

CLASS - XII

SEMESTER – IV

SUBJECT: COMMERCIAL LAW AND PRELIMINARIES OF AUDITING (CLPA)

Unit	Details	Marks
Unit 1	Negotiable Instruments	14
Unit 2	Law of Insurance	06
Unit 3	Vouching	10
Unit 4	New Branches of Auditing	10
	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	Negotiable Instruments	14	SAQ	2	2	14
			Descriptive	5	2	
Unit 2	Law of Insurance	06	SAQ	3	2	06
Unit 3	Vouching	10	SAQ	2	1	10
			SAQ	3	1	
			Descriptive	5	1	
Unit 4	New Branches of Auditing	10	SAQ	2	1	10
			SAQ	3	1	
			Descriptive	5	1	
	Total	40				40

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SEMESTER – IV

SUBJECT: COMMERCIAL LAW AND PRELIMINARIES OF AUDITING (CLPA)

FULL MARKS: 40

CONTACT HOURS: 80 Hours

COURSE CODE: THEORY

PART – A (Commercial Law)

UNIT No.	TOPICS	CONTACT HOURS	MARKS
Unit – 1 NEGOTIABLE INSTRUMENTS	a) Introduction: Concept of Negotiable Instruments – Essential features of Negotiable Instruments – Types of Negotiable Instruments – Promissory Note: Definition and Essential elements – Bill of Exchange: Definition; Essential elements and Types – Cheque: Definition; Features and Types – Difference between Promissory Note and Bill of Exchange – Difference between Bill of Exchange and Cheque – Meaning of Holder and Holder in Due Course – Rights of a Holder in Due Course b) Acceptance, Negotiation, Endorsement: Meaning of Acceptance; Types; When acceptance is not necessary; Time and Place of presentment for Acceptance – Meaning of Negotiation; Negotiation by Delivery; Negotiation by Endorsement; Who can negotiate – Meaning and Definition of Endorsement; Effects; Types; Rules regarding Endorsement	28 Hours	14
Unit – 2 LAW OF INSURANCE	a) Introduction: Advantages and the Object of Insurance – Contract of Insurance: Essential Elements – Types of Insurance – Meaning of the terms: Insurer; Insured; Insurance Policy; Risk; Premium; Cover Note – Duties and Rights of Policy Holders – Double Insurance and Reinsurance – Distinction between Double Insurance and Reinsurance b) Life Insurance: Definition; Features; Types – Meaning of Surrender Value; Nomination – Difference between Life Insurance and General Insurance – Effect of Suicide c) General Insurance: Marine Insurance – Definition; Features; Types – Fire Insurance – Definition; Features; Types	12 Hours	6
	TOTAL (A)	40 Hours	20

PART – B (Preliminaries of Auditing)

UNIT No.	TOPICS	CONTACT HOURS	MARKS
Unit – 3 VOUCHING	Vouching: Definition; Features; Objectives; Importance; Factors to be considered in Vouching – Voucher: Definition; Classification; Features – Comparison between Routine Checking and Vouching – Vouching of Specific Transactions: Cash Purchases; Cash Sales; Cash Payments; Cash Collections; Loans taken from outsiders	20 Hours	10
Unit – 4 NEW BRANCHES OF AUDITING	a) Cost Audit: Definition – Objectives – Advantages – Limitations b) Management Audit: Definition – Objectives – Advantages – Limitations c) Performance Audit: Definition – Objectives – Advantages – Limitations d) Social Audit: Definition – Objectives – Advantages – Limitations e) Tax Audit: Definition – Objectives – Who are mandatorily subject to Tax Audit? (Section 44AB of IT Act, in accordance with the latest govt. regulations)	20 Hours	10
	TOTAL (B)	40 Hours	20
	GRAND TOTAL (A+B)	80	40

CLASS - XII

PROJECT WORK FULL MARKS – 20

Sub Topic:

1	Imagine you and two friends are forming a partnership firm. Draw up a Partnership Deed clearly specifying the relevant matters to be included therein.
2	Visit the registered office of a company, and inspect the Articles of Association of the company. Prepare a report on the provisions regarding Accounts of the company as mentioned in the Articles.
3	With the help of your teacher, draw up a bill of exchange/ promissory note, and write up a report on the salient features of the same, and its significance in business.
4	Imagine you have asked to audit a small company. Prepare a report on the steps you would follow before you conduct the audit procedure.
5	Visit a trader and examine the process of vouching of cash sales, and prepare a report on the same.

General Guidelines:

Students are supposed to select any one of the topics given, and are required to make only ONE project from the selected topic (carrying 20 marks).

The following steps might be followed:

1. Students must take any ONE topic during the academic session of Class XII, from the topics given.
2. The topic should be assigned after discussion with the students in the class and should then be discussed at every stage of the project work.
3. The teacher should play the role of a facilitator and should closely supervise the process of project completion. The teachers must ensure that the project work assigned to the students whether individually or in group are discussed at different stages right from assignment to drafts review and finalization.
Students should be facilitated in terms of providing relevant materials or suggesting websites, or obtaining required permissions from business houses, malls etc. for their project.
4. The periods assigned to the Project Work should be suitably spaced throughout the academic session. The teachers MUST ensure that the student actually, goes through the rigors and enjoys the process of doing the project rather than depending on any readymade material available outside.
5. At the end of the stipulated term, each student will prepare and submit their project report in the prescribed format, to be evaluated, signed and preserved by the teacher, for final submission to the WBCHSE.