



WORLD OF WORK SERIES

THE CHARTERED ACCOUNTANT

CAREER STUDY CENTRE
CENTRAL INSTITUTE FOR RESEARCH & TRAINING
IN EMPLOYMENT SERVICE (D.G.E. & T.)
MINISTRY OF LABOUR & EMPLOYMENT,
GOVERNMENT OF INDIA
PUSA, NEW DELHI - 110012





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FOREWORD

Chartered Accountancy as a profession is attracting a lot of youngsters. The demand is increasing due to rapid growth of corporate sectors. It is one of the most respectable professions amongst various others particularly in the field of commerce and finance. Keeping in view the importance of Chartered Accountant in the modern era we have developed this booklet. An endeavour has been made to provide all important latest information about the profession.

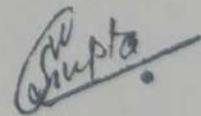
We hope this information will be much useful for students seeking Career as a Chartered Accountant and also for parents, teachers and vocational guidance personnel who will find it handy and helpful reference.

We are grateful to the Institute of Chartered Accountants of India, New Delhi for their valuable contribution in finalization of this publication.

We welcome your suggestions for improvement of booklet.

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(S.K. GUPTA)
DIRECTOR

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THE CHARTERED ACCOUNTANT

The Chartered Accountants are entrusted with substantial responsibility under various legislations such as compulsory audit of all companies, banks, stock brokers, big income-tax assesses, large bank borrowers, etc. This shows the confidence and trust reposed by the Government and Society in the profession. The Society has increasingly recognized the services of CAs in the entire gamut of management consultancy services including management accounting, management information and control system, international finance information technology and financial services sector. The types of functions generally performed by the Chartered Accountants are quite varied, some of the important ones amongst them are listed below :

- (i) *Accountancy* : The writing up of accounts and the preparation of financial statements from the simplest receipts and payment accounts of a small club to the complex and detail accounts of large public limited companies.
- (ii) *Auditing* : The purpose of auditing is to satisfy the users of financial statements that the accounts presented to them are drawn up on correct accounting principles and that they represent a true and fair view of the state of affairs.
- (iii) *Taxation* : The assessment of taxes is closely linked to financial accounts. The Chartered Accountant with his experience in accounts is in an advantageous position to prepare the returns for tax purposes, represent assessee before the income-tax authorities and render general advice on taxes to his clients. The services of CA may be requisitioned by the tax department for auditing taxation cases with large revenue potential.
- (iv) *Cost Accountancy* : A Chartered Accountant is equipped to provide information on costing for the guidance of management, introduce cost control methods and assist the management in determining appropriate selling prices.
- (v) *Special Company Work* : The services or advice of Chartered Accountants are frequently sought in connection with matters such as the formation, financial structure and liquidation of limited companies.

- (vi) *Investigation* : Chartered Accountants are often called upon to carry out investigation to ascertain the financial position of business house for the purpose of issue of new shares, purchase or sale or financing of business, finding out reasons for increase or decrease of profits, reconstruction and amalgamations.
- (vii) *Executors and Trustees* : A Chartered Accountant is also often appointed executor under a will or trust in order to carry on the administration of the estate or settlement.
- (viii) *Directorship* : Many members of the Institute who hold senior positions in industry and commerce are also directors of their companies.
- (ix) *Companies Secretarial Work* : As a Secretary, the Chartered Accountant is an important link in the mangement chain.
- (x) *Management Accounting* : The Chartered Accountant's service is utilized in a variety of ways like formulation of policies, control and performance evaluation.
- (xi) *Share Valuation Work* : A Chartered Accountant undertakes the valuation of shares of public and private companies at the time of amalgamation or reorganization.
- (xii) *Other Activities* : Other duties undertaken by a Chartered Accountant includes those of an Arbitrator for settling disputes specially those connected with insolvency work such as the preparation of statements of affairs and the duties of a trustee in bankruptcy or under a deed of arrangement.

To be good Chartered Accountant, you require not just business acumen and numerical ability, but good communication skills, objectivity, independence of thought and integrity coupled with the ability to work under the pressure of deadlines.

A person who desires to be a Chartered Accountant has to be a member of the Institute of Chartered Accountant of India, Indraprastha Marg, New Delhi-110002. The Institute was established in 1949 under the Chartered Accountants Act, 1949 and is governed by a Council in accordance with the Chartered Accountants Regulations, 1988.

In order to be a Chartered Accountant, one has to follow the courses of study, as below :—

PROFESSIONAL EDUCATION COURSE

One can enter the Chartered Accountancy course by joining Professional Education course. This course is available in two parts— *i.e.* (A) Professional Education (PE Course I) and (B) Professional Education (PE Course II).

PE Course I is compulsory for students joining after 10+2 and Graduates with less than specified marks.

Candidates who are graduates with more than specified marks or those who have passed the Final Examination of the Institute of Cost and Works Accounts of India (I.C.W.A.I) or the Institute of Company Secretaries of India (I.C.S.I.) are exempted from PE Course-I.

PE Course-II is compulsory for all irrespective of the fact whether one is coming through PE Course-I stream or is exempted from PE Course-I.

The term graduate does, however, not cover a graduate in music, dancing, photography, painting and sculpture.

(A) PROFESSIONAL EDUCATION (COURSE-I)

- * The minimum duration of the course is ten months.
- ** The registration for Professional Education (Course-I) is open throughout the year.
- *** The eligibility/conditions for this course are as follow :—
 - (a) Pass in Senior Secondary Examination (10+2) or equivalent recognized examination.
 - (b) There is no restriction with regard to the age of the candidate or Marks secured in Senior Secondary Examination or subjects studied.
 - (c) Following graduates who have secured less than specified marks :—
 - (i) Commerce graduates with Accountancy, Auditing and Mercantile Law or Commercial Law as full examination paper. For this purpose "full examination paper" means a paper carrying not less than 50 marks.
 - (ii) Non-commerce graduates with Mathematics as one of the subjects and with less than 60% of the total marks.

- (iii) Non-commerce Graduates with subjects other than Mathematics and with less than 55% of the total marks.
- (d) Candidates who have appeared in 10+2 or its equivalent examination are eligible for "Provisional Registration" for Professional Education (Course-I).

A student may register at any time during the year. The examinations are held twice a year in May and November. A student should get himself/herself registered at least ten months before the examinations. For May Examination he/she should, therefore, be registered before 30th June of the preceding year and for November Examination he/she should be registered before 31st December of the preceding year.

The subjects of study for the Professional Education (Course-I) are :

Fundamentals of Accounting.

Mathematics and Statistics,

Economics,

Business Communication and Organisation and Management.

The purpose to study the above mentioned subjects is :

Fundamentals of Accounting :

To develop conceptual understanding of the fundamentals of the Financial Accounting and the Mechanism to impart basic skills in Accounting of various kinds of business transactions.

Mathematics and Statistics :

To provide basic understanding of important qualitative tools and their elementary application to business problems.

Economics :

To provide basic knowledge of the frame work of economic theory and its usefulness for Indian Economic Development.

Business Communication and organization and Management

To develop written and oral communication skills and facilitate understanding of various concepts and functions of organisation and management relevant to a professional accountant.

Theoretical Education

Students of PE-I Course are covered under Postal Test Scheme. The comprehensive study papers and test papers booklets are, therefore, made available to students for study. Students have to submit answers to the specified number of test papers and obtain the minimum qualifying marks.

Students who attend classes which are organized by Accredited Institutions and satisfy the relevant requirements, are exempted from answering the test papers.

PROFESSIONAL EDUCATION (EXAMINATION-I)

For passing this examination a student needs :—

- (i) to obtain at once sitting a minimum of 40% marks in each paper.
- (ii) a minimum of 50% of the total marks of all the papers.
- (iii) to pass this examination within five consecutive attempts.

(B) PROFESSIONAL EDUCATION (COURSE-II)

- The minimum duration of this course is ten months.

** After completing the Professional Education (Course-I), a candidate has to join Professional Education (Course-II.) The eligibility requirements for admission to this course are as follows :

- (a) a pass in the Professional Education (Examination-I).
- (b) A pass in the Chartered Accountant Foundation Examination CA Regulations, 1988.
- (c) Graduates with the following conditions are also eligible :—
 - (i) Commerce graduates with Accountancy, Auditing and Mercantile Law or Commercial Law as full papers and with a minimum 50% marks of the total marks (Full paper means a paper carrying not less than 50 marks).
 - (ii) Non-commerce graduates with Mathematics as one of the subjects and with minimum 60% of the total marks.
 - (iii) Non-commerce graduates with subjects other than Mathematics and with minimum 55% of the total marks.

- (iv) Candidates who have passed the final Examination of the Institute of Cost & Works Accountants of India (ICWAI) or the Institute of Company Secretaries of India (ICSI).

Candidates who have appeared in the above mentioned examinations are also eligible for "Provisional Registration" for this course.

The subjects of study for the professional Education (Course-II) are :

Group—I

- Accounting
- Auditing
- Business and Corporate Laws

Group—II

- Cost Accounting and Financial Management
- Income Tax and Central Sales Tax
- Information Technology

The purpose of studying the above mentioned subject is :

Accounting

To lay a theoretical foundation for the preparation and the presentation of financial statements and to develop an understanding of the rules of measurement and reporting relating to various components of financial statements required for a professional accountant.

Auditing

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

Business and Corporate Laws

To gain knowledge about those branches of laws relating to business transactions, certain corporate bodies and related matters and their application to practical commercial situations.

Cost Accounting and Financial Management

To gain an understanding of costing concepts and the detailed procedure and documentation involved in cost ascertainment systems and various basic concepts of decision-making process in the financial management.

Income Tax and Central Sales Tax

To gain knowledge of the basic principles and understanding of the substantive provisions of the Income Tax law and their application in the computation of income of an individual under various heads of income and to gain working knowledge of the basic principles of Central Sales Tax also.

Information Technology

To develop understanding and appreciation of broad nature and application of information technology.

Theoretical Education

For Professional Education Course-II, the requirements of Theoretical Education are similar to those applicable for Professional Education (Course-I).

Students of this course are covered by Sunday Test/Postal Test Scheme depending upon their place of stay.

Students covered by both Schemes are required :

- (i) answer ten papers, choosing at least one test paper in each of the eight subjects and two additional papers of their choice.
- (ii) the qualifying percentage of marks is 45% for each subject.
- (iii) to pass Professional Education (Examination-II) within five consecutive attempts.

PROFESSIONAL EDUCATION (EXAMINATION-II)

For passing this examination a student

- (i) Can appear either in both groups simultaneously or one group in one examination and in the other group at any subsequent examination but he has to pass both the groups.

- (ii) Securing at one attempt a minimum of 40% in each paper of the group and 50% in the aggregate of all the papers of that group will be declared to have passed in one group.
- (iii) Similarly declared to have passed in both groups simultaneously if he secures at one sitting, a minimum 40% marks in each paper of each of the group and an aggregate of 50% of all the papers of each of the groups or a minimum of 40% in each paper of both the groups and 50% in the aggregate of all the papers of both groups taken together.

ACCREDITATION

There is a scheme of accreditation of colleges affiliated to recognized Universities and Schools affiliated to CBSE or other equivalent State Boards. Several Colleges, Schools and other institutions in different parts of the country have been accredited. Under this Scheme, such institutions organize classes for the benefit of Professional Education (Courses I & II) students.

Students attending such classes are exempted from answering test papers under the postal tuition Scheme but (i) they have to satisfy the requirements of minimum attendance of 75% of the classes in each subject and (ii) secure a minimum of 45% marks in each subject in the final test conducted by such institutions.

Medium of Examination

Students are allowed to opt for Hindi Medium for answering question papers. The option is available for all the papers of the examination. Paper-wise option is not allowed.

Registration for Professional Education Course

Students of the Professional Education (Course-I) and (Course-II) have to forward their applications in the prescribed form along with the prescribed fee through Demand Draft drawn in favour of The Secretary, Institute of Chartered Accountants of India payable at New Delhi, Mumbai, Kolkata, Chennai, Kanpur as the case may be. The different offices of the Institute are located in different regions as shown in Annexure-I.

Computer Training

Students are required to attend and successfully complete at least 250 hours of Computer training prior to the commencement of practical

training of three years. One can undergo such a training along with his Professional Education (Course-I) and/or (Course-II).

Registration of Articled Clerk :

The Articled Clerk is a trainee attached to a practicing Chartered Accountant.

After passing the Professional Education (Examination-II) one can register as an 'Articled Clerk' for practical training and for admission to the Final Course of the Chartered Accountancy.

Eligibility for Articled Clerk :

A candidate is eligible for admission to articleship if—

- he is not less than 18 years of age on the date of commencement of articleship.
- he has passed the Professional Education Examination-II. and
- has successfully completed the computer training programmes as prescribed in the earlier paragraph.

A candidate who has passed the Foundation Examination (as per the old scheme) is also eligible for registration as an Articled Clerk till 31st December, 2003. Such candidates are required to pass Professional Education (Examination--II) during the practical training and are entitled to appear in the Final Examination during last six months of practical training.

An Articled Clerk who has completed the practical training and passed the Final Examination is also required to attend a Programme on General Management and Communication Skills.

Final Examination :

The subjects for study in the final CA course are as follows :

Group-I

- Advanced Accounting
- Management Accounting and Financial Analysis
- Advanced Auditing
- Corporate Laws and Secretarial Practice

Group-II

- Cost Management
- Management Information and Control Systems
- Direct Taxes
- Indirect Taxes

Practical Training :

Practical training provides an opportunity to students to acquire on the job work experience of a professional nature. He learns the skill of profession while working with a practicing Chartered Accountant and also works as a Industrial trainee for about one year in an approved industrial establishment during the last year of practical training. Students of Final Chartered Accountancy course are eligible for industrial training.

Stipend :

An Articled Clerk is entitled to receive monthly stipend as per the rates specified from time to time. Minimum rate of monthly stipend depends on the place of services of the articled clerks. The rate details of the current year *i.e.* 2002, are as under :

Sl. No.	Place specifications	Rate/Period		
		1st year	2nd year	3rd year
1.	Cities/Towns having population of less than 3 lakhs	200	300	450
2.	Cities/Towns having population of 3 lakhs and above but less than 20 lakhs	300	450	600
3.	Cities/Towns having population of 20 lakhs and above	450	600	800

After passing the intermediate or the Professional Education (Examination-II) an Articled Clerk also gets an additional stipend of Rs. 300 during the articleship.

Membership :

After qualifying the Final Examination of Chartered Accountants, one becomes eligible for admission as a member of the Institute. Such a person is, thereafter, recognized as "Associate Member" of the Institute.

A person who is an Associate Member and is in continuous practice for minimum five years and possesses the experience prescribed is entitled for "Fellow Membership".

A member desirous of practicing as a Chartered Accountant is required to obtain a Certificate of Practice from the Institute.

Job Opportunities :

Campus interviews for freshly qualified Chartered Accountants are organized by the Institute at various Centres *viz.* Bangalore, Kolkata, Chennai, Kanpur, Mumbai and New Delhi. The scheme has been evolved to provide an opportunity to employing organisations as well as young professional aspirants to interact and explore the possibility of taking up positions in industry.

Chartered Accountants have various options for pursuing rewarding career. Some of the available options are :—

- * Set up independent professional practice.
- * Join a practicing firm of Chartered Accountants.
- * Render services in the field of capital market.
- * Engage in your own industrial/business venture.
- * Take up a suitable position in business or industry.

The choice depends largely on your personal inclination. First four choices indicated above offer good opportunity for development as a useful member of the professional and the society, ensuring amongst others, economic reward and scope for self-fulfilment. Starting one's own industrial or business venture is also now becoming popular among Chartered Accountants. The Institute currently has about 1,00,000 members, 70% of whom are in public practice and remaining are engaged in trade and industry.

Chartered Accountants are appointed Trustees and Executors, under a Will or Trust, to carry on the administration of an estate or settlement in

collaboration with solicitors or lawyers. They act as administrators and receivers custodians and arbitrators on accounts and financial matters. Many in due course have risen to occupy managerial and senior executive posts of responsibility, like Chief Accountant, Financial Advisor, Internal Auditor, General Manager, Company Director etc. Most Chartered Accountants posts are normally advertised. Most employers also notify junior-level vacancies to Employment Exchanges. Better paid Government posts are filled through the Union and State Public Service Commissions.

**THE LIST OF REGIONAL OFFICES OF THE INSTITUTE OF
CHARTERED ACCOUNTANTS OF INDIA**

Sl. No.	Address	Region
1.	The Joint Secretary, The Institute of Chartered Accountants of India, P.O. Box No. 7100, Indraprastha Marg, New Delhi-110 002.	Haryana, Himachal Pradesh, Jammu & Kashmir, Punjab, Delhi and Union Territory of Chandigarh.
2.	The Joint Director of Studies, Western India Regional Council, The Institute of Chartered Accountants of India, Anveshak-27 Cuffe Parade, Colaba, Mumbai-400 005.	Gujarat, Maharashtra, Goa and the Union Territories of Daman & Diu and Dadra & Nagar Haveli.
3.	The Deputy Secretary, Southern India Regional Council, The Institute of Chartered Accountants of India, 122, M.G. Road, Post Box No. 3314, Nungambakkam, Chennai-600 034.	Andhra Pradesh, Kerala, Karnataka, Tamil Nadu and the Union Territories of Pondicherry and Lakshadweep Islands.
4.	The Deputy Secretary, Eastern India Regional Council, The Institute of Chartered Accountants of India, 7, Russel Street, Kolkata-700 001.	Assam, Meghalaya, Nagaland, Orissa, West Bengal, Manipur, Tripura, Sikkim, Arunachal Pradesh, Mizoram and Union Territory of Andaman & Nicobar Islands.

Sl. Address No.	Region
5. The Assistant Secretary. Central India Regional Council. The Institute of Chartered Accountants of India. Post Box No. 314, 16/77-B, Kanpur Civil Lines, Kanpur-208001.	Uttar Pradesh. Bihar. Madhya Pradesh. Rajasthan. Uttranchal & Jharkhand.

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