Common Proficiency Test (CPT)
Frequently Asked Questions

1. What is the Common Proficiency Test?

   It is an entry level test for Chartered Accountancy Course. It is a test of four subjects i.e. Accounting, Mercantile Laws, General Economics and Quantitative Aptitude. This test is of 200 marks. This test is divided into two sessions of two hours each (9.00 – 11.00 a.m. and 12.30 - 2.30 p.m.). CPT is an objective type test with negative marking.

2. Who can join the course?

   A student who has passed the 10 standard examination conducted by an examining body constituted by law in India or an examination recognized by the Central Government as equivalent thereto may register for Common Proficiency Test.

3. How to apply for admission to the CPT Course?

   A student is required to apply in the prescribed form.

   - A student may buy Prospectus remitting Rs.100. The application form is available in the Prospectus.
   - Alternatively, the application form can be downloaded from our website www.icai.org as per the link below.
     www.icai.org/icairoot/students/all_forms.jsp

     While submitting the filled-in application form, a student has to remit Rs.100 for Prospectus along with registration and tuition fee.
   - The Prospectus can also be procured by post from any of the offices of the Institute stated in Point 6 below on payment of Rs.140 (Rs.40 on account of postal charge).

4. What is the fees for registration?

   The registration and tuition fee is Rs.1500, which is to be remitted along with filled in application form. In case a student submits downloaded application form, he should remit Rs.1600 (Rs.100 for Prospectus. A copy of the Prospectus will be sent to him along with the study package). This fee structure is applicable for (i) Indian students residing in India and other SAARC Countries and Bhutan; and (ii) students belonging to other SAARC countries and Bhutan.

   The following students have to pay fees amounting to US$ 200:

   (i) Students of foreign countries other than SAARC countries and Bhutan; and

   (ii) Indian Students residing abroad other than SAARC countries and Bhutan.

5. Where to submit/dispatch filled-in application form?

   The application form can be obtained and / or submitted to the following Offices of the Institute in consonance with the address of the student as stated below:

STUDENTS BELONGING TO	DESPATCH ADDRESS
Gujarat, Maharashtra, Goa and Union Territories of Daman & Diu and Dadra & Nagar Haveli	Western India Regional Council of The Institute of Chartered Accountants of India, ICAI BHAWAN"Anveshak" 27 Cuffe Parade, Colaba,

	Mumbai - 400 005, Phone:022-39893989, Fax: 022- 39802953, E-mail: wro@icai.org
Andhra Pradesh, Kerala, Karnataka, Tamil Nadu and the Union Territories of Pondicherry and Lakshadweep Islands	Southern India Regional Council of The Institute of Chartered Accountants of India, ICAI BHAWAN, 122,M.G. Road, Post Box No. 3314 Nungambakkam, Chennai – 600 034, Phone: 044 - 39893989, Fax: 044-30210355, E-mail: sro@icai.org
Assam, Meghalaya, Nagaland, Orissa, West Bengal, Manipur,Tripura, Sikkim, Arunachal Pradesh, Mizoram, Andaman-Nicobar Islands	Eastern India Regional Council of The Institute of Chartered Accountants of India, ICAI BHAWAN, 7, Anandilal Poddar Sarani, (Russell Street) Kolkata – 700 071 Phone: 033-39893989, Fax: 033-30211145, E-mail: ero@icai.org
Uttar Pradesh, Bihar, Madhya Pradesh, Rajasthan, Uttaranchal, Chhatisgarh and Jharkhand	Central India Regional Council of The Institute of Chartered Accountants of India ICAI BHAWAN, Post Box No. 314, 16/77B, Civil Lines Kanpur – 208 001 Phone: 0512-3989398, Fax: 0512-3011173 E-mail: cro@icai.org
Delhi, Haryana, Himachal Pradesh, Jammu & Kashmir, Punjab and Union Territory of Chandigarh	Northern India Regional Council of The Institute of Chartered Accountants of India, ICAI BHAWAN, 52-54, Vishwas Nagar, Delhi 110032, Phone: 011-39893990, Fax: 011-30210680, E-mail: nro@icai.org

The student should make the draft payable accordingly to Mumbai, Chennai, Kolkata, Kanpur and New Delhi respectively.

6. What are the subjects to be studied?

SESSION – I (Two Sections– Two hours – 100 Marks)

- Section A: Fundamentals of Accounting (60 Marks)
- Section B: Mercantile Laws (40 Marks)

SESSION – II (Two Sections– Two hours – 100 Marks)

- Section C: General Economics (50 Marks)
- Section D: Quantitative Aptitude (50 Marks)

7. What is the detailed syllabus?

SYLLABUS FOR COMMON PROFICIENCY TEST (CPT)

(One paper – Four hours – 200 Marks)

Level of Knowledge: Basic knowledge

SESSION – I

(Two Sections– Two hours – 100 Marks)

Section A : Fundamentals of Accounting (60 Marks)

Objective

To develop conceptual understanding of the fundamentals of financial accounting system.

Contents

1. Theoretical Framework
   - (i) Meaning and Scope of accounting
   - (ii) Accounting Concepts, Principles and Conventions
   - (iii) Accounting Standards – concepts, objectives, benefits
   - (iv) Accounting Policies
   - (v) Accounting as a measurement discipline – valuation principles, accounting estimates
2. Accounting Process

   Books of Accounts leading to the preparation of Trial Balance, Capital and revenue expenditures, Capital and revenue receipts, Contingent assets and contingent liabilities, Fundamental errors including rectifications thereof.
3. Bank Reconciliation Statement
4. Inventories

   Basis of inventory valuation and record keeping.
5. Depreciation accounting

   Methods, computation and accounting treatment of depreciation, Change in depreciation methods.
6. Preparation of Final Accounts for Sole Proprietors
7. Accounting for Special Transactions
   - (a) Consignments
   - (b) Joint Ventures
   - (c) Bills of exchange and promissory notes
   - (d) Sale of goods on approval or return basis.
8. Partnership Accounts

   Final accounts of partnership firms – Basic concepts of admission, retirement and death of a partner including treatment of goodwill.
9. Introduction to Company Accounts

   Issue of shares and debentures, forfeiture of shares, re-issue of forfeited shares, redemption of preference shares.

Section B : Mercantile Laws (40 Marks)

Objective

To test the general comprehension of elements of mercantile law

Contents

1. The Indian Contract Act , 1872: An overview of Sections 1 to 75 covering the general nature of contract , consideration , other essential elements of a valid contract , performance of contract and breach of contract.
2. The Sale of Goods Act, 1930: Formation of the contract of sale – Conditions and Warranties – Transfer of ownership and delivery of goods – Unpaid seller and his rights.
3. The India Partnership Act, 1932: General Nature of Partnership – Rights and duties of partners – Registration and dissolution of a firm.

SESSION – II

(Two Sections– Two hours – 100 Marks)

Section C : General Economics (50 Marks)

Objective

To ensure basic understanding of economic systems, economic behaviour of individuals and organizations.

Contents

(I) Micro Economics

1. Introduction to Micro Economics
   - (a) Definition, scope and nature of Economics
   - (b) Methods of economic study
   - (c) Central problems of an economy and Production possibilities curve.
2. Theory of Demand and Supply
   - (a) Meaning and determinants of demand, Law of demand and Elasticity of demand — Price, income and cross elasticity
   - (b) Theory of consumer 's behaviour – Marshallian approach and Indifference curve approach
   - (c) Meaning and determinants of supply, Law of supply and Elasticity of supply.

3. Theory of Production and Cost
   - (a) Meaning and Factors of production
   - (b) Laws of Production – The Law of variable proportions and Laws of returns to scale
   - (c) Concepts of Costs — Short-run and long-run costs, Average and marginal costs, Total, fixed and variable costs.

4. Price Determination in Different Markets

   (a) Various forms of markets – Perfect Competition, Monopoly, Monopolistic Competition and Oligopoly

   (b) Price determination in these markets.

(II) Indian Economic Development

5. Indian Economy – A Profile

   (a) Nature of the Indian Economy

   (b) Role of different sectors – Agriculture, Industry and Services in the development of the Indian economy, their problems and growth

   (c) National Income of India – Concepts of national income, Different methods of measuring national income, Growth of national income and per capita income in various plans.

   (d) Basic understanding of tax system of India – Direct and Indirect Taxation

6. Select Aspects of Indian Economy

   (a) Population – Its size, rate of growth and its implication for growth

   (b) Poverty – Absolute and relative poverty and main programs for poverty alleviation

   (c) Unemployment – Types, causes and incidence of unemployment

   (d) Infrastructure – Energy, Transportation, Communication, Health and Education

   (e) Inflation

   (f) Budget and Fiscal deficits

   (g) Balance of payments

   (h) External debts.

7. Economic Reforms in India

   (a) Features of economic reforms since 1991

   (b) Liberalisation, Privatisation and Disinvestment

   (c) Globalisation.

8. Money and Banking

   (a) Money – Meaning and functions

   (b) Commercial Banks – Role and functions

   (c) Reserve Bank of India – Role and functions, Monetary policy.

Section D : Quantitative Aptitude (50 Marks)

Objective

To test the grasp of elementary concepts in Mathematics and Statistics and application of the same as useful quantitative tools.

Contents

1. Ratio and proportion, Indices, Logarithms
2. Equations

   Linear – simultaneous linear equations up to three variables, quadratic and cubic equations in one variable, equations of a straight line, intersection of straight lines, graphical solution to linear equations.
3. Inequalities

   Graphs of inequalities in two variables — common region.
4. Simple and Compound Interest including annuity — Applications
5. Basic concepts of Permutations and Combinations
6. Sequence and Series – Arithmetic and geometric progressions
7. Sets, Functions and Relations
8. Limits and Continuity — Intuitive Approach
9. Basic concepts of Differential and Integral Calculus (excluding trigonometric functions)
10. Statistical description of data
    (a) Textual, Tabular & Diagrammatic representation of data.
    (b) Frequency Distribution.
    (c) Graphical representation of frequency distribution – Histogram, Frequency Polygon, Ogive
11. Measures of Central Tendency and Dispersion

    Arithmetic Mean, Median – Partition Values, Mode, Geometric Mean and Harmonic, Mean, Standard deviation, Quartile deviation
12. Correlation and Regression
13. Probability and Expected Value by Mathematical Expectation
14. Theoretical Distributions

    Binomial, Poisson and Normal.
15. Sampling Theory

    Basic Principles of sampling theory , Comparison between sample survey and complete enumeration , Errors in sample survey , Some important terms associated with sampling , Types of sampling , Theory of estimation , Determination of sample size .
16. Index Numbers

8. Will there be any study package?

Yes. The Board of Studies provides a comprehensive study package including a large question bank. The Board of Studies also provides a CD for self-assessment. Using the CD, a student can get question paper sets of different subjects and test his level of preparation.

In addition, the 20 sets Model Test papers are available on the website as per the following link:

http://icai.org/icairoot/students/new_scheme/cpt_mtpaper.html

9. Shall I get the study materials on the same day on which the application form is submitted?

Normally, students belonging to Mumbai, Chennai, Kolkata, Kanpur, New Delhi, Ahmedabad, Bangalore, Baroda, Chandigarh, Coimbatore, Ernakulam, Hyderabad, Indore, Jaipur, Nagpur, Pune, and Surat are provided study materials on submission of the application form in respective Office of the Institute. Study materials are to be collected in person. For outstation students, study materials are sent by post which takes normal postal delivery time to reach the students.

10. Is the Institute organising any oral coaching to assist the students for preparation?

Yes. There are accredited institutions who are engaged in conducting oral coaching classes. A list of such institutions is available on the website as per the following links

http://icai.org/icairoot/students/new_scheme/accreditation.pdf

11. What are the different types of modules for oral coaching available?

The different coaching modules are designed for conducting oral coaching:

Module I Crash Course Module	Crash Course comprising of 50 days	4 hours per day	Total teaching hours 200
Module II Regular Course Module	Regular Course comprising of 80 days	3 hours per day	Total teaching hours: 240

A student has to contact the Principal / Chief Co-ordinator of the accredited institution for admission to oral coaching classes and ascertain the type of modules available.

12. What is the fees to be paid for undergoing oral coaching?

Fees to be charged for different modules are decided by the accredited institutions.

13. What is the eligibility for appearing in the examination?

A registered student may appear in Common Proficiency Test after he has appeared in the Senior Secondary Examination (10+2 examination) conducted by an examining body constituted by law in India or an examination recognised by the Central Government as equivalent thereto and has complied with such requirements as may be specified by the Council from time to time.

14. How to make application for appearing in the examination?

A student has to follow the examination notification to be issued by the Examination Department of the ICAI and apply in the prescribed form along with the examination fee of Rs.300. The Examination Department will announce the examination centres and issue admit card.

15. What is the qualifying marks?

The qualifying mark is 50%. A student has to remember that CPT is an objective type test with a negative marking for selecting wrong option which will be indicated in the question paper.

16. Is there any Calendar for important events of CPT?

Yes, follow the CPT Calendar given below:

CPT Calendar upto February, 2008

Date of CPT Examination	May 6, 2007	August 5, 2007	November 4, 2007	February 3, 2008
Last date of registration with the Board of Studies	March 1, 2007	June 1, 2007	September 1, 2007	December 1, 2007
Date of release of examination form	March 2, 2007	June 5, 2007	September 5, 2007	December 5, 2007
Last date for submission of examination form	March 23, 2007	June 26, 2007	September 26, 2007	December 26, 2007
Date of publication of result	June 01, 2007	September 1, 2007	December 01, 2007	March 01, 2008

17. What is the next step after passing CPT?

After passing CPT and 10+2 examination conducted by an examining body constituted by law in India or an examination recognized by the Central Government as equivalent thereto, a student may join the Chartered Accountancy Course.

Education of Chartered Accountancy is divided into two levels:

- Professional Competence Course
- Final Course

There is a concurrent articled training of 3 ½ years or equivalent audit training. Eight months of service as an audit assistant shall be reckoned as six months of articled training. Also, a student is allowed to undergo partly articled training and partly audit training. Any fraction of a period less than eight months as audit assistant will be ignored.

After passing CPT and 10+2 standard examination as stated above, a student has to take admission to Professional Competence Course and concurrently register for articled/audit training.

A student is advised to follow FAQs for Professional Competence Course. These are available on our website www.icai.org.