

WEST BENGAL COUNCIL OF HIGHER SECONDARY EDUCATION

SYLLABUS FOR CLASSES XI AND XII

SUBJECT: COMMERCIAL LAW AND PRELIMINARIES OF AUDITING (CLPA)

Course Overview:

This course introduces the student to the legal framework of business, and endeavours to induce them to appreciate the relevance of business law to individuals and businesses and to understand the applications of these laws to practical commercial situations. It intends to assist the students to gain knowledge of the branches of law which relate to contracts, negotiable instruments, the law of sales; study legal matters pertaining to partnerships and companies; identify the fundamental legal principles behind insurance agreements and examine the scope, exchange and regulation of electronic communication.

This course also aims at introducing the students to the field of auditing, by providing them a basic understanding of fundamental auditing concepts, the general procedures required in conducting an audit and audit reporting. While the focus is mainly on the practical application of an external financial audit that is regulated under legal legislation, the course also explores the wider audit framework; including a critical appreciation of contemporary issues and developments in the field of auditing.

The course provides a foundation for students who intend pursuing a specialised pathway in the legal profession, as well as those who will pursue careers in accounting and auditing.

Course Objectives:

This course strives to –

- Inculcate a sense of justice and integrity as well as develop skills among students to pursue higher education, and thereafter, work independently or in employment
- Develop students with an understanding of the legal system prevalent in India
- Assist students to identify various sources of law and the requirements to hold various rights under the prevalent laws of land
- Acquaint students with the dynamic nature and inter-dependent aspects of business and the judiciary
- Aid students to develop an interest in the theory and practice of law and auditing
- Help students to understand contractual obligations and consequences thereto
- Familiarize students with legal requirements of the process of managing the operations of different forms of business and maintenance of their financial records
- Enable students to analyse the impact of the electronic era on information and ethical issues thereon
- Make students conversant with the use and regulation of negotiable instruments in business
- Enable students to develop an understanding of the management of business risks through insurance
- Enable students to evaluate audit compliant documents, and consequences of default, if any
- Help students to achieve an understanding of the conduct of audit procedures suiting various requirements of a business

- Assist students to appreciate the legal and economic significance of business activities and the ramifications of non-compliance
- Enable students to act more responsibly and judiciously in every sphere of the society

Learning Hours (Total – 200 per year per subject):

- **180** hours allocated over the syllabus, to be distributed over each sub-topic –
SEM I – 100 hours
SEM II – 80 hours
- **20** hours for home assignments/remedial and/or tutorial classes

EduTips

CLASS - XI

SEMESTER – I

SUBJECT: COMMERCIAL LAW AND PRELIMINARIES OF AUDITING (CLPA)

Unit	Details	Marks
Unit 1	Introduction to Law	04
Unit 2	Law of Contract	16
Unit 3	Introduction to Auditing	10
Unit 4	Errors and Frauds	05
Unit 5	Different Types of Audits – I	05
	Total	40

Question Paper Typology

Sl. No.	Typology of Questions	Marks	%
1.	Remembering and Understanding (Simple)	12	30
2.	Applying (Average)	20	50
3.	Analysing, Evaluating and Critical thinking	08	20
	Total	40	100

Weightage to Questions

Unit	Details	Marks Allotted	Question Type	Marks per Question	No. of Questions	Total Marks
Unit 1	Introduction to Law	04	MCQ	1	4	04
Unit 2	Law of Contract	16	MCQ	1	16	16
Unit 3	Introduction to Auditing	10	MCQ	1	10	10
Unit 4	Errors and Frauds	05	MCQ	1	5	05
Unit 5	Different Types of Audits – I	05	MCQ	1	5	05
	Total	40				40

CLASS - XI

SEMESTER – I

SUBJECT: COMMERCIAL LAW AND PRELIMINARIES OF AUDITING (CLPA)

FULL MARKS: 40

CONTACT HOURS: 100 Hours

COURSE CODE: THEORY

PART – A (Commercial Law)

UNIT No.	TOPICS	CONTACT HOURS	MARKS
Unit – 1 INTRODUCTION TO LAW	Definition of Law – Features of Law – Rule of Law – Meaning of Commercial Law – Sources of Indian Commercial Law	04 Hours	4 Marks
Unit – 2 LAW OF CONTRACT	<p>a) Meaning and Definition of Agreement and Contract – Essential elements of a contract</p> <p>b) Offer and Acceptance: Meaning and definition of offer, offerer, offeree, promise, promisor, promise; Rules regarding offer – Meaning and definition of acceptance; Rules regarding acceptance – Methods of communication of offer and acceptance – Revocation of offer and acceptance</p> <p>c) Consideration: Meaning and definition of consideration – Types of consideration – Rules regarding consideration – “No consideration, no contract”, Exceptions to the rule – Rights and liabilities of a stranger to a contract</p> <p>d) Void and Voidable Agreements: Void agreement – Voidable agreement – Unenforceable agreement – Illegal agreement – Distinction between Void agreement and Illegal agreement – Valid contract</p> <p>e) Capacity of Parties: Definition of ‘capacity’ – Minority and law regarding Minor’s Agreement – Persons of unsound mind; Effects of agreement made by persons of unsound mind – Disqualified persons</p> <p>f) Free Consent: Definition of free consent – Coercion – Undue influence – Misrepresentation – Fraud – Distinction between Fraud and Misrepresentation – Contracts of <i>Uberrimae fidei</i> – Mistake – Unilateral mistake – Distinction between Mistake and Misrepresentation – Mistake and Consent</p> <p>g) Legality of Object and Consideration: Unlawful object and consideration – Agreements against public policy – Void agreements – Objects or Consideration unlawful in part</p>	46 Hours	16 Marks

	TOTAL (A)	50 Hours	20
--	------------------	-----------------	-----------

PART – B (Preliminaries of Auditing)

TOPIC	SUB TOPIC	CONTACT HOURS	MARKS
Unit – 3 INTRODUCTION TO AUDITING	Definition of Auditing – Evolution of Auditing – Nature of Auditing – Objectives of Auditing: Primary and Secondary – Importance of Auditing – Advantages and Limitations of Auditing – Relation and Distinction between Accounting and Auditing – An Auditor is not an Accountant – Qualifications of Auditor: Professional and General – Disqualifications.	34 Hours	10 Marks
Unit – 4 ERRORS AND FRAUDS	Errors in Accounting: Types of errors; Detection of errors by Auditor – Fraud: Misappropriation and Manipulation; Detection of frauds by Auditor – Duties of Auditor in relation of errors and frauds.	08 Hours	5 Marks
Unit – 5 DIFFERENT TYPES OF AUDITS – I	On the Basis of Time: Continuous Audit; Periodical Audit; Interim Audit – Advantages and limitations of each type – Distinction between Continuous Audit and Periodical Audit.	08 Hours	5 Marks
	TOTAL (B)	50 Hours	20
	GRAND TOTAL (A+B)	100	40