

CHAPTER-I: ACCOUNTANCY

Q. What is Accountancy?

Accountancy is the process of communicating financial information about a business entity to users such as shareholders and managers. The communication is generally in the form of financial statements that show in money terms the economic resources under the control of management; the art lies in selecting the information that is relevant to the user and is reliable. The principles of accountancy are applied to business entities in three divisions of practical art, named accounting, bookkeeping, and auditing. **Accountancy** is defined by the Oxford English Dictionary (OED) as "the profession or duties of an accountant".

Accounting is defined by the American Institute of Certified Public Accountants (AICPA) as "the art of recording, classifying, and summarizing in a significant manner and in terms of money, transactions and events which are, in part at least, of financial character, and interpreting the results thereof." Accounting is thousands of years old; the earliest accounting records, which date back more than 7,000 years, were found in Mesopotamia (Assyrians). The people of that time relied on primitive accounting methods to record the growth of crops and herds. Accounting evolved, improving over the years and advancing as business advanced.

Q. What does an accountant do?

Generally speaking, accountants monitor and document the flow of money by managing financial statements and accounts. The day to day work of an accountant depends on where they are employed, or what their specialty might be. Some accountants work for companies or individuals to help manage internal accounts – either personal or business. In this position, an accountant would be responsible for keeping records accurately and analyzing the flow of money to identify areas of waste. Accountants may go by different names, depending on where they work and their level of experience. A few names are bookkeeper, controller and comptroller. Some accountants work in accounting firms, which help companies or individuals prepare and file financial records for investment or taxation purposes.

Still others may work for the government or independent accounting firms, and serve as auditors. Auditors examine the records of companies and individuals to check for compliance with tax laws and to look for any illegal activity.

Q. What kind of training does an accountant need?

The level necessary for accounting training varies. Some lower-level jobs in accounting can be attained through an associate degree. However, many careers in accounting require at least a bachelor degree (B.Com.). Many people who wish to start a career in accounting should consider becoming a Chartered Accountant (CA). The most lucrative accounting jobs usually require a CA/ICWA, which can be earned by passing a rigorous exam.

Q. How can I become a Chartered Accountant?

The Institute of Chartered Accountants of India (ICAI) is the statutory body established under the Chartered Accountants Act, 1949 to regulate the profession of Chartered Accountants in India. During its 61 years of existence, ICAI has achieved recognition as a premier accounting body not only in the country but also globally, for its contribution in the fields of education, professional development, maintenance of high accounting, auditing and ethical standards. ICAI now is the second largest accounting body in the whole world.

The Entry level test to become a CA (Chartered Accountant) is named as Common Proficiency Test (CPT) which is designed in the pattern of entry level test for engineering, medical and other professional courses. It is a test of 4 hours duration comprising of two sessions of 2 hours each, with a break between two sessions. The test comprises of objective type questions only with negative marking for choosing wrong options.

Under the existing chartered accountancy scheme of education, training and examination, the requirements for becoming a chartered accountant are as follows:

- (i) Enroll with the Institute of Chartered Accountants of India (ICAI) for **Common Proficiency Test (CPT)** after passing class 10th examination conducted by an examining body constituted by law in India or an examination recognized by the Central Government as equivalent thereto.
- (ii) Appear in CPT after appearing in the **senior secondary examination** (10+2 examination) conducted by an examining body constituted by law in India or an examination recognized by

the Central Government as equivalent thereto and after completion of specified period (60 days) from the date of registration for CPT with the Board of Studies as on the first day of the month in which examination is to be held, viz., students registered on or before 1st April/1st October will be eligible to appear in June/December examination, as the case may be. However, candidate should pass both CPT and 10+2 before registering for Integrated Professional Competence Course (IPCC).

(iii) Enroll for Group I or Group II or for both Group I and Group II of **Integrated Professional Competence Course (IPCC)** to become “**Chartered Accountant**”.

(iv) Successfully complete 9 months of study course from the date of IPCC registration.

(v) Successfully complete Orientation Course of one week spanning 35 hours and covering topics, such as personality development, communication skills, office procedure, business environment, general commercial knowledge, etc., before commencement of articulated training.

(vi) Successfully complete 100 hours Information Technology Training (ITT) before commencement of articulated training.

(vii) Appear and pass Group I as well as Group II of Integrated Professional Competence Examination (IPCE). Group I is composed of four papers and Group II is composed of three papers.

(viii) Register as Articled Assistant for a period of 3 years, on passing either Group I or both the Groups of IPCE.

(ix) Register for CA **Final Course** and prepare for CA Final Examination.

(x) Undergo General Management and Communication Skills (GMCS) (15 days) course while undergoing Final Course and serving the last 12 months of articulated training.

(xi) Complete 3 years period of articulated training.

(xii) Appear in the Final Examination on completion of the practical training or while serving last 6 months of articulated training on or before the last day of the month preceding the month in which the examination is to be held.

(xiii) Pass final examination and complete GMCS, if not completed earlier.

(xiv) Enroll as a member of ICAI and designate as “Chartered Accountant”.

To appear in the Common Proficiency Test, students have to fill separate examination application form as per the Notification and Announcement issued by the Examination Division

of the Institute in this regard. The CPT Examination is taken in two parts or sections of two hours each and each examination tests students in two subjects.

Section 1 has questions from the subjects Fundamentals of Accounting and Mercantile Laws.

Section 2 has questions from the subjects General Economics and Quantitative Aptitude.

The CPT Examination has Objective Type questions. Each of the questions would have a problem statement with four possible options from which a student is required to choose the most appropriate. These questions can be of following types:

“Fill in the blanks” type having four alternative answers.

Small paragraph of two-three lines, followed by a question having four alternative answers or Numerical having four alternative answers

Each wrong answer would attract Negative marking.

Q. How can I become an Accounting Technician?

(i) Enroll with the ICAI for **Common Proficiency Test (CPT)** after passing class 10(ten) examination conducted by an examining body constituted by law in India or an examination recognized by the Central Government as equivalent thereto.

(ii) Appear in CPT after appearing in the **senior secondary examination** (10+2 examination) conducted by an examining body constituted by law in India or an examination recognized by the Central Government as equivalent thereto and after completion of specified period (60 days) from the date of registration for CPT with the Board of Studies as on the first day of the month in which examination is to be held, viz., students registered on or before 1st April/1st October will be eligible to appear in June/December examination, as the case may be. However, candidate should pass both CPT and 10+2 before registering for Accounting Technician Course (ATC).

(iii) Enroll for ATC.

(iv) Successfully complete 9 months of study course from the date of ATC registration.

(v) Successfully complete Orientation Course of one week spanning 35 hours and covering topics, such as personality development, communication skills, office procedure, business environment, general commercial knowledge, etc.

(vi) Successfully complete 100 hours Information Technology Training (ITT).

- (vii) Appear and pass Accounting Technician Examination (ATE) (i.e. Group I of Integrated Professional Competence Examination (IPCE)) comprising of four papers.
- (viii) Successfully complete one year work experience under a chartered accountant in practice or in industry.
- (ix) Get Accounting Technician Certificate.
- (x) Designate as “Accounting Technician”.

Q. How to can I become a CA after becoming an Accounting Technician?

- (i) Enrol for Group II of Integrated Professional Competence Course (IPCC).
- (ii) Register as an Articled Assistant for a period of 3 years.
- (iii) Appear and pass Group II of Integrated Professional Competence Examination (IPCE) comprising of three papers.
- (iv) Register for CA **Final Course** and prepare for CA Final Examination.
- (v) Undergo General Management and Communication Skills (GMCS) (15 days) course while undergoing Final Course and serving the last 12 months of articled training.
- (vi) Complete 3 years period of articled training.
- (vii) Appear in the Final Examination on completion of the practical training or while serving last 6 months of articled training on or before the last day of the month preceding the month in which the examination is to be held.
- (viii) Pass final examination and complete GMCS, if not completed earlier.
- (ix) Enrol as a member of ICAI and designate as “Chartered Accountant”.

Q. Who is a Cost Accountant?

A Cost Accountant is a person who offers to perform or perform services involving the costing or pricing of goods and services or the preparation, verification or certification of cost accounting and related statements. The Institute of Cost and Works Accountants of India is the only recognized statutory professional organization and licensing body in India specializing exclusively in Cost and Management Accountancy. The head office is situated at 12, Sudder Street, Kolkata 700 016 and operates through four regional councils are Kolkata, Chennai, Delhi and Mumbai as well as through a number of important chapters situated elsewhere in India and abroad.

Q. What is the job of Cost accountant?

It is one of the most essential management services. It is a fairly new branch, a profession ushered in during the last century. With increase in competition and consequent economic pressures, cost and management accountancy has been finely interwoven into the main fabric of management. Collection, assimilation, collation and analysis of financial information from all areas of an organization are the functions of a cost accountant. There is no denying the fact that an organizations success or failure is dependent on the quality of information made available to the management. This is where cost accountants productivity is of vital importance to the company. It is his primary job to ensure that managerial decisions are well within the cost prescriptions. The cost accountant is expected to give a prognosis for projects to be undertaken based on past and present financial performances. In order to do this a cost accountant needs to take into account factors like cost of raw materials, labor, transport, overheads and the like. Knowledge of these costs will help the cost accountant prepare budgets for the operation that is planned. In a word the Cost Accountant can facilitate strategic decisions in respect of diverse economic activities of an organization where he/she is employed as an employee or deployed as consultant.

What is the nature of job of a cost accountant?

A cost accountant specializes in navigating managerial decisions, stabilizing budgets and standards, assessing operational efficiency and the effectiveness of production and service management, identifying accountability for profit variance and so on. His responsibilities include: designing and implementing effective management information and control systems, planning costing systems and methods, inventory control incorporating mathematical models, investment analysis, project management, internal audit, cost audit, diagnosis in the case of sick industries, fund management, pricing planning, interpreting information and data related to business activities and translating them in such a way as to guide the core management into taking the right decisions. The academic requirement is to pass the examination conducted by the Institute of Cost and Works Accountants of India (ICWAI).

Why should I study Cost Accountancy?

The core areas of three professional courses are different. The core area chartered accountancy is mainly to ensure compliance with the financial discipline and audit requirement etc. Similarly, the core area of MBA (Finance) is to know the art of regulating finance. You might be knowing that in an enterprise, there are three activities namely operations, marketing and finance. These three activities are co-related and it is always required to take strategic management decisions in respect of these three activities. Operation management, marketing management and financial management are the planks on which the edifice of strategic management rests. The curriculum of cost and management accountancy has been designed to equip its students with the modern tools of management so that they are in a position to facilitate the strategic management decisions in respect of the diverse economic activities of an organization where they are employed or deployed as consultant. Moreover, the earlier theory of $\text{cost} + \text{profit} = \text{price}$ is not prevalent today rather the new equation $\text{price} - \text{cost} = \text{profit}$ has emerged. Since price cannot be changed in the competitive market, it is the cost which is required to be managed to retain the normal of profit of an organization. After traversing the path of cost control, cost reduction, we have now entered into the arena of cost management. Cost Accountants are the best professional for this job.

Q. What is the Career Chart for Cost Accountants?

Higher Secondary (class 10+2) Passed Candidates

Then comes the Foundation Examination

Intermediate Course (18 months minimum)

[Direct admission for graduates (any discipline)]

After passing the Intermediate Examination

Final Course (18 months minimum)

Final Examination Passed Candidates with 3 years Practical Experience

Cost Accountants (Members of the Institute)

Q. How are the ICWAI examinations held?

The ICWAI examinations are held in three stages Foundation, Intermediate and Final. A candidate may appear for the Foundation examination after passing the plus two (twelfth standard) examinations and completing coaching either postal or oral. The students are tested in

Organization and Management Fundamentals, Financial Accounting Fundamentals, Economics and Business Fundamentals and Business Mathematics and Statistics Fundamentals .The Foundation is waived in the case of gazetted officers, post graduates, qualified engineers holding a degree and graduates from other streams .They are generally allowed to register with the institute for the intermediate examination. The institute has made it mandatory for registered candidates to undergo coaching either directly or through correspondence and practical training, before appearing for the examinations.

Q. What are the qualities essential for cost accountancy?

As for personal traits, the first requirement is that one needs to be a native numerate. Of course, academic abilities to top the list alongside. Other equally important requirements are an ability to communicate (both written and spoken) concisely, a keen business sense and the ability to negotiate. The job calls for a high sense of motivation, concentration and determination. Regional councils and other institutes recognized by the Directorate of Studies of the ICWAI conduct these classes. Examinations are held twice in the year. The Cost and Work Accountancy course may be completed over a period of three years.

Q. What does the future hold?

Once a candidate has passed the examination, there are several options ahead of him. He could either serve in an industry or opt for government service. There is plenty of scope in the banking and insurance sectors. There is always the option of practising as a consultant. A third option is to impart teaching at institutes or at universities. Higher academic pursuit for a doctorate is also possible. The ICWAI programme has been recognized by Association of Indian Universities for admission to Ph. D courses in commerce and allied subjects. The returns: For a cost accountant, there is no fixed pay scale. It depends entirely on the organization that he is employed in.

Q. What is the List of Indian Cost and Works Accountant Institutes?

Head Office The Institute Of Cost and Works Accounts of India, 12, Sudder Street, Kolkata-700 016 having Website address www.icwai.org Regional offices: Northern India Regional Council of the ICWAI, 3, Institutional Area ,Lodhi Road, New Delhi-110 003. Western India Regional Council of the ICWAI, Rohit Chambers, 4th Floor, Janmabhoomi Marg, Fort, Mumbai-400 001,

Southern India Regional Council of the ICWAI, 4, Montieth Lane, Egmore, Chennai-600 008.
Eastern India Regional Council of the ICWAI, 84, Harish Mukherjee Road, Kolkata-700 025.

Q. What are the employment prospects of cost accountant in India after completing ICWA?

There has been increasing awareness amongst the business entrepreneurs of the most vital contribution made by cost and management accountancy services in the business houses to the attainment of business objectives. This has accentuated the demand for cost and management accounting services in all the sectors of economy. Many members of the Institute are holding top management positions, viz., Managing Director, Finance Director, Financial Controller, Chief Accountant, Cost Controller, Marketing Manager, Chief Internal Auditor, CEO, CFO. Those managing their own business have found in themselves a Manager and an Accountant to control and flourish their business. No wonder a Cost Accountant can attain the highest ladder of professional career. Realising the importance of the profession of the Cost and Management Accountancy in the economic development of the nation, the Central Government has constituted an all-India cadre known as Indian Cost Accounts Service (ICAS) at par with other Class-I services such as IAS, IFS etc. to advise the government in cost pricing and in framing the appropriate fiscal and tax policies. University Grants Commission (UGC) has notified "UGC Regulations on Minimum Qualifications for Appointment of Teachers and Other Academic Staff in Universities and Colleges and Measures for the Maintenance of Standards in Higher Education, 2010 vide its Circular No. F.3-1/2009 dated 30th June 2010. The Regulations prescribe the minimum qualification for appointment of teaching faculty in universities and colleges in the area of Management/ Business Administration. The qualifications specified for appointment of Assistant Professor, Associate Professor and Professor in the above area and Principal/Director/Head of the Institution include First Class Graduate and professionally qualified Cost and Works Accountant among other qualifications and subject to other requirements including qualifying NET/SLET/SET as the minimum eligibility condition for recruitment and appointment of Assistant Professors.

Further Academic pursuits:

1. A member of ICWAI can get enrolled as a member of IMA USA.

2. Recognised by the Academic Councils of many Universities in India for the purpose of admission of the Ph.D. courses in Commerce. Various Universities have recognized ICWA qualification for registration as M.Phil. and Ph.D. candidates in commerce and allied disciplines.
3. The MoU between CIMA (The Chartered Institute of Management Accountants), UK and ICWAI introduces a new CIMA Professional Gateway examination (available from May 2009) for ICWAI students who have successfully completed the whole of the ICWAI professional examination, enabling a 'fast track' route into CIMA's Strategic level examinations, final tests of professional competence and ultimately CIMA Membership.
4. MOU between Indira Gandhi National Open University (IGNOU): ICWAI and IGNOU have entered into an MOU on 11th July, 2008 to offer specialized B.Com and M.Com Programs for ICWAI students. The Students can simultaneously study the specialized B.Com (Financial & Cost Accounting) programme with ICWAI Foundation/Intermediate Course and specialized M.Com (Management Accounting & Financial Strategies) with ICWAI Final Course.

Q. What is equivalence of ICWAI qualification with International academic standard?

The minimum requirement of entry in the ICWAI Course is Graduation. A candidate who has passed the final examination of ICWAI and having a Graduation degree can register himself for Ph.D course in Commerce and allied areas. The Final Examination of the Institute of Cost and Works Accountants of India (ICWAI) has been recognized by AIU in the matter of acceptance of their qualification as sufficient for registering for Ph D/M Phil. The Cost Accountancy qualification is not less than Post Graduate qualification.

Those who are known as

"Cost Accountants" in India are called "Management Accountants" all over the world

Q. When is one eligible for Membership of ICWAI?

One is eligible for Membership of ICWAI:

- After passing of Final course and completion of practical training as provided under the regulations.

- Initially one is admitted as an Associate Member and can use the descriptive title “AICWA” after his/her name to indicate that he/she is an Associate Member of the Institute.
- After fulfilling prescribed criteria, an AICWA can become a Fellow Member and can use the Letter ‘FICWA’ after his/her name to indicate that he/she is a Fellow Member of the Institute.

Q. How I can become Chartered Financial Analyst?

The constantly developing industrial scenario has created a demand for experts in the field of finance. The ever-changing scenario also means new ways and means for managing financial portfolios. This has created a niche that can be filled by a person specially trained to handle financial matters with all its ramifications. In order to fulfill this need, a training programme called the Chartered Financial Analyst programme has been brought into being by the Institute of Chartered Financial Analysts. The qualification of a CFA is not merely an additional qualification; it is a specialization that gives a person a distinct advantage over others in the field. The CFA course enjoys wide recognition all over the country.

Q. What does a CFA do?

Financial analysts provide guidance and analysis to businesses and people to assist with investment decisions. They use special tools to examine financial information, recognize trends, and develop predictions. They also use data to calculate the financial risks that are linked to certain investment decisions. They use their results to create reports to present and provide recommendations on which investments a business or individual should buy or sell. Financial analysts usually concentrate on a certain region, industry, or product type. They evaluate current trends in business practices, competition, and products of their specialty area. They are required to keep up to date on new policies or regulations that can affect the investments they are looking after. They must also watch the economy to see how it will affect earnings.

Fresh CFAs generally begin as executive trainees in the financial sector. With experience they climb up the corporate ladder to higher executive levels. The areas where a CFA can use his

skills are: financial accounting, management accounting, financial management (both as relevant to India and for the international scene), investment management, security evaluation, project planning, venture capital management and credit rating among other things. A CFA will be responsible for decisions in the above mentioned areas. His or her decisions will be based on quantitative techniques of analysis of relevant data. The training provided by the ICAFI will enable a CFA to know what to look for, where to look for it and how to analyze whatever data he or she has obtained. The work performed by a CFA can be extremely challenging and rewarding in monetary terms and in terms of professional satisfaction.

Q. What is the procedure for the completion of the CFA Course?

In order to become a certified Chartered Financial Analyst, a person has to complete a three-year post graduate programme. This programme can be studied through correspondence. It is conducted by the Institute of Chartered Financial Analysts of India (ICFAI). And on completion of the course one can become a member of the ICFAI. The admission to this course is based on an entrance exam. This examination basically tests a candidate's aptitude for the course. The course content delves into fine details of financial analysis. So it is essential that a person opting for this course has a natural aptitude for and the knack to grasp financial matters.

Q. What is the eligibility for the CFA course?

The CFA course is opted for by both students and employed executives. Fresh graduates and also students in the final year of the Bachelor Degree course are eligible for the admission test. The pre qualification of a graduate degree is waived in the case of Commissioned defence personnel who have five years of experience. A financial analyst should have two traits, the first being an ability to work well with numbers and the second being the ability to convey his viewpoint in a precise and comprehensive manner. Keeping this in view, the admission test attempts to test a candidate's verbal skills and quantitative reasoning abilities.

Q. What are the course contents of CFA?

The foundation module of the course is aimed at familiarizing candidates from disciplines other than commerce, to the basic principles of finance. It includes courses in financial and management accounting, essentials of tax planning, basic guiding principles of investment, basics of corporate finance and a study of statistics as relevant to financial applications. So people with professional qualifications like MBA, CA, ICWA and M Com. are exempt from the initial foundation module of the course. The others who take the foundation course can appear for the qualifying exam of the foundation module three months after enrolment.

The preliminary level: This level, also known as the second module, is divided into two groups - Group A and Group B. Financial accounting and financial management are the two papers in Group A. A candidate can take an exam in these papers six months after enrolment. There is only one paper in Group B: quantitative methods and economics. A candidate can take an exam in this paper twelve months after enrolment.

The Inter level: This level, referred to as the third module, is divided into two groups: Group C and Group D. Group C has two papers - one on economic legislation and the other on management accounting. Exams for papers in this group can be taken six months after passing the preliminary level. Group D also has two papers: one on security evaluation and the other on project appraisal planning and control. Exams for this group can be taken twelve months after passing the preliminary level. The final level

The final level or the fourth module is divided into two groups: Group E and Group F. Group E has two papers - advance financial management and financial services. Exams for this group can be taken six months after passing the inter level. Group F has two papers in investment management - the Indian financial system and international financial management. Exams for the papers in this group can be taken one year after passing the inter level. Candidates at this level are also given practical training by placing them with reputed organisations.

Q. What is the prospects for employment for CFA?

Employment opportunities are a plenty in sectors like banking, insurance, the corporate sector, companies dealing in finance and leasing. The Reserve Bank of India, the International

Development Bank of India (IDBI), the Industrial Finance Corporation of India (IFCI) and the Indian Railways recognise the CFA programme and employ trained CFAs. Besides these, a trained CFA can go into business as an independent business consultant or join an existing consultancy firm. A Chartered Accountancy firm or a firm specialising in cost accountancy is another option for a trained CFA.

Q. Where can I study CFA course?

Some of the Colleges / Institutes offering CFA Courses are: Birla Institute of Technology and Science, Pilani; Narsee Monjee Institute of Management, Mumbai; International Management Institute, New Delhi; SP Jain Institute of Management and Research, Mumbai; Xavier Institute of Management, Bhubaneswar; ICAI Business School, Plot No. 5, Equity Tower, Sanghi Nagar, DP Road, Aundh, Pune 411007; ICAI Business School, Building No. 71, Nirlon Complex, Off Western Express Highway, Goregaon (E), Mumbai 400063; ICAI Business School, Sri Krishna Avenue, 64, 13th Cross, JP Nagar, 3rd Phase, Bangalore 560078; ICAI Business School, ICAI House, Near GNFC Info Towers, Sarkhej – Gandhinagar Highway, Bodakdev, Ahmedabad 380054; The ICAI University, 52, Nagarjuna Hills, Hyderabad 500082; ICAI Business School, 12, Thiruveedian Street, Off Cathedral Road, Opp. Stella Maris College, Chennai 600086; ICAI Business School, Plot No. J-3, Sector V, Salt Lake City, Kolkata 700091

Q. Who is an auditor? What does an auditor do?

There are millions of businesses around the country that must run efficiently and effectively. Audit is an important part of accounting that evaluates a person, organization, process, system, product, or project to determine the validity and reliability of information. Auditors are trained professionals that carry out these duties. Auditors help ensure that organizations are running the way they are supposed to, the taxes are properly paid, and the public records are accurate. They analyze and discuss financial information for a variety of entities such as major corporations, business, small companies, the government, and individual clients. There are two types of auditors, internal and external. Internal auditors are company employees that are hired to evaluate and assess the internal control system of the organization. They directly present their reports to upper management or the board of directors. Internal auditors can also have specialty

titles such as compliance, environmental, and information technology auditors. External auditors are independent employees assigned to an organization by auditing firms to evaluate and assess financial statements of clients or perform other evaluations. Accounting firms employ many external auditors.

Q. What kind of training does an auditor need?

Auditors typically need at least a bachelor degree in accounting (B.Com), business, or other related field. Many entry-level positions require a bachelor degree or a combination of education and work experience. Some employers prefer auditors to have a master degree in accounting (M.Com) or business administration (MBA-Finance & Accounting) with accounting concentration. Many auditors choose to gain specialized certification to advance in their careers, such as obtaining a Certified Public Accountant (CPA) certification. Almost all States require CPAs to complete continuing education courses to renew their licenses. Other auditors stay abreast on their skills by attending seminars and conferences.

Q. What are the prospects for a career in auditing?

Employment in the field of auditing is projected to grow faster than average for all professions, increasing 18% between 2006 and 2016. Growth will be driven by the increase in the amount of businesses, corporate governance regulations, changing financial laws, and increased responsibility for protecting a company's stakeholders. Job prospects are expected to be favorable with the best prospects for auditors who have advanced education and experience. Auditors who earn a CPA certification will also have excellent prospects.

Q. What does an internal auditor do?

Internal auditing is an essential field that deals with helping companies and organizations meet their desired goals and improve the operations, internal controls, and risk management. Internal auditors are trained professionals that perform a variety of internal auditing activities for their company or organization. Internal auditors are concerned with financial and non-financial aspects of their organization. They inspect, assess, and confirm the effectiveness of the internal controls, management procedures, and financial and information systems of their organization. They check for fraud, waste, and mismanagement activities and make sure records are accurate.

They also examine the operations of the organization and assess their effectiveness, efficiency, and compliance with government regulations and corporate policies. Internal auditors also evaluate the reliability of financial reporting and safeguard the assets of the company. They focus on preventing and investigating any form of fraud. Internal auditors also help management assess the effectiveness of controls based on real-time data.

Q. What kind of training does an internal auditor need?

Internal auditors typically need at least a bachelor degree in accounting, finance, business, or other related field. Some employers prefer candidates with a master degree in business administration. Many prospective internal auditors complete internships to gain practical experience in the field. Most employers provide on the job training for new internal auditors. New auditors work with experienced professionals completing simple tasks and move on to more advanced duties as they gain skills and experience. Many internal auditors gain professional certifications such as the Certified Internal Auditor designation that is offered by the Institute of Internal Auditors. The requirements for certification include minimum experience and passing a four-part examination. Internal auditors must complete annual continuing education courses to maintain their certification.

Q. What are the prospects for a career as an internal auditor?

Employment of internal auditors is expected to grow faster than average for all professions, increasing 18% from 2006 to 2016. The increase in new businesses and changes in legislation will drive job growth. Job prospects are expected to be good especially for internal auditors with advanced education and certification. Many job openings will stem from the need to replace internal auditors that retire, transfer, or leave the field for other reasons.

Q. Who is a Financial Advisor? What does a financial advisor do?

Millions of people need assistance with their financial matters. Highly trained professionals provide advice and guidance to individuals and businesses in making investment decisions and other financial choices. This is the job of financial advisors.

Financial advisors evaluate the financial needs of businesses and individuals by using their expertise in investments, insurance, and tax laws. They research financial options and present their recommendations to their clients. They help their clients identify and achieve their short-term and long-term goals. They then help clients create a comprehensive financial plan that recognizes problem areas, makes improvement recommendations, and chooses the suitable investments that will meet the client's goals.

Financial advisors work with a variety of clients and are often responsible for finding their own clients. They constantly market their services and make sales calls. Most financial advisors purchase and sell a variety of financial products such as life insurance and securities.

Q. What kind of training does a financial advisor need?

Financial advisors need at least a bachelor degree in finance, accounting, economics or related area. Many financial advisors have a master degree (MBA-Finance). Financial advisors must stay current on the latest advancements in the field and often attend training conferences and seminars. Financial advisors can voluntary obtain the Certified Financial Planner (CFP) designation. The requirements include at least a bachelor degree, 3 years of related work experience, abiding by the code of ethics, and passing a comprehensive examination.

Q. What are the prospects for a career as a financial advisor?

Employment of financial advisors is projected to grow much faster than average for all professions, increasing 41% from 2006 to 2016. Financial advisors are expected to be among the 10 fastest growing professions. Job growth will be driven by the millions of people planning to retire in the next 10 years that need financial assistance. Job prospects are expected to be good with keen competition and financial advisors with strong selling skills will have the best job prospects.

Q. What does a credit analyst do?

Credit analysis is an important part of the financial industry that determines if an individual, business, or organization is worthy of credit. Credit analysts are trained professionals that

analyze a variety of data and issues for many different clients to determine if credit can be awarded.

Credit analysts process many different variables to determine if applicants are worthy of credit. They work for a variety of clients such as individuals applying for credit cards and companies seeking business related loans. They collect a variety of information by collecting financial statements, contacting employer and credit bureaus, and conducting research to collect an applicant's credit history. They create credit reports that give applicants a breakdown of their credit score. They determine how likely clients are to repay their loans and the accrued interest. Credit analysts approve or deny loans and also influence the terms of loans. They set interest rates based on specific risk factors. They also set minimum and maximum terms for repayment. Credit analysts thoroughly understand the credit requirements of their employer and take those requirements into account when reviewing credit applications. They present their decisions either directly to the applicants or to other financial professionals.

Q. What kind of training does a credit analyst need?

Credit analysts typically need at least a bachelor degree in accounting (B.Com), business, statistics, or other related field. Some employers prefer applicants with master degrees in business administration (MBA-Finance) or other related field. Aspiring credit analysts typically complete courses in accounting, business, finance, risk management, information technology and statistics. Many complete internships or pursue part-time positions in financial institutions to gain practical experience. Credit analysts must keep up to date on the current market trends and the recent advancements in the field and often complete continuing education courses and attend workshops, conferences, and seminars.

Q. Who is a Financial Consultant? What does a financial consultant do?

Businesses run on money. Sometimes there is a fine balance between expenditures and revenue, and all companies need to figure out the best ways to keep both processes in check to maximize profits. For this reason, businesses and individuals rely on financial consultants with expertise in investments, loans, and financial planning. The job of a financial consultant (also referred to as financial advisor, financial analyst or financial planner) is to help manage and direct funds. The

specific nature of this work depends on the business or individual the financial consultant works for. Businesses of all sizes use financial consultants, either by employing their own, or by outsourcing with an independent consulting firm. Individuals also rely on financial consultants from time to time, especially when it comes to long-term financial planning and investment. Financial planners are expected to have a big picture viewpoint of their client's or employer's finances and make informed decisions to promote financial growth. They should have the expertise to know how much money to invest and where to invest it. For businesses, this also means knowing how to broker business deals with other companies to bring additional revenue in. Overall, financial advisors need to be familiar with the various investment options and the legalities associated with investing money. People employed in financial advisor jobs may focus solely on buying, selling or both, depending on the nature of the position.

Q. What kind of training does a financial consultant need?

For financial analyst jobs, most employers desire candidates with a bachelor degree in business or finance. Employers look for applicants with a strong background in financial management and sound decision making and communication skills, which are vital for a successful financial consultant. Additional schooling and certification, such as earning a master degree or a Chartered Financial Analyst (CFA) classification, can be helpful for higher level positions.

What does a stock broker do?

Stock brokers sell securities to retail investors, which are most investors. Since there are so many securities, retail investors must work with a stock broker instead of trading independently. The first thing an investor does is talk to a stock broker about trade terms. The broker then passes on the information to a trader of the securities company. The stock trader places the request on an electronic network or with a broker on the floor at the exchange.

Q. How can I become a stock broker?

Stock brokers should have a bachelor degree. Most have a bachelor degree in accounting, business, economics, or finance. Many brokers complete internships where some are offered positions after graduation. Most firms provide rigorous training on the job for entry-level stock

brokers. Stock brokers regularly attend training seminars and conferences to stay up to date with new services and products and developments in the field.

1. Begin to prepare for your career in high school by taking courses in mathematics, economics and business. And with even a small starting sum, you can manage your own stock portfolio (in a parent's name if you are under 18) to learn about different investments and their return.
2. Join an investment club, which compares different investment opportunities, analyzes results and jointly invests its funds.
3. Go to college. Most brokers are college graduates with a degree in finance, economics or business (B.Com/BBA/BA/B.Sc. etc).
4. Take advantage of on-the-job training, offered by most brokerage firms.
5. Expect a competitive work environment after being hired. Firms often hire a plethora of recent college graduates with the expectation that a large percentage will 'wash out' during the grueling early months of training and building a clientele.
6. Emphasize your studies and work experience (if any) in finance, economics and/or business when writing your resumé. A professional, aggressive image is crucial at the interview, where prospective employers will be evaluating your tenacity along with your business savvy.

Also if you want to be registered as a broker then you should register with SEBI. The Securities & Exchange Board of India (SEBI) may grant a certificate to a stock-broker subject to the following conditions namely:

- (a) he holds the membership of any stock exchange;
- (b) he shall abide by the rules, regulations and bye-laws of the stock exchange or stock exchanges of which he is a member;
- (c) in case of any change in the status and constitution, the stock broker shall obtain prior permission of the Board to continue to buy, sell or deal in securities in any stock exchange;
- (d) he shall pay the amount of fees for registration in the manner provided in the regulations; and

(e) he shall take adequate steps for redressal of grievances of the investors within one month of the date of the receipt of the complaint and keep the Board informed about the number, nature and other particulars of the complaints received from such investors.

Q. What are the various Stock Broking Courses offered in India and job scope after such courses?

Some of the stock broking courses offered in India are:

- Post Graduate Diploma in Capital Market and Financial Services
- Post Graduate Diploma in Fundamentals of Capital Market Development
- Chartered Financial Analyst Equity Research

Eligibility Criteria for Stock Broking Course:

The fundamental qualification that is needed by a person to become a stock broker is a graduate degree. They also need a minimum of 2 years experience with a firm in stock broking. As to become a sub broker, the aspirants need to have a pass in standard 10+2.

As to qualify as a stock broker, students will require to register themselves with the stock exchange. To become member, the aspirants must appear for an admission test and clear it successfully. Subsequently, aspirants will have to undertake training for a certain period. Some of the entrance exams that are available in this field include:

- BSE Certification on Central Depository
- BSE Certification on Currency Futures
- BSE Certification on Derivatives Exchange
- BSE Certification on Securities Markets

Job Scope after Stock Broking Courses:

Professionals in the field of Stock Broking have many opportunities once they finish their studies. There are many organizations in India as well as overseas that take in students of stock broking. Investment Firms of India are one such place that employs stock brokers. Because of

the undergoing transformation of the capital markets, a professional in the field of stock broking will be able to make handsome money.

Some Job Types

- Accountants
- Capital Market Specialists
- Economists
- Equity Analysts
- Finance Managers
- Financial Adviser
- Financial Analysts
- Financial Planners
- Independent Agent
- Investment Advisor
- Investments Planners