

## **Syllabus of the West Bengal Audit and Accounts Service (Special Recruitment) Examination, 2013**

The examination shall be comprise of multiple choice objective type questions consisting of two papers, viz Paper I and Paper II to and shall be held on a single day. Paper I shall consist of Group-A and Group-B.

**(a) Paper I: Time: 2.30 Hrs. Marks: 200**, having 200 questions of 1(one) mark each on the following subjects [One mark will be deducted for 3 wrong answers]:

### **Group A**

|   | <b>Marks</b> |
|---|--------------|
| (1) English Composition   | 50           |
| (2) General Knowledge, Current Affairs of National & International Importance, History of India and Indian National Movement, Geography, Reasoning. | 40           |
| (3) Constitution of India with special Reference to Planning Commission, Finance Commission, Finance, Accounts and Audit.                           | 35           |

### **Group B**

|   |                   |
|---|-------------------|
| (4) Business Mathematics and Statistics | 35                |
| (5) Accountancy                         | <u>40</u>         |
| <b>Sub-Total:</b>                       | <b><u>200</u></b> |

**(b) Paper II: Time: 2.30 Hrs. Marks: 200**, having 200 questions of 1(one) mark each on the following subjects [One mark will be deducted for 3 wrong answers]:

|   |                   |
|---|-------------------|
| (1) Business Laws                           | 35                |
| (2) Cost and Management Accountancy         | 35                |
| (3) Principles and Practice of Management   | 35                |
| (4) Taxation (Direct and Indirect)          | 25                |
| (5) Auditing                                | 35                |
| (6) Business Economics and Indian Economics | <u>35</u>         |
| <b>Sub-Total:</b>                           | <b><u>200</u></b> |

**(C) Personality Test** **100**

**Total:** **500**

## **Syllabus of examination :**

### **Paper-I**

#### **Group-A**

- (1)** English Comprehension,
- (2)** General Knowledge, Current Affairs of National & International Importance, History of India and Indian National Movement, Geography, Reasoning,
- (3)** Constitution of India with special Reference to Planning Commission, Finance Commission, Finance, Accounts and Audit.

#### **Syllabus Graduate Standard of respective Subjects.**

### **Paper-I**

#### **Group-B**

#### **(4) BUSINESS MATHEMATICS & STATISTICS**

1. **Ratio and Proportion** with simple applications
2. **A.P., G.P.** Convergence and Divergence of G.P. Series.
3. **Idea of complex numbers.** Solution of quadratic equation with real coefficients. Relation between roots and coefficients and nature of the roots.
4. **Logarithms** – definition, elementary properties and applications for computing compound interest and annuities.
5. **Collection of data and presentation of data**-tabular and diagrammatic. Frequency distribution – Diagrammatic representation of frequency distribution.
6. **Different measures of Central Tendency** – A.M., G.M., H.M., Median and Mode.
7. **Measures of Dispersion:** Range, Quartile Deviation, Mean Absolute Deviation, Standard Deviation, Measures of Relative Dispersion.
8. **Bivariate Data-Simple Correlation** Coefficient and its properties. Spearman's Rank Correlation Coefficient (in case of no tie). Simple Linear Regression and its properties.
9. **Probability Theory** – Meaning of probability; Different definitions of probability; Conditional probability; Compound probability; Independent events; (excluding Bayes' Theorem).
10. **Index Numbers:-** Means and types of index numbers ; Problems in construction of index numbers; Methods of construction of price and quantity indices; Tests of adequacy; errors in index numbers; Chain-base index numbers; Base shifting, splicing, deflating; Consumer price index and its uses.
11. **Time Series Analysis:-** Causes of variation in time series data; Components of time series ; Additive and multiplicative models; Determination of trend by semi average, moving average and least squares (linear, second degree and exponential) methods; Computation of seasonal indices by simple average, ratio-to-moving average, ratio-to trend and link relative methods; Simple forecasting through time series data.

## **(5) ACCOUNTANCY**

1. **Capital and Revenue:** Classification of Income; Classification of expenditure; Classification of Receipts.
2. **Depreciation, Provisions and Reserves:** Concept of depreciation, Causes of depreciation, depreciation, Depletion, Amortization and Dilapidation; Depreciation accounting. Methods of recording depreciation; Methods of providing depreciation
3. **Partnership Accounts:** General Accounts; Goodwill; Joint Life Policy, Change in Profit Sharing Ratio, Admission of a Partner; Retirement of a Partner, Death of a Partner; Amalgamation of Partnership Firms.
4. **Partnership Dissolution:** Garner Vs Murray; Gradual Realization of Assets and piecemeal Distribution. Dissolution of partnership Firm – Modes of dissolution of a firm; Accounting entries; Insolvency of Partners.
5. **Company accounts:** Accounting for various kinds of shares, their issue, allotment and forfeiture, re-issue of forfeited shares.
6. **Company Accounts:** Issue of Debentures & treatment of cost of issue of debenture; issue of bonus shares; Buy-back of Securities; Redemption of Debentures & Preference shares.
7. **Company Merger and Reconstruction:** Amalgamation by Merger and purchase. Reconstruction – External and Internal.
8. **Holding companies** - Preparation of Consolidated Balance Sheet of Holding Company (Excluding Chain in holding)
9. **Departmental and Branch Accounts** (excluding foreign branch)
10. **Hire Purchase** and Installment Payment Systems.
11. **Valuation of Goodwill and Shares.**
12. **Insurance Claim** – General – Loss of Stock – Average Clause – Consequential Loss or Loss of Profits – Terms Used – Calculation of Claims.

## **Paper-II**

### **(1) BUSINESS LAWS**

#### **INDIAN COMPANY LAW**

- a) Introduction – definitions, features and types of Companies; private company and public company – differences, conversion of private company into public company and vice versa
- b) Memorandum of Association and Articles of Association, distinction, alteration of Memorandum and Articles of Association, Doctrine of Ultra Vires and Indoor Management; Prospectus- form and content- statutory requirements of a prospectus; additional disclosures in prospectus statement in lieu of prospectus statement by experts, Shelf prospectus, red- herring prospectus, abridged prospectus, misstatement in prospectus and its consequences; minimum subscription; Dematerialized shares
- c) Formation of Company: essential steps, procedure for registration and incorporation, certificate of incorporation and commencement of business; promoters – legal status, duties, liabilities and remuneration; allotment of shares
- d) Share Capital – equity and preference shares; stock; sweat equity shares; ESOP(Employees stock option scheme); rights issue; share certificate and share warrants - distinction; bonus shares; transfer and transmission of shares; buy back of shares; debenture- classification

- e) Board of Management - Director- qualification, disqualification, appointment, legal position; number of directorship ;Removal, Resignation of Director; duties, liabilities, powers of board of directors; Managing Director– qualification, appointment; Company Meetings - quorum, resolution, Minutes; Winding up – modes, Grounds for compulsory and voluntary winding up

### **INDIAN PARTNERSHIP ACT, 1932**

- a) Partnership: meaning - partner, firm and firm name; essential elements; true test of partnership Types of Partner: partnership distinguished from co-ownership, company, club; partnership by estoppel or holding out; limited partnership
- b) Registration of Partnership Firm: consequences of non-registration Minor’s Position in Partnership
- c) Rights and Duties of the Partner: relation of partners with third parties; implied authority of a partner restrictions on the implied authority of a partner
- d) Dissolution of Firms: meaning and grounds of dissolution

### **THE INDIAN CONTRACT ACT, 1872**

- a) Introduction Essential elements of a valid contract, classification of contracts
- b) Offer and Acceptance: meaning, rules relating to valid offer and acceptance; communication of offer and acceptance; revocation of offer and acceptance
- c) Consideration : definition ; essential elements, types of consideration ; “no consideration no contract” and it’s exceptions
- d) Capacity of Parties: Competency to contract; minor; persons of unsound mind; persons disqualified by other laws
- e) Consent: definition of consent and free consent; coercion; undue influence; fraud; misrepresentation; mistake
- f) Void and Voidable Agreements: definitions; distinction between void and illegal agreement; wagering agreement
- g) Discharge of Contracts: meaning; methods of termination or discharge of contract Special Contracts: definition only contingent contract; quasi contract; contract of indemnity; contract of guarantee; bailment; pledge.

## **(2) COST & MANAGEMENT ACCOUNTING**

1. **Introduction:** Nature and Scope of Cost Accounting- Concepts of Cost –Classification of Costs – Cost Accounting Vs. Financial Accounting – Cost Accounting Vs. Management Accounting – methods of Costing – Installation of Costing System.
2. **Material Cost:** Definition of Materials Cost –Classification of Materials Cost – Materials purchase procedure – Different types of Stock Levels –Economic Order Quantity –Methods of Pricing of Issues of Materials (FIFO, LIFO and Weighted Average).
3. **Labour Costs:** Definition of Labour Costs – Classification of Labour Costs– Methods of Time Keeping and Time Booking – Idle Time and Overtime (Causes) – Methods of wage Payment – Time and Piece Rates – Halsay and Rowan System of Wage Payments
4. **Overhead:** Definition – Classification – Departmentalization of overhead Costs –Absorption of Overhead Costs – Determination of Overhead Absorption Rates – Application of Different Methods of Absorption of Overhead Costs. Contract Costing: Features of Contract Costing –

Preparation of Contract Account – Determination of Profit on Unfinished Contract (Including Value of Work Certified and Valuation of Work-in-progress) .

5. **Marginal Costing:** Definition – Features- Uses – Advantages – Limitations– Marginal Costing vs Absorption Costing and Direct Costing – Methods of Segregating Fixed and Variable Elements of Cost - Contribution, Profit - Volume Ratio, Break-Even Point, Margin of Safety and Angle of Incidence (Including relevant calculation).
6. **Budgetary Control:** Budget and Budgetary Control; The budget manual, principal budget factor, preparation and monitoring procedures, preparation of functional budgets (Production, Sales, Materials), cash budget, (idea of master budget), flexible budget.
7. **Standard Costing.** Standard Costs and Standard Costing; Uses, & Importance. Differences with Budgetary Control, Preliminary Steps. Classification of Standards. Analysis and computation of Materials, Labour and Overhead Costs Variances (elementary level).

### (3) PRINCIPLES & PRACTICE OF MANAGEMENT

- 1) **Introductory Concepts:** Concept, definition and nature of Management – concept of organization –Elements of Organization – Importance of management- Management Science or art or both – Management as a profession – Professional management in India – Functions and levels of management – managerial skills and organizational hierarchy – Functional managers and general managers – Universality of management – concept and nature of coordination – Coordination as the essence of management
- 2) **Evolution of Management Thought:** Meaning of management thought and theories. Schools of management theory – Scientific management: elements, principles and criticisms –Contributions of Henri Fayol – Management principles and their criticisms – Human Relations Approach – Hawthorne Experiments and their findings – Systems and contingency approaches to management.
- 3) **Management and Society:** Elements of organizational environment: economic, social, technological, political and legal: Social responsibilities of managers – Managerial ethics – Ethical theories – Code of Ethics.
- 4) **Planning:** Definition, nature and importance of planning – Hierarchy of Planning – Types of Plan – Steps in Planning Process – Planning Premises – Meaning of forecasting – Techniques of forecasting – benefits and limitations of Planning – Management by Objectives (MBO): meaning, features and objectives – Steps in MBO process – Benefits and weakness of MBO.
- 5) **Organizing:** Concept and meaning of organizing – Process of organizing – Methods of Departmentation – Span of management: factors determining an effective span – concepts of authority, responsibility and accountability – Delegation of authority: concept and principles – Measures for making delegation effective – Centralization and decentralization of authority – Line and staff concepts.
- 6) **Staffing:** Definition, features importance of staffing – Elements and functions of staffing – Manpower planning – Job analysis, job description and job specification – Sources of recruitment – Selection and placement procedure – Training and development of managerial and non-managerial personnel.
- 7) **Leading:** Concept, features and importance of leadership – Ingredients of leadership –Functions of leadership – Differences between leadership and management – Leadership styles: autocratic, democratic and free-rein leadership – Trait theory of leaders.
- 8) **Motivation:** Definition, features and importance of motivation – Motivation and morale –Job enrichment and job enlargement – Theories of motivation: McGreger’s Theory X and Theory Y, Maslow’s Theory, Herzberg’s theory, Maclelland’s Need Theory – Critical appraisal of motivation theories.

- 9) **Communication:** Meaning and importance of communication – Communication process – Channels of communication – Communication media – oral, written and gestural – Barriers in communication – Measures for effective communication.
- 10) **Control:** Definition, nature and importance of managerial control – Relationship between planning and control – Types of control – Steps in control process – Resistance to control – Requirements for effective control system – Important control techniques: budgetary control, performance budgeting, zero-base budgeting, management audit.

## **(4) TAXATION (DIRECT AND INDIRECT)**

### **Income tax**

1. Basic Concepts and Definitions under Income Tax Act: Assessee, Previous year, Assessment year, Sources of income, Heads of income, Gross total income, Total income, Tax Evasion, Tax avoidance, Tax planning Residential Status and Incidence of Tax Residential status of all persons except company Incomes which do not form part of Total Income
2. Income from Salaries,
3. Income from House property
4. Profits and Gains from Business and Profession
5. Capital Gain: Meaning and types of capital assets, basic concept of transfer, cost of Acquisition, cost of improvement and indexation, computation of STCG and LTCG, exemptions u/s 54 and 54F, taxability of STCG and LTCG
6. Income from Other Sources: Basic concepts excluding deemed dividend
7. Income of other Persons included in Assessee's Total Income -Remuneration of spouse, income from assets transferred to spouse and Son's wife, income of minor
8. Set off and Carry Forward of Losses - Mode of set off and carry forward, inter source and inter head set off, Carry forward and set off of losses u/s 71B, 72, 73, 74, 74A
9. Deductions from Gross Total Income Basic concepts, deductions u/s 80C, 80CCC, 80CCD, 80CCE, 80CCG, 80D, 80DD, 80DDB, 80E, 80G, 80GG, 80GGA, 80GGC, 80TTA, 80U
10. Reliefs of Income Tax: U/s. 89.
11. Computation of Total Income and Tax Payable
  - a) Rate of tax applicable to different assesses (except Corporate Assessee)
  - b) Computation of tax liability of an individual and firm

**Value Added Tax (VAT) [W.B. State Level] :** Definition and Origin of VAT, Objectives of VAT, Registration of Dealer, Rates Structure of VAT, Methodology of VAT Computation (Addition Method, Subtraction Method & Input Tax Credit Method), Advantages and Disadvantages of VAT.

**Central Sales Tax Act 1956:** Important terms and definition under Sales Tax Act - Dealer, declared goods; place of business; sale; sale price; turnover. Year: Principle of determining tax when a sale or purchase of goods takes place in the course of inter-state trade or commerce or outside a state

## (5) AUDITING

1. Definition & Scope of Auditing: Relation of Auditing with Book keeping and Accounting – Objectives of Auditing – Errors (different types – their detection) Frauds – Manipulation of Accounts with or without misappropriation of cash and goods and Auditor's positions in relation thereto – Advantage and limitation of Audit.
2. Classification of Audit: Statutory and Non-Statutory Audit, Continuous Audit and Periodical Audit: Internal Audit and Interim Audit.
3. Preparation before the Commencement of Audit and Procedure of Audit: Steps before the commencement of Audit of sole proprietorship, partnership firm & company –Preparation by Auditor (Audit Programme – Audit files – Audit Note Book & Working Papers) & Procedure (Routine Checking and Test Checking).
4. Internal Audit, Internal Check and Internal Control: Concepts & Principles: Auditor's position in relation thereto – Internal check as regards (a) Sales, (b) Purchases, (c) Stores and (d) Wages.
5. Vouching: Concept – Objective – Importance; Vouching of Cash Receipts & Payments, Outstanding Assets & Liabilities.
6. Verification & Valuation: Assets & Liabilities including Contingent Assets & Liabilities.
7. Company Audit: Qualification, Appointment, Remuneration & Removal of Company Auditor – Rights and Duties of Company Auditor (Under the Provisions of Companies Act, 1956).
8. Divisible Profit and Dividend:
9. Concepts, Treatment of Depreciation, Reserve and Provision as per Company Act 1956, Relevant Case Laws.
10. Auditor's Report and Certificate.

## (6) BUSINESS ECONOMICS & INDIAN ECONOMICS

1. Demand Analysis: Necessity of demand analysis: demand distinctions – slope of demand curve and elasticity of demand – Different revenue concepts – Relation concerning average revenue, marginal revenue and elasticity of demand.
2. Production and Cost analysis : Isoquants and their properties – Economic regions of isoquants – Iso-cost lines and the choice of best input combination – Expansion path
3. Theory of Costs: Classification of costs: Actual cost and Opportunity cost, Fixed variable and semi-variable costs – Modern theory of costs.
4. Organizational Goals: Profit maximization hypothesis – its assumptions and limitations – Alternative goals of firms – Sales maximization hypothesis – Behavioural theory: Maximizing versus satisficing.
5. Indian Business Environment: Economic Growth and Development; Meaning of Underdeveloped Economy; Basic Characteristics of Indian economy.
6. Overview of Indian Economic Trends: National Income: Concept - Methods of measurement of national income in Indian economy – Trend of National Income & per capita income – trend in structural composition of national income. Trend in occupational structure. Trends in Saving and Investment in Indian economy.

7. Issues in Indian Economy: Problems of Growth - Unemployment, Poverty, Inequality in Income distribution, Inflation, Concept of Parallel economy.
8. Problems and Policies of Indian Economy (A) Basic features of Indian agriculture: Low productivity; Land reform; Green Revolution; Rural Credit; Agricultural Marketing; Impact of New Agricultural Policy (NEP) on Indian Agriculture with special reference to Food Security. (B) Industrial development during plan period; Industrial sickness; Industrial policies in the Pre-reform and Post-reform period in 1991.
9. Globalization and the Policies of the Indian Economy under WTO Regime.
10. Indian Economic Planning Concepts of Economic Planning; Objective and achievements of Indian Five-year Plans (Plan period I to XI) Import Substitution vs. Export Promotion Strategy.

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