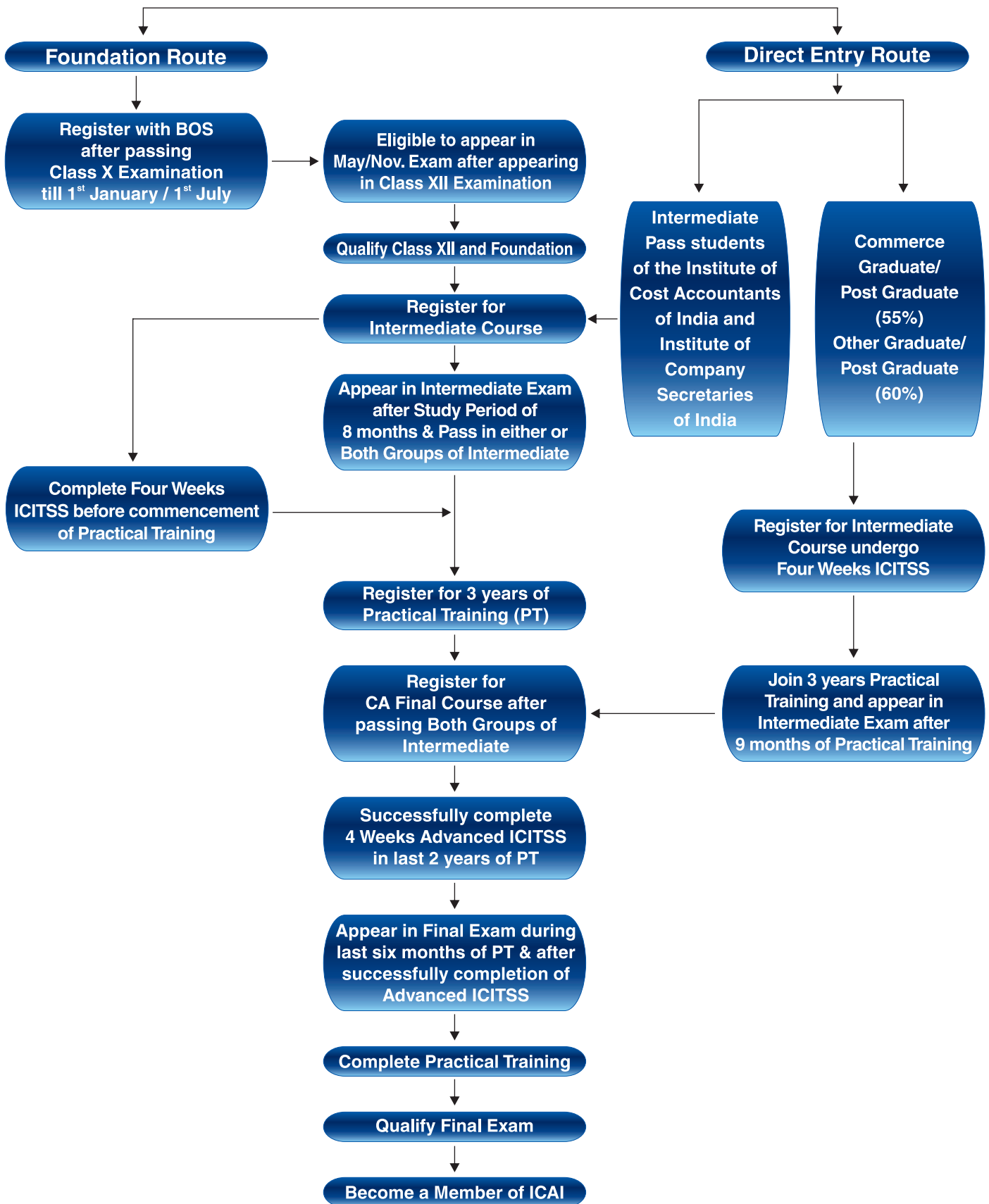


## Education and Training at a Glance





# Foundation Course

Candidates who wish to pursue Chartered Accountancy Course can register for Foundation Course after passing Class 10<sup>th</sup> examination.

### Registration Procedure

ICAI has a centralised Self Service portal to manage the process of registration and submit self attested documents. Initial registration and subsequent administrative interactions throughout the life cycle of students covering Intermediate and Final courses are done through this portal and there is no need for personal visit or submission of physical documents.

Candidate has to visit <https://www.icai.org/post/students-services> for the process of registration and click on the link - **Entry level forms [Foundation and Intermediate (Direct Entry)]**. Student will need a valid email address and mobile number to complete the OTP based registration process and submit softcopies of documents. After successful submission of forms, the documents will be verified and registration will be confirmed by the Institute. Students will also be provided details to order study material through the centralised distribution system portal, i.e., **icai-cds.org**

S. No.	Details of Fee	Rupees (₹)	For Foreign Student US\$
1.	Cost of Foundation Prospectus	200	20
2.	*Foundation Registration Fee	9,000	700
3.	Subscription for Members' Journal (For one Year) (Optional)	400	40

\*Students from newly formed Union Territories of Jammu, Kashmir and Ladakh and North – East States need to pay only ₹2250/- if they register between 20<sup>th</sup> September, 2019 and 31<sup>st</sup> March, 2022. They need to upload the following self attested documents at the time of registration (i) Domicile Certificate (ii) Proof of Identity – Aadhaar Card / Passport / Voter ID.



# Subjects & Syllabus



## Paper 1

### Principles and Practice of Accounting

100 Marks

#### Objective

To develop an understanding of the basic concepts and principles of Accounting and apply the same in preparing financial statements and simple problem solving.

#### Contents

##### 1. Theoretical Framework

- i. Meaning and Scope of accounting
- ii. Accounting Concepts, Principles and Conventions
- iii. Accounting terminology - Glossary
- iv. Capital and revenue expenditure, Capital and revenue receipts, Contingent assets and contingent liabilities
- v. Accounting Policies
- vi. Accounting as a Measurement Discipline - Valuation Principles, Accounting Estimates
- vii. Accounting Standards - Concepts and Objectives
- viii. Indian Accounting Standards - Concepts and Objectives

##### 2. Accounting Process

- I. Books of Accounts
- ii. Preparation of Trial Balance
- iii. Rectification of Errors

##### 3. Bank Reconciliation Statement

Introduction, reasons, preparation of bank reconciliation statement.

##### 4. Inventories

Cost of inventory, Net realizable value, Basis and technique of inventory valuation and record keeping.



## 5. Concept and Accounting of Depreciation

Concepts, Methods of computation and accounting treatment of depreciation, Change in depreciation methods.

## 6. Accounting for Special Transactions

### i. Bills of exchange and promissory notes

Meaning of Bills of Exchange and Promissory Notes and their Accounting Treatment; Accommodation bills.

### ii. Sale of goods on approval or return basis

Meaning of goods sent on approval or return basis and accounting treatment.

### iii. Consignments

Meaning and Features of consignment business, Difference between sale and consignment, Accounting treatments for consignment transactions and events in the books of consignor and consignee.

### iv. Average due Date

Meaning, Calculation of average due date in various situations.

### v. Account Current

Meaning of Account Current, Methods of preparing Account Current.

## 7. Final Accounts of Sole Proprietors

Elements of financial statements, Closing Adjustment Entries, Trading Account, Profit and Loss Account and Balance Sheet of Manufacturing and Non-manufacturing entities.

## 8. Partnership Accounts

### i. Final Accounts of Partnership Firms

### ii. Admission, Retirement and Death of a Partner including Treatment of Goodwill

### iii. Introduction to LLPs and Distinction of LLPs from Partnership.

## 9. Financial Statements of Not-for-Profit Organizations

Significance of Receipt and Payment Account, Income and Expenditure Account and Balance Sheet, Difference between Profit and Loss Account and Income and Expenditure Account. Preparation of Receipt and Payment Account, Income and Expenditure Account and Balance Sheet.

## 10. Introduction to Company Accounts

### i. Definition of shares and debentures

### ii. Issue of shares and debentures, forfeiture of shares, re-issue of forfeited shares

### iii. Statement of Profit and Loss and Balance Sheet as per Schedule III to the Companies Act, 2013.

## Paper 2 : Business Laws & Business Correspondence and Reporting

### Paper 2: Section A - Business Laws

60 Marks

### Objective

To develop an understanding of significant provisions of select business laws and acquire the ability to address basic application-oriented issues.



## Contents

- 1. The Indian Contract Act, 1872:** An overview of Sections 1 to 75 covering the general nature of contract, consideration, other essential elements of a valid contract, performance of contract, breach of contract, Contingent and Quasi Contract.
- 2. The Sale of Goods Act, 1930:** Formation of the contract of sale, Conditions and Warranties, Transfer of ownership and delivery of goods, Unpaid seller and his rights.
- 3. The Indian Partnership Act, 1932:** General Nature of Partnership, Rights and duties of partners, Reconstitution of firms, Registration and dissolution of a firm.
- 4. The Limited Liability Partnership Act, 2008:** Introduction- covering nature and scope, Essential features, Characteristics of LLP, Incorporation and Differences with other forms of organizations.
- 5. The Companies Act, 2013 :** Essential features of company, corporate veil theory, Classes of companies, types of share capital, Incorporation of company, Memorandum of Association, Articles of Association, Doctrine of Indoor Management

**NOTE** *If new legislations are enacted in place of the existing legislations, the syllabus would include the corresponding provisions of such new legislations with effect from dates notified by the Institute.*

---

## Paper 2: Section B - Business Correspondence And Reporting

40 Marks

---

### Objective

To acquire and develop good communication skills requisite for business correspondence and reporting.

### Contents

#### Part I

- 1. Communication**
  - I. Types
  - ii. Directions
  - iii. Network
  - iv. Process
  - v. Problems
  - vi. Barriers
  - vii. Types of Communication
    - a. Interpersonal Skills
    - b. Listening Skills
    - c. Emotional Intelligence
  - viii. Exercises with Answers

## Part II: Sentence Types and Word Power

### 2. Sentence Types (Direct-Indirect, Active-Passive Speech)

- i. Sentence: Definition
- ii. Classification of sentence based on connotation
  - a. Assertive sentences
  - b. Interrogative sentences
  - c. Imperative sentences
  - d. Exclamatory sentences
  - e. Optative sentences
- iii. Sentence Structure
  - a. Subject and Predicate
  - b. Verb (Auxiliary, Finite)
  - c. Object (Direct, Indirect)
  - d. Complement
  - e. Adjunct or Adverbial
  - f. Clause Structure
  - g. Types of Clauses
    1. Independent clauses
    2. Dependent clauses
    3. Relative or noun clauses
- iv. Types of sentences
  - a. Simple sentence
  - b. Compound sentence
  - c. Complex sentence
  - d. Compound-complex sentence
- v. Direct-Indirect Speech
  - a. Introduction
  - b. Procedure for converting Direct speech into Indirect speech
    - Rules for converting Direct speech into Indirect speech
    - Change in pronouns
    - Change in tenses
    - Change in modals
    - Changes for Imperative sentences
    - Changes for Exclamatory sentences
    - Changes for Interrogative sentences
    - Punctuation in Direct speech
  - c. Rules for converting Indirect speech into Direct speech
- vi. Active Passive Voice: Introduction
  - a. Usage : Active Vs passive voice
  - b. Reasons for using Passive voice
  - c. Changing Passive voice to Active voice
  - d. Changing Active voice to Passive voice
  - e. Suggestions for using Active and Passive voice



- vii. Verbs Voice: Active or passive
- viii. Exercises with Answers

### **3. Vocabulary Root Words, Synonyms, Antonyms, Prefixes, Suffixes), Phrasal verbs, Collocations & Idioms**


- I. Introduction
- i. Significance of improving vocabulary
- ii. How to improve vocabulary
- iii. Root words
- iv. Synonyms and Antonyms
- v. Words formed by using Prefixes
- vi. Words formed by using Suffixes
- vii. Phrasal verbs
- viii. Collocations
- ix. Idioms
- x. Exercises with Answers

## **Part III: Comprehension Passages and Note Making**

### **4. Comprehension Passages**

- i. Introduction to Comprehension Passages
- ii. Points to ponder
- iii. Sample Passages with answers
- iv. Exercises with Answers

### **5. Note Making**

- i. Introduction to Note Making
- ii. Significance of Note Making
- iii. Detailed Format Heading(Title)
  - a. Sub-heading
  - b. Indentation
  - c. Points
  - d. Use of abbreviations
  - e. Summary
  - f. Content
  - g. Expression
- iv. Steps to Comprehend and summarize text
- v. Helpful Hints
- vi. Sample Passages with Notes
- vii. Exercises with Answers





## Part IV: Developing Writing Skills

### 6. Introduction to Basic Writing

- I. Introduction
- ii. Process of writing
- iii. Styles of Writing
- iv. Significance of writing skills for students
- v. Writing Conventions
- vi. Characteristics of good writing
- vii. Do's and Don'ts of good writing
- viii. Exercises with Answers Hints

### 7. Précis Writing

- i. What is Précis writing?
- ii. Features of good Précis writing
- iii. How to write a Précis
- iv. Do's and Don'ts of Précis writing
- v. Examples(Passages with Précis)
- vi. Exercises with Answers

### 8. Article Writing

- i. What is an Article?
- ii. Essential elements of Article Writing
- iii. Detailed Format
  - a. Title
  - b. By-Writer's Name
  - c. Body
    - Introduction
    - Main Idea-Support
    - Conclusion
  - d. Sample Articles
  - e. Exercises with Answers

### 9. Report Writing

- i. What is a Report?
- ii. Essential elements of Report Writing
- iii. Kinds of Reports
  - a. Reporting for a Meeting/Assembly
  - b. Reporting for a Newspaper
  - c. Reporting for a Magazine
- iv. Detailed Format for (iii) above
  - a. Title
  - b. By-Writer's Name
  - c. Place, Date



- d. Body
  - What
  - When
  - Where
  - Who
  - How
- e. Tips and Conventions of Report Writing
- f. Sample Reports
- g. Exercises with Answers Clues

## 10. Writing Formal Letters

- i. Types of Letters
  - a. Circulars
  - b. Complaints
  - c. Memos
  - d. Promotional Content
  - e. Sales
  - f. Recovery/Remittances
- ii. Detailed format for (I) above
  - a. Date
  - b. Salutation
  - c. Subject
  - d. Body of the letter
    - First paragraph
    - Second paragraph
  - e. Complimentary Closure
- iii. Points to Remember
- iv. Sample Letters
- v. Exercises with Answers Clues

## 11. Writing Formal Mails

- i. How to Write a Formal Mail?
- ii. Writing Effective Mails
- iii. Essential elements of Mails
  - a. Subject line
  - b. Formal Greetings
  - c. Target Audience(Reader)
  - d. Clarity and Conciseness
  - e. Formal Closing
  - f. Proof read
  - g. Feedback
- iv. Tips and Conventions of Mails
- v. Sample Mails
- vi. Exercises with Answers Clues



## 12. Resume Writing

- i. Essential Elements of Resume
  - a. Name and contact details
  - b. Objective Summary
  - c. Academic Qualifications and Achievements
  - d. Co-curricular Achievements
  - e. Training Programs attended/completed
  - f. Strengths
  - g. Interests/Hobbies
  - h. Declaration
  - l. Signature
- ii. Resume Writing Tips and Conventions
- iii. Sample Resumes
- iv. Exercises with Answers Clues

## 13. Meetings

- i. Notice
- ii. Agenda
- iii. Drafting minutes
- iv. Action Taken Report
- v. Exercises with Answers Clues.

## Paper 3

---

# Business Mathematics, Logical Reasoning and Statistics

100 Marks

---

### Objective

1. To develop an understanding of the basic Mathematical and Statistical tools and their application in Business, Finance and Economics.
2. To develop logical reasoning skills and apply the same in simple problem solving.

### Contents

#### Part A: Business Mathematics 40 Marks

##### 1. Ratio and Proportion, Indices and Logarithms

Ratio and Proportion (Business Applications related to Ratio and Proportion) Laws of Indices, Exponents and Logarithms and Anti Logarithms.

##### 2. Equations and Matrices

- i. Equations: Simultaneous linear equations up to three variables, Quadratic and Cubic equations in one variable.



- ii. Matrices: Algebra of Matrices, Inverse of a Matrix and determinants, solving system of equations by Cramer's Rule (involving not more than three variables).

### 3. Linear Inequalities with Objective Functions and Optimization w.r.t. objective function.

### 4. Time value of Money

- i. Simple Interest
- ii. Compound interest
- iii. Depreciation
- iv. Effective Rate of Interest
- v. Present Value
- vi. Net Present Value
- vii. Future Value
- viii. Perpetuity
- ix. Annuities
- x. Sinking Funds
- xi. Valuation of Bonds
- xii. Calculations of Returns
  - a. Nominal Rate of Return
  - b. Effective Rate of Return
  - c. Compound Annual Growth Rate (CAGR).

### 5. Permutations and Combinations

Basic concepts of Permutations and Combinations: Introduction, Factorial, Permutations results, Circular Permutations, Permutations with restrictions, Combinations with standard results.

### 6. Sequence and Series

Introduction Sequences, Series, Arithmetic and Geometric progression, Relationship between AM and GM and Sum of n terms of special series

### 7. Sets, Relations and Functions

### 8. Basic applications of Differential and Integral calculus (Excluding the trigonometric applications), Applications of Marginal Cost and Marginal Revenue etc..

## Part B: Logical Reasoning 20 Marks

- 1. Number series, Coding and Decoding and odd man out.
- 2. Direction Tests
- 3. Seating Arrangements
- 4. Blood Relations
- 5. Syllogism.

**Part C: Statistics** 40 Marks**1. Statistical description of Data**

Statistical Representation of Data, Diagrammatic representation of data, Frequency distribution, Graphical representation of Frequency Distribution - Histogram, Frequency Polygon, Ogive, Pie-chart.

**2. Measures of Central tendency and Dispersion**

Measures of Central Tendency and Dispersion: Mean, Median, Mode, Mean Deviation, Quartiles and Quartile Deviation, Standard Deviation, Co-efficient of Variation, Coefficient of Quartile Deviation.

**3. Probability**

Probability: Independent and dependent events; mutually exclusive events. Total and Compound Probability and Mathematical Expectation.

**4. Theoretical Distributions**

Theoretical Distributions: Binomial Distribution, Poisson distribution – Basic application and Normal Distribution - Basic applications.

**5. Correlation and Regression**

Correlation and Regression: Scatter diagram, Karl Pearson's Coefficient of Correlation Rank Correlation, Probable Error and Probable limits. Regression lines, Regression equations, Regression coefficients.

**6. Index Numbers and Time Series**

a. Index Numbers: Uses of Index Numbers, Problems involved in construction of Index Numbers, Methods of construction of Index Numbers.

b. Time Series Analysis - Components of Time Series and Calculation of Trend by Moving Average Method.

---

**Paper 4 - Business Economics & Business and Commercial Knowledge 100 Marks****Paper 4: Part I - Business Economics**

60 Marks

---

**Objective**

To develop an understanding of concepts and theories in Business Economics and apply such concepts and theories in simple problem solving.

**Contents****1. Introduction to Business Economics**

- i. Meaning and scope of Business Economics
- ii. Basic problems of an Economy and role of Price Mechanism.



## 2. Theory of Demand and Supply

- i. Meaning and determinants of demand, Law of demand and Elasticity of demand – Price, Income and Cross elasticity
- ii. Theory of consumer's behaviour - Marshallian approach and Indifference curve approach
- iii. Demand Forecasting
- iv. Meaning and determinants of supply, Law of supply and Elasticity of supply.

## 3. Theory of Production and Cost

- i. Meaning and Factors of production
- ii. Laws of Production - The Law of Variable Proportions and Laws of Returns to Scale, Producer's equilibrium
- iii. Concepts of Costs - Short-run and long-run costs, Average and marginal costs, Total, fixed and variable costs.

## 4. Price Determination in Different Markets

- i. Various forms of markets - Perfect Competition, Monopoly, Monopolistic Competition and Oligopoly
- ii. Price determination in these markets.

## 5. Business Cycles

- i. Meaning
- ii. Phases
- iii. Features
- iv. Causes behind these Cycles.

---

# Paper 4: Part II - Business and Commercial Knowledge

40 Marks

---

## Objective

To develop an understanding of common business and commercial concepts and to keep abreast with developments in the business and commercial world.

## Contents

### 1. Business and Commercial Knowledge - An Introduction

Nature of Business, Profession and Employment. Objectives of Business. Economic and Non-Economic Activities, Forms of Business Organizations.

### 2. Business Environment

Micro and Macro Environment, Elements of Micro Environment – Consumers/Customers, Competitors, Organization, Market, suppliers, Intermediaries, Elements of Macro Environment – Demographic, Economic, Political-legal, Socio-cultural, Technological, Global Environment.

### 3. Business Organizations

Overview of selected Indian and Global Companies.

**4. Government Policies for Business Growth**

Policies creating conducive business environment such as Liberalization, Privatization, Foreign Direct Investment.

**5. Organizations Facilitating Business**

- i. Indian Regulatory Bodies - RBI, SEBI, CCI, IRDAI
- ii. Indian Development Banks - NABARD

**6. Common Business Terminologies**

- i. Finance and Stock & Commodity Markets Terminology
- ii. Marketing Terminology
- iii. Banking Terminology
- iv. Other Business Terminology.

**NOTE** *Students are expected to read at least one financial newspaper and one business magazine on a regular basis. They may also watch a business channel to remain updated about the developments related to commercial world.*

## Admission to Foundation Examination

1. Candidate shall be admitted to Foundation Examination, if
  - a. He is registered on or before 1<sup>st</sup> January/1<sup>st</sup> July for the examination to be held in the month of May/November or June/December respectively as decided by the Council and
  - b. He has appeared in Senior Secondary (10+2) examination conducted by an examining body constituted by law in India or an examination is recognized by the Central Government or the State Government as equivalent thereto (Annexure A)
2. Candidate shall pay Examination fees, as may be fixed by the Council for Foundation Examination.

**NOTE** Candidates are advised to visit the Institute's website [www.icai.org](http://www.icai.org) regularly to keep updated with the latest developments, if any.

## Requirements for Passing Foundation Examination

A candidate is declared to have passed the Foundation examination, if he obtain at one sitting a minimum of 40% marks in each paper and minimum of 50% marks in the aggregate of all the papers.

Paper Nos. 1 & 2 will be subjective type while Paper Nos. 3 & 4 will be of Objective Type with Negative Marking.

## Virtual Coaching Classes

The Board of Studies, ICAI conducts Virtual Coaching Classes for the Foundation Course students. These classes are delivered online and students can access them on Personal Computers and Mobiles Phones. Students can attend these virtual classes sitting at their home, while travelling or anywhere else. Recorded lectures are also available for later viewing. For more details, please visit [www.icai.org\boslvc](http://www.icai.org\boslvc).

## e-Books

The Board of Studies (Academic) also provides e-Books for Foundation Course, through ICAI Digital Learning Hub at <https://learning.icai.org/iDH/icai/>. These e-Books contain audio enabled study material specifically for theoretical subjects for listening on the move. Students have the facility to highlight text and make notes/ annotations which can be retrieved later for quick reference. Searching the meaning of any word/ phrase is also possible with embedded Wikipedia. Self-assessment questions are available at the end of each chapter, to assess the performance of oneself. Students can access these e-Books using any device and learn anytime, anywhere at their own convenience and pace.



## Annexure A

### List of Examinations treated as equivalent to Senior Secondary Examination

- + Board of Intermediate Education, Andhra Pradesh
- + Assam Higher Secondary Education Council
- + Bihar School Examination Board
- + Central Board of Secondary Education (CBSE)
- + Chhatisgarh Board of Secondary Education
- + Council for Indian School Certificate Examinations (CISCE)
- + Goa Board of Secondary and Higher Secondary Education
- + Gujarat Secondary & Higher Secondary Education
- + Board of School Education, Haryana
- + H. P. Board of School Education
- + J & K State Board of School Education
- + Jharkhand Academic Council
- + Government of Karnataka Department of Pre-University Education
- + Kerala Board of Higher Secondary Education
- + Maharashtra State Board of Secondary & Higher Secondary Education
- + Board of Secondary Education, Madhya Pradesh
- + Council of Higher Secondary Education, Manipur
- + Meghalaya Board of School Education
- + Mizoram Board of School Education
- + Nagaland Board of School Education
- + Council of Higher Secondary Education, Orissa
- + Punjab School Education Board
- + Board of Secondary Education, Rajasthan
- + Tamil Nadu State Board of School Examinations
- + Tripura Board of Secondary Education
- + U. P. Board of High School and Intermediate Education
- + Board of School Education, Uttarakhand
- + West Bengal Council of Higher Secondary Education
- + Chhatisgarh State Open School
- + MP State Open School
- + National Institute of Open School
- + Rajasthan State Open School
- + The West Bengal Council of Ravindra Open School
- + Banasthali Vidyapith





- + 5 (Five) passes at GCE 'O' level/GCSE/IGCSE in A/B/C Grades and two passes at GCE 'Advanced' level examination of the approved British Examining Bodies, subject to submission of equivalence certificate issued by the Association of Indian Universities certifying that the examination passed/ appeared is equivalent to +2 stage qualification of an Indian Body.
- + Students who have completed two years of higher education including Diploma course after passing 10th class, conducted either by Central/ State Government(s) and on passing such a course have either been admitted to first year of graduation course or have passed the graduation course conducted by any University, including Open Universities, established by law in India shall be also eligible for admission to the Foundation Course.
- + 10+2 Examination of any other recognized Board/University not covered above but recognized by Association of Indian Universities (AIU) as equivalent to Senior Secondary (10+2) Examination as recognized by Central Government.