

Subjects for Study in Intermediate (Integrated Professional Competence) Course

[Renamed from Integrated Professional Competence Course (IPCC) to Intermediate
(Integrated Professional Competence) Course vide
Notification No.1-CA(7)/145/2012dt.1stAugust,2012]

Six subjects and Seven Papers of study in Intermediate(IPC)Course are–

Group – I

- Paper 1 : Accounting (100 marks)
- Paper 2 : Business Laws, Ethics and Communication (100 marks)
- Part – I : Business Laws (60 marks) comprising Business Laws (30 marks)
Company Law (30 marks)
- Part – II : Ethics (20 marks)
- Part III : Communication(20 marks)
- Paper 3 : Cost Accounting and Financial Management (100 marks)
- Part – I : Cost Accounting (50 marks)
- Part – II : Financial Management (50 marks)
- Paper 4 : Taxation (100 marks)
- Part – I : Income-tax(50 marks)
- Part – II : Indirect taxes (50 marks)

Group – II

- Paper 5 : Advanced Accounting (100marks)
- Paper 6 : Auditing and Assurance (100marks)
- Paper 7 : Information Technology and Strategic Management(100 marks)
- Section – A : Information Technology (50 marks)
- Section – B : Strategic Management (50 marks)

The level of knowledge expected of students in the above subjects is 'working knowledge'.

INTERMEDIATE (INTEGRATED PROFESSIONAL COMPETENCE) COURSE

[Syllabus specified by the Council under Regulation 28E(3) of the Chartered Accountants Regulations, 1988]

[Renamed from Integrated Professional Competence Course (IPCC) to Intermediate (Integrated Professional Competence) Course vide Notification No. 1-CA(7)/145/2012 dt. 1st August, 2012]

SYLLABUS

GROUP – I

PAPER 1: ACCOUNTING

(One paper – Three hours – 100 Marks)

Level of Knowledge: Working Knowledge

Objectives:

- (a) To lay a foundation for the preparation and presentation of financial statements,
- (b) To gain working knowledge of the principles and procedures of accounting and their application to different practical situations,
- (c) To gain the ability to solve simple problems and cases relating to sole proprietorship, partnership and companies and
- (d) To familiarize students with the fundamentals of computerized system of accounting.

Contents:

1. A General Knowledge of the framing of the accounting standards, national and international accounting authorities, adoption of international financial reporting standards
2. Accounting Standards

Working knowledge of:

- | | | | |
|----|---|---|---------------------------------------|
| 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
- 3. Company Accounts
 - (a) Preparation of financial statements – Profit and Loss Account, Balance Sheet and Cash Flow Statement, Statement of changes in Equity and Explanatory Notes.
 - (b) Profit (Loss) prior to incorporation
 - (c) Alteration of share capital, Conversion of fully paid shares into stock and stock into shares, Accounting for bonus issue
 - (d) Simple problems on Accounting for business acquisition, Amalgamation and reconstruction (excluding problems of amalgamation on inter-company holding)
- 4. Average Due Date, Account Current, Self-Balancing Ledgers
- 5. Financial Statements of Not-for-Profit Organisations
- 6. Accounts from Incomplete Records
- 7. Accounting for Special Transactions
 - (a) Hire purchase and instalment sale transactions
 - (b) Investment accounts
 - (c) Insurance claims for loss of stock and loss of profit.
- 8. Issues in Partnership Accounts
Final accounts of partnership firms – Admission, retirement and death of a partner including treatment of goodwill.
- 9. Accounting in Computerised Environment
An overview of computerized accounting system–Salient features and significance, Concept of grouping of accounts, Codification of accounts, Maintaining the hierarchy of ledger, Accounting packages and consideration for their selection, Generating Accounting Reports.

Note : If either old Accounting Standards (ASs), Announcements and Limited Revisions to ASs are withdrawn or new ASs, Announcements and Limited Revisions to ASs are issued by the Institute of Chartered Accountants of India in place of existing ASs, Announcements and Limited Revisions to ASs, the syllabus will accordingly exclude/include such new developments in place of the existing ones with effect from the date to be notified by the Institute.

PAPER – 2: BUSINESS LAWS, ETHICS AND COMMUNICATION

(One paper – Three hours - 100 Marks)

Level of Knowledge: Working knowledge

PART I – BUSINESS LAW (60 MARKS)

Objective:

To test working knowledge of Business Law and Company Law and their practical application in commercial situations.

Contents:

Business Law (30 Marks)

1. The Indian Contract Act, 1872
2. The Negotiable Instruments Act, 1881
3. The Payment of Bonus Act, 1965
4. The Employees' Provident Funds and Miscellaneous Provisions Act, 1952
5. The Payment of Gratuity Act, 1972.

Company Law (30 Marks)

The Companies Act, 2013 – Sections 1 to 122

- (a) Preliminary
- (b) Incorporation of Company and Matters Incidental thereto
- (c) Prospectus and Allotment of Securities
- (d) Share Capital and Debentures
- (e) Acceptance of Deposits by companies
- (f) Registration of Charges
- (g) Management and Administration
- (h) Company Law in a computerized Environment – E-filing.

Note:

- (i) **The provisions of the Companies Act, 1956 which are still in force would form part of the syllabus till the time their corresponding or new provisions of the Companies Act, 2013 are enforced.**

- (ii) If new legislations are enacted in place of the existing legislations, the syllabus would include the corresponding provisions of such new legislations with effect from a date notified by the Institute.

PART II – ETHICS (20 MARKS)

Objective:

To have an understanding of ethical issues in business.

Contents:

1. Introduction to Business Ethics

The nature, purpose of ethics and morals for organizational interests; Ethics and Conflicts of Interests; Ethical and Social Implications of business policies and decisions; Corporate Social Responsibility; Ethical issues in Corporate Governance.

2. Environment issues

Protecting the Natural Environment – Prevention of Pollution and Depletion of Natural Resources; Conservation of Natural Resources.

3. Ethics in Workplace

Individual in the organisation, discrimination, harassment, gender equality.

4. Ethics in Marketing and Consumer Protection

Healthy competition and protecting consumer's interest.

5. Ethics in Accounting and Finance

Importance, issues and common problems.

PART III – COMMUNICATION (20 MARKS)

Objective:

To nurture and develop the communication and behavioural skills relating to business

Contents:

1. Elements of Communication

- (a) Forms of Communication: Formal and Informal, Interdepartmental, Verbal and non-verbal; Active listening and critical thinking
- (b) Presentation skills including conducting meeting, press conference
- (c) Planning and Composing Business messages
- (d) Communication channels

- (e) Communicating Corporate culture, change, innovative spirits
 - (f) Communication breakdowns
 - (g) Communication ethics
 - (h) Groups dynamics; handling group conflicts, consensus building; influencing and persuasion skills; Negotiating and bargaining
 - (i) Emotional intelligence - Emotional Quotient
 - (j) Soft skills – personality traits; Interpersonal skills ; leadership
2. **Communication in Business Environment**
- (a) Business Meetings – Notice, Agenda, Minutes, Chairperson’s speech
 - (b) Press releases
 - (c) Corporate announcements by stock exchanges
 - (d) Reporting of proceedings of a meeting
3. **Basic understanding of legal deeds and documents**
- (a) Partnership deed
 - (b) Power of Attorney
 - (c) Lease deed
 - (d) Affidavit
 - (e) Indemnity bond
 - (f) Gift deed
 - (g) Memorandum and articles of association of a company
 - (h) Annual Report of a company

PAPER 3 : COST ACCOUNTING AND FINANCIAL MANAGEMENT

(One paper – three hours-100marks)

Level of Knowledge: Working knowledge

PART – I : COST ACCOUNTING (50 MARKS)

Objectives:

- (a) To understand the basic concepts and processes used to determine product costs,
- (b) To be able to interpret cost accounting statements,

- (c) To be able to analyse and evaluate information for cost ascertainment, planning, control and decision making, and
- (d) To be able to solve simple cases.

Contents

1. Introduction to Cost Accounting

- (a) Objectives and scope of Cost Accounting
- (b) Cost centres and Cost units
- (c) Cost classification for stock valuation, Profit measurement, Decision making and control
- (d) Coding systems
- (e) Elements of Cost
- (f) Cost behaviour pattern, Separating the components of semi-variable costs
- (g) Installation of a Costing system
- (h) Relationship of Cost Accounting, Financial Accounting, Management Accounting and Financial Management.

2. Cost Ascertainment

(a) Material Cost

- (i) Procurement procedures— Store procedures and documentation in respect of receipts and issue of stock, Stock verification (ii) Inventory control — Techniques of fixing of minimum, maximum and reorder levels, Economic Order Quantity, ABC classification; Stocktaking and perpetual inventory
- (iii) Inventory accounting
- (iv) Consumption — Identification with products of cost centres, Basis for consumption entries in financial accounts, Monitoring consumption.

(b) Employee Cost

- (i) Attendance and payroll procedures, Overview of statutory requirements, Overtime, Idle time and Incentives
- (ii) Labour turnover
- (iii) Utilisation of labour, Direct and indirect labour, Charging of labour cost, Identifying labour hours with work orders or batches or capital jobs

- (iv) Efficiency rating procedures
- (v) Remuneration systems and incentive schemes.

(c) Direct Expenses

Sub-contracting — Control on material movements, Identification with the main product or service.

(d) Overheads

- (i) Functional analysis — Factory, Administration, Selling, Distribution, Research and Development Behavioural analysis — Fixed, Variable, Semi variable and Step cost
- (ii) Factory Overheads — Primary distribution and secondary distribution, Criteria for choosing suitable basis for allotment, Capacity cost adjustments, Fixed absorption rates for absorbing overheads to products or services
- (iii) Administration overheads — Method of allocation to cost centres or products
- (iv) Selling and distribution overheads — Analysis and absorption of the expenses in products/customers, impact of marketing strategies, Cost effectiveness of various methods of sales promotion.

3. Cost Book-keeping

Cost Ledgers—Non-integrated accounts, Integrated accounts, Reconciliation of cost and financial accounts.

4. Costing Systems

(a) Job Costing

Job cost cards and databases, Collecting direct costs of each job, Attributing overhead costs to jobs, Applications of job costing.

(b) Batch Costing

(c) Contract Costing

Progress payments, Retention money, Escalation clause, Contract accounts, Accounting for material, Accounting for plant used in a contract, Contract profit and Balance sheet entries.

(d) Process Costing

Double entry book keeping, Process loss, Abnormal gains and losses, Equivalent units, Inter-process profit, Joint products and by products.

(e) Operating Costing System

5. Introduction to Marginal Costing

Marginal costing compared with absorption costing, Contribution, Breakeven analysis and profit volume graph.

6. Introduction to Standard Costing

Various types of standards, Setting of standards, Basic concepts of material and Labour standards and variance analysis.

7. Budget and Budgetary Control

The budget manual, preparation and monitoring procedures, budget variances, flexible budget, preparation of functional budget for operating and non operating functions, cash budget, master budget, principal budget factors.

PART – II: FINANCIAL MANAGEMENT (50 MARKS)

Objectives:

- (a) To develop ability to analyse and interpret various tools of financial analysis and planning,
- (b) To gain knowledge of management and financing of working capital,
- (c) To understand concepts relating to financing and investment decisions, and
- (d) To be able to solve simple cases.

Contents

1. Scope and Objectives of Financial Management

- (a) Meaning, Importance and Objectives
- (b) Conflicts in profit versus value maximisation principle
- (c) Role of Chief Financial Officer.

2. Time Value of Money

Compounding and Discounting techniques— Concepts of Annuity and Perpetuity

3. Financial Analysis and Planning

- (a) Ratio Analysis for performance evaluation and financial health
- (b) Application of Ratio Analysis in decision making
- (c) Analysis of Cash Flow Statement.

4. Financing Decisions

- (a) Cost of Capital — Weighted average cost of capital and Marginal cost of capital
- (b) Capital Structure decisions — Capital structure patterns, Designing optimum capital structure, Constraints, Various capital structure theories
- (c) Business Risk and Financial Risk — Operating and financial leverage, Trading on Equity.

5. Types of Financing

- (a) Different sources of finance
- (b) Project financing — Intermediate and long term financing
- (c) Negotiating term loans with banks and financial institutions and appraisal thereof
- (d) Introduction to lease financing
- (e) Venture capital finance.

6. Investment Decisions

- (a) Purpose, Objective, Process
- (b) Understanding different types of projects
- (c) Techniques of Decision making: Non-discounted and Discounted Cash flow Approaches — Payback Period method, Accounting Rate of Return, Net Present Value, Internal Rate of Return, Modified Internal Rate of Return, Discounted Payback Period and Profitability Index
- (d) Ranking of competing projects, Ranking of projects with unequal lives.

7. Management of Working Capital

- (a) Working capital policies
- (b) Funds flow analysis
- (c) Inventory management
- (d) Receivables management
- (e) Payables management
- (f) Management of cash and marketable securities
- (g) Financing of working capital.

PAPER – 4: TAXATION

(One paper – Three hours – 100 Marks)

Level of Knowledge: Working knowledge

Objective: To develop an understanding of the provisions of income-tax law and goods and services tax law and to acquire the ability to apply such knowledge to make computations and address application orientated issues.

Contents:

SECTION A – INCOME TAX (50 MARKS)

1. Important definitions in the Income-tax Act, 1961
2. Basis of charge; Rates of taxes applicable for different types of assesseees
3. Concepts of previous year and assessment year
4. Residential status and scope of total income; Income deemed to be received / deemed to accrue or arise in India
5. Incomes which do not form part of total income (other than charitable trusts and institutions, political parties and electoral trusts)
6. Heads of income and the provisions governing computation of income under different heads
7. Income of other persons included in assessee's total income
8. Aggregation of income; Set-off or carry forward and set-off of losses
9. Deductions from gross total income
10. Computation of total income and tax liability of individuals
11. Provisions concerning advance tax and tax deducted at source
12. Provisions for filing of return of income.

SECTION B – INDIRECT TAXES (50 MARKS)

Contents:

1. **Concept of indirect taxes**
 - (i) Concept and features of indirect taxes
 - (ii) Principal indirect taxes
2. **Goods and Services Tax (GST) Laws**

- (i) GST Laws: An introduction including Constitutional aspects
- (ii) Levy and collection of CGST and IGST
 - a) Application of CGST/IGST law
 - b) Concept of supply including composite and mixed supplies
 - c) Charge of tax
 - d) Exemption from tax
 - e) Composition levy
- (iv) Basic concepts of time and value of supply
- (vi) Input tax credit
- (vii) Computation of GST liability
- (viii) Registration
- (ix) Tax invoice; Credit and Debit Notes; Electronic way bill
- (x) Returns
- (xi) Payment of tax including reverse charge

Note – If any new legislation(s) is enacted in place of an existing legislation(s), the syllabus will accordingly include the corresponding provisions of such new legislation(s) in place of the existing legislation(s) with effect from the date to be notified by the Institute. Similarly, if any existing legislation ceases to have effect, the syllabus will accordingly exclude such legislation with effect from the date to be notified by the Institute. Students shall not be examined with reference to any particular State GST Law.

Consequential/corresponding amendments made in the provisions of the Income-tax law and Goods and Services Tax laws covered in the syllabus of this paper which arise out of the amendments made in the provisions not covered in the syllabus will not form part of the syllabus. Further, the specific inclusions/exclusions in the various topics covered in the syllabus will be effected every year by way of Study Guidelines. The specific inclusions/ exclusions may also arise due to additions/ deletions every year by the annual Finance Act.

GROUP – II

PAPER – 5: ADVANCED ACCOUNTING

(One paper – Three hours – 100 Marks)

Level of Knowledge: Working Knowledge

Objectives:

- (a) To have an understanding of the conceptual framework for the preparation and presentation of financial statements,
- (b) To gain working knowledge of the professional standards and application of accounting principles to different practical situations, and
- (c) To gain the ability to solve advanced problems in the case of different entities.

Contents:

- 1. **Framework for Preparation and Presentation of Financial Statements**
- 2. **Accounting Standards**

Working knowledge of:

- 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.
- 3. **Advanced Issues in Partnership Accounts and Issues related to accounting in Limited Liability Partnerships**
Dissolution of partnership firms including piecemeal distribution of assets; Amalgamation of partnership firms; Conversion into a company and Sale to a company.

4. Company Accounts

- (a) Accounting for employee stock option plan, Buy back of securities, Equity shares with differential rights, Underwriting of shares and debentures, Redemption of debentures
- (b) Advanced problems for business acquisition, Amalgamation and reconstruction (excluding problems of amalgamation of inter-company holding)
- (c) Accounting involved in liquidation of companies, Statement of Affairs (including deficiency/surplus accounts) and liquidator's statement of account of the winding up
- (d) Financial Reporting of Insurance and Banking and legal and regulatory requirements thereof

5. Accounting for Special Transactions

Departmental and branch accounts including foreign branches

Note – If either old Accounting Standards (ASs), Announcements and Limited Revisions to ASs are withdrawn or new ASs, Announcements and Limited Revisions to ASs are issued by the Institute of Chartered Accountants of India in place of existing ASs, Announcements and Limited Revisions to ASs, the syllabus will accordingly include/exclude such new developments in place of the existing ones with effect from the date to be notified by the Institute.

PAPER – 6: AUDITING AND ASSURANCE

(One paper – Three hours – 100 Marks)

Level of knowledge: Working Knowledge

Objective:

To understand objective and concept of auditing and gain working knowledge of generally accepted auditing procedures and of techniques and skills needed to apply them in audit and attestation engagements.

Contents:

1. **Auditing Concepts** – Nature and limitations of Auditing, Basic Principles governing an audit, Ethical principles and concept of Auditor's Independence, Relationship of auditing with other disciplines.
2. **Standards on Auditing and Guidance Notes** – Overview, Standard-setting process, Role of International Auditing and Assurance Standards Board, Standards on Auditing issued by the ICAI; Guidance Note(s) on – Audit of Fixed Assets, Audit of Inventories, Audit of Investments, Audit of Debtors, Loans and Advances, Audit of Cash and Bank Balances, Audit

of Miscellaneous Expenditure, Audit of Liabilities, Audit of Revenue, Audit of Expenses and provision for proposed dividends.

3. **Auditing engagement** — Audit planning, Audit programme, Control of quality of audit work — Delegation and supervision of audit work.
4. **Documentation** — Audit working papers, Audit files: Permanent and current audit files, Ownership and custody of working papers.
5. **Audit evidence** — Audit procedures for obtaining evidence, Sources of evidence, Reliability of audit evidence, Methods of obtaining audit evidence — Physical verification, Documentation, Direct confirmation, Re-computation, Analytical review techniques, Representation by management, Obtaining certificate.
6. **Internal Control** — Elements of internal control, Review and documentation, Evaluation of internal control system, Internal control questionnaire, Internal control check list, Tests of control, Application of concept of materiality and audit risk, Concept of internal audit.
7. **Internal Control and Computerized Environment**, Approaches to Auditing in Computerised Environment.
8. **Auditing Sampling** — Types of sampling, Test checking, Techniques of test checks.
9. **Analytical review procedures.**
10. **Audit of payments** — General considerations, Wages, Capital expenditure, Other payments and expenses, Petty cash payments, Bank payments, Bank reconciliation.
11. **Audit of receipts** — General considerations, Cash sales, Receipts from debtors, Other Receipts.
12. **Audit of Purchases** — Vouching cash and credit purchases, Forward purchases, Purchase returns, Allowance received from suppliers.
13. **Audit of Sales** — Vouching of cash and credit sales, Goods on consignment, Sale on approval basis, Sale under hire-purchase agreement, Returnable containers, Various types of allowances given to customers, Sale returns.
14. **Audit of suppliers' ledger and the debtors' ledger** — Self-balancing and the sectional balancing system, Total or control accounts, Confirmatory statements from credit customers and suppliers, Provision for bad and doubtful debts, Writing off of bad debts.
15. **Audit of impersonal ledger** — Capital expenditure, deferred revenue expenditure and revenue expenditure, Outstanding expenses and income, Repairs and renewals, Distinction between reserves and provisions, Implications of change in the basis of accounting.
16. **Audit of assets and liabilities.**
17. **Company Audit** — Audit of Shares, *Eligibility*, Qualifications and Disqualifications of Auditors, Appointment of auditors, Removal of auditors, *Remuneration of Auditors*, Powers

and duties of auditors, Branch audit , Joint audit , Reporting requirements under the Companies Act,2013, ***Other Important Provisions under the Companies Act, 2013 relating to Audit and Auditors and Rules made thereunder.***

18. **Audit Report** — Qualifications, Disclaimers, Adverse opinion, Disclosures, Reports and certificates.

19. Special points in audit of different types of undertakings, i.e., Educational institutions, Hotels, Clubs, Hospitals, Hire-purchase and leasing companies (excluding banks, electricity companies, cooperative societies, and insurance companies).

20. Features and basic principles of government audit, Local bodies and not-for-profit organizations, Comptroller and Auditor General and its constitutional role.

Note:

- (i) *The provisions of the Companies Act, 1956 which are still in force would form part of the syllabus till the time their corresponding or new provisions of the Companies Act, 2013 are enforced.*
- (ii) *If new legislations are enacted in place of the existing legislations, the syllabus would include the corresponding provisions of such new legislations with effect from a date notified by the Institute.*

PAPER – 7: INFORMATION TECHNOLOGY AND STRATEGIC MANAGEMENT

(One paper – Three hours – 100 Marks)

SECTION A: INFORMATION TECHNOLOGY (50 MARKS)

(Revised Syllabus - Applicable from November 2014 Examination onwards)

Level of Knowledge: Working Knowledge

Objective: "To develop understanding of Information Technology as a key enabler and facilitator of implementing Information Systems in enterprises and their impact on business processes and controls".

Contents

1. **Business Process Management & IT:** Introduction to various Business processes – Accounting, Finances, Sale, Purchase etc. Business Process Automation – Benefits & Risks, Approach to mapping systems: Entity Diagrams, Data Flow Diagrams, Systems Flow diagrams, Decision Trees/tables, Accounting systems vs. Value chain automation. Information as a business asset, Impact of IT on business processes. Business Risks of failure of IT, Business Process Re-engineering

2. Information Systems and IT Fundamentals: Understand importance of IT in business and relevance to Audit with case studies. Understand working of computers and networks in business process automation from business information perspective. Concepts of Computing (Definition provided by ACM/IEEE and overview of related terminologies). Overview of IS Layers – Applications, DBMS, systems software, hardware, networks & links and people. Overview of Information Systems life cycle and key phases. Computing Technologies & Hardware – Servers, end points, popular computing architectures, emerging computing architectures & delivery models – example: SaaS, Cloud Computing, Mobile computing, etc., Example: Overview of latest devices/technologies – i5, Bluetooth, Tablet, Wi-Fi, Android, Touchpad, iPad, iPod, Laptop, Notebook, Smartphone, Ultra- Mobile PC etc.

3. Telecommunication and Networks: Fundamentals of telecommunication, Components and functions of Telecommunication Systems. Data networks – types of architecture, LAN, WAN, Wireless, private and public networks etc., Overview of computing architectures – centralized, de-centralized, mainframe, client-server, thin-thick client etc. Network Fundamentals – Components, Standards and protocols, Network risks & controls – VPN, Encryption, Secure protocols. Network administration and management – concepts and issues. How information systems are facilitated through telecommunications. How Internet works, Internet architecture, key concepts, risks and controls, e-Commerce and M-commerce technologies

4. Business Information Systems : Information Systems and their role in businesses, IT as a business enabler & driver – ERP, Core Banking System, CRM, SCM, HRMS, Payment Mechanisms. The relationship between organizations, information systems and business processes, Accounting Information Systems and linkages to Operational systems, Business Reporting, MIS & IT. Organization Roles & responsibilities and table or authorities, importance of access controls, privilege controls. Specialized systems - MIS, DSS, Business Intelligence, Expert Systems, Artificial Intelligence, Knowledge Management systems etc.

5. Business Process Automation through Application software: Business Applications – overview and types, Business Process Automation, relevant controls and information systems. Information Processing & Delivery channels and their role in Information Systems. Key types of Application Controls and their need. Emerging concepts – Virtualization, Grid Computing, Cloud delivery model.

PAPER – 7B : STRATEGIC MANAGEMENT (50 MARKS)

Level of Knowledge: Working knowledge

Objectives:

- (a) To develop an understanding of the general and competitive business environment,
- (b) To develop an understanding of strategic management concepts and techniques,

Contents

1. Business Environment

General Environment — Demographic, Socio-cultural, Macro-economic, Legal/political, Technological, and Global; Competitive Environment.

2. Business Policy and Strategic Management

Meaning and nature; Strategic management imperative; Vision, Mission and Objectives; Strategic levels in organizations.

3. Strategic Analysis

Situational Analysis – SWOT Analysis, TOWS Matrix, Portfolio Analysis — BCG Matrix.

4. Strategic Planning

Meaning, stages, alternatives, strategy formulation.

5. Formulation of Functional Strategy

Marketing strategy, Financial strategy, Production strategy, Logistics strategy, Human resource strategy.

6. Strategy Implementation and Control

Organizational structures; Establishing strategic business units; Establishing profit centers by business, product or service, market segment or customer; Leadership and behavioural challenges.

7. Reaching Strategic Edge

Business Process Reengineering, Benchmarking, Total Quality Management, Six Sigma, Contemporary Strategic Issues.

Note: The examination committee in its meeting held on 28th, 29th, 30th and 31st August, 2011 decided that the case studies should not form part of question paper. So, the objective '(c) To be able to solve simple cases' forming part of the syllabus has been excluded.