

PAKISTAN INSTITUTE
OF
INDUSTRIAL ACCOUNTANTS

PROSPECTUS

Pakistan Institute of Industrial Accountants

EDUCATIONAL PROSPECTUS

Part I—General Provisions

1. The Need for Qualified Accountants:

As Pakistan's industrial economy continues to expand the need for qualified accounting personnel to assist in the orderly development of commerce and industry will become more and more pronounced.

As business enterprises become larger and more numerous the complexities of their problems will increase. In addition to sound progressive management these enterprises will have need of those thoroughly trained in recording daily productive operations and financial transactions, in the preparation of statements and reports of costs and finances, and in the analysis and interpretation of the information for the benefit of management.

The value of such services cannot be over emphasized.

2. The Industrial Accountant:

The Industrial Accountant is one who has a thorough knowledge of the internal economy of a business organization. Not only is he concerned with recording the costs of producing goods and services and of forecasting such costs, but he is equally responsible for reporting upon the general operations of the concern and of its present and future financial position.

The Industrial Accountant is trained in Cost Accounting and in the determination of unit costs of production but he is, as well, concerned with the general accounts and the periodical statements which reflect the general standing and progress of the firm from period to period.

His duties bring him into close contact with management and require from him a thorough knowledge of the business enterprise.

3. The Pakistan Institute of Industrial Accountants:

The Pakistan Institute of Industrial Accountants was incorporated under the Companies Act as of the 23rd May, 1951, by a group of accounting and business executives who were interested in the advancement of accounting, cost accounting and related fields of business management and who wished to "provide a professional organization of Industrial Accountants in Pakistan."

It is a non-profit organization and all income must be applied solely towards the objective as set forth in the Institute's Memorandum and Articles of Association. The Institute is authorized to provide examinations, facilities for tuition and certificates to successful candidates.

Examinations and lecture classes are held in Karachi, Lahore, Rawalpindi, Dacca and Chittagong and extension to other cities in East and West Pakistan will be made as conditions warrant.

4. Membership in Pakistan Institute of Industrial Accountants:

Membership in the Institute is composed of (a) those who have passed the necessary examinations and have obtained certificates as (i) Fellows or (ii) Associate based upon their qualifications and experience.

(b) Those who are interested in the techniques of Cost Accounting and sound methods of Production and Management but for various reasons cannot follow the Institute's course of study and do not intend to qualify for certificated membership. These members are called General Members.

The certified Membership of the Institute is divided into two classes, (a) Associates and (b) Fellows—designated as "Industrial Accountants" and entitled respectively to use the designation "A.P.I.A." and "F.P.I.A."

(a) (i) **Associates**—To qualify as an Associate of the Institute a candidate must have:—

(a) passed all of the examinations of the Institute leading to the "Associate" membership or received formal exemption therefrom by the Council;

(b) had prior to his admission at least three years' practical experience in industrial accounting approved by the Council and supported by a confirming certificate from his employers;

(c) attained the age of 21 years, and

(d) paid the required admission fee.

On admission as an Associate, the member will be entitled to use the designation "A.P.I.A." (Associate of the Pakistan Institute of Industrial Accountants) after his name and to take part in the other activities of the Institute.

(ii) **Fellows**—To qualify as a Fellow of the Institute a candidate must have:—

(a) been an Associate of the Institute for a period of five years;

(b) held, for a period of five years immediately prior to the date of his application, a position as Chief

Accountant, Chief Industrial Accountant, Chief Cost Accountant or an appointment considered by the Council of the Institute to be the equivalent thereof or been in practice for a such similar period as a Consulting Industrial or Cost Accountant, supported by a confirming certificate and approved by the Council;

(c) attained the age of 26 years; and

(d) paid the required admission fee.

On admission as a Fellow, the member will be entitled to use the designation "F.P.I.A." (Fellow of the Pakistan Institute of Industrial Accountants) after his name. The admission fee for an Associate shall be Rs. 100/- and for a Fellow Rs. 200/-. The annual subscription for an Associate shall be Rs. 20/- and for a Fellow Rs. 40/- payable as of the first of July in each year.

(b) **General Members**—No person shall be eligible for admission as a General Member unless he has attained the age of 26 years. The decision of the Council as to whether an applicant is suitable for General Membership shall be final. The Council also reserves the right to terminate the membership of any General Member without assigning any reason.

5. Registered Students:

Candidates shall enroll as Registered students and shall pay the registration fee of Rs. 25/- prior to inclusion on the Register.

Registered students shall pay an annual subscription of Rs. 15/- as of the 1st of July of each year. In case of default of payment for a period of more than three months the student's name may be struck off the Register and re-registration will be necessary for re-instatement.

A student must be registered and in good standing at the time of appearing for any examination of the Institute.

6. Programme of Studies:

The programme of studies is divided into three groups—Primary, Intermediate and Final as follows:—

PRIMARY

10—Principles of Accounting.

11—(a) Commercial Knowledge.

(b) Production Methods.

14—Industrial and Commercial Law.

15—Economics.

INTERMEDIATE

20—Advanced Accounting.

22—Fundamentals of Cost Accounting.

23—Statistics.

FINAL

30—Management Accounting.

32—Advanced Cost Accounting.

34—Industrial Organization and Management.

35—Auditing and Income Tax.

Summaries of the contents of each subject and the texts prescribed are set out in Part II of this Prospectus.

7. Methods of Instruction:

Candidates may prepare themselves by private reading and home-work, but evening Lecture Classes are provided in all major examination centres in East and West Pakistan and the extent and seniority of the courses and the examination make it a distinct advantage to the students to register in and to follow the lecture classes provided.

8. Entrance Requirements:

Entrance to Lecture Classes and to examination shall be limited to:—

- (a) those who have passed their "Intermediate" (or its replacing "Higher Secondary School") examinations—preferably in Economics and/or Commerce, or
- (b) those who in lieu of "Intermediate" standing have had practical accounting or cost accounting experience for at least three years, of a seniority of which the Local Branch Council approves as an equivalent qualification.

In the case of registration in any lecture course above the numbers that can be accommodated preference will be given to Bachelors of Commerce and to those with the higher standing in the Intermediate examinations.

An advanced standard of examination will be maintained so that the professional standing of a member may be fully recognized.

9. Text Books:

One prescribed text book has been designated for each subject. The student will need to use this text continuously and to purchase it for his own exclusive use. Students may borrow text-books from the Institute libraries on deposit of caution money and/or warranty bond.

Reference books will be made available in the various Institute libraries to the extent that the Institute finds it possible.

10. Exemptions:

Exemption on the following bases may be obtained on formal application and the submission of all supporting documents and the required fee to the Local Branch Council by students who have successfully passed an equivalent examination.

(1) B. Com. & M. Com.

(with Advanced Accounting and Statistics).

Primary Course

- (i) Principles of Accounting.
- (ii) General Commercial Knowledge.
- (iii) Economics.
- (iv) Industrial and Commercial Law.

Intermediate Course

- (i) Statistics.

B.Com. & M.Com.

(with Advanced Accounting but without Statistics).

Primary Course

- (i) Principles of Accounting.
- (ii) General Commercial Knowledge.
- (iii) Economics.
- (iv) Industrial and Commercial Law.

Primary Course

- (i) General Commercial Knowledge.
- (ii) Economics.
- (iii) Industrial and Commercial Law.

Intermediate Course

- (i) Statistics.

- (2) Graduate or Post Graduate in Economics.

Primary Course

- (i) Economics.

- (3) Graduate or Post Graduate in Statistics.

Intermediate Course

- (i) Statistics.

- (4) LL.B./B.L.

Primary Course

- (i) Industrial and Commercial Law.

- (5) B.E.

Primary Course

- (i) Production Methods.

- (6) S.A.S., (Civil, Military, Supply, P&T and Railway Accounts.)

Primary Course

- (i) Principles of Accounting.

- (7) C.A.

Primary Course

- (i) Principles of Accounting.
- (ii) General Commercial Knowledge.
- (iii) Economics.
- (iv) Industrial and Commercial Law.

Intermediate Course

- (v) Advanced Accounting.
- (vi) Statistics.

Final

- (vii) Auditing and Income Tax.

- (8) A.C.I.S. (London).

Primary Course

- (i) Principles of Accounting.
- (ii) Economics.

Intermediate Course

- (iii) Advanced Accounting.

- (9) A.C.W.A. (London).

Students who have passed a full part of I.C.W.A. (London) Examination would be exempted from an equivalent subject in PIIA's course.

Exemption will only be granted on the basis of each examination passed which the Institute recognizes as equivalent to that examination for which exemption is applied. Practical experience

will not be considered as the basis for exemption.

11. Examinations:

Only registered students may appear for the Institute's examinations.

Examinations, uniform throughout Pakistan, will normally be held twice annually, during the months of June and December in Karachi, Lahore, Rawalpindi, Dacca and Chittagong. The dates and centres of examination will be regulated by the Council of the Institute.

Application forms and fees for each examination must be submitted by the applicant to the Local Branch Council on or before 30th April and 31st October. NO APPLICATION ACCEPTED AFTER THESE DATES. The fee is not refundable and is not transferable to any subsequent examination. Applications for examination are subject to the approval of the Council of the Institute.

12. Results of Examinations:

Notification in writing of the results in each examination will be forwarded to each student. The Institute will not enter into correspondence with students as to the reasons for failure in an examination.

13. Students Fees:

Students shall be subject to the following fees:

Registration as a student of the Institute	Rs. 25/-
Annual Subscription	Rs. 15/-
Tuition Fees:—	

Primary

10—Principles of Accounting.	Rs. 40/-
11—(a) Commercial Knowledge.	Rs. 20/-
(b) Production Methods.	Rs. 20/-
14—Industrial and Commercial Law.	Rs. 20/-
15—Economics.	Rs. 20/-

Intermediate

20—Advanced Accounting.	Rs. 60/-
22—Fundamentals of Cost Accounting.	Rs. 60/-
23—Statistics.	Rs. 30/-

Final

30—Management Accounting.	Rs. 60/-
32—Advanced Cost Accounting.	Rs. 60/-
34—Industrial Organization and Management.	Rs. 30/-
35—Auditing and Income Tax.	Rs. 30/-

The tuition fees shown above have been revised to agree with the lecture-time devoted to each course and to encourage students

to enroll for courses in keeping with their ability. Fees are payable, in advance, or in two installments.

Examination Fees:

Primary	Rs. 5/- each paper.
Intermediate	Rs. 6/- each paper.
Final	Rs. 7/- each paper.

Exemption Fees:

The exemption fee will be levied only if the exemption applied for is granted and the fee shall be the same as for the examinations in the subject concerned.

14. Regulations Governing Enrolment and Examinations:

The following regulations cover the students enrolment for lecture classes in the Primary, Intermediate and Final courses of the Institute:

- Students shall ordinarily enroll in and complete the examinations of each group in turn. Some deviations, however, may be allowed in this rule in the case of students who receive exemption or who fail to pass the examinations of any subject, provided that such deviation is approved by the Local Branch Council and does not conflict with any of the regulations following.
- Students shall not enroll for courses that require attendance in classes for more than three evenings in any week.
- Students shall not take the examinations in Intermediate until they have successfully passed the examinations in Principles of Accounting and two other Primary subjects.
- Students shall not take the examination in Advanced Cost Accounting until they have successfully passed the examinations in Fundamentals of Cost Accounting.
- Students shall not take the examinations in Management Accounting until they have passed all of the examinations in Advanced Accounting and in Fundamentals of Cost Accounting.
- Students shall not take the examinations in Auditing and Income Tax until they have passed the examinations in Advanced Accounting.
- Students shall not take examinations in Primary and Final stages together.
- Exemptions granted from any examination shall be considered the equivalent of passing the examination in that subject.
- Where more than one examination paper is provided in a subject the total marks in the two papers only shall be considered in awarding a pass or a standing to a student.

15. Growth of the Profession:

When a candidate has completed his prescribed course of study, passed the required examinations, paid the admission fee and satisfied the Council that he has passed the preliminary experience requirement, the Certificate of Association will be granted to him and the right to use the designation "A.P.I.A."

A qualified member of the Institute will continue to grow professionally as he gains further experience and seniority. His association with the Institute will bring him into contact with other successful accountants and will assist the Institute in furthering the cause of accounting education in Pakistan.

16. 'Industrial Accountant' Journal:

THE INDUSTRIAL ACCOUNTANT—which is published quarterly, is the official organ of the Pakistan Institute of Industrial Accountants. It contains original articles on matters relative to Industrial & Cost Accounting, extracts from journals on allied subjects, personal notes, etc.

17. Information:

Information regarding the Institute, its educational programme and its other activities may be obtained from:

The Pakistan Institute of Industrial Accountants,

KARACHI-3.

Telephone: 72934

PART II—COURSE OUTLINES AND TEXTS

The summarized outline showing:—

- (a) Course Content.
- (b) Number of Examination Papers.
- (c) Prescribed Texts.
- (d) Reference Books.

in each subject follows. Detailed outlines for each subject are in the hands of the Local Branch Council.

A. COURSE CONTENT AND EXAMINATIONS PAPERS

PRIMARY

10. Principles of Accounting (2 papers of 3 hours each)

The Importance of Accounting; the Balance Sheet and Income Statement; the Accounts and the Trial Balance; Journalizing and Posting; Completing the Accounting Cycle; Accounting for Sales, Purchases, Cash, Payrolls, Taxes, Assets, Liabilities; Specialized Books of Original Entry; Voucher System; Closing the Books; Partnership; Introduction to Corporations.

11a. Commercial Knowledge (1 paper of 2 hours)

Commercial Terms; Forms of Business Organization; Home and Foreign Trade; Banks; Financing; Warehousing; Marketing; Insurance; Transport; Trade Associations; International Trade; Office organisation and Management.

11b. Production Methods (1 paper of 2 hours)

Terminology and Definitions; Mechanical Machines; Electrical Machines; Distribution and Transmission; Workshop Practices; Fabrication.

14.—Industrial and Commercial Law (1 paper of 2 hours)

Laws Relating to Factories, Workmen's Compensation, Trade Unions; Payment of Wages; Industrial Disputes; Employers Liability; Contracts; Sale of Goods; Negotiable Instruments; Co-operatives.

15. Economics (1 paper of 2 hours)

Scope and Methods of Economics; Basic Concepts; National, Individual and Family Incomes, Economic Systems; the Behaviour of Consumers; Demand; Production Organization, Value, Disposition of National Income; Money and Banking; Public Finance; Trade Cycles, Internal Trade; Foreign Exchange.

INTERMEDIATE

20. Advanced Accounting (2 papers of 3 hours each)

Detailed Examination of the Income and Retained Earnings Statements and the Balance Sheet; Manufacturing Accounts; Departmental Accounts; Analysis and Consideration of Cash, Temporary Investment, Receivables, Inventories, Current Liabilities, Long Term Investment and Equipment, Intangible Assets; Bonds and Debentures Payable; Joint Ventures, Instalment Sales, Consignments and Branch Accounts.

22. Fundamental of Cost Accounting (2 papers of 3 hours each)

The Cost System; the Cost Accounting Cycle; Control of the Cost Records by the General Accounts; Materials Labour; Manufacturing Expenses—Actual, Departmentalized, Applied, Job Cost Practice Set; Process Cost Accounting.

23. Statistics (1 paper of 3 hours).

Statistical Method, Statistical Data, Technique of collection, Method of Organizing Collected Data, Basis of classification of Data, Technique of Analysis, Technique of Interpretation of data, Application of Statistics to Business.

FINAL

30. Management Accounting (2 papers of 3 hours each).

Advanced Consideration of Capital Stock; Source and Appropriation of Surplus, Statement Analysis; Ratios and Measurements; Comparative Statements; Source and Application of Funds; Re-financing, Recapitalization and Merger; Consolidation; Liquidation and Solvency; Accounting Systems; Machine Accounting; the Accounting and Management.

32. Advanced Cost Accounting (2 papers of 3 hours each).

Advanced Consideration of Process Cost Accounting; By-Products and Joint Products; Estimated Cost Systems; Budgetary Control, the Flexible Budget; Standard Costs; Cost Reports; Distribution Costs; Differential Cost; Direct Costing; Uniform Cost Accounting; Supplementary Uses of Cost Data.

34. Industrial Organization and Management (1 paper of 3 hours)

Modern Management; Management Problems and Principles; Top and Middle Management; the Foreman; Principles of Organization; Managerial Controls; Financial Management; Budgetary Control; Plant Location and Lay-Out; Procurement of Materials and Equipment; Material Handling; Maintenance; Managerial Planning; Planning Controls; Methods and Time Study; Quality Control; Inventory Control; Personnel Management; Personnel Relations; Collective Bargaining; Health and Safety; Wage Plans; Job Evaluation; Service Ratings; Training; Marketing; Office Management; Research and Development; Public Relations.

35. Auditing and Income-tax (1 paper of 3 hours).

35a. Auditing:

The Field of Auditing; Rights, Duties and Legal Position of Auditor; Beginning the Audit; Internal Control; Audit Working Papers; Auditing the Original Records; Cash, Securities, Receivables, Inventories, Fixed Assets, Deferred Items, Current Liabilities, Fixed Liabilities, Proprietorship, Income Statement and Balance Sheet; the Audit Report.

35b. Income-tax:

Basis of Income-tax in Pakistan, Total income, Taxable Income, Incomes exempt from tax Assesses' and their liability for computation of taxable income, Assessment procedure; Special problems of Assessee's, Income-tax authorities.

PREScribed TEXTS AND REFERENCE BOOKS

PRIMARY

10. Principles of Accounting

Prescribed Text

"Accounting Principles" .. Noble and Niswonger—
Sixth Edn.

References:

"Principles of Accounting" .. Introductory (Canadian
Edn). Finney & Miller.

"Fundamental Accounting" .. Tunick and Saxe.

"Accounting Theory and Practice" .. Milroy and Walden.

"Accounting Fundamentals" .. MacFarland, Ayars and
Stone.

"Accountancy" .. Pickles and Dunkerlay.

11. General Commercial Knowledge

Prescribed Text

"Commerce" .. James Stephenson.

References:

"Commerce" .. Professor Mokhtar.

"Commerce in Theory & Practice" .. M. A. Khan.

"Office Organisation and Management" .. Rowland.

11b. Production Methods

Prescribed Text

"Production Engineering" .. Murphy.

References:

- "Power Economy" .. Toadman.
 "Factory Administration in Practice" .. Hiscox.

14. Industrial and Commercial Law**Prescribed Text**

- "Statutes of Pakistan"

15. Economics**Prescribed Text**

- "Economics" .. Frederic Benham.

References:

- "Economics" .. Paul A. Samuelson.
 "Pak Economics" .. Afzalur Rahman.
 "Essentials of Economics" .. Dr. S. M. Akhtar.

INTERMEDIATE**20. Advanced Accounting****Prescribed Text**

- "Intermediate Accounting" .. Karrenbrock and Simons. Comprehensive Volume.

- "Accounting Principles" .. Noble & Niswonger—6th Edn.

References:

- "Principles of Accounting" .. Finney and Miller. (Canadian Edition).
 "Accountancy" .. Pickles and Dunkerlay.
 "Advanced Accounting" .. Karrenbrock & Simons. Comprehensive Volume.

22. Fundamentals of Cost Accounting**Prescribed Text**

- "Cost Accounting" .. Matz, Curry and Frank; 2nd Edition.

References:

- "Cost Accounting Principles and Practice" .. J. J. W. Neuner.
 "Cost Accounting" .. Blocker and Weltmer.
 "Cost Accounting" .. Lawrence & Ruswinckel.
 "Cost Accounting and Costing Methods" .. H. J. Wheldon.

23. Statistics**Prescribed Text**

- "Practical Business Statistics" .. Croxton & Cowden.

References:

- "Statistics and their application to Commerce" .. Bodington.
 "Applied Statistics" .. Iftikhar Ali.
 "Statistics" .. A. R. Hersic.

FINAL**Management Accounting****Prescribed Text**

- "Accounting Principles" .. Noble & Niswonger. (Sixth Edition)
 "Intermediate Accounting" .. Karrenbrock & Simons. Comprehensive Volume.
 "Cost Accounting" .. Matz, Curry and Frank. (2nd Edition)

References:

- "Principles of Accounting" .. Karrenbrock & Simons. (Intermediate—Canadian Edn.)
 "Cost Accounting" .. Neuner.
 "Accounting Systems" .. Neuner and Neuner.
 "Accounting & Management Approach" .. Hill and Gordon.
 "Accountancy" .. Pickles and Dunkerlay.
 "A Manual of Style for the Preparation of Papers and Reports" .. Keithley.

Advanced Cost Accounting**Prescribed Text**

- "Cost Accounting" .. Matz, Curry & Frank.

References:

See Subject 22.

Industrial Organization and Management**Prescribed Text**

- "Management" .. Henry D. Hodges.

References:

- "Essentials of Industrial Management" .. Bethel, Atwater, Smith, Stackman.
 "Factory Administration" .. Hiscox and Stirling.
 "Industrial Management" .. W. E. Sprigle.
 "Business Policies and Management" .. Newman.

35a. Auditing

Prescribed Text

"Auditing" .. Culey and Bauer.

References:

"Practical Auditing" .. Spicer.

"Principles of Auditing" .. De Paula.

"Auditing Principles and Practice" .. Holmes.

"Auditing Principles" .. Stettler.

"Principles of Auditing" .. Meigs.

35b. Income Tax

Prescribed Text

"Statutes of Pakistan".

The prescribed texts above should be purchased by the student and should be continuously in his hands for his personal use. The reference books will be included in the libraries of the Pakistan Institute of Industrial Accountants in as far as possible and are for supplementary reading and not as substitutions for the prescribed texts.