



CPA

Syllabus

2019-2020



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FUNDAMENTALS

MODULE -1

COURSE CODE F-101

BUSINESS ENGLISH & COMMUNICATION

20 Marks

PART 1- BUSINESS ENGLISH

AIM

This course of Business English consists of English grammar and usage, reading and writing, listening and speaking. Its objectives are to enable students to write and speak grammatically correct English, listen and comprehend various situations of business environment, develop their writing and speaking skills in different situations.

SYLLABUS

1- ENGLISH GRAMMAR AND USAGE

Structure of a sentence, subject and predicate, correct use of articles, parts of speech: use of auxiliaries (can, could, shall, will, should, would, etc.): prepositions tenses: direct and indirect narration: active and passive: prepositional combinations and verbal phrases, antonyms and synonyms, words often confused and misused, pairs of words, phrases and clauses: types of sentences: (affirmative/negative, interrogative, exclamatory, imperative), kinds of sentences, (simple, complex, compound), synthesis of sentences, punctuation.

2- READING AND WRITING

Reading comprehension of paragraphs and articles. Writing essays: informal letters, report, and précis.

3- LISTENING AND SPEAKING

The students must learn presentation skills and situations can be such as: talking about responsibilities at work, receiving visitors, seeking information, sales negotiations etc: participation in group discussions: expressing effectively in meetings and interviews: making effective presentation.

PART-2 COMMUNICATION

AIM

This course aims to introduce students to the key concepts of communication and their application. The course also intends to incorporate an understanding of the concepts so as to develop problem solving skills, negotiation skills and leadership qualities in the students. Its objectives are to impart, principles of effective business communication and communication methods and skills

1. Foundation Of Communication

- Communicating successfully in an Organization
- Understanding Business Communication
- Communicating inter culturally
- Communicating Through Technology

2. Writing Messages

- Planning Business Messages
- Composing Business Messages
- Revising Business Messages

3. Letters, Memos, and Other Brief Messages

- Direct Requests
- Routine, Good-News, and Goodwill Messages
- Bad-News Messages
- Persuasive Messages

4. Employment Messages

- Resumes and Application Letters
- Interviewing for employment and Following up

5. Reports and Proposals

- Using Reports and Proposals as business tools

- Planning and researching Reports and proposals
- Developing visual Aids

- Writing Reports and Proposals
- Completing Formal Reports and Proposals

6. Oral Communication

- Listening, Interviewing and Conducting Meetings
- Giving Speeches and Oral Presentations

7. Special Topics in Communication

- Format and Layout of Business Documents
- Documentation of Report Sources

8. Process of Communication:

- Communication mode, channels of communication, flow of communication, Barriers to effective communication.
- Communication effectiveness, Communication theories: interaction- information- completeness, 7th c of communication conciseness- correctness-completeness, clarity- consideration-courtesy- concreteness.

9. Other Communication

- Letter memorandum-circular, Agenda and minutes of meetings, Business research report: types format, language & style, market report: types format, thesis and assignment writing. Oral communication: meeting: types and conduct, interview: types and conduct.
- Presentation or speech: types- planning- Delivering the presentation or speech, workshop and seminar: planning conduct.
- Communication strategy: image building, minus images and its Implications, developing or positive corporate image, messages choice: favorable, unfavorable, negative and persuasive.
- Précis writing: methods of précis writing.
- Principle points to be kept in mind while writing précis, specimen of Passages and their précis. Essay writing: characteristic of a good essay, classification, hints on essay writing: general preparation, special preparation

Reading Material

ENGLISH

1. Mastering English Grammar by S.H. Burton, Macmillan Education Limited
2. Understanding and Using English Grammar by Betty Scharmfer Azar, Pearson Longman ESL.
3. English for Business Studies 3rd Edition by L. Gartside, Pitman Publishing Limited.
4. Any other book/material.

COMMUNICATION

1. Business Communication today (forth English) & Courtland by L. Bovee and John V. Thill Mcgraw-Hill, Inc, New York.
2. The Effective Business Communication by Herta & Murpley, Herpet Hildebrandt Jave P. Thomas.
3. Business Communication and Behavioral Study Text and Revision Series by Professional Business Publication.
4. Effective Business Communication by Murpley and Hildebrandt.
5. Business Communication today by Dr. Cortland L. Bovee, John V. Thill.
6. Any other book/material.

FUNDAMENTALS

MODULE -1

COURSE CODE F-102

ECONOMIC ANALYSIS AND BUSINESS ENVIRONMENT

SYLLABUS

1. Concepts

- Supply and demand
- Determination of price.
- Equilibrium
- Market systems and the allocation of scarce resources
- Concept of cost-opportunity, fixed, variable, marginal, averages
- Time aspect-short run, long run.
- Aspect of size-economies and diseconomies of scale, economies of Scale.
- Implications of various elasticity concepts.
- The concept of profit maximization
- The conditions of long run profit maximization.
- The condition for short run profit maximization.
- An understanding of various forms of market structures-Perfect Competition, Monopolistic competition and Monopoly
- Long run price/output determination for each of the above forms of Market structure.
- Economic efficiency in respect of each of these forms of market Structure.

2. Influence of competitors on behavior of firms

- Strategic Rivalry
- Oligopoly and interdependence.
- Natural and Strategic entry barriers.
- Demand curves.

3. Growth Strategies of Firms

- Horizontal growth.
- Vertical growth.
- Diversified growth.
- Growth by merger
- Economies of scale.
- Profit maximization objective when management is separate from Ownership.
- Alternative theories of the firm.
- Principal agent theory.

4. Factor Markets and Income Determination

AIM

The aim of this subject is to ensure that the students have a solid foundation in economics contributing to the development of competent and well-groomed members of the profession. This subject embraces knowledge of the sources, interpretations and limitations of economic and business statistics.

- Marginal productivity theory.
 - Wage determination.
 - Rent, interest and profit.
 - Economic rents.
- #### 5. Macroeconomic Environment
- The circular flow of income.
 - Potential and actual levels of aggregate demand.
 - National income determination in an open economy with Government.
 - Interrelationship between National Income static, GNP/GDP/National Income.
 - Accelerator and Multiplier.
- #### 6. Government and the Macro economy
- Objectives of national economic policy.
 - Interaction of objectives.
 - Policy instruments.
 - Economic cycles.
 - Budget strategies.
 - Fiscal stabilizers.
 - Economic implications of direct and indirect forms of taxation.
- #### 7. Money and Banking
- Development of the money economy.
 - Function of money
 - Credit creation by the banking sector.
 - Money multiplier.
 - European Central Banking.
 - Monetary policy/exchange rate policy.
 - Interest rates of the macroeconomic
- #### 8. Global Economics.
- Law of comparative advantage.
 - Terms of trade
 - Restriction to free international trade.
 - Fixed versus floating exchange rates.
 - Balance of payments.
 - The global market environment.
 - Economic benefits to a firm from a global strategy. The pattern of international trade flows.

Reading Material

1. Economics by David Begg/Stanley Fischer & Rudiger Dornbisch, McGraw Hill Book Co. Europe Shoppen Hanaers Road, Maidenhead, Berkshire SL6 2QL, England
2. Economics by Paul A. Samuelson and William D. Nordhaus, McGraw-Hill Companies Inc. 1221 Avenue of the Americas, New York, NY 10020.
3. Economics Campbell R. McConnell/Stanley L. Brue, McGraw-Hill Co. Inc., Princeton Road, S-1 Hightstown, NJ 08520, New York.
4. Economic for Business PBP Professional Business Publications, Karachi.
5. Economy of Pakistan by Prof. Dr. Khawaja Amjid Saeed, Distributed by Oxford University Press, Karachi.
6. Pakistan Economic Survey (Latest) by Finance Division, Economic Advisor Wing, Government of Pakistan.
7. Economy of Pakistan 2004-2005 by Saeed Nasir and Kamal Haider, Government of Pakistan.
8. Any other book/material.

FUNDAMENTALS

MODULE -1

COURSE CODE F-103

QUANTITATIVE METHODS AND TECHNIQUES

AIM

The aim of the subject is to ensure that the students acquire, understand and apply quantitative techniques which are used in business decision making. They develop the ability to interpret the information obtained and to present this information in a manner appropriate to business applications.

SYLLABUS

1. Introduction to Financial Mathematics

- Simple and compound interest, annual percentage rate, (APR), depreciation (straight line and reducing balance), discounting present value and investment appraisal annuities, mortgages, amortization, sinking funds.
- Handling formulae, use of positive and negative numbers, brackets and powers.
- Linear and quadratic equations and graphs; costs (fixed and variable), break-even analysis, revenue and profit functions and their interpretation.

2. Sources of Data

- Sources, nature, appreciation and precautions in use.
- Role of statistics in business analysis and decision-making.
- Presentation of data, use of a bar charts, histogram, pie charts, graphs, tables, frequency distributions, cumulative distributions, ogives and their use and interpretation.

3. Measure of Central Tendency and Dispersion

- Averages and variations for grouped and ungrouped data.
- Measure of locations-mean, median, mode, percentiles, and quartiles.
- Measure of dispersion – range variances, standard deviation, and co- efficient of variation.

4. Probability

- Measure of probability, nature of probability distributions, discrete and Continuous variables, expected

values.

- Standard Normal Distribution, Confidence intervals, z-score and associated diagrams.
- Use and applications of probability distributions.

5. Sampling and Sampling Theory

- Sampling methods –simple random, stratified, cluster, systematic sampling.
- Interval estimation for large and small samples; confidence levels, standard error; estimate of sample size.
- Hypothesis testing –null and Alternative hypothesis; description of Type I and Type II errors.

6. Regression Analysis

- Simple Linear Regression, Scatter-Graphs, Least squares method.
- Co-efficient of determination, correlation co-efficient, Rank correlation.
- Use of linear regression equation in forecasting.

7. Time Series Analysis

- Factor influencing time series-trend, seasonal, cyclical, irregular variations.
- Smoothing time series by means of removing average.
- Use of time series in forecasting.

8. Indices: Use of Construction

- Simple, aggregate, Laspeyres, Paasche, chain indices.
- Change of base period, weighting.
- Construction, use and interpretation of indices

9. Network Analysis

- Activity identification, Relationship between various elements, Construction of simple networks.
- Analysis of networks by deriving the critical and non-critical activities.

READING MATERIAL

1. Quantitative Techniques by T. Lucy DP. Publication Ltd, Aldine Place, 142-144 Uxbridge Road, Shepherds Bush, Green, London W 12 8AW.
2. Introduction to Statistics by Ronald E. Walpole, Macmillan Publishing Co. INC. New York.
3. Applied Mathematics for Business, Economics & the Social Sciences by Frank S. Budnick, McGraw-Hill Company Inc., Princeton Road, S-1 Hightstown, NJ08520, New York.
4. Business Mathematics PBP Professional business Publications, Lahore.
5. Business Mathematics by Mirza Muhammad Hassan & Muhammad Ali Miraz, Farooq Kitab Ghar, 32-33 Urdu Bazar, Karachi.
6. Statistics by Prof. Sher Muhammad Chaudhary, Lahore.
7. Any other book/material.

KNOWLEDGE

MODULE-2

COURSE CODE K-201

FINANCIAL ACCOUNTING

SYLLABUS

1. Accounting Framework

- Terminology, concepts, conventions. The purpose of accounting information and its communication.
- Financial accounts, statements and their requirements.
- Nature, principles and scope of financial accounting and its limitations.
- Accounting profession and the role of accountant.
- Ethics and independence of accounting profession.
- The regulatory environment/
- The nature, role and significance of IASs, IFRSs and IGAAP.

2. Book-Keeping

- Principles and procedures.
- Original entry, double entry, supporting records, bank accounts and reconciliation statements. Cash accounts and reconciliation statements. Cash accounts, control accounts, trial balance, adjusting journal entries.
- Allocation of expenditure and income between capital and revenue, and the treatment of reserves, provisions, accrued expenditure and payments in advance.

3. Accounting treatment of

- Non current assets –property, plant and equipment and intangibles
- (excluding complex revaluations)
- Current assets.
- Events after the balance sheet date.
- Contingencies Inventory
- Change of foreign exchange rates, (for individual companies and foreign branches only)

4. Preparing financial statements for different forms

6. Other accounting and reporting issues:

- a) Conversion of partnerships to a limited company and merger of firms;
- b) Accounting treatment of profit and loss for the period including:
 - i. Changes in accounting policies;
 - ii. Changes in accounting estimates and errors;
 - iii. Events occurring after the balance sheet date;
- c) Recognition of borrowing costs.
- d) Accounting for leases

The IFRS included in Syllabus are:

IAS-1	IAS-2	IAS-7	IAS-8	IAS-10
IAS-12	IAS-16	IAS-17	IAS-18	IAS-23
IAS-24	IAS-36	IAS-37	IAS-38	

AIM

The aim of this subject is to ensure that students understand the role, function and the basic principles of financial accounting and master the rules of double entry bookkeeping. They also develop the ability to prepare, analyze and report on financial statements for basic reporting entities in accordance with generally accepted accounting principles (GAAP) and International financial Reporting standards (IFRSs).

of Business entities

- Limited and unlimited companies.
 - Sole traders- including incomplete record situations.
 - Partnerships.
- (a) Law governing partnership formation and dissolution, Partnership Act 1890, 1930 Partnership agreements relations with third parties, powers and duties of partners. Retirements of partners. Relationship of partners with each other. Dissolution of partnership. Partnership and companies compared. Limited Partnership Act 1907. Relevant case law.
 - (b) Partner's capital and current accounts. Valuation of and accounting for goodwill. Preparation of financial statements, accounting for incoming and outgoing partners, dissolution and amalgamation.
- Companies
 - Allotments, issues of shares.
 - (c) Preparation of limited companies accounts to include income statements and balance sheets, in accordance with standard international accounting practice.
- Preparation of accounts in relation to:
 - Clubs or societies
 - Branch accounts
- #### 5. Interpretation of Financial Statements
- Cash flow statements (for single entities only). Construction, interpretation and reconciliation of movements in cash balances in accordance with IAS 7.
 - Analysis and interpretation of financial statements and drafting reports thereon.
 - Preparation of accounting information for management control and decision-making

Note:

- 1) All items included in the syllabus of Introduction to Financial Accounting paper of Module B may again be tested in the above paper.
- 2) To encourage proper understanding and application of knowledge no questions requiring word by word reproduction of contents of IASs \ IFRS will be asked.
- 3) Reference to local and international pronouncements shall be deemed to have been changed whenever the same is replaced by a reporting standard.

READING MATERIAL

1. Frank wood Business Accountancy, Accounting Principles, by Frank Wood Jerry J. IA5B. Person Education Ltd, England.
2. IFRSs/IASs Accounting: The basis for Business decision by Robert F.Meigs and Jam R. Williams, Irwin McGraw-Hill New York.
3. Accounting Principle by Jack.L. Smith Megzaw-Hill Co. New York
4. Financial Accounting and Tax Principals, PBP, professional Business Publications, Lahore.
5. An Interdiction in Accountancy, by S.N. Mahesh Wari. Inkas Publishing Honse, New York
6. Advanced Accounting by S.P.Jain Kalymi Publisher, New York.
7. Any other book/material.

KNOWLEDGE

MODULE-2

COURSE CODE K-202

COST AND MANAGEMENT ACCOUNTING

SYLLABUS

1. ROLE OF THE MANAGEMENT ACCOUNTANT

- Nature and scope of management accounting.
- Relationship between management accounting and financial accounting.
- Cost classifications.
- Role of the Management Accountant in a modern business environment including the recognition of possible ethical issues that may arise.

2. COST ACCUMULATION SYSTEMS

- Accounting for materials: stock valuation approaches (FIFO; LIFO and AVCO); EOQ; JIT concepts.
- Accounting for labor: remuneration methods; incentive schemes; productivity, labor turnover and labor performance reports.
- Accounting for Overheads: absorption costing and activity based costing (ABC) approaches to overheads.
- The preparation of integrated accounts.

3. COSTING METHODS

- Job and batch costing.
- Process costing for single products and the use of equivalent units calculations under both FIFO and Weighted Average accounting systems.
- Process costing ledger accounts including normal and abnormal loss/gain.
- The role of costing in non-manufacturing sectors (Service costing).
- Marginal costing and the importance of contribution for decision-making.

AIM

The aim of this subject is to ensure that students develop a knowledge and understanding of the various cost accounting principles, concepts and techniques appropriate for planning, decision-making and control and the ability to apply these techniques in the generation of management accounting.

- Comparison of marginal costing and absorption costing approaches.

4. INFORMATION FOR DECISION MAKING

- Cost behavior patterns and identification of fixed/variable elements in a cost using High/Low method, scatter-graphs and regression analysis.
- Break-even analysis and the importance of contribution.
- Break-even chart preparation and interpretation.
- Calculation of break-even point, margin of safety and target profit.
- Limitations of Cost Volume Profit Analysis.
- Relevant costing principles including committed, sunk and opportunity costs.
- Relevant costs in decision-making.
- Decision making with a single limiting factor/constraint.
- Qualitative factors relevant to specific decisions.

5. INFORMATION FOR PLANNING AND CONTROL

- The role of budgeting including alternative budgeting systems (Fixed, flexible, incremental and Zero Based Budgeting (ZBB)).
- Behavioral and motivational issues in the budgetary process.
- Functional and subsidiary budgets. (Master budgets are examinable at P1 Stage).
- Standard costing: role and procedures for standard setting including different types of standards.
- Variance analysis: the calculation and interpretation of basic sales/cost variances. Reconciliation reports. The inter-relationship and possible causes of variances. (Fixed Overhead capacity and efficiency variances are not examinable.)

READING MATERIAL

1. Cost Accounting by F.Usry, H. Hammer & Adolph Matz, South Western Publishing Co., Cincinnati Ohio, U.S.A.
2. Cost Accounting by T.Lucy, DP Publications, Aldyne Place, 142-144 Uxbridge Road, Shepherds Bush Green, London W12 8AW.
3. Management Accounting Fundamentals by PBP, Professional Business Publication, Lahore.
4. Cost & Managerial Accounting by Jack Gary & Don Ricketts, McGraw-Hill Company Inc., Princeton Road, S-1 Hightstown, NJ 08520, New York.
5. Management and Cost Accounting by Colin Drury, Thomson Learning, High Holborn, House 50-51 Bedford Row, London.
6. Cost Accounting Charles T. Horngren, Srikant M. Datar George Foster, Perntice Hall of India, New Delhi.
7. Any other book/material.

KNOWLEDGE

MODULE-2

COURSE CODE K-203

FINANCIAL MANAGEMENT

AIM

To develop the knowledge and skills expected of a finance manager, in relation to investment, financing, and dividend policy decisions. The Professional would gain ability in Financial Management, Working Capital Management techniques, Investment Appraisal, Business Finance, Asset Valuation and Risk Management.

SYLLABUS

1. FINANCIAL MANAGEMENT FUNCTION

The nature and purpose of financial management

- a) Nature and purpose of financial management.
- b) Relationship between financial management and financial and management accounting.

2. Financial objectives and the relationship with corporate strategy

- a) Relationship between financial objectives, corporate objectives and corporate strategy.
- b) Financial objectives, including:
 - i) Shareholder wealth maximization
 - ii) Profit maximization
 - iii) Earnings per share growth

3. Stakeholders and impact on corporate objectives

- a) Range of stakeholders and their objectives
- b) Conflict between stakeholder objectives [
- c) Role of management in meeting stakeholder objectives, including the application of agency theory.
- d) Ways of measuring achievement of corporate objectives including:
 - i) Ratio analysis, using appropriate ratios such as return on capital employed, return on equity, earnings per share and dividend per share
 - ii) Changes in dividends and share prices as part of total shareholder return
- e) Ways to encourage the achievement of stakeholder objectives, including:
 - i) Managerial reward schemes such as share options and performance-related pay
 - ii) Regulatory requirements such as corporate governance codes of best practice and stock exchange listing regulations.

4. Financial and other objectives in not-for-profit organizations

- a) Impact of not-for-profit status on financial and other objectives.[
- b) Nature and importance of Value for Money as an objective in not-for-profit organization.
- c) Ways of measuring the achievement of objectives in not-for-profit organizations.

2. FINANCIAL MANAGEMENT ENVIRONMENT

The economic environment for business

- a) Main macroeconomic policy targets.
- b) Role of fiscal, monetary, interest rate and exchange rate policies in achieving macroeconomic policy targets.

- c) Government economic policy interacts with planning and decision-making in business.
- d) Need for, and the interaction with, planning and decision-making in business of:
 - i) Competition policy
 - ii) Government assistance for business
 - iii) Green policies
 - iv) Corporate governance regulation.

The nature and role of financial markets and institutions

- a) Nature and role of money and capital markets, both nationally and internationally.
- b) Role of financial intermediaries.
- c) Functions of a stock market and a corporate bond market
- d) Nature and features of different securities in relation to the risk/return tradeoff.

3. WORKING CAPITAL MANAGEMENT

The nature, elements and importance of working capital

- a) Nature of working capital and identify its elements.[
- b) Objectives of working capital management in terms of liquidity and profitability, and discuss the conflict between them.
- c) Central role of working capital management in financial management.

Management of inventories, accounts receivable, accounts payable and cash

- a) Cash operating cycle and the role of accounts payable and accounts receivable.
- b) Relevant accounting ratios, including:
 - i) Current ratio and quick ratio
 - ii) Inventory turnover ratio, average collection period and average payable period
 - iii) Sales revenue/net working capital ratio
- c) Use of relevant techniques in managing inventory, including the Economic Order Quantity model and Just-in-Time techniques.
- d) Use of relevant techniques in managing accounts receivable, including:
 - i) Assessing creditworthiness
 - ii) Managing accounts receivable
 - iii) Collecting amounts owing
 - iv) Offering early settlement discounts
 - v) Using factoring and invoice discounting
 - vi) Managing foreign accounts receivable
- e) Use of relevant techniques in managing accounts payable, including:
 - i) Using trade credit effectively
 - ii) Evaluating the benefits of discounts for early settlement and bulk purchase

- iii) Managing foreign accounts payable
- f) Various reasons for holding cash, and discuss and apply the use of relevant techniques in managing cash, including:
 - i) Preparing cash flow forecasts to determine future cash flows and cash balances.
 - ii) Assessing the benefits of centralized treasury management and cash control
 - iii) Cash management models, such as the Baumol model and the Miller-Orr model.
 - iv) Investing short-term.

Determining working capital needs and funding strategies

- a) Level of working capital investment in current assets and discuss the key factors determining this level, including:
 - i) The length of the working capital cycle and terms of trade.
 - ii) An organization's policy on the level of investment in current assets.
 - iii) The industry in which the organization operates.
- b) Key factors in determining working capital funding strategies, including:
 - i) The distinction between permanent and fluctuating current assets.
 - ii) The relative cost and risk of short-term and long-term finance.
 - iii) The matching principle.
 - iv) The relative costs and benefits of aggressive, conservative and matching funding policies.
 - v) Management attitudes to risk, previous funding decisions and organization size.

4. INVESTMENT APPRAISAL

The nature of investment decisions and the appraisal process

- a) Capital and revenue expenditure, and between non-current assets and working capital investment.
- b) Role of investment appraisal in the capital budgeting process.
- c) Stages of the capital budgeting process in relation to corporate strategy.

Non-discounted cash flow techniques

- a) Cash flows for investment projects.
- b) Usefulness of payback as an investment appraisal method.
- c) Capital employed (accounting rate of return) and discuss its usefulness as an investment appraisal method.

Discounted cash flow (DCF) techniques

- a) Concepts relating to interest and discounting, including:
 - i) The relationship between interest rates and inflation, and between real and nominal interest rates
 - ii) The calculation of future values and the application of the annuity formula
 - iii) The calculation of present values, including the present value of an annuity and perpetuity, and the use of discount and annuity tables
 - iv) The time value of money and the role of cost of capital in appraising investments
- b) Net present value and discuss its usefulness as an

investment appraisal method.

- c) Internal rate of return and discuss its usefulness as an investment appraisal method.
- d) Superiority of DCF methods over non-DCF methods.
- e) Relative merits of NPV and IRR.

Allowing for inflation and taxation in DCF

- a) Real-terms and nominal terms approach to investment appraisal.
- b) Taxation effects of relevant cash flows, including the tax benefits of capital allowances and the tax liabilities of taxable profit.
- c) Before and after-tax discount rates.

Adjusting for risk and uncertainty in investment appraisal

- a) Difference between risk and uncertainty in relation to probabilities and increasing project life.
- b) Sensitivity analysis to investment projects and discusses the usefulness of sensitivity analysis in assisting investment decisions.
- c) Probability analysis to investment projects and discusses the usefulness of probability analysis in assisting investment decisions.
- d) Other techniques of adjusting for risk and uncertainty in investment appraisal, including:
 - i) Simulation
 - ii) Adjusted payback
 - iii) Risk-adjusted discount rates

Specific investment decisions (Lease or buy; asset replacement; capital rationing)

- a) Leasing and borrowing to buy using the before-and after-tax costs of debt.
- b) Asset replacement decisions using equivalent annual cost.
- c) Investment decisions under single period capital rationing, including:
 - i) The calculation of profitability indexes for divisible investment projects
 - ii) The calculation of the NPV of combinations of non-divisible investment projects
 - iii) A discussion of the reasons for capital rationing

5. BUSINESS FINANCE

Sources of and raising short-term finance

- a) Range of short-term sources of finance available to businesses, including:
 - i) Overdraft
 - ii) Short-term loan
 - iii) Trade credit
 - iv) Lease finance

Sources of and raising, long-term finance

- a) Range of long-term sources of finance available to businesses, including:
 - i) Equity finance
 - ii) Debt finance
 - iii) Lease finance
 - iv) Venture capital
- b) Methods of raising equity finance, including:
 - i) Rights issue
 - ii) Placing
 - iii) Public offer
 - iv) Stock exchange listing

Internal sources of finance and dividend policy

- a) Internal sources of finance, including:

- i) Retained earnings
- ii) Increasing working capital management efficiency
- b) Relationship between dividend policy and the financing decision
- c) Discuss the theoretical approaches to, and the practical influences on, the dividend decision, including:
 - i) Legal constraints
 - ii) Liquidity
 - ii) Shareholder expectations
 - lii) Alternatives to cash dividends

Gearing and capital structure considerations

- a) Problem of high levels of gearing
- b) Impact of sources of finance on financial position and financial risk using appropriate measures, including:
 - i) Ratio analysis using balance sheet gearing, operational and financial gearing, interest coverage ratio and other relevant ratios
 - ii) Cash flow forecasting
 - iii) Effect on shareholder wealth

Finance for small and medium sized entities (SMEs)

- a) Financing needs of small businesses.
- b) Nature of the financing problem for small businesses in terms of the funding gap, the maturity gap and inadequate security.
- c) Measures that may be taken to ease the financing problems of SMEs, including the responses of government departments and financial institutions.
- d) Appropriate sources of finance for SMEs and evaluate the financial impact of different sources of finance on SMEs.

6. COST OF CAPITAL

Sources of finance and their relative costs

- a) Relative risk-return relationship and the relative costs of equity and debt.
- b) Creditor hierarchy and its connection with the relative costs of sources of finance.

Estimating the cost of equity

- a) Dividend growth model and discuss its weaknesses.
- b) Capital asset pricing model (CAPM) and describe and explain the assumptions and components of the CAPM.
- c) Advantages and disadvantages of the CAPM.

Estimating the cost of debt and other capital instruments

- a) Cost of capital of a range of capital instruments, including:
 - i) Irredeemable debt
 - ii) Redeemable debt
 - iii) Convertible debt
 - iv) Preference shares
 - v) Bank debt

Estimating the overall cost of capital

- a) Average and marginal cost of capital.[
- b) Weighted average cost of capital (WACC) using book value and market value weightings.

Capital structure theories and practical considerations

- a) Traditional view of capital structure and its assumptions.[
- b) Views of Miller and Modigliani on capital structure, both without and with corporate taxation, and their assumptions.
- c) Range of capital market imperfections and describe their impact on the views of Miller and Modigliani on capital structure.
- d) Relevance of pecking order theory to the selection of sources of finance.

Impact of cost of capital on investments

- a) Relationship between company value and cost of capital.
- b) Circumstances under which WACC can be used in investment appraisal.
- c) Advantages of the CAPM over WACC in determining a project-specific cost of capital.
- d) CAPM in calculating a project specific discount rate.

7. BUSINESS VALUATIONS

Nature and purpose of the valuation of business and financial assets

- a) Reasons for valuing businesses and financial assets.
- b) Information requirements for valuation and discuss the limitations of different types of information.

Models for the valuation of shares

- a) Asset-based valuation models, including:
 - i) Net book value (balance sheet basis).
 - ii) Net realizable value basis.
 - iii) Net replacement cost basis.
- b) Income-based valuation models, including:
 - i) price/earnings ratio method.
 - ii) Cash flow-based valuation models, including:
 - i) Dividend valuation model and the dividend growth model.
 - ii) Discounted cash flow basis.

The valuation of debt and other financial assets

- a) Appropriate valuation methods to:
 - i) Irredeemable debt
 - ii) Redeemable debt
 - iii) Convertible debt
- Preference shares

Efficient Market Hypothesis (EMH) and practical considerations in the valuation of shares

- a) Weak form efficiency, semi-strong form efficiency and strong form efficiency
- b) Practical considerations in the valuation of shares and businesses, including:
 - i) Marketability and liquidity of shares
 - ii) Availability and sources of information
 - iii) Market imperfections and pricing anomalies
 - iv) Market capitalization
- c) Significance of investor explanations of investor

decisions offered by behavioral finance

8. RISK MANAGEMENT

The nature and types of risk and approaches to risk management

- a) Types of foreign currency risk:
 - i) Translation risk
 - ii) Transaction risk
 - iii) Economic risk
- b) Types of interest rate risk:
 - i) Gap exposure
 - ii) Basis risk

Causes of exchange rate differences and interest rate fluctuations

- a) Causes of exchange rate fluctuations, including:
 - i) Balance of payments
 - ii) Purchasing power parity theory
 - iii) Interest rate parity theory
 - iv) four-way equivalence
- b) Exchange rates using:
 - i) Purchasing power parity
 - ii) Interest rate parity
- c) Causes of interest rate fluctuations, including:
 - i) Structure of interest rates and yield curves
 - ii) Expectations theory
 - iii) Liquidity preference theory
 - iv) Market segmentation

Hedging techniques for foreign currency risk

- a) Traditional and basic methods of foreign currency risk management, including:
 - i) Currency of invoice
 - ii) Netting and matching
 - iii) Leading and lagging
 - iv) Forward exchange contracts
 - v) Money market hedging
 - vi) Asset and liability management
- b) Traditional methods of foreign currency risk management.
- c) Main types of foreign currency derivatives used to hedge foreign currency risk and explain how they are used in hedging. (No speculation and the numerical questions will be set on this topic)

Hedging techniques for interest rate risk

- a) Traditional and basic methods of interest rate risk management, including:
 - i) Matching and smoothing
 - ii) Asset and liability management
 - ii) Forward rate agreements
- b) Main types of interest rate derivative used to hedge interest rate risk and explain how they are used in hedging. (No numerical questions will be set on this topic)

Reading Material

1. Financial Management Theory and Practice by Eugene F. Brigham and Michael C. Ehrhardt South western, United Kingdom.
2. Corporate Finance, Principles and Practice (3rd Edition), by D. Watson A. Head, FT Printice Hall.
3. Financial Management by I.M. Pandey, Vikas Publishing House, (Pvt) Ltd., 576, Masjid Road, Jangpura, New Delhi.
4. Management Accounting Financial Strategy by PBP, Professional Business Publication, Lahore.
5. Financial Management by M.Y. Khan and P.K. Jain, Tata Mc-Graw-Hill Publishing Co. Ltd. 4/12 Asif Ali Road New Delhi.
6. Financial Management and Policy by James C. Van Horne, Prentice Hall of India Pvt. Ltd., New Delhi 110001.
7. Fundamental of Financial Management (12th edition) by J. Van Horne, J. Waschowicz, FT Printice Hall.
8. Applied Economics (10th edition) by A. Griffiths, D. Wall, FT Printice Hall.
9. Any other book being material.

ESSENTIALS

MODULE -3

COURSE CODE E-301

MERCANTILE LAW

SYLLABUS

SECTION -A LEGAL SYSTEM

1. Introduction to Legal System in Pakistan

- Definition and sources of law
- Interpretation of Statutes (Acts and Ordinances)
- Structure of Subordinate and Superior Courts
- Legal Maxims

LEGAL MAXIMS

1. Maxims expressing fundamental legal principles;

- Ubi jus ubi remedium. There is no wrong without a remedy.
- Ignorantia Facit Excusat - Ignorantia Juris Non Excusat . Ignorance of fact excuses, Ignorance of law does not

2. Maxims Relating to the Mode of Administering Justice.

No man is to be a judge in his own cause.

3. Maxims Relating to Property.

- Nexo Dat Quod non Habet - No one gives what he does not possess.
- Sic utere tus utalienum non laedas - Enjoy your own property in such a manner as not to injure that of another person.

4. Maxims Relating to Contracts & Torts

- Caveat Emptor - Let the Buyer Beware.
- Ex turpi causa non oritur actio / Ex dolo malo non oritur actio - A contract founded upon an illegal or immoral consideration cannot be enforced.
- Respondeat Superior. Let the principal be held responsible.

5. Maxims Expressing Rules Founded on Public Policy

- Salus populi est suprema lex . Regard for the public welfare is the highest law.
- Vigilantibus, Non Dormientibus jura Subveniunt - The law assists those who are vigilant, not to those who sleep over their rights.

SECTION- B BUSINESS LAWS

2. The Contract Act, 1872

- Difference between Contract and agreement; Void, void able and enforceable agreements;
- Elements/ingredients of a contract; proposal; acceptance and revocation; void agreements;
- Free consent, Coercion, Undue Influence, Fraud, Mistake, Misrepresentation;
- Flaws in capacity;
- Quasi contracts;
- Contingent contracts;
- Contracts which must be performed

AIM

This course is designed to focus on the important topics of Mercantile Laws, governing the operational aspects of business. The students are provided with a knowledge enabling them to:

Formulate various business plans helpful for operational and long-term decision-making, and Advise the management on the financial and non-financial implications of business laws, for the effective operations of the business.

- Time and place for performance;
 - Performance of reciprocal promises;
 - Appropriation of payments;
 - Contracts which need not be performed;
 - Anticipatory breach of contract;
 - Actual breach of contract;
 - Remedies of breach of contract;
 - Doctrine of frustration;
 - Various discharges of contracts;
 - Bailment; contract of indemnity and guarantee;
 - Principal and agent;
 - Creation of agency;
 - Kinds of agents; duties and rights of an agent;
 - Duties and rights of principal scope, extent and kinds of agents authority;
 - Liabilities of principal to third party;
 - Personal liability of agent to third party;
 - Termination of agency.
- ##### 3. Sale of Goods Act, 1930
- Contract of sale and its kinds;
 - Formalities of the contract of sale;
 - Subject matter of contract of sale;
 - The price, conditions and warranties;
 - Transfer of property as between seller & buyer;
 - The Doctrine of nemo dare potest quod non-habit. and its exceptions;
 - The Doctrine of caveat emptor;
 - Performance of the contract of the sale;
 - Rights of un-paid seller;
 - Suits for breach of the contract of sale;
 - Auction sale.
- ##### 4. Partnership Act, 1932
- Essentials and the nature of partnership;
 - Kinds of partnership;
 - General duties of partners;
 - Qualified duties of partners;
 - Rights of partners; liabilities of partners;
 - The Doctrine of implied authority;
 - The Doctrine of holding out;
 - Admission of a minor to the benefits of partnership;
 - Re-constitution of a firm (incoming & outgoing partners);
 - Modes of dissolution of a firm;
 - Registration of firm;
 - Effect of non-registration.
- ##### 5. Negotiable Instruments Act, 1881
- Promissory note;
 - Bill of exchange;
 - Cheques;
 - Inland instruments;

- Foreign instruments;
- Ambiguous instruments;
- Inchoate stamped instruments;
- Parties to negotiable instruments;
- Liabilities of parties;
- Negotiation of instruments and its kinds;
- Presentment of instruments;
- Discharge from liabilities on negotiable instruments;
- Presumptions as to negotiable instruments.

6. TRIPS and TRIMS

Laws relating to TRIPS and TRIMS including intellectual property rights, Trade marks Act and Copy Right Act.

6.1 Introduction

- Concept of Intellectual Property
- Intellectual Property Rights
- Necessity of Intellectual Property Rights Protection
- International Intellectual Property Organizations
- Future of Intellectual Property Rights

6.2 Intellectual Property Rights Laws in Pakistan

- The Copyright Ordinance, 1962
- The Registered Designs Ordinance, 2000
- The Registered Layout-Designs of Integrated Circuits Ordinance, 2000
- The Patents Ordinance, 2000
- The Trade Marks Ordinance, 2001
- The Merchandise Marks Act, 1889
- The Trade Marks (Invalidation and Summary Registration) Act, 1950
- The Electronic Transaction Ordinance, 2002
- Section relating to infringement of Trade, Property and other Marks in the Pakistan Penal Code, 1860.

6.3 International Treaties, Agreements Conventions, Protocols and Regulations, Etc. (Only Introduction)

SECTION- C INDUSTRIAL LAW

7. Industrial Relations Act, 2008

- Trade unions;
- Workers participation and dispute resolution,
- Labour courts,
- National Industrial Relations Commission;
- Authorities, decisions, settlements and awards, penalties and procedures, causation and remoteness of damage.

8. Standing Order

West Pakistan Industrial and Commercial Employment (Standing Order) Ordinance, 1968.

9. Factories Act 1934 / Workmen's Compensation Act 1923

- Provisions regarding health and safety,
- Working hours including rest intervals,
- Working holidays and overtime,
- Employment of women and children etc.
- Workman's compensation Act 1923,
- Provisions regarding definitions,
- Employers' liability for compensation,
- Amount of compensation,
- Methods of calculating wages,
- Review, commutation and distribution of compensation,
- Report of fatal accidents, and medical examination etc.

10. Social Security Ordinance, 1965

- Provincial Social Security Ordinance 1965:
- Provisions, regarding definitions, amount and payment of contributions,
- Records and returns,
- Benefits including sickness and maternity benefits,
- Death grants, disablement pension etc.

11. COMPANIES ORDINANCE 1984

- The formation and constitution of joint stock companies**
 - Corporations and legal personality
 - The formation of the company
 - The constitution of the company
- Capital and financing of the company**
 - Share Capital
 - Loan capital
 - Capital maintenance and dividend law
- Management, administration and regulation of companies**
 - Company directors
 - Other company officers
 - Company meetings and resolutions
- Legal implications relating to companies in difficulty or in crisis**
 - Insolvency
 - Alternatives to winding up
- Governance and ethical issues relating to business**
 - Corporate governance
 - Fraudulent behaviour

Reading Material

- Business Law by M.C. Kuchhul, Vikas, Publishing House, New Delhi.
- Manual of Mercantile Law by M. C. Shukla, S. Chand & Co., Ram Nagar, New Delhi 110055, India.
- Bare Acts Govt. of Pakistan, Publications Division, Govt. of Pakistan.
- Mercantile Law Luqman Baig, Ghanzanfar, Academy Pakistan, 30, Urdu Bazar Karachi
- Mercantile and Industrial Laws in Pakistan by Prof. Dr. Khawaja Amjad Saeed, Institute of Business Management, G.P.O. Box No. 1164, Lahore.
- Labour Code by M. Shafi / P. Shafi, Bureau of Labour Publications, 8, Business Centre, Mumtaz Hasan Road, P.O. Box 5833, Karachi . 74000.
- Companies Ordinance, 1984.
- Any other book/material.

ESSENTIALS

MODULE -3

COURSE CODE E-302

AUDIT AND ASSURANCE

SYLLABUS

A. AUDIT FRAMEWORK AND REGULATION

- Concept of audit and other assurance engagements
- Objective and general principles of external audit engagements.
- Nature and Development of audit and other assurance engagements.
- Concepts of accountability, stewardship and agency.

B. INTERNAL AUDIT

1. Internal audit and corporate governance

- Factors to be taken into account when assessing the need for internal audit.
- Elements of best practice in the structure and operations of internal audit with reference to appropriate international codes of corporate governance.

2. Differences between external and internal audit

- Role of external and internal audit regarding audit planning and the collection of audit evidence.
- Types of report provided by internal and external audit.

3. Scope of the internal audit function

- Scope of internal audit and the limitations of the internal audit function.
- Types of audit report provided in internal audit assignments.
- Responsibilities of internal and external auditors for the prevention and detection of fraud and error.

4. Outsourcing the internal audit department

- Advantages and disadvantages of outsourcing internal audit.

5. Internal audit assignments

- Nature and purpose of internal audit assignments including value for money, IT, best value and financial.
- Nature and purpose of operational internal audit assignments including procurement, marketing, treasury and human resources management.

C. PLANNING AND RISK ASSESSMENT

1. Objective and general principles

- Need to plan and perform audits with an attitude of professional skepticism.
- Engagement risks affecting the audit of an entity.
- Components of audit risk.
- Risk based, procedural and other approaches

AIM

To develop knowledge and understanding of the process of carrying out the assurance engagement and its application in the context of the professional regulatory framework.

to audit work.

- Importance of risk analysis.
 - Information technology in risk analysis.
- ##### 2. Understanding the entity and knowledge of the business
- Auditors obtain an initial understanding of the entity and knowledge of its business environment.
- ##### 3. Assessing the risks of material misstatement and fraud
- Concepts of materiality and tolerable error.
 - Indicative materiality levels from financial information.
 - Effect of fraud and misstatements on the audit strategy and extent of audit work.
- ##### 4. Analytical procedures
- Nature and purpose of analytical procedures in planning.
 - Key ratios used in analytical procedures.
- ##### 5. Planning an audit
- Need for planning an audit.
 - Contents of the overall audit strategy and audit plan.
 - Describe the relationship between the overall audit strategy and the audit plan.
 - Develop and document an audit plan.
 - Difference between interim and final audit.
- ##### 6. Audit documentation
- Need for and the importance of audit documentation.
 - Working papers and supporting documentation.
 - Procedures to ensure safe custody and retention of working papers.
- ##### 7. The work of others
- Extent to which auditors are able to rely on the work of experts.
 - Extent to which external auditors are able to rely on the work of internal audit.
 - Audit considerations relating to entities using service organizations.
 - Why auditors rely on the work of others.
 - Extent to which reference to the work of others can be made in audit reports.

D. INTERNAL CONTROL

The following transaction cycles and account balances are relevant to this capability:

- Revenue,
- Purchases,
- Inventory,
- Revenue and capital expenditure,
- Payroll,

- Bank and cash

1. Internal control systems

- Explain why an auditor needs to obtain an understanding of internal control activities relevant to the audit.
- Key components of an internal control system.
- Important elements of internal control including the control environment and management control activities.
- Difference between tests of control and substantive procedures.

2. The use of internal control systems by auditors

- Importance of internal control to auditors.
- How auditors identify weaknesses in internal control systems and how those weaknesses limit the extent of auditors' reliance on those systems.

3. Transaction cycles

- Internal control procedures and control activities.
- Computer system controls.

4. Tests of control

- Tests of control suitable for inclusion in audit working papers.
- Application controls and general IT controls.

5. The evaluation of internal control components

- Limitations of internal control components in the context of fraud and error.
- Need to modify the audit strategy and audit plan following the results of tests of control.
- Management's risk assessment process with reference to internal control components.

6. Communication on internal control

- How the reporting of internal control weaknesses and recommendations to overcome those weaknesses are provided to management.

7. Management control systems in corporate governance

- Internal management control.
- Importance of internal control and risk management in corporate governance.
- Internal control systems.
- Corporate governance and executive management roles in risk management.
- Importance of the elements or components of internal control systems.

8. Internal control, audit and compliance in corporate governance

- Function and importance of internal audit.
- Importance of, auditor independence in all client auditor situations (including internal audit).
- Nature and sources of risks to, auditor independence. Assess the hazard of auditor capture.
- Importance of compliance and the role of the inter-

nal audit function in internal control.

- Effectiveness of internal control systems.
- Work of the internal audit committee in overseeing the internal audit function.
- Importance and characteristics of, the audit committee's relationship with external auditors.

9. Internal control and reporting

- Need to report on internal controls to shareholders.
- Report on internal control and audit.
- Internal controls underpin and provide information for accurate financial reporting.

10. Management information in audit and internal control

- Need for adequate information flows to management for the purposes of the management of internal control and risk.
- Qualities and characteristics of information required in internal control and risk management and monitoring.

E. AUDIT EVIDENCE

1. The use of assertions by auditors

- Assertions contained in the financial statements.
- Principles and objectives of transaction testing, account balance testing and disclosure testing.
- Use of assertions in obtaining audit evidence.

2. Audit procedures

- Sources and relative merits of the different types of evidence available.
- How analytical procedures are used as substantive procedures.
- Problems associated with the audit and review of accounting estimates.
- Why smaller entities may have different control environments and describe the types of evidence likely to be available in smaller entities.
- Quality of evidence obtained.

3. The audit of specific items

- For each of the account balances stated in this sub capability:
- Purpose of substantive procedures in relation to financial statement assertions,
- Substantive procedures used in auditing each balance, and
- Tabulate those substantive procedures in a work program.

a) Receivables:

- direct confirmation of accounts receivable
- Other evidence in relation to receivables and pre-payments, and
- The related income statement entries.

b) Inventory:

- Inventory counting procedures in relation to year-end and continuous inventory systems
- Cut-off

- iii) Auditor's attendance at inventory counting
- iv) Direct confirmation of inventory held by third parties.
- v) Other evidence in relation to inventory.
- c) Payables and accruals:**
 - i) Supplier statement reconciliations and direct confirmation of accounts payable,
 - ii) Obtain evidence in relation to payables and accruals, and
 - iii) The related income statement entries.
- d) Bank and cash:**
 - i) Bank confirmation reports used in obtaining evidence in relation to bank and cash
 - ii) Other evidence in relation to bank and cash, and
 - iii) The related income statement entries.
- e) Tangible non-current assets and long-term liabilities:**
 - i) Evidence in relation to non-current assets and
 - ii) Non-current liabilities and xiv) the related income statement entries
- 4. Audit sampling and other means of testing**
 - Audit sampling and explain the need for sampling.
 - Differences between statistical and non-statistical sampling.
 - Application of the basic principles of statistical sampling and other selective testing procedures.
 - Results of statistical sampling, including consideration of whether additional testing is required.
- 5. Computer-assisted audit techniques**
 - Use of computer-assisted audit techniques in the context of an audit.
 - Use of test data and audit software for the transaction cycles and balances mentioned in sub-capability
 - Use of computers in relation to the administration of the audit.
- 6. Not-for-profit organizations**
 - Audit techniques to small not-for-profit organizations.
 - Audit of small not-for-profit organizations differs from the audit of for-profit organizations.

F REVIEW

1. Subsequent events

- Purpose of a subsequent events review.
- Procedures to be undertaken in performing a subsequent events review.

2. Going concern

- Significance of the concept of going concern.
- Importance of and the need for going concern reviews.
- Respective responsibilities of auditors and management regarding going concern.
- Procedures to be applied in performing going concern reviews.
- Disclosure requirements in relation to going concern issues
- Reporting implications of the findings of going concern reviews.

3. Management representations

- Procedure for obtaining management representations.
- Quality and reliability of management representations as audit evidence.
- Circumstances where management representations are necessary and the matters on which representations are commonly obtained.

4. Audit finalization and the final review

- Importance of the overall review of evidence obtained.
- Significance of unadjusted differences.

G REPORTING

1. Audit reports

- Format and content of unmodified audit reports.
- Format and content of modified audit reports.
- Reports to management
- Internal control and system weaknesses and their potential effects and make appropriate recommendations to management.

2. Reports to management

- Internal control and system weaknesses and their potential effects and make appropriate recommendations to management.

3. Internal audit reports

- Format and content of internal audit review reports and other reports dealing with the enhancement of performance.
- Process for producing an internal audit report

Reading Material

1. Auditing and Assurance by Alvin A. Arens, Randal J Mark Breasley ACL by smazon.
2. Audit and Assurance by BBP learning Media.
3. Audit and Assurance (AA) complete text Kaplan Publisher.
4. Modern Auditing and Assurance by Leung, Publisher by Wiley.
5. Audit and Assurance Services by David N. Ricchiute published by Thomas South- Western UK.
6. Any other book/material.

ESSENTIALS

MODULE-3

COURSE CODE E-303

INFORMATION TECHNOLOGY MANAGEMENT, AUDIT AND CONTROL

SYLLABUS

- IT STRATEGY MANAGEMENT OF IT
- STRATEGIC CONSIDERATION IN IT DEVELOPMENT
- E-BUSINESS MODELS
- MANAGEMENT OF COMPUTER OPERATIONS
- a. Planning of information systems based on business success
- b. factors/criteria
- c. Position of the entity within its industry/sector
- d. Alignment/integration with business objectives/success factors
- e. Risks: economic, technical, operational, behavioral
- f. Components of long range plans Operational dynamics that
- g. influences the entity's business/programs E-Business models
- h. Business to Consumer (B2C)
- i. Business to Business (B2B)
- j. Business to Employee (B2E)
- k. Consumer to Consumer (C2C)
- l. Government to Citizen (G2C)
- m. Compatibility of computers
- n. Developing operational priorities
- o. Planning IT on procedures
- p. Impact of IT on procedures
- q. Data/information architecture
- r. IT infrastructures (hardware, facilities, network)

PART- II

- SOFTWARE IFCA GUIDELINES/DISCUSSION PAPERS
- MANAGEMENT OF INTERORGANIZATIONAL COMPUTING
- MANAGEMENT OF END-USER COMPUTING
- FINANCIAL ANALYSIS AND CONTROL
- IT CONTROL OBJECTIVES E-BUSINESS ENABLING SOFTWARE
- SOFTWARE (SYSTEMS, APPLICATIONS, UTILITIES)
- PERFORMANCE MEASUREMENT (PRODUCTIVITY, SERVICE QUALITY)
- COLLABORATIVE COMPUTING
- DISTRIBUTED SYSTEM
- EDI AND ELECTRONIC COMMERCE
- OUTSOURCED SERVICES (ISPS, ASPs, ETC)
- a. Technology diffusion
- b. Information center, help desk
- c. End-user system security

AIM

This syllabus aims to provide:

- a. Essential body of IT knowledge related to business information systems.
- b. IT security, control and governance knowledge related to business information systems.
- c. Application of knowledge to manage and evaluate IT and to assist the students in enhancing their knowledge and skills in Managerial role Evaluator role, Enterprise resource planning and Electronic Commerce.

- d. Support for end-user applications
- e. Capital budget
- f. Time/expense tracking
- g. Cost charge out / monitoring
- h. Accounting for systems Cost
- i. Effectiveness, efficiency, economy of operations
- j. Reliability of financial reporting
- k. Effectiveness of controls (design, operation)
- l. IT asset safeguarding
- m. Compliance with applicable laws and regulations
- n. System reliability:
- o. Availability and continuity (back-up, recovery)
- p. Access controls (physical, logical)
- q. Processing integrity (completeness, accuracy, timeliness, authorization)
- r. Data integrity
- s. Supply chain management (SMC)
- t. Enterprises resource planning (ERP)
- u. Sale force automation (SFA)
- v. Customer relationship management (CRM)
- w. Electronic Commerce System:
- x. Brochure, Catalog, order entry, payment, processing, fulfillment
- y. Knowledge management systems
- z. Knowledge creation, capture, sharing, maintenance.
- aa. Managing Information Technology Planning for Business Impact
- bb. Acquisition of Information Technology
- cc. The Implementation of Information Technology solutions
- dd. IT service delivery and Support
- ee. Executive Checklist

PART -III

- CONTROL FRAMEWORKS
- CONTROL OBJECTIVES
- LAYER OF CONTROL
- RESPONSIBILITY FOR CONTROL
- RISKS AND EXPOSURES IN COMPUTER-BASED INFORMATION SYSTEMS
- IT CONTROL FRAMEWORK
- EFFECTIVENESS, EFFICIENCY, ECONOMY OF OPERATIONS
- RELIABILITY OF FINANCIAL REPORTING
- EFFECTIVE OF CONTROL (DESIGN, OPERATION)
- IT ASSET SAFEGUARDING
- COMPLIANCE WITH APPLICABLE LAWS AND REGULATION
- SYSTEM RELIABILITY

- DATA INTEGRITY
- SOCIETAL ORGANIZATIONAL ENVIRONMENT
- TECHNOLOGY INFRASTRUCTURE SOFTWARE
- BUSINESS PROCESS
- ROLE AND RESPONSIBILITY OF KEY PARTIES
- ILLUSTRATIVE SUB-TOPICS
- a. Error, fraud, vandalism/abuse, business interruption, competitive disadvantage, excessive cost, deficient revenues, statutory sanctions, social costs, etc.
- b. Effect of IT audit on organization, controls
- c. Economic, technical, operational, behavioral considerations
- d. Cost/benefit IT control frameworks
- e. COBIT, ITCG, SysTrust, WebTrust, etc
- f. Cost effectiveness of control procedures
- g. Relevance, reliability, comparability consistency
- h. at a point time, during a period of time
- i. Evolution of facilities management and IT asset safeguarding
- j. Prevention/detection of fraud, error and illegal acts
- k. privacy, confidentiality, copyright issues
- l. Availability and continuity (back-up, recovery)
- m. Access control (physical, logical)
- n. Processing integrity (completeness, accuracy, timeliness, authorization)
- o. Completeness, accuracy, currency/timeliness, consistency/comparability, authorization audit ability,
- p. Input/output; reception/distributes controls
- q. Attitudes, laws and regulations Board level, management level, It administrative/operational level
- r. Hardware, facilities, network systems, application
- s. User departments, individuals user
- t. Board, top management
- u. It Management and it personnel
- v. User departments, individuals
- w. Auditors

PART-IV

- CONTROL ENVIRONMENT
- RISK ASSESSMENT
- EXTERNAL REGULATORY CONTROLS
- BOARD/AUDIT COMMITTEE GOVERNANCE
- MANAGEMENT PHILOSOPHY AND OPERATING STYLE
- PLAN/STRUCTURE OF ORGANIZATION
- METHOD TO COMMUNICATE THE ASSIGNMENT OF AUTHORITY AND RESPONSIBILITY
- MANAGEMENT CONTROL METHODS
- HUMAN RESOURCE POLICIES AND PRACTICES
- FINANCIAL POLICES AND PRACTICES
- RISK CATEGORIES PROBABILITY OF LOSS CONSEQUENCES
- a. Record keeping privacy, copyright, taxation, etc,
- b. Regulatory compliance fiduciary obligations, It governance, system reliability
- c. Integrity and ethical values, commitment to competence
- d. Leadership for IT organization, organization of It function, segregation of incompatible It and user functions, partnership with other organizations.
- e. Business practices, codes of conduct
- f. Strategic planning, business system/IT integration planning, budgeting, performance measurement,

- monitoring, compliance with policies
- g. Hiring, training, evolution, compensation of IT personnel, career paths.
- h. Budgeting process; cost charge out methods;
- i. Economic, technical
- j. Main reason for failure of computer projects
- k. Error, fraud, vandalism/abuse, business interruption, competitive disadvantage, excessive cost, deficient revenues, statutory sanctions, social costs, etc.
- l. Quantitative/qualitative
- m. Monetary, non-monetary
- n. Balancing costs of controls vs. costs of unmitigated risks.

PART- V

- CONTROL DESIGN
- CONTROL PROCEDURE
- CONTROL OVER DATA INTEGRITY, PRIVACY AND SECURITY
- AVAILABILITY/CONTINUITY OF PROCESSING, DISASTER RECOVERY PLANNING AND CONTROL
- a. Objectives, framework, environment, activities, monitoring
- b. legal, ethical, professional standards/requirement
- c. Preventive /detective/corrective strategies
- d. Effective control environment (personnel management methods)
- e. preventative application controls
- f. Detective application control
- g. Contingency plans, insurance
- h. Authorization
- i. Separation of incompatible functions (organizational design, user identification, data clarification, user. function./data authorization matrix, user authentication)
- j. Adequate documents and records
- k. asses safeguards; limitation of access to assets
- l. Independent check on performance; verification of accounting records, comparison of accounting records with assets
- m. Computer-dependent controls (edit, validation, etc)
- n. User control (control balancing, manual follow-up, etc)
- o. Audit trails
- p. Error identification/investigation/correction/tracking
- q. Understanding of data protection legislation
- r. Consideration of personnel issues and
- s. Classification of Information
- t. Access management controls
- u. physical design and access control
- v. Logical access control (user authorization matrix)
- w. Network security (encryption, firewalls)
- x. Program security techniques
- y. Monitoring and surveillance techniques (problems of on line systems, etc)
- z. Threat and risk management software and data backup techniques (problems of on-line systems, etc.)
- aa. Alternate processing facility arrangements
- bb. Disaster recovery procedural plan, documentation.

PART- VI

- MONITORING OF CONTROL COMPLIANCE
- IS PROCESSING/OPERATIONS
- ROLES OF MANAGEMENT, USERS AUDITORS (INTERNAL, EXTERNAL)
- COMPUTER ASSISTED AUDIT TECHNIQUES

- | | |
|---|---|
| <ul style="list-style-type: none"> a. Integration with business continuity plans b. Periodic tests of recovery procedures c. Insurance d. Planning and scheduling; service levels, Risks stand-ard e. Infrastructure (hardware, facilities, networks) f. Software g. Human resources (skill sets and staffing level) h. Business processes i. Performance monitoring Costs/benefits (quantitative and qualitative impact on management jobs and of-fice procedures) j. Business drivers that impact IT (e.g., scalability, right-sizing, flexibility of change in technology) or business, speed to market, cross-platform capability) k. Control over productivity and service quality l. Software/data library management | <ul style="list-style-type: none"> m. Input/output distribution and control n. Security and back up and recovery o. Internal monitoring processes p. Performance review processes q. External monitoring processes r. Processes for addressing-non-compliance s. Familiarization with t. System analysis and documentation (e.g., flowcharting package, review of program logic, etc) u. System/program testing (e.g., test data, integrated test facility, parallel simulation etc v. Data integrity testing (e.g., generalized audit software, utilities, custom programs sampling routines, etc) w. Problem solving aids (e.g., spread sheet, database, online data bases, etc) x. Administrative aids (e. g., word processing, audit pro-gram generation, work paper generators etc). |
|---|---|

Reading Material

1. Information systems control and audit by Ron Weber.
2. Strategic Management and Information Systems by Wendy Robson.
3. Auditing in a computerized Environment by Mohan Bhatia.
4. Information Technology Management, Audit and Control Study Text and Revision Series by AT Foulks Lynch Pakistan.
5. Information Technology Management, Audit and Control Study Text and Revision Series by Professional Business Publication (PBP).
6. Information Technology Management Audit & Control by Mohammad Amjad Bhatti and Muhammad Qaiser Sheikh.
7. International Information Technology Guidelines Developed by IFAC- IT Committee, available at IFCA-s website.
8. Practical IT Auditing by James R. Hickman, Warren Gorham & Lamont RIA Group 117 East Stenens avenue Vahalla, New York 10595.
9. Complete Book on Information Technology by Dr. Rajesh Trehan cyber Tech (CCT).
10. CISA Review Manual by CISA Information System auditand Control associations, Inc. , 3704 Algonquin Road, suite1010 Rolling Meaduals, Illinois 600008.
11. IFCA Guidelines on IT, International Federation of Accountants, 545, Avenue 14th floor, New York NY 10017.
12. Any other book/material.

SKILLS**MODULE-4****COURSE CODE S-401****TAXATION LAWS****SYLLABUS****1. INCOME TAX ORDINANCE 2001****a. Basic concepts of taxation**

- Chapter I Preliminary (concepts of terms defined)
- Chapter II Charge of tax (excluding section 7)
- Chapter IV Common rules (Part I & II)

b. Heads of income, Computation of income, Determination of tax liability

- Chapter III Tax on taxable Salary income (excluding Sec 29A, 30 & 31) Income from Property, Income from Business, Capital gains, Income from other sources
- Chapter IX Minimum tax
- Chapter X Part V Advance tax and deduction of tax at source
- Chapter XII Transitional Advance Tax provisions

c. Types of persons and their taxation

- Chapter V Part I Central concepts
- Chapter V Part II - Individuals
- Chapter V Part III Association of persons
- Chapter VII Part II Taxation of foreign-source income of residents.

d. Types of Companies

- Private Company, Public Company, Foreign Company
- Not for Profit organization, Trust
- Special Industries, Insurance, Banking
- Exemption and Concessions, deductible allowance
- Tax Credit

e. Procedures and Administration

- Chapter X Part I Returns
- Chapter X Part II Assessments
- Chapter X Part III Appeals including Alternative Dispute Resolution
- Chapter X Part IV Collection and recovery of tax (Sections 137 to 140)

AIM

The aim of this paper is to develop basic knowledge and understanding in the core areas of Income Tax and its chargeability as envisaged in the Income Tax Ordinance 2001 and the Income Tax Rules 2002 (relevant to the syllabus), Sales Tax Act 1990 and the Sales Tax Rules (relevant to the syllabus).

- Chapter X Part VIII Audit (Section 177)
 - Chapter XI Part I Administration – General (excluding section 224 to 227) 2001 shall also be examined.
- 2. SALES TAX ACT 1990: OFFENCES AND PROSECUTIONS**
- Chapter I Preliminary (concepts of terms defined)
 - Chapter II Scope and payment of tax
 - Chapter III Registration
 - Chapter IV Book keeping and invoicing requirements
 - Chapter V Returns
 - Assessment and Appeal
 - Taxation of Non Resident
 - Agreement for double taxation
 - The following rules (excluding annexure and forms) of the Sales Tax Rules 2005 related to the relevant chapters of the Sales Tax Act may be examined. Rules other than the following shall not be examined at this stage:
 - a. Chapter I Registration, Voluntary registration and De-registration
 - b. Chapter II Filing of monthly returns
 - c. Chapter III Credit and Debit Note and Destruction of Goods
 - d. Chapter IV Apportionment of Input Tax

Reading Material

S.No	Book Name	Author	Publisher
1	Complete Income Tax Law	Sheikh Asif Salam	S.A Salam Publication, Lahore.
2	Introduction of Income Tax Law Ordinance 2001 & Income Tax Rules. 2002	Huzaima Bukhari & Dr. Ikramul Haq	Lahore Law Publication
3	Sales Tax, 1990	Tariq Najeeb Choudhry	Tariq Najeeb Corporation, Lahore
4.	Central Excise Act 1944 and Rules	Tariq Najeeb Choudhry	Tariq Najeeb Corporation, Lahore
5.	Customs Act, 1969	Tariq Najeeb Choudhry	Tariq Najeeb Corporation, Lahore
6.	Income Tax Law plus Practical Problems with Solution	Prof. Dr. Khawaja Amjid Saeed	Azim Academy, 21- Urdu Bazar, Lahore.
7.	Synopsis of Tax in Pakistan	Mirza Munawar Hussain	Iqbal Brothers, Lahore
8.	Any other book/material.		

SKILLS

MODULE-4

COURSE CODE S-402

BUSINESS ANALYSIS AND DECISION MAKING

SYLLABUS

1. STRATEGIC POSITION

- **Need and purpose of strategic business analysis**
 - a) Fundamental nature and vocabulary of strategy and strategic decisions.
 - b) Strategy may be formulated different levels (corporate, business level, operational) of an organization.
 - c) Johnson, Schools and Whittington model for defining elements of strategic management – the strategic position, strategic choices and strategy into action.
 - d) Strategic management is affected by different organizational contexts.
 - e) Three different strategy lenses (Johnson, Schools and Whittington) for viewing and understanding strategy and strategic management.
 - f) Scope of business analysis and its relationship to strategy and strategic management in the context of the relational diagram of this syllabus.
- **Environmental issues affecting the strategic position of an organisation**
 - a) Macro-environment of an organization using PESTEL.
 - b) Key drivers of change likely to affect the structure of a sector or market.
 - c) Using Porter's Diamond, the influence of national competitiveness on the strategic position of an organization.
 - d) Scenarios reflecting different assumptions about the future environment of an organization.
- **Competitive forces affecting an organization**
 - a) Significance of industry, sector and convergence.
 - b) Sources of competition in an industry or sector using Porter's five forces framework.
 - c) Contribution of the lifecycle model and the cycle of competition to understanding competitive behavior.
 - d) Influence of strategic groups and market segmentation.
 - e) Opportunities and threats posed by the environment of an organization.
- **Marketing and the value of goods and services**
 - a) Customers and markets
 - b) Appropriate critical success factors for products and services
 - c) Role of the value chain in creating and sustaining competitive advantage.
 - d) Advise on the role and influence of value networks.
 - e) Different approaches to benchmarking an organization's performance.
- **Internal resources, capabilities and competences of an organization**

AIM

The students are taught to apply relevant knowledge, skills, and exercise professional judgment in assessing strategic position, determining strategic choice, and implementing strategic action through beneficial business process and structural change; coordinating knowledge systems and information technology and by effectively managing quality processes, projects, and people within financial and other resource constraints.

- a) Strategic capability, threshold resources, threshold competences, unique resources and core competences.
- b) Continuing need for cost efficiency.
- c) Capabilities required sustaining competitive advantage.
- d) Impact of new product, process, and service developments and innovation in supporting business strategy.
- e) Contribution of organizational knowledge to the strategic capability of an organization.
- f) Opportunities for managing the strategic capability of an organization.
- g) Strengths and weaknesses of an organization and an appropriate SWOT analysis.

- **Expectations of stakeholders and the influence of ethics and culture**

- a) Implications of corporate governance on organizational purpose and strategy.
- b) Stakeholder mapping, the relative influence of stakeholders on organizational purpose and strategy.
- c) Ethical influences on organizational purpose and strategy.
- d) Scope of corporate social responsibility.
- e) Impact of culture on organizational purpose and strategy.
- f) Cultural web of an organization.
- g) How organizations communication of their core values and mission.

2. STRATEGIC CHOICES

- **Influence of corporate strategy on an organization**

- a) Relationship between a corporate parent and its business units.
- b) Opportunities and potential problems of pursuing different corporate strategies of product/market diversification from a national, international and global perspective.
- c) Opportunities and potential problems of pursuing a corporate strategy of international diversity, international scale operations and globalization.
- d) Range of ways that the corporate parent can create and destroy organizational value.
- e) Three corporate rationales for adding value – portfolio managers, synergy managers and parental developers.
- f) Range of portfolio models (the growth/share (BCG) matrix, the public q sector portfolio matrix, market attractiveness/ SBU strength matrix, directional policy

matrix, Ash ridge Portfolio Display) to assist corporate parents manage their business portfolios

- **Alternative approaches to achieving competitive advantage**

- a) Strategy clock, generic strategy options available to an organisation.
- b) Price-based strategies, differentiation and lock-in can help an organization sustain its competitive advantage.
- c) Organizations can respond to hypercompetitive conditions.
- d) Opportunities for improving competitiveness through collaboration.

- **Alternative directions and methods of development**

- a) Generic development directions (employing an adapted Ansoff matrix and a TOWS matrix) available to an organisation.
- b) Internal development, mergers, acquisitions, strategic alliances and franchising can be used as different methods of pursuing a chosen strategic direction.
- c) Criteria to assist in the choice of a strategic direction and method (strategic Options).
- d) Suitability of different strategic options to an organisation.
- e) Feasibility of different strategic options to an organisation.
- f) Acceptability of strategic options to an organisation through analyzing risk and return on investment.

3. STRATEGIC ACTION

- **Organizing and enabling success**

- a) Organization can be structured to deliver a selected strategy]
- b) Generic processes that take place within the structure, with particular emphasis on the planning process.
- c) Internal relationships can be organized to deliver a selected strategy.
- d) External relationships (outsourcing, strategic alliances, networks and the virtual organisation) can be structured to deliver a selected strategy.
- e) Mint Berg's Organizational configurations and the design of structure, Processes and relationships.

- **Managing strategic change**

- a) Strategic change and their implications.
- b) Organizational context of change using Balogun and Hope Hailey's contextual features model and the cultural web.
- c) Potential blockages and levers of change.
- d) Leadership appropriate to manage strategic change.
- e) Organizational roles required to manage strategic change
- f) Levers that can be employed to manage strategic change

- **Understanding strategy development**

- a) Concepts of intended and emergent strategies.
- b) Organizations attempt to put an intended strategy into place.

- c) Strategies appear from within an organisation.
- d) Redesign, quality initiatives and e-business can contribute to emergent strategies.
- e) Implications of strategic drift and the demand for multiple processes of strategy development.

4. BUSINESS PROCESS CHANGE

- **Role of process and process change initiatives**

- a) Organizations design of its processes to deliver a selected strategy.
- b) Business process change initiatives previously adopted by organizations.
- c) Scope and focus for business process change using Harmon's process-strategy matrix.
- d) Commoditization of business processes.
- e) Implications of business process outsourcing.
- f) Business process redesign methodology for an organisation.

- **Improving the processes of the organization**

- a) Effectiveness of current organizational processes.
- b) Range of process redesign patterns.
- c) Possible redesign options for improving the current processes of an organisation.
- d) Feasibility of possible redesign options.
- e) Relationship between process redesign and strategy.

- **Software solutions**

- a) Information system requirements required by business users.
- b) Advantages and disadvantages of using a generic software solution to fulfill those requirements.
- c) Process for evaluating, selecting and implementing a generic software solution.
- d) Relationship between generic software solutions and business process redesign.

5. INFORMATION TECHNOLOGY

- **Principles of e-business**

- a) Meaning and scope of business.
- b) Reasons for the adoption of business and recognize barriers to its adoption.
- c) E-business changes the relationships between organizations and their customers.
- d) Main business and marketplace models for delivering e-business.
- e) Hardware and software infrastructure required to support e-business.
- f) Organization can utilize information technology to help it deliver a selected strategy.

- **E-business application: upstream supply chain management**

- a) Main elements of both the push and pull models of the supply chain.
- b) Relationship of the supply chain to the value chain and the value network.
- c) Potential application of information technology to support and restructure the supply chain.
- d) How external relationships with suppliers and distribu-

tors can be structured to deliver a restructured supply chain.

- e) Methods, benefits and risks of e-procurement.
- f) Models for implementing e-procurement.

- **E-business application: downstream supply chain management**

- a) Scope and media of e-marketing.
- b) E-marketing can be used when developing an effective e-marketing plan.
- c) Characteristics of the media of e-marketing using the '6I's of I interactivity, Intelligence, Individualization, Integration, Industry structure and Independence of location.
- d) Effect of the media of e-marketing on the traditional marketing mix of product, promotion, price, place, people, processes and physical evidence.
- e) Importance of on-line branding in e-marketing and compare it with traditional branding

- **E-business application: customer relationship management**

- a) Meaning and scope of customer relationship management.
- b) Methods of acquiring customers through exploiting electronic media.
- c) Buyer behaviors amongst online customers.
- d) Techniques for retaining customers using electronic media.
- e) Electronic media may be used to increase the activity and value of established, retained customers.
- f) Scope of a representative software package solution designed to support customer relationship management.

6. QUALITY ISSUES

- **Quality control, quality assurance and quality management systems**

- a) Quality, quality assurance, quality control and a quality management system.
- b) Relationship of quality to the strategy of an organisation.
- c) Appraise quality initiatives adopted by organizations.
- d) Structure and benefits of a quality management system and quality certification.

- **Quality in the information systems development lifecycle**

- a) Need and assess the characteristics of quality in computer software and the implications of these characteristics for testing, liability and ownership.
- b) Stages of systems development through the medium of the V lifecycle model.
- c) How the V lifecycle model defines and partitions testing and contributes to improved computer software quality.
- d) Process of computer software development process might be improved through the application of the Capability Maturity Model Integration (CMMI) process.

- **Quality Initiatives: Six Sigma**

- a) Scope, principles and objectives of Six Sigma.

- b) Team roles typically required by Six Sigma.
- c) Sigma problem-solving process (DMAIC).
- d) Significance and implications of measurement in the Six Sigma problem-solving process.
- e) Application of Six Sigma within e-business, the value chain and process redesign.

7. PROJECT MANAGEMENT

- **Identifying and initiating projects**

- a) Distinguishing features of projects and the constraints they operate in.
- b) Relationship between organizational strategy and project management.
- c) Plan to manage risks.
- d) Structures and information that have to be in place to successfully initiate a project.
- e) Importance of developing a project plan and discuss the work required to produce this plan.
- f) Relevance of projects to process redesign, e-business systems development and quality initiatives.

- **Managing and leading projects**

- a) Organisation and implications of project-based team structures.
- b) Establish the role and responsibilities of the project manager and the project sponsor.
- c) Typical problems encountered by a project manager when leading a project.
- d) How these typical problems might be addressed and overcome.

- **Monitoring, controlling and concluding projects**

- a) Status of a project and identify project risks, issues, slippage and changes and the likely achievement of business benefits.
- b) Responses for dealing with project risks, issues, slippage and changes.
- c) Mechanisms for successfully concluding a project.
- d) Meaning and benefits of an end project review, including benefits realization.
- e) Project management software may support the planning and monitoring of a project.

8. FINANCIAL ANALYSIS

- **Link between strategy and finance**

- i. Relationship between strategy and finance
- ii. Managing for value
- iii. Financial expectations of stakeholders
- iv. Funding strategies.

- **Finance decisions to formulate and support business strategy**

- a) Overall investment requirements of the business.
- b) Alternative sources of finance for these investments and their associated risks.
- c) Efficiently and effectively manage the current and non-current assets of the business from a finance and risk perspective.

- **Financial implications of making strategic choices and of implementing strategic actions**

- a) Efficiency ratios to assess how efficiently an organisation uses its current resources.
- b) Appropriate gearing ratios to assess the risks associated with financing and investment in the organisation.
- c) Appropriate liquidity ratios to assess the organisation's short-term commitments to creditors and employees.
- d) Appropriate profitability ratios to assess the viability of chosen strategies.
- e) Appropriate investment ratios to assist investors and shareholders in evaluating organizational performance and strategy.

9. PEOPLE

• Strategy and people: leadership

- a) Role of visionary leadership and identify the key leadership traits effective in the successful formulation and implementation of strategy and change management.
- b) Alternative classical and modern theories of leadership in the effective implementation of strategic objectives.
Methods of establishing human resource development.
- c) Contribution of competency frameworks to human resource development.
- d) Meaning and contribution of workplace learning, the learning organisation, organisation learning and knowledge management.

Reading Material

S.No.	Book Name	Author	Publisher
1	Business and E-Commerce Management	chaffey D.E	Prentice Hall (2007).
2	Business Process Change	Harmon P, Morgan	Kaufman publishers (2007).
3	Exploring Corporate Strategy	Johnson G, Scholes K and Whittington, R	Prentice Hall (2006)
4.	Strategic Project Management	Grundy T and Brown L	Thomson Learning
5.	What is Six Sigma?	Pande P and Holpp L	McGraw-Hill (2002).
6.	ISO 9001:2000	Tricker R and sherring-Lucas B	Butterworth Heinemann
7.	Management Accounting Decision-Making	Mirza Munawar Hussain	PBP, Professional Business Publications, Lahore
8.	Managerial Accounting	T. Lucy	DP Publications Ltd., Aldine Place, 142-144, Uxbridge Road, Shepherds, Bush Green, London W
9.	Managerial Accounting	Ray H. Garrison & Eric W. Noreen	South Western Publishing Co. USA.
10	Handbook of Management Accounting	Roger Cowe	Gower Publishing Co. Ltd Aldershot, England
11	Introduction to Management Accounting	Charls T. Horngren, Gary L. Sundem & William O. Stratton	Prentice-Hall of India (Pvt) Ltd New Delhi-110001
12	Managerial Accounting	Lane K. Anderson, Harold M. Sollenberger	South Western Publishing Co
13	Cost Accounting-A Managerial Emphasis	Charles T. Horgren Foster & Srikant M. Data	
14	Any other book/material		

SKILLS

MODULE-4

COURSE CODE S-403

FINANCIAL AND CORPORATE REPORTING

SYLLABUS

AIM

To apply knowledge, skills and exercise professional judgment in application and evaluation of Financial and Corporate reporting principles and practices in a range of business contexts and situations. The students should be able to understand, analyze and interpret regulatory framework, accounting standards business combination and financial statements.

PART –I FINANCIAL REPORTING

1. CONCEPTUAL FRAMEWORK FOR FINANCIAL REPORTING

- **The need for a conceptual framework**
 - a) Conceptual framework of accounting.
 - b) Necessity of conceptual framework and an alternative system.
- **Relevance, reliability, comparability and understandability**
 - a) Relevance and reliability and qualities that enhance these characteristics.
 - b) Importance of comparability to users of financial statements.
 - c) Understandability in relation to the provision of financial information.
 - d) Changes in accounting policies and changes in accounting estimate how accounting standards apply the principle of comparability where an entity changes its accounting policies.
 - e) Changes in accounting policies and the correction of prior period errors.
- **Recognition and measurement**
 - a) Recognition' in financial statements and discuss the recognition criteria.
 - b) Recognition criteria to:
 - i) Assets and liabilities
 - ii) Income and expenses
 - c) Revenue recognition issues; income and expense recognition
 - d) Role of the principle of substance over form in relation to recognizing sales revenue.
 - e) Measures and compute amounts using:
 - i) Historical cost
 - ii) Fair value/current cost
 - iii) Net realizable value
 - iv) Present value of future cash flows.
- **The legal versus the commercial view of accounting**
 - a) Importance of recording the commercial substance and the legal form of transactions.
 - b) Features and substance of transactions
 - c) Principle of substance over form to the recognition and derecognizing of assets and liabilities.

- d) Substance of transactions in general, and following types of transaction:
 - i) Goods sold on sale or return/consignment stock
 - ii) Sale and repurchase/leaseback agreements
 - iii) Factoring of debtors.

- **Alternative models and practices**

- a) Advantages and disadvantages of the use of historical cost accounting.
- b) Use of current value accounting overcomes the problems of historical cost accounting.
- c) Concept of financial and physical capital maintenance and how this affects the determination of profits.

- **Concept of 'true and fair view' ('faithful representation')**

- a) Meaning of financial statements.
- b) Faithful representation and compliance with accounting standards.
- c) Circumstances and required disclosures where a 'true and fair' override may apply.

2. REGULATORY FRAMEWORK FOR FINANCIAL REPORTING

- **Reasons for the existence of a regulatory framework**

- a) Regulatory framework is needed.
- b) Accounting standards on their own are not a complete regulatory framework.
- c) Principles based and rules based framework and discuss whether they can be complementary.

- **The standard setting process**

- a) Structure regulatory system including the role of the Financial Reporting Council (FRC), the Accounting Standards (ASB), the Financial Reporting Review Panel (FRRP) and the Urgent Issues task Force (UITF).
- b) ASB's Standard setting process including revisions to and interpretations of Standards.
- c) Relationship between UK standard setters and the International Accounting Standards Board (IASB).

- **Specialized, not-for-profit and public sector entities**

- a) Primary aims of not for-profit and public sector entities and those of profit oriented entities.
- b) Extent to which Financial Reporting Standards (FRSs) are relevant to specialized, not-for-profit and public sector entities.

3. FINANCIAL STATEMENTS

• Cash flow statements

- a) Cash flow statement for a single entity (not a group) in accordance with relevant accounting standards using the direct and the indirect method.
- b) Usefulness of cash flow information with that of a profit and loss account.
- c) Cash flow statement (together with other financial information) to assess the performance and financial position of an entity.

• Tangible fixed assets

- a) Initial measurement of a fixed (including a self-constructed) asset.
- b) Expenditure that may be capitalized (including borrowing costs), capital and revenue items
- c) Requirements of relevant accounting standards in relation to the revaluation of fixed assets.
- d) Revaluation and disposal gains and losses for fixed assets.
- e) Depreciation based on cost and revalued amounts and on assets that have two or more significant parts (complex assets).
- f) Provisions of relevant accounting standards in relation to accounting for government grants.
- g) Treatment of investment properties should differ from other properties.
- h) Requirements of relevant accounting standards for investment property.

• Intangible assets

- a) Nature and accounting treatment of internally generated and purchased intangibles.
- b) Goodwill and other intangible assets.
- c) Criteria for the initial recognition and measurement of intangible assets.
- d) Subsequent accounting treatment, including the principle of impairment tests in relation to goodwill.
- e) Value of purchase consideration for an investment and value of the acquired identifiable net assets and their difference (negative goodwill)
- f) Requirements of relevant accounting standards to research and development expenditure.

• Stock

- a) Principles of stock valuation.
- b) Long-term contract and role of accounting concepts of the recognition of profits.
- c) Acceptable methods of determining the stage

(percentage) of completion of a long-term contract.

- d) Financial statement extracts for long term contracts.

• Financial assets and financial liabilities

- a) Need for an accounting standard on financial instruments.
- b) Financial instruments in terms of financial assets and financial liabilities.
- c) Categories of financial instruments and gains and losses from measurement to be treated in the financial statements:
 - i) Fair value through profit and loss
 - ii) Held to maturity (use of amortized cost, interest to income)
 - iii) Available for sale (carried at fair value with changes to equity, but dividends to income)
 - iv) Loans and receivables
- d) Debt and equity capital.
- e) Requirements of relevant accounting standards to the issue and finance costs of:
 - i) Equity
 - ii) Redeemable preference shares and debt instruments with no conversion rights (principle of amortized cost).
 - iii) Convertible debt

• Leases

- a) Recording the legal form of a finance lease can be misleading to users (referring to the commercial substance of such leases).
- b) Method of determining a lease type (i.e. an operating or finance lease).
- c) Effect on the financial statements of a finance lease being incorrectly treated as an operating lease.
- d) Assets financed by finance leases in the records of the lessee.
- e) Operating leases in the records of the lessee.

• Provisions, contingent liabilities and contingent assets

- a) Accounting standard on provisions is necessary.
- b) Legal and constructive obligations.
- c) Provisions may and may not be made and they accounted for.
- d) Provisions to measured.
- e) Contingent assets and liabilities and describe their accounting treatment.
- f) Account for:
 - i) Warranties/guarantees
 - ii) Onerous contracts
 - iii) Environmental and similar provisions
- iv) Provisions for future repairs or refurbishments.

• Impairment of assets

- a) Impairment loss.
- b) Circumstances that may indicate impairments to assets.
- c) Income generating unit.
- d) Basis on which impairment losses should be allocated, and an Impairment loss of an income generating unit.

• Taxation

- a) Current taxation in accordance with relevant accounting standards.
- b) Entries relating to taxation in the accounting records.
- c) Effect of timing differences on accounting and taxable profits.
- d) Deferred tax amounts in the financial statements.

- **Regulatory requirements relating to the preparation of financial statements**

- a) Structure (format) and content of financial statements presented under the Companies Acts and accounting standards.
- b) An entity's financial statements in accordance with the prescribed structure and content.

- **Reporting financial performance**

- a) Importance of identifying and reporting the results of continuing and discontinued operations.
- b) Discontinued operations.
- c) Circumstances where separate disclosure of exceptional items is required.
- d) Contents and purpose of the statement of total recognized gains and losses and of reporting changes in equity.
- e) Statements for the reconciliation and movement in shareholders funds (changes in equity).
- f) Earnings per share (eps)
- i) Eps in accordance with relevant accounting standards (dealing with bonus issues, full market value issues and rights issues)
- ii) Relevance of the diluted eps and calculate the diluted eps involving convertible debt and share options (warrants).
- iii) Trend of eps may be a more accurate indicator of performance than a company's profit trend and the importance of eps as a stock market indicator.
- iv) Limitations of using eps as a performance measure.
- e) Necessity to eliminate intra group transactions.

- **International Financial Reporting Standards (IFRSs) and Statutory Requirements**

- i. Recognition, measurement, accounting treatment and disclosure of various transactions and items in accordance with the requirements of IFRSs and their interpretations issued by International Accounting Standards Board (IASB) and International Financial Reporting Interpretations Committee (IFRIC) respectively, adopted by the Institute of Chartered Accountants of Pakistan.
- ii. Accounting treatments and disclosure requirements under the Companies Ordinance, 1984
- iii. Specific departures from IFRSs under the local statutory requirements

4. BUSINESS COMBINATIONS

- **The concept and principles of a group**

- a) Concept of a group as a single economic unit.
- b) Definition of a subsidiary within relevant accounting standards.
- c) Directors may not wish to consolidate a subsidiary and the circumstances where this is permitted.
- d) Need for using coterminous year ends and uniform accounting policies when preparing consolidated financial statements.

- **The concept of consolidated financial statements**

- a) Objective of consolidated financial statements.
- b) Effect that the related party relationship between a parent and subsidiary may have on the subsidiary's entity statements and the consolidated financial statements.
- c) Necessity to use fair values for the consideration for an investment in a subsidiary together with the fair values of a subsidiary's identifiable assets and liabilities when preparing consolidated financial statements.
- d) Required accounting treatment of consolidated goodwill.

- **Preparation of consolidated financial statements including an associate**

- a) Consolidated balance sheet for a simple group (parent and one subsidiary) dealing with pre and post acquisition profits, minority interests and consolidated goodwill.
- b) Consolidated profit and loss account for a simple group dealing with an acquisition in the period and minority interest.
- c) Account for other reserves (e.g. share premium and revaluation reserves).
- d) Effects (in the profit and loss account and balance sheet) of intra-group trading.
- e) Effects of fair value adjustments (including their effect on consolidated goodwill) to:
 - i) Depreciating and non-depreciating fixed assets
 - ii) Stock
 - iii) Monetary liabilities
- iv) Assets and liabilities not included in the subsidiary's own balance sheet, including contingent assets and liabilities.
- f) Goodwill amortization and impairment.
- g) Associate and the principles and reasoning for the use of equity accounting.
- h) Consolidated financial statements to include a single subsidiary and an associate.

5. ANALYSING AND INTERPRETING FINANCIAL STATEMENTS

- **Limitations of financial statements**

- a) Problems of using historic information to predict future performance and trends.
- b) Financial statements may be manipulated to produce a desired effect (Creative accounting, window dressing).
- c) Related party relationships have the potential to mislead users.

- d) Balance sheet figures may not be representative of average values throughout the period for example, due to:
 - i) Seasonal trading
 - ii) Major asset acquisitions near the end of the accounting period.
- **Calculation and interpretation of accounting ratios and trends to address users' and stakeholders' needs**
 - a) Relevant financial ratios.
 - b) Aspects of performance specific ratios are intended to assess.
 - c) Ratios to give an Assessment of an entity's performance and financial position in comparison with:
 - i) An entity's previous period's financial statements
 - ii) Another similar entity for the same reporting period
 - iii) Industry average ratios.
 - d) An entity's financial statements to give advice from the perspectives of different stakeholders.
 - e) Interpretation of current value based financial statements would differ from those using historical cost based accounts.
- **Limitations of interpretation techniques**
 - a) Limitations in the use of ratio analysis for assessing corporate performance.
 - b) Effect those changes in accounting policies or the use of different accounting Policies between entities can have on the ability to interpret performance.
 - c) Information, including no financial information that may be of relevance to the assessment of an entity's performance.
- **Specialized, not-for-profit and public sector entities**

Different approaches that may be required when assessing the performance of specialized, not-for-profit and public sector organizations.

Part-II CORPORATE REPORTING

1 PROFESSIONAL AND ETHICAL DUTIES OF THE ACCOUNTANT

- **Professional behavior and compliance with accounting standards**
 - a) Ethical and professional issues in advising on corporate reporting.
 - b) Relevance and importance of ethical and professional issues in complying with accounting standards.
- **Ethical requirements of corporate reporting and the consequences of unethical behavior**
 - a) Potential ethical implications of professional and managerial decisions in the preparation of corporate reports.
 - b) Consequences of not upholding ethical principles in the preparation of corporate reports.
- **Social Responsibility**

- a) Increased demand for transparency in corporate reports, and the emergence of non-financial reporting standards.
- b) Progress towards a framework for environmental and sustainability reporting.

2. FINANCIAL REPORTING FRAMEWORK

- **Contribution and limitations of financial statements in meeting users' and capital markets' needs**
 - a) Consistency and clarity of corporate reports.
 - b) Insight into financial and operational risks provided by corporate reports.
 - c) Usefulness of corporate reports in making investment decisions
- **Applications, strengths and weaknesses of an accounting framework**
 - a) Valuation models adopted by standard setters.
 - b) Use of an accounting framework in underpinning the production of accounting standards.
 - c) Success of such a framework in introducing rigorous and consistent accounting standards.
- **Critical evaluation of principles and practices**
 - a) Relationship between accounting theory and practice.
 - b) Accounting principles and practices used in corporate reporting.

3. REPORTING THE FINANCIAL PERFORMANCE OF ENTITIES

- **Performance reporting**
 - a) Relating to corporate performance for external stakeholders.
 - b) Relating to the recognition of revenue.
 - c) Proposed changes to reporting financial performance.
- **Non-current assets**
 - a) Timing of the recognition of non-current assets and the determination of their carrying amounts including impairments and revaluations.
 - b) Treatment of non-current assets held for sale.
 - c) Accounting treatment of investment properties including classification, recognition and measurement issues.
 - d) Accounting treatment of intangible assets including the criteria for recognition and measurement subsequent to acquisition and classification.
- **Financial Instruments**
 - a) Recognition and derecognizing of financial assets and financial liabilities.
 - b) Classification of financial assets and financial liabilities and their measurement.
 - c) Treatment of gains and losses arising on financial assets and financial liabilities.
 - d) Treatment of impairments of financial assets.
 - e) Account for derivative financial instruments, and simple embedded derivatives.
 - f) Principles of hedge accounting and account for fair value hedges and cash flow hedges including hedge effectiveness.

- **Leases**

- a) Classification of leases and accounting for leases by lessors and lessees.
- b) Account for and discuss sale and leaseback transactions.

- **Segment Reporting**

- a) Nature and extent of reportable segments.
- b) Specify and discuss the nature of segment information to be disclosed.

- **Employee Benefits**

- a) Accounting treatment of defined contribution and defined benefit plans
- b) Account for gains and losses on settlements and curtailments.[
- c) Account for the "Asset Ceiling" test and the reporting of actuarial gains and losses.

- **Income taxes**

- a) Recognition and measurement of deferred tax liabilities and deferred tax assets including the exceptions to recognition.
- b) Recognition of tax expense or income and its inclusion in the financial statements.

- **Provisions, contingencies and events after the reporting date**

- a) Recognition, derecognizing and measurement of provisions, contingent liabilities and contingent assets including environmental provisions.
- b) Restructuring provisions.
- c) Accounting for events after the reporting date.
- d) Going concern issues arising after the reporting date.

- **Related parties**

- a) Parties considered to be related to an entity.
- b) Implications of related party relationships and the need for disclosure.

- **Share based payment**

- a) Recognition and measurement criteria for share-based payment transactions.
- b) Account for modifications, cancellations and settlements of share based payment transactions

4. FINANCIAL STATEMENTS OF GROUPS OF ENTITIES

- **Group accounting including statements of cash flows**

- a) Method of accounting for business combinations including complex group structures.
- b) Principles in determining the cost of a business combination.
- c) Recognition and measurement criteria for identifiable acquired assets and liabilities and goodwill including step acquisitions.
- d) Criteria used to identify a subsidiary and an associate.
- e) Appropriate procedures to be used in preparing group financial statements.

- f) Equity method of accounting for associates.
- g) Key definitions and accounting methods which relate to interests in joint ventures.
- h) Group statements of cash flows.

- **Continuing and discontinued interests**

- a) Group financial statements where activities have been discontinued, or have been acquired or disposed of in the period.
- b) Treatment of a subsidiary which has been acquired exclusively with view to subsequent disposal.

- **Changes in group structures**

- a) Reasons behind a group reorganization.
- b) Principal terms of a proposed group reorganization.

- **Foreign transactions and entities**

- a) Translation of foreign currency amounts and transactions into the functional currency and the presentational currency.
- b) Account for the consolidation of foreign operations and their disposal.
- c) Principal objectives of establishing a standard for enterprises reporting in the currency of a hyper inflationary economy.

5. SPECIALISED ENTITIES

- **Financial reporting in specialized, not-for-profit and public sector entities**

Knowledge from the syllabus to straightforward transactions and events arising in specialized, not-for-profit, and public sector entities.

- **Reporting requirements of small and medium entities (SMEs)**

- a) Principal considerations in developing a set of accounting standards for SMEs.
- b) Problem of differential financial reporting.

- **IMPLICATIONS OF CHANGES IN ACCOUNTING REGULATION ON FINANCIAL REPORTING**

- **Effect of changes in accounting standards on accounting systems**

- a) Accounting implications of the first time adoption of a body of new accounting standards.
- b) Implementing a change to new accounting standards including organizational, behavioural, and procedural changes within the entity.

- **Proposed changes to accounting standards**

- a) Deficiencies which have led to a proposed change to an accounting standard.
- b) Implications of a proposed change to an accounting standard on the performance and statement of financial position of an entity.

7. APPRAISAL OF FINANCIAL PERFORMANCE AND POSITION OF ENTITIES

- **Creation of suitable accounting policies**

- a) Accounting policies for an entity which meets the entity's reporting requirements.
- b) Accounting treatments adopted in financial state-

ments and assess their suitability and acceptability.

- **Analysis and interpretation of financial information and measurement of performance**

- a) Select and calculate relevant indicators of financial and non-financial performance.
- b) Identify and evaluate significant features and issues in financial statements.
- c) Highlight inconsistencies in financial information through analysis and application of knowledge.
- d) Make inferences from the analysis of information taking into account the limitation of the information, the analytical methods used and the business environment in which the entity operates.

8. CURRENT DEVELOPMENTS

- **Environmental and social reporting**

- a) Appraise the impact of environmental, social, and

ethical factors on performance measurement.

- b) Evaluate current reporting requirements in the area]
- c) Entities might include disclosures relating to the environment and society.

- **Convergence between national and international reporting standards**

- a) Implications of worldwide convergence with International Financial Reporting Standards.
- b) Implementation issues arising from the convergence process.

- **Comparison of national reporting requirements**

- a) Major differences in accounting practices, including culture.
- b) Discuss the influence of national regulators on international financial reporting.

- **Current reporting issues**

Current issues in corporate reporting.

Reading Material

1. International Financial Reporting Standards (IFRSs/IASs), International Accounting Standards Board, 166 Fleet Street, EC4A2DY, London.
2. A Student's Guide to International Financial Reporting Standards, by Clare Finch, Kaplan Publishing.
3. Financial Reporting (INT): Study Text, Author and Publisher BPP Learning Media.
4. Corporate Reporting (INT): Revision kit, Author and Publisher BPP Learning Media.
5. Corporate Reporting GBR, Author and Publisher BPP Learning Media.
6. Building Public Trust: The future of Corporate Reporting by Samuel, DiPazza, and Robert G. Eccles pub-
7. Financial Reporting by Association of Chartered Certified Accountants, Published by Kaplan.
8. Companies Ordinance 1984 and Article of Association, Govt. of Pakistan.
9. Prospectuses for Allotment of Shares & Securities of Companies, Govt. of Pakistan.
- 10 Modern Advance Accounting by E. John Larsen published by Mc-Graw-Hill Companies New York.
11. Any other book/material.

PROFESSIONAL

MODULE -5

COURSE CODE P-501

CORPORATE LAW & GOVERNANCE

SYLLABUS

1 COMPANY LAW

- Companies and other forms of business organisation, the development of company law.
- How a company is formed, types of company that may be formed, memorandum of association (including the objects and powers clauses), articles of association, and the promoters.
- Flotation of a company, application for and allotment of shares, commencement of business.
- Separate legal personality of the company, lifting the veil of incorporation, pre-incorporation contracts, the ultra virus rule, liability of a company in respect of unauthorized or irregular transactions, the doctrine of ostensible or apparent authority, the rule in Royal British Bank v. Turquand, tort and crime.
- The capital of the company – types of capital, the maintenance of capital and alteration and reduction of capital.
- Dividends and distribution of profits.
- Nature of a share, rights of the shareholder, duties of the shareholder, Different classes of shares, variation of rights of classes of shareholders, share certificates and warrants.
- Preference shares.
- Calls, liens, forfeiture and surrender of shares.
- Transfer and transmission of shares.
- Membership of the company – Becoming a Member, Capacity to be a Member, Register of Members, Disclosure of interests in shares.
- Shareholder agreements.
- Meetings of the Company.
- Majority and minority rights, the rule in Foss v. Harbottle and its exceptions.
- Borrowing by the company – borrowing powers of companies, debentures and floating charges, registration of charges and receivers.
- Insider dealing in shares.
- Investigation of a company's affairs.
- Winding up (by court and voluntary) creditors
- Directors appointment, Removal, Retirement.
- Audit of Accounts, Auditor appointment, retirement, appointment
- Prevention of oppression and management

2 EXAMINERSHIP, RECEIVERSHIP AND LIQUIDATIONS

- Appointment, rights and duties an Examiner.
- Powers of Examiner.
- Examiner ship process
- Examiner's report.
- Schemes of arrangement.
- Appointment, rights and duties of a Receiver.
- Powers of a Receiver.
- Appointment, rights and duties of a Liquidator.
- Types of winding up, compulsory winding up, voluntary

AIM

This subject aims to ensure that students understand the application of key aspects of business and commercial law to business organizations and recognize issues that require the advice of a legal professional. They must understand, apply and advise on the regulatory and governance requirements applicable to business organizations.

winding up.

- Effects of examiner ships, receiverships or liquidations on shareholders, directors and employees.
 - Charges and crystallization of charges
 - Order of payment of debts and charges on liquidation.
 - Protection of investors and creditors.
 - Investigation of officers' conduct. – Civil and criminal remedies.
 - Accounts of an Examiner, Receiver and Liquidator.
- #### 3 COMMERCIAL CREDIT AND SECURITY
- Types of credit – vendor credit, lender credit, fixed term and revolving credit.
 - Types of security – real security, possessor security interests, pledges, liens, non-possessor security interests, mortgages, charges, personal security, guarantees, indemnities, letters of credit, performance guarantees, letters of comfort, quasi-security, retention of title, bills of exchange, set-off agreements, use of assets as quasi-security.
 - Formalities and registration of security interests, Bills of Sale Acts, Companies Acts.
- #### 4 CORPORATE GOVERNANCE
- Definition(s) of Corporate Governance
 - Agency Theory – potential conflicts of interest.
 - The role of the executive board – board structures, holding board meetings, importance of agendas and meetings, accountability of boards. Directors' responsibility for Internal Control.
 - Remuneration, transparency and accountability – the design of incentive compatible contracts, management incentives, role of remuneration committees, legal and stock exchange requirements, recognition and remuneration systems, disclosure requirements.
 - Developing and supporting a compliance culture – directors' compliance statements, role of the audit committee, role of no executive board members.
 - Corporate Regulation, the objectives and functions of:
 - ⇒ The Companies Registration Office (CRO)
 - ⇒ *Administration of the company the directors, the secretary, the annual return accounts and audit, mergers, arrangements, reconstructions and takeovers.*
 - ⇒ Office of the Director of Corporate Enforcement (ODCE)
 - ⇒ Stock Exchange (ISE)
 - ⇒ The Financial Regulator
 - ⇒ Irish Auditing and Accounting Supervisory Authority (IAASA).
 - The Combined Code.
 - Emerging issues and developments in Corporate Governance.
 - Irish Auditing and Accounting Supervisory Authority (IAASA).
 - The Combined Code.
 - Sarbanes Oxley Act—objectives, provisions and re-

quirements and impact.

- Emerging issues and developments in Corporate Governance.
- Non Banking Finance Companies.
- Investment companies/ Banks, Leasing Companies, Modaraba.

- Arbitration arrangements reconstruction

5 APPROACHES TO CORPORATE GOVERNANCE

- Essentials of 'rules' and 'principle based approaches to corporate governance. Includes discussion of 'comply or explain'.
- Different models of business ownership that influence different governance regimes (e.g family firms versus joint stock company- based models).
- Reasons behind the development and use of codes of practice in corporate governance (acknowledging national differences and convergence).
- Development of corporate governance codes in principles
⇒ based jurisdictions.
⇒ Impetus and background.
⇒ Major corporate governance codes.
⇒ Effects of.

6 CORPORATE GOVERNANCE AND CORPORATE SOCIAL RESPONSIBILITY

- Social responsibility in the context of corporate governance.
- Concept of stakeholders and stake holding in organizations and how this can affect strategy and corporate governance.
- Issues of 'ownership' 'property' and the responsibilities of ownership in the context of shareholding.
- Concept of the organization as a corporate citizen of society with rights and responsibilities.

7 GOVERNANCE: REPORTING AND DISCLOSURE

- General principles of disclosure and communication with shareholders.
- 'Best practice' corporate governance disclosure requirements.
- Mandatory and voluntary disclosure of corporate information in the normal reporting cycle.
- Nature of, and reasons and motivations for, voluntary disclosure in a principles – based reporting environment.
- Purposes of the annual general meeting and extraordinary general meetings for information exchange

between board and shareholders.

- Role of proxy voting in corporate governance.

8 LAW OF AGENCY

- Introduction – nature and consequences of agency, identifying agents, types of agent, agency distinguished.
- Authority and power.
- The effects of agency.
- Principal and agent relations.

9 LAW OF EMPLOYMENT

- Contract of employment, contract of service and contract for services.
- Formation of the contract.
- Terms of the contract.
- Rights of the employee.
- Duties and rights of the employer.
- Termination, unfair and wrongful dismissal, redundancy.
- Maternity leave, Paternity leave, Adoptive leave, Parental leave, Force majeure leave – rights and entitlements.

10 GOVERNANCE AND RESPONSIBILITY

- Meaning of corporate governance.
- Issues raised by joint stock company as dominant form of business organization and the separation of ownership and controlled over business activity
- Purposes and objective of corporate governance
- Context of corporate governance., the key under pinning concepts of:
 - * Fairness.
 - * Openness/transparency.
 - * Independence.
 - * Probity/honesty.
 - * Responsibility.
 - * Accountability.
 - * Reputation.
 - * Judgment.
 - * Integrity.
- Objective, content and leavication of corporate governance codes intended to apply to multiple national jurisdictions
 - * Organization for economic cooperation and development (OECD) Report (2004).
 - * International corporate governance network (ICGN) Report (2005).

READING MATERIAL

1. Company Law & Secretarial Practice in Pakistan by Prof. Dr. Khawaja Amjad Saeed, Institute of Business Management, G.P.O Box No. 1164, Lahore.
2. Practical Approach to Companies Ordinance 1984 by Nazir Ahmed Shaheen, Federal Law House, H/136 Murree Road, Committee Chowk, Rawalpindi.
3. Company Secretarial Practice by Q.A Wadud, Royal Book Company, 232, Saddar Cooperative Market, Abdullah Haroon Road, P.O.Box No. 7737, Karachi 74400.
4. Secretarial Practice by D.P.Jain, Konark Publishers (Pvt) Limited.
5. Bare Acts, Govt. of Pakistan Publishers, Karachi.
6. Manual of Corporate Governance by SECP, SECP Islamabad.
7. Corporate Law (Text Book) by Rober Carless Clark, Amazon.Com,
8. Kelly A. Holmes & R Hayward, Business Law, 5th edition, Cavendish, 2005.
9. Law for Business 13th edition, by Denis Keenan, Smith & Keenan, Published by Pearson Education, 2006.
- 10- Any other book/material

PROFESSIONAL**MODULE-5****COURSE CODE P-502****ADVANCE PERFORMANCE MANAGEMENT****SYLLABUS****AIM**

To disseminate relevant knowledge, skills and exercise professional judgment in selecting and applying strategic management accounting techniques in different business contexts and to contribute to the evaluation of the performance of an organisation and its strategic development.

1 STRATEGIC PLANNING AND CONTROL

- **Introduction to strategic management accounting**
 - a) Role of strategic management accounting in strategic planning and control.
 - b) Role of corporate planning in clarifying corporate objectives, making strategic decisions and checking progress towards the objectives.
 - c) Compare planning and control at the strategic and operational levels within a business entity.
 - d) Organizational survival in the long term necessitates consideration of life cycle issues.
 - e) Use of strategic management accounting in the context of multinational companies.
 - f) Scope for potential conflict between strategic business plans and short-term localised decisions.
 - g) SWOT analysis may assist in the performance management process.
 - h) Benefits and difficulties of benchmarking performance with best practice organizations.
 - i) Risk and uncertainty play an especially important role in long term strategic planning and decision-making that relies upon forecasts of exogenous variables.
 - j) Impact of government policy on an organisation and its strategy formulation and implementation.
- **Appraisal of alternative approaches to budgeting for control**
 - a) Strengths and weaknesses of alternative budgeting models and compare such techniques as fixed and flexible, rolling, activity based, zero based and incremental.
 - b) Budgeting difference in not-for-profit organizations and profit-seeking organizations.
 - c) Issues raised by advocates of 'beyond budgeting'.
 - d) Behaviour aspects of budgeting for control and impact of such behaviour on corporate performance.
- **Changes in business structure and management accounting**
 - a) Effectiveness of traditional management accounting techniques within a rapidly changing business environment.
 - b) Particular information needs of organizations adopting a functional, divisional or network form and the implications for performance management.
 - c) Concept of business integration and the linkage between people, operations, strategy and technology.
 - d) Influence of Business Process Reengineering on systems development and improvements in organizational performance.
 - e) Application of activity-based management.
 - f) Required changes in management accounting systems as a consequence of empowering staff to manage sectors of a business.

- **Effect of Information Technology (IT) on modern management accounting**
 - a) Changing accounting needs of modern service orientated businesses compared with the needs of traditional manufacturing industry.
 - b) Modern IT systems provide the opportunity for instant access to management accounting data throughout the organisation and their potential impact on business performance.
 - c) Modern IT systems facilitate the remote input of management accounting data in an acceptable format by non-finance specialists.
 - d) Modern information systems provide instant access to previously unavailable data that can be used for benchmarking and control purposes and help improve business performance.
 - e) Businesses to continually refine and develop their management accounting and information systems if they are to maintain or improve their performance in an increasingly competitive and global market.

2 ECONOMIC, FISCAL AND ENVIRONMENTAL FACTORS

- **Impact of world economic and market trends**
 - a) Impact and influence of external environmental factors on an organisation and its strategy.
 - b) Pricing and other business strategies in order to maintain or improve competitive position and performance.
- **Impact of national fiscal and monetary policy on performance**
 - a) Need to consider the environment in which an organisation is operating when assessing its performance, including:
 - i) Political climate
 - ii) Market conditions
 - iii) Funding
 - b) Impact of governmental regulation on performance measurement techniques used and the performance levels achieved (for example, in the case of utility services and former state monopolies).
- **Other environmental and ethical issues**
 - a) Ways in which stakeholder groups operate and how they effect an organisation and its strategy formulation and implementation.
 - b) Ethical issues that may impact on strategy formulation and business performance.
 - c) Ways in which stakeholder groups may influence business performance.

3 PERFORMANCE MEASUREMENT SYSTEMS AND DESIGN**Management accounting and information systems**

- a) Accounting information requirements for strategic plan-

ning, management control and operational control and decision-making.

- b) Management accounting, ways in which the information requirements of a management structure are affected by the features of the structure.
- c) Objectives of management accounting and management accounting information.
- d) Integration of management accounting information within an overall information system.
- e) Merits of, and potential problems with, open and closed systems.
- f) Highlight the ways in which contingent (internal and external) factors influence management accounting and its design and use.
- g) Anticipated human behaviour influence the design of a management accounting system.
- h) Impact of responsibility accounting on information requirements

- **Internal sources of management information**

- a) Principal internal sources of management accounting information.
- b) Principal internal sources of management information might be used for control purposes.
- c) Direct data capture and process costs of internally generated management accounting information.
- d) Indirect costs of producing internally generated information.
- e) Factors that need to be considered when determining the capacity and development potential of a system.

- **External sources of management information**

- a) Common external sources of information.
- b) Costs associated with external sources.
- c) Limitations of using externally generated information.
- d) Categories of external information that is likely to be a useful addition to an organization's management accounting system.
- e) Information used in planning and controlling activities e.g. benchmarking against similar activities.

- **Recording and processing methods**

- a) Type of business entity will influence the recording and processing methods.
- b) IT developments e.g. spreadsheets, accountancy software packages and electronic mail may influence recording and processing systems.
- c) Difficulties associated with recording and processing data of a qualitative nature.

- **Management reports**

- a) Principal controls required in generating and distributing internal information.
- b) Procedures that may be necessary to ensure security of highly confidential information that is not for external consumption.

4 STRATEGIC PERFORMANCE MEASUREMENT

- **Performance hierarchy**

- a) Purpose, structure and content of a mission statement and their potential impact on business performance.
- b) Ways in which high level corporate objectives are developed.

- c) Strategic objectives and discuss how they may be incorporated into the business plan.
- d) Strategic objectives are cascaded down the organisation via the formulation of subsidiary performance objectives.
- e) Social and ethical obligations that should be considered in the pursuit of corporate performance objectives.
- f) Performance 'planning gap' and evaluate alternative strategies to fill that gap.
- g) Characteristics of operational performance.
- h) Relative significance of planning as against controlling activities at different levels in the performance hierarchy.

- **Scope of strategic performance measures in private sector**

- a) Primary objective of financial performance should be primarily concerned with the benefits to shareholders.
- b) Crucial objectives of survival and business growth.
- c) Appropriateness of, and apply different measures of performance, including:

- * Capital Employed (ROCE)
- * Investment (ROI)
- * Earnings Per Share (EPS)
- * Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)
- * Residual Income (RI)
- * Net Present value (NPV)
- * Internal Rate of Return (IRR)

- d) Changing organization's structure, culture and strategy will influence the adoption of new performance measurement methods and techniques.
- e) Short and long run financial performance and the resulting management issues.
- f) Traditional relationship between profits and share value with the long term profit expectations of the stock market and recent financial performance of new technology/communications companies.

- **Strategic performance issues in complex business structures**

- a) Use and the application of strategic models in planning and assessing the business performance of an entity, such as Ansoff, Boston Consulting Group and Porter.
- b) Problems encountered in planning, controlling and measuring performance levels, e.g. productivity, profitability, quality and service levels, in complex business structures.

- **Divisional performance and transfer pricing issues**

- a) Performance measures relevant in a divisionalised organisation structure including ROI, RI and Economic value added (EVA).
- b) Need for separate measures in respect of managerial and divisional performance.
- c) Circumstances in which a transfer pricing policy may be needed and discuss the necessary criteria for its design.
- d) Use of alternative bases for transfer pricing.
- e) Issues that require consideration when setting transfer prices in multinational companies.

- **Scope of strategic performance measures in not-for-profit organizations**

- Potential for diversity in objectives depending on organisation type.
- Need to achieve objectives with limited funds that may not be controllable.
- Ways in which performance may be judged in not-for-profit organizations.
- Difficulties in measuring outputs when performance is not judged in terms of money or an easily quantifiable objective.
- Combination of politics and the desire to measure public sector performance may result in undesirable service outcomes.
- Value for money' service provision as a measure of performance in not-for-profit organizations and the public sector.

- **Behavioural aspects of performance measurement**

- Relationship between performance measurement systems and behaviour and how the latter can influence performance.
- Accountability issues that might arise from performance measurement systems.
- Ways in which performance measurement systems may send the 'wrong signals' and result in undesirable business consequences.
- Potential beneficial and adverse consequences of linking reward schemes to performance measurement.
- Management style needs to be considered when designing an effective performance measurement system.

5 PERFORMANCE EVALUATION AND CORPORATE FAILURE

- **Alternative views of performance measurement**

- 'Balanced scorecard' approach as a way in which to improve the range and linkage between performance measures.
- 'Performance pyramid' as a way in which to link strategy, operations and performance.
- Work of Fitzgerald and Moon that considers performance measurement in business services using building blocks for dimensions, standards and rewards.

- **Non-financial performance indicators**

- Interaction of non-financial performance indicators with financial performance indicators.
- Implications of the growing emphasis on non-financial performance indicators.
- Significance of non-financial performance indicators in relation to employees.
- Significance of non financial performance indicators in relation to product/service quality e.g. customer satisfaction reports, repeat business ratings, customer loyalty, access and availability.
- Difficulties in interpreting data on qualitative issues.
- Significance of brand awareness and company profile and their potential impact on business performance.

- **Predicting and preventing corporate failure**

- Potential likelihood of corporate failure, utilizing quantitative and qualitative performance measures.
- Quantitative and qualitative corporate failure prediction models.
- Performance improvement strategies that may be adopted in order to prevent corporate failure.

6 CURRENT DEVELOPMENTS AND EMERGING ISSUES IN PERFORMANCE MANAGEMENT

- **Current developments in management accounting techniques**

- Ways through which management accounting practitioners are made aware of new techniques and how they evaluate them.
- Changing role of the management accountant in today's business environment as outlined by Burns and Scapens.
- Application of Japanese business practices and management accounting techniques, including Kaizen costing, Target costing, Just-in-time, and Total Quality Management d) Discuss, evaluate and apply environmental management accounting.

- **Current issues and trends in performance management**

- Value-based management approaches to performance management.
- Other recently developed performance measurement frameworks; e.g. Six Sigma; the Performance Prism.
- Contemporary issues in performance management.
- Changing organization's structure, culture and strategy will influence the adoption of new performance measurement methods and techniques.

READING MATERIAL

1. Advance Performance Management complete text Published by Kaplan Publisher
2. Advance Performance Management Published by BPP Learning Media
3. Performance Management by BPP Learning Media
4. Advance Performance Management Kit by BPP learning Media
5. Strategic Performance Management by Bernard Marr Published by Bullerworth Heinemann C Dury
6. Management and Cost Accounting (7th Edition) Published by International Thomas Business Press. ISBN.
7. Any other book/material.

PROFESSIONAL

MODULE -5

COURSE CODE P-503

ADVANCED MANAGEMENT ACCOUNTING

AIM

The objective of this course is to enable the students to develop:

A sound analytical and critical abilities.

A detailed knowledge of the principles and practice of cost accumulation systems.

A comprehensive understanding of the role of accounting information in planning and control.

A comprehensive understanding of the role of accounting information in decision-making and performance evaluation.

An awareness of current development and newly evolving practices in management accounting (including an ability to apply these practices).

SYLLABUS

1. COST ACCUMULATION SYSTEMS:

- Review of overhead, concepts of allocation, apportionment and absorption.
- Review of job costing and process costing. (Detailed numerical questions on process costing not asked at this level.)
- Joint product costing to include methods of apportioning joint costs and accounting for by-products.
- Activity-based costing (ABC). This topic includes an understanding of the limitations of ABC. Activity based costing applications. Understanding of the developing role of ABC (e.g. activity based cost management, customer profitability analysis and activity based budgeting).

2. INFORMATION FOR DECISION MAKING:

- Cost estimation techniques including the high-low, scatter graph and simple regression methods. Applications of the learning curve.
- Cost-volume profit analysis (CVP) including multi product firms, taxation, margin of safety, construction of break-even charts and an understanding of the assumption underlying CVP analysis.
- Cost concepts for decision making, relevant costs, sunk costs and opportunity costs. Applications of these concepts to various decisions such as deleting a segment, make or buy decisions, special selling price decisions, use of discounted cash flow; DCF (IRR is excluded).
- Decision making and the influence of limiting factors.
- Accounting information for pricing decisions, to include economic and cost-based pricing.
- Target costing.
- Limitations of cost-based pricing.
- Decision making under conditions of risk and uncertainty to include the use of probabilities and expected values. (Numerical linear programming questions will not be asked).

3. INFORMATION FOR PLANNING AND CONTROL:

- Budgetary control: static versus flexible budgeting. An understanding of the limitations of the incremental approach to budgeting. Zero-base budgeting. Management control structure including cost, profit and investment centres. Control of engineered, discretionary and committed costs. Capital budgeting and investment decisions. Behavioural aspects of budgeting.
 - Standard costing and variance analysis: comprehensive analysis of main and subsidiary variances including materials mix and yield variances, sales mix and sales quantity variances. Reconciling budgeted profits and actual profit. Critical appraisal of standard costing in a world class manufacturing environment.
 - Planning and operational variances (Including market share and market size variances)
- #### 4. PERFORMANCE EVALUATION:
- Measuring divisional profitability including an understanding of return on investment and residual income (Annuity Depreciation is excluded).
 - Non-financial measures of performance including an understanding of the balanced scorecard. The objectives and methods of transfer pricing.
- #### 5. CURRENT DEVELOPMENTS IN MANAGEMENT ACCOUNTING:
- Cost of quality management including an understanding of prevention costs, appraisal costs, internal failure costs and external failure costs.
 - Activity based cost management.
 - Benchmarking.
 - Strategic management accounting.
 - Total Quality Management (TQM) and Just-in-Time (JIT) Manufacturing The three competency levels are grouped in ascending order:
 - a. **Knowledge & Understanding** (Ability to locate and acquire knowledge).
 - b. **Application & Analysis** (The ability to apply knowledge and understanding effectively to the analysis of complex and unfamiliar situations).

- a. **Synthesis & Evaluation** (The ability to integrate knowledge with sound judgment in the critical evaluation of situations to develop creative solutions).

READING MATERIAL

1. Advanced Management Accounting (3rd edition) by Robert Kaplan and Anthony A. Atkinson, Published by Praeger.
2. Advanced Management Accounting by Ravi M kishore, Published by Taxmann.
3. Management and Cost Accounting (6th edition) by C: Duro, Thomson Learning, High Holborn Ouse, 50-51 Bedford Row, London.
4. Strategic Management by Leslie W. Tue Phyllis G. Hollan, published by McGraw-Hill.
5. Organisational Behaviour by Fred Luthans, Published by McGraw-Hill Companies, Inc. 1221 Avenue of the Americas, New York, NY 10020.
6. Management Accounting Business Strategy by PBP, Published by Professional Business Publications, Suite # 3, 5 Third Floor, Taj Arcade 72- Jail Road Lahore.
7. "Strategies Management" Concepts & Cases, 10th edition Fred R. David ,Published by Prentice Hall, Pearson Education, One Lake Street, Upper Saddle River, New Jersey 07458.
8. Any other book/material.

SPECIALIZATION**MODULE-6****COURSE CODE SP-601****ADVANCED TAXATION****AIM**

The objective of this paper is to disseminate comprehensive knowledge and understanding of the students on the income tax and sales tax laws prevailing in Pakistan. They shall also be expected to have command on the practical application of the taxation laws. A general knowledge of the Central Excise Law will also be examined.

SYLLABUS

- **THE INCOME TAX ORDINANCE, 2001**
- **THE INCOME TAX RULES, 2002**
- **THE SALES TAX ACT, 1990**
- **THE SALES TAX ORDINANCE, 2000 PROMULGATED BY THE PROVINCES**
- **THE ISLAMABAD CAPITAL TERRITORY (TAX ON SERVICES) ORDINANCE, 2001**
- **THE CENTRAL EXCISE ACT, 1944**
- **NOTIFICATIONS, RULES, GENERAL ORDERS AND CIRCULARS ISSUED UNDER THE ABOVE MENTIONED LAWS.**

As students are required to have comprehensive knowledge of the laws described above, detailed contents are, therefore, not

given hereunder. The students are expected to possess profound understanding of the subject over and above what they have already learnt stage. Topics examined earlier may or may not be directly re-examined, however, students would need to utilize knowledge and skills already learnt. This syllabus will be examined from summer 2003 examination. Knowledge of specific agreements for avoidance of double taxation will not be required. Candidates are also not expected to quote specific legal cases. Case studies / scenario based questions will be set in the examination. Notifications and circulars in respect of Finance Act/Ordinance, issued within a period of less than six months from the examination date will not be tested. However, the Finance Act/Ordinance would be examined from the attempt following its date of enforcement

READING MATERIAL

1. Complete Income Tax Law Volume I & II by S. A. Salam S S. Salam Publication Mcload Road, Lahore.
2. The Law & Procedure of Income Practical Problems (latest Edition) by Raza Naqvi, Taxation House Mcload Road, Lahore
3. The Sales Tax Ordinance 1990 (of Pakistan), Manager Printing Press, Govt of Pakistan.
4. Capital Value Tax in Pakistan, Manager Govt, Printing Press Govt of Pakistan.
5. Gains Tax Laws in Pakistan.
6. Any other book/material.

SPECIALIZATION

MODULE -6

COURSE CODE SP-602

ADVANCED AUDITING AND ASSURANCE

AIM

This paper ensures completion and expiation of professionals and application of techniques as to how analyze, evaluate and conclude on the assurance engagement and other audit and assurance issues in the context of best practice and current developments.

SYLLABUS

1 REGULATORY ENVIRONMENT

• International regulatory frameworks for audit and assurance services

- a) Need for laws, regulations, standards and other guidance relating to audit, assurance and related services.
- b) Legal and professional framework including:
 - i. The international standard-setting process
 - ii. The authority of national and international standards.
 - iii. Public oversight and principles of corporate governance.
- iv. The role of audit committees.
- c) Effectiveness of the different ways in which the auditing profession and audit markets are regulated.

• Money laundering

- a) Define 'money laundering' definition
- b) International efforts to combat money laundering.
- c) Scope of criminal offences of money laundering and how professional accountants may be protected from criminal and civil liability.
- d) Need for ethical guidance in this area.
- e) Accountants obligations to help prevent and detect money laundering including record keeping and reporting of suspicion to the appropriate regulatory body
- f) Importance of customer due diligence (CDD).
- g) Suspicious transactions and assess their impact on reporting duties
- h) Basic elements of an anti-money laundering program.

• Laws and regulations

- a) Responsibilities of management and auditors concerning compliance with laws and regulations in an audit of financial statements.
- b) Auditors considerations of compliance with laws and regulations and plan audit procedures when possible non-compliance is discovered.
- c) Non-compliance reporting.
- d) Withdrawal from an engagement.

2 PROFESSIONAL AND ETHICAL CONSIDERATIONS

• Code of Ethics for Professional Accountants

- a) Fundamental Principles and the conceptual framework approach.
- b) Threats to compliance with the fundamental principles.
- c) Effectiveness of available safeguards.
- d) Conflicts in the application of fundamental principles. Fraud and error
 - a) Responsibilities of management and auditors for fraud and error.
 - b) Matters and procedures to investigate actual and/or potential misstatements in a given situation.
 - c) How, why, when and to whom fraud and error should be reported and the circumstances when an auditor should withdraw.
 - e) The current and future role of auditors in preventing, detecting and reporting error and fraud.

• Professional liability

- a) Circumstances in which professional accountants may have legal liability.
- b) Factors to determine an auditor is negligent in given situations.
- c) Criteria for legal liability to given.
- d) Liability to client with liability to third parties.
- e) Precedents of case law.
- f) Evaluate the practicability and effectiveness of ways in which liability may be restricted.
- g) Audit and other opinions may be affected by limiting auditors' liability.
- h) Advantages and disadvantages of claims against auditors being settled out of court.
- i) Principal causes of audit failure.
- j) Ways in which the expectation gap might be bridged.

3 PRACTICE MANAGEMENT

• Quality control

- a) Principles and purpose of quality control of audit and other assurance engagements.
- b) Elements of a system of quality control relevant to a given firm.
- c) Quality control procedures that are applicable to a given audit engagement.
- d) Engagement in accordance with professional standards and reports are appropriate in the circumstances.

• Advertising, publicity, obtaining professional work and fees

- a) Need for guidance in these areas.
- b) Situations in which specified advertisements are acceptable.
- c) Restrictions on practice descriptions, the use of the ICPAP logo and the names of practicing firms.
- d) Reference to fees in promotional material.
- e) Determinants of fee-setting.
- f) Ethical and other professional problems involved in establishing and negotiating fees for a specified assignment.

• Tendering

- a) Reasons why entities change their auditors/ professional accountants.
- b) Matters is to submit a proposal or fee quote for an audit or other professional engagement
- c) Information required for a proposal.
- d) Content of an engagement proposal document.
- e) Criteria used to evaluate tenders received from audit firms in a given situation.
- f) Reasons of audit fees.
- g) 'Low balling' and impairs independence.

• Professional appointments

- a) Matters and the procedures to carry out before accepting a specified new client/engagement including:
 - i) client acceptance

- ii) engagement acceptance
- iii) agreeing the terms of engagement.
- b) Key issues that underlie the agreement and terms of an engagement with a client.
- c) Procedures for the transfer of books, papers and information following a new appointment.

4 ASSIGNMENTS

• Audit of historical financial information

- a) Key features of the following audit methodologies:
 - i) risk-based auditing
 - ii) 'top down' approach
 - iii) systems audit
 - iv) balance sheet approach
 - v) transaction cycle approach
 - vi) directional testing.
- b) Appropriate approach to a given assignment and recognize when an approach is unsuitable.

• Planning, materiality and assessing the risk of misstatement

- a) Matters in planning a given assignment including:
 - i) logistics (e.g. staff and client management, multiple locations, deadlines)
 - ii) use of IT in administration
 - iii) time budgets
 - iv) assignment objectives and reports required
 - v) client interface (e.g. communication methods)
 - vi) preliminary materiality assessment
 - vii) key financial statement risks
 - viii) an overall audit strategy.
- b) Materiality in financial reporting and auditing.
- c) Criteria to determine a matter is material and use and limitations of prescriptive rules in making decisions about materiality.
- d) Business risks in given situations.
- e) Factors that influence the assessment of a specified risk.
- f) Assessments of risks and materiality affect the nature, timing and extent of auditing procedures in a given situation.
- g) Appropriate risk assessment procedures, including analytical procedures.
- h) Risk of misstatement at the financial statement level and assertion level and audit procedures in response to assessed risks.
- i) Implications of a specified computer system (e.g. network) on an assignment

• Evidence

- a) Appropriateness and sufficiency of different sources of audit evidence and the procedures by which evidence may be obtained including:
 - i) analytical procedures
 - ii) management representations
 - iii) the work of others
 - iv) audit sampling
 - v) external confirmations
 - vi) audit automation tools.
- b) Audit procedures to obtain sufficient audit evidence from identified sources.
- c) Criteria for substantive analytical procedures.
- d) Analytical procedures to financial and non-financial data.
- e) Audit evidence
- l) specific assets, liabilities, transactions and events;

and

- ii) support financial statement assertions and accounting treatments (including fair values).
- f) Reasons for preparing and retaining documentation and the importance of reviewing working papers.
- g) Specific audit problems and procedures concerning related parties and related party transactions.
- h) Circumstances that may indicate the existence of unidentified related parties and select appropriate audit procedures.
- i) Use of written management representations as the primary source of audit evidence and as complementary audit evidence.
- j) Implications of contradictory evidence. Reliance on the work of an expert (e.g. a surveyor employed by the audit client).
- l) Appropriateness and sufficiency of the work of internal auditors and the extent to which reliance can be placed on it.

• Evaluation and review

- a) Procedures (including the use of analytical procedures and checklists) and assess their role in detecting material misstatements.
- b) Quantitatively and qualitatively.
 - i) audit tests and procedures
 - ii) actual and potential misstatements.
- c) Auditor's responsibilities for corresponding figures, comparative financial statements.
- d) Considerations and audit procedures relevant to initial engagements.
- e) Courses of action available to an auditor if a material inconsistency or misstatement of fact exists.
- f) Specify audit procedures designed to identify subsequent events that may require adjustment to, or disclosure in, the financial statements of a given entity.
- g) Going concern basis and mitigating factors.
- h) Evidence the appropriateness of the going concern basis in given situations.
- i) Adequacy of disclosures in financial statements and implications for the auditor's report with relating to:
 - i. inventory
 - ii. standard costing systems
 - iii. cash flow statements
 - iv. changes in accounting policy
 - v. construction contracts
 - vi. taxation
 - vii. segment information
 - viii. non-current assets
 - ix. fair value
 - x. leases
 - xi. revenue recognition
 - xii. employee benefits
 - xiii. government grants and assistance
 - xiv. borrowing costs
 - xv. related parties
 - xvi. earnings per share
 - xvii. impairment
 - xviii. provisions, contingent liabilities and contingent assets
 - xix. goodwill
 - xx. brands
 - xxi. research and development
 - xxii. other intangible assets
 - xxiii. capital instruments

xxiv. financial instruments
 xxv. investment properties
 xxvi. transition to International Financial Reporting Standards (IFRS)
 xxvii. share-based payment transactions
 xxviii. business combinations
 xxix. discontinued operations
 xxx. held for sale non-current assets.

- **Group audits**

- Matters to be considered before accepting appointment as principal auditor.
- Organization, planning, management and administration issues specific to group audits.
- Specific audit problems and audit procedures relating to:
 - the correct classification of investments
 - differing accounting policies and frameworks
 - fair values on acquisition
 - intangibles
 - taxation
 - goodwill on consolidation
 - intra-group balances, transactions and profits
 - related parties
 - events after the reporting period
 - entities in developing countries.
- Letters of support ('comfort letters') as audit evidence.
- Matters to be considered and the procedures to be performed when a principal auditor uses the work of other auditors in a given situation.
- Implications for the auditor's report on the financial statements of an entity.

- **Audit-related services**

- Nature of audit-related services, and the comparative levels of assurance provided by professional accountants.
- Audit-related services and an audit of historical financial statements
- An attestation engagement and a direct reporting engagement.
- Review engagements
 - a review of interim financial information
 - a 'due diligence' assignment (when acquiring a company, business or other assets).
- Importance of enquiry and analytical procedures in review engagements.
- General principles and procedures relating to a compilation engagement (e.g. to prepare financial statements).
- Agreed-upon procedures and compilation engagements do not (usually) meet the requirements for an assurance engagement.
- Form and content of:
 - a report of factual findings
 - a compilation report.

- **Assurance services**

- Main categories of assurance services and the benefits of providing these services to management and external users:
 - risk assessments
 - business performance measurement
 - systems reliability

- electronic commerce.
- Level of assurance (reasonable, high, moderate, limited, negative)
- Types of risk (e.g. strategic, operating, information).
- Operational measures and the reliability of performance information systems.
- Value for money audit and measures of economy, efficiency and effectiveness.
- Demand for reliable and timely reporting on financial information and the development of continuous auditing.
- Procedures for assessing internal control effectiveness.
- Using core technologies (e.g. EDI, e-mail, Internet, World Wide Web) and e-commerce.

- **Prospective financial information**

- 'Prospective financial information' (PFI) and a 'forecast', a 'projection', a 'hypothetical illustration' and a 'target'.
- Principles of useful PFI.
- Matters before accepting a specified engagement to report on PFI.
- Level of assurance that the auditor may provide and explain the other factors.
- Procedures to verify forecasts and projections relating to:
 - revenue
 - capital expenditure
 - revenue expenditure
 - profits
 - cash flows
 - Working capital
- Compare the content of a report on an examination of PFI with reports made in providing audit-related services.

- **Forensic audits**

- 'Forensic accounting', 'forensic investigation' and 'forensic audit'.
- Major applications of forensic auditing (e.g. fraud, negligence, insurance claims) and role of the forensic auditor as an expert witness.
- Fundamental ethical principles to professional accountants engaged in forensic audit assignments.
- Procedures and evidence appropriate to determining the loss in a given situation.
- Terms under which experts make reports

- **Internal audit**

- Objectives and principal characteristics of internal audit.
- Operational and compliance audits.
- Approach of cyclical compliance) and multi-site operations.
- Outsourcing internal auditing services.

- **Outsourcing**

- Approaches to 'outsourcing' and 'in sourcing'.
- Advantages and disadvantages of outsourcing finance and accounting functions including:
 - data (transaction) processing
 - pensions
 - information technology (IT)
 - internal auditing
 - due diligence work
 - taxes.
- Impact of outsourced functions on the conduct of an audit.

5 REPORTING

• Auditor's reports

- a) Form and content of a standard unmodified auditor's report.
- b) Factors for forming an audit opinion in a given situation.
- c) Audit opinions consistent with the results of audit procedures.
- d) Extracts suitable for inclusion in an audit report.
- e) Implications of auditor's report on financial statements and compliance with IFRSs
- f) Assessment of proposed audit opinion.
- g) True and fair view'.
- h) Special purpose auditors' reports financial statements and an auditor's report on historical financial information.

• Reports to management

- a) Suitable content report and statements of facts, their potential effects and appropriate recommendations for action.
- b) Quality of a management letter.
- c) Reports to those charged with governance in a given situation.
- d) Need for timely communication, clearance, feedback and follow up.
- e) Effectiveness of communication methods.

• Other reports

- a) Form and content of the professional accountant's report for an assurance engagement as compared with an auditor's report.
- b) Content of a report on examination of prospective financial information.
- c) Effectiveness of the 'negative assurance' form of reporting.

6. CURRENT ISSUES AND DEVELOPMENTS

• Professional, ethical and corporate governance

- a) Relative advantages of an ethical framework and a rulebook.
- b) Adequacy of existing objectivity and measures to improve independence.
- c) Emerging ethical issues and safeguards.
- d) IFAC developments including:
 - i) implementation and adoption of International Standards on Auditing (ISAs)
 - ii) significant current assurance issues being dealt with by IAASB.
- e) Relative advantages and disadvantages of partnership status, limited liability partnerships and incorporation of audit firms.
- f) Current developments in the limitation of auditors' liability risk of litigation in a given situation.

- g) Innovations in corporate governance (e.g. enterprise-wide risk management) and their impact on boards of directors, audit committees and internal auditors.

• Information technology

- a) Trends in IT and their current and potential impact on auditors (e.g. the audit implications of 'cyber incidents' and other risks).[

• Translational audits

- a) 'Translational audits' and role of the Translational Audit Committee (TAC) of IFAC.
- b) Translational audits may differ from other audits of historical financial information (e.g. in terms of applicable financial reporting and auditing standards, listing requirements and corporate governance requirements).
- c) Need for international audit firm networks in implementing international auditing standards.
- d) Global auditing firms' and second tier firms.
- e) Impact of globalization on audit firms and their clients.
- f) Advantages and problems of current trends (e.g. to merge, to divest consultancy services).

• Social and environmental auditing

- a) Increasing importance of policies and relationship of an organization to its employees, society and the environment.
- b) Difficulties in measuring and reporting on economic, environmental social performance and sustainability indicators.
- c) Auditor's main considerations in respect of social and environmental matters and impact on entities and their financial statements (e.g. impairment of assets, provisions and contingent liabilities).
- d) Procedures to detect potential misstatements in respect of socio environmental matters).
- f) Form and content of an independent verification statement (e.g. on an environmental management system (EMS) and a report to society).

• Other current issues

- a) Potential problems associated with the audit of small enterprises.
- b) International Standards on Auditing and affect on smaller firms.
- c) Dominance of the global firms and their influence and impact on the accounting profession.
- d) Impact of developments in public company oversight on external auditors.
- e) Current developments in auditing standards and need for new and revised standards and their impact on the conduct of audits. Professional and practical matters affecting accountants, auditors. Their employers and the profession.

READING MATERIAL

1. Advanced Audit and Assurance (INT): Key Notes Published by Get Through Guides Ltd.
2. Audit & Assurance, Association of Certified Chartered Accountant, Published by Kaplan.
3. Audit & Assurance (UK) : Study Text, Published by BPP Learning Media.
4. Forensic Accounting and Fraud Investigation for non-experts, by H Silverstone and M Sheetz, 2nd edition, Published by Wiley, 2007.
5. Practical Auditing by Spice & Pegier, H.F.L Publishing Ltd.
6. Auditing by Culey and Baner South Western Publishing co.
7. Principles of Auditing by Depaula , Isaac Pitman & Sons Ltd
8. International IASC & Auditing Guideline by IASC IFAC & CLA Notification, ASC.IFAC. CLA
9. EDP Auditing conceptual Foundation & Practice by Ron Weber, McGraw Book co.
10. Any other book/material.

SPECIALIZATION

MODULE -6

COURSE CODE SP-603

ADVANCED FINANCIAL MANGEMENT

AIM

To apply relevant knowledge, skills and exercise professional judgment as expected of a senior financial executive or advisor, in taking or recommending decisions relating to the financial management of an organization.

SYLLABUS

1 ROLE AND RESPONSIBILITY TOWARDS STAKEHOLDERS

Conflicting stakeholder interests

- a) Potential sources of conflict within a given corporate governance/ stakeholder framework and alternative theories of managerial behaviour. Relevant theory is:
 - i) The Separation of Ownership and Control
 - ii) Transaction cost economics and comparative governance structures
 - iii) Agency Theory
- b) Appropriate strategies for the resolution of stakeholder conflict and advice on alternative approaches.
- c) Emerging governance structures and policies with respect to corporate governance (with particular emphasis upon the European stakeholder and the US/UK shareholder model) and role of the financial manager.

- **The role and responsibility of senior financial executive/advisor**

- a) Role of Board of directors of the firm in
 - i) Investment selection and capital resource allocation
 - ii) Minimising the firm's cost of capital
 - iii) Distribution and retention policy
 - iv) Communicating financial policy and corporate goals to internal and external stakeholders
 - v) Financial planning and control
 - vi) The management of risk
- b) Strategies for the achievement of the firm's goals in line with its agreed policy framework
- c) Strategies for the management of the financial resources of the firm such that they are utilised in an efficient, effective and transparent way.
- d) Ethical financial policy for the financial management the ethical principles of the Association.
- e) Areas within the ethical framework of the firm which may be undermined by agency effects and/or stakeholder conflicts and establish strategies for dealing with them.
- f) Advice on personal finance to individual as well as groups of investors.

- **Impact of environmental issues on corporate objectives and on governance**

- a) Issues of corporate objectives and governance from:
 - i) Sustainability and environmental risk
 - ii) The carbon-trading economy and emissions
 - iii) The role of the environment agency
 - iv) Environmental audits and the triple bottom line approach

- **Financial strategy formulation**

- a) Optimum capital mix and structure.
- b) Appropriate distribution and retention policy
- c) Capital investment monitoring and risk management systems.

- d) Framework for risk management comparing and contrasting risk mitigation, hedging and diversification strategies.

- **Ethical issues in financial management**

- a) Ethical dimension within business issues and decisions and advise on best practice in the financial management.
- b) Interconnectedness of the ethics of good business practice between all of the functional areas.
- c) Ethical framework for the development of a firm's financial policies and the assessment of ethical impact.

2. ADVANCED INVESTMENT APPRAISAL

- **Discounted cash flow techniques and the use of free cash flows**

- a) Potential value and capital investment project or portfolio. Project modeling should include
 - i) Inflation and specific price variation
 - ii) Taxation and the assessment of fiscal risk
 - iii) Multi-period capital rationing.
- b) Potential economic return.
- c) Firm's free cash flow and its free cash flow to equity
- d) Specified capital investment program, on a firm's current and projected dividend capacity.
- e) Free cash flow and alternative horizon and growth assumptions.

- **Impact of financing on investment decisions and adjusted present values**

- a) Impact of financing upon investment decisions of
 - i) Pecking order theory
 - ii) Static trade-off theory
 - iii) Agency effects and capital structure
- b) Present value technique and appraisal of investment decisions.
- c) Application of Monte Carlo simulation to investment appraisal and
 - i) Simple model design
 - ii) Types of distribution controlling the key variables within the simulation.
 - iii) Significance of the simulation output and the assessment of the likelihood of project success.
 - iv) Measurement and interpretation of project value at risk.

- **Application of option pricing theory in investment decisions**

- a) Understanding of option pricing theory:
 - i) using published data, the five principal drivers of option value (value of the underlying, exercise price, time to expiry, volatility and the risk-free rate).
 - ii) Underlying assumptions, structure, application and limitations of the Black-Schools model.
- b) Real options within a project and classifying them.
- c) Value of options to delay, expand, redeploy and withdraw.

- **International investment and financing decisions**

- a) Impact upon the value of a project of alternative exchange rate assumptions.
- b) Project or firm free cash flows and project's net present value or firm value.
- c) Significance of exchange controls for a given investment decision and strategies.
- d) Impact of a project upon a firm's exposure to translation, transaction and economic risk.
- e) Costs and benefits of alternative sources of finance.
- **Impact of capital investment on financial reporting**
- a) Impact of a significant capital investment project taking into account
 - i) Alternative financing strategies
 - ii) Foreign exchange translation
 - iii) Taxation and double taxation
 - iv) Capital allowances and the problem of tax exhaustion.

3. ACQUISITIONS AND MERGERS

- **Acquisitions and mergers versus other growth strategies**
- a) Acquisitions and mergers as a method of corporate expansion.
- b) Corporate and competitive nature of a given acquisition proposal.
- c) Criteria for choosing an appropriate target for acquisition.
- d) High failure rate of acquisitions in enhancing shareholder value.
- e) Potential for synergy separately classified as:
 - * Revenue synergy
 - * Cost synergy
 - * Financial synergy
 - * Valuation for acquisitions and mergers
- a) Argument and the problem of overvaluation.
- b) Potential near-term and continuing growth levels of a firm's earnings
- c) Impact of an acquisition or merger distinguishing.
 - i) Type 1 acquisition that do not disturb the acquirer's exposure
 - ii) Type 2 acquisitions that impact upon the acquirer's exposure
 - iii) Type 3 acquisitions that impact upon the acquirer's exposure to both financial and business risk.
- d) Valuation of a type 1 acquisition of both quoted and unquoted entities using:
 - i) 'Book value-plus' models
 - ii) Market relative models
 - iii) Cash flow models, including EVATM, MVA
- e) Valuation of type 2 acquisitions using the adjusted net present value model.
- f) Valuation of types 3 acquisitions using iterative revolution procedures
- g) Procedure for valuing high growth start-ups.
- **Regulatory framework and processes**
- a) Principal factors influencing the development of the regulatory framework for mergers and acquisitions
- b) Regulatory issues and
 - i) Shareholders' best interests
 - ii) Most appropriate defense
- **Financing acquisitions and mergers**
- a) Sources of financing for a cash-based acquisition
- b) Advantages and disadvantages of a financial offer for a given acquisition proposal.
- c) Impact of financial offer on the reported financial position and performance.

4 CORPORATE RECONSTRUCTION AND REORGANISATION

Predicting corporate failure

- a) Risk of corporate failure and using a range of appropriate financial evaluation methods
- b) Application of financial distress models and emerging markets.
- **Financial reconstruction**
- a) Company situation and financial reconstruction as most appropriate strategy or dealing with the problem as presented.
- b) Response of the capital market and/or individual suppliers of capital to any reconstruction scheme their response.
- c) A reconstruction scheme and impact upon the reported performance and financial position.
- **Business re-organisation**
- a) Strategies for unbundling parts of a quoted company.
- b) Financial and other benefits of unbundling.
- c) Financial issues relating to a management buy-out and buy-in.

5. TREASURY AND ADVANCED RISK MANAGEMENT TECHNIQUES

The role of the treasury function in multinationals

- a) Role of the money markets in:
 - i) Providing short-term liquidity to industry and the public sector
 - ii) Providing short-term trade finance
 - iii) Exposure to FOREX and interest rate risk.
- b) Role of the banks and other financial institutions in the operation of the money markets.
- c) Characteristics and role of the principal money market instruments:
 - i) Coupon bearing:
 - ii) Discount instruments
 - iii) Derivatives
- d) Role of the treasury management function within:
 - i) Short term management of the firm's financial resources
 - ii) Longer term maximization of shareholder value
 - iii) Management of risk exposure
- **Use of financial derivatives to hedge against forex risk**
- a) Operations of the derivatives market, including:
 - i. Relative advantages and disadvantages of exchange traded versus OTC agreements
 - II. Key features, such as standard contracts, tick sizes, margin requirements and margin trading.
 - lii. Source of basis risk and how it can be minimization.
- b) Hedging requirement, which of the following is the most appropriate strategy.
 - i) Use of the forward exchange market and the creation of a money market hedge
 - ii) Synthetic foreign exchange agreements (SAFE's)
 - iii) Exchange-traded currency futures contracts
 - iv) Currency swaps
 - v) FOREX swaps
 - vi) Currency options
- c) Use of bilateral and multilateral netting and matching as tools for minimising FOREX transactions costs.
- **The use of financial derivatives to hedge against interest rate risk**
- a) Hedging requirements and the most appropriate strategy
 - i) Forward Rate Agreements

- ii) Interest Rate Futures
- iii) Interest rate swaps
- iv) Options on FRA's (caps and collars), Interest rate futures and interest rate swaps.

- **Other forms of risk**

- a) Firm's exposure to political, economic, regulatory and fiscal risk and strategies for mitigation.
- b) Exposure to credit risk, including:
 - i) Role of, and the risk assessment models used
 - ii) Credit spread over risk free.
 - iii) Current cost of debt capital using the appropriate term structure.
- c) Role of option pricing models value of debt and its potential recoverability

- **Dividend policy in multinationals and transfer pricing**

- a) Firm's dividend capacity and its policy given:
 - i) Firm's short- and long-term reinvestment strategy
 - ii) Impact of capital reconstruction programs on free cash flow to equity.
 - iii) Availability and timing of central remittances
 - iv) Corporate tax regime within the host jurisdiction
- b) Policy on transfer pricing of goods and services across international borders and transfer pricing reflecting local regulations and tax regimes.

6 ECONOMIC ENVIRONMENT FOR MULTINATIONALS

- **Management of international trade and finance**

- a) Theory and practice of free trade and management of barriers.
- b) Major trade agreements and common markets and, advise on their policy and strategic implications.
- c) Objectives of the World Trade Organisation.
- d) Role of international financial institutions International-

al Monetary Fund, the Bank of International Settlements, The World Bank and the Central Banks.

- e) Role of the international financial markets management of global debt, financial development of the emerging economies and the maintenance of global financial stability.

- **Strategic business and financial planning for multinationals**

- **Development of a financial plan taking into account:**

- i) Compliance with national governance requirements (for example the LSE requirements for admission for trading)
- ii) The mobility of capital across borders and national limitations on remittances and transfer pricing.
- iii) Pattern of economic and other risk exposures in the different national markets
- iv) Agency issues in the central coordination of overseas operations and the balancing of local financial autonomy with effective central control.

7 EMERGING ISSUES

- **Developments in world financial markets**

Significance to the firm, of latest developments in the world financial markets and the removal of barriers to the free movement of capital and international regulations on money laundering.

- **Financial engineering and emerging derivative products**

Derivative products and risks in derivative trading and application following in management.

- i) Value at Risk
- ii) Scenario analysis
- iii) Stress testing
- Developments in international trade and finance
- Developments in the macroeconomic environment and

READING MATERIAL

1. Advanced Financial Management, Published by BPP Learning Media.
2. Advanced Financial Management, Complete Text, Publisher Kaplan.
3. Financial Management: Principles & Application (10th edition), by J.KEOWN & JOHN D. MARTIN. Amazon Co.
4. Financial Management and Policy by James C. Van Home, Prentice Hall of India (Pvt) Limited New Delhi 110001.
5. Financial Management I.M. Pandey, Vikas Publishing House, (Pvt) Limited 576, Masjid Road, Jangpura, New Delhi.
6. Management Accounting Financial Strategy by PBP, Professional Business Publications, Lahore.
7. Financial Management Theory and Practice by Eufene F. Brigham and Michael C. Ehrhardt, South Western, United Kingdom.
8. Financial Management M. Y Khan and P.K Jain, Tata Mc-Graw-Hill Publishing Co. Ltd. 4/12 Asif Ali Road, New Delhi.
9. Financial Analysis by PBP, Professional Business Publications, Lahore.
10. Any other book/material.

SPECIALIZATION

MODULE.6

COURSE CODE SP-611

FORENSIC ACCOUNTING

SYLLABUS

AIM

This subject disseminates the skills in accounting, auditing, and investigation in the fraud cases, preparation of evidences, reports, affidavits, giving oral evidence and support in courts, arbitration, mediation as well as fraud detection and prevention. The Forensic Accountants are specialist in conduct of inquiries, research, law, quantitative techniques Financial auditing, accounting and legal agreements.

1. INTRODUCTION TO THE FORENSIC ACCOUNTING

- Definition,
- Historical basis
- Types key areas Forensic Accounting
- Qualification of damages, and loss valuations
- Professional Negligence fraud investigation and family law matters.
- Forensic Accountants capabilities, minute analysis,
- Prompt Investigation,
- Keen Observation,
- Diplomatic Communication, creativity,
- Proficient in corporate and law, sixth Sense, photographic memory,
- professional, Creditability

2. FORENSIC ACCOUNTING AND TRADITIONAL AUDITING COMPRISATION AND CONTRACT

- Error identification and prevention
- Fraud identification, regulations
- Traditional audit report, audit assertion, evidence gathering procedures
- Audit tests and sampling
- Forensic science, criminalists
- Forensic evidence
- Expert testimony claim of custody competitive investigation
- Fraud symptoms, Interviews and interrogation,
- Techniques,
- Financial Statement
- Fraud Schemes and Characteristic,
- Corporate Governance,
- Fraud indicators.

3. ROLE OF FORENSIC ACCOUNTANT

- Accountant's Role in Perspective
- Role of Company Center
- Accountants and Auditors
- Fraud versus Error
- Reasonable Assurance
- Materiality

4. ACCOUNTANT'S RESPONSIBILITIES

- Independence, Objectivity, Skepticism
- Integrity and objectivity
- Professional Skepticism

5. FRAUD: AN INTRODUCTION

- Fraud: Prevalence, Impact, and Form
- Fraud in Historical Perspective
- Types of Fraud
- Root Causes of Fraud
- Deterrence, Auditing, and Investigation
- Auditing and Investigation

6. FRAUD DETECTION

- Fraud Detection
- Laying a Foundation of Detection
- Assessing the Risk of Fraud
- Fraud Risk Factors
- Information Technology
- Interpreting Potential Red Flags
- Identifying and Evaluating Risk Factors
- Information Gathering
- Analytic Procedures
- Company data, Company Budgets, Forecasts, or projection
- Analytic Techniques
- Evaluating Controls
- Unpredictable Audit Test
- Observation and Inspection
- Financial Statement Fraud: Detection Techniques
- Revenue Recognition
- Corruption
- Summary

7. FORENSIC ACCOUNTING INVESTIGATION

- Auditors are not Forensic Accounting Investigators
- Auditors are not Authenticators
- Auditors have limited Exposure to Fraud
- Auditors are not Guarantors
- Historically, Audits may have been Predictable
- Potential Trigger Points of Fraud
- Reliance on others

8. TEAMING WITH FORENSIC ACCOUNTING INVESTIGATOR

- Forensic Accounting investigators cooperation
- Internal Audit's Position and Function
- Resource Models
- Working Together
- Forensic Accounting Investigators' Cooperation
- Forensic Accounting Investigators objectives
- How should the investigation objective be defined
- Who should direct the investigation and why
- Ready when needed
- Where to find skilled Forensic Accounting Investigators
- Internal Audit
- Engaging External Forensic Accounting Investigators
- Accounting and Auditing Firms

9. ANALYZING FINANCIAL STATEMENT

- Vertical Analysis
- Horizontal Analysis
- Ratio Analysis
- Reasonable Testing
- Data-Mining Analysis

- Using Financial Ratios as measures of Risk
- Identifying other relationship that might indicate fraud
- Margin analysis
- Focus on disparity of net income to cash balances
- Identifying signs of earnings management

10. DATA MINING: COMPUTER-AIDED FORENSIC ACCOUNTING INVESTIGATION TECHNIQUES

- Benefits and Pitfalls
- Effective Data Mining
- Assessing Data Quality and Format
- Data Clearing
- Eliminating Duplicate Information
- Testing the Data for Completeness and Accuracy
- Skills of the Forensic Technologist
- Effective Use of data analysis Results
- Data mining in action
- Data storing
- Choice of tools
- Presenting Results
- Reviewing the essentials

11. EVIDENCE CREATED BY THE FORENSIC ACCOUNTANT

- What Evidence should be gathered
- Practices Act violations
- Improper Related-Party activity
- Employee Misappropriations
- Specific Allegations
- Financial Statement Errors
- Important Considered regarding documents and working papers

12. REPORT OF INVESTIGATION

- Types of Reports
- Importance of Adequate Preparation
- A pretrial conference of Accounting expectants and solicitors
- Clarification of facts
- Agreement on methodologies
- Preparation of Joint Statement
- List of Agreed issues and disagreement
- Joint Statement
- Cost Sharing
- Standard of Reporting
- ACFE standard
- The written report of Investigation
- Basic Elements to consider for inclusion in a report
- Summarizing findings
- Affidavits
- Giving a Deposition
- Mistakes to avoid in reporting
- Avoid overstatement
- Avoid opinion
- Identify control issues separately from investigative
- Findings of fact
- Use simple, straightforward language focused on the

facts

- Avoid subjective comments

13. WORKING WITH ATTORNEY

- Confidentiality requirements
- Forming the investigative team
- Documentation
- Civil Litigation
- Interviewing
- External Audit firm
- Working for or interacting with law Enforcement or Government Agencies
- Disagreements with counsel
- Conclusion

14. FORENSIC ACCOUNTANT AS AN EXPERT WITNESS

- Role of Forensic Accountant
- Forensic Accountant as an expert witness
- Qualification and admissibility of Accounting Evidence
- Expert's role in the Litigation team
- Pretestimony activities
- Trial and Testimony
- Summery

15. GENERAL CRITERIA AND STANDARD FOR EVALUATING AND EXPERT'S QUALIFICATIONS

- Credentials
- Personal Qualities of the Expert
- Sources for locating Expert witnesses
- Distinguishing the actual area of Competence

16. OTHER DIMENSIONS OF FORENSIC ACCOUNTING

- Construction
- Environmental issues
- Intellectual property
- Government Contracting
- Insurance and Business Interruption
- Material Dissolution
- Shareholder Litigation
- Business Valuation
- Business Combinations
- Cyber crime

17. LOOKING FORWARD: THE FUTURE OF FORENSIC ACCOUNTING

- Evolving Discipline
- New Tools
- Education and Training: to be Better Support
- Regulation and Enforcement
- Changing Corporate Environment
- Internal Audit
- Corporate Judgment Calls
- Forensic Accounting Investigators serving
- Individual Corporate Clients
- Non Financial Operating Data
- Responsibility for Disclosure and validation of NFOD
- Future of Forensic Accounting Investigation

READING MATERIAL

1. Forensic Accounting & Fraud Investigation by Howard Silver Stone and Michel Sheetz, Published by Wiley.
2. Forensic & Investigation Accounting by Larry Crumhler and Lester E.Heitger, published by C.C.H.
3. Fraud and Forensic Accounting by Jack Bologna and Rolette J Lindquist, Published by Willy.
4. Fraud Auditing and Forensic Accounting by Tommie Singleton and Aoran Singleton, published by Amazon.Com.
5. Journal of Forensic Accounting by Larry Crumliley, Published by R. T Eel wards, USA.
6. Any other Book/Material

SPECIALIZATION

MODULE -6

COURSE CODE SP-612

FRAUD INVESTIGATION AND AUDIT

AIM

This course seeks to highlight the challenges of fraud and its detection as well prevention as recognized now-a-days across the world. The professionals are required to:

Recognize the characteristics of organizations in which fraud is likely to occur.

Detect and deter accounting fraud, using the most recently developed techniques of investigation.

Conduct an efficient and systematic fraud investigation.

Use the latest methods for documenting fraud and preparing evidence and much more to carry out the audit of the organization.

SYLLABUS

1. FRAUD DEFINITIONS, MODELS, AND TAXONOMIES

- Classic Fraud Research
- Fraud Triangle
- Scope of Fraud
- Profile of Fraudsters
- Who is victimized by Fraud Most Often?
- Fraud Taxonomies
- Evolution of a typical fraud

2. FUNDAMENTALS OF FRAUD INVESTIGATION AND AUDIT

- Brief history of fraud and the Antifraud Profession
- Auditors Mind Set
- Steps in Fraud Investigation
- What is Fraud Auditing?

3. AUDITOR LIABILITY FOR DETECTING FRAUD

- Recent Developments in Auditor Liability

4. BASIC RULES OF EVIDENCE

- Relevance
- Burdens of proof
- Direct and circumstantial evidence
- The course of evidence
- Cross examination
- Re-examination
- Hearsay

5. BASIC RULES OF EVIDENCE

- Experts
- Documentary evidence
- Statutory provisions dealing with documents (Evidence Act, ss3.54-58G)

6. INVESTIGATION I

- Crime Investigation
 - General Investigation
 - Goals of Crime Investigation
 - Evidence and its sources
 - Successful Investigation
- Crime scenes – Search of the Crime Scene: Examination of exhibits

7. INVESTIGATION II

- Interviewing witnesses
 - Interviewing Techniques

- Specialized or supplementary techniques
- Documenting interviews (witness statements)
- Interrogation of Subjects
 - Interrogation fundamentals
 - Law relating to interrogation

8. ELEMENTS OF FRAUD RELATED OFFENCES

- Theft
- Obtaining property by Deception
- Obtaining a Financial Advantage
- False Accounting
- Furnishing False Information
- Falsification of Documents
- Fraudulently Inducing persons to invest money
- Secret commissions
- Conspiracy

9. CRIMINAL PROCEDURE CODE OF PAKISTAN

- Definition and scope
- Constituent Elements
- Rationale
- Categories of Documents and Communications – their status as privileged documents
- Procedure upon a claim for privilege

10. CASE MANAGEMENT

- Team structure
- Initial complaint
- Assessment phase
- Investigation
 - Objectives
 - Resources
 - Brief preparation

11. COMPUTER CRIME

- What is computer Forensic?
- Identification
- Preservation
- Extraction
- Documentation
- Interpretation

12. COMPUTER FORENSIC AT WORK

- Evidence Identification
- Forensic Methodologies
- Computer Crime scene

- Hardware based Evidence
- Operating system based Evidence
- Application Based Evidence
- 13. CIVIL PROCEDURE/CAUSES OF ACTION IN RELATION TO FRAUD**
- 14. FORENSIC EVIDENCE**
 - Role of Forensic Document Examination in Fraud Investigations.
 - Types of Examinations
 - Counterfeiting and Forgery
 - Legal Issues Case preparation
 - Evidence presentation: Case law & case studies Investigators Requirements – Document handling and preservation: collection of Standards and controls: Document protection issue.
- 15. FRAUD THEORY**
 - Fraud theory into the Audit Process
 - ATM: Awareness, Theory I, Methodology
- 16. THE FRAUD AUDIT**
- 17. ORGANIZATIONAL FRAUD RISK ASSESSMENT**
 - Risk Mitigation Decisions
 - Enterprise- Wide Risk Assessment
 - Business process Fraud Risk
 - Data Assessment
 - Fraud Penetration Risk Assessment
 - Fraud risk at the Mega risk level

- Building the Fraud Audit Program at the Mega Risk Level
- 18. FRAUD IN EXPENDITURE**
 - Formation of Front companies
 - Synopsis of Fraud scheme
- 19. BRIBERY**
 - Understanding the Legal Terms
 - Audit Elements
 - Audit Objective
 - Notes
- 20. REVENUE FRAUD**
 - Embezzlement of Cash Receipts
 - Other Embezzlement schemes
- 21. ASSET FRAUD SCHEMES**
 - Theft of Assets
 - Other Assets Fraud Scheme
- 22. FRAUD AUDIT REPORT**
 - Suspicious Transaction
 - Fraud Audit Report
 - Considerations for Fraud Audit Reports
 - Sample Fraud Audit Report
- 23. FRAUD INVESTIGATION FOR THE AUDITOR**
 - The difference between Audit and Investigation
 - Organization policies for Responding to Fraud
 - Framework for preparing an Investigation plan

READING MATERIAL

- 1- Corporate Fraud Handbook Prevention and Detection Second Edition by Joseph. T. Wells.
- 2- Fraud Case Book by Joseph. T Wells.
- 3- Fair Value Accounting- Fraud (New Global Risks & Detection Technologies) by Grand M Zack.
- 4- Computer Fraud Case Book (The bytes that Bite)By Joseph. T Wells.
- 5- Encyclopedia of Fraud 3rd Edition by Joseph T. Wells.
- 6- Computer and Internet Fraud Manual by Association of Certified Fraud Examiners.
- 7- Cyber Forensic (Manual for Collecting, Examining and Preventing Evidence of Computer Examine) by Abbert J Maccella Jr. e Doug Menendez
- 8- Fraud Case Book Lesson from the Bad Ride of Business by Joseph T Wells John Willy & Sons Publishing.
9. Any other book/material.

SPECIALIZATION

MODULE -6

COURSE CODE SP-613

ANTI MONEY LAUNDERING MEASURES AND BUSINESS ETHICS

AIM

The course aim:

1. To equip the students with the necessary knowledge and expertise to implement the provisions and the measures for countering money-laundering.
2. To increase the expertise and skills in the investigation and prosecution of financial crimes, particularly with regard to the financing of terrorism.
3. To enhance the legal, financial and operational capabilities to deal effectively with money-laundering.

SYLLABUS

PART I: ANTI MONEY LAUNDERING

1. Definitions

- Money Laundering
- Terrorism Financing
- Relationship with other crimes and world economy

2. Money Laundering

A. METHODOLOGY

- Placement
- Layering
- Integration
- Issuance of Cheque

B. SOURCES AND TECHNIQUES

- Crimes and Civil wrongs
- Nature of crimes
- Corruption, Drug Trafficking, Ransom, Counterfeiting, Copy Rights violations, Arms Smuggling, Stock Exchange Frauds Learning from 79 Federal Violations in USA
- Nature of Civil Wrongs
- Structured Insurance Policies, Letter of Credit, Abuse of Credit Cards, Structured Loans, Under or Over Invoicing, Transit Trade, Free Zone Concessions, Correspondent Banking, Negotiable instruments, Telegraphic Transfers, Off shore transactions.
- Formal Institutions
- Off shore or shell Banks, Insurance and Investments Companies, Bureau De Change, Pension Funds, Shell Corporations, Venture Capital, Casinos, Travel Agencies, Real Estate Agents.
- Informal Institutions
- Cash Business and Transactions, Hundi, Hawala, Fin Chin, Peso Exchange System, Antique Dealers, Precious Commodities dealers. Lotteries.

3. How the banks are abused?

- Review of the accounts with case Studies
- Review of the customers with case studies
- Review of the transactions with case studies

- Case studies of BCCI, Bank of America etc
- Walking Accounts and Numbered Accounts
- International Initiatives and relevance with KYC

A. INITIATIVES

- Concepts and Objectives
- Bank of International Settlement and Basel Committee
- UN Convention on Financing of Terrorism 1999
- UN Convention on Narcotic Drugs 1988
- OECD Conventions on Corruption and Bribery 1997
- UN Convention Against Transnational Organized Crimes 2000
- Financial Action Task Force's Recommendations (1990 and 2001) 40 + 8

B. IMPLICATIONS

- National and International Implications
- Initiatives by national agencies like State Bank, SECP and
- National Accountability Bureau.
- Identification, Monitoring, Training, Auditing And Anti Money
- Laundering Units
- Reporting to AML units and to Authorities.
- Global co-operation and KYC.

5. How to exercise KYC in Pakistan

- Procedure laid down by Financial Action Task Force
- Procedure laid down by State Bank
- Recommended steps
 - Step One Policy
 - Step Two Identification and Record Keeping
 - Step Three Monitoring
 - Step Four Reporting
- Evaluation of
- Customer related risks
- Transaction related risks
- Jurisdiction related risks
- Role of AML units and Compliance Officers

6. A review of legislation and initiatives within the trading partners USA, UAE, Japan and common law jurisdictions UK, India and banking havens like Switzerland ?

PART II: BUSINESS ETHICS

1. Ethics and approaches in Ethics
2. Ethical Power: Purpose, Perspectives, Patience, Persistence, Pride
3. Work Ethics:
 - Mission and Goal related
 - Work related
 - Style related
 - Belief related
4. Building Ethical Organization
 - Organizational Tools to Cultivate ethics
 - Ethical Decision making
5. Factors responsible for Ethical & moral erosion
6. Promoting ethics at work place.

READING MATERIAL

1. Anti-Money Laundering Measures – A Guide for Bankers, by Pakistan, Institute of Bankers.
2. Business Ethics in the Banking Sector, by Pakistan, Institute of Bankers
3. Banker's Guide on Anti-Money Laundering Initiatives & Legislation, by Munir A. Malik.
4. International Monetary Fund, Financial System Abuse, Financial Crimes and Money Laundering, Background Paper Washington D.C.IMF 2001.
5. The Money Launderers, How they do it and how to catch them at all" Chalford England, Management Books 2000, 2001, by Blunden Bon.
6. Financial Havens, Banking Secrecy and Money Laundering. US Crime Prevention and Criminal Justice News Letter 8, No 34/35 1998, by Jack A Blum.
7. Money Laundering and Financial Intermediaries. The Hague, Kluwer Law International 2001, by Salva Sandeep.
8. Selected reading of National Accountability Bureau Ordinance of 1999, Anti Narcotic Law of 1997 and Anti Terrorism Law of 1997 and the Circulars of SBP on KYC and related section of Prudential regulations.
9. Any other book/material.

SPECIALIZATION**MODULE -6****COURSE CODE SP-621****CAPITAL MARKET AND FINANCIAL PLANNING****PART-1 CAPITAL MARKET****AIM**

The aim of this course is to expand candidates' awareness and understanding of the process of investment management, financial markets, products offered and the interplay of macroeconomics on asset market movements and valuation, and acquaint the candidates with policy issues affecting development of securities markets, fiscal policies and their impact on corporate sector, investment and taxation and interest rates and inflation issues in investment management and familiarize the candidates with banking and financial services fields.

SYLLABUS**1. Capital Markets and Role of Participants in Development of Capital Markets**

- Capital Markets and Economic Development
- Regulators, financial institutions, accountants/auditors, government
- Issuers of securities in capital markets: private and public-sector companies; local and multinational companies
- Investors in capital markets: individuals and institutional players
- Professionals: brokers, dealers, underwriters, merchant and investment bankers, securities lawyers
- Financial intermediaries: commercial banks, merchant banks, mutual funds, insurance companies

2. Legal and Regulatory Framework

- Reasons behind the Regulations.
- The Regulations for Commercial Banks relating to Investment activities
- Government Regulations: securities exchange commissions, central banks, ministries of finance, registrar of companies affecting the Capital Market.
- Stock Exchange: rules and regulations, self or external regulation, membership and listing standards.
- Regulations of Securities Markets (SECP/ Government Regulations, Self Regulations and Circuit Breakers, Insider Trading
- Income Tax Regulations

3. Overview of Financial Markets and Investments

- Financial Assets: (Issuers (borrowers) and investors (lenders); Debt versus Equity claims.
- Financial Markets: (Classification and Functions of Financial Markets, Globalization of Financial Markets).
- Money Market Instruments (Treasury Bills, Certificates of Deposits, Bankers' Acceptances, Eurodollars, Repos and Reverse Repos, Call Money Market etc.
- Capital Market Instruments:
 - Fixed Income Instruments (Treasury Notes and Bonds, Municipal Bonds, Corporate Bonds, Term Finance Certificates, Asset Backed Securities etc.)
 - Equity Securities (Preferred Stocks, Common Stock
- Derivative Markets (Introduction only)
 - Options

- Futures Contracts

- Worlds' Leading Stocks and Bonds markets

4. Capital Markets in Pakistan

- Development of Financial/Capital Market in Pakistan
- Institutional Players and Their Role in Development of Capital Market in Pakistan (ICP, NIT, Commercial Banks)
- Role of SBP/SECP/Stock Exchanges and GOP in Development of Capital Market (Rules, Regulations, GOP Policies of Deregulation, Privatization etc.)
- Bond Market (Corporate Bonds, TFCs, PIBs)
- Mutual Funds
- Karachi/Lahore/Islamabad Stock Exchanges and Equity Market

5. Primary and Secondary Markets and Trading Mechanics

- How Firms Issue Securities; Role of Investment Bankers, Underwriting, Shelf registration, Primary Market and IPOs.
- Where Securities Are Traded; The Secondary Market, OTC Market, Third and Fourth Markets, Trading on Stock Exchange (The Participants, Types of Orders, Settlements, Carry Over Transactions/Cash Finance System /Trading on Margin etc.)
- Trading Costs
- Short Sales (with special reference to local Regulations)

6. Mutual Funds & Other Investment Companies

- Investment Companies and Their Types (Unit Investment Trusts, Managed Investment Companies).
- Mutual Funds and Their Types (Open-end and Closed-end Funds, Costs of Investing in Mutual Funds i.e. Fee Structure and Fees and Mutual Funds Returns, Taxation of Mutual Funds Income).

7. Interest Rates in the Financial System

- Definition of Interest Rates and Their Role in the Economy
- Theories of Interest Rates (Classical Theory, The Liquidity Preference Theory, The Loanable Funds Theory, The Rational Expectations Theory, Demand for and supply of funds under these theories).

8. Relationship between Interest Rates and Security Prices

- Measurement of Interest Rates, Basis Points, Security Prices.
- Real and Nominal Rates of Interest, The Equilibrium Real Rate of Interest
- Measures of the Rate of Return or Yield on a Security or Loan (Coupon Rate, One Holding-Period Yield and Their Calculation, Yield Price Relationship)

- Method of Interest Rates Charged by Institutional Lenders (Simple Interest Method, Add-On Rate of Interest, Discount Method, Annual Percentage Rate, Compound Interest Rates, The Annual Percentage Yield).

9. Default Risk and Other Factors Affecting Interest Rates.

- Marketability and Liquidity of Securities,
- Default Risk and Interest Rates,
- Call Privileges (Calculating Yield, Advantages/ disadvantages of Call Privilege etc.)
- Prepayment Risk and Interest Rates on Loan Backed Securities
- Convertible Securities

10. Risk and Return Analysis

- Definition of Risk and Return (One Holding period Return, Multiple –periods Return
- Measures of Risk and Return (Variance, Standard Deviation, Weighted Average Rate of Return, Geometric Rate of Return etc.)
- Selecting Individual Securities for Investment (Coefficient of Variance)

11. Portfolio Analysis and Risk Aversion

- Asset Risk Versus Portfolio Risk
- Systematic and Firm-Specific Risk
- Diversification and Portfolio Risk
- Diversification Strategies (simple, Across Industries, Superfluous, Markowitz Diversification etc.)
- Two Asst Portfolio's Risk and Return Analysis
- Asset Allocation with Stocks, Bonds and T-Bills
- Asset Allocation and Security Selection

12. Equilibrium in Capital Markets

- The Capital Asset Pricing
- Model and Its Application
- Arbitrage Pricing Theory Market Efficiency (Efficient Market Hypothesis)

13. Valuation of Fixed Income Securities

- Characteristics of Various Bond Types i.e. T-Bonds and Notes, Corporate Bonds, Preferred Stocks, Inter-

national Bonds, TFCs.

- Determining Intrinsic Value (Price/Value) of Bonds.
- Default Risk and Price of Bonds
- Bond Yields (Yield to maturity, Current Yield and Capital Gain Yield, Yield to Call, Yield to Maturity and Default Risk)
- Bond Prices Over time
- Return of Zero Coupon Bonds
- Managing Interest Rate Risk with Bonds (Interest Rate Sensitivity, Duration)

14. Equity Valuation

- Balance Sheet Methods (Book Value, Liquidation Value, Replacement Value) Intrinsic Value versus Market Price
- Dividend Discount Models (Zero-Growth Stocks, Constant-Growth Stocks, Non Constant-Growth Stocks)
- Price-Earnings Ratio (P/E Ratio and Growth Opportunities, P/E ratio and Stock Risk, Pitfalls in P/E Analysis)

15. Options Markets and Valuation

- Definition of Options
- Types of Options (American versus European Options, Call Vs Put Options)
- The Put-Call Parity Relationship
- Option like Securities (Callable Bonds, Convertible Securities, Warrants)
- Option Valuation (Intrinsic and Time Value, Black-Scholes Model)

16. Futures Markets

- Futures versus Forward Contracts (Definition, Contents of Futures Contracts)
- Mechanics of Trading in Futures Markets (The Clearinghouse and Open Interest, Marking to Market and the Margin Account, Cash versus Actual Delivery)
- Futures Markets Strategies (Hedging and Speculation, Basis Risk and Hedging)
- The Determination of Futures Prices
- Forwards versus Futures Pricing
- Foreign Exchange Futures
- Interest Rate Futures

PART-II FINANCIAL PLANNING

AIM

The objective is to enable the students to:

Develop conceptual understanding of the subject

Apply the methods and techniques to carry out financial planning and budgeting in financial institutions

Formulate financial plans and budgets to manage various financial activities, and

Evaluate the financial plans and budgets for effective financial control

SYLLABUS

1. Introduction to Financial Planning and Control

- Elements of financial planning: financial planning process, capital budgeting decisions, degree of financial leverage, dividend policy, and liquidity requirements
- Role of financial planning: examine interactions, ex-

plore options, identify possible outcomes, and ensuring feasibility and internal coherence

- Short term and long term plans
- Financial planning models

2. Financial Analysis and Control Tools

1. Financial ratio analysis

- Financial statements and their nature
- Major financial aspects and framework for their analysis
- Balance sheet ratios, income statement ratios, and trend analysis
- Common size and index analysis
- II. Cash flow analysis and financial planning**
- Sources and uses of funds/cash flow statement
- 3. Planning Function: Budget Process**
- Strategic plan
- Operating plans
- Financial plans or budgets
- Forecasting techniques
- Fundamentals of budgets
- Cost estimation and estimation techniques
- Preparation of budgets
- Cash budget
- Income and expense budget
- Budgeted balance sheet
- Use of Pro forma financial statements
- Variance analysis
- 4. Working Capital Management**
- I. Liquidity management**
- Introduction
- Working capital issues
- Decision on current asset composition – short term and long term mix
- Decision on current asset financing
- II. Cash and marketable securities**
- Reasons to hold cash
- Speeding up cash receipts and slowing down payments
- E – commerce
- Optimum cash balance
- Investment in marketable securities
- III. Account receivables and inventory management**
- Credit and collection policies
- Analysis of the credit applications
- Inventory control and management
- IV. Short term financing**
- Spontaneous financing
- Negotiated financing
- Factoring accounts receivables
- Composition of short –term financing
- 5. Valuation: the Basis of Financial Decision Making**
- Approaches to Valuation
- Discounted cash flow valuation
- Relative valuation
- Estimation of Discount Rate
- Cost of equity
- Weighted average cost of capital
- Estimation of cash flows
- Fixed-income bond valuation
- Preferred and common stock valuation
- Valuation of firm
- 6. Capital Budgeting**
- I. Principles of capital budgeting**
- Generation of investment proposals

- Estimation of the cash flows for the projects
- Evaluation of cash flows
- Selection of project based on acceptance criterion
- Continual reevaluation of investment projects after their acceptance
- II. Risk and Managerial options in capital budgeting**
- Problem of project risk
- Comparing Net Present Value (NPV) & Internal Rate of Return (IRR)
- Risk & Investment
- Total project risk
- Firm-portfolio approach
- Managerial options
- 7. Planning the Investment, Financing and Dividend**
- I. Evaluating investment options for risk and return**
- Defining risk and return
- Measurement of risk through probability distribution
- Attitude towards risk
- Diversification and portfolio management
- The Capital Assets Pricing Model
- II. Cost of capital**
- Cost of individual sources of capital
- Deriving weighted average cost of capital
- III. Determining the financing mix**
- Required rate of return
- Operating and financial leverage
- Making capital structure decision
- EBIT-EPS analysis
- Cash flow and ability to service debt
- IV. Dividend policy**
- Procedural aspects of dividend payment
- Dividend and its impact on firm value
- Stock split and bonus dividend
- Managerial consideration as to dividend policy
- 8. Financial Models / Financial Forecasting and Quantitative Methods**
- Mathematical models
- Terminology
- Descriptive and prescriptive models
- Deterministic and probabilistic models
- Computer models
- 9. Analyzing and Managing Financial Risk**
- Introduction – the changing financial environment
- Types of risks faced by the financial institutions
- Risk based analysis
- Analytical tools to assess risks
- Derivative securities
- Hedging risk
- Future markets
- Forward & Option contracts
- Interest rate and currency swaps
- Commodity contracts
- 10. Assets Liability Management (ALM) in Financial Institutions**
- Introduction
- The objectives and role of ALM Committee
- Accounting and Economic perspectives on ALM
- NIM and its decomposition

- The effects of rate, volume and mix on NIM and total revenue
- Interest rate sensitivity and GAP management
- Duration and value at risk
- Implementing ALM and management issues

11. Operational Areas:

- The major areas and decision scenarios where the subject could improve the effectiveness of management decisions are:
1. Formulating effective financial plans in financial institutions for improving performance
 2. Evaluation of financial health and performance of an entity through financial statement analysis and analysis of cash flows
 3. Use of forecasting techniques in financial planning
 4. Budgeting and preparation of forecasted financial statements
 5. Use of forecasted financial statements as a planning

and control tool

6. Planning and control of working capital and liquidity management
7. Capital budgeting – Evaluation of investment projects, cost of capital, evaluation techniques, sensitivity analysis, and mitigating the risk
8. Optimizing the capital structure and dividend decisions
9. Asset Liability Management in banks and financial institutions

12. Systems & Procedures

- Candidates are expected to develop thorough understanding of the basic concepts of financial planning and budgeting and their application in different areas of banking operations. To ensure an effective hands-on understanding of the techniques, procedures, and systems relevant to the course subject case studies and scenario based questions will be incorporated in the examination.

READING MATERIAL

Part-I

1. Investment (McGraw-Hill) by Bodie, Kane, and Marcus.
2. Investment Management (Prentice Hall) by Frank J. Fabozzi.
3. Money and Capital Markets (McGraw-Hill) by Peter S. Rose.
4. IBP Journals.
5. Publications of SBP, SECP, KSE, Brokerage Houses etc.
6. IBP- Development of Money and Capital Markets in Pakistan.
7. IBP-Development of Corporate Bond Market in Pakistan: Challenges and Prospects.
8. Any other book/material.

Part-II

1. Fundamentals of Financial Management, by James C Van Horne & John M Wacziarg Jr, published by Prentice Hall International, Inc.
2. Handbook of Financial Planning and Control, by M.A. Pocock & A.H. Taylor, published by Gower Press.
3. Cost Accounting Planning & Control, by Adolph Matz & Usry F. Milton published by South-western Publishing
4. Financial Management and Policy, by James C. Van Horne New, published by Prentice Hall International, Inc.
5. Financial Management Theory & Practice, by Eugene F. Brigham & Michael C. Ehrhardt, published by South Western, United Kingdom.
6. Financial Management, by M.Y Khan and P.K Jain, published by Tata Mc-Graw-Hill Publishing Co.Ltd.
7. Financial Planning & Control, by M. Mohsin, published by Vikas Publishing House.
8. Any other book/material.

SPECIALIZATION

MODULE-6

COURSE CODE SP-622

ADVANCED RISK MANAGEMENT

SYLLABUS

1. Network

- Overall profile of competition
- Deposit base, its mix and extent of support to the bank in asset funding and liquidity management
- Sale of the bank's range of products and services
- Risk asset base, its mix (legal entity types, facility and transaction types, skill support requirements, impact on bank's capital adequacy)
- Net contribution to bank's profitability
- Logistics problems (geographical access, connectivity, supervision and control)
- Competitive advantage/weakness
- Volatility (susceptibility of operations to disruption caused by external factors)

2. Product and Service Range

- Developing customers bases in the following market segments:
- Designing the product or service package
- Infrastructure needs

3 - Credit, operational and market risks management capability

4. Credit Risk

- Trend Analyses:
- Changes in borrower psyche resulting from:
- Expected loss model:
- Changes in the profile of support services:
- In-house risk assessment capacity

5. Operational Risk

- Definitions of operational risk:
- Operational risk management framework:
- Operational controls:
- Self-assessment versus risk assessment:

6. Market Risk

- Volatility trends in:
- Developing trends in BOP and PSBR:
- Trade flows:
- Geopolitical uncertainties and impact on trade flows:
- Development of monopolies, powerful groups in the domestic markets:

AIM

The objective of this course is to encourage bankers to develop the knowledge and skills as well as to equip themselves to identify and prepare for meeting these risks in the timeframes they unfold. What the bankers are expected to develop is a futuristic approach to risk management planning to enhance the preparedness of their banks for facing unfolding risks and market challenges. This skill has critical importance in ensuring the stability of the banking sector over extended periods. Keeping this objective in view areas with critical bearing on a bank's stability have been included in this course.

- Trends in contract performance ethics:
- Building-in risk factor into lending operations:
- Liquidity risk

8. Futuristic skills in the bank's human resource

9. Human resources

- Risk assessment skills
- Specialization in financing specific business sectors:
- Financial and risk analysis
- Specifying risk monitoring requirements
- Service delivery skills
- Familiarity with service requirements
- Familiarity with functioning and capability of delivery systems
- System weaknesses and contingency measures
- Supervisory skills
- New demands created by the variety of services and products on sale
- Remedies for the gaps in data processing and reporting system
- Bank's compliance needs
- Creative skills:

10. Information Technology

- Future demands
- Targets for eliminating manual operations:
- Risks and issues involved in centralized data processing
- Risk involved in software change

11. Sustainability of the required level of skilled workforce

- A rational and clear relationship between employee empowerment, performance support, and actual output to consolidate the credibility of the reward system
- Continuously monitor industry averages of compensation for various cadres
- Devise career development paths and demonstrate their unambiguous implementation by up-grading all deserving employees
- Visibly convey to the employees the bank's commitment to up-grade employee skills to improve their ability to contribute and thus move up the line .

READING MATERIAL

1. Risk Management by Michel Chroury, Dan Galali and Robert Mark, McGraw Hill.
2. Financial Risk Management: Brian A. Eales, McGraw Hill.
3. Financial Modelling for Business Decisions: Bryan Kefford, Chartered Institute of Management, Kogan Page
4. The Bankers' Handbook: Edited by William H. Baughn, Thomas I. Storrs and Charles E. Walker, Topman International Edition, Tokyo
5. Foreign Exchange Handbook: Paul Bishop & Don Dixon, McGraw Hill Inc.
6. Financial Risk Management in Banking - The Theory and Application of Asset and Liability Management: Uyemura, Dennis G. & van Deventer, Donald R., McGraw-Hill
7. Performance management: Richard S. Williams, Thomson Press.
8. Liberation Management: Tom Peters, Fawcett Columbine, New York.
9. The Talent Management Handbook: Berger, Lance A. & Berger, Dorothy R., McGraw-Hill.
10. Any other book/material.

SPECIALIZATION

MODULE -6

COURSE CODE SP-623

RETAIL AND CONSUMER BANKING OPERATIONS

AIM

In view of dynamics and pace of global banking business shift in the throes of unprecedented change, retail revenues for banks continue to expand. Retail banking delivers a higher return on equity than other banking segments. With banks seeking to thrive on business volumes, consumer banking has proven to be the key to acquire a vast customer base with the potential to grow exponentially.

In this scenario, the senior echelon of banks should have ability to continuously innovate, achieve differentiation through a wider showcase of offerings and respond quickly to dynamic business challenges. The need for robust technology awareness with the feature richness to execute full-fledged consumer banking, is indispensable. This course been designed to meet these objectives.

SYLLABUS

1. Retail Banking – the core activity

- Regulations prescribing supervision and control of account opening operations:
- Essential areas of focus in customer service:
- 2. Retail banking accounts and relationship types
- Broad customer segments and their expectations
- The bank account types and their likely users
- Business accounts
- Saving accounts
- Deposit accounts
- Special purpose accounts

3. Retail banking services

- a. Payment of cheques.
 - b. Local payments (Instrument-based payments): Operational aspects and accounting
 - c. Inland payments (instrument-based): Operational aspects and accounting
- Pay Orders
 - Clean Collections – an important banking service
 - Demand Drafts
- d. Inland payments (Instructions-based): Operational aspects and accounting
 - e. Inland Telegraphic payments – legal position of the issuing office
 - f. Special issues in foreign remittance arrangements
 - g. Foreign payment arrangements – Correspondent banking and risk aspects.
 - h. Outward Foreign Collections:
 - i. Foreign Demand Drafts:
 - j. Foreign Telegraphic Transfers
 - k. Marketing aspects of foreign remittance business
 - l. SBP Reporting requirements on Foreign Remittances
 - m. Dealing in Travelers' Cheques

4. The critical elements of consumer banking

- Broad customer categories – employed and self-employed borrower types
- Their age ranges and needs
- Within these categories, those needing advice on the appropriate consumer borrowing types

- Broad categories of consumer banking services and product types currently on offer
- Efficacy of repayment capacity assessment and account activity monitoring systems
- Role played by frontline bankers in securely marketing consumer banking services

5. Regulations prescribing supervision and control of consumer banking operations:

- Understanding consumer banking relationship, its legal aspects and the obligations of bankers and customers there under
- Essential conditions for establishing consumer banking relationships and verification of net income
- Maximum exposure limits and repayment tenors prescribed by SBP for each consumer facility type
- Asset valuation requirements prescribed by SBP in specific circumstances and the importance of having reliable surveyors on the bank's panel
- Customers' status referencing, income verification and verification of existing debt-servicing burden
- Essential areas of focus in customer service
- Bankers' obligation to explain the crucial features of each financing facility they offer so that the customer has the requisite information to make a rational borrowing decision
- Array of consumer banking services that commercial banks currently/offer and their benefits that accrue to their customers
- Explanations that customers have the right to demand
- Fundamental obligations of the bank while providing each of these services

7. Consumer banking products and services and the relevant marketing/servicing systems and procedures

- Debit Cards
- Credit Cards
- Auto Finance
- Personal Loans
- Housing Finance

READING MATERIAL

- | | |
|----|---|
| 1. | Bank Lending by Pakistan, Institute of Bankers |
| 2. | Business Ethics in the Banking by Pakistan, Institute of Bankers |
| 3. | Challenges for Banking Sector of Pakistan in 21 st Century by Pakistan, Institute of Bankers |
| 4. | Practice and Law of Banking in Pakistan by Siddiqui, Dr. Asrar H. |
| 5. | Principles of Banking by Indian, Institute of Banking & Finance |
| 6. | Field Management in Banks Pakistan, Institute of Bankers |
| 7. | Selected Essay on Banking & Finance by Pakistan, Institute of Bankers. |
| 8. | Any other book/material. |

SPECIALIZATION

MODULE -6

COURSE CODE SP-631

HUMAN RESOURCE ACCOUNTING AND AUDITING

AIM

This course highlights that HR is an independent appraisal study of various management levels to ensure the fulfillment of the organizational objectives, policies, procedures real loyal, dedicated, skilled efficient and productive human resource are valuable asset its accounting denotes for economic value of people to an organization.

SYLLABUS

1. Human Resource Accounting (HRA)

- Concept of HR Accounting
- Meaning and Definition of HRA
- Benefits of HRA
- Objectives of HRA
- Limitations of HRA
- Human Capital
- Methods
 - * :Historical cost
 - * :Replacement cost
 - * :Opportunity cost
 - * :Present value cost

2. H.R. Audit Preparation and Methodology

- Definition of Audit
- Purpose of Audit
- Audit team and its Functions
- Planning Questions
- Collection Data
- Analyzing the Audit Data
- Interpretation and assessment
- H.R Audits and Strategic Planning
- HR Audits and Legal Concerns
- Organizational Effectiveness
- Functional Effectiveness
- Service Quality
- Audit a tool of Effectiveness
- Audit an instrument of targets

3. Business and Human Resource Strategy

- Total Revenue n Completed Fiscal year
- Total Assets: Market value
- Pre-Tax Income
- Company Business Strategy
- Strategy Link to Human Resources
- Company's HR Strategy
- Policy for HR functions: staffing, training and Performance Appraisal.
- Human Resource Strategic goal and Organization Performance
- Gap Analysis

4. Manpower Planning and its Costs

- Work force function
- Manpower Plan
- Competency-based approach
- Competency/requirement

- Clear Job Description for each job/Position
- Number of All Employee: Managerial Level: Supervisory Level: Staff/operator Level
- Number of All Employee for the Human Resource Department

5. Recruitment and Selection Procedure and its Costs

- Procedure for Selections
- Recruitment Offers Made
- Number of Appointments
- Total Recruiting Cost
- Position across the Organization
- Recruitment Process
- Recruitment methodology
- Hiring Decision
- Documentation and Records
- Paid time off
- Transitions
- Discipline
- Termination
- HR & Finance

6. Training and Development Costs

- Development and Training Plan/Strategy
- Training and Development System
- Training Hour for all Employee
- Cost of Training: per annum and per employee: position variation
- Training Need Analysis
- Training Programs offered
- Program relevance to their needs
- Evaluation of Training Effectiveness
- IDP Effectiveness

7. Performance Appraisal System and Audit

- Performance Appraisal instrument and policy
- Types of Performance Management Systems: Implications and costs
- Feedback to Increase Performance
- Customer Satisfaction element in Performance Evaluation
- Role of Management in appraisal

8. Employee Benefits and Welfare Cost

- Programs for Employee Retention
- Company Attractive benefits program
- Staff turn over
- Inter link of Benefits and costs
- Fixation of wages & salary range

- Bows system & Procedure
- Health and welfare policy and costs
- Life insurance

9. Compensation and Reward System and Budget Provision

- Current Compensation System
- Compensation Plans
- Compensation Plan and Support to Strategic Goals
- BOD/HR Deferment Involvement Strategy
- System's review Evaluation of pay Structure Compensation Policy
- Compensation Programs and the market rates
- Procedures to Ensure Company Compliance
- Current Benefit and Allowance System
- Total costs of compensation and Reward
- Part-and full-time Employee

10 Career Development and Succession Planning

- System for Career Development
- Meritocracy and Fairness
- Applies to the Employee Individually
- System of Succession Planning
- Critical Positions
- Criteria for the Successors
- Succession Planning Effectiveness
- Cost effective policy

11 Industrial Relation and Unionism Costs

- Culture of Promotion of Labor and Management

- Problems in Labor Relation/Labor Union
- Feedback to solve IR issues
- Grievance redressed Procedure
- Improving the Labor-Management Relationship

12 Retirement Policy and Costs

- Current Retirement Policy
- Pre-Retirement Preparation Program
- Number of Employee Participating in retirement plans
- Registration and terminations

13 Employee Communication Cost and Effectiveness

- Environment of open Communication
- Effectiveness and Integrity of Communication Culture
- Delegation of decision making to the low
- Kind of Media to Communicate
- Mechanisms for obtaining employee feedback

14 Human Resources Cost

- Human Resources cost :Wages, overtime and Benefits
- Human Resources Operating Expenses: Supplies, Training and other Expenses
- Outstanding Fees: contract fees: annual fees, monthly charges
- Contracted Services Cost: temporary and contract for HR Development
- Cost of Providing Computer Processing Hardware, Software
- Total Human Resources Development

READING MATERIAL

1. Human Resource Accounting, 1st ed. Blau, Gary E, N.Y.: Work in America Institute, 1978.
2. Human Resource Accounting: Past, Present and Future. Caplan, Edwin H. and Landekich, Stephen. New
3. Costing Human Resources: The Financial Impact of Behavior in Organizations, 3rd edition Cascio, Wayne F. Boston: PWS-Kent Pub. Co. 1991.
4. Human resource accounting: [advances in concepts, methods, and applications 2nd edition Flamholtz, Eric. San Francisco: Jossey-Bass, 1985.
5. Human Resource Audit Evaluating the Human Resource Function by T.V Rao Published by Sage Publication India
6. Human Resource Audit by Dr. Parimalendr Bandyopadhyay
7. Human Resource Audit by Susan F. Sandler Institute of Management and Administration .
8. Any other book/material.

SPECIALIZATION

MODULE -6

COURSE CODE SP-632

HUMAN RESOURCE MANAGEMENT

AIM

The Human Resource Management (HRM) acknowledges a variety of activities, and key among them is what staffing needs you have and whether to use independent contractors or hire employees to fill these positions, dealing with performance issues, and ensuring your personnel and management practices conform to various regulations. Activities also include approach to employee benefits and compensation, employee records and personnel policies

SYLLABUS

1. Fundamental of Resource Management

- Concept of Human resources Management
- Human Resource Management as a Profession
- External Influence: Technology, legislation, Humans Management thought.

2. Contemporary Environment: Changes and Challenges

- Elements of an Organization's Environment
- Change that Challenge Mangers of Hyman Resources improving the quality of work life.

3. Organizational Considerations in Managing Human Resource

- Organization as a system
- Responsibility and Authority within the Organization
- Organization Structures
- Human Resources Department in an Organization
- Personnel Program

4. Job Requirements

- Roles of Jobs
- Job Design
- Job Analysis
- Job Requirements and personnel Functions

5. Human Resources Planning and Recruitment

- Image of Organization
- Attractiveness of the Job
- Internal organizational Policies
- Government Influence
- Recruiting Cost
- Diversity Issues in HRM: Job Advertisement and EEO
- Employment Referrals/recommendations
- Workplace Issues: "Best" Practice Ideas Applicable to Recruitment and Hiring
- Advertisements
- Employment Agencies
- Schools, Collages, and Universities
- Processional Organization
- Unsolicited Applicants
- Cyberspace Recruiting
- Recruitment Alternatives
- Temporary Help Services
- Employee Leasing
- Independent Contractors
- Recruiting with in the Organization

- Recruiting Outside the Organization
- EEO/AA in Recruitment

6. Analyzing the Qualifications of Jobs Candidates

- Matching People and Jobs
- Sources of Information About Job Candidates
- The Employment Interview
- Employment Test

7. Making Selection Decisions

- Validation and Selection Process
- Reaching a Selection Decision
- Legal Requirement that shape Selection Policies
- Other Considerations that shape Selection Policies
- Laws Affecting Discriminatory Practices
- Guarding Against Discriminatory Practices
- Enforcing Equal Employment Opportunity
- Current Issues in Employment Laws

8. Developing Employee Cooperation

- Leadership and Work Group
- Characteristics of Work Group
- Vital Role of Communication
- Types of Formal Communication

9. Supervising Personnel

- Managerial and Supervisory Leadership
- Contributions of Leadership Studies
- Supervisor's Role in the Organization

10. Employee Rights

- Employment Rights Legislation and Its HRM Implications
- The Role of the Employment-at-will Doctrine
- Discipline and Employee Rights
- Employee Counseling
- HRM Skills: Guidelines for Counseling Employees

11. The Dynamics of Labor Relations

- The Role of Labor Organizations
- Composition, Functions, and Leadership of Labor Unions
- Government Regulation of Labor Relations
- Contemporary Challenges to Labor Organization

12. Collective Bargaining and the Labour Agreement

- Bargaining Process
- Trends in Collective Bargaining
- Labour Agreement

13. Employee Benefits

- Cost of Providing Employee Benefits
- Contemporary Benefits offerings
- Legally Required benefits
- Worker Compensation
- Family and Medical Leave Act
- Voluntary: Health Insurance
- Retirement Programs: Benefits Plans, Contribution Plans
- Vocation and Holiday Leave
- Disability Insurance Programs
- Technology Corner
- Survivor benefits
- Group Term Life Insurance
- Family-friend Benefits
- Services Side of Benefits
- An Integrative Perspective on Employee Benefits

14. Disciplinary Actions and Appeal Procedure

- Right to Take Corrective Action
- Disciplinary Policies and Procedures
- Appealing Management Actions
- Arbitrating Grievances

15. Safety and Health Programs

- Occupational Safety and Health Act
- Job Safety Program
- Maintain Healthy work
- Stress
- Employee Assistance Program
- HRM Skill: Developing Safety Skills
- HRM Workshop
- Labour Laws in Pakistan
- Industrial & Commercial Laws in Pakistan

16. Public Service in Pakistan

- Civil Service Acts, Rules and Regulations (Appointments, Promotions, Retirement, Discipline etc)
- Federal Public Service Commission
- Federal Service Tribunal

READING MATERIAL

1. Human Resource Management: Gaining A Competitive Advantage with PowerWeb and Student CD by Raymond A. Noe, John R. Hollenbeck, Hardcover: 768 pages Publisher: Irwin/McGraw-Hill
2. Human Resource Management (9th Edition) by Gary Dessler, Hardcover: 592 pages, Publisher: Prentice Hall
3. Managing Human Resources by George W. Bohlander, Scott A. Snell, Hardcover: 832 pages, Publisher: South-Western College
4. Human Resources Management by Wendell L. French, Hardcover: 726 pages, Publisher: Houghton Mifflin Company
5. Modern Human Relations at Work by Richard M. Hodgetts, Kathryn W. Hegar, Hardcover: 512 pages, Publisher: South-Western College
6. Organizational Behavior: Managing People and Organizations by Gregory Moorhead, Hardcover: 628 pages, Publisher: Houghton Mifflin Company
7. International Human Resource Management: Managing People in a Multinational Context by Peter Dowling, Denise E. Welch, Randall S. Schuler, Paperback: 324 pages, Publisher: South-Western College.
8. Labours Code of Pakistan by M-Shafi P-Published by Bureau of Labour Publication.
9. Any other book/material.

SPECIALIZATION

MODULE -6

COURSE CODE SP-633

HUMAN RESOURCE PLANNING AND DEVELOPMENT

SYLLABUS

1. Human Resources Planning and Recruitment

- Corporate vision
- Organizational mission
- Manpower and Recruitment policies
- Performance and Motivation
- Career Planning
- Retirement policy
- COST effectiveness
- Succession Planning
- Vertical integration

2. Human Resources Development

- Human Resource Strategy
- Stages of Development
- Contemporary Developments
- Job Analysis
- Job Design and Analysis
- Development Planning
- Follow up Developmental Activities
- Career Development Process
- Indication and Socialization
- 3. Strategic Analysis
- Environment Scan
- Competitive Analysis
- Swot Analysis
- Scenario Plan
- PEST Model
- Risk Analysis
- Situation Target path Method (STP)

4. Work Free Analysis

- Supply Analysis : Internal, Demographics, Market trends, External Supply
- Demand Analysis : Critical occupations and competencies
- Anticipated Change of programs, vacancy rates etc.
- Futuristic shortage or excess in employees, occupations and skills
- Priority Setting
- Monitoring and Evaluating
- Promotion or laying off actions

5. Trainings and Skills

- Orientation
- Identify Training Needs
- Training on Needs basis
- Training and corporate needs
- Training and objectives

AIM

This course disseminates the knowledge on HR planning which links people's management to the organization's mission, vision, goals and objectives, as well as its strategic plan and budgetary resources. A key goal of HR planning is to get the right number of people with the right skills, experience and competencies in the right jobs at the right time at the right cost. The HR development is combination of training and education in a board context of adequate health and employment policies. It ensures the continual improvement and growth of both the individual, the organization and in the national human resources.

- Evaluating Training
- Skills utilization
- Developing a Skills Bank
- Socialization
- On Job Training
- Types of Employee Rewards
- Government Influence on Compensation
- Job Evaluation and the pay Structure
- Individual Incentives
- Group Incentive
- Team-based Compensation
- Executive Compensation Programs
- International Compensation
- Pay-for-Performance Goal
- Case Studies
- The Compensation Program
- Job Evaluation Systems
- The Compensation Structure
- Government Regulation of Compensation
- Motivation: The key to Performance
- Reward
- Frustration and Conflict
- Job Satisfaction
- Informal Groups
- Leadership Perceptions
- Job Description
- H.R Management
- Ergonomics
- Communication
- Organizational Norms
- Personal Effectiveness
- Creating More Effective Performance
- International Performance Appraisal
- Conducting the Performance Evaluation
- Performance Evolution Programs
- Performance Evolution Methods
- Feedback of Evaluations
- Improving Performance
- Performance Management Systems
- Performance Appraisals
- Employee Development
- Organization Development

- Evaluating Training and Development
- International Training and Development Issues
- Training of Employees
- Training of Managers and Supervisors
- Psychological Principles of Learning

6. Career Development

- Career Development Program
- Looking Ahead
- Career Opportunities
- Preparing for a Career
- Planning a Career
- Career Development Versus Employee Perspective
- Traditional Career Performance
- Managing a Career
- Making a Career Choice

7. Performance Evaluation

- Performance Evaluation Programs
- Performance Evaluation Methods
- Feedback of Evaluations
- Improving Performance
- Performance Management Systems
- Performance Appraisals
- Appraisal Methods
- Creating More Effective Performance
- International Performance Appraisal
- Conducting the Performance Evaluation

8. Employees Motivation

- Motivation: The key to Performance
- Reward
- Frustration and Conflict
- Job Satisfaction
- Informal Groups
- Leadership Perceptions
- Job Description
- H.R Management
- Ergonomics
- Communication
- Organizational Norms
- Personal Effectiveness

9. Employee Compensation

- The Compensation Program
- Job Evaluation Systems
- The Compensation Structure
- Government Regulation of Compensation

10. Rewards and Pay Plans

- Types of Employee Rewards
- Government Influence on Compensation
- Job Evaluation and the pay Structure
- Individual Incentives
- Group Incentive
- Team-based Compensation
- Executive Compensation Programs
- International Compensation
- Pay-for-Performance Goal
- Case Studies

READING MATERIAL

1. Planning and Managing Human Resources, Second Edition by William J. Rothwell, H. C. Kazanas
2. Staffing the Contemporary organization: A guide to planning, and selecting for Human Resource professionals second Edition by Donald L. Caruth, Gail D. Handlogten
3. Strategic Human Resource Management by Charles R. Greer
4. The HR Scorecard by Brian E. Becker, M
5. Human Resource Development Strategy and Tactics by Juani Swart, Alan Price, Clare Mann, Steve Brown
6. Human Resource Development by Margaret Anne Reid, Harry Barrington, Mary Brown
7. Human Resource Development by Amazon. Com
8. Learning and Development Processes, practices and perspectives at work by Stephen Gibb
9. Any other book/material.