomes:

On completion of this course, students should be able to:

- identify and interpret principal types of taxation, such as direct taxes on individuals, income, business individuals, Association of persons, registered and unregistered firms

and companies, trading profit and capital gains, and indirect taxes such as sales tax, customs duty and central excise duty,

- describe features of the direct and indirect taxes,
- describe record-keeping, filing and tax payment requirements of principal types of taxation, relating to business,
- differentiate between tax avoidance and tax evasion,
- compute for recommendations to the management on issues, pertaining to tax liabilities of company or firm, arising from income generation and capital gains,
- recommend on minimising or deferring tax liabilities for individuals or company, by using exemptions,
- compute and advise on tax liabilities of individuals, arising from income receipts, capital gains, business or professions and other sources, and
- identify foreign tax obligations, situations and apply appropriate methods for relieving from such tax.

INDICATIVE GRID

| SYLLABUS CONTENT AREA | WEIGHTAGE |
|--|-------------|
| SECTION-A 1. Income Tax Law 1.1 Income Tax Ordinance 2001, as amended up-to-date covering | 50% |
| SECTION-B 1.2 Income Tax Rules 2002 | 20% |
| SECTION-C 2. Other Tax Laws: 2.1 Sales Tax Act 1990 2.2 Customs Act 2.3 Federal Excise Act and Rules 2.4 Capital Value Tax | 30% |
| TOTAL | 100% |

Note: The weightage shown against each section indicates, study time required for the topics in that section. This weightage does not necessarily specify the number of marks to be allocated to that section in the examination.

CONTENTS

SECTION-A

1. INCOME TAX LAW

1.1 INCOME TAX ORDINANCE, 2001

The Income Tax Ordinance 2001, as amended up-to-date covering

Definitions; charge to tax; tax on taxable income (computation of income from salary, property,



business, capital gains, other sources, exemptions, losses, deductible allowances, tax credits); common rules (general, tax year, assets); provisions governing persons (concept, individuals, AOP, companies); special industries (insurance, oil & gas and other mineral deposits); international (geographical source of income, taxation of foreign source of income of residents, taxation of non-residents, double taxation); anti-avoidance; minimum tax; procedures (returns, assessments, appeals, collection and recovery of tax, payments and deductions, refunds, records and audit, penalty, offence and prosecutions, additional tax); administration (general, transitional advance tax provisions, miscellaneous); Schedules (first schedule, second schedule, third schedule, sixth schedule, seventh schedule). Special provisions regarding depreciation, initial allowance, intangibles, pre-commencement expenses, scientific research expenditures, employees training and facilities, profit on debt, financial costs and lease payment, bad debts, provisioning regarding consumer loans, profit on non-performing debts, transfer to participating reserve and tax accounting. Nature and areas of tax management; deduction of tax at source; advance payment of tax; minimum tax; importance of tax management, while claiming allowance; exemptions deductions and tax credits; filing of returns of income; defaults and penalties.

SECTION-B

1.2 INCOME TAX RULES, 2002

Definitions related to the rules; heads of income; income of residents; tax of non-residents; transfer pricing; records and books of accounts; certificates; advance tax collection or deduction,

payment, statements of tax collected or deducted. Income tax recovery rules, registration of income tax practitioners, and recognised terminal benefits funds.

SECTION-C

2. OTHER TAX LAWS:

2.1 The Sales Tax Act 1990

Chapter No. I, II, III, IV, V VII, VIII and IX of the Act, as amended up-to-date covering; definitions; scope and payment of tax; registration; book-keeping and invoicing requirements; returns; offences and penalties, appeals and recovery of arrears.

2.2 Customs Act

Chapter V, VI, X, XI, XVII and XIX of Customs Act, as amended up-to-date covering; levy of exemption from and repayment of customs duties; drawbacks; clearance of goods for home consumption; warehousing; offences and penalties; appeals and revisions.

2.3 Federal Excise Act And Rules

Federal Excise Act, 2005. Sections 2 to 19, 31, & 33 to 39.

Federal Excise Rules, 2005. Rules 7 to 10, 15 to 17, & 32 to 34.

2.4 Capital Value Tax

Section 7 of the Finance Act 1989 as amended up-to-date.

- Notifications, rules general orders and circulars, issued under the above-mentioned laws.



INSTITUTE OF COST AND MANAGEMENT ACCOUNTANTS OF PAKISTAN

| CORE READINGS | | |
|---|-----------------------------------|---|
| TITLE | AUTHOR | PUBLISHER |
| Complete Income Tax Law (Latest Edition) | Sheikh Asif Salam | S. A. Salam Publications, Lahore. |
| Introduction to Income Tax Ordinance, 2001 & Income Tax Rules, 2002 | Huzaima Bukhari & Dr. Ikramul Haq | Lahore Law Publications. |
| Sales Tax, 1990 | Tariq Najeeb Choudhry | Tariq Najeeb Corporation, Lahore. |
| Central Excise Act 1944 and Rules | Tariq Najeeb Choudhry | Tariq Najeeb Corporation, Lahore. |
| Customs Act, 1969 | — | Government of Pakistan. |
| Income Tax Law plus Practical Problems with Solution | Prof. Dr. Khawaja Amjad Saeed | Azim Academy, 21-Urdu Bazar, Lahore. |
| Synopsis of Taxes in Pakistan | Mirza Munawar Hussain | Iqbal Brothers, Lahore. |



STAGE-3

COST AND MANAGEMENT ACCOUNTING – PERFORMANCE APPRAISAL (S-303)

i. Introduction:

There are certain cost, revenue and profit centres, which need frequent performance measurement for control purposes. This enables the management to identify any deviation from the planned activities. This course is confined to such cost techniques that enable the management accountant, to identify the said deviations and report to the management for taking remedial action.

ii. Objectives:

To provide the students with a detailed knowledge of Cost and Management Accounting, to enable them to:

- use the present and traditional approaches of cost accounting in different contexts, and
- apply the cost and management accounting techniques, and evaluate the desired results in the light of the outcomes.

iii. Outcomes:

On completion of this course, students should be able to:

- distinguish between the meaning of a joint product and a by-product,
- describe the appropriateness of two acceptable methods of accounting for by-product in the determination of the cost of the joint products,
- describe two acceptable methods of allocating cost to joint products and the cost of initial producing department,

- explain how standards are set or revised in manufacturing or service industries,
- compute and interpret material, labour, overhead and sales variances,
- prepare reports showing direct materials quantity and price variances and direct labour efficiency and rate variances,
- explain why a company prepares master budget,
- describe the components of master budget,
- explain the inter-relationship between the components of an operating budget and a financial budget,
- explain the role of computerised financial planning models in the budgeting process,
- explain how the JIT philosophy has changed manufacturing environment,
- describe the criterion for selecting a cost driver, when preparing a flexible budget,
- calculate overhead budget, spending, efficiency and volume variances,
- explain how flexible budget is used to control manufacturing and non-manufacturing activities,
- describe the causes for changes in gross profit,
- compute sales volume variance, cost volume variance and sales mix variances,
- describe the need for uniform cost accounting,
- design and install costing system and cost reports of a manufacturing company,
- apply direct and absorption costing approaches in job, batch and process cost systems, and
- prepare ledger accounts according to context: direct or absorption-based in job, batch or process systems including all related accounts.

INDICATIVE GRID:

| SYLLABUS CONTENT AREA | WEIGHTAGE |
|---|------------------|
| SECTION – A COST ACCOUNTING SYSTEMS AND TECHNIQUES <ol style="list-style-type: none"> 1. Marginal and Absorption Costing 2. Activity Based Costing 3. Process Costing 4. Effect of JIT 5. Uniform Costing | 30% |



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| | |
|---|-------------|
| SECTION – B STANDARD COSTING AND VARIANCE ANALYSIS 6. Setting Standard Cost 7. Variance Analysis and Profit Reconciliation 8. Interpretation of variances | 30% |
| SECTION - C BUDGETING AND BUDGETARY CONTROL 9. Preparation of Budget 10. Zero Based Budgeting and Activity Based Budgets 11. Budgetary Control | 30% |
| SECTION-D PERFORMANCE MEASUREMENT AND TRANSFER PRICING 12. Divisional Performance Measurement 13. Transfer Pricing | 10% |
| TOTAL | 100% |

Note: The weightage shown against each section indicates, study time required for the topics in that section. This weightage does not necessarily specify the number of marks to be allocated to that section in the examination.

CONTENTS

SECTION-A

COST ACCOUNTING SYSTEMS AND TECHNIQUES

- 1. Marginal and Absorption Costing**
Marginal costing and absorption costing, Effect of both systems on profit and inventory valuation, Profit reconciliation.
- 2. Activity Based Costing**
Emergence of ABC systems, Comparison of traditional and ABC systems, Designing ABC system, ABC in service organisations, Pitfalls in using ABC information.
- 3. Process Costing**
Adjustment of WIP at start: FIFO and average method, Normal, abnormal losses and abnormal gain, Adjustment of scrap value of lost units, Addition of units,
- 4. Effect of JIT Production**
The benefits of just in time production, Total quality management, Theory of constraints and throughput accounting, Throughput accounting (TA) ratio, Accounting entries for a JIT manufacturing system (Back flush).
- 5. Uniform Costing**

SECTION – B

STANDARD COSTING AND VARIANCE ANALYSIS

6. Setting Standard Cost

Establishing cost standards, Direct material standards, direct labour standards, Overhead standards, Basic cost standards, ideal standards and currently attainable standards, Purposes of standard costing.

7. Variance Analysis and Profit Reconciliation

Computation of cost and sales variances, Mix and yield variances, Idle time variances, Recording standard costs in the accounts, Reconcile standard profit and actual profit using absorption and marginal costing systems, Accounting disposition of variances.

8. Interpretation of Variances

Interpretation of variances, interrelationship, significance, Planning and operational variances, Criticism of standard costing.

Joint and by-products, Accounting for spoilage, rework and scrap.

SECTION - C

BUDGETING AND BUDGETARY CONTROL

9. Preparation of Budget

Theory of budgeting, Administration and stages in the budgeting process, Functional Budgets, Projected income statement and balance sheet, Cash budget, The budgeting process in non-profit organisations, Flexible and Fixed Budgets, Rolling budget.



10. Zero Based Budgeting and Activity Based Budgets

Incremental approaches of budgeting, Zero based budgeting- merits and pitfalls, Activity based budgeting approach.

11. Budgetary Control

Feedback and feed-forward controls, Budget variances and their causes, Responsibility centres and budgeting, Behavioural implications of budgeting and budgetary control.

SECTION - D

PERFORMANCE MEASUREMENT AND TRANSFER PRICING

12. Divisional Performance Measurement

Cost centre, revenue centre, profit centre and investment centre, Methods of measuring divisional performance, Return on capital employed, Residual income, Divisional performance reporting.

13. Transfer Pricing

Transfer pricing methods, Pricing at cost, Standard cost plus mark-up, Market prices, Dual pricing, Negotiated prices, Capacity constrained, Goal congruence.

| CORE READINGS | | |
|--|--|---|
| TITLE | AUTHOR | PUBLISHER |
| Cost & Managerial Accounting | Jack Gray & Don Ricketts | McGraw-Hill Company Inc., Princeton Road, S-1 Hightslow, NJ08520, New York. |
| Managerial Accounting | Ray H. Garrison & Eric W. Noreen | South Western Publishing Co. USA |
| Management and Cost Accounting | Colin Drury | Thomson Learning, High Holborn Ouse, 50-51 Bedford Row, London |
| Management Accounting Performance Evaluation | PBP | Professional Business Publications, Lahore. |
| ADDITIONAL READING | | |
| Cost Accounting A Managerial Emphasis | Charles T. Horngren / George Foster & Srikant M. Datar | Prentice Hall of India (Pvt) Ltd., New Delhi 110001, India. |
| Cost Accounting | Adolph Matz / Milton F. Ustry | South Western Publishing Co., Cincinnati, Ohio, U.S.A. |



STAGE-3

PRESENTATION AND COMMUNICATION SKILLS (S-304)

i. Introduction:

This course is designed to give more emphasis on improving and developing the presentation and communication skills of the students. They are expected to develop and improve their verbal and non-verbal communication capabilities.

ii. Objectives:

To provide the students with theoretical and practical knowledge of verbal and non-verbal presentation and communication skills, enabling them to:

- learn and understand theoretical and practical approaches of managerial communication,
- learn and understand the concepts methodologies, and techniques for an effective presentation, while developing and refining their own abilities.

iii. Outcomes:

On completion of this course, students should be able to:

- apply the concepts to real business scenario and sharpen their business communication and problem-solving skills,

- describe the role of effective communication in business,
- describe the characteristics, process and importance of communication in business;
- identify the steps in the communication process,
- describe communication barriers and how to overcome them,
- identify some of the common sources of misunderstanding that occur in written and oral intercultural communication,
- explain the importance of speaking and listening effectively, when communicating face-to-face with people from other cultures,
- describe the communication role of electronic mail and Internet technologies in designing business messages,
- identify and demonstrate the methods and procedures for writing letters, memos and other brief messages,
- describe the various steps involved in the process of report writing,
- describe the steps involved in presentation skills.
- Compose their CV's
- Perform well in the interviews
- Play significant role in meetings

INDICATIVE GRID

| SYLLABUS CONTENT AREA | WEIGHTAGE |
|--|-------------|
| SECTION – A 1. Business Communication | 20% |
| SECTION – B 2. Business Letters 3. Business Reports | 50% |
| SECTION – C 4. Presentation Skills | 30% |
| TOTAL | 100% |

Note: The weightage shown against each section indicates, study time required for the topics in that section. This weightage does not necessarily specify the number of marks to be allocated to that section in the examination.



CONTENTS

SECTION – A

1. Business Communication

Effective communication in business; its definition, characteristics, process, forms, channels and importance, different kinds of communication; its features, elements, concepts; verbal and non-verbal communication; process of preparing effective business messages; planning steps; basic organisational plans; beginnings and endings; composition of the message; effective communication principles; styles of communication; 7C's of communication, gestures; manners; presentations and follow-up or feedback. Interviewing skills, listening skills, organising and conducting meetings, business group discussions, communication within and outside the organization, structure of the organization, open communication climate, communication barriers, interpersonal communication, intercultural communication, ethical communication, legal aspects of communication, the role of technology in communication.

SECTION – B

2. Business Letters

Types of business letters; writing styles; informal (friendly) letters; business or formal letters; writing a note/ memo/circulars, direct request inquiries claims and requests for adjustments; requests regarding routine business or public causes; invitations; preparing proposals/feasibilities, documentation, orders; reservations; favourable replies; unsolicited favourable messages; request; sales letters; evaluating, achievements; market research; making preliminary career decisions; resume and job application letter.

3. Business Report

Meaning and classification of business reports, preparation before writing reports, main parts of the report, organisation and outline of report body, visual aids, short reports, suggestions for short reports, informational memorandum reports, analytical memorandum reports with graphs, informational and analytical letter reports, formal reports, working plans, prefatory parts, documentation and other notes, supplementary parts, presentation of the formal reports.

SECTION – C

4. Presentation Skills

Common myths about presentational ability; difference between speech and presentation; categories presentations according to their purpose; analysis of the audience before making a presentation; evaluating the appropriateness of the setting and venue of presentation; the steps in planning a presentation; some common symptoms of stage fright and measures to overcome it; developing an introduction, a body and a close for a formal presentation; some do's and don'ts of verbal and non-verbal communication; selecting, designing and using appropriate visual aids; handling audience questions effectively; delivering a short formal presentation on an assigned topic, interviews, meetings.

Note: The class room activities should be designed to give students the maximum chance to get proficiency in communication and presentation skills. They should be encouraged to take part in group discussions, mock interviews, holding meetings and other class room presentations. They should be taught to make effective and accurate use of audio and visual aids. They should learn the use of non verbal cues in an effective way.



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| CORE READINGS | | |
|---|---|--|
| TITLE | AUTHOR | PUBLISHER |
| Excellence in Business Communication | Join V Thill Courtland L Bove's | Prentice-Hall International Inc. Upper Saddle River, New Jersey |
| Model Business Letters | L. Gartside | Financial Times Prentice Hall Pearson Professional Education |
| ADDITIONAL READINGS | | |
| Communication for Business (A Practical Approach) | Shirley Taylor | Pitman Publishing 128 Long Acre, London WC2E 9AN |
| Effective Business Communication | Herta A. Murphy / Herbert W. Hildebranot & Jane P. Thomas | McGraw-Hill Company Inc. Princeton Road, S-I Hightslown, NJ08520, New York. |
| i-Business Communication and Report Writing ii-Presentation Skills iii-Functional English | Mr. K. M. Siddiqi | Al-Hamd Academy, Karachi |



STAGE-4

ADVANCED FINANCIAL ACCOUNTING AND ANALYSIS (S-401)

i. Introduction:

This course is designed to concentrate on preparation of financial statements, evaluation and interpretation of financial analysis under different business situations. This will help management take appropriate decision on the basis of financial comments and recommendations of management accountant.

ii. Objectives:

To provide the students with a thorough knowledge of advanced aspects of financial accounting to enable them to:

- select and apply appropriate accounting techniques and procedures to specific circumstances, and

- prepare, analyse, interpret financial statements of entities under specific situations.

iii. Outcomes:

On completion of this course, students should be able to:

- prepare accounts and financial statements in connection with amalgamation, absorption, liquidation, reconstruction, banks and financial institutions,
- evaluate financial statements of an entity and provide analysis and comments on its performance,
- discuss the treatment of taxation as per IAS-12,
- explain and demonstrate the accounting treatment of investments and long-term liabilities,
- preparation of accounts and financial statements of construction companies, and
- discuss various issues of business ethics.

INDICATIVE GRID:

| SYLLABUS CONTENT AREA | WEIGHTAGE |
|--|------------------|
| <p>SECTION - A</p> <p>1. Group / Consolidated Financial Statements (Balance Sheet & Income Statement) in accordance with relevant IFRs / IASs. [simple groups including subsidiaries & associates]</p> <p>2. Cash Flow Statement of a Single Company (consolidated cash flow statement is not required)</p> <p>3. Corporate Financial Analysis (including IAS 33)</p> <p>4. Amalgamation, Absorption and Reconstruction</p> <p>5. Final Statement of Liquidator</p> | 50% |
| <p>SECTION - B</p> <p>6. Accounting for Leases (IAS – 17)</p> <p>7. Accounting for Taxation IAS – 12 (for a single company)</p> <p>8. Accounting for Construction Contracts (IAS – 11)</p> <p>9. Accounting of Insurance Company, Banks & Financial Institutions</p> <p>10. Accounting treatment of Financial Instruments (Basic understanding of relevant IFRs / IASs)</p> <p>11. The measurement of Income & Capital (IAS – 18, 29)</p> <p>12. Ethical requirements from an Accountant</p> | 50% |
| TOTAL | 100% |

Note: The weightage shown against each section indicates, study time required for the topics in that section. This weightage does not necessarily specify the number of marks to be allocated to that section in the examination.

CONTENTS

SECTION-A

1. Group / Consolidated Financial Statements (Balance Sheet & Income Statement) in

accordance with relevant IFRs / IASs. [simple groups including subsidiaries & associates

Definition of holding, subsidiary and associated undertaking; preparation of company accounts and consolidated financial statements as per IAS-27.



2. Cash Flow Statement of a Single Company (consolidated cash flow statement is not required)

Preparation of the cash flow statement, including relevant notes for an individual company, in accordance with IAS 7.

3. Corporate Financial Analysis (including IAS 33)

Ratio analysis techniques, segment analysis, common size analysis and reporting the result; limitations of ratio analysis; analysis of financial statements and comments on the performance and position of an entity as per IAS –33; principles of substance in measurement of income & capital in accordance with IAS – 1.

4. Amalgamation, Absorption, Liquidation and Reconstruction

Amalgamation by forming a new company; amalgamation by absorption; amalgamation by forming a holding company; reconstruction of companies. Legal aspects of mergers and acquisitions.

5. Final Statement of Liquidator

Statement of affairs and deficiency or surplus account; liquidator's final statement of account.

SECTION-B

6. Accounting for Leases (IAS– 17)

Definition of leases and their importance, difference between operating and financial leases; accounting for operating and finance leases; definition, reporting requirements of finance lease in terms of IAS 17 and relevant IFRS.

7. Accounting for Taxation IAS – 12 (for a single company)

Treatment of current taxation and deferred taxation; entries related to corporate tax in accounting records as per IAS-12.

8. Accounting for Construction Contracts (IAS–11)

Preparation of contract account (profit and loss account and balance sheet) as per IAS-11.

9. Accounting of Insurance Company, Banks & Financial Institutions

Legal provisions and prudential regulations; preparation of accounts and financial statements of Insurance Companies, banks and financial Institutions.

10. Accounting Treatment of Financial Instruments (Basic understanding of relevant IFRs / IASs)

Short-term and long-term investments; investments in shares; bonds and funds; convertible bonds and debentures; debentures conversion into shares; redeemable capital Term Finance Certificates (TFCs); (IAS 32, 39, & IFRS 7)

11. The Measurement of Income & Capital (IAS–18, 29)

12. Ethical Requirements from an Accountant

The nature of ethics: difference between philosophical and professional approach, concepts of integrity, obligation, independence, public expectations, ethics and the professional: social responsibility, ethics and the law; consequences of unethical behaviour to the individual, the profession and society at large; ethics in business.



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| CORE READINGS | | |
|--|---|---|
| TITLE | AUTHOR | PUBLISHER |
| Intermediate Accounting | Donald E. Kieso / Jerry J. Weygandt & Terry D. Warfield | John Willey & Sons. Inc., England. |
| Modern Advanced Accounting | E. John Larsen | McGraw-Hill Company Inc., New York. |
| Financial Analysis | PBP | Professional Business Publications, Lahore. |
| An Introduction to Accountancy | S.N. Maheshwari / S. K. Maheshwari | Vikas Publishing House, Pvt. Ltd., 576, Masjid Road, Jangpura, New Delhi. |
| Companies Ordinance 1984 | Govt. of Pakistan. | P.L.D. Publishers Lahore. |
| International Financial Reporting Standards / IASs | International Accounting Standards Board | International Accounting Standards, Board, 30 Cannon Street, London, EC4M 6XH United Kingdom. |
| Advanced Accountancy | R. L. Gupta | Sultan Chand & Sons Publishers, 23, Daryaganj, New Delhi. |
| ADDITIONAL READINGS | | |
| Reading in Financial Analysis | Qaisar Mufti | Royal Book Co., Karachi. |
| Advanced Accountancy | S.P. Jain / K. L. Narang | Kalyani Publishing, New Delhi, udhiana. |
| Advanced Accounting | Harry Simons / Wilbert E. Karrenbrock | South Western, Publishing Company N. Y. |



STAGE-4

INTEGRATED MANAGEMENT (S-402)

i. Introduction:

This course comprising strategic management, project management and management of relationships, is designed to give the students new approaches of management sciences, in order to face emerging global organisational and technological challenges.

ii. Objectives:

This course enables the students to learn:

- the process of strategy formulation and implementation,
- key project management skills, and
- managing internal and external business relationships.

iii. Outcomes:

On completion of this course, students should be able to:

- Explain process of strategy formulation and establish relationship between strategy and organisational structure, and find out the importance and role of organisational cultures, and ways to improving effectiveness of an organisation,
- determine resource-based views of the firm and implications for strategy development,
- determine and apply suitable structures and frameworks to projects, and identify common management issues,
- produce a basic project plan, recognise the effects of uncertainty, and recommend strategies for dealing with the uncertainty,
- recommend most suitable project control systems,
- explain the concepts of power, bureaucracy, authority, responsibility, leadership and delegation,
- analyse the relationship between managers and their subordinates, and
- demonstrate personal time-management skills, develop methodologies for managing individuals and teams, and for managing group conflict.

INDICATIVE GRID

| SYLLABUS CONTENT AREA | WEIGHTAGE |
|---|------------------|
| SECTION-A Strategic Management | 40% |
| SECTION-B Project Management | 30% |
| SECTION-C The Management of Relationships | 30% |
| TOTAL | 100% |

Note: The weightage shown against each section indicates, study time required for the topics in that section. This weightage does not necessarily specify the number of marks to be allocated to that section in the examination.

CONTENTS

SECTION-A

Strategic Management

Strategic Management; evolution & definition, Process, content, functions, Direction Setting; developing strategic vision, setting objective and crafting Strategy, Strategic Planning; strategic objective, strategy, allocation of resources, strategic planning vs general planning, Strategy Implementation; external and internal environment, business ethics and social responsibilities, organizational culture, industrial analysis, company's evaluation, Winning Strategy;

goodness of fitness test, performance test, competitive edge Test.

SECTION-B

Project Management

Project vs Organization, Uniqueness of a project, Project Lifecycle; project identification, project development, project proposal, project implementation, project evaluation. Team Building; Group vs Team, Data Gathering, Data Analysis, Action Plan, Action Implementation, Evaluation. Stages of Team Development. Microsoft Project 98: basic understanding of drawing network diagrams, creating



activities, linking activities, creating summary tasks, finding the critical path, assigning resources to activities, changing the calendar and working hours and printing of network diagrams.

Management Roles, Power and Authority, Organizational Structure and Design, Organizational Politics, Organizational Culture, Leadership, Teamwork, External Relations; Networking, Going with Stakeholders, Managing External Environment.

SECTION-C

Management Relationship

Definition of Management, Levels of Management, Internal Relations; Management Functions,

| CORE READINGS | | |
|---|---|--|
| TITLE | AUTHOR | PUBLISHER |
| Strategic Management | Leslie W. Rue Phyllis G. Holland | McGraw-Hill, New York. |
| Organisational Behaviour | Fred Luthans | McGraw-Hill, Irwin, New York. |
| Organisational Behaviour | Greory Moorhead Ricky W.Griffin | Houghton Mifflin Company, USA |
| Integrated Management | PBP | Professional Business Publications, Lahore. |
| PMBOK (Project Management Body of Knowledge) 1998 edition | Project Management Institute | Project Management Institute. |
| Microsoft Project 98 (Software) | Microsoft | Microsoft Inc. USA. |
| ADDITIONAL READING | | |
| Management | James A.F. Stoner, A. Edward Freeman and Daniel A. Gilbert, Jr. | Prentice-Hall of India, New Delhi. |



STAGE-4

CORPORATE LAWS AND SECRETARIAL PRACTICES (S-403)

i. Introduction:

This course deals with the theoretical and practical approach to the Companies Ordinance 1984, the Securities and Exchange Commission of Pakistan Act 1997, Securities and Exchange Commission of Pakistan Regulations 2000 and secretarial practices.

ii. Objectives:

To provide the students with a thorough knowledge of Corporate Laws and Secretarial Practices to enable them to:

- advise and assist the management for taking appropriate and prompt decision, and
- carry out secretarial work more effectively.

iii. Outcomes:

On completion of this course, students should be able to:

- describe obligation to register certain associations and partnerships all as companies,
- differentiate between public, private and single-member companies,
- describe procedures relating to incorporation of companies and other matters incidental thereto,
- describe general procedures relating to registration and alteration, of articles and memorandum of association,
- describe provision relating to conversion of public company into private company and vice versa and other matters,
- describe provisions relating to allotment, issue and transfer of shares, debentures and deposits etc.
- describe regulations regarding issuance of shares certificates and debentures,

- explain procedures and regulations regarding transfer of shares,
- explain procedures for conversion of limited company into unlimited company and vice versa,
- describe procedures for registration of mortgage and charges,
- describe management, administration, registered office, publication of name of the company etc.
- explain procedure for commencement of business by a public company,
- describe procedure of holding statutory meeting and AGM of company and related matters,
- discuss procedure for appointment and removal of directors,
- discuss procedures for appointment of first and subsequent chief executive,
- describe miscellaneous provisions regarding investments, contracts, officers shareholding, trading and interests,
- discuss procedures for declaration of dividend, issuance of dividend warrants and payment of dividends,
- describe provisions regarding issue of bonus and rights shares,
- describe procedure for books of accounts and financial reports,
- describe procedures for winding up of companies,
- describe the qualifications, functions and legal obligations of a company secretary,
- explain various matters relating to the Securities and Exchange Commission of Pakistan Act 1997, and the Securities and Exchange Commission of Pakistan Regulations 2000,
- explain jurisdiction and procedures of the court,
- describe procedures and application of company (court) rules 1997, and
- explain powers and functions of the commission.
- explain the rules relating to non-banking finance companies.



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INDICATIVE GRID:

| SYLLABUS CONTENT AREA | WEIGHTAGE |
|---|-------------|
| SECTION-A Corporate Laws: 1. The Companies Ordinance 1984 | 50% |
| SECTION-B 2. The Securities and Exchange Commission of Pakistan Act, 1997, and the Securities and Exchange Commission of Pakistan Regulations 2000 3. Non-Banking Finance Companies (Establishment & Regulation) Rules | 15% 10% |
| SECTION-C 4. Secretarial Practices | 25% |
| TOTAL | 100% |

Note: The weightage shown against each section indicates, study time required for the topics in that section. This weightage does not necessarily specify the number of marks to be allocated to that section in the examination.

CONTENTS

SECTION-A

CORPORATE LAWS

1. The Companies Ordinance 1984

The Companies Ordinance 1984 with latest amendments.

SECTION-B

2. The Securities and Exchange Commission of Pakistan Act 1997, and the Securities and Exchange Commission of Pakistan Regulation 2000

The Securities and Exchange Ordinance 1969, as amended up-to-date with the Securities and Exchange Rules 1971. The Securities and Exchange Commission of Pakistan Act 1997 with latest amendments, Securities and Exchange Commission of Pakistan Regulations 2000. Single-Member Companies Rules 2003.

3. Non-Banking Finance Companies (Establishment & Regulation) Rules 2003 (Introduction only)

SECTION-C

4. Secretarial Practices

Incorporation of company, memorandum and articles of association, prospectus, officers of the company; directors, chief executive, secretary and auditors. Offer of shares, underwriting, brokerage, discount and premium on shares, listing with stock exchanges, listing rules of stock exchanges, applications and allotment of shares, issuance of shares, letters of regret, share certificates, transfer and transmission of shares, flotation of corporate securities, issuance and redemption of debentures. Types of meetings, company and directors meetings, annual general meeting, notice of meetings, agenda of meetings, minutes of the meetings, quorum of meetings, voting, proxies, resolutions, declaration of dividend, dividend warrants, bonus and rights issue, filing of returns with SECP and other agencies, maintenance of statutory books, register of shareholders, registration of mortgages and charges, books of accounts and financial reports, service of documents, receiving of deposits by company, Central Depository Company and its regulations (Stock Exchange Regulations and CDC Act-1997); Secretarial organisation and management; appointment of secretary, qualifications of secretary; functions and legal obligations of secretary. Working procedure of Securities and Exchange Commission of Pakistan (SECP), audit and investigation.



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| CORE READINGS | | |
|--|-------------------------------|---|
| TITLE | AUTHOR | PUBLISHER |
| Company Law & Secretarial Practice in Pakistan | Prof. Dr. Khawaja Amjad Saeed | Institute of Business Management, G.P.O. Box No. 1164, Lahore. |
| Practical Approach to Companies Ordinance 1984 | Nazir Ahmed Shaheen | Federal Law House, H/136 Muree Road, Committee Chowk, Rawalpindi. |
| Company Secretarial Practice | Q. A. Wadud | Royal Book Company, 232, Saddar Cooperative Market, Abdullah Haroon Road, P.O. Box No. 7737, Karachi-74400. |
| Secretarial Practice | D. P. Jain | Konark Publishers Pvt. Ltd. |
| Bare Acts | _____ | Govt. of Pakistan Publishers, Karachi |
| ADDITIONAL READING | | |
| Manual of Corporate Governance | SECP | SECP, Islamabad. |



STAGE-5

FINANCIAL REPORTING (S-501)

i. Introduction:

This course is designed to focus on preparing, analysing financial statements and developing reports thereon, for management decisions. The students are expected to use knowledge and understanding of more advanced financial accounting, for preparing and interpreting financial statements in context of practice.

ii. Objectives:

To provide the students with an in-depth knowledge of financial reporting enabling them to:

- analyse and interpret financial statements and prepare financial reports, and
- submit recommendations to the management for taking decision.

iii. Outcomes:

On completion of this course, students should be able to:

- identify categories of users of financial reports and describe the importance of financial reporting,
- evaluate the uses of international regulatory framework, including international standards of accounting and auditing and comparative accounting systems and analysis in financial reporting,
- prepare group financial statements, in accordance with the requirements of the Companies Ordinance 1984, International Accounting Standards and IFAC Guidelines,
- analyse, interpret and report on financial statements (including cash flow statements) and related information to different groups of users, and
- demonstrate the financial reporting skills in case studies.

INDICATIVE GRID:

| SYLLABUS CONTENT AREA | WEIGHTAGE |
|---|-------------|
| SECTION-A 1 General 2 Categories of Users 3 International Regulations (IAS and IFRS) | 50% |
| SECTION-B 4 Corporate Financial Reporting 5 Corporate Governance 6 Interpretation and Value Measurement | 30% |
| SECTION –C 7. Case Studies & Practical Assignments | 20% |
| TOTAL | 100% |

Note: The weightage shown against each section indicates, study time required for the topics in that section. This weightage does not necessarily specify the number of marks to be allocated to that section in the examination.

CONTENTS

SECTION-A

1. General

Importance of financial reporting; accounting, strategic financial management, MIS/IT; marketing, industrial and commercial laws.

2. Categories of Users

External users (investors, stock exchanges, Securities and Exchange Commission of Pakistan (SECP) and other government agencies, financial institutions, banks, financial analysts). Internal users (directors, managers, employees and union).



3. International Regulations (IAS and IFRS)

The international regulatory framework including international standards of accounting and auditing, comparative accounting systems and analysis.

IASs: IAS 7, 12, 14, 17, 19, 20, 21, 23, 24, 27, 28, 31, 34, 36, 37, 38, 39, 40, 41.

IFRs: 1, 2, 3, 4, 5, 6, 7.

SECTION-B

4. Corporate Financial Reporting

Preparation of Consolidated Financial Statements (complex group structure as well) including Consolidated Cash Flow Statement.

5. Corporate Governance

Various requirements under Code of Corporate Governance.

6. Interpretation and Value Measurement

Advanced aspects of preparation and interpretation of accounts and related reports, calculation of stock market ratios and measurement of business valuation.

SECTION-C

7. Case Studies & Practical Assignments

Students will be expected to demonstrate, that they can integrate the knowledge and skill of their studies of the subjects of financial accounting and financial reporting and their practical training, candidates' professional capabilities will be tested with reference to: their ability to identify key issues, their judgment in prioritising issues and recommending practical solutions, their communication skills, including their proper use of English, in presenting solutions in structured and logical format. The emphasis at this stage, will be on the presentation, interpretation and meaningful use of data.

Each student will be required to prepare at least two annual reports of selected listed companies from given data, and submit the same to the concerned faculty member for evaluation.

| CORE READINGS | | |
|--|----------------|---|
| TITLE | AUTHOR | PUBLISHER |
| International Financial Reporting Standards (IFRSs/IASs) | — | International Accounting Standards Board, 166 Fleet Street, EC4A 2DY, London. |
| Modern Advanced Accounting | E. John Larsen | Mc-Graw-Hill Companies Inc., Princeton Road, S-1 Hightstown, NJ08520, New York. |
| Disclosure Requirements and Revised) Fourth & Fifth Schedules of Companies Ordinance, 1984 | | Govt. of Pakistan |
| Companies Ordinance 1984 and Article of Association | | Govt. of Pakistan |
| Relevant Sections of Income Tax Ordinance, 2001 | | Govt. of Pakistan |
| Relevant Sections of Banking Companies Ordinance, 1962 | | Govt. of Pakistan |
| Prospectuses for Allotment of Shares & Securities of Companies | | |
| Annual Reports of the listed companies | | |
| Periodic Reports of Companies | | |



STAGE-5

**MANAGEMENT ACCOUNTING-
DECISION MAKING (S-502)**

i. Introduction:

This course is designed to focus on the identification and application of management accounting techniques for decision-making in a specific area.

ii. Objectives:

To provide the students with an in-depth knowledge of management accounting, to enable them to:

- apply management accounting techniques for analysing the information, and presenting it to management for decision-making and control purposes, and
- formulate strategic plans for achieving efficiency and effectiveness in the operation of business.

iii. Outcomes:

On completion of this course, students should be able to:

- develop information for managerial planning and decision-making by using various techniques, such as cost volume-profit analysis, sales volume analysis, gross profit analysis, marginal costing, sales mix, key limiting factors, make or buy decision, differential cost and comparative cost analysis, opportunity cost and relevant cost, joint cost of product mix,
- undertake sensitivity analysis and evaluate the impact of risk in decision models using strategic management, cost benefits and behavioural consideration, planning and control for product life cycles, probabilities, probabilistic and expected value tables,
- use effectively the linear programming technique for determination of the best use of available resources for profit maximising and revenue maximising,
- develop cost management information to facilitate the principal management function and strategic management,
- generate information on the basis of pricing techniques, and
- compile information by applying the capital budgeting techniques for use of management.

INDICATIVE GRID:

| SYLLABUS CONTENT AREA | WEIGHTAGE |
|---|------------------|
| SECTION - A COST ANALYSIS 1. Cost Behaviour 2. Cost Volume Profit Analysis | 15% |
| SECTION - B SHORT TERM DECISION MAKING 3. Decision Making - Introduction 4. Limiting Factors 5. Pricing Decision 6. Uncertainty and Use of Probabilities | 35% |
| SECTION - C LONG TERM DECISION MAKING 7. Discounted Cash Flow Techniques 8. Capital Investment Decisions 9. Sensitivity Analysis | 35% |
| SECTION - D STRATEGIC ADVANTAGE THROUGH COSTING 10. Cost Reduction Techniques | 15% |
| TOTAL | 100% |

Note: The weightage shown against each section indicates, study time required for the topics in that section. This weightage does not necessarily specify the number of marks to be allocated to that section in the examination.



CONTENTS

SECTION-A

COST ANALYSIS

1. Cost behaviour

Fixed, variable, semi variable and step fixed cost, Linear, curvilinear and step functions, Relevant range, Factors influencing cost behaviour. Methods of segregation of cost into fixed and variable, High low method, scatter graph method, regression analysis and correlation, Learning curve and cost function.

2. Cost Volume Profit Analysis

Break-even analysis, Break-even graph and profit graph, Multi-product CVP analysis, Operational leverage, The economist's and accountant's CVP model, Assumptions of CVP analysis, Effect of changes in cost and revenue.

SECTION - B

SHORT TERM DECISION MAKING

3. Decision Making - Introduction

The decision process, Definition of objectives, Consideration, evaluation and selection of alternatives, Relevant cost and revenue, Differential cost, Opportunity cost, Sunk cost, Make or buy decision or outsourcing, Sale or process further, Replacement of equipment, Adding / deleting a product, Discontinuation of operation.

4. Linear Programming

Decisions with limiting factors, Graphical linear programming, Linear programming for minimising of cost, Linear programming for maximising of contribution margin, Shadow pricing concept.

5. Pricing Decisions

Economic theory of pricing, Optimal sales price using differential calculus, Difficulties with applying economic theory, Cost based or cost plus pricing, Pricing policies, Pricing for target rate of return,

Pricing strategies for new products: skimming and penetration pricing.

6. Uncertainty and Use of Probabilities

Risk and uncertainty, Use of probabilities and expected values in decision making, Decision tree, The value of perfect information.

SECTION - C

LONG TERM DECISION MAKING

7. Discounted Cash Flow Techniques

Simple and compound interest, Net present value, Internal rate of return, Annuities and perpetuities, Future value.

8. Capital Investment Decisions

Initiation of project, Request for proposals bidding and tender documents, Non-financial consideration (quantitative vs. qualitative) methods, Return on capital employed, Payback period,, Identifying relevant cash flows, Comparison between IRR and NPV, NPV payback period, NPV index, Capital rationing, Effect of tax and inflation on investment decisions, Lease or buy decisions, Projects with unequal lives.

9. Risk and Sensitivity Analysis

Business risk and financial risk, Risk adjusted discount rate, Use of probabilities and expected value in calculating cash flows, Sensitivity analysis in long term decision making and the use, of computer software for 'what if' analysis, Simulation Analysis in project selection

SECTION - D

STRATEGIC ADVANTAGE THROUGH COSTING

10. Cost Reduction Techniques

Value analysis, Total quality management and zero defect programmes, Target costing, Continuous improvement and cost of quality reporting, Learning curve and labour cost reduction over time, Theory of constraints and bottle-neck analysis, Value chain analysis and supply chain management,



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| CORE READINGS | | |
|--|---|--|
| TITLE | AUTHOR | PUBLISHER |
| Managerial Accounting | Ray H. Garrison & Eric W. Noreen | South Western Publishing Co. USA |
| Managerial Accounting | T. Lucy | DP Publications Ltd. Aldine place, 142-144, Uxbridge Road, Shepherds, Bush Green, London W12 8AW. |
| Management Accounting Decision-Making | PBP | Professional Business Publications, Lahore. |
| Introduction to Management Accounting | Charls T. Horngren, Gary L. Sundem & William O. Stratton | Prentice-Hall of India Pvt. Ltd., New Delhi-110001. |
| Handbook of Management Accounting | Roger Cowe | Gower Publishing Co. Ltd., Aldershot, England. |
| ADDITIONAL READINGS | | |
| Managerial Accounting | Lane K. Anderson, Harold M. Sollenberger | South Western Publishing Co. |
| Cost Accounting-A Managerial Emphasis | Charles T. Horngren, George Foster & Srikant M. Datar | Prentice-Hall of India Pvt. Ltd., New Delhi-110001. |
| Managerial Accounting | Ronald W. Hilton | Mc-Graw-Hill Companies Inc. Princeton Road, S-1 Hightslown, NJ08520, New York. |



STAGE-5

RISK MANAGEMENT AND AUDIT S-503

i. Introduction:

This course comprises conventional audit, cost audit, and is designed to focus on risks involved in operations and production areas, and to provide safety to business from such risks.

ii. Objectives:

To provide the students an in-depth knowledge of risk management, financial audit and cost audit to enable them to:

- conduct audit effectively, and
- identify and advise management to take appropriate remedial actions in those areas where major risks are involved.

iii. Outcomes:

On completion of this course, students should be able to:

- identify, evaluate and manage different types of risks,

- determine role and importance of internal control,
- define objectives and scope of audit and describe the conceptual approach of auditing and evaluate and manage these risks,
- determine legal and ethical considerations of audit profession and carry out job keeping in view of their professional responsibility,
- draw up audit planning and determine quantum of audit work to be carried out in view of significant business risks,
- determine status of internal control and internal audit for deciding quantum by audit work to be conducted,
- apply audit techniques and procedures,
- describe documentation and evidence of audit work,
- prepare an audit report, keeping in view types of qualifications,
- describe nature, objectives, functions, scope, planning and procedures of cost audit,
- describe Cost Accounting Records Rules, and
- explain audit of material, labour and overhead costs.

INDICATIVE GRID:

| SYLLABUS CONTENT AREA | WEIGHTAGE |
|---|------------------|
| <p>SECTION-A</p> <p>1. RISK MANAGEMENT</p> <p>1.1 Risk Management Control and Evaluation</p> <p>1.2 Management of Financial Risks</p> <p>1.3 Case Study – Risk Management System of a Limited Company/Corporation</p> <p>2. AUDITING</p> <p>2.1 Nature and Principles of Auditing</p> <p>2.2 Legal, Professional and Ethical Considerations</p> <p>2.3 Audit Planning and Evaluation</p> <p>2.4 Quality controls</p> <p>2.5 Internal Control and Internal Audit</p> <p>2.6 Audit Techniques and Procedures</p> <p>2.7 Documentation and Evidence of Audit Work</p> <p>2.8 Completion Stage of an Audit</p> <p>2.9 Reporting Function</p> <p>2.10 Role of Corporate Governance in Mitigation of Risks</p> <p>2.11 Case Study-Risk Management System of a Listed Company</p> | 75 % |
| <p>SECTION-B</p> <p>3. COST AUDIT</p> <p>3.1 Nature, Objects, Functions and Scope of Cost Audit</p> <p>3.2 Planning the Cost Audit</p> <p>3.3 Provision of Cost Accounting Records Rules</p> <p>3.4 Material Cost</p> <p>3.5 Labour Cost</p> | 25 % |



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| | |
|--|--------------|
| 3.6 Overheads | |
| 3.7 Sales, Royalty, Inter-Company Transactions | |
| | TOTAL |
| | 100% |

Note: The weightage shown against each section indicates, study time required for the topics in that section. This weightage does not necessarily specify the number of marks to be allocated to that section in the examination.

CONTENTS

SECTION-A

1. RISK MANAGEMENT

1.1 Risk Management Control and Evaluation

Meaning, nature and types of risks; identification of risks of an organisation; methods of measuring, assessing and controlling risks; evaluation of risk management strategies; assessing and managing risks; evaluation of cost and benefits of audit; minimising the risks of fraud and application of appropriate audit techniques; minimising political risks; principles of diversification of risks; issues related to management's risk policy; involvement of financial audit, cost audit, internal audit to identify and eliminate various types of risks. Risk assessment procedures and success of information about the entity and its environment, revision of risk assessment.

1.2 Management of Financial Risks

Identification and evaluation of financial risks and appropriate methods for controlling them; evaluating the effects of alternative methods by risk management, and make recommendations; impact of differential inflation rates, exchange rates, currency risk management.

1.3 Case Study – Risk Management System of a Limited Company/Corporation

2. AUDITING

2.1. Nature and Principles of Auditing

Nature, definition, objectives and scope of an audit; types of audit; relationship between internal and external audit; general principles governing audit; concept of true and fair view; reasonable assurance; materiality; audit risk; going-concern and responsibility for financial statements.

2.2 Legal, Professional and Ethical Considerations

Appointment, remuneration, resignation, removal, powers, duties, liabilities, qualifications, disqualifications etc. of auditors under the Companies Ordinance, 1984. Appointment of

auditor under Section 177 of the Income Tax Ordinance 2001; investigations and appointment of inspectors under the Companies Ordinance, 1984. International Auditing Standards and Guidelines; pronouncement and technical release, issued by professional institutes of Pakistan; knowledge on ICMAP Act; Regulation and Code of Ethics; Professional Code of Ethics and Behaviour issued by International Federation of Accountants (IFAC) Rules of professional conduct; professional responsibility and liability of auditor with regard to fraud and error; misconduct; negligence; expectation gap; insider dealing. Responsibility of management, responsibility of auditors, reporting non compliance. Regulation of audit and developments in auditing theories and their implications for the profession.

2.3 Audit Planning and Evaluation

Review of client's business, its significant business risk; accounting; legal, ethical and practical requirements; systems and procedures; preceding year's financial statements; client's general information; determining the audit risks and level of materiality; audit planning; overall audit plan, identifying critical or significant audit areas; effect of transactions with related party on the financial statements; detailed audit programmes; preparations and issue of engagement letters, in cases of new and recurring customers; change in engagement; multi-location and special purpose engagements and for providing other services; allocation and supervision of work; responsibilities; monitoring of time; progress and costs. Auditor's liability to third parties, environmental audit, social audit, audit of small entities.

2.4 Quality controls

Leadership responsibilities for quality of audits, assignment of engagement teams, engagement performance, engagement quality control reviews.

2.5 Internal Control and Internal Audit

Definition; objectives; types; principles and techniques of internal control and internal audit; limitations and effectiveness of internal control;



evaluation of accounting and internal control systems; assessment of inherent; control and detection risk and factors affecting thereto; use of internal control questionnaire; role of audit committee towards internal control and audit; impact of internal audit work; reliance on internal audit by external auditor; internal control in Computer Information System environment; issuance of management letter. Control environment, entity's risk assessment process, control activities, monitoring of controls, controls relevant to audit, depth of understanding of internal controls.

2.6 Audit Techniques and Procedures

Techniques of audit testing; third party confirmation, management representations; sampling techniques; compliance technique; substantive testing; analytical review; use of Computer Assisted Audit Techniques; reliance on other auditors and experts; use of test of controls and substantive procedures for identifying risks of material mis-statements in existence; ownership obligation; occurrence; completeness; valuation; measurement; presentation and disclosure of assets and liabilities; appropriateness of accounting policies and their consistent application.

2.7 Documentation and Evidence of Audit Work

Documentation of work done, evidence of review, conclusions drawn and action taken, types of working- papers, recording of significant points; objectives, existence, ownership, valuation, completeness (cut-off), nature and sources, sufficiency, relevance, reliability.

2.8 Completion Stage of an Audit

Post-balance sheets events, contingent liabilities and commitments, completion procedures, review of audit work, review of the company's report and accounts.

2.9 Reporting Function

Audit reports; their meaning, types and qualifications; management letter (including communication with audit committee) subsequent discovery of facts existing at the date of auditor's report; date and place of auditor's report and signing thereon; other information in report containing audited financial statements; report on un-audited financial statements; group audit; joint audits; partnership and sole-traders; special

purpose reports and reports on forecast and estimates; forensic assignments; related parties (completion and review engagements); report on prospectus and relating to bonus-issues and due diligence engagements.

2.10 Role of Corporate Governance in Mitigation of Risks

Role of corporate governance in mitigation of risks; financial risks and their mitigation; interest rate risk; liquidity risk; credit risk; sovereign risk.

2.11 Case Study - Risk Management System of a Listed Company

SECTION-B

3. Cost Audit

3.1 Nature, objectives, functions and scope of cost audit, cost audit as required under Section 258 of the Companies Ordinance 1984, rights, duties, responsibilities and status of cost auditor, requirement of cost audit report rules. Cost Accounts Rules and Cost Audit Report Rules 1995, authentication of cost statements, penalty, cost audit report, particulars to be included in cost auditor's report to the directors of the company, auditor's observations and conclusions of report, reconciliation with financial account, cost statement, miscellaneous.

3.2 Planning the cost audit familiarity with the production process, systems and procedure of different industries, preparation of the audit programme, obligation for maintenance of cost accounting records under Section 230(I) (e) of the Companies Ordinance 1984. Provision of cost accounting records rules issued by the Securities & Exchange Commission of Pakistan, under Section 230 (I) (e) of the Companies Ordinance 1984, from time to time.

3.3 Provision of cost accounting records rules issued under Section 230 (1) (e) of the Companies Ordinance 1984 up-to-date.

3.4 Material cost: receipts, issues, transfers, returned, valuation of receipt, modes of valuation of stores issues, consumption manufacturing / processing losses, stores and spares: own-manufactured components and containers, major components, fabrication of different components, sub-assemblies, by-products, waste, defective work, spoilage, scrap and losses, methods of valuing and



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costing by-products, spoilage/scrap, work-in-progress, physical verification, nature and treatment of discrepancies.

- 3.5** Labour cost: classification and departmentalisation of labour costs.
- 3.6** Overheads: depreciation, plant utilisation, capacity utilisation, interest, utilities, allocation of cost of utilities, repairs and maintenance, collection of research and development costs, indirect materials/ wages/expenses, manufacturing

overheads, administration overheads, selling and distribution overheads, service departments, distribution, general principles of allocation/apportionment of overheads.

- 3.7** Sale, royalty, inter-company transactions, income from intermediary products, income from work done for outside parties, abnormal non-recurring costs, production and statistical record, standard costing system, budgetary control; books of cost accounting, measurements (Ratio).

| CORE READINGS | | |
|--------------------------------------|---------------------------------------|---|
| TITLE | AUTHOR | PUBLISHER |
| Principles of Auditing | Prof. Dr. Khawaja Amjad Saeed | Institute of Business Management, G.P.O. Box No. 1164, Lahore. |
| Advanced Auditing | Prof. Dr. Khawaja Amjad Saeed | Institute of Business Management, G.P.O. Box No. 1164, Lahore. |
| International Standards on Auditing | _____ | International Federation of Accountants, 545, Fifth Avenue, 14 th Floor, New York, NY 10017. |
| Business Risk Assessment | David McNamee | The Institute of Internal Auditors USA. |
| ADDITIONAL READINGS | | |
| De Paula's Auditing | Frank A. Attwood & Neil D. Stein | Pitman Publishing, 128 Long Acre, London WC2E 9AN. |
| Spicer & Peglar's Practical Auditing | Spicer and Peglar | Butterworth & Co. Ltd. 88 Kingsway, London WC2B 6AB. |
| Risk Management | Michel Crouhy, Robert Mark, Dan Galai | Mc-Graw-Hill |
| Cost Audit Rules | _____ | Govt. of Pakistan. |
| Corporate Governance | Arya, Tandan and Vaslisht | Deep and Deep Publications, Rajouri Garden, New Delhi 110027. |
| Corporate Governance | Prof. Dr. Khawaja Amjad Saeed | Institute of Business Management, G.P.O. Box No. 1164, Lahore. |



STAGE-6

STRATEGIC FINANCIAL MANAGEMENT (S-601)

i. Introduction:

This course is designed to focus on the theoretical and practical aspects of financial management. The course contains tools and techniques of financial management, which can be applied in the specific area of business, to manage operating, financing and investing activities.

ii. Objectives:

To provide the students with an in-depth knowledge of strategic financial management enabling them to:

- understand and apply strategic approach of financial management,
- use financial instruments for strategic financial management,
- examine the financial goals and policy of the business for proper application, and
- develop financial plan to manage various financial activities of business.

iii. Outcomes:

On completion of this course, students should be able to:

- identify the objectives of the business in financial terms and evaluate their attainment,
- identify various financial techniques and describe their applications,
- review the financial statements of the business and evaluate the financial position,
- develop financial plan to control short and long-term finances,
- identify and evaluate working capital position, in the light of policy, and recommend to manage it properly,
- calculate and evaluate the cost of capital,
- develop and evaluate capital budgeting and recommend methods of funding investments,
- explain the criteria that management uses to determine whether profit should be reinvested or paid out as dividends,
- outline the factors to be considered in the development of dividend policy,
- identify and evaluate the financial and strategic implications of proposals for mergers and acquisitions,
- describe the procedures for transfer of money from one country to another,
- describe the procedures for foreign exchange control in business,
- explain various steps involved in mergers & acquisitions & corporate restructuring,
- describe how to manage financial risks.

INDICATIVE GRID:

| SYLLABUS CONTENT AREA | WEIGHTAGE |
|--|------------------|
| SECTION-A FINANCIAL PLANNING AND ANALYSIS 1. An Overview of Financial Management & Managerial Finance 2. Analysis of Financial Statements 3. Financial Planning and Forecasting | 15% |
| SECTION-B SHORT AND MEDIUM-TERM STRATEGY 4. Working Capital Policy 5. Managing Cash and Marketable Securities 6. Credit Management 7. Inventory Management 8. Short-term Financing | 20% |
| SECTION-C LONG-TERM STRATEGY-I 9. The Cost of Capital 10. Capital Budgeting 11. Capital Structure 12. Portfolio Theory and CAPM | 40% |
| SECTION-D LONG-TERM STRATEGY-II | 25% |



| | |
|---------------------------------------|-------------|
| 13. Dividend Policy | |
| 14. Multi-national Managerial Finance | |
| 15. Mergers & Acquisitions | |
| 16. Corporate Restructuring | |
| 17. Managing Financial Risks | |
| TOTAL | 100% |

Note: The weightage shown against each section indicates, study time required for the topics in that section. This weightage does not necessarily specify the number of marks to be allocated to that section in the examination.

CONTENTS

SECTION-A

FINANCIAL PLANNING AND ANALYSIS

1. An Overview of Financial Management & Managerial Finance

Importance of managerial finance; the responsibilities of manager finance; role of finance in organisational structure of the firm; the goals of corporation; managerial finance in the current perspective; objectives of financial management; financial strategy and regulatory requirements; domestic and international long-term finance: share capital, long-term debt and finance leases, creditworthiness of a lender, basis of lease or buy-decision; the operation of stock exchanges; role of professional advisors; role and advantages of a treasury department; valuation bases for assets, and pros and cons of these methods, interests of different stakeholders; efficient market hypothesis, managerial actions to maximise shareholders' wealth; agency relationships and the external environment.

2. Analysis of Financial Statements

Financial statements and reports; the accuracy of financial statements; ratio analysis; uses and limitations of ratio analysis.

3. Financial Planning and Forecasting

Sales forecast; projected (pro-forma) financial statements; other considerations in forecasting; financial control – budgeting and leverage; operating break-even analysis; operating leverage, financial break-even analysis; financial leverage.

SECTION-B

SHORT AND MEDIUM-TERM STRATEGY

4. Working Capital Policy

Working capital terminology; the requirements of external working capital financing; the relationship of working capital items; the cash / operating cycle;

working capital investment and financing policies; advantages and disadvantages of short – term financing and long term financing.

5. Managing Cash and Marketable Securities

Cash management; the cash budget; cash management techniques; the cost versus benefits of cash management; marketable securities; cash break-even, Baumol Model, Miller-Orr Model.

6. Credit Management

The credit function; credit policy; setting the credit standards; terms of credit; credit collection policy; monitoring accounts receivables; and other factors influencing credit policy; offering discounts, opportunities for additional sales, using receivable as a source of finance through factoring, lengthening credit period of customers.

7. Inventory Management

Types of inventory; managing inventory; EOQ model extension; inventory control system; monitoring inventory levels including calculation of safety stock using probabilistic Approach.

8. Short-Term Financing

Sources of short-term financing; accruals; accounts payables; short- term bank loans; commercial papers.

SECTION-C

LONG-TERM STRATEGY-I

9. The Cost of Capital

Cost of debt; cost of preferred stock; cost of retained equity; cost of equity; weighted average cost of capital, (WACC); marginal cost of capital; leverage and risk.

10. Capital Budgeting

Importance of capital budgeting; links between investment decisions & customer requirements; generating ideas for capital budgeting; project



classification; similarities between capital budgeting and security valuation; capital budgeting evaluation techniques; comparison of the NPV and IRR methods; pay-back period, cash flow estimation; relevant cash flow; capital budgeting; introduction to project risk analysis; beta (or market) risk, and sensitivity analysis, APV (Adjusted present value), lease versus buying decision.

11. Capital Structure

The target capital structure; determining the optimal capital structure; MM hypothesis and traditional theory of capital structure.

12. Portfolio Theory and CAPM

SECTION-D

LONG-TERM STRATEGY-II

13. Dividend Policy

Dividend policy and shares' value; growth of capital invested and retained earnings and dividend policy; factors influencing dividend policy; bonus shares and share splits; effects on market value, and residual dividend policy.

14. Multi-national Managerial Finance

Multi-national corporations; multi-national versus domestic managerial finance; the international monetary system and exchange rates; trading in foreign exchange; inflation; interest rates; multi-national capital budgeting; international capital structure; multi-national

working capital management; intellectual property; merger or acquisition; integration process after acquisition or merger (difference in culture & MIS), and venture capitalists and exit strategy.

15. Mergers and Acquisitions

Definition & meaning; types of amalgamation; take-over, methods of take-over, motives & strategies influencing Mergers and Acquisitions; strategies, operational and financial motives; categories of Mergers and Acquisitions, horizontal, vertical, conglomerate & preference for group structure; methods of payment in Mergers and Acquisitions; steps in merger transactions; tax benefits of Mergers and Acquisitions; reverse merger: steps in reverse merger; defensive strategies in hostile take-over bids; preventive measures & active measures.

16. Corporate Restructuring

Meaning and areas of restructuring; techniques of restructuring: expansion techniques, divestment techniques & other techniques; strategies for restructuring; hardware restructuring and software restructuring; implications of restructuring; reconstruction, and financial reorganisation.

17. Managing Financial Risk

Derivatives securities, hedging risks, futures markets, forward contracts, option contracts, interest rate swaps; credit derivatives; commodity contracts.

| CORE READINGS | | |
|--|---|--|
| TITLE | AUTHOR | PUBLISHER |
| Financial Management and Policy | James C. Van Horne | Prentice Hall of India Pvt. Ltd., New Delhi 110001. |
| Financial Management | I.M. Pandey | Vikas Publishing House, (Pvt) Ltd., 576, Masjid Road, Jangpura, New Delhi. |
| Management Accounting Financial Strategy | PBP | Professional Business Publications, Lahore. |
| Financial Management Theory and Practice | Eugene F. Brigham and Michael C. Ehrhardt | South Western, United Kingdom. |
| ADDITIONAL READING | | |
| Financial Management | M.Y Khan and P.K Jain | Tata Mc-Graw-Hill Publishing Co.Ltd.4/12 Asif Ali Road New Delhi. |



STAGE-6

**INFORMATION SYSTEMS AND IT
AUDIT S-602**

i. Introduction:

This course deals with management of security of the systems, and is designed to focus on tools and techniques of information systems and application of knowledge to I.T. Audit.

ii. Objectives:

To provide the students with a detailed knowledge of Information System and I.T. Audit to enabling them to:

- design and develop information system to improve the performance of organisations, and
- apply conceptual approach of information systems to I.T. Audit.

iii. Outcomes:

On completion of this course, students should be able to:

- demonstrate an understanding of the complexity of managing security in electronic systems,
- identify and assess the critical threats to information systems,
- perform preliminary security audit of information systems and apply skills to a security incident, and
- apply the most effective information systems audit, control and security practices.

INDICATIVE GRID

| SYLLABUS CONTENT AREA | WEIGHTAGE |
|--|------------------|
| SECTION-A INFORMATION SYSTEM 1. Moving Towards E-business 2. Understanding Systems from a Business Viewpoint 3. Business Processes 4. Information and Data-bases 5. Customer, Product, and E-commerce 6. Artificial Intelligence 7. Information Systems Planning 8. Building and Maintaining Information Systems 9. Security and Ethical Challenges 10. Lab Sessions: Spreadsheets for Modeling and Forecasting | 50% |
| SECTION-B I.T. AUDIT AUDITING IN I.T. ENVIRONMENT 11. Information Systems, Audit Process and Internal Control 12. Management, Planning and Organisation of Information System; 13. Auditing Infrastructure and Operations; 14. Protection/Security of Information Assets; 15. Disaster Recovery and Business Continuity Planning 16. Auditing Development, Acquisition and Maintenance | 50% |
| TOTAL | 100% |

Note: The weightage shown against each section indicates, study time required for the topics in that section. This weightage does not necessarily specify the number of marks to be allocated to that section in the examination.

CONTENTS

SECTION-A

INFORMATION SYSTEM

1. Moving Towards E-Business

Definition of business; definition of work systems; information systems and E-business; business processes; functional areas and the value-chain;



E-commerce business models; E-business assumptions; phases in building and maintaining systems; information technology as driving force for innovation; obstacles when applying IT in the real world.

2. Understanding Systems from a Business Viewpoint

Frameworks and models; the work system framework; work system principles; relationship between work systems and information systems; principle-based systems analysis (PBSA) method; measuring work system performance.

3. Business Processes

Process modeling; data flow diagrams (DFDs); flowcharts and pseudo code; process characteristics; business process performance variables; basic communication concepts; basic decision-making concepts.

4. Information and Data-bases

What is a data-base? data modeling; types of data-bases; the roles of a data-base management system; data as a resource; the importance of models. Information systems categories; office automation systems; communication systems; transaction processing systems; management and executive information systems; decision support systems; enterprise systems; limitation and uses of information systems categories.

5. Customer, Product, and E-commerce

Three dimensions of products and services; the customer experience; the customer's criterion for evaluating products and services; product customisation and adaptability; information systems as a competitive advantage; mission-critical and strategic information systems; challenges for e-commerce.

6. Artificial Intelligence

Future trends including advances in artificial intelligence.

Business and AI
The Domains of AI
Neural Networks
Fuzzy Logic Systems
Genetic Algorithms
Virtual Reality
Intelligent Agents
Expert Systems

Value of Expert Systems

7. Information Systems Planning

The importance of IS planning; project management; strategic-level vs. project-level planning; business maxims and IT maxims; centralised vs. decentralised IS architecture; cost/benefit analysis of information systems.

8. Building and Maintaining Information Systems

Four phases of any information system: initiation, development, implementation and operation and maintenance; alternative processes for building information systems: traditional life cycle, prototypes, application packages, and end-user development; advantages and disadvantages of each approach; deciding on a combination of methods to use.

9. Security and Ethical Challenges

- Ethical Responsibility of Business Professionals (Business Ethics, Technology Ethics and Ethical Guidelines).
- Computer Crime (Hacking, Cyber Theft, Unauthorized Use at Work, Software Piracy, Piracy of Intellectual Property, Computer Viruses and Worms)
- Privacy Issues (Privacy on Internet, Computer Matching, Privacy Laws, Computer Libel and Censorship)
- Other Challenges (Employment Challenges, Computer Monitoring, Challenges in Working Conditions, Challenges to Individuality) Health Issues (Ergonomics)
- Internet worked Security defenses (Encryption, Firewalls, Denial of Service Defenses, e-Mail Monitoring, Virus Defenses)
- Other Security Measures (Security Codes, Backup Files, Security Monitors, Biometric Security, Computer Failure Controls, Fault Tolerant Systems, Disaster Recovery).

10. Lab Sessions: Spreadsheets for Modeling and Forecasting (6 Hrs)

- a) Using spreadsheets as a decision support tool, developing financial and forecasting models, regression analysis, capital budgeting. Students need to have competency in the use of advanced built-in functions and accounting related extensions to the spreadsheet package such as what-if analysis, goal seeking, auditing and other tools. Competency in developing a decision support/forecasting



implementation of a business problem on a spreadsheet.

b) Optimisation

Linear optimisation; linear programming; sensitivity analysis; linear programming applications; integer optimisation; non-linear optimisation.

SECTION-B

I.T. AUDIT

11. Information Systems, Audit Process and Internal Control

Audit mission, planning, laws and regulations' effect on Information System (IS) audit planning; code of professional ethics; auditing standards and guidelines; corporate governance. Role and responsibilities of internal, external and information technology (IT) auditors; risk analysis: evaluation and elements of risks; category of audit risk; risk-based audit approach; risk assessment techniques; audit objectives; compliance and substantive testing; evidence and sampling; internal control: objectives, procedures and classifications; cost effectiveness and controls; computer-assisted audit techniques and its need and functional capabilities; continuous on-line audit approach; audit documentation: constraints on the conduct of audit; project management technique; control self-assessment; performance IS audit; definition, classification, procedures, methodology and phases of IS audit; evaluation of audit strength and weakness; judging the materiality of findings; communicating audit results; audit report structure and contents.

12. Management, Planning and Organisation of Information System

Reviewing the IS strategy: planning, policies, procedures and management practices; review of IS organisational structure and responsibilities; segregation of IS and other organisational functions; auditing the management, planning and organisation of IS.

Case Study

Review of IT Planning/Strategy

13. Auditing Infrastructure and Operations

Hardware review; operating systems reviews; data-base reviews; local area network reviews; network

operating; control reviews; information system operations reviews; lights out operations; application controls and their objectives; file creation; data conversion; input and output; problem management reporting reviews; hardware availability and utilising reporting reviews; scheduling reviews.

Case Study

Review of the infrastructure of a selected organisation.

14. Protection/Security of Information Assets

Logical access exposures; logical access software control policy: issues, features, tools and procedures; passwords, logs, audit trails, biometrics, dial-back, safeguards, token devices and other tools; network infrastructure security: local area network, client/server, internet threats and security, encryption, firewalls, intrusion detection systems; auditing network infrastructure security; environmental exposure and controls: water, fire, smoke, power, wiring, emergencies etc.; physical access exposures, controls and audit.

Case Study

Review of the protection/security of information assets of a selected organisation.

15. Disaster Recovery and Business Continuity Planning

Disaster and other disruptive events and components of an effective continuity planning; recovery alternatives and off-site libraries: controls, security, media, procedures, records; testing of recovery plans: specification and execution of tests; auditing of disaster recovery plans and their pre and post-evaluations.

16. Auditing Development, Acquisition and Maintenance

Risk of inadequate system development life cycle (SDLC) and review of development procedures and methodologies; review of acquisition process for outsourcing; information system maintenance practices: change management, library control software, review of the practice of project management tools and techniques.



INSTITUTE OF COST AND MANAGEMENT ACCOUNTANTS OF PAKISTAN

| CORE READINGS | | |
|--|---|---|
| TITLE | AUTHOR | PUBLISHER |
| Information Systems: The Foundation of E-Business, 4/Edition | Steven Alter | Prentice Hall International Inc., |
| Decision Modelling with Microsoft Excel, 6/Edition | Jeffrey H. Moore, Stanford University Larry R. Weatherford | University of Wyoming, Prentice Hall. |
| CISA Review Manual | CISA | Information Systems Audit and Control Associations, Inc., 3704 Algonquin Road, Suite 1010 Rolling Meadows, Illinois 60008, USA. |
| Spreadsheet/MS Excel Package | Microsoft Corporation | Microsoft Corporation, New York. |
| IFAC Guidelines on IT | _____ | International Federation of Accountants, 545, Fifth Avenue, 14 th Floor, New York, NY 10017. |
| ADDITIONAL READINGS | | |
| Introduction to Information System | James O' Brien | McGraw Hill, Irwin, New York. |
| Practical IT Auditing | James R. Hickman | Warren Gorham & Lamont RIA Group, 117 East Stenens avenue Vahalla, New York 10595. |
| Information Technology for Business Executives | Prof. Dr. Khawaja Amjad Saeed | Institute of Business Management, G.P.O. Box No. 1164, Lahore. |
| Principles of Auditing | Prof. Dr. Khawaja Amjad Saeed | Institute of Business Management, G.P.O. Box No. 1164, Lahore. |



STAGE-6

MANAGEMENT ACCOUNTING - BUSINESS STRATEGY (S-603)

i. Introduction:

This course is designed to identify and apply most suitable tools for strategic planning and analysis, in a variety of area of business management, for evaluation and taking appropriate decisions.

ii. Objectives:

To provide the students with an in-depth knowledge of Management Accounting – Business Strategy enabling them to:

- evaluate and interact with the business environment,
- identify options and make strategic planning, and

- implement strategic planning in specific area of business.

iii. Outcomes:

On completion of this course, students should be able to:

- develop knowledge in business strategies such as strategies in action, business mission, internal and external assessment, strategies analysis and choice, implementing strategies, strategy evaluation & control and apply in the specific area of decision-making,
- understanding strategic management,
- understanding the types of strategies,
- understanding external and internal assessment, and
- understanding, analysing and implementing the business strategies.

INDICATIVE GRID

| SYLLABUS CONTENT AREA | WEIGHTAGE |
|--|-------------|
| SECTION – A STRATEGIC MANAGEMENT 1 The Nature of Strategic Management 2 Strategies in Action | 20% |
| SECTION - B ASSESSING THE ENVIRONMENT 3 The Business Mission 4 The External Assessment 5 The Internal Assessment 6 Strategy Analysis and Choice | 30% |
| SECTION-C IMPLEMENTATION AND REVIEW 7. Implementing Strategies 8. Strategy Review, Evaluation and Control | 30% |
| SECTION-D CASE STUDY 9. Selected Case Studies | 20% |
| TOTAL | 100% |

Note: The weightage shown against each section indicates, study time required for the topics in that section. This weightage does not necessarily specify the number of marks to be allocated to that section in the examination.



CONTENTS

SECTION-A

STRATEGIC MANAGEMENT

1. The Nature of Strategic Management

What is strategic management? Stages of strategic management, Integrating intuition and analysis, Adapting to change, Key term in strategic management, Strategists Mission statements, SWOT, External opportunities; and threats, Internal strength and weaknesses, Long term objectives, Strategies Short-term(annual) objectives, Policies Market regulations and laws e.g.. WTO, Country analysis and political risks, the strategic management model, Importance of I.T. in strategy formulation.

2. Strategies in Action

Types of strategies, Integration strategies, Forward integration, Backward integration, Horizontal integration, Intensive strategies, Market penetration, Market development, Product development, Diversification strategies, Concentric diversification, Horizontal diversification, Conglomerate diversification, Defensive strategies, Joint venture retrenchment, Divesture, Liquidation, Combination, Guideline for pursuing strategies, Mergers and leveraged buy-outs, Leveraged buy-outs (LBOs), Michel Porter's generic strategies, Cost leadership strategies, Differentiation strategies, Focus strategies, The value chain, The competitive advantage of nations, Strategic management in non-profit governmental organisations, educational institutions, medical organisations, government agencies and departments and in small firms.

SECTION - B

ASSESSING THE ENVIRONMENT

3. The Business Mission

What is out business? The importance of clear mission, Vision versus mission, The process of developing a mission statement, The nature of a business mission, A declaration of attitude, A resolution of divergent views, A customer orientation, A declaration of social policy, Component of mission statement, Writing and evaluating mission statements.

4. The External Assessment

The nature of external audit, Key external forces, The process of performing an external audit, Information technology, Economic forces, Social, cultural, demographic and environmental forces, Political, governmental and legal forces, Technological forces, Competitive forces, Competitive intelligence programmes, Cooperation among competitors, Sources of external information, Indexes, Internet, Forecasting tools and techniques, Making assumptions, Competitive analysis, Porter's five forces mode, Rivalry among competing firms, Potential entry of new competitors, Potential development of substitute products, Bargaining power of suppliers, Bargaining power of consumers, Industry analysis, The external factor evaluation (EFE) matrix, The competitive profile matrix (CPM), Credit rating.

5. The Internal Assessment

The nature of an internal audit, Key internal forces, The process of performing an internal audit, Relationship among the functional areas of business, Integrating strategy and culture, Operating as if the nature environment matters, Selling product or services, Product and service planning, Pricing distribution, Marketing research, Opportunity analysis, Social responsibility, Finance and accounting functions, Basic types of financial ratios, Production and operation, Research and development, Internal and external R & D, Computer information systems, Strategic planning software, Internal audit checklists, the internal factor evaluation (IFE) matrix.

6. Strategy Analysis and Choice

The nature of strategy analysis and choice, The process of generating and selecting strategies, Long term objectives, The nature of long term objectives, Managing by Objectives, A comprehensive strategy formulation framework, The input stage, The matching stage, The threats-opportunities-weakness-strengths (SWOT) matrix, The strategic position and action evaluation (SPACE) matrix, The Boston consulting group (BCG) matrix, The internal-external (IE) matrix, The grand strategy matrix, The decision stage, The quantitative strategic planning matrix (QSPM), Positive features and limitations of the QSPM, Cultural aspects of strategy choice, The role of a board of directors.



SECTION-C

IMPLEMENTATION AND REVIEW

7. Implementing Strategies

The nature of strategy implementation; Management perspective; Annual objectives; Policies; Resource allocation; Managing conflicts; Matching organizational structure with strategy; The functional structure; The divisional structure; The strategic business unit (SBU) structure; The matrix structure; Restructuring and reengineering; Linking performance and pay to strategies; Managing resistance to change; Managing the natural environment; Creating a strategy-supportive culture; Production and operation concerns when implementing strategies; Human resource concerns when implementing strategies; Employee stock ownership plans

(ESOPs); Balancing work life and home life; Corporate fitness programmes.

8. Strategy Review, Evaluation and Control

The nature of strategy evaluation; The process of evaluating strategies; The strategy-evaluation framework; Reviewing bases of strategy; Measuring organisational performance; Taking corrective action; Published sources of strategy-evaluation information; Characteristics of an effective evaluation system; Contingency planning; Auditing; The environmental audit; Using computers to evaluate strategies; Guidelines for effective strategies.

SECTION-D

CASE STUDIES

9. Selected Case Studies

| CORE READINGS | | |
|---|--|--|
| TITLE | AUTHOR | PUBLISHER |
| Management and Cost Accounting | Colin Drury | Thomson Learning, High Holborn Ouse, 50-51 Bedford Row, London |
| Strategic Management | Leslie W. Rue Phyllis G. Hollan | McGraw-Hill |
| Organisational Behaviour | Fred Luthans | McGraw-Hill Companies, Inc. 1221 Avenue of the Americas, New York, NY 10020 |
| Management Accounting Business Strategy | PBP | Professional Business Publications, Suite # 3, 5 Third Floor, Taj Arcade 73-Jail Road Lahore |
| “Strategies Management” Concepts & Cases, 10th edition | Fred R. David | Prentice Hall, Pearson Education, One Lake Street, Upper Saddle River, New Jersey 07458 |
| ADDITIONAL READINGS | | |
| Management | James A.F. Stoner A. Edward Freeman Daniel A. Gilbert, Jr. | Prentice Hall of India New Delhi |
| Organisational Behaviour | Greory Moorhead Ricky W. Griffin | Houghton Mifflin Company Boston, USA |