The Institute of Corporate Secretaries of Pakistan

(Incorporated under Companies Act 2017 – Limited by Guarantee)

PROSPECTUS

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THE INSTITUE OF CORPORATE SECRETARIES OF PAKISTAN
ICSP

INTRODUCTION

1.1 About ICSP

Institute of Corporate Secretaries of Pakistan (ICSP) was incorporated on November 22, 1973 as a company limited by guarantee, under the then Companies Act 1913 – later substituted by the Companies Ordinance, 1984. ICSP is the professional body of corporate secretaries which is imparting professional education and prudence in the areas of secretarial practices, corporate governance, corporate and business laws, accounting, administration, management, human resource and business ethics. Corporate secretaries have caliber to chart a course of action or take decisions in accordance with regulations, legislations, precedents, traditions, best practices and to see the operation moving effectively/efficiently.

1.2 Mission And Vision of ICSP

Mission of ICSP is to examine, groom and promote high-quality corporate secretaries and professionals in the corporate sector who are able to meet the demands of present era and futuristic challenges to the profession.

Vision of ICSP is promotion of corporate culture in Pakistan for good governance, as envisaged in the civilized world, through professional excellence, in the field of corporate laws and secretarial practices.

1.3 Objectives Of ICSP

Institute has the following main objectives to fulfill the needs of the corporate sector:

(a) To provide a professional organization of qualified corporate secretaries and administrators in Pakistan and generally to do all such things as may, from time to time, be necessary to elevate their status and procure advancement of the interests of the profession.

(b) To provide knowledge in company secretarial practices, administrations and issuance of certificates.

(c) To provide and foster in, commercial circles, accounting and industrial professions, academic institutions a higher sense of importance of knowledge of systematic, correct secretarial and administrative practices and to encourage a greater degree of efficiency in such work.

(d) To provide opportunities for interaction amongst members to encourage reading and maintenance of library for the acquisition and dissemination by other means of useful information connected with the profession, encourage improved methods of administrative practices and,

(e) To monitor, promote and synchronize the mutual interests of its members.

1.4 Council Of ICSP

Management of ICSP vests in its Council that discharges the functions assigned to it under the provisions of Memorandum & Articles of Association. It is composed of twelve members, elected every three years by the members of the Institute. There are various committees that are providing assistance in the smooth functioning of the Institute such as on administration, education, seminars, publication & I.T etc.

1.5 Recognitions and Affiliations

(a) ICSP is recognized throughout the country. Institute of Cost and Management Accountants of Pakistan, having affiliation with International Federation of Accountants, has been recognizing the qualification of ICSP and is granting exemption to the members of ICSP in different papers.

(b) The Securities and Exchange Commission of Pakistan vide SRO No. 264(I)/2003 dated March 17, 2003 has given due recognition to the qualification of the members of ICSP by

prescribing them as professionally competent for a Company Secretary of listed or single member company.

(c) ICSP is also one of the Founder Members of Pakistan Institute of Corporate Governance (PICG) established by the Government of Pakistan.

1.6 Membership Of ICSP

There are three classes of members – Licentiates, Associate & Fellows. All eligible persons after their election as members are entitled to use the designatory initials – L.C.I.S., A.C.I.S. or F.C.I.S., as may be appropriate.

a) Licentiate

This grade comprises of those who have just passed the qualifying examinations but have not yet acquired prescribed experience for Associate membership. Under clause – 9 of the Articles of Association of the Institute no person shall be eligible for admission as a Licentiate, unless he has attained the age of eighteen years and has passed the qualifying examinations of the Institute or any other Institute as approved by the Institute for the purpose. A Licentiate will be eligible for election as an Associate after he has acquired the required practical experience.

b) Associate

Associate-ship is a middle grade of membership. Under clause 7 of the Articles of Association of the Institute, no person shall be eligible for admission as an Associate unless he has attained the age of twenty-one years, and at the date of his application for admission as an Associate has had three years' practical experience as Company Secretary or in company administration in a senior position and has satisfied the requirements of the Council respecting the qualifying examination (s) as may be decided by the Council. At the time of election as an Associate,

he has actually engaged, either in service or in profession as Company Secretary, Company Administrator or in practice as Consulting Secretary or holding any equivalent appointment as acceptable to the Council. Company Secretary or Assistant Secretary of a major company or organization may be allowed a reduction in the prescribed experience in certain circumstances.

c) <u>Fellow</u>

Fellowship is the senior grade of membership. Under clause 5 of the Articles of Association of the Institute, no person shall be eligible for admission as a Fellow of the Institute unless he has attained the age of twenty five years and at the date of his application for admission as a Fellow has been an Associate for five years and for a continuous period of not less than five years next before the date of his application, has held a position as Company Secretary or an equivalent appointment or has been in practice as Consulting Secretary to any Company or Corporation.

THE PROFESSION OF CORPORATE SECRETARY

2.1 Importance of Corporate Secretary

The Company Law requires specified categories of companies to appoint company secretary with independent company secretarial department. ICSP provides top quality professional education commensurate with the demands of the secretary of the company. Thus, a corporate secretary's career appeals to many law graduates as well, looking for an alternative career in which to utilize their legal skills that provide them exposure to a wide range of complex business operations. Business graduates are attracted by a vide variety of opportunities. Business and law graduates having useful knowledge base to become corporate secretary and thus, have better and more chances to work across every sector of commerce and industry.

Moreover, the qualification of corporate secretary can be acquired while performing the job. The career is open to people from all disciplines. This profession also attracts such people who want to enter a profession but have not pursued a business or legal degree.

2.2 Role of Corporate Secretary

A qualified corporate secretary has a role in all type of organizations and business sectors. Corporate secretaries qualified from ICSP are working and capable to work as secretaries of companies and of other corporate bodies. They work in other senior positions of companies, trust, non-government organizations, local governments, educational and professional institutions, trade bodies and the like. They can engage themselves in the independent professional practice as consultant corporate secretaries.

Corporate secretary may also be involved in registering and communication with shareholders, making presentation before regulatory authorities, scrutinizing and certifying statutory documents for submission to the regulators, organizing meeting of board and shareholders. He may have responsibility or functions

such as pensions/employees share scheme, insurance, property, health and safety of personnel. All these roles are relevant to ensuring them an organization complies with laws and regulations.

2.3 Value Addition to Business

Corporate secretaries are competent to turn knowledge into profit and they are successfully competing in the employment market for senior position. They are qualified professionals to work as company secretaries, administrative directors and managers, share registrars, local government administrators, in house lawyers and corporate counsels. All positions held by corporate secretaries are at a senior level. The corporate secretary qualification adds value to the corporate world and the profession.

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ADMISSION POLICY AND PROCEDURE

3.1 Admission

The minimum qualification required for admission is bachelor's degree or equivalent as approved by the Higher Education Commission. Admission to a higher group may be given if a candidate qualifies or gets exemption from most or all papers at a lower group.

3.2 Registration Requirements

All the candidates, who intend to have professional qualification of the Institute, must comply with the following regulations:-

(a) Application for registration must be made on prescribed Admission Form which may be obtained from the office of the Institute.

(b) Every applicant for registration must, if required, provide evidence acceptable to the Council that he/she:

(i) is not less than eighteen years of age:

(ii) has passed the degree (Bachelor) examination of any recognized University of Pakistan or has acquired degree of any other recognized university or has passed Senior Cambridge "A" level with five passes at the ordinary and advanced level provided that two of the passes have been obtained at the advance level and passes be obtained in Mathematics and English language at the ordinary and advanced level or equivalent qualification as applicable to CIMA London.

(iii) Understands and accepts that success in the prescribed examination will not entitle to membership unless and until prescribed qualifying experience is acquired.

(c) Every applicant for registration must be recommended by a member of the Institute or by a person of professional standing

as a fit and proper person for admission to the examination of the Institute.

(d) Admission Form must be accompanied by relevant supporting documents and must be received at the office of the Institute by the appropriate closing date for subsequent entry to the examination.

(e) All fees due on registration must be paid at the time of submission of Admission Form.

(f) The decision of the Council regarding acceptance or rejection of an application shall be final.

(g) All students are registered for one financial year initially and on 1st of July, each year, registration will normally be renewable for one year on payment of the annual subscription fee. Further extension of registration should be made in writing to the Institute for consideration and approval.

(h) Registration as a student confers no membership or voting rights. However, successful applicants may describe themselves as registered student of the Institute.

EXEMPTION SCHEME

4.1 General Rules

a) Exemption Scheme of ICSP is continually kept under review and is determined by the Council of the Institute.

b) Exemption from certain subjects of the examination may be granted at the discretion of the Council to members of certain professional bodies, holder of university degrees and degrees of the Council for National Academic Awards. As such candidates/students are to keep themselves updated by referring to the Students Guide and notification issued in this regard and available on ICSP website.

c) Candidates who have unsuccessfully attempted a subject of the Institute's examination will not normally be allowed exemption from the relevant subject.

d) Details of exemptions allowed to holders of various academic degrees and professional qualifications may be obtained from the Institute.

4.2 Holders of Recognized Degrees

Students who have passed bachelor or post graduate examination from recognized reputable universities/institute (s) in business administration, law, economics, accounting, commerce, finance, banking, marketing, public administration and other related subjects and have obtained at least 55% marks or equivalent thereof in the specified subjects may be granted exemptions from the respective papers of the course. Details may be obtained from the Institute.

4.3 Professional and Related Qualifications

Successful completion of the examinations for membership of the recognized National and International Professional Bodies will normally be accepted for several exemptions on subject to subject basis. Details may be obtained from the office of the Institute.

4.4 Exemption Procedure

(a) All candidates seeking exemption must apply to the Institute on the prescribed Exemption Form along with the requisite fee and acceptable supporting documents/certificates, details of which are mentioned on the Form available from office of the Institute.

(b) Exemptions should be obtained at the time of registration with the Institute for appearing at the examination.

(c) Decisions in respects of most qualification can often be given within four weeks of application. However, decisions on qualifications, which have not previously been considered, may take reasonable time on case to case basis.

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EXAMINATION GUIDELINE

5.1 Eligibility

Only a registered student (who has cleared all his dues) can appear in examination held by the Institute biannually in January and July.

5.2 Examination Application

a) Application to enter an examination must be made on prescribed form which may be obtained from office of the Institute.

b) Examination Form duly completed and accompanied by appropriate fee must be received at office of the Institute by specified date. In case of any deficiency, it may be rejected.

c) The closing date is the date by which an entry must be received at the Institute and not the date it is posted by the candidate.

d) No change in a candidate's entry will be accepted after the closing date for examination entries.

5.3 Examination Timetable

Examinations are usually held in third week of January and July, each year. Dates of examinations are published on the Institute's website. Individual notification of the date, time and place of examination will be sent so as to reach candidates enrolled for the examination at least twenty days before commencement of the examination, except for force majeure.

5.4 Examination Centers

Examinations are normally held at the following centers at the discretion of the Council:-

Karachi, Lahore & Islamabad.

5.5 Closing Dates for Examination Entries

a) It is emphasized that properly completed Examination Forms along with requisite fee and documents, if any, must be received by office of the Institute on or before the announced closing dates for examination entries:

b) Late or incomplete examination forms shall not be accepted under any circumstances. Applicants/students are, therefore, advised, in their own interest to adhere strictly to the examination schedule publish on the Institute's website.

5.6 Examination Regulations

The following Regulations shall apply to all the students appearing at the examination of the Institute:

a) Prescribed Modules of the examination should be taken in correct sequence.

b) Two groups comprising a module of the examination may be attempted together or separately in either order.

c) While fundamental changes in the standard and format of question papers will be notified in advance, Council of the Institute reserves the right to vary the format of individual examination papers without notice about the number of questions to be answered, the choice of questions. etc.

d) The Council of the Institute reserves the right to alter any part of the examination scheme, including subjects, syllabuses, regulations and exemption, at any time. All fees, charges and subscriptions are also subject to change at the discretion of the Council. Notice of such changes will be given in the official journal of the Institute or by direct communication with students.

5.7 Instructions to Examinees

All examinees of the Institute are required to comply with the following instructions:

a) On receipt of their Admit Card, the examinees are advised in their own interest to check the particulars entered therein. Inaccuracy, if any, must be brought immediately to the notice of the Institute.

b) Examinees must possess and be ready to produce on demand their original computerized National Identity Card, Student Registration Card and Roll Number Slip issued by the Institute, failing which they may not be allowed to appear in the examination. Decision of the concerned invigilator shall be final in this regard.

c) Examinees are required to comply with instructions issued to them before each examination sitting and in addition to instructions mentioned on the front page of the examination script.

d) Examinees may use portable, self-powered, silent and non-programmable calculator in the examinations for any subject. When a calculator is used, the intermediate steps must be shown. The use of slide rules is also permitted. They are not permitted to retain any statute, ordinance, text book or any other printed or manuscript papers or notes during the examination. No examinee is allowed to communicate with, receive assistance from or attempt to copy from the script of any other examinee, nor he may consult or attempt to use any book, paper or note during the examination. A breach of any part of these regulations will be regarded as very serious matter and result in disqualification in respect of the current examination and possible suspension or termination of the student's registration and exclusion from future examination of Institute, on the basis of report and findings in this regard.

5.8 Examination Results

a) The Institute will notify each examinee of the result of the examination as soon as possible. In normal circumstances, notifications are dispatched within nine weeks after the conclusion of the examination.

b) The Institute does not release mark sheet to the examinees. Results indicate a pass or fail with grades to indicate the extent of failure. Unsuccessful examinees are given an indication of their failure in individual subjects. Each module carries the same pass marks which the Institute does not release.

c) The decision of the Institute, based on the examiners` recommendations, is final and the Institute will not enter into correspondence with examinees about the examination results.

5.9 Pass Certificate

Students who have successfully completed all the stages of the examination will receive an Examination Passing certificate. This certificate does not imply and must not be used to imply that the holder is a member or Licentiate of the Institute, nor just a completed examinee describe himself as a Corporate Secretary or ACIS or FCIS. Students are strongly advised to become Licentiate or member as the case may be, on passing of the examination and acquiring prescribed experience.

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FEES AND SUBSCRIPTION

6.1 Fees Structure

a) The Institute collects fees from the students as listed below:

(i) Student Registration Fee
(ii) Annual Subscription
(iii) Exemption Fee
(iv) Examination Fee

b) The Council has sole authority to make any amendments, or changes in the nature and quantum of fees structure whenever deemed necessary.

6.2 Fees Payable

a) Fees schedule is uploaded on the Institute's website for the convenience of students and members.

b) Annual Subscription becomes due each year and must be paid each year by the registered students for their registration and eligibility for appearing in the examination.

c) The qualifying students are required to continue paying subscription upto the time when they become eligible for membership of the Institute.

6.3 Refund of Fees

a) An applicant, who withdraws his application at any time after notification of registration has been dispatched, will not be entitled to a refund of any part of the registration fee.

b) If, after the closing date for entries, an student withdraws his application or; fails to present himself, for examination, no part of the examination fee will be refunded to him.

PROFESSIONAL STUDIES

7.1 Course of Studies

ICSP's program of professional studies is completed by satisfying the requirements of education, examination and experience. The education requirement includes courses in accounting, managements, corporate and business laws and practices and other pertinent areas relating to the corporate bodies. The examination assesses knowledge, skill and application of the subject matter. In addition, all candidates, who wish to become corporate secretary, must possess relevant practical work experience of minimum required years and related assessment for membership of the Institute.

7.2 Examinations Scheme

a) ICSP's qualifying examination is recognized as a post graduate award. Its course comprises three Modules divided into six groups. Examinations of the Institute are conducted twice a year with thirteen subjects.

b) Candidates will be expected to gain understanding of their subjects as well as factual knowledge. In other more advanced groups of the examination in particular, there will be considerable, emphasis on the application of knowledge in the examination.

c) Candidates will be required to keep abreast of changes in the law affecting the subjects which they are studying generally. However, detailed knowledge of a new legislation will not be expected in examination held within six months of passing the relevant legislation.

d) Syllabus changes will be notified and published on the website of the Institute for information of teaching establishments and students.

7.3 Examination Structure and Subjects

The structure and subjects of the examination are set out below:

Module	Group	Code	Subject
A	1	111	Economics Environment
		112	Introduction to Accounting
		113	Business Mathematics and Statistics
	2	121	Commercial and Industrial Laws
		122	Information Technology
B	3	231	Human Resource Management
		232	Business Finance
	4	241	Financial Accounting and Reporting
		242	Corporate Tax Management
C	5	351	Company Law and Allied Rules
		352	Meeting Law and Procedure
	6	361	Secretarial Practice and Audit
		362	Corporate Laws and Practice

7.4 Details of Syllabus Contents

Detailed syllabus for each subject of ICSP's examination is set out on the next pages.

SYLLABUS

MODULE A **GROUP 1** **CODE 111**

(100 Marks)

ECONOMICS ENVIRONMENT

OBJECTIVE

To provide understanding of main economic concepts and principles – their uses, relevance in economic analysis and application to economic environment of trade, industry and banking.

SYLLABUS

SECTION-1 MICRO-ECONOMICS (30 Marks)

1.1. Basic Concepts: Nature, definition and scope of economics; micro economics, importance, limitations; macro economics, importance, limitations, need for integrating micro and macro economics, characteristics of economic wants and utility, scale of preferences, indifference curves, marginal rate of substitution, principles of diminishing marginal rate of substitution, properties of indifference curve, analysis of consumer behaviour, utility analysis, application of indifference curve in consumption. Various economic systems and their approaches towards basic economic issues.

1.2. Demand and Supply Analysis: The law of demand and supply, elasticity of demand and supply, elastic and inelastic demand and supply, types of elasticity, measurement of elasticity of demand and supply, scope of demand curve and price elasticity, income and substitution effect, supply functions, equilibrium of demand and supply.

1.3. Factors of Production: Scale of production, production possibility curve, and production function, equal product curves or isoquants, cost and cost curves. Laws of Diminishing Returns; fixed, variable, total, average, marginal, opportunity, shadow, short-run costs.

1.4. Market Price Structure: Meaning of market, classification of market, perfect and imperfect markets. Perfect competition, imperfect competition, monopoly, oligopoly, duopoly. Equilibrium approaches, equilibrium under perfect competition, monopolistic competition.

1.5. Distribution: Significance of factor pricing, meaning of distribution, functional vs personal distribution, marginal productivity theory, determination of rent, wages, interest and profit; role of price mechanism.

SECTION-2 MACRO-ECONOMICS (30 Marks)

2.1 National Income: Meaning and concept of national income, distribution of national income and marginal productivity theory. Concept of personal income, disposal personal income and their mutual relationship. Concepts of gross domestic product (GDP), gross national product (GNP), net national product (NNP). The income approach and expenditure approach to GNP; real versus money income; GNP defoliators other social accounts link NNP.

2.2 Tools of Macro-economics: Consumption function; meaning, factors influencing consumption, short-run and long-run consumption function, average propensity to consume, marginal propensity to consume. Investment and saving function; determinate of investment, marginal efficiency of capital, interest rate, investment and income, instability of income; income, output and employment determination. Aggregate demand and aggregate supply approach. Simple multiplier and accelerator analysis.

2.3 Public Finance: Distinction between public and private finance, importance. General principles, forms and methods of taxation; sources of revenue, public expenditure. Fiscal incentives for promoting investments; managing aggregate demand through fiscal policy.

2.4 Money and Banking: The nature, forms and functions of money. Quantitative theory of money. Theories of inflation, deflation and

stagflation and their impact on growth, price stability and unemployment. Role and functions of central bank, commercial banks, specialized financial institutions, non-banking financial institutions, capital and money markets including stock and bond markets with regard to financial needs of business and government.

2.5 International Trade: Trade and balance of payments, mechanism of foreign exchange rates, principle of comparative advantage, import control and protective tariffs, GATT and W.T.O. Agreements and their impact on international trade.

SECTION-3 PAKISTAN ECONOMICS (20 Marks)

3.1 The Role of Agriculture and Industry: The importance, role and growth of agriculture and industries; their main problems and evaluation of measures taken for solution. Role of small scale and cottage industries, critical study of five years plans and need for foreign assistance and investment..

3.2 Economic Development: Role of financial institutions in capital formation and economic development of Pakistan. Role and functions of State Bank of Pakistan with regard to monetary and fiscal policies, inflation, foreign investment. Rupee exchange rate and its convertibility, balance of trade and balance of payments.

SECTION-4 ISLAMIC ECONOMICS (20 Marks)

Nature and Scope: Islamic economic system, its nature, scope and importance. Interest and its elimination. Zakat and Ushr and the principles of taxation. Income distribution and social responsibility in Islamic economics. Distinction between Islamic economic system and other economic systems.

MODULE A **GROUP 1** **CODE 112**

(100 Marks)

INTRODUCTION TO ACCOUNTING

OBJECTIVE

To provide fundamental understanding of the principles, role and scope of accounting in relation to the preparation of financial statements for incorporated and unincorporated businesses, analysis and interpretation of financial information for decision making.

SYLLABUS

SECTION-1 ACCOUNTING SYSTEMS AND REPORTING

(40 Marks)

1.1 Conceptual Framework: The scope and purpose of accounting, principles, concepts, conventions, and systems of accounting and bases of accounting. Generally accepted accounting principles, going concern, accruals, consistency, prudence, materiality, matching. The interpretation and recording of business transactions and its codification in computer based accounting system including internal control. Control accounts. Income measurement. Recognition of revenue and expenses, matching of expenses and revenue. Capital and revenue classification.

1.2 Reporting Process: Accounting process relating to preparation of trial balance, rectification of errors. Reconciliation statement. Adjustments to record transactions. Provisions for anticipated revenue, expenses and losses. Stock valuation methods and adjustments. Depreciation accounting. Treatment of intangible assets. Preparation of profit and loss account and balance sheet. Accounting statements from incomplete records. Accounts of sole traders. Accounts of simple consignment, department and joint ventures. Branch accounts excluding foreign branches. Formation of partnership and preparation of accounts of firm and distribution of partnership profits. Conversion of partnership into limited company.

SECTION-2 COMPANY ACCOUNTING AND ANALYSIS

(60 Marks)

2.1 Company Accounting: Accounting treatment of ordinary and preference shares, debentures and redeemable securities. Basic assumptions and qualitative criteria underlying the accounting system and financial reporting of incorporated companies. Preparation and presentation of financial statements and reports as per requirements of the Companies Ordinance, 1984 and International Accounting Standards as adopted in Pakistan.

2.2 Analysis and Interpretation of Financial Reports: Elementary ratio analysis in respect to profitability and efficiency of fund employed. The form and contents of cash flow statement and an elementary interpretation of its significance. Limitations of historical reporting.

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MODULE A **GROUP 1** **CODE 113**

(100 Marks)

BUSINESS MATHEMATICS AND STATISTICS

OBJECTIVE

To provide knowledge of basic techniques of mathematics and statistics as applied in the operation and decision making of a business.

SYLLABUS

SECTION-1 BUSINESS MATHEMATICS (50 Marks)

1.1 Basic Mathematics: Fundamentals of mathematics, number system, integers, decimals and fractions, sets and notations. Basic algebraic operations; involution, evolution, H.C.F. and L.C.M. Techniques of factorization; sequence and series, arithmetic and geometrical progression, linear and non-linear equations of one and more than one variables. Laws of indices, exponential and logarithmic equations and expressions; perambulation, combination, binomial theorem. Locus and its equation. Geometrical mean of an equation. Straight line and its equations and its application in business. Application of curves in business and finance.

1.2 Financial Mathematics: Ratio, direct and indirect proportion, percentage, simple and compound interest, effective rate of interest, annuities, present and future values. Discounting.

1.3 Calculus: limits and basic concept of differentiation: sum, difference, product and quotient, rules of differentiation. Marginal function. Application of derivatives and anti-derivatives in business and finance.

1.4 Quantative Techniques:

a) **Linear Programming:** Introduction, graphical linear programming, simplex techniques, transportation technique & assignment technique.

b) **Network Analysis:** Critical path analysis, gantt chart, analysis of network, crashing program, evaluation, probabilities network.

c) **Games Theory:** Introduction, pure strategy games, mixed strategy games.

SECTION-2 BUSINESS STATISTICS (50 Marks)

2.1 Collection and Presentation of Numerical Information: Official sources of economics and business data. Survey methods. Design of questionnaire. Sampling methods; interview, postal questionnaire. Tabulation. Graphs, charts and diagrams. Frequency distribution. Measures of location; mean, median and mode, Measures of dispersion: Quartile deviation and Standard deviation. Skewness coefficient of variation.

2.2 Relationship and Forecasting: Correlation and regression. Product moment correlation coefficient. Rank correlation coefficient. Linear regression using the least square method. Time series analysis. Component of a time series: trend, cynical, seasonal and random. Moving average. Simple method forecasting.

23. Index Numbers: Price relative method. Aggregate method. Problems involved in the rise of index numbers.

2.4 Probability and Statistical Inference: Introduction to probability from practical viewpoint. Equity likely outcomes. Combinations of events. Union of events, conditional probability, mutually exclusive events. Statistical inference. Confidence intervals and hypothesis testing for a single mean and single proportion.

MODULE A **GROUP 2** **CODE 121**

(100 Marks)

COMMERCIAL AND INDUSTRIAL LAWS

SECTION-1 COMMERCIAL LAWS (50 Marks)

OBJECTIVE

To provide thorough knowledge of the law of contract, sales of goods, agency and the legal mechanisms for removing commercial disputes, together with a general understanding of other commercial laws which are of importance to business.

SYLLABUS

1.1 Law of Contract: Nature and kinds of contracts; essentials of contract; agreement, offer or proposal, acceptance, consideration. contractual terms; representation, conditions, warranties. Privity of contracts; exempted clauses, mistakes, misrepresentation and undue influence. Flaws in contracts, flaw in capacity; flaws in consent. Unlawful, voidable and void agreements and contracts. Restitution Quasi-contracts: performance and breach of contract. Doctrines of Frustration; Remedies for breach of contract.

1.2 Indemnity: Contract of indemnity and guarantee. Rights of surety, discharge of surety.

1.3 Agency: Definition, nature and general rules of agency, appointment and formation of agency. Classes of agents; factors, brokers, estate agents, del-credere agents, bankers, auctioneers. Duties and rights of agent. Delegation of authority. Scope and extent of agent's authority. Responsibilities of principal to third parties. Personal liability of agents to third parties. Liability for unauthorized acts in case of undisclosed and non-existent principal. Termination of agency. Creation of agency by estoppel. Contracts relating to futures and derivatives.

1.4 Sale of Goods: Nature and definition of contract for sale and agreement to sell future goods. Distinction between sale and contracts of supply, for example, contracts for work and materials,

of barter and of hire including the supply of goods. Contracts of bailment and pledge. Formation of contract of sale. Performance of the contract. Subject matter of contract; price and terms, express and implied conditions and warranties. Passing of property in goods; risk and frustration. Exempted clauses; acceptance and rejection of goods. Transfer of title by non-owners. Duties and rights of parties. Remedies of buyer and seller. Suits for breach of contract. Auction sales. Repudiation of contract before due date, exclusion of implied terms and conditions.

1.5 Partnership: Nature of partnership, relationship between partners and relation to third parties. Rights, duties and liabilities of existing, incoming, outgoing partners & minor partners. Registration of firm and its dissolution procedure

1.6 Negotiable Instruments: An outline of law relating to promissory notes, bills of exchange, bank drafts, cheques, inland and foreign instruments, duties of bankers in relation thereto, negotiation, acceptance, presentment, dishonor, discharge and compensation. Implications of dishonor of a cheque issued.

1.7 Resolving Commercial Disputes: The general nature of and problems associated with commercial litigation and arbitration, payments into court and without prejudice offers. The Arbitration Act: Nature, principles and procedure.

1.8 General Principle of Consumer Credit: The general nature of hire purchase, conditional sale, obligations of the creditor in relation to the quantity etc. of the goods: the creditor's liability, the general principles in relation to consumer credit. Licensing. Outline of the remedies of the debtor and the creditor.

SECTION-2 INDUSTRIAL LAWS (50 Marks)

OBJECTIVE

To develop understanding of the various industrial laws affecting industry and business so as to enable the use of knowledge in formulating plans for operational and long term decisions.

SYLLABUS

2.1 Employment and Remuneration Laws: The legal test determining the distance of the employer and employee relationship. The employment contract of various nature. The collective agreement and its legal effect. Statutory rights under the provisions of West Pakistan Industrial and Commercial Employment (Standing Orders) Ordinance, 1968 and West Pakistan Shop and Establishment Ordinance and Rules 1969 regarding working terms, holidays, attendance, leave, group insurance, bonus, stoppage of work, dismissal and termination of employment, redundancy and retrenchment and re-employment of retrenched workers. Provisions of Factories Act, 1934 regarding working hours, holidays and overtime, rest intervals, employment of women, and children etc, main provisions of Employment of Children Act 1991 and Rules 1995. Statutory control of payment of salaries and wages. Concept of equal pay and minimum wages and Minimum Wages Ordinance 1961. Provisions of Payment of Wages Act, 1936 regarding definitions of important terms, wage period and terms of employment, responsibility for payment of wages; wages council, deductions and fines, claims for unpaid wages etc.

2.2 Safety, Health and Welfare: Obligations arising in torts, under safety and allied legislation and social welfare. An out line of unemployment and injury benefits: Provisions of Factories Act, 1934 regarding health and safety: Provisions of Workmen's Compensation Act, 1923 regarding definitions of important terms, general and special defenses and remedies available together with the legal effects of fatal accidents, report of fatal accidents and injuries and medical examination etc, employer's liability for compensation, amount of compensation, method of calculating wages, review, commutations and distribution of compensation. Provisions of Provincial Social Security Ordinance, 1965 regarding definitions of important terms, amount and payment of contributions, record and returns, benefits including sickness and maternity benefits, death grants, disablement pension etc. Provisions of Employees Old-Age Benefits Act, 1976 regarding payment of retiring benefits, rates of contributions, calculation of

qualifying contribution period, records and returns relating thereto. Provisions relating to welfare of the workers under Workers' Welfare Fund Ordinance1971 and Rules 1976; and Companies Profit (Workers' Participation) Act, 1968 and Rules 1971, Workers' Children (Education) Ordinance 1972 and Bonded Labour System (Abolition) Act 1972.

2.3 Trade Unions and Industrial Relations: Trade unions their legal aspect and status, legal effect of the Rules Book Membership and expulsion, trade dispute and trade immunities picketing, strikes and lock-outs. Provisions of Industrial Relation Ordinance, 2002 regarding Collective Bargaining Agent, machinery for the settlement of disputes, conciliation and arbitration, discipline and grievance procedures. Worker's participation and dispute resolution: labour courts, Labour Appellate Tribunals, National Industrial Relations Commission, authorities, decisions, settlement and awards, penalties and procedures.

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MODULE A **GROUP 2** **CODE 122**

(100 Marks)

INFORMATION TECHNOLOGY

OBJECTIVE

To provide understanding of Information Technology and to enhance skills in the analysis, design and implementation of information systems.

SYLLABUS

SECTION-1 MANAGEMENT OF SYSTEMS (50 Marks)

1.1 System Theory: Systems characteristics, systems cycle, boundaries and environment, open and closed systems, feed-back and feed-forward, adaptability and change. Cybernetic principle: concepts of control and requisite variety, communication and information theory, information and decision making, degree of aggregating; internal/external, quantitative /qualitative, deterministic/probabilistic, programmable / non-programmable.

1.2 Management Information Systems: Strategy for MIS design; information for strategic, tactical and operational systems, distributed and centralized procession. MIS and the personal distributed and centralized procession, MIS and the personal computer. Computer based simulation models. Data base aspects of MIS. The management of information technology project.

1.3 Systems Analysis and Design: Systems investigations, principle and practice. Systems feasibility studies and the evaluation of information technology based project. Design process for input. Files and data, forms codes and user procedures. Standards and documentation. Systems review staff. The creation, changeover and implementation post systems review. Staff training and development.

1.4 Management Aspects: Organizational structure and information technology. The management of technological change. Financial management controls of computer operation. Internal audit and control, data protection and privacy, legal and social aspects of

information technology. Using consultants, sources of advice and assistance. Legal aspects of systems and software acquisition.

SECTION-2 INFORMATION SYSTEMS (50 Marks)

2.1 Information Concepts: The nature of data and information. Information attributes, relevance, timeliness and accuracy. Basic processing methods for voice, data, text and image. Basic processing organization: batch, on-line, interactive, distributed and centralized. Concept of files; its types, structure and organization. Elementary data base concepts.

2.2 Hardware: Input equipment for batch and on-line processing data capture methods including documentation. Output including printed, displayed and COM Processors. Basic architecture, micro-processors, operating systems, ROM, RAM. Comparison of micro, mini and mainframe systems. Performance evaluation. Secondary storage methods and devices.

2.3 Communication: Wide Area Networks. Data transmission methods; digital/analog, methods, multiplexors and telecoms hardware, satellite. Local Area Networks. Topography; star, ring, bus and method of operation, implications for office organization, the electronic office. Introduction to e-commerce; definition, payments by cards, ATMs, other methods of collection of cash.

2.4 Software Languages: Types (machine, low/high level, 4^{th} GL), computer interpreter. Compiler and assembler. Operating systems, utilities, housekeeping and sub-routines. Packages; uses of and application areas, legal aspects. Programming, flowcharts, decision tables, structure of and principles of good practice. Programming using the BASIC Language and Oracle.

2.5 Organization: DP staff analysis; designers, programmers, operators, data control, librarian. DP controls; vet and validation, internal controls, standards and documentation. Systems design cycle (in outline only): the user; role in IT, liaison, self-design, training and staff development.

MODULE B **GROUP 3** **CODE 231**

(100 Marks)

HUMAN RESOURCE MANAGEMENT

OBJECTIVE

To equip students with the analytical skill for understanding, explaining, predicting and influencing human behavior as it occurs within organization and to provide necessary background to the subjects of personnel administration and management; principles and policy.

SYLLABUS

1. Behavioural Science In Organization:

a) An overview of the behavioural science in organizations.
b) Need to make use of behavioural science in organizations.
c) Experimentation in behavioural science: description, explanation and prediction.
d) Problems of application for behavioural science research.
e) Rational model of decision making and its limitations.
f) Organizational politics.

2. The Heart of Organization Behavior: Motivation, Learning, and Leadership.

a) Motivation Theory – needs and processes
b) Motivation Applied – job design and goal setting
c) Learning Theory – reinforcement and punishment
d) Learning Applied – organizational behavior modification
e) Leadership Theory – background and processes
f) Leadership Applied – styles and performance

3. The Individual in the Organization.

a) Group dynamics
b) Interactive behavior and conflict

c) Job stress
d) Power and politics
e) Interpersonal communication
f) Individual goal and team work

4. Human Resource Planning: Forecasting the Supply of Personnel and Developing Planning Strategies.

a) Forecasting internal supply of personnel
b) Forecasting internal supply demand of personnel
c) Formation of human resource plans
d) The recruitment and selection of human resource.
e) The objectives of recruitment and selection.
f) Basic characteristics of recruitment and selection system.
g) The role of personnel in recruitment and selection.
h) Recruitment of personnel.
i) Selection of personnel and placement

5. Developing Human Resources:

a) Job description and analysis
b) Training and performance appraisal
c) Promotions, transfers and separation
d) Constructive discipline
e) Managing changes in jobs and work schedules
f) Labour turnover and internal mobility

6. Organization and Methods

a) Objective of organization and methods.
b) Conducting of an organization and methods survey

7. Work Measurement and Control

a) Quantity control
b) Method of measurements
c) Time and motion study

8. Communications

a) Nature and types of communication: Internal, external, oral, written, visual, mechanism and electronic.
b) Reports classification into routine, special technical and published.
c) Report writing, its forms, design, production and control.
d) Communication System: Face to face, upward horizontal and downward.
e) Communication distortion and various theories.

9. Providing Pay and Services

a) Wages and salary policies and administration.
b) Pay incentive system: Sharing productivity gains
c) Programs for employee health and safety.

10. Employee – Management Relations

a) The Presence of Union
b) The scope and power of Union
c) The legal framework of Unionization
d) Reasons for Joining Union
e) Decision strategies with respect to Union
f) Contingencies

11. The Road Ahead

a) Tomorrow's work force
b) Women in the work force

MODULE B	GROUP 3	CODE 232
		(100 Marks)

BUSINESS FINANCE

OBJECTIVE

To provide understanding of how corporate finance actions and announcements are perceived by the popular and professional press and, most important, by investors as measured by the market's reaction.

- Practice in keeping up with developments in corporate finance, domestic and global.
- Practice in preparing reports and making presentation and making presentations of a type that are likely to be encountered in corporate job situations.
- Practice in summarizing (Scientific and somewhat technical) empirical studies and communicating their central finding(s) in understandable language.
- Practice in relating stories in the popular and professional press on corporate finance issues to the relevant body of knowledge so that their lessons, if any, can be properly evaluated.

SYLLABUS

2.1 Financial goals and Planning: nature, scope and importance of Business Finance. Financial objectives and responsibilities of business organizations, companies, multi-national and state-enterprises and their attainment. Meaning and main aspect of financial planning. Features of sound financial plan. Factors affecting financial plan. Limitation of business finance planning.

2.2 Raising Capital: Determination of financial requirements. Role of new issue market, stock exchange and unlisted securities market. Securing Quotation; stock exchange and issuing house practice. Theory of efficient markets. Sources of capital and their individual costs; equity, retained earning, trade credit, factoring, leasing, hire purchase, musharika, modaraba, murabaha, etc. Role of venture

capital financing and its future prospects. Impact of listing rules and regulations of stock exchange on business finance.

2.3 Cost of Capital: Meaning and concept of cost of capital. Importance of cost of capital in decision making. Modes of measuring cost of capital. Measurement of specific costs of different sources. Weighted average cost of capital, its meaning, application and limitations.

2.4 Capital structure issues: Meaning of Capital structure and factors affecting it. Capital structure decision. Concept of optimal capital structure. Capital gearing, its meaning and significance of high and low gearing. Effects of capital gearing during various phases of trade cycle. Concept of debt-equity ratio, its importance and requirement while availing financial assistance from banks and non-banking financial institutions.

2.5 Capital Expenditures Strategic Alliances : Nature, meaning, significance and procedure of capital budgeting and investment. Methods of capital expenditure and investment; Pay Back, Discounting Cash Flow, Net Present Value and Internal Rate of Return and their comparison. Capital rationing; implication of taxation, inflation and depreciation. Capital budgeting under risk and uncertainty. Measuring Risk; sensitivity analysis, decision trees, simulation approach. The portfolio approach and Capital Asset Pricing Model. The cost of capital and capital Asset Pricing model. Lease or buy decision approach.

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2.6 Financing Current Assets: Meaning, concept, principles and importance of working capital management. Planning and managing cash flows and cash balance, planning and control on investment in marketable securities, accounts receivables and factoring, inventory and accounts payables.

2.7 Stocks and their Valuation: Price in practice. Dividend Policy and factors affecting dividend policy, effects of capital structure and dividend policy upon shares prices. Principles of investments and port folio analysis. Interpretation of accounting reports and

their impact upon share prices. Impact of capital asset pricing models and efficient market hypothesis.

2.8 Mergers and Acquisition: Cause and prediction of business failure. Remedial strategy. Methods of re-organization of business. Nature, motives and benefits of merger, acquisition and de-merger. Analysis of merger and acquisition Merger negotiations; Significance of price earning ratio and earning per share analysis, leveraged buy-outs, tender offer, bids. Regulation of merger and takeovers.

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MODULE B **GROUP 4** **CODE 241**

(100 Marks)

FINANCIAL ACCOUNTING AND REPORTING

OBJECTIVE

To provide comprehensive knowledge of principles, concepts and practices of financial accounting in order to select and apply accounting techniques and procedures to specific circumstances, prepare financial statements of companies and group companies in accordance with the International Accounting Standards and statutory requirements; analyze and interpret financial statements and comment on their compliance with statutory and professional requirements.

SYLLABUS

1. **Accounting Regulations and Policies:** Need for accounting regulations and standards. Accounting assumptions, bases of recognition and measurement and accounting policies as required under Framework for the Preparation and Presentation of Financial Statements and International Accounting Standard-Presentation of Financial Statements (IAS-1) issued by International Accounting Standards Board (IASB). Need for disclosure and its requirements under the Companies Ordinance, 1984.

2. **Accounts of Limited Companies:** Preparation and presentation of financial statements (balance sheet, profit and loss accounts, cash flow statement and statement of changes inequity) of limited companies and preparation of specific notes, extracts, schedules, reports of directors and auditors in line with statutory provision and international accounting standards.

3. **Consolidated Financial Statements:** Definition of holding, subsidiary and associated undertaking and companies. Comparison and usefulness of acquisition and merger method of consolidation. Techniques of consolidation requiring accounting and disclosure requirements of IAS-22 and IAS-27 and the Companies Ordinance,

1984 relating to consolidated financial statements including calculation of premium or discount on acquisition, minority interest, elimination of intra group transactions and balances, inter-company profits and dividends. Accounting for investments in subsidiaries and associated under takings.

4. **Specialized Accounting Treatments:**

   (a) **Accounting for Property , Plant and Equipment (IAS-16) –** Recognition and initial measurement of property, plant and equipment, measurement subsequent to initial recognition of asset, property, plant and equipment including exchange of assets, subsequent expenditure, revaluations, depreciation, review of useful life, review of depreciation methods, impairment of assets, retirement and disposals. Treatment of surplus on revaluation of property, plant and equipment under section 235 of the Companies Ordinance, 1984 and under IAS-16. Disclosure requirements for property, plant and equipment under IAS-16 and the Companies Ordinance, 1984.

   (b) **Accounting Treatment of Intangible Assets (IAS-38) –** Treatment of intangible assets including research and development costs including their recognition, amortization and impairment of development costs.

   (c) **Accounting for Inventories** – Cost and measurement of inventories, cost formulae, net realizable value, recognition of inventory as an expense. Compliance with the requirements of IAS-2 and the Companies Ordinance, 1984.

   (d) **Accounting for Leases (IAS-17)** – Definition of lease, installment sales and hire purchases, their importance and difference between them. Accounting for operation and finance leases. Complications in lease accounting, recognition of income in installment sales and hire purchases. Disclosure requirements under IAS-17 and the Companies Ordinance, 1984.

(e) **Accounting for Contracts (IAS-11)** – Accounting for work-in-progress, work-certificate and payments, work-in-progress uncertified, profit on incomplete contract, preparation of contract account, profit and loss account and balance sheet.

(f) **Accounting Treatment of Net Profit and Loss** for the period including profit or loss from ordinary activities, changes in accounting estimates, fundamental errors, change in accounting policies, events occurring after balance sheet date. Accounting treatment of contingent losses and gains (IAS-8 and 10).

(g) **Taxation** – Treatment of current and deferred taxation in accounts (IAS-12).

(h) **Accounting for Capital Structure** – Accounting of issue of shares and securities . Buy back of shares. Reconstruction of capital, merger and de-merger of companies.

(i) **Recognition of Borrowing Costs (IAS-23).**

(j) **Accounting Treatment of Foreign Currency Transactions (IAS-21)**

5. **Specific Reporting:**

a) **Interim Financial Reporting (IAS-34) –** Preparation, presentation and disclosure requirements with regard to interim financial statements of companies.

b) **Reporting on Related Party Disclosures –** Transfer pricing. Disclosure requirements under IAS-24 and the Companies Ordinance, 1984.

c) **Reporting on Discontinuing Operations –** Recognition, measurement, presentation, disclosure of discontinuing operations as required under IAS –35.

d) **Reporting on Earning Per Share –** measurement, presentation and disclosure requirements of earning per share in line with IAS-33.

6. **Analysis and Interpretation of Financial Statements:** Needs for various users of financial statements and importance thereof. Techniques for analysis; horizontal, vertical and ratio analysis and common-size statements, their uses and limitations. Detailed examination and analysis of accounts and other financial information regarding capital structure, asset-base, liquidity, cash flow and operating capabilities, earning per share, working capital level and controls. Reporting in good style, the analysis, evolution and recommendation arising for the examination to the management, investors and creditors.

7. **Measurement of Profit:** Traditional approach using legal transaction as basic income and expenditure. Economist's approach to income and measurement of profit as an increase in the value of business. Consideration of alternative approach to the measurement of profit in a changing price – level environment. Use of replacement, net realizable value and economic value for the valuation of property, plant and inventories.

8. **Performance Reporting, Planning and Control:** Analysis and classification of costs for performance reporting. Product costing and elements of costs. Profit planning and break-even analysis. Introduction of different cost analysis. Introduction to budgets for planning and control including cash budgeting.

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MODULE B **GROUP 4** **CODE 242**

(100 Marks)

CORPORATE TAX MANAGEMENT

OBJECTIVE

To provide knowledge and understanding of the core areas of direct and indirect tax laws and develop understanding of their implications in different business situations and apply these in financial planning and decision making.

SYLLABUS

SECTION-1 DIRECT TAX (60 Marks)

1.1 Basic Framework of Direct Tax Law: Different direct tax laws and their inter-relationship in the scheme of taxation in Pakistan. Importance of Income Tax Ordinance, 2001 and amendments there in through Finance Act/Ordinance annually and concepts of prior tax ruling.

1.2 Detailed Study of Income Tax Law: The Income Tax Ordinance, 2001 and the Income Tax Rules 2002 as amended up-to-date covering: definition, charge of tax, tax on income from salary, property, business, capital gains, other sources (including income from dividend, royalty, profit on debt, etc), exemptions, deductions allowed and not allowed, tax credits, set off and carry forward of losses relating thereto and tax depreciation. Common Rules: general, tax year and assets. Provisions governing persons; associates, individuals, association of persons and Companies. Taxation of foreign source of income of residents. Tax accounting. Transfer pricing. Records and books of accounts. Filing of various statements with income tax authorities.

1.3 Employee Remuneration: Tax implications of employee compensation scheme: salaries, wages, perquisites, gratuity, bonus, commission, etc. Managerial remuneration its tax implications and planning consonant with Income Tax law requirements.

1.4 Tax Management: Nature and areas of tax management, deduction of tax at source, advance payment of tax, minimum tax. Importance of tax management while claiming allowances, exemption, deductions and tax credits. Filing of returns of income, defaults and penalties. The organization problems of tax management review. Assessment procedure, appeals, collection and recovery of tax, payments and deductions, refunds, records and audit, penalty, additional tax, offence and prosecution. Review of assessment order in order to decide availability of further appeal, revision review or rectification, drafting ground of appeal, argument on appeal, memoranda to the Central Board of Revenue and other similar applications.

1.5 Corporate Taxation: The income tax liabilities of companies and tax incidence under the Income Tax law. Capital structure of a company and tax incidence, tax as a variable in computing cost of capital, tax considerations in dividend policy and issue of bonus shares. Taxation of inter-corporate dividends and transfers.

1.6 Tax Planning: Planning and scope of tax planning. Difference between tax planning, tax evasion and tax avoidance. Tax planning its need and methodology. Tax planning with reference to type of activity, scale of activity, ownership pattern, location aspects, etc. Limitations on the tax planning exercise, flexible planning premises. Tax planning in the context of court rulings and legislative amendments. Planning for tax holiday benefits. Setting up of new industrial undertaking for availing exemption. Merger with sick units. Amalgamation, merger and de-merger and tax planning.

1.7 Tax Consideration with regard to Specific Management Decision: Consideration of tax benefit while management decision to make or buy, own or lease, return or replace, prepare or renovate, now or later, slow or fast, close or continue operation. Tax consideration relating to variation of portfolio of assets, change of tax year and method of accounting.

1.8 Taxation of Non-Residents: Basic principles for taxation of non-residents, special deduction. Foreign collaboration agreements and

tax implication; joint venture abroad and tax consideration, procedure for joint venture and foreign collaboration.

1.9 Double Taxation Avoidance Agreements: Meaning of avoidance of double taxation and prevention of fiscal evasion. Tax implications of double taxation avoidance agreements and standard practice with regard to tax law for company secretaries.

SECTION-2 INDIRECT TAXES (40 Marks)

2.1 Framework of Indirect Tax Laws: Special features of indirect tax levies. Role of indirect tax laws and contribution to government revenues and fiscal performance as instrument of planning and development.

2.2 Sales Tax Act 1990: Particularly Chapters I to V and VII of the Act and Turnover Tax Rules 1999. Apportionment of Input Tax Rules 1996. Filing of Monthly Return Rules 1996, Registration, Voluntary Registration and De-registration Rules 1996 and Retail Tax Rules 1998 and Sales Tax Ordinance 2000 promulgated by the provinces as amended up-to-date covering: definitions, scope and payment of Sales Tax, registrations, book-keeping and invoicing requirements. Sales in the course of import and export, taxability of inter-depot and inter-branch transfer of goods. Methods of executing sales through branches, head office and factory. Export contracts and implications on penultimate sale, canalized exports-implications, planning vis-à-vis judicial pronouncement. Levy and collection of Sales Tax procedure, offences and penalties. Filing of returns and revision therein. Appeals, revision and rectification of assessment procedure. Sales Tax levies and cash management, promissory estoppels-extent of application to sales tax matters, a case law review.

2.3 Customs Act 1969: Particularly chapters V,VI, X, XI, XVII and XIX of Customs Act 1969 as amended up-to-date covering: details of procedure in relation to levy, collection and exemption from and repayment of custom duties, drawback and documents to be

prepared and presented to custom authorities; valuation of goods , classification of goods, its principles and rectifications; valuation of goods for the purpose of levy and its principles, abatement of duties and availing of exemptions; procedure for clearance of goods for home consumption and clearance of imported and exported goods; warehousing; offences, penalties, appeals and revision. Custom levies and cash management.

2.4 Federal Excise Act 2005:

Chapter I – Definitions
Chapter II – Levy, collection and payment of duty
Chapter III – Offences and Penalties
Chapter V – Power, Adjudication and Appeals. Federal Excise Rules 2005.

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MODULE C **GROUP 5** **CODE 351**

(100 Marks)

COMPANY LAW AND ALLIED RULES

OBJECTIVE

To provide in depth knowledge of Companies Ordinance 1984, procedural and case laws, rules and guidelines issued to regulate incorporated companies.

SYLLABUS

1. **Development of Company Law:** Chronological development of company law in Pakistan and United Kingdom, development of various concepts including jurisprudence, contemporary and emerging issues.

2. **Nature and Classification of a Company:** Classifications and definition of incorporated companies. Procedure and effect of registration. Principles of corporate personality and of limited liability. Distinction between companies and partnership. Different classifications of an incorporated company; holding, subsidiary, and associated company, private and public company, statutory and government company, limited and unlimited liability company, company limited by guarantee and shares etc. Association not for profit. Illegal association. Conversion of private company into public company and vice versa.

3. **Formation of a Company:** Promoters and pre-incorporation contracts. Mode of forming a company. Memorandum and articles of association, their clauses and contents, and formalities for their registration. Alteration of memorandum and restrictions thereon. Alteration in articles. Certificate of incorporation. Services of notices; and authentication of documents.

4. **Floatation:** Prescribed procedures of floatation. Meaning, purpose and contents of prospectus. Statements in lieu of prospectus. Prospectus by implication. Offer for sale of shares and debentures.

Issue of securities outside Pakistan – approval, issue and registration of prospectus, underwriting and commission and other statutory requirements related thereto. Civil and criminal liabilities for misstatements in prospectus. Statutory provisions regarding allotment of shares. Effect of irregular allotment of share. Certificate of commencement of business.

5. **Share Capital and shares:** The principle of capital. Reconstruction of capital structure. Raising of share capital. Issue of shares at premium, at par and at discount. Increase and decrease of share capital. Buy back of company's own shares. Further issue of shares – rights and bonus shares. Conversion of loans and debentures into shares. Meaning, nature and kinds of shares and share capital. Variation of shareholders' rights, Definition, types, rights, liability, eligibility and termination of membership. Register of members and debenture holders. Disclosure of substantial, beneficial and nominee shareholders. Share certificates. Lien, surrender and forfeiture of shares.

6. **Borrowings and creation of charges:** Nature and extent of borrowing powers of company. Various types and methods of raising of funds meeting short, medium and long-term requirements including public deposits and assistance from banks and non-banking financial institutions. Management of public issue of redeemable capital (including debentures, bonds, terms finance certificates), their loan documentation; preparation of prospectus, under writing and brokerage agreements; allotment letters, share certificates, debenture trust-deed etc. as required under various regulation and guidelines made by Securities and Exchange Commission of Pakistan. Methods of securing borrowed money. Nature and meanings of mortgage, hypothecation, fixed and floating charges. Registration, modification and satisfaction of mortgage, hypothecation and charges. Remedies of debenture holders, appointment and functions of receivers and managers.

7. **Directors and Chief Executive:** The concept of directors and its evolution. Statutory provisions relating to qualification, appointment, tenure, remuneration, rights, powers, duties, responsibilities, civil and criminal liabilities of directors and chief executive and their

retirement, resignation, removal and vacation of office. Disclosure of interest of directors and chief executive.

8. **Functions of the Board, Committees of Directors and Management:** Basic functions of the Board of Directors and philosophy behind constitution of audit and other committees under the provisions of the Companies Ordinance, 1984 and the Code of Corporate Governance relating to;

   a) Membership, transfer and transmission of shares
   b) Giving guarantees, securities making of loans and advances to other bodies corporate and inter-corporate investments,
   c) Maintenance of statutory books and registers, and filing of returns.
   d) Divisible profits and declaration of dividend.
   e) Accounts and audit, notes to the accounts, auditors' report, subsequent amendments to audited accounts, disclosures, responses by the board relating to observations and qualification in auditors' report.

9. **Auditors:** Legal requirements relating to appointment, resignation, removal, qualifications, disqualifications, powers, duties and remuneration of auditors.

10. **Shareholders Democracy:** Principles of majority rule, majority control through resolution. Protection to investors and other stake holders. Minority protection and minority rights in relation to meetings. Hostile take over under Listed Companies (Substantial Acquisition of Voting Shares and Take Over) Ordinance, 2002.

11. **Insider Trading:** Definition and concept of insider trading; imposition of restrictions, penalties and fines to curb insider trading under the provisions of Securities and Exchange Ordinance, 1969, Securities and Exchange Rules, 1971 and Listed Companies (Prohibition of Insider Trading) Guidelines.

12. **Compulsory and Voluntary Winding-up:** Modes of winding-up, grounds upon which a company may be wound up and by whom;

order of application of assets of insolvent companies, including concept of fraudulent trading and fraudulent preference. The powers and duties of a liquidator and the consequences of winding-up.

13. Various Rules Under The Companies Ordinance 1984.

i) Companies (Issue of capital) Rules 1996 and Stock Exchange Rules for issue of capital by companies.
ii) Companies' share Capital (Variation in Rights and Privileges) Rules 2000.
iii) Companies (Buy-back of shares) Rules 1999
iv) Companies (General Provisions and Forms) Rules, 1985
v) Companies (Invitations and Acceptance of Deposits) Rules 1987
vi) Companies (Appointment of Legal Advisors) Act 1974 and Rules 1975.
vii) Companies (Management by Administrators) Rules 1975.
viii) NBFC Rules, 2003 issued by Securities & Exchange Commission of Pakistan.

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MODULE C **GROUP 5** **CODE 352**

(100 Marks)

MEETING LAW AND PROCEDURE

OBJECTIVE

To provide thorough knowledge and understanding of laws and practice relating to the convening, conducting and managing different kinds of meetings of entities and bodies of various types in order to perform duties of Secretary effectively and to advise and assist the chairman on procedural matters and compliance with various requirements under relevant applicable laws, rules and regulations.

SYLLABUS

SECTION – 1 PRINCIPLES OF MEETING (Marks: 40)

1.1 General Principles of Law and Practice of Meetings: Meaning and types of meeting. Distinction between private and public meeting, formal and informal meeting, regular and urgent meeting,, management committee and general body meeting. Rights and restrictions regarding holding meetings, admission and presentation of order therein.

1.2 General Conduct and Management of Meetings: Requisites of valid meetings: notice, constitution, quorum, time and place of holding, agenda and papers, rules of discussion and motions, adjournment of meetings, procedure for voting and minutes. Powers and duties of chairman. The practical work of the secretary of the organization before, during and after the management committee and general body meeting.

1.3 Law of Defamation relating to Meetings and Meetings of Common Law: Nature and scope of Law of Defamation relating to the meetings and media reporting. Remedies available under the law. Knowledge and understanding of the law pertaining to the conduct and procedure of meetings at Common Law and leading cases

related thereto. Practical work of the secretary with regard to organizing meetings and conference.

SECTION – 2 COMPANY MEETINGS (Marks: 60)

2.1 Company Meetings: Meaning, nature and scope of company meetings. Different types of company meetings. Application of the relevant provisions of the Companies Ordinance 1984, Table A and case laws governing statutory meeting, annual and extra ordinary general meetings, class meetings, meetings of debenture holders, meetings of contributories, meetings of members sanctioning scheme of compromise, reconstruction, acquisition, merger, de-merger, for voluntary and compulsory winding up.

2.2 Convening and conduct of Company Meetings: Requisites of valid company meetings; legal provisions regarding their convening, notice and its service, constitution, time and place of holding, agenda and papers, quorum, rules of discussion and motions, ordinary and special resolutions, voting, polls, proxies, adjournment; rights, powers and duties of chairman; preparation of minutes and its circulation and confirmation. Practical work of company secretary before, during and after convening the company meetings in the light of the provisions of the Companies Ordinance 1984, Listing Regulations of the Stock Exchange and Code of Corporate Governance.

2.3 Meetings of Directors: Meaning and necessity of board of directors. Powers of board; restrictions on directors' powers and validity of their acts. Need for meetings of directors. Board to act at meeting; board when to meet and where to meet. Meaning of board meeting. Types of board meetings; first board meeting, subsequent board meetings and meetings of committees of directors.

2.4 Conduct and Management of Directors' Meetings: Requisites of valid board meetings and committees of directors' meetings. Legal provisions regarding convening and managing board meetings; and the meetings of committees of directors (including audit committee) relating to notice and agenda; its service, form, period, contents and

consequence of accidental omission; directors' attendance, leave of absence, quorum, chairman of the meeting, discussion and motions, resolutions, voting, adjournment, preparation, circulation and confirmation of the minutes, powers and duties of the chairman. Duties and responsibilities of the company secretary before, during and after board meeting and meetings of committees of directors in the light of Code of Corporate Governance, Listing Regulations of the Stock Exchange and the Companies Ordinance, 1984.

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MODULE C **GROUP 6** **CODE 361**

(100 Marks)

SECRETARIAL PRACTICES AND AUDIT

OBJECTIVE

To provide thorough knowledge and understanding of the application of statutory provisions, rules and regulations of Stock Exchange and practice of the work of company secretary including the administrative and audit procedures involved.

SYLLABUS

SECTION-1 SECRETARIAL PRACTICES (70 Marks)

1.1 Company Secretary: Meaning and legal position of a secretary. Professional qualification and qualities of good secretary. Appointment and termination of company secretary. Rights of company secretary and his statutory and contractual liabilities. General and statutory duties of company secretary including duties under Income Tax Ordinance 2001, Stamp Act 1899 and other laws. Role of company secretary as statutory officer, coordinator and administrative officer.

1.2 Work of Securities Industry: The objectives and functions of Stock Exchange, Central Depository Company and Central Depository System. Jobbing, trading post and call-over methods by which securities may be brought to the stock exchange. Admission of securities to listing. Listing agreement; procedure and requirements regarding prospectus, memorandum and articles of association, under-writing, brokerage, bankers to the public issue, merger, amalgamation, de-merger etc. Filing of documents with Stock Exchange, Registrar and Securities and Exchange Commission under the statutory provisions and Code of Corporate Governance.

1.3 Floatation of Shares and Securities: Procedure and practice in respect of incorporation of different types of companies. Main

classes of securities issued by companies. Different sources and methods of raising new capital. Procedure for new issues including prospectus, offer for sale of share and convertible securities, under-writing, commission agreements, alteration of shares, application and allotment of shares, letter of regrets, issue of right allotment letters and trading on stock exchange and procedure for subscription, issue of share certificates, bonus share and right share certificates under the statutory provisions and the listing regulations of the stock exchange.

1.4 Concept of Membership: The nature and concept of membership of a limited company. Allotment, transfer and transmission of shares and members' voting and other rights and variation therein. Minority rights. Disclosure of substantial and beneficial ownership. Register of Members and Annual Return.

1.5 Registration and Transfer of Securities: Practice and procedure for registration, transfer and transmission of shares, debentures, certificates and other securities, including redemption of securities. Upkeep of register, certificates, shares and instruments of redeemable capital intestacy, court orders, personnel representative, powers of attorney, indemnity for lost share certificates, payment of dividends, profits and interest including bulk payment system. The annual return of transfer of share. Understanding of the provisions of Central Depository Act 1997 and Central Depository Companies Rules 1996 and effect of Central Depository System on the provisions of the Companies Ordinance, 1984 relating to inter alia, registration, transfers, maintenance of register of members, sending of notices to members, payment of dividend, issue of bonus and right shares and effect on the rights of members.

1.6 Borrowing Powers and Registration of Mortgages, Charges: Statutory provisions relating to borrowing powers of the company and directors, debentures, loan instruments of redeemable capital, including creation of mortgages, fixed and floating charges, registration of charges, modification and satisfaction, and filing of relevant forms, trust deeds and powers of trustees, appointment of receiver, sinking fund and redemptions.

1.7 Directors and Chief Executive: The procedure and practice in respect of appointment, tenure, remuneration, vacation of office, removal, filling of the casual vacancy of directors and chief executive. The statutory provisions relating to powers, rights, duties, civil and criminal liabilities of directors and chief executive including disclosure of interest of chief executive, executive and non-executive directors.

1.8 Drafting of Resolutions and Minutes: Procedure and practice of drafting of ordinary and special resolutions covering different aspects of corporate matters and requirements passed at first and subsequent board meetings, audit committee meetings, statutory meeting, annual and extra-ordinary general meetings, class meetings. Preparation, circulation, approval and confirmation of minutes of meetings of directors, audit committees and shareholders.

1.9 Accounts and Audit: Maintenance of statutory books and registers. Statutory and filing requirements under the Companies Ordinance 1984, Code of Corporate Governance and the Listing Regulations of the Stock Exchange relating to accounts and audit, preparation of quarterly and annual financial statements including notes to the accounts, disclosures, directors' report, auditors' report, subsequent amendments to the audited accounts and directors' response to the observations, reservation and qualification in auditors' report; the procedure of auditors' appointment, removal, change and filling up casual vacancies.

SECTION-2 SECRETARIAL AUDIT (30 Marks)

2.1 Company Secretary in Practice: Meaning of company secretary in practice. Who can and cannot practice? Who can use designation of secretary. Areas and scope of practice. Concept of self regulatory and administration by exception. Challenges before the secretarial profession. Professional conducts and ethics.

2.2 Need and Scope of Secretarial Audit: Need for secretarial audit, its scope and objectives. Who can and cannot be appointed for

secretarial audit. Rights, powers, duties, responsibilities and removal of secretarial auditor. Restriction on number of audit, period of audit and scope of audit and its implication. Important points to be kept in view of the secretarial auditor. Need of secretarial audit and compliance report.

2.3 Share Transfer Audit: Appraisal of work of transfer and transmission of shares physically and through Central Depository System. Processing of transfer of shares and maintenance of register of members and debenture holders. Processing of dividend warrants and profit warrants of term finance certificates, dispatch of notice, quarterly and annual reports etc. to the members.

2.4 Certification of Documents and Reports: Pre-certification of documents required to be filed with Registrar and Securities and Exchange Commission. Certification and signing of company documents, forms, reports and returns. Appraisal of search and status reports and certificates to the banks and financial institutions.

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ICSP

MODULE C **GROUP 6** **CODE 362**

(100 Marks)

CORPORATE LAWS AND PRACTICE

OBJECTIVE

To provide indepth knowledge and understanding of various corporate laws, rules and regulations related to secretarial practices, in order to advise and assist directors and managements in taking decisions for complying with various statutory requirements.

SECTION-1 CORPORATE LAWS (50 Marks)

1.1 Monopolies and Restrictive Trade Practices: The provisions of Monopolies and Restrictive Trade Practices (Control and Prevention) Ordinance, 1970 and Monopoly Control Authority Rules 1971 as amended up-to-date, relating to the concentration of undue and unreasonable economic power, unreasonable trade practices; procedure for registration of companies and agreements relating to certain trade practices; procedure for inquiry and investigation; functions and powers of Monopoly Control Authority.

1.2 Modaraba Companies and Modarabas: The provisions of Modaraba Companies and Modarabas (Floatation and Control) Ordinance, 1980 and the Rules 1981 relating to registration of modaraba companies; types of modaraba, creation and maintenance of modaraba; religious board; business of modaraba; remuneration of modaraba companies; accounts, audit, board and general meetings; cancellation of registration and winding-up.

1.3 Foreign Exchange Regulations:

(a) Knowledge of foreign exchange regulations (Foreign Exchange Manual – chapter XIX part A and B) relating to definition of foreign controlled companies, general permission for lending to foreign controlled companies for working capital, local borrowings by foreign controlled companies for capital expenditures. Private foreign currency loans;

repatriable foreign currency loans by foreign controlled companies for meeting working capital requirements; repatriable and non – repatriable foreign currency investment by Pakistani companies and firms functioning in Pakistan.

(b) **Knowledge and application of rules and regulations (Foreign Exchange Manual – chapter XX)** governing acquisition and holding of foreign securities; issue, transfer and export of Pakistani securities to non – residents; general exemption from the restriction on transfer and issue of Pakistani shares and securities to non–residents; procedure for issue of shares and securities and payment of dividend and interest thereon to non residents; trading of quoted shares by non–residents and special instructions regarding shares transferred under Central Depository System.

(c) **Rules and procedure for obtaining clearance** for foreign collaboration and matters connected therewith; setting up of office and branches abroad; business visits abroad by directors and executives; regulations concerning export and operation of different non-resident accounts.

1.4 Securities and Exchange Ordinance 1969 and Rules 1971: The law and procedure for the protection of investors, regulation of market and dealings in shares and securities and other matters ancillary thereto.

1.5 Securities and Exchange Commission of Pakistan Act 1997: The purpose of establishing the Securities and Exchange Policy Board and the Commission and their powers and functions; enforcement, monitoring, investigation and proceedings by the Commission; cognizance and prosecution of offences.

1.6 Laws relating to Intangibles, Intellectual and Property Rights:

(a) **The Trade Marks Ordinance 2001;** the law and procedure relating to registration, caution notices, infringement proceedings; licensing and assignment of trade marks.

(b) **The Patent Ordinance 2000;** the law and procedure relating to registration of patents, licensing of patents, revocation of patents.

(c) **The Copy Rights Laws;** basic law and procedure in relation to duration of and registration of copy rights; assignment and licensing of copy rights. Implication and effects of Intellectual and Property Rights as embodied in the W.T.O. Agreements.

1.7 Laws relating to Stamps and Registration:

(a) The Stamp Act 1899; as amended from time to time, its application and requirements, methods of stamping, consequences of non stamping and under stamping; impounding of instruments; construction of instruments for determination of stamp duty payable; allowance and refund; adjudication procedure and penalty provision.

(b) The Registration Act 1908, As Amended from time to time; its application and requirements; compulsory and optional registration of document; time and place of registration. Consequence of non registration; description of property for registration and miscellaneous provisions of the Act.

1.8 Asset Management Companies Rules 1995: The provisions relating to the establishment of asset management company; its registration, operational aspects including terms and condition for scheme and other allied matters.

1.8Investment Companies and Investment Advisors Rules 1971: The provisions relating to the establishment of investment companies, appointment of investment advisor; investment policy, public offer by investment companies and other allied matters.

SECTION-2 DRAFTING AND CONVEYANCING (50 Marks)

OBJECTIVE

To provide working knowledge and understanding of the fundamentals of effective drafting and conveyance techniques for compliance with various statutory requirements.

2.1 General Principles of Conveyancing: Basic requirements of deed of transfer; description of deed, parties recitals, testatum, consideration, operative words, exceptions, reservation, habendum, testimonials, signature and attestation, endorsement and supplemental deeds.

2.2 General Principles of Drafting: Rules for drafting, use of appropriate words and expression besides clarity and accuracy; legal implication and requirements.

2.3 Drafting of Contracts: Agreements to sell/purchase; dealership contracts, building contracts, agency contracts, collaboration agreements, arbitration agreements, guarantees, counter-guarantees, fidelity & performance guarantee, bank guarantee, hypothecation agreement. Hire and purchase of machinery and other chattels, certificate of sale in auction, sale by liquidator - voluntary or under orders of the court, sale of business and assignment of good will.

2.4 Drafting of Company's Documents: Promoters' contract, memorandum of association, articles of association, prospectus, notice, underwriting and brokerage agreements, allotment letters, share certificates, proxies, contract of appointment of chief executive, manager, secretary; debentures, bonds, debentures trust deed, deeds of amalgamation of companies, transfer of undertakings, compromise, arrangements and settlements.

2.5 Drafting of Applications and Petitions: Administrative machineries for corporate entities. Drafting and filing applications and petitions to Registrar, Securities and Exchange Commission of Pakistan and other authorities, public financial institutions and other appellate authorities under the taxing statutes and corporate legislation. Appeals, writs and special leave petitions, revision and review applications, affidavits for submission to the Tribunal and Courts.

2.6 Drafting of Orders, Awards and Reports: Nature, types and issue of appointment orders, suspension orders, dismissal and discharge orders. Charge sheets. Apprenticeship agreements. Nature and main

contents of award of arbitrators and umpires. Inquiry and investigation reports. Miscellaneous reports.

2.7 Deeds of Mortgages and Charges: Different types of mortgages deeds. Deeds of further charge on mortgaged property; mortgage by deposit of title deed floating charges, memorandum of pledge of movables, deed of appointment of receiver by mortgage or other charges.

2.8 Deed of Assignment, License and Lease: Business debts, shares in a company, policies of insurance, patents, trade marks, copyrights, business and goodwill and other rights and interests. Deed of license. Lease of premises, plant and machinery. Sub-lease. Lease by way of renewal. Surrender of lease. Deed altering covenants. Transfer of lease.

2.9 Partnership Deeds: Deed of partnership for setting up a new business; introduction of new partners; dissolution of partnership firm and purchase of business by a partner.

2.10 Power of Attorney: Nature and contents of power of attorney. Types of power of attorney; general and particular, nature, meaning and contents of letters of authority and general authority letters (special i.e. for a particular purpose or a few purposes).

2.11 Instruments and Bonds: Nature, meaning and types of negotiable instruments. Rules relating to promissory notes, bills of exchange, receipts, deed of release, relinquishment and disclaimer, compromise in suits, bonds to preserve trade sector, security bonds, indemnity bonds in case of loss for issue of duplicate share certificates, debentures or bonds, and to the drawer of lost cheque on drawing second cheque by company, and indemnity bond to its chief executive in respect of guarantee given by him.

----THE END----