



**THE INSTITUTE OF  
Company Secretaries of India**  
IN PURSUIT OF PROFESSIONAL EXCELLENCE  
Statutory body under an Act of Parliament

January 20, 2017

**EXPOSURE DRAFT  
ON  
PROPOSED NEW SYLLABUS  
FOR FOUNDATION PROGRAMME  
OF  
THE COMPANY SECRETARYSHIP COURSE**

The revision of syllabus is a continuous process towards capacity building, knowledge grinding and skills development of the students. The evolving corporate (paradigm and regulatory consequent reforms) and the advancement in technology necessitated the revision of syllabus to make it contemporary. It was in this backdrop that the Council of the Institute constituted Syllabus Review Board to evaluate the existing syllabus from the perspective of expectations of the corporate, regulators and other stakeholders and redraw the syllabus to make it more robust, and focused to bring it at par with the emerging trends in professional education.

Before formulating the syllabus, the Board sought and considered the views and suggestions from Regional Councils, Chapters, and Oral Tuition faculty and subject experts and formulated the draft syllabus which was considered by the Council of the ICSI. The Council approved in principle the syllabus for Foundation Programme and decided to publish it as Exposure Draft soliciting views and suggestions from members, students and all other stakeholders. The Exposure Draft is available on the website of the Institute [www.icsi.edu](http://www.icsi.edu).

We request members, students, academics institutions, industry organisation and all other stakeholders to send their views, comments and suggestions on the Proposed New Syllabus for Foundation Programme of the Company Secretaryship Course on or before February 20, 2017 to Director, Professional Development, Perspective Planning & Studies at [srb@icsi.edu](mailto:srb@icsi.edu)

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The Institute of Company Secretaries of India

**DETAILED COURSE CONTENTS UNDER NEW SYLLABUS**

**EXPOSURE DRAFT  
NEW SYLLABUS (2017)  
FOUNDATION PROGRAMME**

# **PAPER 1: BUSINESS ENVIRONMENT AND LAW**

**Level of Knowledge: Basic Knowledge**

**Objective: To give orientation about different forms of organizations, functions in organizations, business strategies and environment, along with an exposure to elements of business laws.**

## **PART A: BUSINESS ENVIRONMENT (40 MARKS)**

### **1. Business Environment**

Introduction and Features; Concepts of Vision & Mission Statements; Types of Environment-Internal to the Enterprise (Value System, Management Structure and Nature, Human Resource, Company Image and Brand Value, Physical Assets, Facilities, Research & Development, Intangibles, Competitive Advantage), External to the Enterprise (Micro - Suppliers, Customers, Market Intermediaries; Macro-Demography, Natural, Legal & Political, Technological, Economy, Competition, Socio-cultural and International); Business Environment with reference to Global Integration; Comparative Analysis of Business Environment: India and Other Countries

### **2. Forms of Business Organization**

Concept and Features in relation to following business models-

Sole Proprietorship; Partnership; Company; Statutory Bodies and Corporations; HUF and Family Business; Cooperatives, Societies and Trusts; Limited Liability Partnership; OPCs; Other Forms of Organizations.

### **3. Scales of Business**

Micro, Small and Medium Enterprises; Large Scale Enterprises and Public Enterprises; MNCs.

### **4. Emerging Trends in Business**

Concepts, Advantages and Limitations-Franchising, Aggregators, Business Process Outsourcing (BPO)& Knowledge Process Outsourcing (KPO); E-Commerce, Digital Economy.

### **5. Business Functions**

Strategic - Planning, Budgetary Control, R&D, Location of a Business, Factors affecting Location, Decision Making and Government Policy; Supply Chain - Objectives, Importance, Limitations, Steps, Various Production

Processes; Finance - Nature, Scope, Significance of Financial Management, Financial Planning (Management Decisions – Sources of Funds, Investment of Funds, Distribution of Profits); Marketing- Concept, Difference between Marketing and Selling, Marketing Mix, Functions of Marketing; Human Resources - Nature, Objectives, Significance; Services- Legal, Secretarial, Accounting, Administration, Information and Communication Technology; Social Functions.

## **PART B: BUSINESS LAWS (60 MARKS)**

### **6. Introduction to Law**

Meaning of Law and its Significance; Relevance of Law to Modern Civilized Society; Sources of Law; Legal Terminology and Maxims; Understanding Citation of Cases.

### **7. Elements of Company Law**

Meaning and Nature of Company; Promotion and Incorporation of a Company; Familiarization with the Concept of Board of Directors, Shareholders and Company Meetings; Company Secretary; E-Governance.

### **8. Elements of Law relating to Partnership and LLP**

Nature of Partnership and Similar Organizations - Co-Ownership, HUF; Partnership Deed; Rights and Liabilities of Partners - New Admitted, Retiring and Deceased Partners; Implied Authority of Partners and its Scope; Registration of Firms; Dissolution of Firms and of the Partnership; Limited Liability Partnership Act.

### **9. Elements of Law relating to Contract**

Meaning of Contract; Essentials of a Valid Contract; Nature and Performance of Contract; Termination and Discharge of Contract; Indemnity and Guarantee; Bailment and Pledge; Law of Agency.

### **10. Elements of Law relating to Sale of Goods**

Essentials of a Contract of Sale; Sale Distinguished from Agreement to Sell, Bailment, Contract for Work and Labour and Hire-Purchase; Conditions and Warranties; Transfer of Title by Non-Owners; Doctrine of Caveat Emptor; Performance of the Contract of Sale; Rights of Unpaid Seller.

### **11. Elements of Law relating to Negotiable Instruments**

Definition of a Negotiable Instrument; Instruments Negotiable by Law and by Custom; Types of Negotiable Instruments; Parties to a Negotiable Instrument- Duties, Rights, Liabilities and Discharge; Material Alteration; Crossing of Cheques; Payment and Collection of Cheques and Demand Drafts; Presumption of Law as to Negotiable Instruments.

## **12. Elements of Information Technology Act**

Cyberspace; Cyber laws; Scope of Cyber Laws; Classification of Cyber Crime; Information Technology Act 2000; Regulation of Certifying Authorities; Adjudication.

## **13. Role of CS- Duties and Responsibilities, Areas of Practice**

Introduction; Role of Company Secretary under Companies Act, 2013 - Role of Company Secretary in Employment, Role of Company Secretary in Practice; Recognition to Company Secretary in Practice under Various Laws.

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## **PAPER 2: BUSINESS MANAGEMENT, ETHICS & ENTREPRENEURSHIP**

**Level of Knowledge:** Basic Knowledge

**Objective:** To acquaint with the basic principles of management, ethics, communication techniques and entrepreneurship

### **PART A: BUSINESS MANAGEMENT (40 Marks)**

#### **1. Nature of Management and its Process**

Meaning, Objectives, Importance; Nature of Management - Science, Art, Profession; Evolution of Management; Management Functions - Planning, Organising, Personnel Management, Directing and Control; Principles of Management- Fayol and Taylor Principles; Managerial Skills; Task and Responsibilities of Professional Manager

#### **2. Planning**

Concept, Features, Importance, Limitations; Planning process; Types of Plans- Objectives, Strategy, Policy, Procedures, Method, Rule, Budget; Plan vs Programme- Policies and Procedures; Decision making

#### **3. Organizing**

Concept, Features, Importance, Limitations; Organising process; Types of Organisation; Structure of Organisation; Centralisation and De-Centralisation; Delegation; Growth in Organisation

#### **4. Human Resource Management**

Concept, Features, Importance, Limitations; Recruitment process- Selection; Training and Development - Methods; Functions of Personnel Manager; Performance Management; Appraisal Methods; Human Resource Planning; Talent Management; Organization Development

#### **5. Direction and Co-ordination**

Direction: Concept, Features, Importance, Limitations; Elements of Directing- Supervision, Motivation, Leadership, Communication; Co-Ordination-Concept, Features, Importance, Limitations; Co-Ordination Types- Internal and External; Co-Ordination- the Essence of Management

#### **6. Controlling**

Concept, Features, Importance, Limitations; Control process; Essentials of a Good Control System; Techniques of Control - Traditional and Non-Traditional Control devices; Relationship between Planning and Controlling

**7. Recent Trends in Management**

Change Management; Crisis Management; Total Quality Management; Risk Management; Global Practices

**PART B: BUSINESS ETHICS (10 MARKS)**

**8. Business Ethics**

Overview of Ethics in Business; Elements; Ethical principles in Business- Indian and Ancient Indian Perspective

**PART C: BUSINESS COMMUNICATION (25 MARKS)**

**9. Business Communication**

Concept, features, importance, limitations; means of Communication- Written, Oral, Visual, Audio Visual; Principles and Essentials of Business Communication; Process of Communication; Barriers to Communication

**10. Essentials of Good English**

Grammar and Usage; enriching vocabulary, words- multiple meaning, single word for a group of words, choice of words, words frequently misspelt, punctuations, prefix and suffix, parts of speech, articles; synonyms and antonyms, tenses, idioms and phrases; foreign words and phrases commonly used; abbreviations and numerals; pronunciation, Latin, French and Roman words used in abbreviated form; Legal Terminologies- idioms and phrases

**11. Business Correspondence**

Introduction; Meaning of Business Correspondence; Importance of Business Correspondence; Essential Qualities of a Good Business Letter; Parts of a Business Letter; Types of Business Letters; Human Resource; Purchase; Sales; Accounts

**12. Interdepartmental Communication**

Internal memos; messages through Electronic Media; Public Notices and Invitations; Representations to Trade Associations, Chambers of Commerce and Public Authorities

**13. E Correspondence**

Concept of E-Correspondence: Web, Internet; Concept of e-mail- History of E-mail, Features; Electronic Mail System- optimizing personal e-mail use, proper E-mail Correspondence, E-Mail Etiquette; Advantages and Disadvantages of E-mail; Intranet- Benefits of Intranet, Purpose of Intranet

## **PART D: ENTREPRENEURSHIP (25 MARKS)**

### **14. Entrepreneurship**

Four Key elements of Entrepreneurship; Traits of an Entrepreneur; Characteristics of an Entrepreneur; Who is an Entrepreneur; Why Entrepreneurship; Types of Entrepreneur

### **15. Entrepreneurship-Creativity and Innovation**

Creativity and Innovation in an Entrepreneurial organisation; Tools for Environment Scanning - SWOT Analysis, PESTLE Analysis, Porters approach to Industry Analysis; Environmental Scanning Process; Types of Environmental Scanning; Market Assessment; Assessment of Business Opportunities - Developing Effective Business Plans, identification and evaluation of the opportunity, Determination of the required Resources, management of the resulting enterprise

### **16. Growth and Challenges of Entrepreneurial Ventures**

Entrepreneurial opportunities in contemporary business environment; Strategic Planning for emerging venture- Financing the entrepreneurial Business, Resource Assessment - Financial and Non-Financial; Fixed and Working Capital Requirement; Funds flow; Sources and means of Finance; Managing the growing Business- Effecting Change, Modernization, Expansion and Diversification

### **17. Social Entrepreneurship**

Introduction; Definition of Social Entrepreneurship; Who is a Social Entrepreneur; how to identify a Social Entrepreneurship Opportunity; Creating a social business model; Funding social ventures; Strategies for success; Challenges for the Indian Social Enterprise Sector

### **18. Government Initiatives for Business Development**

Skill India; Ease of Business; Start Up India; Stand Up India

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## **PAPER 3: BUSINESS ECONOMICS**

**Level of Knowledge:** Basic Knowledge

**Objective:** To familiarize the basic concepts and theories of economics, elementary statistics and mathematics.

### **PART A: ECONOMICS (80 MARKS)**

**1. The Fundamentals of Economics**

The Economic Problem-Scarcity and Choice; Nature and Scope- Positive and Normative Economics, Micro and Macro Economics; Central Problems of an Economy; Production Possibility Curve; Opportunity Cost; Working of Economic Systems; Economic Cycles.

**2. Basic Elements of Demand and Supply**

Demand- Meaning, Demand Schedule, Individual and Market Demand Curve, Determinants of Demand, Law of Demand, Changes in Demand; Supply- Meaning, Supply Schedule, Individual and Market Supply Curve, Determinants of Supply, Law of Supply, Changes in Supply; Equilibrium of Demand and Supply- Determination of Equilibrium Price and Quantity, Effect of a shift in Demand or Supply; Elasticity of Demand and Supply.

**3. Theory of Consumer Behavior**

Cardinal Utility Approach-Law of Diminishing Marginal Utility, Law of Equi-Marginal Utility; Indifference Curve Approach - Indifference Curves, Properties of Indifference Curves, Budget Line, Consumer's Equilibrium.

**4. Theory of Production and Costs**

Theory of Production- Factors of Production, Basic Concepts, Production Function, Law of Variable Proportions, Returns to Scale; Producer's Equilibrium- Least-Cost Factor Combination and Output Maximisation for a given Level of Outlay; Theory of Costs- Basic Concepts, Short-run Total Cost Curves- Fixed and Variable, Short-run Average and Marginal Cost Curves, Relationship between Average and Marginal Cost Curve, Average and Marginal Cost Curves in the Long-run.

**5. Analysis of Markets**

Basic Concepts of Revenue, Revenue Curves, Relationship between Average and Marginal Revenue Curve; Concept of Market and Main Forms of Market; Equilibrium of the Firm- Meaning, Objectives of the Firm, Total Revenue-Total Cost Approach, Marginal Revenue-Marginal Cost Approach; Price and Output under Determination Perfect Competition, Monopoly, Monopolistic Competition and Oligopoly.

**6. Indian Economy- An Overview**

Basic Characteristics of the Indian Economy; Major Issues of Development; Development Experience and Recent Trends in Indian Economy; Indian Economy in Comparison to Major Economies of the World.

**7. Basic Elements of Money and Banking**

Concept of Money-Its Functions, Quantity Theory of Money, Credit Creation; Central Bank (Reserve Bank of India)-Role and Functions; Commercial Banks-Role and Functions; Basic Elements of E-Banking; Monetary Policy in India.

**PART B: ELEMENTARY STATISTICS (20 MARKS)**

**8. Descriptive Statistics**

Statistics- Definition, Functions, Scope, Application in Business, Law of Statistics, Limitations of Statistics; Collection and Presentation of Statistical Data-Primary and Secondary Data, Classification and Tabulation, Frequency Distribution, Cross Tabulation; Diagrams and Graphs; Measures of Central Tendency-Mean, Median, Mode; Measures of Dispersion-Mean Deviation, Standard Deviation, Range, Coefficient of Variation; Bi-variate Analysis-Covariance, Coefficient of Correlation.

**9. Mathematics of Finance and Elementary Probability**

Mathematics of Finance-Simple Interest, Compound Interest; Time Value of Money-Compounding & Discounting, Present Value & Future Value of an Annuity; Probability- Random Experiments, Sample Spaces, Events and Probability, Approaches to Probability- Classical & Empirical; Expected Value.

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## **PAPER 4 : FUNDAMENTALS OF ACCOUNTING AND AUDITING**

**Level of Knowledge:** Basic Knowledge

**Objective:** To familiarize and develop an understanding of the basic aspects of accounting, auditing concepts and their principles.

### **PART A : FUNDAMENTALS OF ACCOUNTING (70 MARKS)**

#### **1. Theoretical Framework**

Meaning and Scope of Accounting; Accounting Concepts; Accounting Principles, Conventions and Standards - Concepts, Objectives, Benefits; Accounting Policies; Accounting as a Measurement Discipline - Valuation Principles, Accounting Estimates

#### **2. Accounting Process**

Documents & Books of Accounts- Invoice, Vouchers, Debit & Credit Notes, Day books, Journals, Ledgers and Trial Balance; Capital and Revenue- Expenditures and Receipts; Contingent Assets and Contingent Liabilities; Rectification of Errors

#### **3. Bank Reconciliation Statement**

Meaning; Causes of difference between Bank Book Balance and Balance as per Bank Pass Book /Bank Statement; Need of Bank Reconciliation Statement; Procedure for Preparation of Bank Reconciliation Statement

#### **4. Depreciation Accounting**

Brief of various Methods; Computation and Accounting Treatment of Depreciation (Straight line and Diminishing Balance Method); Change in Depreciation Methods

#### **5. Preparation of Final Accounts for Sole Proprietors**

Preparation of Profit & Loss Account; Balance Sheet

#### **6. Partnership Accounts**

Goodwill - Nature of Goodwill and Factors Affecting Goodwill; Methods of Valuation - Average Profit, Super Profit and Capitalization Methods; Treatment of Goodwill; Final Accounts of Partnership Firms - Admission of a Partner, Retirement/Death of a Partner, Dissolution of a Partnership Firm; Joint Venture and Consignment Account

**7. Introduction to Company Accounts**

Issue of Shares and Debentures; Forfeiture of Shares; Re-Issue of Forfeited Shares; Redemption of Preference Shares

**8. Accounting for Non-Profit Organizations**

Receipt and Payment Accounts; Income and Expenditure Accounts

**9. Computerized accounting environment**

Basic Utility of SAP, TALLY, ERP

**PART B: FUNDAMENTALS OF AUDITING (30 MARKS)**

**10. Auditing**

Concepts and Objectives; Principles of Auditing; Types of Audit; Evidence in Auditing; Audit Programmes

**11. Audits and Auditor's Reports**

Internal Audit; Statutory Auditor- Appointment, Qualification, Rights and Duties;

Secretarial Audit - An Overview; Cost Audit- An Overview; Reporting - Types, Meaning, Contents, Qualifications

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