



NATIONAL BANK FOR AGRICULTURE AND RURAL DEVELOPMENT
SYLLABUS FOR THE WRITTEN EXAMINATION FOR THE POST OF
ASSISTANT MANAGERS IN GRADE 'A'
CHARTERED ACCOUNTANT
(THE SYLLABUS IS ILLUSTRATIVE AND NOT EXHAUSTIVE)

1. FINANCIAL ACCOUNTING

- 1.1 Meaning; Objectives; Basic Accounting; Principles, Concepts and Conventions ; Limitations of Financial Accounting
- 1.2 Preparation of Financial Statements – Nature of Financial Statements; Capital and Revenue Expenditure; Trading Account; Profit and Loss Appropriation account and Balance Sheet; Limitation of Financial Statements
- 1.3 Analysis and Interpretation of Financial Statements – Tools of Financials Statements analysis; Ratio Analysis – different types of ratios; Advantages and Limitation of ratio analysis.
- 1.4 Depreciation : Reserves and Provisions – Meaning ; Need for providing Depreciation; Methods of providing depreciation ; Provisions and Reserves; Choice of Methods; Objectives of Depreciation Policy.
- 1.5 Inventory Valuation : Nature and Importance of Inventory Valuation; Types of Inventory Systems; Methods of Inventory valuation; choice of Method.
- 1.6 Developments in Accounting – Interim Reporting – Segment Reporting – Value – added statement – Corporate Social Reporting – Human Resource Accounting – Accounting for Intangible Assets – Accounting for Financial Instruments – Environmental Accounting – Inflation Accounting.
- 1.7 Statement of Sources and Application of Funds – Meaning of Funds, Distinction between Funds and Cash; Preparation of Fund Flow Statement; Analysis of flow of funds; Utility of Fund Flow Statement; Preparation of cash flow statement; Utility of cash Flow Statement.
- 1.8 Preparation of Final Accounts of Banking, Insurance Companies – Basel III & Prudential Norms like Capital Adequacy Ratio, Non-Performing Assets – Provisions therefore for Banks and financial Institutions.

2. MANAGEMENT ACCOUNTING

- 2.1 Meaning and scope of Management Accounting; Financial Accounting Vs. Management Accounting; Role of Management Accounting; Function and Position of Controller.
- 2.2 Variable Costing – Fixed costs and Variable Costs; Distinctions between variable costing and absorption costing; application of variable costing as a technique; Differential costing and decision making.
- 2.3 Marginal costing – Cost volume profit analysis, Profit Planning, Break-even analysis, Break even Point and Break-even chart.
- 2.4 Methods of costing – job costing – Contract costing – Batch Costing – Process costing – Unit costing – Operation costing and Operating costing.
- 2.5 Cost of capital – Cost of different sources of finance – Weighted average cost of capital – Marginal cost of capital – Concepts of operating and financial leverage – Capital Structure patterns – Designing optimum capital structure – Different sources of finance – Long, medium and short term finance.
- 2.6 Money market and their operations
- 2.7 Business valuations – Mergers, Acquisitions and corporate restructuring
- 2.8 Budgetary control – Meaning and objectives; operation of Budgeting system; types of Budgets; Preparation of Sales Budget; Production Budget, Cash Budget, Master Budget; Flexible Budgeting; Zero Budgeting.
- 2.9 Standard Costing – Meaning of Standard costing; distinction between Standard Costing and Budgeting Control; Advantages of Standard costing; Setting up of Standards; Variance Analysis – Material, labour and Overheads.
- 2.10 Management Control System : distinction between strategic planning, Operational Control and Management control System; Responsibility Accounting; Transfer Pricing; Tools of Control – Residual Income and Return on Investment; Performance Budgeting; Economic Value added.
- 2.11 Appraisal of firms – Objectives, Uniform costing; Ratio Based Comparison; Credit Rating; Risk Assessment.
- 2.12 Appraisal of Projects – Methods of appraisal – preparation of project report – Economic, Technical, Financial Feasibility – Techniques for evaluation of projects like Pay Back Method, Discounted Cash Flow, Net Present Value, Internal Rate of Return, etc. – Sensitivity analysis in capital budgeting – Impact of inflation in capital budgeting – Risk analysis in capital budgeting – Social cost benefit analysis – Simulation and decision tree analysis.
- 2.13 Working Capital Management : Factors affecting working Capital requirements; Assessment of Working Capital; Inventory Management; Receivable Management; Cash Management; Method of Financing working capital; different forms of bank credit; working capital and Banking Policy.

3. AUDITING

- 3.1 Auditing – Nature and scope – Audit Process – Objectives of audit – basic principles governing an audit – Types of audit – Relationship of auditing with other subjects – Internal Audit and External Audit – Audit & Inspection
- 3.2 Planning and programming of Audit – Division of work; supervision and review of audit notes and working papers; planning the flow of audit work.

- 3.3 Conduct of Audit – Audit Programme; Audit Note Book; Working Papers and Audit files.
- 3.4 Internal Control – Internal Control, Internal Check, Internal Audit and Concurrent Audit.
- 3.5 Vouching – General consideration vouching of payments and receipts; Vouching of payment into and out of Bank; Vouching of Goods on consignment, Sale on approval basis, Empties, Sale under hire-purchase system and various types of allowances to customers.
- 3.6 Verification – Meaning ; General principles; Verification of Cash in hand and Cash at Bank; Verification and Valuation of Investments and Inventories; Loans Bills Receivables; Free hold and Leasehold property; Debtors, Plant and Machinery; Verification of different liabilities.
- 3.7 Audit of Limited Company – Statutory requirements under the Companies Act 1956 – Audit of branches – Joint Audit – Concepts of true and fair materiality and audit risk in the context of audit of companies.
- 3.8 Dividends and divisible profits – financial, legal and policy considerations with special reference to depreciation – Audit reports – Qualification and Notes on accounts –Special report on offer documents.
- 3.9 Audit under income tax and indirect taxes – Special features of audit of banks, Insurance companies, cooperative societies and Non-banking Financial Companies – Audit of incomplete records – Special audit assignments like audit of bank borrowers – Inspection of special entities like banks, financial institutions, etc. – Investigation including due diligence.
- 3.10 Concept of Cost Audit, Management Audit, Operational Audit, Environmental Audit and Energy Audit.
- 3.11 Audit under computerized environments – Computer Auditing – Specific problems of EDP audit – need for review of internal control especially procedure controls and facility controls – techniques of audit of EDP output – use of computer for internal and management audit purpose – test packs – computerized audit programme – involvement of the auditor at the time of setting up the computer system.
