



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

**1. FINANCIAL ACCOUNTING**

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

**2. MANAGEMENT ACCOUNTING**

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

### **3. AUDITING**

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

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

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