

**Applicability of Standards/Guidance Notes/Legislative Amendments etc.
for November, 2016 – Intermediate (IPC) Examination**

Paper 1: Accounting

Accounting Standards

- AS 1 : Disclosure of Accounting Policies
- AS 2 : Valuation of Inventories
- AS 3 : Cash Flow Statements
- AS 6 : Depreciation Accounting
- AS 7 : Construction Contracts (Revised 2002)
- AS 9 : Revenue Recognition
- AS 10 : Accounting for Fixed Assets
- AS 13 : Accounting for Investments
- AS 14 : Accounting for Amalgamations

Paper 5: Advanced Accounting

Accounting Standards

- AS 4 : Contingencies and Events occurring after the Balance Sheet Date
- AS 5 : Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies
- AS 11 : The Effects of Changes in Foreign Exchange Rates (Revised 2003)
- AS 12 : Accounting for Government Grants
- AS 16 : Borrowing Costs
- AS 19 : Leases
- AS 20 : Earnings Per Share
- AS 26 : Intangible Assets
- AS 29 : Provisions, Contingent Liabilities and Contingent Assets.

- I. **Applicability of the Companies Act, 2013 and other Legislative Amendments for Paper 1 and Paper 5** : The relevant notified Sections of the Companies Act, 2013 and legislative amendments including relevant Notifications / Circulars / Rules / Guidelines issued by Regulating Authority up to 30th April, 2016 will be applicable for November, 2016 Examination

- II. **Non-Applicability of Ind ASs for November, 2016 Examination for Paper 1 and Paper 5** : The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Rules, 2015 on 16th February, 2015, for compliance by certain class of companies. These Ind AS have not been made applicable for November, 2016 Examination.
- III. **Non-applicability of Amendments made by MCA in the Companies (Accounting Standards) Rules, 2006 and Companies (Indian Accounting Standards) Rules, 2015 for Paper 1 and Paper 5** : Amendments made by MCA on 30.3.2016 in the Companies (Accounting Standards) Rules, 2006 and Companies (Indian Accounting Standards) Rules, 2015 have not been made applicable for November, 2016 examination.

Paper 2: Business Laws, Ethics and Communication

The Companies Act, 2013:The relevant sections of the Companies Act, 2013, along with significant Rules/ Notifications/ Circulars/ Clarifications/ Orders issued by the Ministry of Corporate Affairs upto 30th April, 2016. For updates, see <http://www.mca.gov.in/>

The Negotiable Instruments (Amendment) Act, 2015:The Negotiable Instruments (Amendment) Act, 2015 received the assent of the president on 26th December, 2015 and has been notified in the Official Gazette on 29th December, 2015 by the Ministry of Law and Justice.

This is an Act further to amend the Negotiable Instruments Act, 1881 and shall be deemed to have come into force on the 15th day of June, 2015. For detail click the following link-

[NI-Act-gazette-notification-26.12.2015.pdf](#)

The Payment of Bonus (Amendment) Act, 2015: An Act further to amend the Payment of Bonus Act, 1965. The Act received the assent of the President on the 31st December, 2015, and published in the Official gazette on 1st January 2016 by Ministry of Law and Justice. It shall be deemed to have come into force on the 1st day of April, 2014. For detail click the following link-

<http://www.prsindia.org/uploads/media/Payment%20of%20Bonus/Payment%20of%20Bonus%20Act,%202015.pdf>

Non-applicability of the following sections of the Companies Act, 2013

| S.No. | Section No. | Section title |
|-------|-------------|----------------------------------|
| 1. | Section 48 | Variation of shareholders' right |
| 2. | Section 66 | Reduction of share capital |

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| 3. | Section 75 | damages for fraud |
| 4. | Section 97 | Power of tribunal to call AGM |
| 5. | Section 98 | Power of Tribunal to call meetings of members, Etc. |
| 6. | Section 99 | Punishment for default in complying with provisions of sections 96 to 98 |

Paper 4: Taxation

Applicability of the Finance Act, Assessment Year etc. for November, 2016 examination

The provisions of income-tax and indirect tax laws, as amended by the Finance Act, 2015, including circulars and notifications issued upto 30th April, 2016, are applicable for November, 2016 examination. The relevant assessment year for income-tax is A.Y. 2016-17.

Paper 6: Auditing and Assurance

I. Standards on Auditing (SAs)

| S.No | SA | Title of Standard on Auditing |
|------|--------|--|
| 1 | SA 200 | Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Standards on Auditing |
| 2 | SA 210 | Agreeing the Terms of Audit Engagements |
| 3 | SA 220 | Quality Control for Audit of Financial Statements |
| 4 | SA 230 | Audit Documentation |
| 5 | SA 240 | The Auditor's responsibilities Relating to Fraud in an Audit of Financial Statements |
| 6 | SA 250 | Consideration of Laws and Regulations in An Audit of Financial Statements |
| 7 | SA 260 | Communication with Those Charged with Governance |
| 8 | SA 265 | Communicating Deficiencies in Internal Control to Those Charged with Governance and Management |
| 9 | SA 299 | Responsibility of Joint Auditors |

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| 10 | SA 300 | Planning an Audit of Financial Statements |
| 11 | SA 315 | Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and its Environment |
| 12 | SA 320 | Materiality in Planning and Performing an Audit |
| 13 | SA 330 | The Auditor's Responses to Assessed Risks |
| 14 | SA 402 | Audit Considerations Relating to an Entity Using a Service Organization |
| 15 | SA 450 | Evaluation of Misstatements Identified during the Audits |
| 16 | SA 500 | Audit Evidence |
| 17 | SA 501 | Audit Evidence - Specific Considerations for Selected Items |
| 18 | SA 505 | External Confirmations |
| 19 | SA 510 | Initial Audit Engagements-Opening Balances |
| 20 | SA 520 | Analytical Procedures |
| 21 | SA 530 | Audit Sampling |
| 22 | SA 540 | Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures |
| 23 | SA 550 | Related Parties |
| 24 | SA 560 | Subsequent Events |
| 25 | SA 570 | Going Concern |
| 26 | SA 580 | Written Representations |
| 27 | SA 600 | Using the Work of Another Auditor |
| 28 | SA 610 | Using the Work of Internal Auditors |
| 29 | SA 620 | Using the Work of an Auditor's Expert |
| 30 | SA 700 | Forming an Opinion and Reporting on Financial Statements |
| 31 | SA 705 | Modifications to the Opinion in the Independent Auditor's Report |

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|----|--------|--|
| 32 | SA 706 | Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report |
| 33 | SA 710 | Comparative Information – Corresponding Figures and Comparative Financial Statements |
| 34 | SA 720 | The Auditor's Responsibility in Relation to Other Information in Documents Containing Audited Financial Statements |

II. Statements

Statement on Reporting under Section 227(1A) of the Companies Act, 1956 (Section 143 (1) of the Companies Act, 2013).

III. Guidance Notes

1. Guidance Note on Audit of Inventories.
2. Guidance Note on Audit of Debtors, Loans and Advances.
3. Guidance Note on Audit of Investments.
4. Guidance Note on Audit of Cash and Bank Balances.
5. Guidance Note on Audit of Liabilities.
6. Guidance Note on Audit of Revenue.
7. Guidance Note on Audit of Expenses.
8. Guidance Note on Reporting under section 143 (3) (f) and (h) of the Companies Act, 2013

IV Applicability of the Companies Act, 2013:

- (i) The relevant notified Sections of the Companies Act, 2013 and other legislative amendments including relevant Notifications / Circulars / Rules / Guidelines issued by Regulating Authorities, cut-off date will be 30th April, 2016.
- (ii) Companies (Auditor's Report) Order, 2016 issued by Ministry of Corporate Affairs on 29th March, 2016 is applicable for November, 2016 Examination.