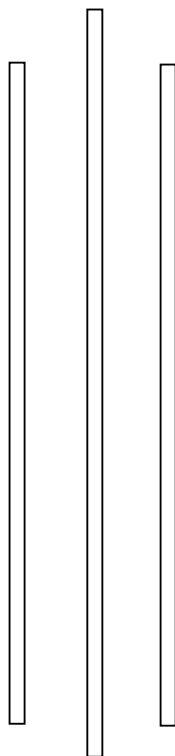


Accounting Technician Manual



Accounting Technician Board (ATB)

The Institute of Chartered Accountants of Nepal
Babar Mahal, Post Box No. 5289 Kathmandu, Nepal

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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 of Chartered Accountancy (CA) as well as Accounting Technicians (AT) course, imparts theoretical education to them, requires the students of CA & AT course to undergo practical training and monitors effectiveness of their training programs. It also holds qualifying examination for them and grants membership of Chartered Accountants and Accounting Technicians to successful candidates.

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.

Governing Body

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 Regulation 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, 2001. In addition, the Council also lays down procedures for regulating activities not covered by the regulation.

Accounting Technician Board

Accounting Technician qualification is a newly introduced middle level accounting profession by the Institute through formation of Accounting Technician Board (ATB). ATB is fully responsible to imparts Accounting Technician Course in Nepal. For the first time the members of the ATB are nominated by the Council of ICAN. The Board consist six members, three from Chartered Accountants members including Chairman of the Board, two from Registered Auditor members and one member from stakeholder. All the members are nominated by the Council of ICAN.

Accounting Technician as a Profession

Accounting Technician Course is a solid foundation in accounting and finance providing with all the necessary technical skills and knowledge required to serve especially accounting and auditing. It has a combination of theoretical study and practical experience designed to build a greater understanding and experience in the field of business accounting & cost management, audit and assurance, corporate laws and taxation.

It is the courses consist of 100 hours full fledge Information Technology training, 18 months Practical Training and General Management and Communication Skills (GMCS) training programme. So it ensures students a wide knowledge and skills relevant to support the constantly changing need of the market providing excellent job prospects and supporting for professional development.

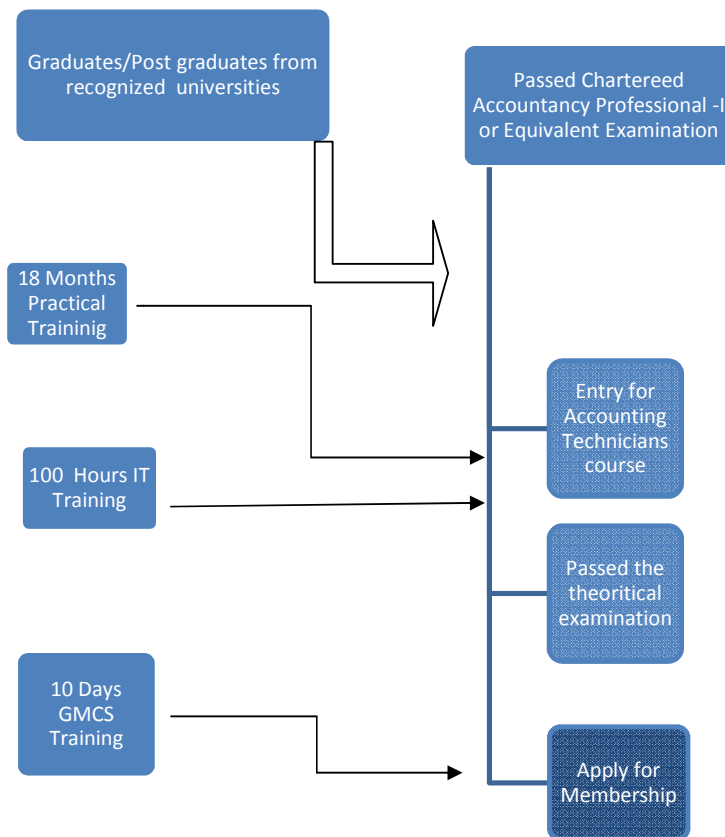
Accounting Technician qualification can lead to a challenging and rewarding career in the field of accounting and book keeping. After completion of examination and required practical training, one will be able to write Accounting Technician or AT in brief after his/her name and have the opportunity for practicing as an auditor for a certain categories of enterprises as laid down in Gazette of the Nepal Government and limit as prescribed by the council.

In the context of present globalised world, all small or large organization needs such manpower that can understand and manage the accounting of the organizations. Society also expects such accountants to have the required level of competence to perform the job required. Therefore, the Accounting Technician qualification will be a sound result to cater the deficit of accountant and auditor in the small and medium scale enterprises.

Accounting Technician Course

The Accounting Technician Course is a combination of theoretical study and practical training. The theoretical study contains four papers consisting Advanced and Management Accounting, Auditing & Assurance, Corporate and Other Laws and Taxation. Each paper carries 100 Marks. Students shall undergo and complete 18 months Practical Training in order to gain practical experience. In addition of this practical training, 100 hours Information Technology Training is a must to have the practical and applicable skills of computer technology. Besides it, before applying for membership of Accounting Technicians, one should complete 10 Days General Management and Communication Skills (GMCS) training as prescribed by the Accounting Technician Board.

The Path of Accounting Technician Course



Eligibility for Registration in AT

To enroll in Accounting Technician Course a person should satisfy one of the following qualifications.

- Passed the Chartered Accountancy Professional (CAP)-I or Equivalent Examination or
- Be at least Graduate in management/commerce or secured at least 50% marks other than management/commerce from the recognized university.

"Graduate" stands for graduate degree program recognized by the Government of Nepal except subjects like Music, Fine Arts, Dance, Culture etc.

Students, who have passed equivalent examination from foreign universities, should provide evidence that his/her grades are equivalent to the degree as recognized equivalent as mentioned above.

Registration Procedures

Registration for Accounting Technician Course is open throughout the year. However there must be gap of at least clear six months time period from the date of registration to the examination date. The application form for registration is given in [Annexure 2](#).

Examinations are held **TWICE** a year, one in March and the other in September. For appearing in the March examination, registration should be done at or before the end of August of the previous year and at before the end of February of the same year for the September 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 to the Institute:

- Copy of Mark sheet / Transcript starting from SLC
- Copy of Citizenship Certificate / Passport or any other evidence
- Copy of Character Certificate
- Receipt of fee paid

Fee Structure

Registration fee for the Accounting Technician is Rs. 25,500. It should be paid in full at the time of registration along with other applicable fees. In addition, levy for building fund of Rs. 2,000 shall be charged at once of the overall study duration along with the registration fee. The registration fee shall not be refundable.

The fees can be paid in lump sum at the time of registration or can be paid in installment basis i.e. Rs. 15,000 at the time of registration and Rs. 14,000 within six months from the date of registration. Paper exemption fees, if any, @ Rs. 7,000/- can be paid for each paper and for all the papers total Rs. 27,500 can be paid at the time of registration to get an exemption.

Course Contents

The subjects prescribed for Accounting Technician Course are as follows. Each paper carries 100 Marks.

- Paper-I: Advanced and Management Accounting
- Paper-II: Auditing and Assurance
- Paper-III: Corporate and Other Laws
- Paper-IV: Taxation

The detailed syllabus of the AT Course are given in [Annexure -1](#)

Library Facility

Students can have access to the library for professional books, reference materials and journals of professional Institutes including book borrowing facilities. Students should produce their ID-card for use of library facilities issued to them.

Eligibility Test (ET)

For appearing in the final examination of AT, a candidate should complete pre-test examinations. The candidate should pass at least the following papers and must secure a minimum of 40% marks in each paper.

- i. Advanced & Management Accounting - Two papers
- ii. Audit & Assurance - One paper
- iii. Corporate Laws - One Paper
- iv. Taxation - Two papers

A candidate should register his/her name for the test a week before the test date. Each sitting of the examination shall be of three hours. A candidate must get eligibility certificate at least two months ahead of examination date.

Examination

Examinations are held TWICE a year, one in March and the other in September. A candidate can appear for the examination after six months from the date of registration. The medium of examination will be in English until and unless otherwise decided by the AT Board. All the exams are conducted on a written paper basis that have a combination of short and long form questions and with duration of 3 hours each paper A candidate should appear all the papers at a time.

It must be noted that a student must pass Accounting Technician Course 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 his registration. However, such a student can re-register as de-novo.

Examination Notice and Fees

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

The fees for the registration application and examination are as follows:

- | | |
|------------------------------|-----------|
| • Form Fee (with Manual) | Rs. 500/- |
| • Exam Fee/Paper | Rs. 750/- |
| • Late Fee | Rs. 500/- |
| • Duplicate Admit Card Fee | Rs. 100/- |
| • Retotalling of Marks/Paper | Rs. 200/- |
| • Duplicate Mark-Sheet Fee | Rs. 200/- |

Results

A candidate will be declared to have passed if he secures a minimum of 40% in each paper and in an aggregate of 50% of all the papers.

Exemption from AT Examination

A candidate may get an exemption if the following conditions have been satisfied.

- If the candidate who has scored 60% or more in any paper(s) but has failed in other papers of the examination, shall be entitled for exemption in that particular paper(s), for the next three consecutive examinations, but those students who are entitled for exemption are not considered for Rank.
- If the candidate has passed the Chartered Accountancy Professional [CAP]-II or Equivalent Examination, then he is eligible to get complete exemption from AT Examination.
- If the candidate has passed any group of the Chartered Accountancy Professional [CAP]-II or Equivalent Examination, then he is eligible for the respective subject exemption in the AT Examination.

Verification of Marks

A candidate may apply to the Board within a period of thirty 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.

Practical Training

Practical training is mandatory in order to qualify the Accounting Technician qualification. The unique requirement of practical training is instrumental in shaping accountancy as a well founded and highly dignified profession exposing the students to adequate knowledge of accounting, auditing, corporate laws, taxation, information technology etc. It also ensures job opportunities for striving and thriving students devoted to accountancy as a profession for the overall development of the country. Here, the students can make the best use of the practical training period working with Practicing Chartered Accountant members of the Institute. The normal prescribed period of practical training is 18 months. Registration in AT shall commence immediately upon signing the Practical Training Deed.

Exemption from Practical Training

If the candidate has fulfilled any of the following conditions then he shall get full or partial exemption from undergoing practical training requirements under AT.

- If a candidate has completed three years Articleship Training under the Practicing Chartered Accountant in the course of pursuing chartered accountancy course, then he has completely exempted from AT Practical Training.
- If a candidate has worked as a supervisory level in Accounts & Finance department at the government or public or private sector or any other non-governmental organizations 2 years or more, then the Board may relax up to six months from undergoing AT Practical Training.
- If a candidate has passed post graduate examination in Commerce/ Management then he may eligible to get exemption up to six months from AT Practical Training.

Members Entitled to train Accounting Training

- 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 Accounting Trainees.
- A Chartered Accountant member, herein referred to as “Principal” also shall be entitled to train Accounting Trainee provided he:
- 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 Accounting Trainees
(b) has been in continuous practice for a period of at least 5 years	5 Accounting Trainees
(c) has been in continuous practice for a period of at least 7 years	7 Accounting Trainees
(d) has been in continuous practice for a period of at least 10 years	9 Accounting Trainees
(e) has been in continuous practice for a period of at least 15 years or more	10 Accounting Trainees

- A Chartered Accountant member, who has not completed three years' practice, shall be entitled to train one Accounting Trainee, if he is a partner in a firm of chartered accountants which has at least one partner entitled to train one or more Accounting Trainees.
- 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

Stipend to Accounting Trainees

Every Principal engaged Accounting Trainee for practical training shall pay a minimum monthly stipend at the rates specified below:

First Year	NRs.3,000
Rest of the Period	NRs. 4,000

Exchange of Accounting Trainee

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

Termination of Deed of Practical

- The Deed of Practical Training can be terminated at any time through mutual consent of both Accounting Trainee and his principal.
- Information regarding termination of the Deed of Practical Training must be reported to the Accounting Technician Board within seven days from the date of termination.
- After the termination of the Deed of Practical Training, the Accounting Trainee may be assigned to another principal for the remaining period of Training.
- If an Accounting Trainee remains absent continuously for a prescribed time without any prior information, the Principal may request to the Board for permission to terminate the trainee's Deed of Practical Training. The Board may grant permission to terminate the Deed of Practical Training after proper investigation on the request forwarded.
- The principal with one month's prior permission from the Board and similar information from the Accounting Trainee can terminate the Deed any time.

The form of Termination of Practical Training is prescribed in [Annexure 4](#)

Notifying the Principal's Position

In case the Principal dies or gives up his accountancy profession or is unable to continue his profession for some unforeseen reasons, his partner, or any or his legal representative or an employee working in his/her accounting firm shall have to inform the AT Board to submit a report about his/her situation within the prescribed time from the date of the above occurrence with detailed information. The form is given in [Annexure 5](#).

Record of Accounting Trainees

The Principal shall keep an updated individual record of every Accounting Trainee's performances in the format as specified in [Annexure 6](#).

The Principal shall report detailed particulars of training of individual Accounting Trainee in the format specified in [Annexure 7](#). This should be reported to the AT Board in every six months or as and when demanded by the Board.

Leave to an Accounting Trainee

- An Accounting Trainee shall be granted thirty days leave in one year, not exceeding more than 50 days in one and half years , excluding public holidays.
- Leave exceeding the permitted limit, shall be adjusted in the leave earned during working extra days during the extended period of Practical Training.
- Public holidays during leave period shall be included in the duration of leave taken.

Working Hours of Accounting Trainees

The working hours of an Accounting Trainee shall not be more than 40 hours a week and working hours must be between 9 AM to 5 PM.

Action against Misconduct by the Principal and Accounting Trainees

Misconduct or breach of the rules and regulations by the Principal or by the Accounting Trainee is subject to thorough investigation and penalization to the guilty,

- Complaint by the Principal against misconduct or breach of provisions as prescribed by the Accounting Technician Board by any Accounting Trainee shall be subject to investigation by the Board.
- An Accounting Trainee if found guilty, during the investigation, of breach of Deed or of any misconduct as specified above, the Board may either cancel the Trainee's registration or may order him/her (the Trainee) to serve for an additional period ranging from six months to one year. However, an opportunity to be heard shall be provided to the Accounting Trainee prior to issuing such an order.
- If the Board 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.

Issue of Certificate of Completion of Practical Training

The Principal shall inform the Accounting Technician Board successful completion of the Practical Training in the form prescribed in [Annexure 8 & 9](#). The Board, after receiving such information from the Principal, shall issue Certificate of Completion of Practical Training to the students successfully completing the Practical Training.

Prohibition to Receive Financial Benefit from Accounting 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 Accounting Trainee.

100 Hours Information Technology Training

Information Technology becoming an integral part of the present economic scenario and modern business environment. So the Institute perceives the use of information technology in accounting sector. Accounting Technicians are now expected to have the practical knowledge and applicable skills in computer technology as user, manager, designer and auditors. Accordingly 100 Hours Information Technology training has prescribed mandatory for the Accounting Technician. The syllabus of the IT training course shall be as prescribed by the Accounting Technician Board.

General Management and Communication Skills (GMCS)

Students, who have passed the theoretical examination, completed the practical training and completed 100 hours Information Technology Course requires to attend General Management and Communication Skills (GMCS) as prescribed by the Accounting Technician Board for time to time before applying for membership of Accounting Technician. The detail of the course on General Management and Communication Skills is prescribed by the Accounting Technician Board. The programme will be organized from time to time by the Board and it lasts for 10 days.

Detailed Syllabus of Accounting Technician Course

Paper 1: Advanced and Management Accounting

(One Paper-Three Hours-100 Marks Part-A: 60 Marks & Part-B: 40 Marks)

Part A: Advanced Accounting

Level of Knowledge: *Working*

Objectives

- To enable the candidates to understand the principles, methods and procedures of accounting as followed by different entities.
- To enable the candidates to understand the relevant laws, principles and practices for the presentation and presentation of financial statements of companies.
- To provide understanding of the tools and techniques followed in the analysis and interpretation and presentation of financial statements of companies.

Detailed Course Contents

1. **Accounting Standards** –Framework for the preparation and presentation of financial statements as promulgated by Nepal Accounting Standard Board. Nepal Accounting Standards issued by Nepal Accounting Standards Board (made mandatory as well voluntary compliance but not the exposure drafts). Historical cost concept vs. realization concept for preparation and presentation of financial statements. Effect of changes in price levels. **(10)**
2. **Accounting for Special Transactions** (higher level practical problems for each of them) –lease, hire purchase and installment transactions; goods on sale or return; contract accounts, investment accounts, branch (including foreign branch) and departmental accounts. Computation of insurance claims for loss of stock and profit. **(5)**
3. **Preparation & presentation of financial statements for company – (15)**
 - a. 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.
 - b. Preparation of financial statements as per provisions in Company Act, format and contents as per the Act/Rules, interpretation of items in balance sheet and income statement.
 - c. Winding up of companies and accounting treatment arisen there from – Statement of Affairs and Liquidator’s Account. Additional disclosures and comment on going concern concept in relation to winding up.
 - d. Concept of acquisition, absorptions, amalgamation, merger and reconstruction – Simple practical problems.
 - e. Cash flow statements – objectives, preparation methods (direct and indirect) and interpretations.
 - f. Application of Nepal Accounting Standards in the preparation of financial statements for general purpose.
4. **Partnership Accounts** – Treatment of goodwill and profit sharing, admission, retirement and death of partner (including annuity and policies methods). Conversion of partnerships to a limited company and merger of firms. **(10)**
5. **Preparation and presentation of financial statements of special organizations (10)**
 - a. **Financial Institutions, including banks, finance companies and cooperatives** – types of financial institutions as per Banking and Financial Institutions Ordinance, 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. Simple practical problems.
 - b. **Electricity companies** – nature of operation (generation, transmission and distribution), transfer pricing and requirements as per Nepal Electricity Act. Simple practical problems.

- c. **Insurance companies** – nature of operation (life and general), formats and contents of financial statements prescribed by Insurance Board, accounting and disclosure requirements, premium income recognition, liability recognition and treatment of re-insurance. Simple practical problems.
 - d. **Agricultural farm accounting** – concept and peculiarity of inventory costing and valuation systems.
6. **Incomplete Accounts & Government Accounting** – concept of incomplete records and generation of need for financial information from other records, preparation of final financial statements from incomplete records. Concept and salient features of government accounting system. Basis of accounting and accounts classification. Differences between government and business accounting. Simple practical problems. **(5)**
7. **Analysis and interpretation of financial statements** **(5)**
- a. evaluation of financial statements under Nepal Accounting Standards and other applicable International Financial Reporting Standards. b. Segmental information analysis
 - c. Analysis of performance and position through cash flow, ratios and trend d. Related party transactions disclosure and treatment

Part- B Management Accounting

Level of Knowledge : Working

Objectives :

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

8. Cost concepts for Decision Making (15)

- 8.1. Cost Behaviour
- 8.2. Methods of separating fixed and variable costs
- 8.3. Cost Volume Profit Analysis
 - 8.3.1. Profit volume ratio
 - 8.3.2. Break-even Point
 - 8.3.3. Margin of Safety
 - 8.3.4. Target profit
- 8.4. Limiting Factor
- 8.5. Marginal Costing and Differential Costing
- 8.6. Marginal Costing and Absorption Costing
- 8.7. Others

9. Costing for planning and Control – Budgets (10)

- 9.1. Budgets and Budgetary Control System
- 9.2. Steps in Budgetary Control
- 9.3. Types of Budgets
- 9.4. Fixed and Flexible Budgeting
- 9.5. Implementation of Budgets
- 9.6. Control Ratios

10. Uniform Costing and Inter firm comparison (5)

- 10.1. Meaning
- 10.2. Application of Uniform Costing
- 10.3. Objectives of Uniform Costing
- 10.4. Advantages of Uniform Costing
- 10.5. Limitations of Uniform Costing
- 10.6. Inter-firm Comparison

11. Cost Control And Cost Reduction (5)

- 11.1. Introduction
- 11.2. Distinction between Cost Control and Cost Reduction
- 11.3. Advantages of Cost Reduction
- 11.4. Cost Reduction Plan & Program
- 11.5. Scope of Cost Reduction

12. Cost Audit (5)

- 12.1. Important aspects of Cost Audit
- 12.2. Purpose of Cost Audit
- 12.3. Types of Cost Audit
- 12.4. Advantages of Cost Audit
- 12.5. Functions of Cost Auditor

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

Level of Knowledge: *Working*

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

Detailed Course Contents

1. Nature and Concepts of Assurance (30)

a. Principles & Concept of assurance

- Benefits of assurance
- Purposes and characteristics of different forms of assurance
- Objectives of assurance; expression of opinion, detection and prevention of fraud and error
- Basic principals governing an assurance
- Relationship of assurance with other subjects; internal audit and External audit; Auditing and Investigation.

b. Regulatory and ethical issues

- Scope and terms of an assurance engagement
- Scope and authority of professional pronouncements; code of ethics issued by Institute of Chartered Accountants of Nepal, Code of ethics issued by IFAC and Nepal Standards on Auditing approved by Auditing Standards Board and issued by the Institute of Chartered Accountants of Nepal.
- Ethical and professional issues: integrity, objectivity, independence, confidentiality, professional competence and due care and professional behavior.
- Quality control
- Regulatory framework: Companies Act, Bank and Finance Companies Related Act and International Financial Reporting Standards and interpretations.

2. Planning an assurance engagement (30)

- Importance of knowledge and understanding of a business
- Application of analytical procedures
- Risk assessments
- Materiality, tolerable error, and sample sizes
- Design and documentation of plan and program
- Co-ordinance and monitoring of the work
- Evaluation of internal control system
- Transaction cycles (revenue, purchases, payroll, inventory, capital expenditure)
- Communication with management and those charged with corporate governance.
- Evaluation of financial statement assertions: assets, liabilities, income and expenditure, including accounting estimates.

3. Gathering evidence during an assurance engagement

(20)

- Different methods of obtaining evidence
- Identification and use of the methods for different business situations iii. 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.
- 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 limited companies: Appointment of auditors, powers and duties of auditors.
- Special points in audit of different types of undertakings: i.e., educational institutions, hotels, clubs, hospitals, hire-purchase and leasing companies (excluding banks, electricity companies, cooperative societies, and insurance companies)
- Features and basic principles of government audit, local bodies and non- governmental organizations.

4 Completing and reporting on an assurance engagement

(20)

- Subsequent events leading to adjustment or disclosure ii. Evaluation of results of assurance tests and procedures
- Reports on assurance engagements consistent with results of assurance procedures
- Elements of assurance reports
- Elements of auditor's reports and recommendations on the nature of an audit opinion
- Extracts for assurance reports

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

Level of Knowledge : Working Knowledge

Objective : To gain the general knowledge of Nepalese Corporate laws and their practical application.

- 1. Companies Act, 2063 and Securities Act, 2063 (40)**
 - 1.1 Meaning, Concept and types of Company
 - 1.2 Incorporation of Company, Prospectus , Memorandum & Articles, Shares and Debenture, General meeting and Board Meeting, Accounts and Audit, Liquidation of Company and Offence, Punishment and Legal Proceedings, Relevant provisions of Nepalese Company Act.
 - 1.3 Meaning and Concept of Securities and Security Exchange.
 - 1.4 General Concept on Securities Exchange Board, Security Exchange Market and Transactions of Securities, Securities Exchange Professionals, Offences, Penalties and Legal Proceedings and other Relevant Provisions of Nepalese Securities Exchange Act, 2040.

- 2. Banking Laws (10)**
 - 2.1 Concept of Bank and Types of Bank
 - 2.2 Role of Central Bank and directives issued by Central bank other to banks and financial institutions
 - 2.3 Objectives and Functions of the Central Bank
 - 2.4 Establishment and Management of Commercial and Development Bank
 - 2.5 Supervision, Direction and Monitoring of the Banks
 - 2.6 Banking Offences and Penalties
 - 2.7 Relevant Provisions of Banking Acts (NRB Act 2058 and BAFIA 2063)

- 3. Industrial Laws (10)**
 - 3.1 Meaning, Concept and Types of Industries
 - 3.2 General Concept of Industry Promotion Board, Licensing, Registration of the Industry, Offences and Penalties
 - 3.3 Meaning and Concept of Foreign Investment and Technology Transfer
 - 3.4 General Concept of Incentives for Foreign Investor and Dispute Settlement
 - 3.5 Relevant Provisions of Nepalese Industrial Enterprises Act, 2049 and Foreign Investment and Technology Transfer Act, 2049

- 4. Labor and Bonus Laws (5)**
 - 4.1 Concept of Labor / Capital Relations
 - 4.2 Types Labor
 - 4.3 Various Aspects of the labor, Code of Conduct and the punishment, Dispute Settlement
 - 4.4 Meaning and Concept of Bonus
 - 4.5 Bonus Distribution and Dispute Settlement
 - 4.6 Relevant Provisions of Nepalese Bonus Act, 2030 and Labor Act, 2048

- 5. Law of Contract (5)**
 - 5.1 Meaning, Concept, Types and Elements of valid contract

5.2 Breach of Contract and its Remedies	
5.3 Performance of Contractual Liability	
5.4 Relevant Provisions of Nepalese Contract Act, 2056 and Indian Contract Act 1872.	
6. Insurance Law	(5)
6.1 Meaning, Concept and Types of Insurance	
6.2 Fundamental Principles of Insurance	
6.3 Premium and Policy	
6.4 Insurance Offence and Penalties	
6.5 Relevant Provisions of Nepalese Insurance Act, 2049	
7. Audit Law	(5)
7.1 Meaning and Concept of Audit	
7.2 Basis of the Audit	
7.3 Governmental Audit and Office of the Auditor General	
7.4 Qualification of the Auditor	
7.5 Relevant Provisions of Nepalese Audit Act, 2048	
8. Laws Relating to the Negotiable Instruments	(5)
8.1 Meaning and Concept of Negotiable Instruments	
8.2 Classification of instruments	
8.3 Differences between Promissory Note, Bill of Exchange and Cheque	
8.4 Negotiation, negotiability, assignability	
8.5 Rights and obligations of parties to an instrument obtained illegally	
8.6 Notice of Dishonor	
8.7 Noting and Protesting	
8.8 Presentation of Instrument	
8.9 Payment and Interest	
8.10 Other Relevant Provisions of Nepalese Instrument Acts.	
9. Nepal Chartered Accountants Act & Regulations	(10)
9.1 About the Institute of Chartered Accountants of Nepal	
9.2 Examination and Academic Qualification of Chartered Accountants, General Concept of Code of Conduct and Penalties	
9.3 Relevant Provisions of Nepal Chartered Accountants Act, 2053 and Regulations 2061	
10. Insolvency Act 2063 & Secured Transactions Act 2063	(5)

Paper 4: Taxation
(One Paper- Three Hours-100 Marks)

Level of Knowledge: Working

Objectives : The objective of this syllabus is to give candidates an understanding of the basic concepts of Nepal Income Tax as an important part of Direct Taxes and Value Added Tax , Excise and Customs Acts and Rules as an important part of Indirect Tax.

Section A: Direct Tax- (50 Marks)

1. Terms, basis of tax, calculation of incomes, tax accounting and timing (15)

(i) Definitions:

Retirement contribution, payment, retirement fund, final withholding payment, payment to individual/natural person, entity, company, resident and non-resident person, relatives, tax assessment, turnover, business assets, non business taxable assets, depreciable assets, exempt institution, long term contract, disposal, lease, rent, vested ownership, market value, profit distribution, employment, royalty, investment, investment insurance, trading stock, foreign income tax, permanent establishment (PE), foreign PE, relevant person, adjustable taxable income, approved retirement fund, service fee, beneficiary.

(ii) Basis of tax:

Imposition, calculation of tax, tax rates, taxable income, assessable income and income head classification, tax exemptions and concessions; exempt amounts, business exemptions and privileges, application for exemptions, entity exempt by advance ruling, submission of financial statement by exempted organization.

(iii) Sources of incomes and total incomes:

Income from business, employment and investment, total assessable income.

(iv) Deductions, loss adjustments and reductions:

Averaging inclusions and deductions under long-term contracts, deductions not allowed, reductions

(v) Methods of tax accounting:

Cash basis, accrual basis and hybrid accounting, reverse of amounts including bad debts,

(vi) Computation of incomes, tax, interest and fines.

2. Quantification and characterization, Computation of net gains and losses from assets and liabilities (7)

(i) Quantification of amounts and in rupees, indirect payments,

(ii) Jointly owned investments,

(iii) Characterisations: Compensation payments; payments under annuities, Installments sales, and finance leases

(iv) Transfer pricing, other arrangements and income splitting

(v) General anti-avoidance rule

(vi) Net gains and losses, outgoings and net outgoings, incomings and net incomings, disposal of an asset or liability, disposal with retention of asset or liability, disposal under installment sale or finance lease, voluntary disposal.

(vii) Transfer of assets to spouse or former spouse, transfer of assets on death, transfer between associates and non market transfers, disposal by merger and by splitting.

(viii) Apportionment of outgoings and incomings.

3. Special Provisions, Depreciation provisions (8)

(i) For Individuals:

Couple, tax credit exemptions, standard deductions, allowances (remote area allowance, pension), tax rates, medical cost and tax credit,

(ii) For Entities:

Tax principles, distributions, dividend taxation, entity and beneficiary, change in control, allowances, tax rates (including schedule dividend) not to be included under entity income.

(iii) For Banking & Insurance business:

Treatment as separate business, general insurance business, investment insurance business, gain from investment insurance, carry back of losses, tax rates.

(iv) For Retirement Savings:

Approval for fund, taxation of funds, treatment of retirement payments, and limit of retirement contribution.

(v) Depreciation:

Allowances, classification and pooling, computation rates, disposal of depreciable assets, additional depreciation.

4. Administration and Documentation Administration, Withholding and Payments of Tax (5)

- (i) **Administration Tax Authorities:** tax payer's right, Advance rating, public circulars, public circulars, International agreements, permanent account number.
- (ii) **Documentation:** Form of documentation, service of documents, defective documents.
- (iii) **Tax withholding:** By Employers, from investment and service fee payments, contract payments, final withholding, and tax credit or tax adjustment.
- (iv) **Payment of Tax:** Time and mode of payment, Installments, Proof tax payment

5. Returns and Assessments, Collection, Remission and refund (5)

- (i) **Returns:** Time of return of incomes, extension of time of return, return not required estimated return.
- (ii) **Assessments:** Self assessment, jeopardy assessment and amended assessment, assessments order & notices.
- (iii) **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.
- (iv) **Remission and Refund:** Remission by Government, refund & set off and its procedure.

6. Legal Remedies, Interest, Fees, Penalties Offences (5)

- (i) **Administrative Review:** Decisions, procedures, application to object the review.
- (ii) **Appeal:** Appeal to the Revenue Tribunal.
- (iii) **Interest:** Under payment of installments, failure to pay tax, failure to pay with deposit withholding tax.
- (iv) **Fees:** For failure to maintain documents, for failure to file return, for failure to making false document and aiding and obtains, assessments of interest and fees.
- (v) **Penalties:** For failure to pay tax, to authorized and unauthorized person, to accomplice, payment of penalties.
- (vi) **Offence:** For misleading statements, for obstructing or using inappropriate influence.

7. International Taxation, Tax Settlement Commission, Circulars (5)

- (i) **Sources:** Incomes, gains, losses and payments.
- (ii) **Entities and Establishments:** Foreign permanent establishment, controlled foreign entities.
- (iii) **Taxation:** Non-residents (service providers) related to shipping, air transport or telecommunication, foreign tax credit.
- (iv) **The Tax Settlement Commission:** Formation, jurisdiction and role in revenue collection.
- (v) **Circulars and Advance Rulings:** Issued by IRD in different times.

Section B: Indirect Taxes (50 Marks)

1. Excise Act, 2058 and Excise Regulation 2059 (10)

- Concept of Excise and excise Duty, History of Excise Duty in Nepal in brief.
- Scope and Objectives of excise Act, 2058
- Terms; goods, service, institution (Pratisthan), License, license holder, production, producer, person, Factory price, price, import, invoice.
- 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.
- Provisions of self issue and physical control system, recovery ratios.
- Penalties, administrative review and appeal.

2. Value Added Tax Act, 2052 and Regulation 2053

- (a) **Introduction, coverage and administration (20)**
 - **Introduction** of VAT in Nepal,
 - Spirit of preamble VAT Act, Terms used; Service, Supply, Return, Import, Export, Market price, person, registrant, TPIN, Supplier, value addition.
 - **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.

- **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, appeal, fees and interest (5)

- Tax Authorities and Rights and duties of Taxpayers,
- Administrative Revision and Appeal to Revenue Tribunal.
- Additional Fees and Interests, Offences and Penalties.

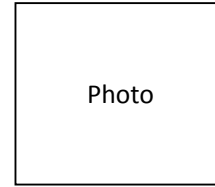
3. Customs Act, 2064 and Regulation 2064 (15)

- 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.
- Import and export procedures, Documents required for export and import, determination of duty, valuation: procedure and methods in practice, post clearance audit.
- Charging of different duties and charges in customs point,
- Provisions regarding Jhitigunta, accompanied and unaccompanied goods.
- Import under Duty Refundable Procedure (DRP) and in bond system, Bonded warehouse system, Bank guarantee and the provision of re-export.
- Finance Act and related Schedule.
- Circulars relating to specific Acts issued by Department of Customs.

Application for Registration for the Accounting Technician Course

Registration No. :

Date of Registration:



To,

Accounting Technician Board

I hereby apply for registration for the Accounting Technician Course. My academic and other details are as follows.

1. Full Name (in capital letters) :
Name in Nepali :
2. Date of Birth :
3. Address : (a) Permanent:
(b) For Correspondence:
4. Father's/ Guardian's Name & Address:

Academic Qualification:

Examination	Year	Board / University	Marks Scored	Total % Scored	Division/Grade

5. If passed Chartered Accountancy Education CAP-I / Foundation Course, quote the year and Roll No.

6. Details of fees paid: Rs. Cash or in
Bank, Account No. Voucher No. Date

I declare that the particulars given above are true. I shall undertake to abide by the provisions prescribed by the Accounting Technician Board, as may be in force from time to time.

I further agree not to pass on, sell or gift away any study paper or any other material provided to me by the Institute.

Signature of the Applicant

Date :

DEED OF PRACTICAL TRAINING

(To be filled in triplets)

Part 'A'

This Deed of Practical Training is made on.....(date) between
(name of Principal) of (Firm) or partner of
..... (hereafter called the Principal) and
(Name)..... of(Address) (hereafter called the
Accounting Trainee). The particulars of this Deed are as follows:

1. In consideration of the covenants by the Accounting Trainee hereafter contained, the Principal agrees to take the Accounting Trainee for a term of one and half years (18 months).
2. The Accounting Trainee of his own free will binds himself as an Accounting Trainee to the Principal to serve him for and during and unto the full end of term of one and half years (18 months) effective from
.....
3. The Accounting Trainee covenants with the Principal as follows:
 - (a) That he/she will at all times during the said term diligently and faithfully serve the Principal as his Accounting Trainee in the practice of profession of Accounting Technician.
 - (b) That he/she will not at any time during the said term destroy, cancel, obliterate, spoil, embezzle, spend, make away with or take copies of books, papers, plans, documents, monies, stamps or chattels of the Principal, his personal representatives or of his partner or partners or of any of his clients or employers which shall be deposited in his hands or which shall come to his care, custody or possession or allow any of the said good to be so treated by others if he can, by the exercise of reasonable care, prevent it.
 - (c) That he/she will at all times keep the secrets of the Principal and his partner/s and of his client/s and employers and will not divulge the names and affairs of such client and employer.
 - (d) That he/she will readily and cheerfully obey and execute the lawful and reasonable commands of the Principal and will not depart or absent himself from the service of the Principal at any time during the said term without his consent or that of his partners but will at all times during the said term conduct himself with all due diligence honesty and propriety.
 - (e) That he/she will at all times well and faithfully serve the Principal, as an Accounting Trainee ought to do in all things whatsoever.
 - (f) That he/she will make good and fully indemnify the Principal for any loss or damage suffered or sustained by his misbehavior or improper conduct.

4. The Principal covenants with the Accounting Trainee as follows:
- (a) That he/she will be the best ways and means in his power and to the utmost of his skill and knowledge instruct or cause to be instructed the Accounting Trainee and afford him such reasonable opportunities and work as may be required to enable him to acquire the art, science and knowledge of accountancy.
 - (b) That his/her professional practice or that of his employer(s)'s occupation is suitable for the purpose of enabling him to carry out the obligations referred to in (a) above.
 - (c) That he will pay a minimum monthly stipend at the rates specified.
 - (d) (i) That if the Principal shall die during the said term, his legal representative, partners/employee shall grant to the Accounting Trainee a certificate of service, in the prescribed Form for the completed period of articles.

(ii) That if the Principal shall cease to practice as an accountant or shall in any way become incapable of continuing the intended employment of the Accounting Trainee during the said term, he shall make the necessary arrangement as far as practicable for the completion of the residue of the terms as Accounting Trainee with some other member entitled to train Accounting Trainee and grant the Accounting Trainee, the certificate of service in the prescribed form for the completed period of articles.
5. These articles are subject to the rules prescribed by the Accounting Technician Board as may be in force from time to time.

Signed by:

Name :

Membership Certificate No.:

Certificate of Practice No.:

Signed by:

Name of Accounting Trainee:

Regd. No.:

Address:

Part 'B'

(To be filled by Principal)

1. Name:
2. Membership No. Certificate of Practice (COP) No.:
3. Professional Address:
4. Date of receiving COP from the Institute (no.)
5. (a) Name of Address of the firm: (b) Member's status (i.e proprietor/partner/employee)

I declare that the particulars given above are true and correct and I undertake to intimate the Accounting Technician Board within the time prescribed by the Board of any change that may occur in the information furnished during the period of training of the Accounting Trainee.

I further declare that:

1. I have fully satisfied myself that the Accounting Trainee is eligible to receive training as prescribed by the Accounting Technician Board.
 - (a) He/She has completed the age of 18 years;
 - (b) He/She has passed Chartered Accountancy Professional Examination (CAP)-I or is exempted from passing it.
 - (c) He/She has passed the Graduate degree in commerce/management or secured at least 50% marks other than commerce/management from the recognized university.
2. This Deed of Practical Training has been executed in triplicate.
3. I have fully satisfied myself that the Deed has been executed correctly in all respects.
4. One copy of the Deed of Practical Training has been retained by me and the other has been given to the Accounting Trainee.
5. I shall be paying stipend to the Accounting Trainee not below the rates prescribed.
6. I have the necessary vacancy to train the aforementioned-Accounting Trainee and that relevant papers for registration have been filed.

Signature of the Principal

Seal

Date: _____

Annexure-4

**CERTIFICATE OF SERVICE ON DISCONTINUANCE OR TERMINATION OF
PRACTICAL TRAINING**

I.....of.....do hereby certify that Mr/Ms.
..... with Registration No. served as an Accounting Trainee
under me from..... to and that his progress was and that to the best of
my knowledge he bears a moral Character.

I certify that during the above mentioned period the Accounting Trainee was given a leave of days.
The Deed of Practical Training made on is terminated by mutual consent with
effect from

Date :

Signature

Name of Principal :

COP No.

Ihave agreed for termination of my Practical Training under
Mr./Ms.....with effect fromat my own free will
and endorse the contents of this certificate.

Date :

Signature :

Name of Accounting Trainee:

Regn. No.

Note : This Certificate should be produced in triplicate.

REPORT OF NON COMPLIANCE OF PRACTICAL TRAINING

I..... legal representative of the late
..... of do hereby certify that to the best my information that
Mr./Ms..... served as an Accounting Trainee under the ate
Mr./Ms.....of
in for a period of years months and days from to
..... and that according to the information supplied to me his/her progress was satisfactory and
he/she be bears a good moral character.

I further certify that according to the information supplied to me, during the above mentioned period, the
Accounting Trainee was given leave for days.

The Accounting Trainee was duly registered with the Accounting Technician Board vide Registration No
.....

Signature

Name:

Status:

Date:

RECORD OF ASSIGNMENT

Name of Accounting Trainee :

Registration No. :

Date of Commencement of Practical Training:

Period: From To

RECORD OF ASSIGNMENTS	REMARKS

Signature of Principal / Supervising Chartered Accountant:

Name of the Principal/Supervising Chartered Accountant:

Membership No.:

Name of the Firm:

REPORT OF PRACTICAL TRAINING

Name of the Accounting Trainee:

Registration No.:

Period: From to

S.No.	Sector	Time Spent in days
1	Financial Management and Accounting	
2	Auditing (including Internal Audit)	
3	Taxation	
4	Management	
5	Information Technology	
6	Other areas, if any, specify	
7	Secondment exchange, if any	
8	Other Training, if any	

General Comments/ Remarks (Information on levels of Progression):

I/We hereby certify that the aforesaid information is based on Training Records maintained in the office.

Signature:

Name of Principal:

Membership No.:

Name of the Firm:

Date:

CERTIFICATE OF SERVICE UNDER ACCOUNTING TRAINEE

I of do hereby certify that Mr/Ms Registration number has served as an Accounting Trainee under me for a period of from to and that his/her progress was satisfactory and that to the best of my knowledge he/she bears a good moral character.

I further certify that, during the above-mentioned period, the Accounting Trainee was given leave for days.

Signature:

Name of Principal:

Membership No.:

Name of the Firm:

Seal :

Date:

LETTER OF COMPLETION OF PRACTICAL TRAINING

Mr/Ms.

Registration No:

This is to certify that your Practical Training for the period of years and months under the Principal of the firm is completed.

This letter of completion of Practical Training is being issued to you in pursuant to provisions laid down by the Accounting Technician Board.

Authorized Signature.....

Date:.....

cc: Principal

Published by

Accounting Technician Board (ATB)

The Institute of Chartered Accountants of Nepal
Babar Mahal, P.O.Box No: 5289 Kathmandu, Nepal