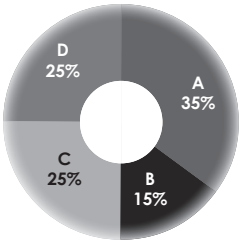
Syllabus- 2016

PAPER 19: COST AND MANAGEMENT AUDIT (CMAD)

Syllabus Structure

The syllabus comprises the following topics and study weightage:

A	Cost Audit	35%
B	Management Audit	15%
C	Internal Audit, Operational Audit and other related issues	25%
D	Case Study on Performance Analysis	25%



ASSESSMENT STRATEGY

There will be written examination (including case study / caselet analysis) paper of three hours

OBJECTIVE

To promote the knowledge of Cost and Management Accountancy to provide educational facilities for training of budding professionals for excelling in the field of management accounting. To promote the decision-making skills and administrative competence relevant to management accounting and corporate management in general.

Learning Aims

The syllabus aims to test the student's ability to:

- Focus on basic cost information, appropriately computed cost centre wise, system based cost data support for decision-making processes
- Ensure uniformity and maintain cost records as per Generally Accepted Cost Accounting Principles
- Tabulate the cost information and construct the system thus evolved for gainful operation and use in the strategy making for measuring productivity, profitability, etc.
- Prepare cost audit report in compliance with statutory obligations
- Understand the usefulness of cost audit and interpret for stakeholders view
- Discuss the concepts of management audit and demonstrate its usefulness
- Evaluate the performance of an organization through cost accounting records and cost audit reports
- Recommend desired course of action for optimal utilization of scarce resources which can lead to improve the productivity and profitability of an organization

Skill Set required

Level C: Requiring skill levels of knowledge, comprehension, application, analysis, synthesis and evaluation.

Section A : Cost Audit	**35%**
1. Nature, Scope, Utility and Advantages of Cost Audit	
2. Companies (Cost Records & Audit) Rules, 2014	
3. Professional Ethics, Misconduct, Offences and Penalties	
4. Cost Accounting Standards	
5. Cost Auditing and Assurance Standards	
6. Format of Cost Audit Report – XBRL – Salient Features	
Section B: Management Audit	**15%**
7. Management Reporting issues under Cost Audit	

8. Management Audit – Meaning, Nature, Scope etc.	
9. Energy Audit, Efficiency Audit, Propriety Audit and Systems Audit	
10. Evaluation of Corporate Image – Corporate Development Audit	
11. Impact of Environmental Pollution	
Section C: Internal Audit, Operational Audit and other related issues	**25%**
12. Concept of Internal Audit	
13. Provisions of Internal Audit under Companies Act, 2013	
14. Audit Planning, Audit Programme, Audit workiong papers	
15. Receivables Audit, Audit of Services and Local Bodies	
Section D: Case Study on Performance Analysis	**25%**

SECTION A: COST AUDIT [35 MARKS]

1. Nature, Scope, utility and Advantages of Cost Audit

2. Companies (Cost Records and Audit) Rules, 2014

3. Professional Ethics, Misconduct, Offences and Penalties

4. Cost Accounting Standards

5. Cost Auditing and Assurance Standards

6. Format of Cost Audit Report – XBRL – Salient features

Section B: Management Audit [15 marks]

7. Management Reporting issues under Cost Audit – Performance Appraisal Report

8. Management Audit – Meaning, Nature, Scope, Need for Management Audit and Reporting under Management Audit

9. Energy Audit, Efficiency Audit, Propriety Audit and Systems Audit

10. Evaluation of Corporate Image - Corporate Development Audit –Corporate Strategy Audit

11. Impact of environmental pollution: Social Cost Benefit Analysis, Corporate Social Audit and Safety audit.

Section C: Internal Audit, Operational Audit and other related issues [25 marks]

Internal audit and operational audit

12. Concept of Internal Audit

13. Provisions of Internal Audit under Companies Act, 2013

14. Audit Planning, Audit Programme, Audit working papers, Reporting to Management

15. Receivables Audit, Audit of Hospitals, Hotels, educational Institutions, Co-operative Societies, Self Help Groups, Non-Governmental Organizations (NGOs), corporations, Municipalities, Panchayats.

Section D: Case Study on Performance Analysis [25 marks]

Case Study on the basis of the Companies Performance for managerial decision-making with reference to:

(a) Application of Ratios for assessment of performance

(b) Waste Multiplier

(c) Utilities Consumption i.e., Power, Fuel etc

(d) Capacity determination and Utilization

(e) Value Addition

(f) Inventory valuation

(g) Abnormal Events such as Strike, Lock-out and other factors

(h) Profitability analysis

(i) Reconciliations of Financial and Cost Records i.e., Profit, Taxation

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