Applicability of the Institute's Pronouncements and other Notifications for CA IPCC Examination May, 2013

Paper 1: Accounting

Pronouncements

Accounting Standards 1, 2, 3, 6, 7, 9, 10, 13 and 14 are covered in the syllabus.

Note : Non-Applicability of Ind ASs for May, 2013 examination

The MCA has hosted on its website 35 converged Indian Accounting Standards (Ind AS) without announcing the applicability date. These are the standards which are being converged by eliminating the differences of the Indian Accounting Standards vis-à-vis IFRS. These standards shall be applied for all companies falling under Phase I to Phase III as prescribed under the roadmap issued by the core group.

Students may note that Ind ASs are not applicable for the students appearing in May, 2013 Examination. However, Accounting Standards as specified in the syllabus are applicable for the students appearing in May, 2013 Examination.

Paper- 2: Business Laws, Ethics and Communication

Applicability of relevant Amendments/Circulars/Notifications/Regulations etc. relating to May 2013, Examination

SUBJECT	AMENDMENT	CONTENT	LINKS FOR REFERENCE
The Companies Act, 1956	Delegation of power to Regional Directors	The Ministry of Corporate Affairs vide Notification F.No.1/1/2003-CL.V dated 30th August, 2012, has delegated the powers from the CLB (Company Law Board) to the Regional Directors under Sections 17, 18, 19, 141 and 188 of the Companies Act, 1956.	http://www.mca.gov.in/Ministry/pdf/Delegation_30aug.pdf
The Companies Act, 1956	Guidelines for declaring a financial institution as Public Financial Institution	The Ministry of Corporate Affairs vide General Circular No. 10/2012 dated 21st May 2012 & 34/2011 dated 2nd June 2011,framed certain criteria for declaring a Financial Institution as Public Financial Institution under Section 4A of the Companies Act, 1956.	http://www.mca.gov.in/Ministry/pdf/General_Circular_No_10_2012.pdf
The Companies	Delegation of power	The Ministry of Corporate Affairs vide Notification	http://www.mca.gov.in/Min

Act, 1956	from Central Government to Registrar of Companies	No. S.O.1538(E) dated 10th of July, 2012, delegates the powers and functions vested in the Central Government to the Registrar of Companies under the Sections 21, 25, 31(1), 108(1D), 572 of the Companies Act,1956.	istry/pdf/S.O_1538E.pdf
The Companies Act, 1956	Delegation of power to the Regional Directors	The Ministry of Corporate Affairs vide Notification No. S.O.1539(E) dated 10th of July, 2012, delegates the powers and functions vested in the Central Government to the Regional Directors at Mumbai, Kolkata, Chennai, Noida, Ahmedabad & Hyderabad under the Sections 17,18,19, 22, 224, 188, 297 394A of the Companies Act,1956.	http://www.mca.gov.in/Ministry/pdf/S.O_1539E.pdf
The Companies Act, 1956	Notifying of certain sections of Companies (Second Amendment) Act, 2002	The Ministry of Corporate Affairs vide Notification No. S.O.1540(E) dated 10th of July, 2012, notified certain sections of the Companies(Second Amendment) Act, 2002 to come into force from 12th of August, 2012.	http://www.mca.gov.in/Ministry/pdf/S.O_1540E.pdf

Non-Applicability of the following Amendments/Circulars/Notifications in Business Laws, Ethics and Communication(IPCC)

S.No.	Subject Matter	Business Laws, Ethics and Communication(IPCC)
1.	The Companies Bill, 2011	Not Applicable

Paper 5: Advanced Accounting

A. <u>Pronouncements</u>

Accounting Standards 4, 5, 11, 12, 16, 19, 20 26 and 29 are covered in the syllabus.

B. <u>Notification relevant for May, 2013 examination</u>

1. Maintenance of Cash Reserve Ratio at 4.25 per cent.

2. **Clarification on Para 46A of notification number G.S.R. 914(E) dated 29.12.2011 on Accounting Standard 11 relating to "The Effects of Changes in Foreign Exchange Rates"**

In order to resolve the problems faced by industry in proper implementation of Para 46A of AS 11 inserted vide notification 914(E) dated 29.12.2011, on account of Para 6 of AS 11 and Para 4(e) of AS 16, MCA had further clarified vide Circular No.

25/2012 dated 09.08.2012 that Para 6 of AS 11 and Para 4(e) of the AS 16 shall not apply to a company which is applying clause Para 46A of AS 11.

3. Statutory Liquidity Ratio for Local Area Banks be reduced from 25 per cent to 23 per cent of their Net Demand and Time Liabilities (NDTL) with effect from the fortnight beginning August 11, 2012.

Note : Non-Applicability of Ind ASs for May, 2013 examination

The MCA has hosted on its website 35 converged Indian Accounting Standards (Ind AS) without announcing the applicability date. These are the standards which are being converged by eliminating the differences of the Indian Accounting Standards vis-à-vis IFRS. These standards shall be applied for all companies falling under Phase I to Phase III as prescribed under the roadmap issued by the core group.

Students may note that Ind ASs are not applicable for the students appearing in May, 2013 Examination. However, Accounting Standards as specified in the syllabus are applicable for the students appearing in May, 2013 Examination.

Paper 6: Auditing and Assurance

I. Standards on Auditing (SAs)

S.No	SA	Title of Standard on Auditing	Effective Date
1	SA 200	Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Standards on Auditing	April 1, 2010
2	SA 210	Agreeing the Terms of Audit Engagements	April 1, 2010
3	SA 220	Quality Control for an Audit of Financial Statements	April 1, 2010
4	SA 230	Audit Documentation	April 1, 2009
5	SA 240	The Auditor's responsibilities Relating to Fraud in an Audit of Financial Statements	April 1, 2009
6	SA 250	Consideration of Laws and Regulations in An Audit of Financial Statements	April 1, 2009
7	SA 260	Communication with Those Charged with Governance	April 1, 2009
8	SA 265	Communicating Deficiencies in Internal Control to Those Charged with Governance and Management	April 1, 2010
9	SA 299	Responsibility of Joint Auditors	April 1, 1996
10	SA 300	Planning an Audit of Financial Statements	April 1, 2008

11	SA 315	Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and its Environment	April 1, 2008
12	SA 320	Materiality in Planning and Performing an Audit	April 1, 2010
13	SA 330	The Auditor's Responses to Assessed Risks	April 1, 2008
14	SA 402	Audit Considerations Relating to an Entity Using a Service Organization	April 1, 2010
15	SA 450	Evaluation of Misstatements Identified during the Audits	April 1, 2010
16	SA 500	Audit Evidence	April 1, 2009
17	SA 501	Audit Evidence - Specific Considerations for Selected Items	April 1, 2010
18	SA 505	External Confirmations	April 1, 2010
19	SA 510	Initial Audit Engagements-Opening Balances	April 1, 2010
20	SA 520	Analytical Procedures	April 1, 2010
21	SA 530	Audit Sampling	April 1, 2009
22	SA 540	Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures	April 1, 2009
23	SA 550	Related Parties	April 1, 2010
24	SA 560	Subsequent Events	April 1, 2009
25	SA 570	Going Concern	April 1, 2009
26	SA 580	Written Representations	April 1, 2009
27	SA 600	Using the Work of Another Auditor	April 1, 2002
28	SA 610	Using the Work of Internal Auditors	April 1, 2010
29	SA 620	Using the Work of an Auditor's Expert	April1, 2010
30	SA 700**	Forming an Opinion and Reporting on Financial Statements	April 1, 2011
31	SA 705**	Modifications to the Opinion in the Independent Auditor's Report	April 1, 2011
32	SA 706**	Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report	April 1, 2011
33	SA 710	Comparative Information – Corresponding Figures and Comparative Financial Statements	April 1, 2011
34	SA 720	The Auditor's Responsibility in Relation to Other Information in Documents Containing Audited Financial Statements	April 1, 2010

*Effective date means that the SA is effective for audits of the financial statements for periods beginning on or after the specified date

** "The Council, in partial modification of the decision taken by it at its 291st meeting held in December, 2009, decided that the effective date/applicability of the following Standards on Auditing a) SA 700 (Revised), "Forming an Opinion and Reporting on Financial

Statements";b) SA 705, "Modifications to the Opinion in the Independent Auditor's Report";c) SA 706, "Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report" be postponed by one year and consequently the said Standards shall now be effective/applicable for audits of financial statements for periods beginning on or after 1st April, 2012 (instead of audits of financial statements for periods beginning on or after 1st April, 2011 as was earlier decided and referred to above). However above said SA 700, 705 and 706 are applicable for May 2013 examination.

II. Statements

1. Statement on Reporting under Section 227 (1A) of the Companies Act, 1956
2. Statement on the Companies (Auditor's Report) Order, 2003 (2005 Edition)

III. Guidance Notes /Study Guide / Monograph

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 Miscellaneous Expenditure.
5. Guidance Note on Audit of Cash and Bank Balances.
6. Guidance Note on Audit of Liabilities.
7. Guidance Note on Audit of Revenue.
8. Guidance Note on Audit of Expenses.
9. Guidance Note on Provision for Proposed Dividend