

New CA course will make entry tough for students

Aspirants aiming for a qualification in chartered accountancy from the Institute of Chartered Accountants of India (ICAI) may soon have to gear up for changes in the CA curriculum. Currently, the different levels of the CA course are Common Proficiency Test (CPT), Intermediate (Integrated Professional Competence) Course (IIPCC) and the final course.

The entry-level test is named CPT and is currently designed in the pattern of entry-level tests for engineering, medical and other professional courses. Students who are in the final year of their graduation can also register for the IIPCC on provisional basis. The last leg of the CA course is the final course, designed to impart expert knowledge in financial reporting, auditing and professional ethics, taxation, corporate laws, system control, strategic finance and advanced management accountancy.

As per the proposed changes, the three levels would be called foundation, intermediate and final. The weightage given to some of the level 1 subjects will be changed. The paper on fundamentals of accounting, which is already there at the CPT level carrying 60 marks, will be renamed as principles and practices of accounting and will carry 100 marks as it is the core subject for the CA profession.

General English and business and commercial knowledge will also be added at the first level as new subjects, given their importance in the modern business world and preparing the CAs for tomorrow.

“This is to ensure that entry level becomes somewhat difficult. Also, the foundation examination will be partly descriptive and partly objective. The present MCQ-based system encourages students to do a lot of guesswork. As a result, even undeserving students reach the next level. It affects the quality of the profession,” says M Devaraja Reddy, president, ICAI. Since the foundation exam is likely to be partly descriptive in nature, the pass percentage has been proposed at 50% aggregate and 40% subject-wise, just like for other courses (intermediate and final). The foundation exam is likely to be conducted along with intermediate and final in May and November.

In another expected change, students will have to appear for eight papers in level 2 (intermediate) under the new scheme. At present, the second stage is the IIPCC which requires a student to clear seven papers. The papers on business laws (60 marks), communication (20 marks) and ethics (20 marks) in level 2 may be changed to corporate laws and other laws (100 marks). Cost accounting may carry 100 marks (instead of 50). A new paper on business economic environment (40 marks) may be added.

“A new subject called financial and capital market services has been proposed in the final level to make professionals more competitive in finance-related areas. International taxation for 30 marks may also be added in view of increasing importance of the subject in the present globalised world,” adds Reddy.

ICAI is now in the process of preparing a syllabus for each subject. Once syllabi are prepared, the new study material based on this syllabus will be prepared. The government-approved scheme will be notified in the Gazette of India for inviting comments for 45 days. The modified scheme will be sent to the ministry of corporate affairs for final approval. The institute is expecting the changes to be implemented by November 2016.

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