Applicability of the Institute's Pronouncements, Publications and other Notifications for CA PCC/ IPCC Examination November, 2012

PCC Paper 1: Advanced Accounting

A. Pronouncements

Accounting Standards 1, 2, 3, 4, 5, 6, 7, 9, 10, 11, 12, 13, 14, 16, 19, 20 26, 29 are covered in the syllabus.

B. Publications

1. The **study materials of Accounting and Advanced Accounting for IPCC along with practice manuals** (revised edition of July, 2011) will be relevant for PCC students for November, 2012 examination.
2. **Revision Test Paper (RTP) for November, 2012 examination** - Official Announcements and Notifications (in relation to syllabus) issued till 30th April, 2012 (not given in the study material) will be given in the Revision Test Paper (RTP) for November, 2012 examination.

C. Notification relevant for November, 2012 examination

1. **Schedule VI revised by the Ministry of Corporate Affairs** on 28th February, 2011 pertaining to the preparation of Balance Sheet and Profit and Loss Account under the Companies Act, 1956 for the financial year commencing on or after 1.4.2011.
2. Maintenance of Cash Reserve Ratio at 4.75 per cent.
3. **Amendment to para 46 of Accounting Standard 11 of the Companies (Accounting Standards) Rules, 2006**

   The MCA has extended the option (for the enterprises) to capitalize the exchange differences arising on reporting of long term foreign currency monetary items till 31st March 2020 instead of 31st March 2012.
4. Insertion of para 46A in Accounting Standard 11 of the Companies (Accounting Standards) Rules, 2006.

Note

Non-Applicability of Ind ASs for November, 2012 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. **These Ind ASs are not applicable for the students appearing in November, 2012 Examination.**

IPCC Paper 1: Accounting

A. Pronouncements

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

B. Publications

1. The **study material of Accounting for IPCC along with the practice manual** (revised edition of July, 2011) will be relevant for November, 2012 examination.
2. **Revision Test Paper (RTP) for November, 2012 examination** - Official Announcements and

Notifications (in relation to syllabus) issued till 30th April, 2012 (not given in the study material) will be given in the Revision Test Paper (RTP) for November, 2012 examination.

C. Notification relevant for November, 2012 examination

Schedule VI revised by the Ministry of Corporate Affairs on 28th February, 2011 pertaining to the preparation of Balance Sheet and Profit and Loss Account under the Companies Act, 1956 for the financial year commencing on or after 1.4.2011.

IPCC Paper 5: Advanced Accounting

A. Pronouncements

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

B. Publications

1. The study material of Advanced Accounting for IPCC along with the practice manual (revised edition of July, 2011) will be relevant for November, 2012 examination.
2. Revision Test Paper (RTP) for November, 2012 examination - Official Announcements and Notifications (in relation to syllabus) issued till 30th April, 2012 (not given in the study material) will be given in the Revision Test Paper (RTP) for November, 2012 examination.

C. Notification relevant for November, 2012 examination

1. Schedule VI revised by the Ministry of Corporate Affairs on 28th February, 2011 pertaining to the preparation of Balance Sheet and Profit and Loss Account under the Companies Act, 1956 for the financial year commencing on or after 1.4.2011.
2. Maintenance of Cash Reserve Ratio at 4.75 per cent.
3. Amendment to para 46 of Accounting Standard 11 of the Companies (Accounting Standards) Rules, 2006

   The MCA has extended the option (for the enterprises) to capitalize the exchange differences arising on reporting of long term foreign currency monetary items till 31st March 2020 instead of 31st March 2012.
4. Insertion of para 46A in Accounting Standard 11 of the Companies (Accounting Standards) Rules, 2006.

Note (Common for IPCC Paper 1 and Paper 5)

Non-Applicability of Ind ASs for November, 2012 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. These Ind ASs are not applicable for the students appearing in November, 2012 Examination.

PCC Paper 2 & IPCC 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 November 2012 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

PCC Paper 3: Laws, Ethics and Communication
IPCC Paper 2: Business Laws, Ethics and communication

(I) Applicability of relevant Amendments/Circulars/Notifications/Regulations etc. relating to Integrated Professional Competancy Couse (IPCC) for November 2012, Examination:

Business Laws

SUBJECT	AMENDMENT	CONTENT
The Negotiable Instruments Act, 1881	Reduction in validity period of Cheques/ Pay Orders/ Banker's Cheques	The Reserve Bank of India vide Notification No. RBI/2011-12/251 DBOD.AML BC.No.47/14.01.001/2011-12, dated 4th November, 2011 directed that the validity of Cheques/ Pay Orders/Banker's Cheques will be reduced from the period of six months to three months from the date of such instruments with effect from 1st April,2012.

II. Non-Applicability

S.No.	Subject Matter	CONTENT
1.	The Companies Bill, 2011	Not Applicable

PCC Paper 5: Taxation

1. The **Study Material and Practice Manual for IPCC Paper 4: Taxation (based on the law as amended by the Finance Act, 2011). The relevant assessment year for Income-tax is A.Y. 2012-13.** The Study Material (Volume I) and Practice Manual (Volume II) would be based on the law as amended by the Finance Act, 2011 as well as the significant notifications and circulars issued up to 30.4.2011.

   The Study Material and Practice Manual for IPCC would be relevant for PCC students also, however, with the exception of the following chapters in Part II: Service tax and VAT –

   Unit 2 of Chapter 2 on Taxable Services;

   Chapter 5 on Input Tax Credit and Composition Scheme for Small Dealers; and

   Chapter 6 on VAT Procedures.

   Students may further note that Point of Taxation Rules, 2011 as covered in the Study Material will apply for November, 2012 examinations.

2. **Supplementary Study Paper – 2011 for PCC/IPCC**, which explains the amendments made by the Finance Act, 2011 and important notifications/circulars issued between 1.5.2010 and 30.4.2011.

3. **Revision Test Paper (RTP) for November 2012 examination** - The significant amendments made by circulars/notifications issued between 1.5.2011 and 30.4.2012 would be given in the RTP for November, 2012 examination.

IPCC Paper 4: Taxation

1. The **Study Material and Practice Manual for IPCC Paper 4: Taxation (based on the law as amended by the Finance Act, 2011). The relevant assessment year for Income-tax is A.Y. 2012-13.** The Study Material (Volume I) and Practice Manual (Volume II) would be based on the law as amended by the Finance Act, 2011 as well as the significant notifications and circulars issued up to 30.4.2011.

   Note: Although all the taxable services are covered in the Study Material, it may be noted that students would be examined only in respect of the following taxable services:

   1. Practising Chartered Accountant's services

   2. Mandap keeper's services

   3. Commercial training or coaching services

   4. Information technology software services

5. *Consulting engineer's services*
6. *Business exhibition services*
7. *Scientific and technical consultancy services*
8. *Technical testing and analysis services*

Students may further note that Point of Taxation Rules, 2011 as covered in the Study Material will apply for November, 2012 examinations.

2. Supplementary Study Paper - 2011 for PCC/IPCC, which explains the amendments made by the Finance Act, 2011 and important notifications/ circulars issued between 1.5.2010 and 30.4.2011.
3. Revision Test Paper (RTP) for November 2012 examination - The significant amendments made by circulars/notifications issued between 1.5.2011 and 30.4.2012 would be given in the RTP for November, 2012 examination.