

# **Students' Manual**

## **Chartered Accountancy Professional Scheme & Syllabus**



**Education Department**

**The Institute of Chartered Accountants of Nepal**

Satdobato, Lalitpur, Nepal



*'The Institute of Chartered  
Accountants of Nepal  
(ICAN)*

*aims to be recognized as a  
respected and highly  
professional accounting body,  
providing leadership on  
standards,  
education and  
self-regulation  
in Nepal'.*

# *Foreword to Fifth Edition*

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The Institute of Chartered Accountants of Nepal (ICAN) is an autonomous body established under the Nepal Chartered Accountants Act, 1997 for regulating the accounting profession in the country. Its objectives include enhancing social recognition and faith in the accounting profession by raising public awareness towards economic and social responsibility of Accountants; contributing towards economic development and creating awareness among the professionals about their responsibility towards the importance of accountancy profession. Its mission is to promote and regulate high quality financial reporting and auditing in Nepal, to develop and maintain the competence of professional accountants and enhance the reputation and role of accounting profession in all sectors of the economy. The ICAN is a member of the International Federation of Accountants (IFAC), Confederation of Asian & Pacific Accountants (CAPA) and South Asian Federation of Accountants (SAFA).

In today's rapidly changing world the impact of information and technology and standardization of profession can be perceived easily and the Accounting Profession is not aloof of it. Therefore, to keep pace with the globalization and stiff competition Chartered Accountants need to sharpen their knowledge in the specific areas of profession. To understand the integrated part of Chartered Accountancy Course, this student manual acknowledge procedural requirements of registration, examination, practical training including industrial training, IT training and General Management and Communication Skills training.

Further, the Institute with a motive to impart international level education to the students is in the process of revising its syllabus in line with syllabus in use at International level which is expected to improve the quality of the education and members pathway to any dimension.

Last but not least, I wish to thank the members of Board of Studies and Staffs of ICAN for their indispensable performance to bring this manual as a ready reference for all students willing to pursue their career in the accounting profession.

Kathmandu  
May 2019

CA. Jagannath Upadhyay Niraula  
President

# STUDENTS' MANUAL

Chartered Accountancy  
Professional Scheme & Syllabus

*Fifth Edition*



**Education Department**  
**The Institute of Chartered Accountants of Nepal**  
ICAN Marg, Satdobato, Lalitpur

# Chartered Accountancy Professional Scheme & Syllabus

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Articleship Related Forms are available in 'Download' section of the Institute's website  
[www.ican.org.np](http://www.ican.org.np)

# Preface

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Chartered Accountants, around the world, secure their qualification through a combination of professional exams and practical accounting experience. Within that model, The Institute of Chartered Accountants of Nepal offers a range of educational and training routes that provide choice and flexibility to graduates, non-graduates, accounting technicians and experienced professionals.

This manual has been specially prepared for our student and faculty as a source of reference on Chartered Accountancy Courses held by the Institute of Chartered Accountants of Nepal. We recommend that you read this manual before embarking on your program with us. It contains a compilation of detailed procedural guidelines and requirement which provides guidance to the student who grapples with real ethical dilemmas in the Chartered Accountancy Pathway. As Chartered Accountancy is the profession where theory meets practice and where the concept of ethical behavior, technical principles and knowledge of commercial skills crosses from the abstract to the concrete form. Any necessary changes will be brought to your attention by our Education Department when needed.

Each year, The Institute of Chartered Accountants of Nepal inspires thousands of students to join us for their quest for professional qualifications. These students are met by a team of knowledgeable, confident, caring, responsible and efficient staff who forms the backbone of our Education Team.

Throughout your stay with us, we welcome your sincere feedback to help us improve ourselves. You will also observe that in our quest to be the leading professional education provider, we are constantly upgrading and improving our services and facilities to ensure our students have the most conducive studying environment.

We are confident that our students will receive a well- rounded education with a strong support network from our Team, excellent educational infrastructure as well as a dedicated member of your professional development. We are very excited for you to join us as we build your success story together.

We wish you great success and enjoy your studies with The Institute of Chartered Accountant of Nepal.

*Board of studies*

Kathmandu  
16 July 2007

CA. Tirtha Raj Upadhyaya, FCA  
*Chairman*  
Education Committee





## 1. ABOUT THE INSTITUTE

The Institute of Chartered Accountants of Nepal (ICAN) was established under a Special Act, The Nepal Chartered Accountants Act, 1997 to enhance social recognition and faith of people at large in the accounting profession by raising public awareness towards the importance of accounting profession as well as towards economic and social responsibility of the accountants, and to contribute towards economic development of the country. The Institute is an autonomous body and the Council is fully authorized by the Act to undertake accountancy profession in Nepal.

### Objectives

The Institute has full responsibility to regulate, develop and promote the accounting profession in Nepal. The Institute as part of its quality education, enrolls students for the Chartered Accountancy (CA) course, imparts theoretical education to them, requires the students of CA course to undergo practical training and monitors effectiveness of their training programs. It also holds qualifying examination for them and grants membership to successful candidates and certificate of practice to the members intending to practice the accounting profession. The Institute also supports the government with constructive suggestions towards formulation and revision of legislations relating to trade, commerce, accounting, revenue, etc. and helps support the economic development process of the country by increasing the confidence among investors and general public at large towards the capital market by pronouncing the standards of disclosures in financial reporting practices.

### Council

The Institute is governed by a council in accordance with the provisions of the Chartered Accountants Act, 1997. It consists of 17 members of whom 10 are elected from among the Chartered Accountant members, 4 elected from among the Registered Auditor members, and the remaining 3 nominated by the Government of Nepal on the recommendation of the Auditor General. The Council is fully autonomous and has right to regulate accountancy profession in the country. The Council is also empowered to constitute Standing and Non-Standing Committees for the attainment of the objectives of the Institute.

### The Regulations and Bye-Laws

The activities of the Institute are administered under the Nepal Chartered Accountants Regulation, 2004 and Nepal Chartered Accountants (Finance and Administration) Bye-Laws, 2010. In addition, the Council is also authorized to issue notice and circulars to comply by the members apart from the provision of Act and Regulations.



## 2. CHARTERED ACCOUNTANCY AS A PROFESSION

Chartered Accountancy is a prestigious and rewarding profession in the society. It is a challenging career that imparts the best of technical skills in financial and management areas. Chartered Accountants today hold top management positions in public as well as private sector enterprises. They also render professional services as accountants and management consultants to various private and public sector organizations. Rapid changes in economy and globalization have further opened opportunities to the Chartered Accountants for many challenging and rewarding career development options.

In the changing global context, roles and responsibilities of chartered accountants are not confined to performing mere traditional duties in the fields of Auditing, Accounting, Taxation, etc. They are now expected to have a greater understanding of and experience in the fields of business finance, information technology, corporate management, etc. Therefore, the business managers of today must have adequate managerial skills in decision making, problem solving and in ensuring effective communication in organizations. Professional expertise and skills in these subjects, therefore, constitute the indispensable parts of the CA Education. To this end, our CA education system is designed with appropriate syllabi framed to cater to the learning needs of the students facing development challenges in all national as well as global fronts.

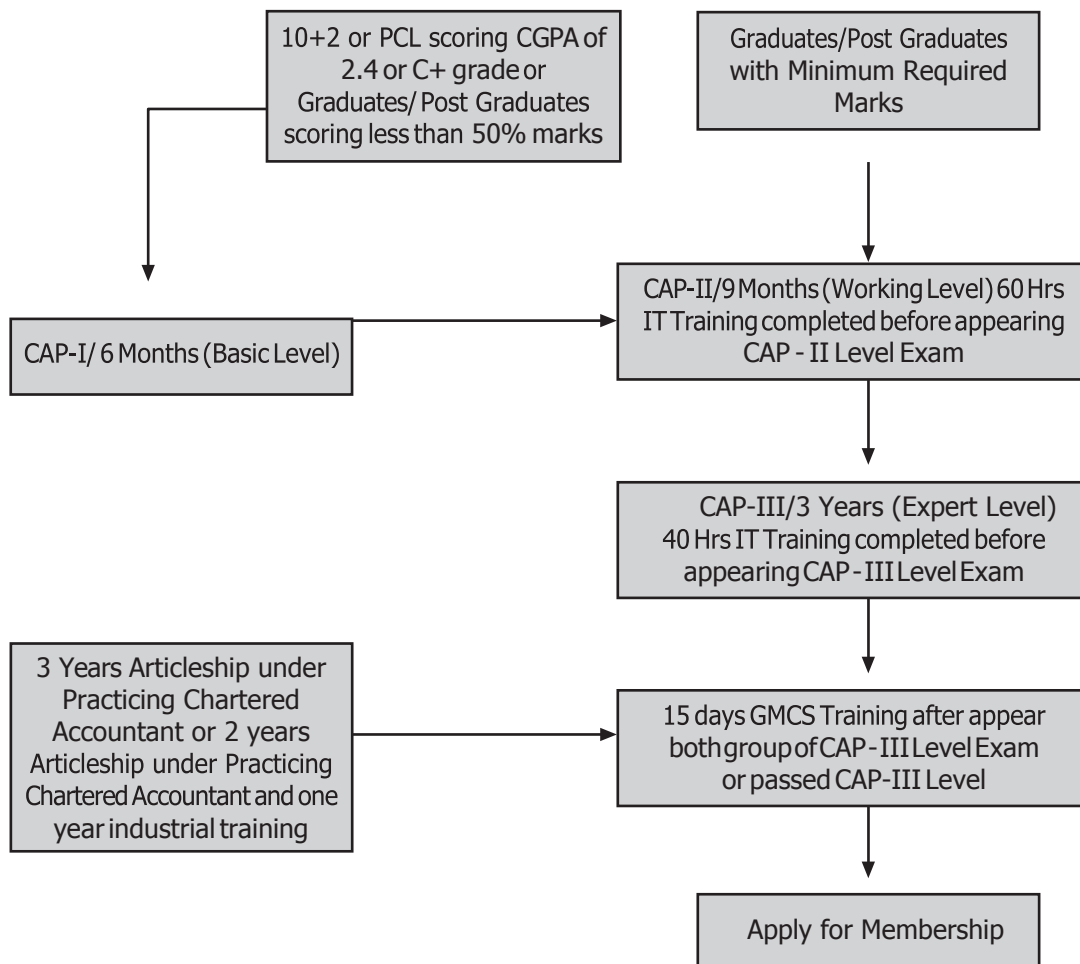


### 3. LEVELS IN CHARTERED ACCOUNTANCY COURSE

There are two ways of admission procedures for access into the Chartered Accountancy Course. The first one is an entry into the Chartered Accountancy Professional (CAP) I course, i.e. Basic Level Course, which is designed in the pattern of entry level test of the students. Similarly, the second one is direct admission into the Chartered Accountancy Professional (CAP) II course, i.e. Working Level Course.

Chartered Accountancy course classified into the three levels. They are

- (i) Chartered Accountancy Professional (CAP) I Level
- (ii) Chartered Accountancy Professional (CAP) II Level
- (iii) Chartered Accountancy Professional (CAP) III Level





## 4. CHARTERED ACCOUNTANCY PROFESSIONAL (CAP)-I Level

This is an entry level test for Chartered Accountancy Course. The duration of CAP-I is six months. The course has been designed to provide students basic knowledge and skills as part of the entry standard for the professional level.

### 4.1 Eligibility for Registration to CAP-I

The following students are eligible to register for the course

- i. Students completing the higher secondary (10+2) or certificate level examination from recognized academic institutions having minimum (GPA of 2.4 or C+ grade).
- ii. Graduates or Post Graduates who have scored less than 50% in Commerce and/or less than 60% in any faculty other than Commerce.

Note:

Higher Secondary or Certificate Level Course means Higher Secondary or Certificate Level Course/s recognized by the Government except subjects like song, music, fine arts, dance, language, literature, culture, etc.

"Graduate /Post Graduate" stands for Graduation/Post Graduation courses recognized by the Government except subjects like song, music, fine arts, dance, language, literature, culture etc. Where a candidate has passed the examination under grading system, he should have scored grades equivalent to the percentage marks as mentioned above.

### 4.2 Provisional Registration

Candidates who have appeared in 10+2 or equivalent examinations may also register provisionally for the CAP-I. However, such provisional registration shall be confirmed only after satisfactory proof of having passed the said examination within a period of six months from the date of provisional registration.

Failure to comply with this shall result in the cancellation of provisional registration. Fees paid for provisional registration shall not be refunded.

#### Procedure for Registration

Registration for the CAP-I is open throughout the year. Prescribed application form for registration is given in Annexure 4.

Examination is held twice a year - one in June and the other in December. For appearing in the June examination, registration should be done on or before the end of November of the preceding years and on or before end of May for the December examination.

The candidate must fill up the application form along with the following documents, duly attested by any Gazetted Officer or ICAN's Officers, and submit it to the Institute

- Copy of Marksheet/Transcript. Starting from School Leaving Certificate (SLC) and above
- Copy of Citizenship Certificate
- Copy of Character Certificates
- Receipt of Registration Fee paid.



### ***Fee Structure***

Registration fee for CAP-I is Rs. 27,500/- to be paid at the time of registration along with other applicable fees. However, the registration fee can also be paid on installments. Accordingly, Rs. 15,000/- shall be paid at the time of registration and balance amount shall be paid within three months from the date of registration. The registration fee shall not be refundable and includes cost of Institutes' Study Materials, Pre-test Exam.

## **4.3 Course Contents**

The CAP-I Course consists of Three papers, each carrying 100 marks

### **Group I**

PAPER 1	Fundamentals of Accounting
PAPER 2	Part A Mercantile Laws Part B Fundamentals of Economics
PAPER 3	Part A Fundamentals of Management Part B Commercial Mathematics & Statistics

Detailed courses of study are given in Annexure-1.

### ***Study Materials***

On receipt of application for registration along with the prescribed fee, study materials shall be issued to the students.

### ***Library Facility***

Students can enjoy all library facilities including professional books and other reference materials as per library procedure. Students are required to use their Identity Cards issued by the Institute for access into the library.

## **4.4 Eligibility for Appearing in CAP-I**

For appearing in the CAP-I examination students should complete the pre-test exams i.e. Postal. The students must secure a minimum of 40% marks in each 5 postal subject papers to get eligibility for appearing in CAP - I Level Exam.

### **Postal Tests Scheme**

Under this scheme, Student are provided a set of paper at the time of registration. Students are required to solve the test papers at home under examination conditions and submit them to the Institute. These test papers can be submitted personally or by post. A student is allowed to submit two papers of each subject free of cost. However, Students wishing to attempt more than two set papers shall be charged an additional Rs. 300/- per paper. If any student has submitted more than two answer paper, the paper with the score shall be recorded at the Institute's documentation section.

For postal tests, if found copied from others' works/writings shall be considered as invalid and no marks shall be awarded to such answers. The tests are conducted till the end of July for the students appearing in the December Examination and till the end of January for the students appearing in the June Examination.



### ***Eligibility Certificate***

After successful completion Pre-test scheme, an eligibility certificate shall be issued the student. A student shall get eligibility certificate at least two months ahead of examination date or before last date of exam form submission date. A prescribed eligibility certificate is provided as per Annexure 14.

A student must get eligibility certificate within 3 years from the date of registration. Failure to get eligibility certificate is subject to cancellation of registration. However, such a student can re-register with the institute as de-novo.

A student who registered provisionally and has not submitted the required documents as well as not paid second installment within the prescribed period may not be eligible to appear in CAP-II examination.

## **4.5 Examinations**

The CAP-I/Foundation Examinations are held twice a year, one in June and the other in December. A candidate can appear in the Examination, provided he/she has

- i) Completed at least six months of study from the date of registration, and
- ii) Obtained eligibility certificate.

The candidate should pass the Eligibility Test within 3 years from the date of registration. If a candidate fails to complete the test examinations within the stipulated duration, his/her registration shall be termination on expiry of three years from the date of registration.

The medium of writing the examinations shall be Nepali or English as decided by the Council. It must be noted that a student must clear the CAP-I Examination within three years from the date of registration, irrespective of the date of getting the eligibility certificate. If a student fails to complete examinations within the stipulated duration, his/her registration shall be cancelled on expiry of three years from the date of registration. However, such a student can re-register as de-novo.

### ***Examination Notices and Fees***

Students eligible to appear in the examination shall have to submit examination form within the timetable announced by the Institute. Generally, for appearing in the June examination, the form should be submitted on or before the end of April and by the end of October for the December examination. Notice regarding the examination will be published in newspapers, Institute's Journal, Notice Board of the Institute and Institute's Web-Site.

#### **Examination Fees:**

Form Fee	Rs 200/-
Exam Fee / Paper	Rs 1,000/-
Late Fee	Rs 500/-
Duplicate Admit Card Fee	Rs 100/-
Retotaling of Marks/Paper	Rs 500/-
Duplicate Mark-Sheet Fee	Rs 200/-

**Results**

- A candidate shall be declared passed in the CAP-I Examination under mention conditions
- A candidate shall be declared passed in all papers simultaneously if he/she secures at one sitting.
- A minimum of 40% marks in each paper with an aggregate of 50% of all the papers.

**Exemption**

There are no subject exemption facilities in CAP-I level

**Distinction**

A student securing 75% or above in aggregate shall be considered to have secured distinction.

**Verification of Marks**

A candidate may apply, with requisite fees to the Institute, for verification of marks in any paper (s) within a period of 30 days from the date of publication of examination results. However, re-evaluation of the answers are not permissible.



## 5. CHARTERED ACCOUNTANCY PROFESSIONAL (CAP)-IILEVEL

CAP-II course is basically designed with an aim of providing students with requisite knowledge and skills in the subject.

### 5.1 Eligibility for Registration in CAP-II

A person in order to join the CAP-II should,

- i) pass the CAP-I Examination, or
- ii) be a Graduate or Post Graduate in Commerce, Business Administration or Management having Accounts, Audit and Tax as a major subject and secured a minimum of 50 % aggregate marks, or
- iii) be a Graduate or Post Graduate in Commerce, Business Administration or Management having major subject other than mentioned above and secured a minimum of 55 % aggregate marks, or
- iv) be a Graduate or Post Graduate other than above with a minimum of 60% aggregate marks.

**Note:**

"Graduate/Post Graduate" stands for Graduate/Post Graduate recognized by the government except subjects like Music, Fine Arts, Dance, Language, Literature, Culture etc.

Students who have passed examination under grading system, should provide evidence that his/her grades are equivalent to the percentage marks as mentioned in (ii), (iii) and (iv) above.

### 5.2 Registration Procedures

Registration in CAP-II is open throughout the year. Application form for registration is provided as Annexure 5. The duration of course is nine months.

Examinations are held twice a year one in June and the other is December. For appearing in the June examination, registration should be done on or before the end of August of the previous year, and on or before the end of February for the December examination.

Candidates must fill up the application form along with the following documents, duly attested by any gazetted officer or ICAN's Officer and submits them to the Institute

- Copy of Mark Sheet / Transcript starting from SLC
- Copy of Citizenship Certificate / Passport
- Copy of Character Certificate
- Receipt of fee paid

**Provisional Registration**

Candidates who have appeared in the final year of graduation or post-graduation examination can register provisionally for CAP-II. However, such provisional registration shall be confirmed only upon proof of having passed the aforesaid examination with minimum marks furnished within a period of 6 months from the date of provisional registration.

Failure to comply with this condition is subject to cancellation of provisional registration. The fees paid on provisional registration shall not be refunded.





### ***Fee Structure***

Registration fee for the CAP-II is Rs. 32,500/-. It can be paid in full at the time of registration along with other applicable fees. However, the registration with the balance amount to be paid within six month from the date of registration. The registration fee is not refundable and this includes the cost of Institute's Study Materials, Pre-Test Exam, Institute's Newsletter and Institute's Journal. The fee structure may be changed on need basis of the institute.

## **5.3 Course Contents**

The CAP-II consists of Seven papers. Each paper carries, 100 Marks and is divided into two groups.

### **GROUP I**

PAPER 1	Advanced Accounting
PAPER 2	Audit & Assurance
PAPER 3	Corporate & Other Laws

### **GROUP II**

PAPER 4	Financial Management
PAPER 5	Cost & Management Accounting
PAPER 6	Business Communication & Marketing
PAPER 7	Income Tax & VAT

Detailed courses of study are given in Annexure-2.

### ***Study Materials***

On receipt of application for registration along with the prescribed fee, study materials will be issued to the student.

### ***Library Facility***

Students can have access to the library including professional books and other reference materials as per library procedure. Students should produce the institute-issued ID Card for use of library facilities.

## **5.4 Eligibility Test Scheme**

For appearing in the CAP-II examination, students should complete the Pre-test exams (either Postal or Hall). Students should pass in at least one paper in each subject with a minimum of 40% marks in case of Postal Test Scheme or at least one paper in each subject with a minimum of 40% marks in Hall Test Scheme. Hall Test is compulsory for the student who registered their name in the Head Office and Postal Test is compulsory for the student who registered their name in other than Head Office.

### **(a) Postal Tests Scheme**

Under this scheme, Student are provided a set of paper at the time of registration. Students are required to solve the test papers at home under examination conditions and submit them to the institute. These test papers can be submitted personally or by post. A student is allowed to submit two papers of each subject free of cost. However, Students wishing to attempt more than two set papers shall be charged an additional Rs. 300/- per paper. If any student has submitted more than two answer paper, the paper with the score shall be recorded. If Postal



test contents found copied from other's work then shall s/he be considered as invalid and no marks shall be awarded to such answer instead penalised as per Pre-Test Procedure.

**(b) Hall Tests Scheme**

Under this scheme, tests are taken in an examination hall. The institute shall fix center/s for such tests, requisite number of invigilators and timing of tests. Tests are held in each Saturday. Student can sit for Hall Tests as many times as he wishes, but only two sittings per subject shall be allowed free of cost. Extra sittings shall be charged at Rs 300/- per paper. A student registered for a test, if fails to appear on the scheduled date, shall be considered as absent.

A student should register his name for Hall Test at least three days ahead of the test through online. Each sitting of the examination shall be of 3 hours. The tests are conducted till the end of July for the students appearing in the December Examination and till the end of January for the students appearing in the June Examination.

**Eligibility Certificate**

After successful completion Pre-test scheme, an eligibility certificate shall be issued to the student. A student shall get eligibility certificate at least two months ahead of examination date or before last date of exam form submission date. A prescribed eligibility certificate is provided as per Annexure 14.

A student must get eligibility certificate within 3 years from the date of registration. Failure to get eligibility certificate is subject to cancellation of registration. However, such a student can re-register with the institute as de-novo.

A student who registered provisionally and has not submitted the required documents as well as not paid second installment within the prescribed period may not be eligible to appear in CAP-II final examination.

## 5.5 Examinations

Examinations are held twice a year, one in June and the other in December. A candidate can appear for CAP-II Examination after nine months from the date of registration and after obtaining eligibility certificate (EC) of pre-test exam. The Candidate should pass the Eligibility Test within 3 years from the date of registration. If a candidate fails to complete the test examinations within the stipulated duration, his/her registration shall be terminating on expiry of three years from the date of registration. The medium of examination will be Nepali or English as decided by the Council.

It must be noted that a student must pass CAP-II examination within five years from the date of registration. If a student fails to pass the qualifying examinations within the stipulated duration, his/her registration shall be cancelled at the expiry of five years from the date of registration. However, such a student can re-register as de-novo.

A candidate can appear either in both groups or in any of the group at a time.

**Examination Notices and Fees**

Students eligible to appear in the examinations shall have to submit an examination form within the dates announced by the Institute. For appearing in the June examination, the form should be submitted on or before the end of April and end of October for the December examination. All examination notices shall be published in newspapers, Institute's Journal, Notice Board of the Institute and Institute's Web-Site.



The fees for the Examination are as follows:

Form fee	Rs. 200/-
Exam fee/Paper	Rs. 1,000/-
Late fee	Rs. 500/-
Duplicate admit card fee	Rs. 100/-
Retotaling of marks/Paper	Rs. 500/-
Duplicate mark-sheet fee	Rs. 200/-

**Results**

A candidate will be declared to have passed CAP-II Examination only if he passes in both the groups.

A candidate will be declared to have passed in both groups simultaneously if he secures at one sitting

- i) a minimum of 40% in each paper of each of the group and an aggregate of 50% of all the papers of each of the groups OR
- ii) 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.

A candidate shall be declared to have passed in one group if he secures 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.

**Exemption**

A student who has scored 60% or more in any paper(s) but has failed in that group, shall be entitled for exemption in that particular paper(s), provided, he has scored a minimum of 30% in any one of the subjects of that group, and should have attempted all the papers in that group. The exemption shall remain valid for the next three consecutive examinations but those students who are entitled for exemption are not considered for rank.

**Distinction**

A student securing 75% or above, in the aggregate of both groups, at one sitting, shall be considered to have secured distinction.

**Verification of Marks**

A candidate may apply to the Institute within a period of 30 days from the date of declaration of results of the examination accompanied with the requisite fees for verification of marks in any paper(s). However, re-evaluation of the answers is not permissible.



## 6. CHARTERED ACCOUNTANCY PROFESSIONAL (CAP)-III LEVEL

This CAP-III Level course along with the practical training is basically designed to give the students a deeper insight into advanced level of professional expertise and skills. During the CAP-III Level course, students should undergo paid articleship training for the period of three years under a practicing Chartered Accountant.

### 6.1 Eligibility for Registration to CAP - III Level

#### **Eligibility Criteria**

To enroll in the CAP-III Level, a candidate must have

- i. Passed both groups of CAP-II Level Examinations
- ii. Registered as an articled trainee under a practicing Chartered Accountant by signing an Articleship Deed. It must however be noted that the Articleship Deed must be registered with the Institute within one month from the date of signing the Deed.

### 6.2 Registration Procedures

1. An application form shall be duly filled up. (The form is given in Annexure 6).
2. Entered into a contract of articleship with a Chartered Accountant Member in practice to serve as an articled trainee for practical training. The Form of the Articleship Deed is given in Annexure-7
3. The Articleship Deed shall be duly filled and signed both by the Principal and the Articled Trainee along with the following attested documents and submits to the Institute for registration as an articled trainee.
  - Copy of Mark Sheet of CAP-II Examinations
  - Copy of Certificate of CAP-II Examinations
  - Receipt of Fee paid.

#### **Duration of practical training**

An articled trainee should undergo and complete a practical training for a period of three years. In order to gain practical experience, the articled trainee, at his discretion, may serve as a industrial trainee in any of the financial, commercial or industrial undertakings for a period not exceeding one year.

#### **Special Consideration for Registered Auditor (RAJ Members of the Institute)**

A Registered Auditor Member, who fulfills the conditions prescribed by the Council, may be exempted from undergoing articleship training for a maximum period upto two years.

#### **Fee Structure**

Registration fee for the CAP-III Course is Rs. 40,000/-. It can be paid in full at the time of registration along with other payable fees. However, the registration fee can also be paid on installment basis. Accordingly 50% shall be paid at the time of registration and balance amount within one year from the date of registration in CAP-III Level. The registration fee is not refundable and this includes cost of Institute's Study Materials, Pre-Test Exam Paper.



### 6.3 Course Contents

This CAP-III Level Course consists of eight papers. Each paper shall carry 100 marks and is divided into two groups

#### GROUP I

PAPER 1	Advanced Financial Reporting
PAPER 2	Advanced Financial Management
PAPER 3	Advanced Auditing
PAPER 4	Corporate Laws

#### GROUP II

PAPER 5	Management Information & Control System
PAPER 6	Advanced Taxation
PAPER 7	Advanced Cost & Management Accounting
PAPER 8	Strategic Management & Decision Making Analysis

Detailed courses of study are given in Annexure 3.

#### **Study Material**

With the completion of application, registration and payment of registration fee, students shall be entitled to receive study materials.

#### **Library Facility**

A modern library equipped with standard professional books and adequate reading and reference materials is an added attraction of the Institute. A student must produce his/her Identity Card for access into the library as per library procedure.

### 6.4 Eligibility Test Scheme

For appearing in the examination students should complete the Pre-test exam i.e. Hall Test only. The students should pass at least one paper of each subject and must secure a minimum of 40% mark in each paper.

#### **Hall Test Scheme**

Students registered in Chartered Accountancy CAP-III Level, only hall tests are taken in an examination hall. The Institute shall fix center/s for such tests, necessary number of invigilator with timing of tests. Tests are held in each Saturday. A student can sit for Hall tests as many times as he wishes but only two sittings per subject shall be allowed free of cost. Extra sittings shall be charged at Rs 300/- per paper. A student who registers his name but fails to appear on the scheduled date shall be counted as absent. The Institute shall waive the hall test scheme and provides Postal Test Scheme to the student who produces letter and other required documents from his/her principal that he/she is in outstation for practical training.

A student should register his name for Hall Test prior three days of the test date through online. Each sitting of the examination shall be of 3 hours.



### **Eligibility Certificate**

After Successful completion of Pre-Tests Exam, an Eligibility Certificate shall be issued to the student. A student shall get eligibility certificate at least two months ahead of examination date. Tests are conducted till the end of July for the students appearing in the December Examination and till the end of January for the students appearing in the June Examination. A prescribed eligibility certificate is provided as Annexure 4.

## **6.5 Examinations**

Examinations are held twice a year i.e. one in June and the other in December. A candidate appearing in the CAP-III Examination must have

- i) Completed two years from the date of registration in CAP-III Course,
- ii) Obtained the eligibility certificate of Pre-Test Exam, and
- iii) Completed the prescribed period of practical training, i.e. 3 years or has yet to serve not more than 12 months of articleship prior to the first day of the month in which Examination is held.

A candidate can appear either the both groups at a time or in one group in one examination and the other group at any subsequent examination.

### **Examination Notices and Fees**

Students eligible to appear in the examinations shall have to submit an examination form within the dates announced by the Institute. For appearing in the June examination, the form should be submitted on or before the end of April and examination by end of October for the December examination. Notice regarding the examination will be published in Newspapers, Institute's Journal, Notice Board of the Institute and Institute's Web-Site.

### **The examination fees shall be as follows:**

Form fee	Rs 200/-
Exam fee/Paper	Rs 1,000/-
Late fee	Rs 500/-
Duplicate admit card fee	Rs 100/-
Re-totaling fee	Rs 500/-
Duplicate mark sheet fee	Rs 200/-

### **Results**

A candidate shall be declared to have passed the CAP-III Examination only if he passes in both the groups.

A candidate shall be declared to have passed in both groups simultaneously if he secures at one sitting

- i. A minimum of 40 % marks in each paper of each of the group and an aggregate of 50 % marks of all the papers of each of the groups OR
- ii. A minimum of 40 % marks in each paper of both the groups and 50 % in the aggregate of all the papers of both groups taken together.

**Exemption**

A student who has scored 60 % or more in any paper (s) but has failed in that group, shall be entitled for exemption in that particular paper (s), provided, he has scored a minimum of 30 % in any one of the subject of that group, and should have attempted all the papers in that group. The exemption shall remain valid for the next three consecutive examinations but those students who are entitled for exemption shall not be considered for rank.

**Distinction**

A student securing 75 % or above, in the aggregate of both groups, at one sitting, shall be considered to have secured distinction.

**Verification of Marks**

A candidate may apply to the Institute within a period of 30 days from the date of publication of examination results accompanied with the requisite fees for verification of marks in any paper(s). However, re-evaluation of the answers is not permissible.



## I. PRACTICAL TRAINING

In Chartered Accountancy Education, practical training is instrumental in shaping accountancy as a well founded and highly dignified profession exposing the students to adequate knowledge of accounting, auditing, taxation, information technology, system design etc. It also ensures job opportunities for striving and thriving students devoted to accountancy as a prestigious profession for the overall development of the country. Here, the students can make the best use of the practical training period working with a practicing chartered accountant member. They can also work as an industrial trainee in financial, commercial or industrial undertakings. The period of such Industrial training may not be more than a year.

### 7.1 Members Entitled to train Articled Trainees

- i. Only those Chartered Accountants members, who have obtained the Certificate of Practice as per Rule 49 of the Nepal Chartered Accountants Regulation 2004, are entitled to train articled trainees.
- ii. A Chartered Accountant member, herein after referred to as "Principal" also shall be entitled to train articled trainee provided here:

Under the above provisions, the date of commencement of the practice shall be calculated from the date of issue of Certificate of Practice as per the Rule 49 of the Nepal Chartered Accountants Regulation 2004.

Training requirements	Number of trainees
(a) has been in continuous practice for a period of at least 3 years	3 Articled Trainees
(b) has been in continuous practice for a period of at least 5 years	5 Articled Trainees
(c) has been in continuous practice for a period of at least 7 years	7 Articled Trainees
(d) has been in continuous practice for a period of at least 10 years	10 Articled Trainees
(e) has been in continuous practice for a period of at least 15 years or more	12 Articled Trainees

- iii. A Chartered Accountant member, who has not completed three years' practice, shall be entitled to train one articled trainee, if he is a partner in a firm of chartered accountants which has at least one partner entitled to train one or more articled trainees.
- iv. A Chartered Accountant member, who has taken up practice as his main occupation after having been engaged in other occupation, shall be considered to have been in practice as follows:





Number of Years Engaged in Occupation	Number of Years of Deemed Equivalent Practice
Three Years	One Year
Five years	Three Years
Eight or more years	Five Years

## 7.2 Stipend to Articled Trainees

Every principal who engaged the Articled Trainee for practical training, shall pay to the Trainee a minimum monthly stipend at the rates specified below

1st Year	NRs. 4,000
2nd Year	NRs. 5,000
3rd Year	NRs. 7,000

## 7.3 Additional Articled Trainee

A Chartered Accountant member can engage an additional articled trainee in training activity/ program, subject to the following conditions

- an additional training period needed by a Chartered Accountant member holding Certificate of Practice from a foreign accounting firm whose training period is not equivalent to the required period or standards in accordance with Nepal Chartered Accountants Regulation, 2004.
- remaining training period needed to be attended by an articled trainee from the date of death of the principal or his termination by the Institute or his giving up accountancy profession
- for the remaining period needed to attain because of abruption due to the situations as stated in sub-rule (2) of rule 12, sub-rule (3) of rule 36 or sub-rule (3) of rule 37 of the Nepal Chartered Accountants Regulation 2004.

## 7.4 Industrial Training

- In order to gain practical experience, an article trainee may serve in a particular industry as part of the practical training activity for a period not exceeding one year.
- The industrial training shall be received under the guidance of a Chartered Accountant member of the Institute engaged in such an organization. This is subject to prior approval from the industrial organization to be served or such principal. The following are some of the list of organizations which an articled trainee may serve during the period of practical training
  - The Office of Auditor General,
  - Nepal Rastra Bank,
  - Commercial bank/s or Financial Institutions incorporated under the prevailing laws
  - Fully or partially owned Government's undertaking,
  - Insurance companies,
  - Any Public Company having paid up capital is not less than Rupees fifty million
  - Any other Institution or Organization as approved by the Council.



- (iii) Industry shall be responsible for paying stipend to the trainee as per Rule 27 of Nepal Chartered Accountants Regulation 2004. However, a higher stipend than prescribed can be paid to the articulated trainee.
- (iv) The period of industrial training shall be as calculated by the Institute under Rule 24 of Nepal Chartered Accountants Regulation 2004.
- (v) A Chartered Accountant is eligible to take up two Industrial trainee at a time.
- (vi) Leave taken by the trainee during the period of industrial training shall be adjusted within the total leave granted to him during three years' period of training.
- (vii) An articulated trainee desirous to join industrial training shall have to fulfill the following conditions:  
The articulated trainee
  - a. must have enrolled in Chartered Accountancy CAP-III Course.
  - b. must have served at least two years as an articulated trainee prior to commencement of the industrial training.
  - c. shall convey to his principal his intention of taking the training at least one month before the date of commencement of the training program. Approval of the Council must be obtained where a student wishes to undergo industrial training under a foreign principal.

### 7.5 Exchange of Articled Trainee

With a view to provide special skill and practical experience in a particular area, a principal can depute an articulated trainee to another principal with mutual consent of both. The period of the exchange should not exceed one year. Such exchange of articulated trainee must be reported to the Institute.

### 7.6 Termination of Deed of Articleship

- i. The deed of articleship can be terminated at any time through mutual consent of both articulated trainee and his Principal.
- ii. Information regarding termination of the deed of articleship must be reported to the Institute within seven days from the date of termination.
- iii. After the termination of the deed of articleship, the articulated shall be served to another Principal for the remaining period of practical training.
- iv. If an articulated trainee remains absent continuously for more than 15 days without any prior information, the Principal may request to the Institute for permission to terminate the trainee's deed of articleship. The Institute may grant permission to terminate the deed of articleship after proper investigation on the request forwarded.
- v. The Principal with one month's prior permission from the Institute and similar information from the articulated trainee can terminate the deed at any time.

The prescribed Form of Termination of Articleship Deed is given in Annexure 8.

### 7.7 Notifying the Principal's Position

In case a Principal dies or gives up his accountancy profession or is unable to continue his training job for some unforeseen reasons, his partner, or any or his legal representative or an employee working in his accounting firm shall have to inform the Institute and submit a report about the Principal's situation within 30 days from the date of the above occurrence with detailed information about the articulated training. The prescribed Form is given in Annexure 9.



### 7.8 Record of Trainees

The Principal shall keep an updated individual record of every articulated trainee's performances in the format as specified in Annexure 10. The Principal shall report detailed particulars of training of individual articulated trainee in the format specified in Annexure 11. This should be reported to the Institute in every six months or as and when demanded by the Institute.

### 7.9 Leave to an Articled Trainee

- (i) An articulated trainee shall be granted forty(40) days leave in one year, not exceeding more than one hundred twenty(120) days in three years, excluding public holidays. Leave exceeding the prescribed days under the regulations shall be adjusted in the leave earned during working extra days during the extended period of articleship training.
- (ii) Public holidays during leave period shall be included in the duration of leave taken.

### 7.10 Working Hours of Articled Trainees

The working hours of an articulated trainee shall be 40 hours a week and working hours must be between 9 AM to 5 PM.

### 7.11 Action against Misconduct by the Principal and Articled Trainees

Misconduct or breach of the existing rules and regulations by the Principal or by the articulated trainees is subject to thorough investigation and penalization to the guilty,

- (i) Complaint by the Principal against misconduct or breach of regulations as described in Sub Rule 2 of Rule 24 by any articulated trainee shall be subject to investigation by the Council.
- (ii) An articulated trainee if found guilty, during the course of investigation, of breach of deed or of any misconduct as specified in (i) above, the Council may either cancel the trainee's registration or may order him to serve for an additional training period ranging from six months to one year. However, an opportunity to be heard shall be provided to the articulated trainee prior to issuing such an order.
- (iii) If the Council finds, after necessary investigation, the complaint filed by the Principal baseless or done with some evil intention, it may dismiss the principal's complaint and also take necessary action for the false complaint. However, the principal shall be provided a reasonable opportunity to be heard before issuing such an order.

### 7.12 Action Against Principal

- (i) In case of any complaint by the articulated trainee, against misconduct or the breach of training regulations by the Principal as specified in Sub Rule 2 of Rule 24, of Nepal Chartered Accountants Regulations 2004, the Council may initiate an investigation on such matter to resolve the issue of complaint.
- (ii) Complaint or information received from articulated trainee/s regarding breach of conduct or acts of misconduct by the Principal, and if the Principal is found guilty of breach of deed, or mala fide intention, misconduct from an investigation as in (i) above, the Council may issue warning to the Principal or may pass an order to withdraw the entitlement of the Principal to engage the remaining number of articulated trainees for the period of six months to one year and it shall be the duty of the Principal to comply such order. A reasonable opportunity to be heard shall be provided to the Principal before issuing such order.



- (iii) If the Council finds that the complaint filed by the articled trainee is baseless or motivated with an evil intention, it may order cancellation of the registration of such articled trainee or to order him to serve the Institute for an additional articleship period ranging from six months to one year. A reasonable opportunity of hearing shall, however, be provided to the articled trainee before issuing such an order.
- (iv) Notwithstanding anything contained in this Rule, if the articled trainee who has filed the complaint as in (i) above, does not wish to continue work under the current Principal, may join articled training under another Principal as an additional trainee in accordance with Rule 26 of the Nepal Chartered Accountants Regulation, 2004.
- (v) Prohibition against involving articled trainees in unrelated activities.
  - a. No Chartered Accountant member shall engage articled trainees of any other institutions in any unrelated activities or issue training related certificate without prior permission of the Council.
  - b. No Chartered Accountant member shall be allowed to provide training to the Articled trainees of foreign accounting body as a member of such accounting body without prior permission from the Council.
  - c. Articled Trainee registered according to this Rule shall not be engaged to any foreign accounting firm in excess of 180 days.

### **7.13 Issue of Certificate of Completion of Articleship**

The Principal shall inform the Institute successful completion of the articleship training in the form prescribed in Annexure 12 & 13. The Institute, after receiving such information from the Principal, shall issue Certificate of Completion of Articleship to the students successfully completing the articled training.

### **7.14 Prohibition to Receive Financial Benefit from Articled Trainees**

The Principal shall not receive/accept any kind of fee, donation, charge, loan, deposit or any other kind of financial benefit or facility from articled trainee.



## 8. INFORMATION TECHNOLOGY (IT)

Information Technology (IT) becomes an integral part of the modern business environment. In such the Institute perceives the use of information technology in the field of accounting and auditing sectors. Chartered Accountants are now expected to have a practical knowledge and skills in information technology as user, manager, and designer. In such a circumstance, 100 Hours information Technology training course has been prescribed mandatorily for the chartered accountant students during Chartered Accountancy Professional (CAP) II and Chartered Accountancy Professional (CAP) III levels. The total 100 Hours has been divided into two parts as Basic Level course of 60 Hours in CAP-II and Advanced Level course of 40 Hours in CAP-III. The training component focuses on basic hardware, application software relevant for accounting and auditing. In addition, Knowledge of electronic spread sheet, data base management system, system security and maintenance are also part of the training module.

The Basic Level of 60 Hours information Technology Training has following topics with duration of Practical training.

Topics	Hours
Computer Fundamentals	4
Word Processor	8
Spreadsheet	10
Presentation Software	8
Database	10
Office Utilities and Automation Tools	2
Computerized Accounting Concepts and Accounting Package	18
Sub-Total	60

After completion of the course, a test has been conducted by ICAN with in the following modalities.

Modality	Weight
Online Examination	80%
Projects Report/Practical	20%
Qualifying Marks	60%

Likewise, for the Advanced Level of 40 Hours information Technology Training. It has been divided into the followings.

Topics	Hours
Advanced Spreadsheets	20
IT Auditing and Computer Aided Audit Tools and Techniques	16
E-commerce and Electronic Data Interchange	2
E-Filing and Verification of Electronic Records	2

Structure of Practical test Examination Conducted by the ICAN

Modality	Weight
Online Examination	80%
Projects Report/Practical	20%
Qualifying Marks	60%

The CAP-II student must have completed their Basic/ Fundamental IT Training. Similarly, the Advanced Level IT Training shall also be completed before appearing CAP -III Final Exam. The revised Information Technology Training courses are applicable with effective from 1st December 2013 for the student register in CAP - II & CAP III Levels.



## 9. GENERAL MANAGEMENT AND COMMUNICATION SKILLS (GMCS) PROGRAM

The 15 Days full time mandatory Course on General Management and Communication Skills (GMCS) is introduced from March 2012 (CA qualified in December 2011 exam) to equip the entrants to the profession with interpersonal and management skills and provide exposure to the contemporary issues in the changing socio-economic scenario. This course is a prerequisite for admission in Membership of Accounting Profession.

This program has been designed to improve skills in oral, written and non-verbal communication for executives in business situations. In addition to specific skills within these types of communication, this program will raise awareness about the dynamics of communication in a business environment, and help participants reflect on their individual communication styles and recognize their strength and weaknesses.

The program will help in developing General Management, Personality Development and Communication Skills that would enable the Chartered Accountancy students to occupy higher general management positions and even aspire to become the head of big business corporate. Professional capabilities are the attributes held by individuals that enable them to perform their roles competently. The possession of capabilities has given a good indication that an individual has the potential to perform competently in the workplace. The final assessment of capabilities and competence is normally in addition to purely academic qualifications.

### Program Objectives

- Assessment of the qualified persons' professional capabilities and competence before awarding the membership of the institute.
- Responsibility of IFAC member bodies to have in place assessment procedures that ensure candidates admitted to membership are appropriately qualified.
- A series of continual assessments might be made leading up to the final assessment of capabilities and competence
- Have a sound technical knowledge of the specific subjects and apply it in an analytical and practical manner in work place.
- Compliance of IES- 6 of IFAC.



## 10. Annexures

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### Annexure-1

## Detailed Syllabus of Chartered Accountancy Professional (CAP)-I

### Paper 1: Fundamentals of Accounting (One Paper-Three Hours-100 Marks)

Level of Knowledge      Basic

- Objectives
- To enable the candidates to understand the fundamentals of financial accounting system and apply theory to basic financial accounting issues and process financial transactions.
  - To enable the candidates to prepare accounting statements of small business enterprises and not-for-profit entities.

### Course Contents

#### 1. Introduction

- Business and its common types - organized/incorporated bodies, partnerships, sole proprietorship, company, cooperatives, Trusts, Clubs, Not-for-profit organizations; Forms of their capital and capital structure. Types of Accounting - Financial Accounting, Cost Accounting and Management Accounting.
- Accounting as a profession - Meaning of accounting as a language of business and measurement discipline, interrelationship between accounting and other professions-economics and statistics. Role of accounting profession in business and society.
- Basic accounting concepts related to revenue, expenses, assets and liabilities recognition and generally accepted accounting practices; Framework of Nepal Accounting Standard.
- Financial Statements - Balance Sheet, Income Statement, Cash Flow Statement, Statement of Changes in Equity and Accounting Policies and Explanatory Notes to Accounts. Users of financial statements and significance of accounting.

#### 2. Accounting Systems and Processes

- Introduction to double entry book keeping systems, rules of debit and credit, meaning of assets, liabilities, income, expenses, equity, capital and revenue expenditure, analytical perspective of accounting equation. Basis of accounting-Cash, Accrual (mercantile) and hybrid.
- Form and content of accounting records - manual and computerized
- Books of original entry and ledgers, journal, sales and purchase ledgers, cash and bank book, subsidiary ledger, main/general ledger, extracting of trial balance, and consumable and non-consumable inventory including fixed assets ledgers. Bank reconciliation statements. Use of control and subsidiary accounts.
- Adjustment before preparation of final financial statements - accrual and prepayments adjustment, depreciation, provisions for uncollectible receivables and advances, locating errors in trial balance and preparation of adjusted trial balance.



**3. Accounting treatment of fixed assets and depreciation**

Reasons and methods of depreciation calculation (straight line, written down value, double declining, machine hour, sum of the year's digits). Physical verification of fixed assets and record updating.

**4. Accounting treatment of inventory**

Definition and types of inventory, determination of cost of inventory, methods of inventory costing (FIFO, LIFO and average methods), inventory recording systems (periodic and perpetual).

**5. Accounting for Special Transactions (simple problems for each of them)**

Consignments, joint ventures, bills of exchange and royalty.

**6. Financial statements preparation**

Income Statement and Balance Sheet of small business enterprises (sole proprietorship, partnership and private company). Receipts and payments statement, income and expenditure statement and balance sheet of not-for-profit organizations.

**7. Partnership Accounts**

Concept and treatment of goodwill and profit sharing, admission, retirement and death of partner.

**Text Book:**

1. Fundamental of Accounting-Study Material, ICAN



**Paper 2: Mercantile Laws and Fundamentals of Economics  
(Two Papers-Three Hours-100 Marks)**

**Part A: Mercantile Laws (50 Marks)**

Level of Knowledge	General
Course Objectives	The syllabus is designed with an objective to impart fundamental knowledge and understanding of the elements of Mercantile Laws.

**Course Contents**

**1. Nepalese Partnership Act- 2020**

- 1.1 Introduction, Meaning & Definition of Partnership, Characteristics of Partnership
- 1.2 Family Business vs. Partnership
- 1.3 Procedures of Registration, Formation of Partnership
- 1.4 Kinds of Partners, Relationship of Partners
- 1.5 Assets held in Partnership, Capital Contribution, Nomination of Proxy, Participation in Business
- 1.6 Inspection of Records, Remuneration & Interest, Accounting & Interest, Accounting of Profit made by partner, Sharing of Profit and Loss, Relationship between Firm and Third Person
- 1.7 Dissolution of Partnership Firms, Modes of Dissolution, Automatic Dissolution
- 1.8 Liabilities to third parties, Continuation after dissolution, Duties of Partners on Dissolution, Appointment of Liquidator
- 1.9 Appeal, Penalties

**2. Muluki Devani Samhita Ain, 2074 (Chapter V)**

- 2.1 Provision to Enter Contract
- 2.2 Validity of Contract
- 2.3 Provision relating to performance, Breach of Contract and Remedies
- 2.4 Provision relating Contract of Sale of Goods
- 2.5 Contract relating to Guarantee, Bailment, Indemnity
- 2.6 Contract relating to Subrogation, Surety, Pledge or Pawn
- 2.7 Provisions relating to indirect or Quasi contract, unjust enrichment
- 2.8 Other Relevant Provision of Muluki Devani Samhita Ain, 2074 (Chapter V)

**Text Book**

1. Mercantile Law - Study Material, ICAN



### Part B: Fundamental of Economics (50 Marks)

Level of Knowledge      General

Course Objectives      The syllabus is designed with an objective to impart fundamental knowledge and understanding the elements of micro economics, macroeconomics and Nepalese economy.

### Course Contents

#### 1. Introduction to Microeconomics

- Meaning of economics
- Basic issues in economics scarcity, efficiency and alternatives
- Introduction to microeconomics
- Scope and use of microeconomics in business decision making
- Microeconomics and macroeconomics - basic differences.

#### 2. Demand and Supply Analysis

- Concept of demand, factors affecting demand, demand schedule, individual and market demand, law of demand
- Concept of supply, factors affecting supply, supply schedule, individual firms and market supply, law of supply
- Elasticity of demand, concepts and measurement of price, income and cross elasticity of demand
- Concept of utility cardinal and ordinal
- Basic concepts of total, average and marginal utility and understanding of the law of diminishing marginal utility.

#### 3. Theory of Production

- Concept of production, factors of production and production functions
- Production with one variable input concepts of total, average and marginal; production
- Law of variable proportions
- Concept of returns to scale.

#### 4. Costs and Revenues

- Concept of costs economic costs, accounting costs, sunk costs
- Short-run and long-run costs total, average and marginal costs
- Concept of revenues total, average and marginal revenues under conditions of perfect and imperfect competition.

#### 5. Market Forms

- Perfect competition features, pricing and production decisions in the short-run and long-run
- Monopoly features, pricing and production decisions in the short-run and long-run time periods
- Monopolistic competition features, pricing and production decisions in the short-run and long-run time periods
- Oligopolistic competition features and basic distinction with monopolistic competition.



**6. International Trade**

- Meaning and advantages of international trade
- Concept of balance of trade and balance of payments
- Problems of international trade.

**7. Nepalese Economy**

- Characteristics of the Nepalese economy
- Economic sectors agriculture, industry and services
- Industry Investment, production and employment.

Text Book:

1. Fundamentals of Economics- Study Material, ICAN



**Paper 3 : Fundamentals of Management and Commercial Mathematics and Statistics  
(Two Papers-Three Hours-100 Marks)**

**Part A: Fundamentals of Management (50 Marks)**

Level of Knowledge      General

Course Objectives      The syllabus is designed with an objective to impart knowledge and understanding of fundamental principles and functions of management.

**Course Contents:**

**1. Concept of organization and management:**

- Organization meaning, nature and types
- Organizational goals, types, formation, succession, displacement
- Management meaning, nature, functions, principles
- Managerial skills and roles.

**2. Evolution of management thought:**

- Classical Theories scientific management, administrative management, bureaucracy
- Human relations and behavioral theories
- Management science theory, Systems theory
- Contingency theory.

**3. Environmental context of management:**

- Concept of business environment
- Internal environment forces
- External environment forces
- Social responsibility concept, approaches and areas.

**4. Planning and decision making:**

**4.1 Planning definition, types, importance and methods**

- Steps in planning process
- Decision making meaning, types, styles
- Decision making environment
- Decision making process.

**5. Organizing:**

- Organizing concept, approaches and principles
- Forms of organizational structures
- Delegation and decentralization of authority concept and importance
- Coordination.

**6. Managing human resources:**

- Human resource management concept and importance
- Components of human resource management.



**7. Leadership:**

- Leadership concept, functions and styles
- Leadership and management

**8. Motivation:**

- Motivation concept and importance
- Theories of motivation hierarchy of needs, motivation hygiene, theory X and theory Y
- Techniques of improving motivation.

**9. Communication:**

- Communication concept, importance and process
- Types of communication
- Communication channels
- Barriers to effective communication
- Techniques of improving communication.

**10. Controlling:**

- Control meaning and process
- Types of control systems pre, concurrent and post control
- Requirements for effective control system

Text book:

1. Fundamentals of Management - Study Material, ICAN.



### Part B: Commercial Mathematics and Statistics (50 Marks)

Level of Knowledge      General

Course Objectives      The syllabus is designed with an objective to acquaint students with the knowledge of quantitative techniques applicable in the business environment. It is expected that the students from the study of the subject develop an ability to interpret the business related information and use them for an effective decision making.

#### Course contents:

##### 1. Basic Arithmetic and Algebra

1.1 Ratio and Proportions, Equations (Simple Equations, Simultaneous Equations)

##### 2. Percentage and Their Applications in Business

2.1 Simple Interest, Compound Interest, Nominal Interest Rate, Effective Interest Rate

2.2 Depreciation (Straight Line and Reducing Balance Methods)

2.3 Annuity Present Value, Future Value, Sinking Fund, Amortization

##### 3. Permutations and combinations

3.1 Basic Principles of Counting

3.2 Permutations, Permutations with Restrictions, Circular Permutations

3.3 Combinations

##### 4. Progressions

4.1 Arithmetic Progression & Geometric Progression

##### 5. Sources of data, presentation and use

5.1 Concept, role of statistics in business analysis and decision-making

5.2 Sources, nature, appreciation and precautions in use

5.3 Collection of data, types of data

5.4 Presentation of data use of bar charts, histograms, pie charts, graphs, tables, frequency distributions, cumulative distributions, Ogive and their use and interpretation

##### 6. Measures of central tendency

6.1 Concept, Types of Averages Arithmetic Mean and Geometric Mean, Median and Mode

6.2 Positional Values Quartiles, Deciles and Percentiles

##### 7. Measures of dispersion

7.1 Concept, importance of measure of central tendency

7.2 Measures of dispersion range, mean deviation, standard deviation and coefficient of variation

7.3 Measures of skewness and kurtosis



**8. Correlation and regression Analysis**

- 8.1 Concept, simple linear regression, scatter-graphs, least squares method
- 8.2 Co-efficient of determination, correlation co-efficient, rank correlation
- 8.3 Use of linear regression equation in forecasting

**9. Time series analysis**

- 9.1 Concept, factors influencing time series - trend, seasonal, cyclical, irregular variations
- 9.2 Smoothing time series by means of moving averages
- 9.3 Use of time series in forecasting

**10. Index number**

- 10.1 Concept, uses of index number
- 10.2 Types of index number Laspeyer's, Paasches's and Fisher's index number, ideal index number
- 10.3 Construction of index number methods and problems
- 10.4 Cost of living index construction and uses

**11. Sampling**

- 11.1 Concept, Objectives of sampling
- 11.2 Sampling techniques probability sampling, non-probability sampling
- 11.3 Errors in statistics

**12. Probability**

- 12.1 Concept, experiments and events
- 12.2 Addition theorem and multiplication theorem of probability
- 12.3 Conditional probability (excluding Bay's theorem)

**Text Book**

- 1. Commercial Mathematics and Statistics- Study Material, ICAN





## Annexure-2

## Detailed Syllabus of Chartered Accountancy Professional (CAP)-II

**Paper 1: Advanced Accounting**  
**(One Paper-Three Hours-100 Marks)**

Level of Knowledge

Working

Course objectives

- Enable the candidates to understand the principles, methods and procedures of accounting as followed by different entities.
- Enable the candidates to understand the relevant laws, principles, practices and NFRS for the preparation and presentation of financial statements.
- Provide understanding of the tools and techniques followed in the analysis and interpretation and presentation of financial statements of companies.
- Familiarize the candidates with the basics of computerized system of accounting.

**Course contents****1. Accounting**

Introduction, concepts, principles, system, methods, process, types and accounting as a profession

**2. Financial reporting standards**

National and international accounting authorities, procedures of developing NFRS, conceptual framework for the preparation and presentation of financial statements and working knowledge on the following Nepal Financial Reporting Standards including conceptual framework.

- NFRS 3 Business combination
- NAS 1 Presentation of financial statements
- NAS 2 Inventories
- NAS 3 Statement of cash flows
- NAS 8 Accounting policies, changes in accounting estimates and errors
- NAS 10 Events after the reporting period
- NAS 16 Property, plant and equipment
- NAS 17 Leases
- NAS 18 Revenue
- NAS 20 Accounting for government grants and disclosure of government assistance
- NAS 21 The effect of changes in foreign exchange rates
- NAS 37 Provisions, contingent liabilities, and contingent assets

**3. Accounting for special transactions**

Leases, hire purchase and installment system, contract accounts, investment accounts, branch (including foreign branch) and departmental accounts, computation of insurance claims for loss of stock and profit.

**4. Company accounting**

Accounting for share capital and reserve funds-types of shares, issue of fresh shares, bonus shares, right issue, redemption of redeemable preference shares, issue, redemption and conversion of debentures, and underwriting of shares and debentures.



Preparation and presentation of financial statements as per NFRS and provisions in Company Act, format and contents as per the prevailing laws, interpretation of items of financial statements, profit (loss) prior to incorporation.

Winding up of companies and accounting treatment arisen there from including Statement of affairs. Additional disclosures and comment on going concern concept in relation to winding up.

Accounting of acquisition, absorptions, amalgamation, merger and reconstruction.

Statement of cash flows- objectives, preparation methods (direct and indirect) and interpretations.

**5. Partnership accounts**

Treatment of goodwill and profit sharing, admission, retirement and death of partner (including annuity and policies methods), dissolution, conversion and merger of firms

**6. Preparation and presentation of financial statements of special organizations**

**a. Banking and financial institutions**

Types of financial institutions as per prevailing Acts, formats and contents as prescribed by central bank, accounting policies and disclosures requirement, interest income recognition and loan loss provisioning, capital adequacy and cash reserve requirement.

**b. Insurance companies**

Nature of operation (life and non-life), formats and contents of financial statements prescribed by Insurance Board, accounting and disclosure requirements, premium income recognition, liability recognition and treatment of re-insurance.

**c. Agricultural accounting**

Concept and peculiarity of inventory valuations

**d. Accounting for co-operatives**

Nature of operation, formats and contents of financial statements prescribed by Department of Cooperatives, accounting and disclosure requirements, interest income recognition and loan loss provisioning, PEARL System.

**7. Preparation of financial statements from incomplete records**

Concept of incomplete records and generation of need for financial information from other records, preparation of final financial statements from incomplete records.

**8. Government accounting**

Basis of accounting and accounts classification. Differences between government and business accounting, Simple practical problems. Concept of PFM and features of sound PFM of the country

**9. Analysis and interpretation of financial statements**

Interpretation of financial statements, Segmental information analysis, Analysis of performance and position through cash flow, ratios and trend.

**10. Accounting for NPOs**

Preparation of financial statement of not for profit organizations, and fund based accounting.

**11. Accounting in computerized system**

Salient features, chart of accounts and grouping, codification of accounts, maintenance of ledger, accounting packages- general and customized, accounting reports



**Paper: 2 Audit and Assurance**  
**(One Paper - Three Hours - 100 Marks)**

Level of Knowledge      Working

Course objectives

- To develop candidates' capability in understanding the relevant auditing procedure.
- To develop candidates' capability to display the ability to document the accounting and internal control system of an enterprise.
- To develop candidates' capability in identifying significant risks and apply risk assessment tools to the engagement.

### Course contents

#### 1. General concepts

##### a. *Auditing and assurance*

Concept of assurance versus audit, origin and history of audit, objectives, scope and limitation of audit, general principles governing an audit, relationship of audit with other subjects; different types of audit, statutory audit, internal audit, tax audit, latest development in auditing profession.

Differences between auditing and accounting, investigation, management etc, working knowledge on the following Nepal Standards on Auditing issued by the Institute of Chartered Accountants of Nepal.

- NSA 200-Objectives and general principles governing an audit of financial statements
- NSA 210-Terms of audit engagements
- NSA 230-Audit documentation
- NSA 250- Consideration of laws and regulations in an audit of financial statements
- NSA 300- Planning an audit of financial statements
- NSA 315 -Understanding the entity and its environment and assessing the risk of material misstatements
- NSA 320- Audit materiality
- NSA 500- Audit evidence
- NSA 505- External confirmation
- NSA 510- Initial engagements-opening balances
- NSA 530- Audit sampling and other means of testing
- NSA 610-Considering the work of internal auditing
- NSA 620-Using the work of an expert

##### b. *Ethics*

General introduction to code of ethics issued by ICAN, Provisions governing ethics by ICAN Act and circulars, Basic cases of verdict on disciplinary cases.

##### c. *Regulatory compliance*

Regulatory framework ICAN Act, Companies Act, Securities Act, Audit Act, Bank and Finance Companies Act and other relevant acts with regards to appointment, responsibility and reporting by auditors.



## 2. Planning an audit engagement

- a. Understanding the entity and its environment and assessing the risk of material misstatement
  - Understanding the client's business, risk assessment and response to assessed risk, Identification of business risk of Client and application of business risk concept over the audit risk assessment procedure.
  - Audit risk and concept of inherent risk, control risk and detection risk and interrelationship among the different types of audit risk,
  - Discuss the importance of risk analysis and identify and describe the need to plan and perform audits with an attitude of professional skepticism
  - Describe the use of information technology in the risk analysis
- b. *Audit plan and audit strategy*

Contents of an audit plan, concept of audit planning memorandum, and requirement of documentation in planning and communication to those charged with governance.
- c. *Concepts of using approaches on audit planning*
  - Reliance on control
  - Reliance on internal auditors
  - Reliance on other experts
  - Reliance on work of another auditor
  - Probable extent of tests of controls and substantive procedures, including analytical procedures
  - The nature and extent of client-generated information
  - The probable number, timing, staffing and location of assurance visits
- d. *Internal control system and control environment, fraud and error*
  - Definition of internal control
  - Management role in designing the internal control system
  - Design of internal control system to prevent and detect fraud and error
  - Components of internal control
  - Limitations of internal control
  - Concept of fraud and error and auditor's responsibility to consider fraud in an audit
  - Auditor's responsibility with regard to fraud and error
- e. *Application of analytical procedures*

Analytical review- concept and use of analytical review procedure in gathering audit evidence
- f. *Materiality, tolerable error, and sample sizes*

Concept of materiality and standards of auditing on materiality
- g. *Design and documentation of plan and program*
  - Audit documentations
  - Definitions, nature of audit documentation
  - Form, content and extent of audit documentation
  - Audit file (temporary and permanent)
  - Changes in audit documentation in exceptional circumstances
  - Concept of audit note book, working papers, etc.
- h. Evaluation of going concern assessment at planning stage and use of standard related to going concern in planning an audit engagement.



- i. Co-ordination and monitoring of the work. Evaluation of internal control system
- j. Transaction cycles (revenue, purchases, payroll, inventory, capital expenditure)
- k. Communication with management and those charged with corporate governance
- l. Evaluation of financial statement assertions assets, liabilities, income and expenditure, including accounting estimates.

### 3. Gathering evidence during an audit engagement

- Assertions- meaning of assertions, types of assertions at classes of transactions and account balances, financial statement level and disclosure level, use of assertions in gathering audit evidence
- Concept, sufficient appropriate audit evidence
- Vouching and verification of major financial statement items (income, expenses, assets, liabilities, contingent liabilities) - consideration of internal control requirement, different laws and regulations and assertion testing
- Audit sampling and other means of testing
- Use of external confirmation as audit evidences
- Different methods of obtaining evidence
- Identification and use of the methods for different business situations
- Reliability of different types of assurance evidence
- Identification of situations where analytical procedures, test of control and substantive procedures are to be implied.
- Evidence from analytical procedures, test of control and substantive procedures
- Quantity and quality of evidence needed for reports
- Written confirmation of representations from management (management representations- concept, cases when management representation cannot be an audit evidence, use of management representations as audit evidence)
- Initial audit engagements- Consideration from the incoming auditor regarding the correctness of opening balances
- Audit of payments General considerations, wages, capital expenditure, other payments and expenses, petty cash payments, audit of payments into and out of the bank, reconciliation of bank statements with cash book
- Audit of receipts General considerations, cash sales, receipts from debtors, other receipts
- Audit of purchases, vouching cash and credit purchases, forward purchases, purchases returns
- Audit of sales, cash and credit sales, goods on consignment, sale on approval basis, sales under hire-purchase agreement, returnable containers, various types of allowances given to customers, sales returns, sales ledger
- Audit of suppliers' ledger and debtors' ledger Self-balancing and the sectional-balancing system, total or control accounts, loose leaf and card ledgers, confirmatory statements from credit customers and suppliers, provision for bad and doubtful debts, writing off of bad debts
- Audit of impersonal ledgers Capital expenditure, deferred revenue expenditure and revenue expenditure, outstanding expenses and income, repairs and renewals, distinction between reserves and provisions, implications of change in the basis of accounting
- Audit of assets and liabilities
- Audit of share capital and transfer of shares
- Audit of incomplete records
- Audit of accounting estimates (concept of "accounting estimates" and techniques to obtain audit evidence regarding the appropriateness of using the right estimate by management)
- Audit of limited companies Appointment of auditors, powers and duties of auditors



**4. Using work of others**

- Using the work of another auditor
- Considering the work of internal auditor
- Using the work of an expert

**5. Internal audit and corporate governance**

- Concept of Internal Audit and Best Practices adopted from IFAC Code of Ethics for Internal Audit Services
- Difference between internal and external audit services
- Scope of internal audit function
- Internal audit reports
- Concept of corporate governance
- Role of internal audit in corporate governance
- Function and extent of internal audit in entities
- Outsourcing in internal audit
- Audit committee and relevant legal provisions for requirement of audit committee

**6. Audit conclusions and reporting**

- i. Concept of "Hot Review and Cold Review"
- ii. Audit finalization and final review
  - Importance of overall review of audit evidence obtained
  - Procedures for overall review of financial statements
  - Significance of uncorrected misstatements
  - Effect of dealing with uncorrected misstatements
- iii. Concluding and reporting on engagements
  - Consideration of subsequent events
  - Evaluation of results of assurance tests and procedures
  - Reports on assurance engagements consistent with results of assurance procedures
  - Elements of assurance reports
  - The auditor's report on financial statements- Elements of auditor's report, auditor's liability regarding the unaudited supplementary information presented with audited financial statements
  - Types of audit opinion- Unqualified opinion and modified opinion
  - Modified opinion- Qualified opinion, disclaimer of opinion, adverse opinion and situations when such opinion is concluded
  - Audit reports- Unmodified reports and modified reports
  - Modified reports- Modification through modification of opinion and modification without modifying audit opinion- use of emphasis of matter paragraph and other matter paragraph and cases when such paragraphs is added to auditor's report
  - Comparatives- Concepts of corresponding figures and comparative financial statements and their differences
  - Auditor's responsibility regarding other information in documents containing audited financial statements [not included- special purpose audit engagement-NSA-800]
- iv. Related services
  - The concept of audit and other assurance engagements
  - Concept of statutory audits
  - Inherent limitation of audit



- Concept of true and fair view
- Concept of materiality
- Concept of and differences between audit services and non audit services (assurance and non assurance engagements), the difference between limited assurance engagement and reasonable assurance engagement
- NSA 240-Nepal Framework for Assurance Engagements
- Engagements to perform agreed upon procedures regarding financial information
- Engagements to compile financial information

**7. Government audit**

Government audit as per ISSAI frameworks, financial audit and compliance audit. General concept of performance audit, propriety audit and audit of governmental organizations - Simple knowledge testing about the definition of such concepts, features and basic principles of government audit and audit of local bodies.

**8. Audit of specific organizations**

Audit of specific organizations- Hospitals, educational institutions like schools, universities, not for profit organizations, clubs, Cooperatives, Hire purchase and leasing companies, joint venture.



**Paper: 3 Corporate & Other Laws**  
**(One Paper-Two Sections- Three Hours-100 Marks)**

Level of Knowledge	Working
Course objectives	Understand the general knowledge of the provisions of Nepalese Commercial Laws and their application in business environment.

**Course contents**

**Nepal Chartered Accountants Act, 2053 and Nepal Chartered Accountants Rules, 2061**

- About the Institute of Chartered Accountants of Nepal
- Objective of the Institute
- Council and its committees
- Procedure of disciplinary action
- Membership of the Institute
- Examination and academic qualification of chartered accountants,
- Recognition of professional qualification
- Certificate of practice
- Code of conduct and other provisions of Nepal Chartered Accountants Act, 2053 and Nepal Chartered Accountants Rules, 2061

**The Companies Act, 2063 [upto Section 119]**

- Meaning and concept and types of company
- Incorporation of company
- Lifting of corporate veil
- Conversion of company
- Pre-incorporation contract
- Memorandum & articles, prospectus
- Constructive notice and indoor management
- Shares and debenture
- Reduction of share capital
- Purchase of company's own share
- Issue of share at discount
- Issue of share at premium
- Meetings of company
- Board of directors
- Accounts and records of company and audit

**Securities Act, 2063 [upto Section 70]**

- Meaning and concept of securities and stock exchange
- General concept on securities exchange board
- Registration and issuance of securities
- Stock exchange, securities business and securities exchange professionals, security exchange market and transactions of securities




**Banks and Financial Institutions Act, 2073 [Upto Sec. 67]**

- Incorporation of banks and financial institution
- Classification of banks and financial institution
- Board of directors and chief executive of banks and financial institutions
- License of banks and financial institutions
- Capital of banks and financial institutions
- Financial activities of banks and financial institutions
- Regulation, inspection and supervision
- Lending and recovery
- Accounts, records, financial statements and audit

**Nepal Rastra Bank Act, 2058 [upto Section 75]**

- Concept of bank
- Objectives and functions, duties and power of the central bank
- Formation of board and functions, duties and powers, financial provisions, monetary functions and open market operation
- Monetary unit, banknotes and coins
- Foreign exchange policy, regulation and reserve
- Relation with government of Nepal

**Industrial Enterprises Act, 2073**

- Meaning, concept and types of industries
- General concept of industry promotion board, licensing, registration of industrial, facilities and concessions,
- Formation and functions of one window committee  
Industrial human resource and sick industry and other provisions of Industrial Enterprises Act, 2073

**Labor Act, 2074**

- Concept of labor / capital relations
- Types labor, employment and security of service, working hours and remuneration
- Health & safety, welfare, special types of enterprise, Code of conduct and the punishment, dispute settlement and other provisions of Labor Act, 2074

**Bonus Act, 2030**

- Meaning and concept of bonus
- Bonus calculation and distribution
- Restriction on payment of bonus
- Payment of bonus in advance
- Welfare fund, Dispute settlement and other provisions of Bonus Act, 2030

**Muluki Dewani Samhita Ain, 2074 (Chapter V)**

- Provision to Enter Contract, Validity of Contract
- Provision relating to performance, Breach of Contract and Remedies
- Provision relating Contract of Sale of Goods
- Contract relating to Guarantee, Bailment, Indemnity
- Contract relating to Agency, Subrogation, Surety, Pledge or Pawn
- Contract Relating to Carriage of Goods, lease contract, hire purchase
- Provisions relating to wages and labor
- Provisions relating to indirect or Quasi contract, unjust enrichment, Torts, liability for defective production
- Relevant Provision of Muluki Devani Samhita Ain, 2074 (Chapter V)



**Insurance Act, 2049**

- Meaning, concept and types of insurance
- Fundamental principles of insurance
- Formation, functions and power of insurance board
- Registration and cancellation of registration of insurer
- Insurance agent, surveyor and broker
- Audit, insurance offence, punishment and penalties and other provisions of Insurance Act, 2049

**Negotiable Instruments Act, 2034**

- Meaning and concept of negotiable instruments
- Classification of instruments
- Promissory note, bill of exchange and cheques
- Endorsement
- Negotiation, negotiability, assignability
- Rights and obligations of parties to an instrument obtained illegally
- Presentment of instrument, dishonor of instrument
- Notice of dishonor
- Noting and protesting
- Discharge from liability
- Payment and interest
- Presumption as to negotiable instrument and other provisions of Negotiable Instrument Act, 2034

**Social Welfare Act, 2049**

- Definition
- Social welfare program, welfare council, meeting and decision of the council
- Function, duties and power of the council
- Affiliation, economic assistance, suspension
- Other provisions of Social Welfare Act, 2049

**WTO and Nepalese Laws**

- WTO and its membership
- Function and role of WTO
- Concept of Financial Bill/Act
- Legislative process of Nepal
- WTO parameters and Nepalese laws



**CAP-II Paper: 4 Financial Management  
(One Paper - Three Hours - 100 Marks)**

Level of Knowledge      Working

Course objectives

- Develop knowledge and understanding of financial management methods for analyzing the various sources of finance and
- Capital investment opportunities and application of various tools and techniques for business planning and control.

**Course contents**

**Introduction and Fundamental Concepts of Financial Management**

- An overview of financial management
  - Functions and objectives of financial management
- Financial environment markets, institutions, and interest rates; risk and return the basics, time value of money

**Strategic Finance and Policy**

- Capital structure introduction, shareholders' funds, methods of raising equity finance, long-term debt finance
- Operating and financial gearing, gearing and the required return,
- Cost of equity and debt capital, overall cost of capital
- Financial distress, signaling and agency costs.

**Analysis of Financial Statements**

- Overview, financial statement analysis and its precautions
- Horizontal analysis, vertical analysis, ratio analysis
- DuPont analysis, Cash flow analysis, analysis reporting

**Valuation of Securities**

- Fixed income securities - characteristics and valuation
- Common stock- characteristics, valuation and issuance, Hybrid securities-characteristics

**Capital Investment Decision**

- Concepts of cost of project
- Capital budgeting, evaluating cash flows, cash flow estimation
- Investment evaluation and capital rationing

**Working Capital Management and Financial Forecasting**

- Financial forecasting and working capital policy
- Short-term finance, management of cash and marketable securities, management of accounts receivables, Short-term and long-term funding alternatives



**Distribution Policy**

- Dividend decision strategic and legal dimensions of dividend, theory of dividend and retention policy

**Overview of Capital Market**

- Primary and secondary market
- Dematerialization, CDS, stock exchange, commodities exchange and regulatory framework, mutual fund, International capital market

**Investment opportunities in Nepalese Capital Market**

- Key factors and indicators to be considered before making investment in capital market
- IPO & secondary market



**CAP-II Paper: 5 Cost and Management Accounting  
(One Paper - Three Hours - 100 Marks)**

Level of Knowledge      Working

Course objectives

- Required comprehensive knowledge of costing concepts and detail procedures and documentation involved in cost ascertainment systems.
- Provide with an understanding of the application of above knowledge to basic planning, control and decision-making.

**Course contents**

**Cost concepts and costing methods**

- Evolution of cost accounting
- Definitions
- Objectives of cost accounting
- Importance of cost accounting
- Cost accounting system
- Cost concepts and elements of costs
- Types and methods of costing
- Cost, expenses and loss
- Relationship between cost accounting, financial accounting, management accounting and financial management
- Classification of costs, Cost centers and cost unit

**Material Control**

- Purchasing of materials
- Receiving of materials
- Inspection of materials
- Storage of materials
- Issuing of materials
- Maintenance of inventory records
- Techniques of material control
- Pricing methods
- Stock valuation material losses
- Treatment of normal loss and abnormal loss of materials
- Accounting of waste, scrap, spoilage and defectives
- Just In Time (JIT)
- Material Requirement Planning (MRP)

**Labour Control**

- Direct and indirect labour
- Control over labour costs
- Attendance and payroll system
- Treatment of holiday pay, idle time, overtime etc.
- Labour turnover
- Methods of wage payment



- Incentive system
- Accounting for labours
- Job evaluation and merit rating
- Efficiency rating procedures

#### **Overhead Control**

- Classification of overheads
- Manufacturing overheads
- Office and administrative overheads
- Selling and distribution overheads
- Distribution of overheads
- Absorption of overheads
- Treatment of under-absorbed and over-absorbed overheads
- Treatment of certain items in costing
- Actual overhead rate vs. predetermined overhead rate
- Blanket overhead rate vs. departmental overhead rate
- Supplementary overhead rate
- Concept related to capacity
- Comprehensive machine hour rate

#### **Unit costing**

- Meaning
- Cost sheet
- Production statement
- Production account

#### **Cost Accounts System, Cost Control (Integrated & Non-integrated Accounting System)**

- Non-integrated accounting system
- Integrated accounting system
- Reconciliation of cost and financial accounts

#### **Methods of Costing**

- a. Job Costing System
  - Meaning, procedures of job cost accounting,
  - Advantages of job costing, job ticket
- b. Batch Costing System
- c. Contract Costing System
  - Meaning
  - Recording of contract costs
  - Specific aspects of contract costing
  - Profit on incomplete contracts
  - Distinction between job costing system and contract costing system
  - Progress payments, retention money, escalation and de-escalation clause, balance sheet entries
- d. Process Costing System
  - General principles
  - Treatment of process loss and gains
  - Working progress
  - By-products and joint products



- Inter-process profits
- Distinction between job costing system and process costing system
- Equivalent production unit
- Apportionment of joint costs
- e. Operating Costing System
  - Introduction, scope
  - Collection, classification and ascertainment of cost
  - Cost unit

### **Cost concepts for Decision Making**

- a. Cost behavior
- b. Methods of separating fixed and variable costs
- c. Cost Volume Profit Analysis
  - Profit volume ratio
  - Break-even point
  - Margin of safety
  - Target profit
- d. Limiting factor
- e. Marginal costing and differential costing
- f. Marginal costing and absorption costing
  - Marginal cost equation
  - Break even chart and angle of incidence
  - Sales mix
  - Advantages of marginal costing
  - Limitations of marginal costing, Costing for planning and Control - Budgets
- g. Budgets and budgetary control system
  - Steps in budgetary control
  - Types of budgets
  - Fixed and flexible budgeting
  - Implementation of budgets
  - Control ratios
  - Advantages of budgetary control system
  - Limitations of budgetary control system
  - Zero based budgeting
- h. Standard costing
  - Meaning and Objectives
  - Advantages and limitations
  - Distinction between budgetary control and standard costing
  - Types of standards
  - Setting standards
  - Material cost variance analysis
  - Labor cost variance analysis Uniform



- i. Costing and Inter firm comparison
  - Meaning
  - Application of uniform costing
  - Objectives of uniform costing
  - Advantages of uniform costing
  - Limitations of uniform costing
  - Inter-firm comparison Cost
- j. Control And Cost Reduction
  - Introduction
  - Distinction between cost control and cost reduction
  - Advantages of cost reduction
  - Cost reduction plan & program
  - Scope of cost reduction





**Paper-6 Business Communication & Marketing  
(One Paper- Two Sections-Three Hours-100Marks)**

**Section A: Business Communication**

Level of Knowledge : Working

Course objectives :

- Develop an understanding of the role of communication in business, communication process with basic qualities of business documents, letters, reports through writing assignments, simulating situations occurring in business organizations.
- Become familiar with sources of business information and the techniques for collecting data necessary for the preparation of documents in business and produce employment communication, including resume, cover letter, and other employment documents.
- Develop an understanding of non-written business communications and demonstrate human relations skills through the use of effective listening techniques and interpersonal skills within a group setting (team building).

**Course contents**

**Introduction: Communicating at Work**

- Succeeding in the new workplace
- Examining the process of communication
- Overcoming interpersonal barriers
- Communicating in organizations
- Ethics in business communications
- Strengthening your communication skills

**Working in Groups**

- Listening skills
- Group interactions
- Determining group goals
- Individual roles in groups
- Conflict resolution
- Effective meetings
- Writing notifications, agenda and minutes
- Giving and receiving feedback in groups

**Communicating Across Cultures**

- Importance of international business
- Diversity in today's workplace
- Ways to look at culture
- Values, beliefs, and practices
- Nonverbal communication
- Writing to an international audience



- Learning more about international business communication Employment Communication
- Preparing for employment
- The persuasive resume
- Emailing your resume
- The persuasive letter of application
- Follow-up letters
- Interviewing for employment

**Writing Reports and Proposals**

- An inside perspective analyzing data and writing reports and proposals
- A timetable for writing reports and proposals
- Choosing information for reports and proposals
- Analyzing data and information for reports and proposals
- Organizing information in reports and proposals
- Presenting information effectively
- Report types informational and analytical
- Proposal types technical and financial
- Formal and informal reports and proposals



## Section B: Marketing Level of Knowledge: Working

Course objectives :

- Develop knowledge and understanding of fundamentals of marketing relevant to a professional accountant.
- Understanding marketing forces and practices in organizations.

### Course contents

#### Meaning of Marketing and Marketing Mix

- Marketing meaning and importance
- Marketing mix meaning and components
- Emerging marketing challenges

#### Evolution of Marketing Concepts

- Production, product, selling, marketing, customer & societal, Holistic concept

#### Environmental Context of Marketing

- Marketing environment meaning, importance
- Micro environment forces in marketing
- Macro environment forces in marketing
- Impact of environment on marketing. Marketing environment in Nepal
- Market Segmentation and Targeting
- Market segmentation meaning, benefits and requirements
- Process of market segmentation
- Segmentation variables for consumer and industrial markets
- Market targeting
- Market segmentation in Nepal

#### Market Information System

- Meaning and importance of market information system
- Components of market information system
- Market research process
- Problems of market information system in Nepal

#### Buyer Behavior Analysis

- Meaning and importance of buyer behavior
- Stages of consumer buying behavior
- Factors affecting consumer buying process
- Features of organizational buying behavior
- Factors affecting organizational buying behavior
- Consumer buying behavior in Nepal

#### Product Decisions

- Product Meaning, levels, types
- Product life cycle and marketing activities
- Process of new product development and reasons for their failure
- Product line and mix
- Service product



- Branding, packaging, labeling
- Product scenario in Nepal

**Price Decisions**

- Price meaning, importance, objectives and factors affecting price determination
- Methods of price determination
- Pricing policies and strategies
- Pricing scenario in Nepal

**Place Decisions (Distribution)**

- Place meaning, importance and objectives
- Marketing middlemen
- Channels structures for consumer and industrial products
- Physical distribution meaning and components

**Promotion Decisions**

- Promotion meaning, objectives
- Promotion mix meaning and factors affecting it
- Advertising meaning, importance, objectives, media
- Public relations meaning, objectives, methods
- Sales promotion meaning, objectives, methods
- Personal selling meaning, objectives, methods
- Promotion scenario in Nepal

**Emerging Concepts in Marketing**

- Relationship marketing
- E-commerce
- Strategic alliances
- Green marketing
- Ethics in professional services marketing



**Paper 7 : Income Tax & VAT**  
**(One Paper - Three Hours - 100 Marks)**

Level of Knowledge      Working

Course objectives

- The objective of this syllabus is to give candidates an understanding of the basic concepts of Nepalese Income Tax regulations as an important part of direct taxes and of Nepalese Value Added Tax regulation as an important part of indirect tax in Nepal.
- Recognize the principles governing taxation of income, gain from disposal of assets and liabilities and conditions of disposals and deemed disposals.
- Recognize the basic concepts of charging income tax on various incomes.
- Recognize the basic concepts of tax planning.
- Apply code of ethics principles in taxation assignments.

**Part A : Income Tax**

**Course contents**

**1. Basic concept**

- Income year
- Assets (depreciable assets, investment, stock, business assets etc.)
- Persons (natural and legal person and their types, associated persons.)
- Income (Eg. service fee, royalty, dividend etc.)
- Definitions of basic concept as per Sec. 2

**2. Residential concept**

- Concept of resident and non-resident
  - Worldwide taxation and source of taxation
  - Concept of Nepal sourced income and provisions
  - Double tax relief mechanism- foreign tax credit and double tax avoidance treaties
  - Basic concept of foreign permanent establishment
- a. Basis of taxation
- Persons liable to pay tax
  - Tax exempt organizations
  - Exempt incomes
  - Taxable income and assessable income
  - Rates of tax and business concessions
  - Heads of income
- b. Tax accounting
- Nepal accounting standard vs tax accounting
  - Cash vs. accrual basis of accounting in taxation
  - Basis of accounting for natural person and entities
  - Change in accounting methods
  - Reverse of amounts including bad debts
  - Approved Retirement Funds
  - Permanent Account Number (PAN)



### 3. Computation of taxable income

- a. Calculation of income from business:
  - Components of income from business
  - Incomes which do not form part of income from business
  - Deductions allowed from income from business
  - Limitations and conditions for a particular deduction
  - Schedule 2 of the Act.
- b. Calculation of income from employment
  - Components of income from employment
  - Incomes which are excluded from income from employment
- c. Calculation of income from investment
  - Components of income from investment
  - Incomes which do not form part of income from investment
  - Deductions allowed from income from business
  - Limitations and conditions for a particular deduction
- d. Deductions allowed from taxable income
  - Deduction for donation and gifts
  - Deductions for contributions to retirement funds
  - Deduction for life insurance premium paid
  - Deduction for losses from income from business or investment
  - Carry forward and carry back of losses for set off
  - Deductions not allowed
- e. Calculation of net gains from disposal of assets and liabilities
  - Net gain and tax calculation from gain from disposal of non business chargeable assets
  - Net gain and tax calculation from disposal of business assets
- f. Tax credits
  - Medical tax credits
  - Foreign Tax credits
- g. Quantification, allocation and characterization of amounts
  - Quantification & characterization of payments under annuities, installments and leases

### 4. Withholding taxes

- Concept of withholding taxes
- Payments attracting withholding taxes
- Final withholding taxes
- Withholding tax returns

### 5. Tax returns, tax assessment and appeals

- Estimated tax returns
- Final tax returns
- Revised tax assessment process
- Jeopardy tax assessment
- Tax collection, waiver and refund
- Tax administration - duties and power of DG, Tax officer, tax office



## 6. Other fundamental concepts of Income Tax Act

- Provisions of Income Tax Act not specifically mentioned but interlinked/relevant to the concepts covered above.

Income Tax Act 2058 and Income Tax Rules, 2059

*Excluded:*

1. Sections 41 to 49, relating to Disposal of business with special conditions
2. Sections 59 to 62, relating to Bank & Insurance Business
3. Section 114 and above - relating to tax review and fine/penalties

## Section B: Value Added Tax of Nepal

### 1. Basic concepts

- a. Definitions of:
  - i. Terms defined in Section 2 of the Act.
  - ii. Terms defined in Rule 2 of the Rules
  - iii. Terms defined in various other Sections and Rules of the Act and Rules.
  - iv. Meaning and use of various terms used in Act and Rules.
- b. Appointment of tax officer and his/her jurisdiction
- c. Imposition of VAT
  - i. Transactions covered by VAT
  - ii. Goods and services exempted from tax
  - iii. Place and time of supply
  - iv. Rate of tax
  - v. Conditions for zero rate of tax
  - vi. Assessment and collection of tax

### 2. Registration and cancellation

- a. Registration
  - i. Conditions for compulsory registration
  - ii. Threshold for small vendors
  - iii. Proxy conditions for compulsory registration
  - iv. Voluntary registration
  - v. Registration not available
- b. Cancellation of registration  
Conditions and procedures for cancellation of registration

### 3. Taxable value, tax collections and offsets, refund of tax

- a. Factors determining taxable value
  - i. General conditions
  - ii. Extra-ordinary conditions
  - iii. Taxable value for used goods
  - iv. Taxable value for dealers in used goods
- b. Market value concept and its applicability
- c. Tax collection
  - i. Registered person has to collect tax
  - ii. Tax collection by custom authorities



- iii. Bank guarantees facility available for payment of tax.
- iv. Restriction on unregistered person to collect tax.
- d. Offset of tax
  - i. Partial tax offset
  - ii. Proportionate tax offset
  - iii. Tax offset not available
  - iv. Conditions of tax offset
- e. Refund of tax:
  - i. Under regular conditions
  - ii. Under export conditions
  - iii. Refund by some specific institutions as per Section 25.
  - iv. Limitations on refund
- 4. Accounts and records**
  - a. Invoices
    - i. Conditions for unregistered person to issue invoices and its contents.
    - ii. Conditions for issue of different kinds of tax invoices and their contents.
    - iii. Conditions for issue of tax invoices for dealers in used goods.
  - b. Accounts and records
    - i. Taxpayer' duty to keep up-to-date accounts of its transactions
    - ii. Types of accounts and records to be kept by a taxpayer and their contents.
    - iii. Certification of the accounts and records
    - iv. Preservation of the accounts and records.

*Value Added Regulations of Nepal (Marks allocation reduced from 40 marks to 30 marks)*





## Annexure-3

## Detailed Syllabus of Chartered Accountancy Professional (CAP)-III

**Paper 1 : Advanced Financial Reporting  
(One Paper - Three Hours - 100 Marks)**

Level of Knowledge      Expert

Course objectives

- Enable the candidates to understand the purpose and context of "Nepal Financial Reporting Standards",
- Prepare financial statements, including consolidated financial statements for limited liabilities companies and other specialized entities applying standards and to explain their presentations.
- Interpret financial statements and other data for the benefits of users.

**Course contents**
**1. Accounting principles and concepts**

- Fundamental accounting concepts and their relevance in preparation of financial statements.
- Conventional cost concept vis a vis fair value concept

**2. Financial Reporting Standards.**

- Nepal Accounting Standards(NAS)/ Nepal Financial Reporting Standards (NFRS) interpretations by Standing Interpretation Committee (SICs) and International
- Financial Reporting Standards Interpretation Committee (IFRICs) and their application
- Conceptual framework, recognition, measurement of elements and disclosures of financial statements and significant departure from current practices.
- Issues and problems associated in general purpose financial reporting with the convergence of NFRS.
- Comparative study of national and international financial reporting standards/GAAPs.

**3. Preparation and presentation of financial statements**

- a. Advanced problems in preparation and presentation of financial statements of limited liabilities companies, bank and financial institutions, mutual funds, merchant banker, insurance companies, stock broker and power development companies in accordance with applicable Financial Reporting Standards and relevant Acts and Rules.
- b. Valuation of goodwill, shares and business.
- c. Disclosure as per standards including,
  - Accounting policies
  - Segment information
  - Related parties transactions
  - Earnings per Share
  - Current and deferred taxation
  - Other as per the relevant Acts, rules or directives from regulating authorities.



- d. Understanding recent development in accounting
  - Interim and group reporting
  - Value added statement
  - Economic value added statement
  - Human resource accounting
  - Corporate social responsibility reporting
  - Integrated Reporting
  - Environmental accounting
  - Corporate governance reporting
4. **Preparation of consolidated financial statements**
  - Definitions of subsidiary and controlled companies
  - Financial issues related to subsidiary and controlled companies for their inclusion and exclusion like intra-group transactions, fair value adjustments, minority interest
  - Preparation of consolidated accounts of holding and group companies
  - Accounting for associates
5. **Accounting for business combinations**
  - Acquisition, absorptions, amalgamation, merger, de-merger and reconstruction
6. **Statement of Cash Flows**
  - Preparation (direct and indirect method) and interpretations
7. **Accounting for foreign currency transactions**
8. **Analysis and interpretation of financial statements and related information**
  - Appraisal of financial and related information by vertical and horizontal analysis, ratio analysis, common size statement
9. **Accounting treatments for specialized transactions**
  - Accounting treatment of transactions under lease, contract, intangible assets, financial instruments including hedge accounting, taxes, share based payment, employee benefits plan as per financial reporting standards
10. **Public Financial Management and Government Accounting**
  - Concept of public financial management
  - Process of budget formulation and approval; content of the budget
  - Government accounting system and implementation of NPSAS
  - Role of financial comptroller general to improve government accounting and public financial management system -treasury single account, PEFA, action plan to improve PFM
  - Role of office of the auditor general to improve government accounting and public financial management system-implementation of ISA, ISSAI, auditing, audit follow up
  - Role of public accounts committee to improve government accounting and public financial management system



## Paper 2 : Advanced Financial Management (One Paper - Three Hours - 100 Marks)

Level of Knowledge      Expert

Course objectives

- To gain an expert knowledge of the advanced issues involved in financial management and the features of financial management in the global context.

### Course contents

#### The Financial System

- Introduction, structure of a financial system
- Functions of financial management, equilibrium in financial markets, financial system and economic development, criteria to evaluate financial sector
- Financial development concepts, the technology of the financial system delegation, credit substitution, pooling, netting

#### Financial Intermediaries

- Depository institutions commercial banks, near banks (including thrifts, finance companies and others), insurance, pension funds and mutual funds; their functions, issues and risks associated with their management
- The economics of regulation of financial services, structure of Nepalese financial markets and their regulation
- Credit rating agency introduction, importance, functions, credit rating process, quality and integrity of rating, code of conduct

#### Capital Markets

- Understanding securities markets; market for government securities
- Money market evolution, growth, money market and the economy
- Capital market evolution, long-term finance and related issues, market for new issues, secondary market
- Derivatives market futures, options and swaps

#### Valuation of Assets, Shares and Companies

- Introduction, the valuation problem, valuing a company using published accounts
- Valuing shares the dividend valuation model, valuing the earnings stream, using the DCF approach, shareholder value analysis, valuation of unquoted companies, Bond valuation

#### Investment Decisions and Strategies

- Cost of capital, advanced concepts of capital budgeting
- Cash flow analysis using various methods, ranking mutually exclusive projects, investment evaluation and capital rationing
- Applications in project appraisal incremental cash flow analysis, replacement decisions, unequal lives, risk and uncertainty
- Effects of inflation
- Financial and operating leverage



#### **International Financial Management**

- Financial management in a global context the finance function and emerging challenges, the global financial markets
- Nature and management of exposure and risk exchange rate and interest rate volatility, classification of foreign exchange exposure and risk, interest rate exposure and risk; balance of payments basics, valuation, components; global financial markets and interest rates domestic and offshore markets
- Overview of money market instruments; short-term borrowing in global markets; long-term borrowing in the global markets
- International project appraisal, venture capital financing

#### **Portfolio Theory & Assets Pricing**

- Efficient market theory, random walk theory
- Markowitz model of risk return optimization CAPM
- Arbitrage pricing theory, sharp index model
- Portfolio management, formulation, monitoring and evaluation, equity management, principles and management of hedge funds, international portfolio management

#### **Foreign Exchange Management**

- Introduction-foreign exchange market, market participants, exchange rate determination, exchange rate quotation, exchange rate forecasting, exchange rate theories, risk management
- Foreign exchange exposure, types of exposures, techniques for managing exposure, strategies for exposure management, hedging currency risk, provisions of Foreign Exchange Regulation Act, 2019

#### **Emerging Concept of Financing**

- Lease financing, hybrid financing, preferred stock, warrants, and convertibles derivatives and risk management
- Reorganization, mergers, leveraged buy-outs
- Government finance, bail-out packages and other financial sector reforms program
- Multinational financial institutions

#### **Foreign Direct Investment**

- Costs involved and benefits derived
- Foreign institutional investment
- Instruments of international finance



**Paper 3 : Advanced Auditing**  
**(One Paper - Three Hours - 100 Marks)**

Level of Knowledge      Expert

Course objectives

- To develop candidates' capability in performing and reporting on audit and assurance to increase reliability of financial and non-financial information.
- To develop candidates' capability in identifying significant risks and apply risk assessment tools to the engagement
- To develop candidates' capability to identify, gather and document evidence and assess its sufficiency and appropriateness for an audit engagement.
- To ensure that candidates' have acquired the competence to provide comprehensive audit and business assurance services, by testing their ability to integrate and apply their knowledge of auditing to realistic problems.

### Course contents

#### 1. General concepts

##### *Auditing*

- Concept of assurance and concept of audit
- Nepal Standards on Auditing (NSAs), Nepal Standards on Quality Control (NSQC), Practice Statements issued by the Institute of Chartered Accountants of Nepal
- Provisions governing audit by ICAN Act, Regulations and Circulars/Notices issued by ICAN
- Provisions of appointment, responsibility and reporting by auditors under prevailing acts Ethics
- Code of ethics issued by ICAN and IFAC
- Provisions governing ethics by ICAN Act and Circulars/Notices issued by ICAN
- Verdict on disciplinary cases

##### *Governance*

- OECD principles on corporate governance
- Audit committee and its role
- Introduction to Sarbanes Oxley Act
- Provisions of corporate governance set forth under various prevailing acts of the country

#### 2. Audit process

##### *Engagement Procedure*

- Legal procedures to comply before acceptance of new assignments
- Assessment of conflict of interest and threats to independence
- Communication with previous auditor
- Issuance of engagement letter

##### *Planning and Risk Assessment*

- Understanding the entity & its environment
- Assessment of audit risk and materiality
- Designing procedures to mitigate assessed risk
- Development of audit plan, program and checklist



*Audit Test*

- Quantum of audit evidence
- Assertion of account balances
- Audit sampling
- Compliance and substantive test
- Special audit test procedures
  - o External confirmation
  - o Physical verification
  - o Observation
  - o Enquiry
  - o Self-computations
- Special audit considerations relating to
  - o Risk based audit
  - o Fraud and error
  - o Applicable laws & regulations
  - o Using the work of internal auditors and other experts
  - o Opening balances
  - o Provisions and contingencies
  - o Events after the reporting date
  - o Related party transactions
  - o Accounting policies, estimates and comparatives
  - o Going concern
  - o Presentation and disclosures of the financial statements
- Management representations
- Audit documentation

*Audit Reporting*

- Audit conclusion based upon evidence
- Management letter
- Audit report
- Other reporting responsibilities
- Subsequent events

*Audit of specialized enterprises*

- Insurance companies
- Banking and financial institutions
- Stock brokers and commodity dealers
- Derivatives and hedging instruments
- Government, constitutional bodies, regulatory authorities and autonomous bodies
- Manufacturing and Trading organizations
- Mutual funds and investment companies
- Retirement benefit funds
- Educational institutions
- Agricultural farm
- Hydro power
- Hotels and hospitality sector
- Transport and carriers
- Real estate agencies and housing companies
- Union, club and societies
- Multinational companies
- Not for profit organizations



### 3. Other services

#### *Assurance and related services*

- Engagement to review financial statements
- Agreed upon procedure
  - o Internal audit
  - o Due diligence
  - o Tax audit
  - o Cost audit
  - o Management audit
  - o Performance audit
- Engagement to compile financial information
- Reporting on prospective information

#### *Other services*

- Forensic audit and Investigation
- Insolvency practitioners
- Fund controller
- Financial mediation

### 4. Audit issues

#### *Audit under computerized environment*

- Concept
- Impact on controls
- Specific issues of audit risk
- Security issues in computerized systems as stated in IFAC guidelines

#### *Computer Assisted Auditing Techniques*

- Concept and benefit
- Impact on audit process using CAAT
- Available tools of CAAT

#### *Fraud and auditors' liability*

- Concept
- Law and regulation
- Professional negligence versus criminal charges
- National and international case studies
- Auditors' liability with regards to "Money Laundering Act" and other prevailing Act Joint Audit and Branch Audit
- Concept
- Managing audit process
- Reporting responsibilities

#### *Audit of fair values*

- Concept
- Principles and techniques of measurement



**Paper 4 : Corporate Laws**  
**(One Paper - Three Hours - 100 Marks)**

Level of Knowledge      Expert

Course objectives

- To gain an expert knowledge of Nepalese corporate laws and their practical application.

**Course contents**

**Nepal Chartered Accountants Act, 2053 & Regulation, 2061**

- The Institute of Chartered Accountants of Nepal, law's enactment and establishment
- Composition, function and duties of the Council
- Accounting Standards Board and Auditing Standards Board, their functions
- Examination, qualifications and licensing of chartered accountants
- Membership, types and renewal
- Disciplinary committee and its functions
- Punishment
- Code of ethics
- Chartered Accountants Act, 2053 and Regulations 2061

**The Companies Act, 2063 and Rules**

- General meeting and board meeting,
- Accounts and audit
- Inspection and investigation to be made by company registrar office
- Protection of shareholders
- Special provision relating to private company and one man company
- Holding, subsidiaries & foreign companies
- Audit committee
- Merger of company
- Dividend
- Company secretary
- Liability of company and shareholders
- Winding up and liquidation of company
- De-registration of company
- Company advisory board
- Offence, punishment and legal proceedings
- Some judicial decisions relating to company
- Relevant provision of The Companies Act, 2063

**Securities Act, 2063 and Rules**

- Meaning and concept of securities and stock exchange Functioning of Securities Board
- Registration and issuance of securities
- Securities business and securities exchange professionals, security exchange market and transactions of securities
- Collective investment scheme, operation of securities business





- Regulation, monitoring, inspection and inquiry
- Offences, penalties and legal proceedings and
- Relevant provisions of Securities Act & Regulation and guidelines and circulars issued by the Securities Board.

#### **Banks and Financial Institutions Act, 2073**

- Operation of financial transactions
- Regulation, inspection and supervision
- Supply and recovery of credits
- Account and audit
- Merger of licensed institution
- Offense and punishment
- Relevant provisions on Banks & Financial Institutions Act, 2063
- Directives issued by NRB

#### **Nepal Rastra Bank Act, 2058**

- Relationship of government with central bank
- Functions and powers of the central bank
- Monetary functions and operation of open market
- Monetary management, banknote and coins
- Regulation, inspection and supervision
- Offences, penalties and judicial proceedings
- Relevant provisions of Nepal Rastra Bank Act, 2058

#### **Industrial Enterprises Act, 2073**

- Industrialization and concept of industrial environment industrial promotion board
- Licensing, registration and penalties
- One window committee
- Industrial human resource
- Facilities and concessions
- Relevant provisions of Industrial Enterprises Act, 2073

#### **Foreign Investment and Technology Transfer Act, 2073**

- Meaning and concept of foreign investment and technology transfer
- Permission for foreign investment
- Incentives for foreign investor
- Provision relating to visa
- Dispute settlement mechanism and procedure
- Incentives for foreign investor
- Relevant Provisions of Foreign Investment and Technology Transfer Act, 2073

#### **Labor Act, 2074**

- Industrial relations
- Worker's participation in management
- Trade unions
- Collective bargaining
- Wages and wages fixing mechanism
- Health and safety, welfare
- Special provisions to be applicable to special type of establishment
- Ethical code and industrial relations



- Industrial conflicts and settlement (conciliation, arbitration and adjudication)
- Labor dispute settlement mechanism and procedure
- Relevant provisions of Labor Act, 2074

**Insurance Act, 2049 and Rules**

- Principles of insurance
- Insurer (registration, profession and duties)
- Insurance Board
- Insurance agent, surveyor and broker
- Fund and audit
- Inquiry and investigation
- Insurance tariff advisory committee
- Settlement of liabilities
- Insurance offence, penalties and legal proceedings
- Relevant provisions of Insurance Act, 2049, Regulation and Guidelines issued by Insurance Board

**International Financial Transactions Act, 2054**

- Concept of international financial transactions
- Process of taking the permission for international financial transactions
- Types of international financial transactions in Nepal
- Relevant provisions of International Financial Transactions Act, 2054

**Co-operative Act, 2074 and Rules, 2075**

- Concept of co-operatives
- Co-operatives and financial transactions
- Wind-up and liquidation of co-operatives
- Co-operative offences and penalties
- Relevant provisions of Co-operative Act, 2074 and Rules 2075

**Insolvency Act, 2063**

- Insolvency proceedings
- Restructuring scheme of company
- Liquidation of company
- Claims of creditors and mode of payment
- Voidable transaction
- Insolvency practice, and regulation and administration thereof
- Offense and punishment
- Relevant provision of Insolvency Act, 2063

**Money Laundering Prevention Act, 2063**

- Offense
- Identity, transactions and details of the customers
- Coordination committee and financial information unit
- Laundering prevention department
- Investigation and inquiry
- Punishment
- Relevant provision of Money Laundering Prevention Act, 2063 and Money Laundering Prevention Rules, 2073

**Public Procurement Act, 2063 and Rules, 2064**

- Definition
- Responsibilities and methods of procurement
- Provisions relating to bids
- Provisions relating to consultancy services
- Review of procurement proceedings
- Procurement contract and conduct
- Monitoring of procurement activities
- Provisions relating to Public Procurement Act, 2063 & Rules 2064

**Audit Act, 2075**

- Meaning and concept of audit
- Method of the audit and matters to be audited
- Jurisdiction of Auditor General
- Constitutional provisions of auditing
- Governmental audit and office of the auditor general
- Audit of the government, wholly and partly government owned undertakings.
- Modes of auditing and reporting
- Propriety audit
- Other provisions of Audit Act, 2075

**General provisions of the following Acts**

- Arbitration Act, 2055
- Banking Offence and Punishment Act, 2064
- Act Relating to institutions acting as financial Intermediary, 2055
- Foreign Exchange Regulation Act, 2019



**Paper 5 : Management Information and Control System  
(One Paper - Three Hours - 100 Marks)**

Level of Knowledge      Expert

Course objectives

- Highlight the role of professional accountant as manager and evaluator of information system.
- Identify information requirement of an organization, distinguish among the different types of information systems to recommend specific systems for organizational requirements.
- Assist in the analysis, design and implementation of information systems.
- Learn about the management, control and evaluation of IT infrastructure as well as information systems assets.

**Course contents**

**1. Organizational Management and Information System**

- Revision of organization system and management level
- Computer based management information system definition and functional model, role of information
- Business perspective of information system
- IT and information security
- Knowledge of business for developing IT system
- IT governance

**2. Types of Information System**

- Types of information system according to organizational hierarchy, operational level, knowledge level, management level, and strategic level
- Information system to support organization
- Transaction processing system introduction, data entry and validation, storage and master file update, error prevention and detection, report generation Knowledge work and office system functions and tools Management information system
- Decision support system goals and applications, components and tools Executive support system or executive information system introduction, sources of ESS, roles and characteristics
- Expert support system artificial intelligence, neural network, fuzzy logic, genetic algorithm
- Sales and marketing information system model, inputs and out puts Manufacturing and production information system model, inputs and out puts Finance and accounting information system model, inputs and out puts Human resource information system model, inputs and out puts, challenge and benefits

**3. Information Technology Strategy and Trends**

- Enterprise strategy and vision
- Internal and external business issues- position and business focus of the entity, relationship of IT strategy and business strategy
- Factors influencing IT-flexibility of changes in technology and business, budget, speed to the market, legal and regulatory body, business units



- Assess current and future IT environments- current status of IT hardware, software, peoples, procedures and data
- IT risk and opportunity, trends and issues of current environments
- Business and IT alignment, compliance with service level agreements, stake holders attitude
- Different type of risks and risk assessment methodologies, IT strategy planning envision of future status, aligning future IT strategy with business strategy

#### **4. System Development Life Cycle-Acquisition, Development, Implementation, Maintenance and support**

- Business process design and BPR
- Definition, stages of system development requirement, feasibility study, analysis, design, testing, implementation, support, documentation
- Hardware evaluation and selection
- Software evaluation and acquisition, RFP, IT proposal evaluation and cost benefit analysis
- Underlying principles of system development
- Computer Aided System Engineering (CASE)
- Models of system development water fall model, spiral model
- System testing
- System conversion, user manual and training
- System implementation, post implementation review and system maintenance Project management tools - context diagram, work breakdown structure, gantt chart, PERT and CPM

#### **5. System Analysis and Design**

- Strategies for system analysis and problem solving modern structured analysis, information engineering, prototyping joint application development, and rapid application development, object oriented analysis
- Concept of data and process modeling, data flow diagram, entity relationship diagram
- Strategies for system design modern structured design, information engineering, prototyping, object oriented design
- Input design batch and online input methods, system user issues, graphical user interface issues for input design
- Output design types of output, systems user interface for output design

#### **6. E-Commerce and Inter Organizational Systems**

- Introduction to E-commerce, scope, technology and process
- Features of e-commerce ubiquity, global reach
- Universal standards, richness, interactivity, information density, personalization
- Categories of E-commerce B2B, B2C, C2C
- Electronic payment process web payment process, electronic fund transfer
- Micro payment systems, secure electronic payments

#### **7. E-Business Enabling Software Package**

- Enterprises Resource Planning (ERP) introduction, model, functional areas or modules, implementations, benefits and challenge
- Supply Chain Management introduction, model, reverse logistic, supply chain planning and execution system
- Sales Force Automation introduction and model
- Customer relationship management (CRM) introduction to computer based CRM, models, operations, challenged and benefits



- Emerging technologies in IT business environment
  - Cloud computing
  - Mobile computing
  - Virtualization
  - Virtual organization
  - Software as a service
  - Data exchange

#### **8. Protection of Information Assets**

Three primary goals of information security confidentiality, integrity and availability

- Information security principles accountability, awareness, ethics, multi-disciplinary, proportionality, integration, timeliness, assessment and equity System vulnerability and abuse why system are vulnerable, hackers and computer viruses, disaster, security and errors
- System quality problems software and data, bugs and defects, maintenance nightmare, data quality problems
- IT general controls, Logical access control, Network access control and Application controls
- Information security programs - people, policy and technology security policies, procedures, practices, standards and guidelines, training and education, ownership, defined relationships, cost considerations. Basic job responsibilities of various IT functions - programmer, system analysts, database administrator, project manager, tester, network administrator, web content manager, webmaster, hardware technician, security specialist, Chief Information Officer, IS auditor, Segregation of duties
- Development of control structure cost and benefits, role of auditing in control process

#### **9. Disaster Recovery and Business Continuity Planning**

- Assessing business continuity management
- Disasters recovery planning
- Data backup and recovery strategies RAID, mirroring, clustering, high availability planning of servers
- Alternative processing facility arrangements IT outsourcing

#### **10. Auditing and Information System**

- Introduction to information system audit and other assurance engagements
- Information system audit strategy
- Phases in information system audit - audit planning(scope, objective and audit program), examining and evaluating information, audit evidence, reporting audit findings
- Review of IT general controls, access controls, network controls, application controls, input and output controls
- Review of DRP/BCP
- Evaluation of IS criterion for evaluation and risk, computer assisted audit techniques (CAAT)
- Introduction to standards for IS audit

#### **11. Ethics and legal Issues in Information Technology**

- Agreement for confidentiality, trade secrets, discovery, non-compete
- Patents, trademarks and copyright
- Significance of IT law
- Digital signatures and authentication of digitized information
- Introduction to digital data exchange and digital reporting standard-XML and XBRL



- Government initiative for digitized financial information filing IRD, OCR and others
- Need for system audit as per various regulations such as NRB and IB requirement
- Brief introduction of COSO, COBIT, CMM, ITIL, ISO/IEC27001

**12. Electronic Transactions Act, 2003**

- Electronic record and digital signature
- Controller and certifying authority
- Dispatch, receipt and acknowledgement of electronic records
- Digital signature and certificates
- Functions, duties and rights of subscriber
- Electronic record and use of digital signature
- Network service
- Offence relating to computer
- Information technology tribunal
- Relevant provision of Electronic Transactions Act, 2003



**Paper 6: Advanced Taxation**  
**(One Paper- Two sections-Three hours-100 Marks)**

Level of Knowledge      Expert

Course objectives

- Gain expert knowledge on direct & indirect taxes as well as to make the students to acquire ability to apply the expert knowledge in actual practice.
- Gain expert knowledge of the provisions of the direct and indirect tax laws.
- Acquire the ability to apply the knowledge of the provisions of laws to the various situations.

**Course contents**

**1. Income Tax Act 2058 and Rules 2059**

**2. Ethics and professional conduct in providing taxation services**

- Tax services provided by professional accountants
- Application of IFAC Code of Ethics on taxation services
- Ethical requirements as per Income Tax Act and Anti Money Laundering provisions

**3. Fundamentals of taxation and Nepalese tax system, income heads**

- Basic terms used in tax law and their tax connection*
  - All definitions as per sec. 2 and relevant connecting sections
- Residential concept*
  - Concept of resident and non-resident
  - Worldwide taxation and source taxation
  - Concept of Nepal sourced income and provisions
  - Double tax relief mechanism- foreign tax credit and double tax avoidance treaties-(including advance calculation)
  - Foreign permanent establishment
  - Controlled foreign entities
- Basis of Taxation*
  - Persons liable to pay tax
  - Tax exempt organizations
  - Exempt incomes
  - Taxable income and assessable income
  - Rates of tax and business concessions
  - Head of income
- Tax Accounting*
  - Nepal accounting standard vs tax accounting
  - Cash vs. accrual basis of accounting in taxation
  - Basis of accounting for natural person and entities
  - Change in accounting methods
  - Reverse of amounts including bad debts





- e. *Calculation of income from business*
  - Components of income from business
  - Incomes which do not form part of income from business
  - Deductions allowed from income from business
  - Limitations and conditions for a particular deduction
  - Schedule 2 of the Act
- f. *Calculation of income from employment*
  - Components of income from employment
  - Incomes which are excluded from income from employment
- g. *Calculation of income from investment*
  - Components of income from investment
  - Incomes which do not form part of income from investment
  - Deductions allowed from income from business
  - Limitations and conditions for a particular deduction
- h. *Deductions allowed from taxable income*
  - Deduction for donation and gifts
  - Deductions for contributions to retirement funds
  - Deduction for life insurance premium paid
  - Deduction for losses from income from business or investment
  - Carry forward and carry back of losses for setoff
  - Deductions not allowed
- i. *Calculation of net gains from disposal of assets and liabilities*
  - Net gain and tax calculation from gain from disposal of non business chargeable assets
  - Net gain and tax calculation from disposal of business assets
- j. *Tax Credits*
  - Medical tax credits
  - Foreign tax credits
- k. *Quantification, allocation and characterization of amounts*
  - Quantification
  - Characterization of payments under annuities, installments and leases
- l. *Special Provisions*
  - Taxation of shipping, telecom and air service providers (Sec. 70)
  - Banking business
  - Insurance business

#### **4. Administration and documentation administration, withholding and payments of tax**

- a. *Administration tax authorities*  
Revenue structure at Finance Ministry, Tax department/office structure, duties and power, management, tax payer's right, advance ruling, public circulars, international agreements, permanent account number.
- b. *Documentation*  
Form of documentation, service of documents, defective documents
- c. *Tax withholding*  
By employers, from investment and service fee payments, contract payments, final withholding, and tax credit or tax adjustment. Withholding taxes in case of countries with Double Tax Avoidance Treaties.



- d. *Payment of Tax*  
Time and mode of payment, Installments, proof of tax payment

**5. Returns and Assessments, Collection, Remission and refund**

- a. *Returns*  
Time of return of incomes, extension of time of return, return not required estimated return
- b. *Assessments*  
Self-assessment, jeopardy assessment and amended assessment, assessments order & notices
- c. *Collection*  
Preference for tax payable by withholding, claim over assets, auction of assets, prohibition order, liquidities of officers, recovery from recover and agent, suit filing
- d. *Remission and Refund*  
Remission by Government, refund & set off and its procedure

**6. Legal Remedies, Interest, Fees, Penalties Offences**

- a. *Administrative review*  
Decisions, procedures, application to object the review
- b. *Appeal*  
Appeal to the Revenue Tribunal
- c. *Interest*  
Under payment of installments, failure to pay tax, failure to pay with deposit withholding tax
- d. *Fees*  
For failure to maintain documents, for failure to file return, for failure to making falsed document and aiding and obtains, assessments of interest and fees
- e. *Penalties*  
For failure to pay tax, to authorized and unauthorized person, to accomplice, payment of penalties
- f. *Offence*  
For misleading statements, for obstructing or using inappropriate influence

All provisions of Income Tax Act, 2058 and Income Tax Rules, 2059.

**7. Value Added Tax Act, 2052 and Rules 2053**

- a. *Introduction, coverage and administration*
  - (i) Introduction of VAT in Nepal
  - (ii) Spirit of preamble VAT Act, Terms used; Service, Supply, Return, Import, Export, Market price, person, registrant, TPIN, Supplier, value addition
  - (iii) Coverage Taxable activities, time of place of supply, tax rate, Zero rated areas, exempted goods and services, Treatment of negative value addition, Capital goods, threshold, determination of market price, and treatment of reconditioned goods, discount and gifts, importation under bank guarantee
  - (iv) Tax Administration Registration, tax invoicing, Accounting, Return filing, Tax Assessments, conditions for assessing by tax officer, Collection/payments, Tax credit; full credit, partial credit, proportionate credit, Refunds, Tax audit and investigation, suspension of business transaction



- b. *Tax Authorities, revision and appeal and fees and interest*
  - (i) Tax authorities and rights and duties of taxpayers
  - (ii) Administrative revision and appeal to revenue tribunal
  - (iii) Additional fees and interests, offences and penalties

#### **8. Excise Act, 2058 and Excise Rules 2059**

- a. Concept of excise and excise duty, history of excise duty in Nepal in brief
- b. Scope and objectives of Excise Act, 2058
- c. Terms; goods, service, institution (Pratisthan), license, license holder, production, producer, person, factory price, price, import, invoice
- d. Excisable products, exemption of excise, collection of excise, pricing of excisable products, obtaining and termination of license, renew of license, excise duties and fees, special provisions for cigarettes, bidi, alcoholic (madira) and molasses, conditions related to seize, possession and arrest
- e. Provisions of self-issue and physical control system, recovery ratios
- f. Penalties, administrative review and appeal

#### **9. Customs Act, 2064 and Rules 2064**

- a. Scope and objectives of Customs Act, terms export, import, customs duty, chief of customs, customs officer, customs area, pragyapan patra, demurrage, unauthorized and illegal import and export, customs facility, facility in duty, under invoicing, classification of goods for customs purpose
- b. Import and export procedures, documents required for export and import, determination of duty, valuation procedure and methods in practice, post clearance audit
- c. Charging of different duties and charges in customs point
- d. Provisions regarding jhitigunta, accompanied and unaccompanied goods
- e. Import under duty refundable procedure (DRP) and in bond system, bonded warehouse system, bank guarantee and the provision of re-export
- f. Finance act and related schedule
- g. Circulars relating to specific acts issued by Department of customs

#### **10. Double tax avoidance agreement (DTAA) and international taxation**

- a. *Double Tax Avoidance Agreement (DTAA)*  
Features, general definitions, resident, permanent establishment, income from immovable property, business profit, shipping and air transport, associated enterprises, dividends, interest, royalties, capital gains, personal services, government service, methods of elimination of double taxation, non-discrimination, mutual agreement procedures, assistance in collection of tax
- b. *International Taxation*  
Concepts, models, transfer pricing



**Paper 7 : Advanced Cost & Management Accounting  
(One Paper-Three Hours-100 Marks)**

Level of Knowledge      Expert

Course objectives

- Understand cost accounting in relation to management functions.
- Provide knowledge of using costing data for decision making, control and understanding of emerging and techniques of performance appraisal and operational research.

**Course contents**

**Advanced Cost Accounting**

Cost concepts and objectives of Costing systems

- Basic cost concepts
- Cost classification
- Cost analysis
- Costing system
- Inventory valuation
- Data base for operational control and decision making
- Cost concept in decision making
- Application of incremental/differential cost techniques in managerial decision
- Programmed & non-programmed decisions
- Steps in decision making
- Behavioral study of costs for decision making

Marginal Costing and Decision making problems

- Theory of marginal costing
- Ascertainment of marginal cost
- Advantages and limitations of marginal costing
- Marginal cost equation
- Important factors in marginal costing decisions
- Pricing decisions under special circumstances decision making
- Key factor/limiting factor/budget factor
- Product mix and Price mix
- Profit planning

Standard Costing and Variance analysis

- Definitions and types of standards
- Setting up of standards
- Standard product cost sheet
- Advantages and criticism of standard costing
- Application of standard costing
- Control through variance analysis
- Computation of variances
- Reporting of variances
- Disposal of variances
- Accounting procedure for standard cost
- Disposition of variances



#### Budget & Budgetary Control

- Budgetary control system
- Types of budgets
- Preparation of budgets
- Budget ratios
- Causes of difference with actual performance
- Zero based budgeting
- Responsibility accounting
- Performance budgeting
- Participative budgeting

#### Performance measurement

- Meaning
- Importance of performance measurement
- Evaluation and reporting of performance
- Balance score card and its advantages
- Four basic business perspectives
- Benchmarking
- Advantages of benchmarking
- Types of benchmarking and process
- Theory of constraints (TOC)
- Key measurements required by TOC
- Five steps in TOC

#### Activity Based Costing

- Meaning and definition
- Stages in activity based costing
- Purposes and benefits of activity based costing
- Installation and operation of activity based costing system
- Activity based cost management
- Difference between ABC and ABM
- Cost driver analysis
- Criticism of ABC System
- Activity based budgeting

#### Costing of Service Sector

- Main characteristics of service sector
- Collection of costing data
- Costing methods used
- Pricing by service sector

#### Pricing Strategies

- Pricing of finished products
- Theory of price
- Pricing policy
- Principles of product pricing
- New product pricing
- Pricing strategies
- Pareto analysis
- Transfer pricing



### Emerging concepts in cost management

#### Just in time approach

- Meaning
- Impact of Just-in-time systems
- Performance measurement
- Back flushing in a just-in-time system

#### Material Requirement Planning (MRP)

- Meaning and Purpose
- Data requirements to operate MRP System
- Methods of Operation
- Pre-requisite for successful operation of MRP System

#### Enterprise Resource Planning (ERP)

- Meaning and Features of ERP
- Benefits of ERP
- Reasons for implementation of ERP by companies

#### Total Quality Management (TQM)

- Introduction
- Operationalizing TQM
- Six Cs of TQM
- Overcoming TQM paralysis
- Control The missing link of TQM

#### Life cycle costing

- Product life cycle
- Phases of product life cycle
- Life cycle costs
- Life cycle costing and management control
- Advantages of life cycle costing

#### Target costing

- Target cost definitions
- Four steps approach to target costing
- Target costing for target pricing
- Target costing vs. traditional costing

#### Value chain analysis

- Meaning & definitions
- Classification of business activities for VCA
- Competitive advantage and customer value
- Value chain approach for assessing competitive advantages
- Strategic framework for VCA
- Limitations of VCA
- Value chain analysis vs. conventional management accounting

#### Cost Audit

- Important aspects of cost audit
- Purpose of cost audit
- Types of cost audit



- Advantages of cost audit
- Functions of cost auditor

### Quantitative Techniques

#### Linear Programming

- Introduction
- Graphical method
- Trial and error method of solving linear programming problem
- The simplex method
- Marginal value of a resource
- Practical application of linear programming
- Limitation of linear programming

#### Transportation Problems

- Introduction
- Methods of finding initial solution to transportation problem
- Optimality test
- Special cases
- Maximization transportation problem
- Prohibited routes

#### Assignment Problems

- Introduction
- The assignment algorithm
- Unbalanced assignment problems

#### Network Planning-PERT/CPM

- General framework of PERT/CPM
- Advantages of critical path analysis
- Fundamentals of CPA network
- Critical path analysis
- Probability of achieving completion date
- Comments on assumptions of PERT/CPM
- Distinction between CPM and PERT
- Updating the network
- Project crashing Resource smoothing
- Resource leveling

#### Simulation

- Introduction
- Monte carlo simulation
- Simulation and inventory control

#### Learning Curve Theory

- Introduction
- Distinctive features of learning curve theory in manufacturing environment
- The learning curve ratio
- Learning curve equation
- Learning curve application
- Limitation of learning curve theory

*Advanced Cost Accounting (Marks allocation 70 marks) and Quantitative Technique (Marks allocation 30 marks).*



**Paper 8 : Strategic Management and Decision Making Analysis  
(One Paper-Three Hours-100 Marks)**

Level of Knowledge      Expert

Course objectives

- Develop knowledge and understanding of process, concepts and techniques of strategic management and decision making analysis relevant to a professional accountant.
- Develop skills to formulate and implement strategies and analyze decisions in the Nepalese context.

**Course contents**

**Concept of Strategy**

- Concept and characteristics of strategy
- Levels of strategy
- Strategic planning
- Relevance of strategic thinking for professional accountant.

**Strategic Management**

- Concept, characteristics and importance of strategic management
- Process of strategic management
- Elements of strategic management

**External Environment Analysis**

- Meaning and nature of environment
- Elements of environment
- Objective setting
- SWOT analysis, ETOP, PEST-NG approach
- External environment analysis process

**Internal Analysis**

- Concept and process of internal analysis
- Areas of internal analysis
- Techniques of internal analysis
- Assessment of internal resources and core competencies
- Strategic advantage profile

**Strategic options**

- Concept of strategic options
- Strategic alternatives at corporate, business and functional levels
- Directions and methods for strategy development
- Blue ocean versus Red ocean strategy

**Strategy Formulation and Strategic Choice**

- Process of strategy formulation
- Evaluation of strategic alternatives
- Portfolio analysis





- Risk analysis
- Strategic choice criteria and techniques (BCG & GE Matrix)

#### **Strategy Implementation and Evaluation**

- Concept and process of strategy implementation
- Designing structure
- Resource planning
- Management system
- Strategic information system
- Strategic control, process, types
- Strategic change management concept and approaches

#### **Role of Chief Executive in Strategic Management**

- Role in formulation of strategies
- Role in implementation and evaluation of strategies

#### **Decision Making Process and Techniques**

- Rational decision making process
- Strategic decision making concept, characteristics, process and importance
- Techniques of strategic decision making

#### **Project Management**

- Project- definition of the project; why project management; project life cycle
- Project selection -criteria for choice; project selection model; management of risk; project portfolio process; project proposal
- Project management - the project manager; selection of project manager; institutional environment and managerial behavior
- Project organization- project as a part of functional organization; pure project organization; matrix and mixed organizational system
- Project planning - initial project coordination; system integration; sorting out the project; work breakdown and responsibility chart
- Conflict and negotiation - nature of negotiation; partnering, chartering and change; conflict and project life cycle; principles of negotiation
- Budgeting and cost negotiation - project budget estimate
- Scheduling - PERT, CPM; risk analysis using simulation; extension and application
- Resource allocation -resource loading; resource leveling; resource scheduling
- Monitoring and information system - planning-monitoring-controlling cycle; reporting process
- Project control - purpose of control; control process; design control system; control of change
- Project termination - project auditing; varieties of project termination; termination process; final report

#### **Strategic Management and Decision Making Practices in Nepal**

- Strategic management practices in corporate sector of Nepal
- Decision making practices in corporate sector of Nepal