

# Syllabus

# **Foundation Program Syllabus**

Introduction of the Syllabus

The Council of the Institute of Company Secretaries of India in exercise of the powers vested under clause (a) of sub-section (2) of Section 15 of the Company Secretaries Act, 1980, as amended by the Company Secretaries (Amendment) Act, 2006 has approved, on the recommendations of its Syllabus Review Committee.

The detailed contents for each of the four papers of the Foundation Programme under:































# COURSE CONTENTS FOR FOUNDATION PROGRAMME



Business Environment & Entrepreneurship

#### Level of Knowledge: Basic knowledge

**Objective:** To give orientation about different forms of organizations, functions in organizations, business strategies and environment, along with an exposure to elements of business laws and entrepreneurship.

#### PART A

#### **Business Environment (30 Marks)**

- VidVadhan Academy or converge
- 1. Business Environment :
  - Introduction and Features
  - Concepts of Vision & Mission Statements
  - Types of Environment:
    - ✓ Internal to the Enterprise
    - Value system, management structure and nature, human resource,
    - company's image and brand value, physical assets, facilities, research &
      - development, intangibles and competitive advantage.
  - External to the enterprise
  - Micro: Suppliers, customers and market intermediaries
  - Macro: Demography, natural, legal & political, technological, economy, competition, socio- cultural and international
  - Business environment with reference to Global Integration

















- Concept and features in relation to following business models:
- Sole Proprietorship
  - ✓ Partnership
  - Company
  - Statutory bodies and corporations
- HUF and Family Business
  - ✓ Cooperatives, Societies and Trusts
- Limited Liability Partnership
  - ✓ Other Forms of Organizations

#### 3. Scales of Business

- Micro, small and medium enterprises
- Large Scale Enterprises and Public Enterprises
  - ✓ MNCs

#### 4. Emerging trends in Business- Concepts, Advantages and Limitations

- **Network Marketing**
- Franchising •?•
- **Business Process Outsourcing (BPO)**
- E-Commerce
- M-Commerce







































- Strategic: planning, budgetary control, R&D, location of a business, factors affecting location, decision making and government policy
  - ✓ Supply Chain: objectives, importance, limitations, steps, various
    - production process
  - Finance: nature, scope, significance of financial management, financial planning (management decisions -sources of funds, investments of
    - funds and distribution of profits)
- Marketing: concept, difference between marketing and selling, marketing mix,
  - functions of marketing
- Human Resources: nature, objectives and significance
- Services: legal, secretarial, accounting, administration, information and communication technology
- Vident presentes































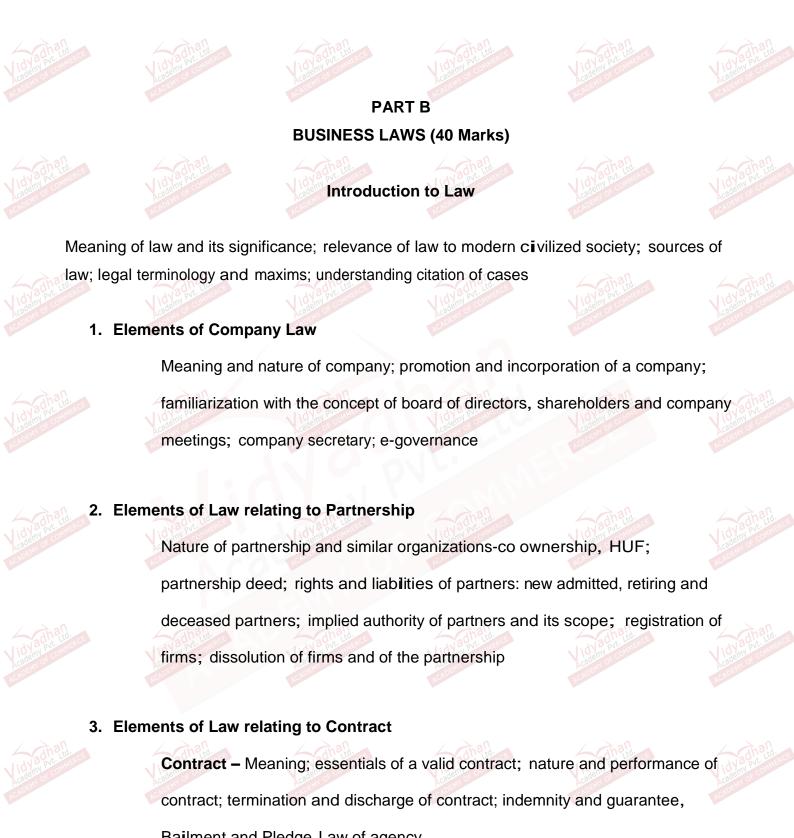


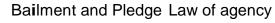




































#### 4. Elements of Law relating to Sale of Goods

Essentials of a contract of sale; sale distinguished from agreement to sell, bailment, contract for work and labour and hire-purchase; conditions and warranties; transfer of title by non-owners; performance of the contract of sale; rights of unpaid seller

Definition of a negotiable instrument; instruments negotiable by law and by

custom; types of negotiable instruments; parties to a negotiable instrument-

duties, rights, liabilities and discharge; material alteration; crossing of cheques;

payment and collection of cheques and demand drafts; presumption of law as to

#### 5. Elements of Law relating to Negotiable Instruments











negotiable instruments











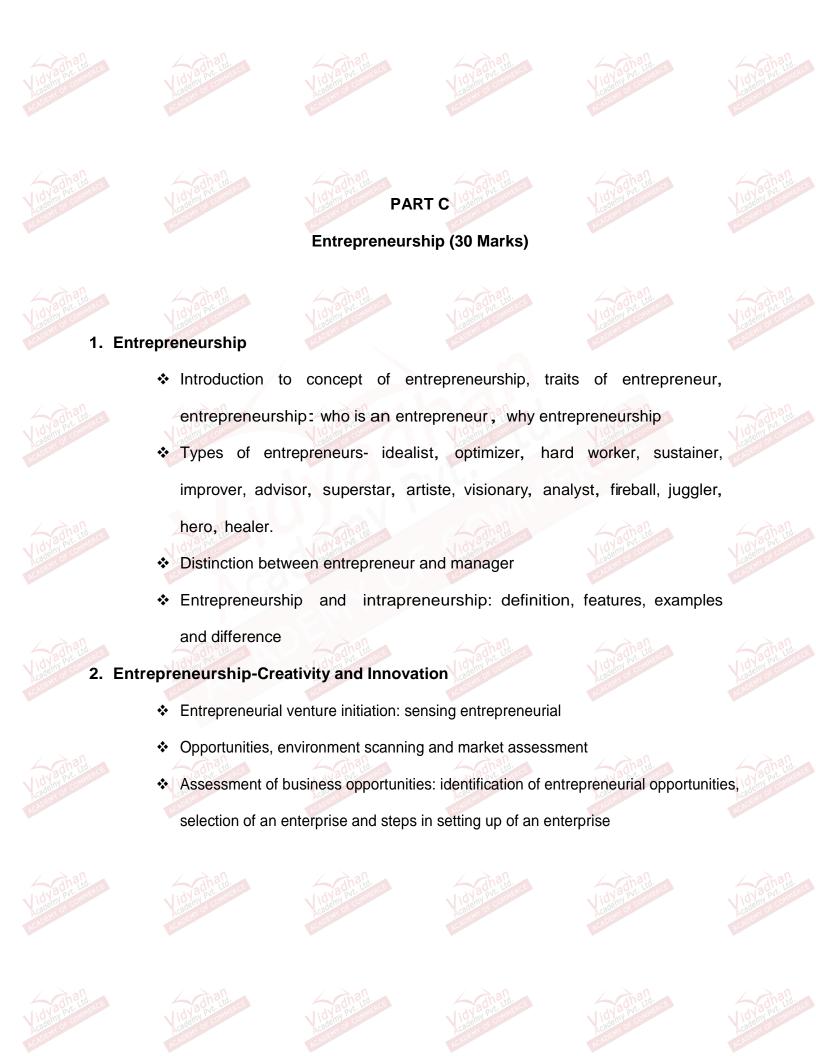


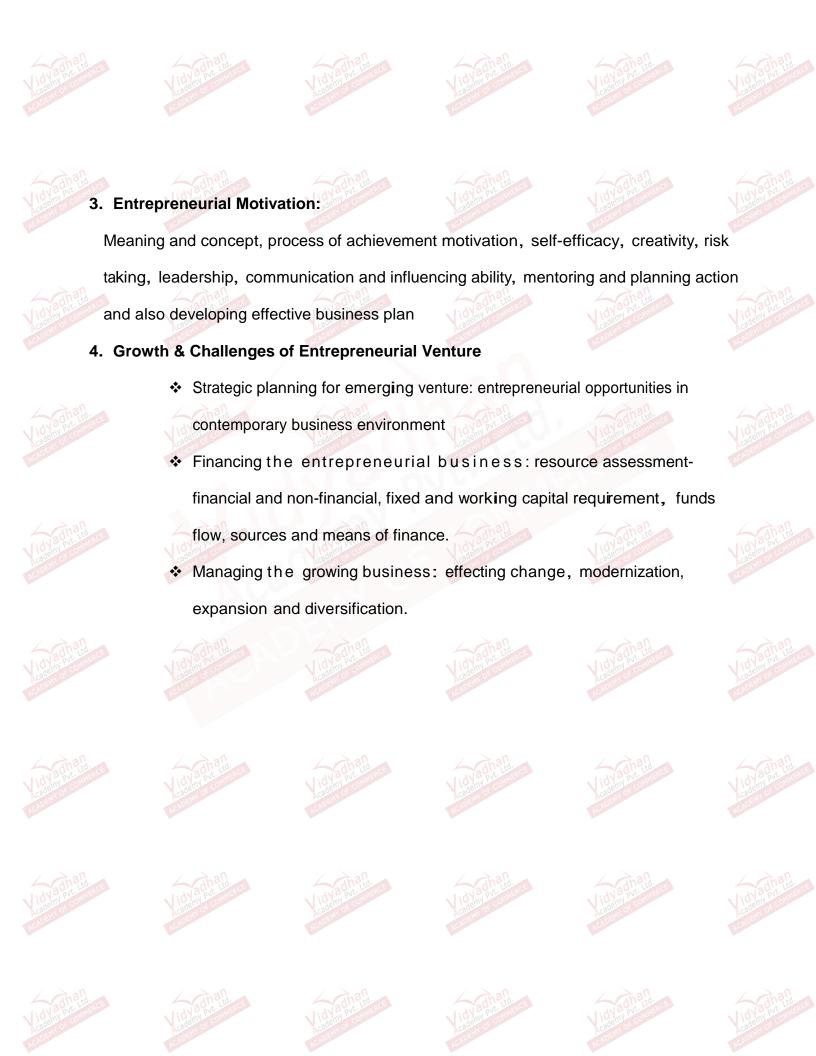




























#### Business Management, Ethics and Communication

Level of Knowledge: Basic knowledge Objective: To acquaint with the basic principles of management, ethics and communication techniques.



#### **Business Management (40 Marks)**

1. Nature of Management and its Process

Leaning, objectives, importance; nature of management- science, art profession; management approaches; management functions- planning, organizing, personnel management, directing and control; principles of management- Fayol's and Taylor's principles; managerial skills; task and responsibilities of professional manager

2. Planning

Concept, features, importance, limitations; planning process; types of plans objectives, strategy, policy, procedure, method, rule, budget; plan vs. programme, policies and procedures; decision-making.





















Concept, features, importance, limitations; organizing process; types of organization; structure of organization; centralization and de-centralization; delegation; growth in organization

#### 4. Human Resource Management

Concept, features, importance, limitations; recruitment process- selection;

training and development- methods; functions of personnel manager;

performance appraisal

- 5. Direction and Co-ordination
  - Direction: Concept, features, importance, limitations; elements of direction:supervision, motivation, leadership, communication
  - Co-ordination: Concept, features, importance, limitations; types- internal and external; co- ordination-the essence of management

#### 6. Controlling

Concept, features, importance, limitations; control process; essential of a

good control system; techniques of control-traditional and non-traditional control devices; relationship between planning and controlling; change management

#### 7. Recent Trends in Management

Crisis Management

**Risk Management** 

**Global Practices** 

Change Management

Total Quality Management

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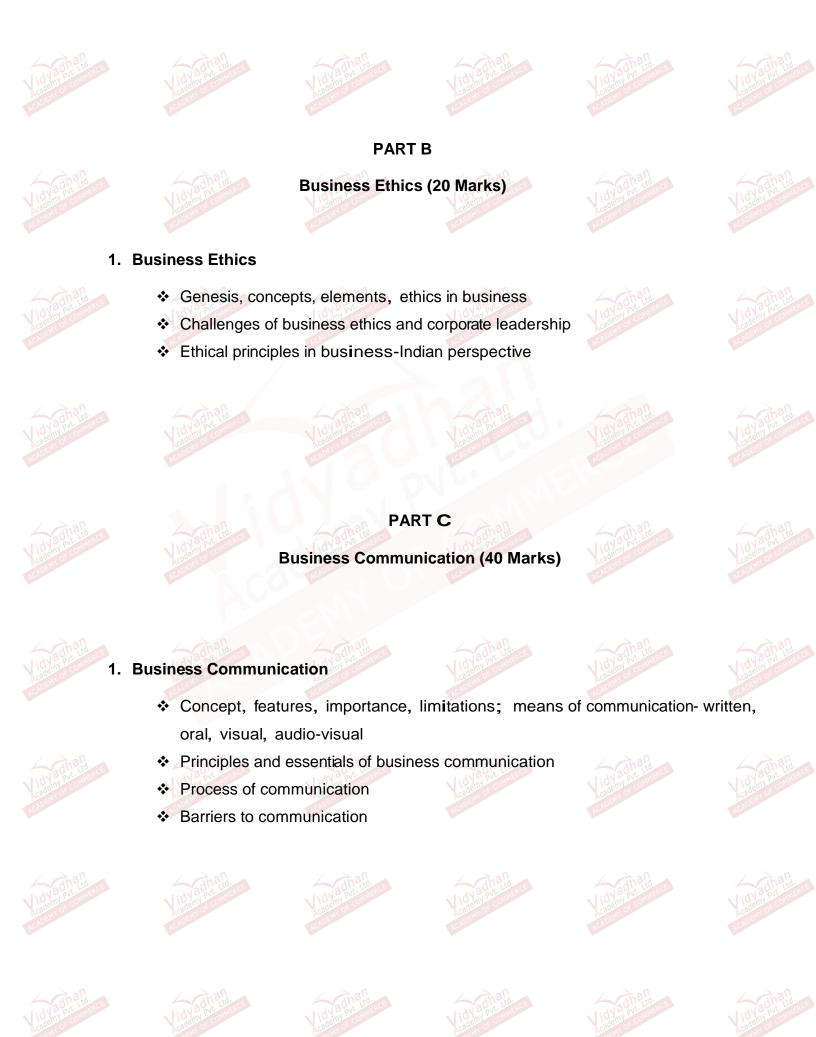












#### 2. Essentials of Good English

Grammar and usage; enriching vocabulary, words-multiple meaning, single word for a group of words-choice of words - words frequently misspelled; punctuations, prefix and suffix; parts of speech; articles; synonyms and antonyms; tenses; idioms and phrases; foreign words and phrases commonly used; abbreviations and numerals; pronunciation. Latin, French and Roman words which are used in abbreviated form like "e.g., rsvp, viz\_etc."

Human Resource: Preparation of resume, job application, drafting of

interview letters, call letters and offer of appointment, provisional and final

#### 3. Business Correspondence















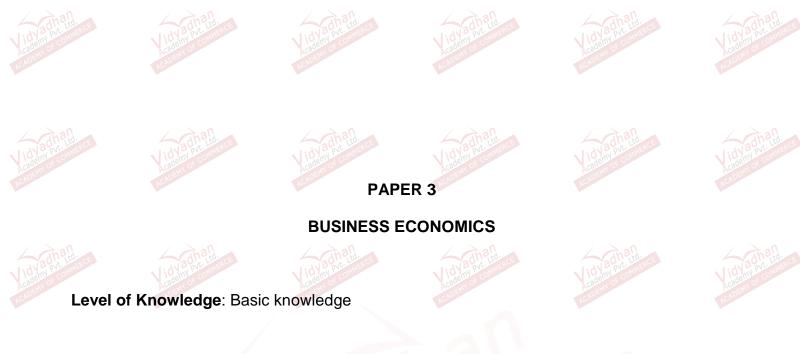






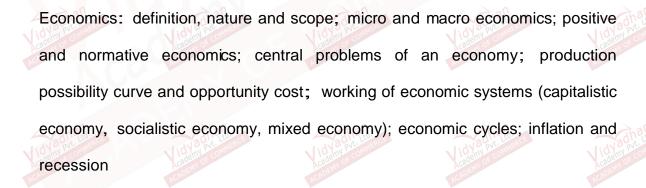


- appointment orders; good will messages, condolence letters Requests for quotations, tenders, samples and drawings; Purchase: purchase order, order acceptance, complaints and follow-up Sales: Drafting of sales letters, circulars, preparation of sale notes, sales reports, sales promotion matters, customers' correspondence - regarding dues,
  - follow up letters
- Accounts: Correspondence with various agencies; banks regarding overdrafts, cash credits and current account, insurance companies- regarding payment, renewal of insurance premium, claims and their settlement
- Secretarial: Correspondence with shareholders and debenture-holders pertaining to dividend and interest, transfer and transmission, stock exchanges, registrar of companies and various authorities like Reserve Bank of
  - India, SEBI
- Introduction to preparation of agenda and minutes for meetings
- Drafting of messages; messages through electronic media; public notices and invitations; representations to trade associations, chambers of commerce and public authorities



**Objective:** To familiarize the basic concepts and theories of elementary statistics and mathematics.

#### 1. Nature and Scope of Economics



#### 2. Theory of Demand and Supply



Utility analysis-total utility and marginal utility; law of diminishing marginal utility; law of equi-marginal utility; consumers' equilibrium; law of demand & elasticity of demand; law of supply & elasticity of supply; demand and supply of equilibrium; theory of consumer's behaviour - Marshallian approach and indifference curve







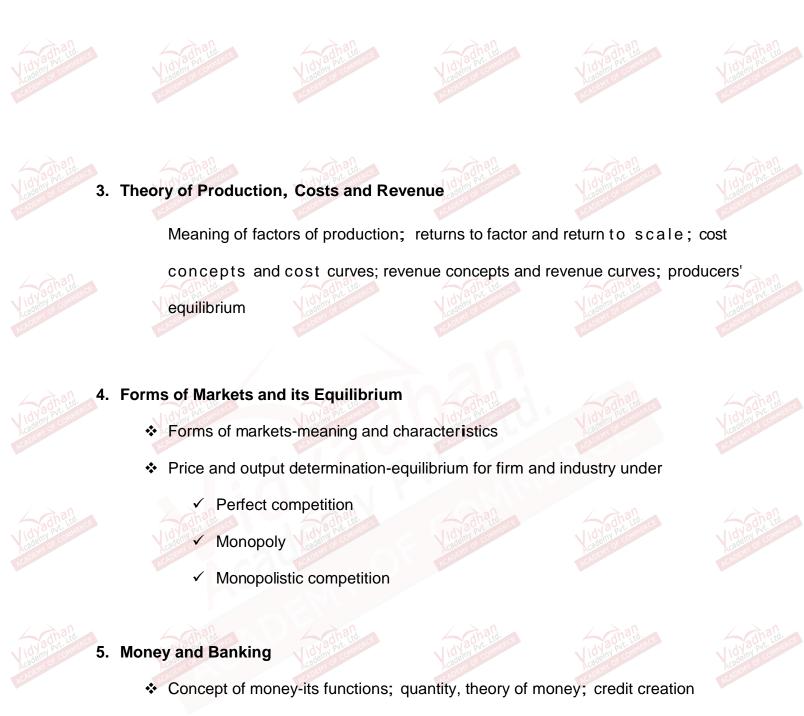
approach











- Central Bank (Reserve bank of India)-role and functions
- Commercial banks-role and functions
- Monetary policy in India















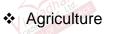






Development initiatives through five year plans





- ✓ Causes of low productivity
- ✓ Farm size productivity debate



- ✓ Land reforms: meaning, importance and evaluation
- ✓ Green revolution and its effects
- ✓ Globalization and Indian agriculture



- ✓ Industry
- ✓ Development policies and experience
- ✓ Industrial policy resolutions
- ✓ New industrial policy 1991

#### 7. Selected Areas of Indian Economy



- Population its size, rate of growth and its implication for growth
- Poverty- absolute and relative poverty
- Programs for poverty alleviation
- Unemployment types, causes and incidence of unemployment
- ✤ Infrastructure-energy, transportation, communication, health and education





































#### Elementary Statistics (30 Marks)

#### 1. Statistics: An Overview

Definition and functions of statistics; statistical techniques commonly used in business activities; law of statistics; limitations of statistics

#### 2. Collection and Presentation of Statistical Data

Primary and secondary data; classification and tabulation of data; frequency distribution of data; diagrams and graphs

#### 3. Measures of Central Tendency

- Mean
  - Median
- Mode
- Standard deviation

# 4. Mathematics of Finance

- Simple interest
- Compound interest
- Present value & future value of an annuity
- 5. Probability
  - Sample spaces, events and probability
  - Set theory: union, intersection and complement of events
  - Conditional probability, intersection and expected value
  - Random variable, probability distribution and expectation
- 6. Index Numbers and Time Series Analysis

Familiarization with the concepts relating to Index Numbers and Time Series (Simple Numerical Problems)































# PAPER 4

#### FUNDAMENTALS OF ACCOUNTING AND AUDITING





**Objective:** To familiarize and develop an understanding of the basic aspects of accounting, auditing concepts and their principles.

#### PART A

#### FUNDAMENTALS OF ACCOUNTING (70 Marks)

#### 1. Theoretical Framework

Meaning and scope of accounting; accounting concepts; accounting principles, conventions and standards-concepts, objectives, benefits; accounting policies; accounting as a measurement discipline - valuation principles, accounting estimates

#### 2. Accounting Process

- Documents & books of accounts: invoice, vouchers, debit & credit notes, day books, journals, ledgers and trial balance
- Capital and revenue :expenditures and receipts
- Contingent assets and contingent liabilities
- Rectification of errors

#### 3. Bank Reconciliation Statement

Meaning; causes of difference between bank book balance and balance as per bank passbook/bank statement; need of bank reconciliation statement; procedure for preparation of bank reconciliation statement

















#### 4. Depreciation Accounting

Methods, computation and accounting treatment of depreciation; change in depreciation methods

# 5. Preparation of Final Accounts for Sole Proprietors

Preparation of profit & loss account, balance sheet

## 6. Partnership Accounts

- Goodwill: Nature and factors affecting goodwill
- Methods of Valuation: Average profit, super profit and capitalization methods

Treatment of goodwill

- ✓ Final accounts of partnership firms
- ✓ Admission of a partner
- ✓ Retirement /death of a partner
- Dissolution of a partnership firm

### 7. Introduction on to Company Accounts

Issue of shares and debentures; forfeiture of shares; re-issue of forfeited shares; redemption of preference shares

















