

# Applicability of Standards/Guidance Notes/Legislative Amendments etc. for May 2018 Examination

## Study Guidelines for May, 2018 Examinations Final New Course Paper 1: Financial Reporting

### A- List of topic-wise inclusion in the syllabus

(1)	(2)	(3)
S. No. in the syllabus	Topics of the syllabus	Inclusions
1.	Application of Existing Accounting Standards	<ol style="list-style-type: none"> <li>1. AS 15 : Employee Benefits</li> <li>2. AS 21 : Consolidated Financial Statements</li> <li>3. AS 23 : Accounting for Investments Associates in Consolidated Financial Statements</li> <li>4. AS 25 : Interim Financial Reporting</li> <li>5. AS 27 : Financial Reporting of Interests in Joint Ventures</li> <li>6. AS 28 : Impairment of Assets</li> </ol>
2.	Application of Guidance Notes issued by ICAI on specified accounting aspects.	<ol style="list-style-type: none"> <li>1. Guidance Note on Measurement of Income Tax Expense for Interim Financial Reporting in the context of AS 25</li> <li>2. Guidance Note on Applicability of AS 25 to Interim Financial Results</li> <li>3. Guidance Note on Accounting for Real Estate Transactions (for entities to whom Ind AS is applicable)</li> <li>4. Guidance Note on Combined and Carve-Out Financial Statements.</li> <li>5. Guidance Note on Accounting for Derivative Contracts</li> <li>6. Guidance Note on Accounting for Expenditure on Corporate Social Responsibility Activities</li> <li>7. Guidance Note on Accounting for Self-Generated Certified Emission Reductions (CERs)</li> <li>8. Guidance Note on Accounting by Dot-Com Companies</li> </ol>
1 and 4-9	Application of Existing Accounting Standards and Indian Accounting Standards	<p><b>On Ind AS</b></p> <ol style="list-style-type: none"> <li>1. Discounting of deferred debts (retention money) (Opinion finalised by the Committee on 2.9.2016). <a href="https://resource.cdn.icai.org/47574eac37373-11.pdf">https://resource.cdn.icai.org/47574eac37373-11.pdf</a></li> </ol> <p><b>On AS</b></p>

<b>(Expert Advisory Opinions)</b>	<p>2. Adjustment of the effect of first recognition of group gratuity liability against opening balance of reserves and surplus as an appropriation in the current financial year. (Opinion finalised by the Committee on 21.7.2016). <a href="https://resource.cdn.icai.org/33925eac23624-5.pdf">https://resource.cdn.icai.org/33925eac23624-5.pdf</a></p> <p>3. Accounting treatment of pension liability post-separation. (Opinion finalised by the Committee on 23.4.2015) <a href="http://115.248.235.50/eaicai/HTML/35/1.html">http://115.248.235.50/eaicai/HTML/35/1.html</a></p> <p>4. Requirement for preparation of Complete/ Condensed set of financial statements (Opinion finalised by the Committee on 3.6.2015.) <a href="http://115.248.235.50/eaicai/HTML/35/7.html">http://115.248.235.50/eaicai/HTML/35/7.html</a></p> <p>5. Amortisation of SAP license and accounting for annual renewal fee. (Opinion finalised by the Committee on 23.4.2015.) <a href="http://115.248.235.50/eaicai/HTML/35/3.html">http://115.248.235.50/eaicai/HTML/35/3.html</a></p>
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## B- List of topic-wise exclusions from the syllabus

(1)	(2)	(3)
S. No. in the syllabus	Topics of the syllabus	Exclusions
4.	Application of Indian Accounting Standards (Ind AS) with reference to General Purpose Financial Statements	<p><b>Differences in Ind AS from IFRS</b></p> <ul style="list-style-type: none"> <li>• Resulting into carve out</li> <li>• Not resulting into carve</li> </ul> <p><b>Indian Accounting Standard (Ind AS) 37 'Provisions, Contingent Liabilities and Contingent Assets'</b></p> <ul style="list-style-type: none"> <li>• Appendix A: Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds</li> <li>• Appendix B: Liabilities arising from Participating in a Specific Market — Waste Electrical and Electronic Equipment</li> </ul>
6.	Application of Industry specific and Transaction Specific Indian Accounting Standards (other than Business Combination, Financial Instruments and Share Based Payment)	Indian Accounting Standard (Ind AS) 29 Financial Reporting in Hyperinflationary Economies

### Notes:

- (1) In the above tables 'A' and 'B', in respect of the topics of the syllabus specified in column (2) the related inclusion / exclusion is given in column (3).
- (2) August 2017 edition of the Study Material is relevant for May, 2018 and November, 2018 examinations.
- (3) Except the exclusions mentioned (above in Table B) from the syllabus, the entire content included in the August 2017 edition of the Study Material is relevant for the said examinations.

- (4) The relevant amendments including relevant Notifications / Circulars / Rules issued by the Companies Act, 2013 and other relevant legislations up to 31<sup>st</sup> October, 2017 will be applicable for May, 2018 Examination.

# Study Guideline - Final Course

## Paper 3

### Advanced Auditing and Professional Ethics (New Course)

#### A- List of topic-wise inclusion in the syllabus

##### I. List of applicable Statements and Standards for May, 2018 Examination:

1. Statement on Reporting under Section 227(1A) of the Companies Act, 1956 (Section 143(1) of the Companies Act, 2013).
2. Framework for Assurance Engagements.

##### II. List of applicable Engagements and Quality Control Standards on Auditing for May, 2018 Examination

S.No	SA	<i>Title of Standard on Auditing</i>
1	SQC 1	Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements
2	SA 200	Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Standards on Auditing
3	SA 210	Agreeing the Terms of Audit Engagements
4	SA 220	Quality Control for Audit of Financial Statements
5	SA 230	Audit Documentation
6	SA 240	The Auditor's responsibilities Relating to Fraud in an Audit of Financial Statements
7	SA 250	Consideration of Laws and Regulations in An Audit of Financial Statements
8	SA 260	Communication with Those Charged with Governance ( <b>Revised</b> )
9	SA 265	Communicating Deficiencies in Internal Control to Those Charged with Governance and Management
10	SA 299	Responsibility of Joint Auditors
11	SA 300	Planning an Audit of Financial Statements
12	SA 315	Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and its Environment
13	SA 320	Materiality in Planning and Performing an Audit
14	SA 330	The Auditor's Responses to Assessed Risks
15	SA 402	Audit Considerations Relating to an Entity Using a Service Organization
16	SA 450	Evaluation of Misstatements Identified during the Audits
17	SA 500	Audit Evidence
18	SA 501	Audit Evidence - Specific Considerations for Selected Items
19	SA 505	External Confirmations
20	SA 510	Initial Audit Engagements-Opening Balances

21	SA 520	Analytical Procedures
22	SA 530	Audit Sampling
23	SA 540	Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures
24	SA 550	Related Parties
25	SA 560	Subsequent Events
26	SA 570	Going Concern <b>(Revised)</b>
27	SA 580	Written Representations
28	SA 600	Using the Work of Another Auditor
29	SA 610	Using the Work of Internal Auditors <b>(Revised)</b>
30	SA 620	Using the Work of an Auditor's Expert
31	SA 700	Forming an Opinion and Reporting on Financial Statements <b>(Revised)</b>
32	SA 701	Communicating Key Audit Matters in the Independent Auditor's Report <b>(New)</b>
33	SA 705	Modifications to the Opinion in the Independent Auditor's Report <b>(Revised)</b>
34	SA 706	Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report <b>(Revised)</b>
35	SA 710	Comparative Information – Corresponding Figures and Comparative Financial Statements
36	SA 720	The Auditor's Responsibility in Relation to Other Information in Documents Containing Audited Financial Statements
37	SA 800	Special Considerations-Audits of Financial Statements Prepared in Accordance with Special Purpose Framework
38	SA 805	Special Considerations-Audits of Single Purpose Financial Statements and Specific Elements, Accounts or Items of a Financial Statement
39	SA 810	Engagements to Report on Summary Financial Statements
40	SRE 2400	Engagements to Review Historical Financial Statements <b>(Revised)</b>
41	SRE 2410	Review of Interim Financial Information Performed by the Independent Auditor of the Entity
42	SAE 3400	The Examination of Prospective Financial Information
43	SAE 3402	Assurance Reports on Controls At a Service Organisation
44	SAE 3420	Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus <b>(New)</b>
45	SRS 4400	Engagements to Perform Agreed Upon Procedures Regarding Financial Information
46	SRS 4410	Compilations Engagements <b>(Revised)</b>

### III. List of applicable Guidance Notes and other publications for May, 2018 Examination:

1. Code of Ethics

2. Guidance Note on Independence of Auditors.
3. Guidance Note on Audit under Section 44AB of the Income-tax Act.
4. Guidance Note on Audit of Inventories.
5. Guidance Note on Audit of Debtors, Loans and Advances.
6. Guidance Note on Audit of Investments.
7. Guidance Note on Audit of Cash and Bank Balances.
8. Guidance Note on Audit of Liabilities.
9. Guidance Note on Audit of Revenue.
10. Guidance Note on Audit of Expenses.
11. Guidance Note on Computer Assisted Audit Techniques (CAATs).
12. Guidance Note on Audit of Payment of Dividend.
13. Guidance Note on Audit of Capital and Reserves.
14. Guidance Note on Audit of Banks.
15. Guidance Note on Audit of Internal Financial Controls over Financial Reporting.
16. Guidance Note on Reporting under section 143(3)(f) and (h) of the Companies Act, 2013.
17. Guidance Note on Reporting on Fraud under section 143(12) of the Companies Act, 2013.
18. Guidance Note on the Companies (Auditor's Report) Order, 2016.

#### **IV Applicability of the Companies Act, 2013 and other Legislative Amendments for May 2018 Examination**

Students are expected to be updated with the notifications, circulars and other legislative amendments made upto 6 months prior to the examination. Accordingly, the relevant notified Sections of the Companies Act, 2013 and legislative amendments including relevant Notifications / Circulars / Rules / Guidelines issued by Regulating Authority up to 31st October, 2017 will be applicable for May, 2018 Examination.

**Study Guidelines**  
**Final Course**  
**Paper 4: Corporate and Economic Laws**

The provisions of Companies Act, 2013 along with significant Rules/ Notifications/ Circulars/ Clarification/ Orders issued by the Ministry of Corporate Affairs and the laws covered under the Economic Laws, as amended by concerned authority, including significant notifications and circulars issued up to 31st October, 2017, are applicable for May, 2018 examination.

## Paper 7: Direct Tax Laws and International Taxation

### Applicability of Finance Act, Assessment Year etc. for May 2018 Examination

The provisions of direct tax laws, as amended by the **Finance Act, 2017**, including significant notifications and circulars issued and other legislative amendments made up to 31<sup>st</sup> October, 2017, are applicable for May, 2018 examination. The relevant assessment year is **A.Y.2018-19**.

## Paper 8: Indirect Tax Laws

### Applicability of provisions of indirect tax laws for May, 2018 Examination

The following are applicable for May, 2018 examination:

- (i) The provisions of CGST Act, 2017 and IGST Act, 2017, including significant circulars and notifications issued and other legislative amendments made up to 31<sup>st</sup> October, 2017.
- (ii) The provisions of the Customs Act, 1962, as amended by the Finance Act, 2017, including significant notifications and circulars issued and other legislative amendments made up to 31<sup>st</sup> October, 2017.

The Study Guidelines containing the list of topic-wise exclusions from the syllabus is attached as **Annexure I**.



## Study Guidelines

### Final (New) Course Paper 8: Indirect Tax Laws

#### List of topic-wise exclusions from the syllabus

(1)	(2)	(3)
S. No. in the syllabus	Topics of the syllabus	Exclusions (Provisions which are excluded from the corresponding topic of the syllabus)
1(ii)	Levy and collection of CGST and IGST – Application of CGST/IGST law; Concept of supply including composite and mixed supplies, inter-State supply, intra-State supply, supplies in territorial waters; Charge of tax; Exemption from tax; Composition levy	<b>CGST Act, 2017 &amp; IGST Act, 2017</b> (i) Rate of tax prescribed for supply of <b>goods*</b> (ii) Rate of tax prescribed for supply of <b>services*</b> (ii) Exemptions for supply of goods
1(vii)	Procedures under GST – All procedures including registration, tax invoice, credit and debit notes, electronic way bill, accounts and records, returns, payment of tax including reverse charge, refund, job work	<b>CGST Act, 2017 and CGST Rules, 2017</b> (i) Tax deduction at source except the provisions made effective vide <i>Notification No. 33/2017 CT dated 15.09.2017</i> (ii) Collection of tax at source (iii) Registration of persons required to collect tax at source (iv) Filing of return by a person required to deduct tax at source (v) Submission of statement of supplies through an e-commerce operator (vi) Categories of supply of goods, tax on which is payable on reverse charge basis under section 9(3) (vii) Chapter XVI: E-Way Rules [Rules 138-138D] of CGST Rules, 2017 <b>IGST Act, 2017</b> Categories of supply of goods, tax on which is payable on reverse charge basis under section 5(3)

\*Rates specified for computing the amount payable under composition levy are included in the syllabus.

Notes:

- (1) In the above table, in respect of the topics of the syllabus specified in column (2) the related exclusion is given in column (3). Where an exclusion has been so specified in any topic of the syllabus, the provisions corresponding to such exclusions, covered in other topic(s) forming part of the syllabus, shall also be excluded.
- (2) August 2017 edition of the Study Material is relevant for May, 2018 and November, 2018 examinations. The amendments - made after the issuance of this Study Material - to the extent covered in the Statutory Updates for May, 2018 and November, 2018 examinations alone shall be relevant for the said examinations. The Statutory Updates shall be hosted on the BoS Knowledge Portal.
- (3) Except the exclusions mentioned at point (ii) under topic no. 1(ii) of the syllabus and points (i) to (v) and (vii) under topic number 1(vii) of the syllabus, the entire content included in the August 2017 edition of the Study Material and the Statutory Updates for May, 2018 and November, 2018 examinations shall be relevant for the said examinations.

## **Study Guidelines**

### **Electives**

#### **Paper 6A: Risk Management**

The pattern of examination for this paper is open-book and case study based. The modified version of the Study Material for Final Paper 6A: Risk Management would be provided to students as open book. This version of the Study Material would not contain the examples/illustrations/summary given in tables in respect of certain topics. The entire content included in the November 2017 edition of the Study Material shall be relevant for the May, 2018 examination.

#### **Paper 6B: Financial Services and Capital Markets**

The pattern of examination for this paper is open-book and case study based. The modified version of the Study Material for Final Paper 6B: Financial Services and Capital Markets would be provided to students as open book. This version of the Study Material would not contain the examples/illustrations/summary given in tables in respect of certain topics. The entire content included in the November 2017 edition of the Study Material shall be relevant for the May, 2018 examination.

In addition to above following two SEBI Regulations excluding the Schedules related thereto shall also be provided to the students as open book.

(i) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [Last amended on March 06, 2017]

(ii) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 [Last amended on August 14, 2017]

Accordingly, the list of SEBI Regulation and Guidelines as provided in the Chapter 16 of the Study Material need to be ignored.

Compilation of above-mentioned Regulations is available at following link:

<https://resource.cdn.icai.org/48430bos32482.pdf>

#### **Paper 6C: International Taxation**

The pattern of examination for this paper is open-book and case study based. The modified version of the Study Material for Final Paper 6C: International Taxation would be provided to students as open book. This version of the Study Material would not contain the examples/illustrations/diagrams/summary given in tables in respect of certain topics. It may be noted that in the chapters comprised in Part I of the Syllabus of this Elective Paper, the special provisions relating to non-resident taxation, transfer pricing, double taxation relief and advance rulings under the Income-tax Act, 1961, as amended by the Finance Act, 2017, are dealt with in detail in the Study Material of this Elective Paper 6C. Also, certain general provisions of the Income-tax Act, 1961, as amended by the Finance Act, 2017, which would apply in the same or modified form to non-residents have been discussed at some length in this Study Material.

Since these general provisions and other general provisions of the income-tax law, as amended by the Finance Act, 2017, are dealt with in detail in the core paper on Direct Tax Laws and International Taxation [Final Paper 7], students are expected to integrate and apply the provisions of income-tax law (dealt with in Final Paper 7: Direct Tax Laws and International Taxation and in the Elective Paper

6C: International Taxation) in making computations and addressing relevant issues in questions raised in the Elective Paper on International Taxation.

It may be noted that only the modified version of the Study Material of Elective Paper 6C would be available as Open Book, and questions based on case study may involve application of other provisions of income-tax law dealt with in detail in Paper 7, which the students are expected to be aware of.

### **Paper 6D: Economic Laws**

The pattern of examination for this paper is open-book and case study based. The modified version of the Study Material for Final Paper 6D: Economic Laws would be provided to students as open book. This version of the Study Material would not contain the examples/illustrations/summary given in tables in respect of certain topics. The entire content included in the November 2017 edition of the Study Material shall be relevant for the May, 2018 examination.

# Study Guidelines

## Final Paper 6E: Global Financial Reporting Standards

The pattern of examination for this paper is open-book and case study based.

The bare Act of all Ind AS alongwith the differences in Ind AS vis-a-vis IFRS (which may or may not result into carve outs) would be provided to the students as open book in the examination. It will exclude the chapter on 'Significant differences in IFRS vis-à-vis US GAAPs'.

The students are advised to refer the content based on Ind AS along with the above referred differences; and apply the same on the basis of IFRS for this paper.