

CS Executive Programme

Paper 1:

General and Commercial Laws

(One paper: Three Hours – 100 marks)

Level of Knowledge: Working knowledge.

Objective:

To provide to the students basic understanding of some of the general and commercial laws which have a bearing on the conduct of the corporate affairs.

Contents:

1. Constitution of India

Broad framework of the Constitution of India; fundamental rights; directive principles of state policy; ordinance making powers of the President and the Governors; legislative powers of the Union and the States; freedom of trade, commerce and intercourse; constitutional provisions relating to State monopoly; judiciary; writ jurisdiction of High Courts and the Supreme Court; different types of writs - habeas corpus, mandamus, prohibition, Quo warranto and certiorari; Concept of delegated legislation.

2. Interpretation of Statutes

Need for interpretation of a statute; general principles of interpretation — internal and external aids to interpretation; primary and other rules.

3. An Overview of Law relating to Specific Relief; Arbitration and Conciliation; Torts; Limitation and Evidence

4. Law relating to Transfer of Property

Important definitions; movable and immovable property; properties which cannot be transferred; rule against perpetuities; lis pendens; provisions relating to sale, mortgage, charge, lease, gift and actionable claim.

5. Law relating to Stamps

Methods of stamping; consequences of non-stamping and under-stamping; impounding of instruments; construction of instruments for determination of stamp duty payable; adjudication; allowance and refund; penal provisions.

6. Information Technology Law — An Overview

Important terms under Information technology legislation; digital signatures; electronic records; certifying authority; digital signature certificate; Cyber Regulation Appellate Tribunal; offences and penalties.

7. Code of Civil Procedure

Elementary knowledge of the structure of civil courts, their jurisdiction, basic understanding of certain terms - order, judgment and decree, stay of suits, res judicata, suits by companies, minors, basic understanding of summary proceedings, appeals, reference, review and revision.

8. Criminal Procedure Code

Offences; mensrea, cognizable and non-cognizable offences, bail, continuing offences, searches, limitation for taking cognizance of certain offences.

9. Law relating to Right to Information

Salient features of the Right to Information (RTI) Act, 2005; Objective; Public Authorities & their obligations ; Designation of Public Information Officers (PIO) and their Duties; Request for obtaining information; Exemption from disclosure; Who is excluded;

Information Commissions (Central & State) and their powers; appellate authorities; penalties; jurisdiction of Courts; Role of Central/State Governments.

Paper 2:

Company Accounts, Cost and Management Accounting

(One paper: Three Hours – 100 marks)

Level of Knowledge: Working knowledge

Objective

- i. To provide working knowledge of accounting principles and procedures for companies in accordance with the statutory requirements.
- ii. To acquaint the students with cost and management accounting techniques and practices.

Contents

Part A:

Company Accounts (50 Marks)

1. **Accounting standards** - Relevance and significance; national and international accounting standards.
2. **Accounting for share capital transactions** - Issue of shares at par, at premium and at discount; forfeiture and re-issue of shares; buy-back of shares; redemption of preference shares; rights issue.
3. **Issue of debentures** - Accounting treatment and procedures; redemption of debentures; conversion of debentures into shares.
4. **Underwriting of Issue** - Acquisition of business; profits prior to incorporation; treatment of preliminary expenses.

5. Preparation and presentation of final accounts of joint stock companies as per company law requirements; bonus shares.
6. **Holding and subsidiary companies** – Accounting treatment and disclosures; consolidation of accounts.
7. **Valuation of shares and intangible assets**

Part B:

Cost and Management Accounting (50 Marks)

8. **Cost accounting** – Objectives of costing system; cost concepts and cost classification; management accounting – nature and scope; role of management accountant, tools and techniques of management accounting; distinction between financial accounting, cost accounting and management accounting.
9. **Elements of cost :**
 - a. **Material cost** – purchase procedures, store keeping and inventory control, fixing of minimum, maximum and re-order levels, ABC analysis, pricing of receipts and issue of material and accounting thereof; accounting and control of wastage, spoilage and defectives.
 - b. **Labour Cost** – Classification of labour costs, payroll procedures, monetary and non-monetary incentive schemes; labour turnover and remedial measures; treatment of idle time and overtime.
 - c. **Direct expenses** – Nature, collection and classification of direct expenses and its treatment.
 - d. **Overheads** – Nature, classification, collection, allocation, apportionment, absorption and control of overheads.
10. **Methods of costing** – Unit costing, contract costing

11. Budgetary control – Preparation of various types of budgets, advantages and limitations; budgetary control reports to management.

12. Marginal costing – Application of marginal costing; cost–volume profit relationship; break–even analysis, preparation of break–even charts; profit – volume graph; practical application of profit volume ratio.

13. Analysis and interpretation of financial statements – Nature, objectives; latest trends in presenting financial data; importance and limitations; accounting ratios - classification, advantages and limitations.

14. Cash flow statements – Classification of cash flows, preparation and usefulness.

Paper 3: Tax Laws

(One paper: Three Hours – 100 marks)

Level of Knowledge: Working knowledge.

Objective

- i. To impart knowledge of the basic principles underlying the substantive provisions of income-tax, wealth tax, service tax and value added tax laws to the students.
- ii. To equip students with application of principles and provisions of above tax laws in computation of income and taxation of a 'person' excluding companies under various heads of income and their assessment procedures.

Contents

Part A:

The Income – Tax Act (60 Marks)

1. Definitions, concept of income, previous year, assessment year, residential status.
2. Distinction between capital and revenue receipts and expenditure.
3. Basis of charge and scope of total income (Incomes deemed to accrue or arise in India and deemed to be received in India).
4. Incomes which do not form part of total income.

5. Computation of total income under various heads, such as – salaries, income from house property, profit and gains of business or profession, capital gains, income from other sources.
6. Income of other persons included in assessor's total income; aggregation of income and set off or carry forward of losses; various deductions to be made in computing total income, rebates and reliefs; applicable rates of taxes and tax liability.
7. Taxation of every person excluding companies, viz., individuals including non-residents, Hindu Undivided Family, firms, association of persons, cooperative societies, trusts and charitable and religious institutions, etc.
8. Provisions concerning procedure for filing returns, signatures, e-filing, assessment and reassessment.
9. Tax deducted at source, collection, recovery and refund of tax; provisions of advance tax.
10. Charge of banking cash transaction tax, taxable banking transaction, value of taxable banking transaction, collection, recovery, return, assessment, rectification, interest on delayed payments, penalty, appeal, power to make rules.
11. Charge of fringe benefit tax, fringe benefits and deemed fringe benefits, valuation, payment and return of fringe benefits, assessment, issue of notice, advance tax in respect of fringe benefits.
12. Wealth Tax - Charge of wealth tax; assets; deemed assets and assets exempt from tax; valuation of assets; computation of net wealth, return of wealth and provisions concerning assessment.

Part B:

Service Tax (20 Marks)

13. Background, Statutory provisions, taxable services, valuation, administrative mechanism and procedural aspects, rate and computation of tax.
14. Assessment, levy, collection and payment of service tax, exemptions, CENVAT credit for service tax, returns, appeals, revisions, advance rulings, role of Practising Company Secretaries.

Part C:

Value Added Tax (20 Marks)

15. Legislative background, concept of VAT - white paper on VAT, Report of Empowered Committee of State Finance Ministers, constitutional provisions, relationship of VAT with inter-state commerce and works contract tax, liability under VAT; withdrawal of Central Sales Tax; Goods and Service Tax.
16. Computation, procedural aspects including registration, filling of returns, rates of tax, assessment, credit and set-off, returns, refunds, audit, appeals, revision and appearances.
17. Appointment, jurisdiction and powers of authorities and certifications for professionals.
18. Concept of VAT on services, VAT in other countries, scope for Company Secretaries.

Company Law

(One paper: Three Hours – 100 marks)

Level of Knowledge: Working knowledge.

Objective

To develop an understanding of the regulation of companies and to provide thorough knowledge of the various provisions of the Company Law in India as well as Schedules and Rules made there under including their interpretation through case laws, departmental circulars, clarifications, notifications, etc.

Contents

1. Introduction

Nature and form of business enterprise; types of business enterprises; company – definition and nature. Historical development of corporate concepts; emergence of principles of limited liability and development of Company Law in England and India. Concept of corporate personality; corporate veil and its lifting. Working and administration of Company Law.

2. Incorporation and its Consequences

- Types of companies and their incorporation; memorandum and articles of association and their alteration; registered office; publication of name; commencement of business; contracts; deeds; common seal; effect of incorporation.
- Re-registration and registration of unregistered joint-stock companies.
- The doctrine of ultra-vires, constructive notice and indoor management.
- Promoters – meaning and importance; position, duties and liabilities.

3. Financial Structure

- Concept of capital and financing of companies, sources of capital; classes and types of shares; equity with differential rights; issue of shares at par, premium and discount; forfeiture and surrender of shares; bonus issues; rights issues; issue of sweat equity shares; employees stock option scheme; private

placement.

Alteration of share capital; reduction of capital; buy-back of shares.

- Debt capital – debentures, debenture stock, bonds; new developments in corporate debt financing; debenture trust deed and trustees; conversion of and redemption of debentures.
- Securing of debts – creation, modification and satisfaction of charges.
- Prospectus – definition; abridged prospectus; red-herring prospectus; shelf prospectus; information memorandum; contents, registration, misrepresentations and penalties.
- Allotment and certificates – contracts to subscribe for shares, debentures and other securities; calls; share certificates and share warrants.

4. Membership, Depositories and Transfer/Transmission

Membership – modes of acquiring membership; rights and privileges of members, register of members; dematerialization and re-materialization of securities; transfer and transmission of securities in physical and depository modes; nomination.

5. Management and Control of Companies

- Directors – appointment/re-appointment, qualifications, disqualifications, remuneration, vacation of office, retirement, resignation and removal; loans to directors; powers and duties; office or place of profit; role of directors; contracts in which directors are interested.
- Managing and whole-time directors and manager.
- Company secretary – appointment, role and responsibilities; company secretary as a principal officer.
- Meetings of directors and committees – frequency, convening, and proceedings of Board /Committee meetings; tele and video conferencing of Board/Committee(s); resolution by circulation; minutes and evidence
- General meetings – kinds of meetings; law, practice and procedure relating to convening and proceedings at general and other meetings – notice, quorum, proxy, voting including through electronic means, resolutions, circulation of

member's resolution, etc.; postal ballot; recording, signing and inspection of minutes; role of chairman.

- Distribution of powers of a company – division of powers between Board and general meetings; acts by directors in excess of authority; monitoring and management.
- Sole Selling and Buying Agents – Meaning, appointment and reappointment, removal; powers of Central Government and rules framed for the purpose.

6. Dividend

Profit and ascertainment of divisible profits; declaration and payment of dividend; treatment of unpaid and unclaimed dividend; transfer of unpaid and unclaimed dividend to Investor Education and Protection Fund.

7. Investments, Loans and Deposits

- Law relating to making investments in and granting loans to other bodies corporate and giving guarantees and providing security.
- Invitation, acceptance, renewal, repayment, default and remedies.

8. Accounts and Audit

- Books of account; financial statements; audit and auditor's report; powers of the Central Government to direct special audit; cost audit.
- Auditors – appointment, resignation and removal; qualification and disqualification; rights, duties and liabilities.

9. Board's Report and Disclosures–

- Preparation; disclosures; director's responsibility statement.
- Compliance certificate – need and purpose; issue and signing by practicing company secretary; disclosure and filing.

10. Registers and Returns

- Maintenance, authentication, presentation and inspection of statutory books/registers prescribed under various provisions of the company law and

filing of various forms/ returns to Registrar of Companies; procedure and penalties for delayed filing, etc.

- Annual Return – Nature and significance; contents ; filling – preparation and disclosures; signing, certification and filing; maintenance, place of keeping and its inspection.

11. Inspection and Investigation

Inspection of documents, books of account, registers etc; powers of the inspector, seizure of books and documents, inspector's report; power of the Registrar of Companies, investigation into affairs of the company.

12. Majority Rule and Minority Rights

- Law relating to majority powers and minority rights.
- Shareholder remedies – actions by shareholders; statutory remedies; personal actions; prevention of oppression and mismanagement.

13. Compromises and Arrangements - An overview.

14. Societies, Co-operative Societies, Trusts, Producer Companies and Limited

Liability Partnerships - Concept, formation, membership, functioning and dissolution.

15. Application of Company Law to Different Sectors such as Banking, Insurance, etc.

16. Offences and Penalties - An overview.

17. Striking off Name of Companies - Concept

18. Winding up of Companies - Concept and modes

19. An Introduction to E-governance

Paper 5:

Economic and Labour Law
(One paper: Three Hours – 100 marks)

Level of Knowledge: Working knowledge

Objective

To provide an understanding of;

- (i) Certain economic laws and
- (ii) Important labour laws which have direct relevance to the functioning of companies.

Contents

Part A:

Economic Laws (60 Marks)

1. Industries Development and Regulation

Objectives and definitions – An overview of current Industrial Policy; regulatory mechanism under IDRA, The Micro, Small and Medium Enterprises Development Act, 2006.

2. Foreign Trade Policy and Procedures

Main features; served from Indian scheme; export promotion council; Vishesh Krishi and Gram Udyog Yojana; focus market scheme; duty exemption and remission schemes; advance authorization scheme and DFRC, DEPB, EPCG, etc; EOUs, EHTPs, STPs, BPTs and SEZs.

3. Trade, Competition and Consumer Protection

Concept of competition, development of competition law, overview of MRTP Act; Competition Act, 2002 - anti competitive agreements, abuse of dominant position, combination, regulation of combinations, Competition Commission of India; Appearance before Commission, compliance of Competition Law.

Consumer protection in India, genesis of the law; objects; rights of consumers; nature and scope of remedies; appearance before Consumer Dispute Redress Forums.

4. Essential Commodities and Standards of Weights and Measures

Objectives; powers of Central Government, seizure and confiscation of essential commodities; summary trial; Standards of Weights and Measures Act, 1976.

5. Management of Foreign Exchange Transactions

Objectives and definitions under FEMA. Current account transactions, Capital account transactions, foreign direct investment in India and abroad, acquisition and transfer of immovable property; Establishment in India of branch, office etc; Export of goods and services; Realization and repatriation of foreign exchange, authorized person, penalties and enforcement.

Foreign contributions and hospitality; Exemptions, powers of Central Government, adjudication and appeal; offences and penalties.

6. Pollution Control and Environmental Protection

Concept of sustainable development, Government policy regarding environment, law relating to Prevention and Control of Air Pollution and Water pollution, Environment (Protection) Law; Appearance before Environment Tribunal/Authority.

7. Management of Intellectual Property Rights

Concept and development of intellectual property law in India. Law and procedure relating to patents, trademarks and copyrights; Overview of laws relating to other related intellectual property rights. Intellectual Property Appellate Board

8. Prevention of Money Laundering

Genesis, concept and definitions, various transactions, etc. obligations of banks and financial institutions, RBI Guidelines on KYC.

Part B:

Labour Laws (40 Marks)

9. Minimum Wages Act, 1948

Objective and scope; Minimum Wages Act, Advisory Board, Central Advisory Board; Authority and claims, compliances, offences and penalties.

10. Payment of Bonus Act, 1965

Objective, application and major provisions; Exemption; compliances, offences and penalties.

11. Payment of Gratuity Act, 1972

Application and major provisions; Controlling Authority and the Appellate Authority, obligations and rights of employers and employees and compliances.

12. Employees' Provident Funds and Miscellaneous Provisions Act, 1952

Application and major provisions; Exemption and compliances.

13. Employees' State Insurance Act, 1948

Application and major provisions; Employees' State Insurance, Employees' State Insurance Corporation, Employees' Insurance Court; Exemptions and compliances.

14. Workmen's Compensation Act, 1923

Object, scope and major provisions including proceedings before the Commissioner, appeals, compliances, penalties, special provisions.

15. Contract Labour (Regulation and Abolition) Act, 1970

Application, scope and major provisions including Advisory boards, registration of establishments, appointment of licensing officer; Welfare and health; compliances; penalties, procedures and inspectors.

16. Industrial Disputes Act, 1947

Concept, objective, and significance, Authorities; procedure and powers; unfair labour practices, penalties.

17. Factories Act, 1948

Objective, scope and major provisions; Authorities, compliances and penalties.

Paper 6:

Securities Laws and Compliances

(One paper: Three Hours – 100 marks)

Level of Knowledge: Expert knowledge

Objective

To provide expert knowledge and understanding of securities laws and the regulatory framework concerning capital markets in India.

Contents

Part A: Securities Laws (60 Marks)

1. An Overview of Legal and Regulatory Framework

Capital market regulatory framework — Securities Contracts (Regulation) Act, 1956; SEBI Act, 1992; Depositories Act, 1996; authorities governing capital markets; objective, power and functions of SEBI; Securities Appellate Tribunal, appearance before SAT.

Profile of securities market; securities market reforms and regulatory measures to promote investor confidence; growth of money market in India – structure and institutional mechanism.

2. Capital Market Instruments and Rating

Capital market instruments - equity, debentures, preference shares, sweat equity, non-voting shares ; new instruments of capital market – pure, hybrid and derivatives; money market instruments - treasury bills, commercial bills, commercial paper, participatory notes; rating and grading of instruments; concept, scope and significance; regulatory framework; rating agencies in India, rating methodologies.

3. Capital Market Intermediaries

Primary market and secondary market intermediaries – role and functions, merchant bankers, stock brokers, registrars to an issue, underwriters, bankers to issue, portfolio managers, debenture- trustees, foreign Institutional investors etc., self-regulatory organizations, guidelines on anti-money laundering; surveillance; holding of enquiry.

4. Secondary Market Institutions

Functions and significance of stock exchanges; regulatory framework; operations and trading mechanism of stock exchanges; Settlement of securities, surveillance mechanism at stock exchanges, straight through processing, demutualization of stock exchanges.

5. Mutual Funds

Introduction, definitions, types, risks involved, setting up of mutual fund; concept of Trustee and Asset Management Company; regulatory framework.

6. Venture Capital

Concept of venture capital, regulatory framework, registration, investment conditions and restrictions, foreign venture capital investors, private capital funds.

7. Collective Investment Schemes

Regulatory framework governing collective investment schemes, restrictions on business activities, submission of information and documents, trustees and their obligations.

8. Buy-Back of Securities

Objectives of buy-back; available sources for buy-back of securities; conditions to be fulfilled and obligations for buy-back of securities of both listed and unlisted companies; pricing for buy back; modes of buy-back.

9. Depository System

Overview of depository system in India; Depositories Act; definitions, setting up of depository; role and functions of depository; depository participants; inspection and penalties; internal audit and concurrent audit of depository participants.

Part B:

Issue Management and Compliances (40 Marks)

10. Issue of Capital

Listing of securities; SEBI Guidelines for Disclosure and Investor Protection (DIP), procedure for issue of various types of shares and debentures, employee stock option scheme; and employee stock purchase scheme, delisting of securities.

11. Resource Mobilization in International Capital Market

Listing of securities issued outside India - Foreign Currency Convertible Bonds, Global Depository Receipts, American Depository Receipts; External Commercial Borrowings, procedure for issue of various instruments.

12. Indian Depository Receipts

Indian Depository Receipts, procedure for making an issue of IDRs; conditions for issue of IDRs; listing of IDRs.

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