

National Cooperative Bank Limited

Position: Internal Audit Coordinator

Vacancy Number: 04/2080/81

Course Outlines- Written Examination

Multiple Choice Questions 2*50 = 100

Section	Weightage (%)
1. Accounting, Auditing and Taxation	40
2. Banking and Cooperative Management	25
3. Acts, Laws, Regulations, Regulatory Directives Related with BFI's and Cooperative Sector	25
4. Quantitative Reasoning, Analytical Reasoning, IT Skill/Knowledge	10

Note: 20% Negative marks shall be deducted for each wrong answer.

Explanation:

1. Accounting, Auditing and Taxation

1.1. Accounting

1.1.1. Basic Concepts of Accounting, Vouching & Verification, Journal entry, Ledger Posting, Trial Balance & Analysis of Financial Statements, Fundamental Accounting Concepts/Policies.

1.1.2. Relevant Nepal Financial Reporting Standards (NFRS)

1.1.2.1. NFRS 5- Non-Current Assets Held for Sale & Discontinued Operation

1.1.2.2. NFRS 7- Financial Instrument Disclosure

1.1.2.3. NAS 8- Accounting Policies, Changes in Accounting Estimates & Error

1.1.2.4. NFRS 9- Financial Instruments

1.1.2.5. NAS 12- Income Taxes

1.1.2.6. NFRS 13- Fair Value Measurement

1.1.2.7. NAS 16- Property, Plant & Equipment

1.1.2.8. NAS 20- Accounting for Government Grants & Disclosure of Government Assistance

1.1.2.9. NAS 32- Financial Instruments: Presentation

1.1.2.10. NAS 37- Provisions, Contingent Liabilities and Contingent Assets

1.1.2.11. NAS 39- Financial Instruments: Recognition and Measurement

1.1.3. Remaining NFRS/NAS including frameworks along with corresponding IAS/IFRS.

1.2. Auditing

1.2.1. Relevant NSA

1.2.1.1. NSA 240- The Auditor's Responsibility to Consider Fraud and Error in an Audit of Financial Statements

1.2.1.2. NSA 315- Understanding the entity and its Environment and Assessing the Risks or Material Misstatement

1.2.1.3. NSA 320- Audit Materiality

1.2.1.4. NSA 330- The Auditor's Procedures in Response to Assessed Risks

1.2.1.5. NSA 505- External confirmation

1.2.1.6. NSA 520- Analytical procedures

1.2.1.7. NSA 530- Audit Sampling and other Selective Testing Procedures

1.2.1.8. NSA 620- Using the work of an Expert.

1.2.1.9. NSA 701- Modifications to the Independent Auditor's Report

1.2.2. The remaining NSA required to be compiled by a professional accountant while Auditing any Entity.

1.2.3. Knowledge of Internal Audit, Operational Audit, Revenue Audit, Due Diligence, Investigation & Forensic Audit.

1.2.4. Guidance Notes, Practice Statement, Handbook of the Code of Ethics for Professional Accountants issued by ICAN.

1.2.5. Case Study on Accounting and Auditing

A factual description of problems related to accounting and auditing will be given, candidates are required to prescribe the solution to the problem given, based on prevailing standards and practices.

1.3. Taxation

VAT Act 2052 (with Amendments by Finance Act 2080), Income Tax Act 2058 (with Amendments by Finance Act 2080), TDS rate under section 87 to 89 and provisions regarding advance tax under section 95(a), Income tax rate for Natural person & various entity with exemption under section 11.

2. Banking and Cooperative Management

2.1. Banking

Banking Concept, Banking Development in Nepal, Recent Status & Challenges, Deposit and Mobilization Procedure, Credit Creation, Funded & Non-funded Facilities, General Principles from Lending, Credit Utilization to Recovery, CAMELS Indicators, Banking Risk, Determination of Interest Rates, Basel Core Principles, Capital Adequacy Framework, Prudent Banking Practices.

2.1.1. Fiscal Policy, Monetary Policy, Cooperative Policy, Current Micro & Macro Economy, Trade Policy with Major Indicators/Results.

2.1.2. Financial Stability: Financial Sector Development Strategy (FSDS), Fourth Strategic Plan of NRB, Corporate Governance in Financial Sector

2.1.3. Risk Management: Types of risk (Strategic, Operational, Credit, Market, Information etc.) Identification & Sources, Evaluation, and Measurement of risk (VAR, Stress testing, Scenario Analysis, Country and Sovereign Risk Models and Management)

2.1.4. Core Concepts of Capital Market, Money Market and Mutual Funds Relationship with Banking Industry

2.1.5. Various Compliance Requirements of Banks (NRB, FIU, Department of Cooperative, Public at large etc.)

2.1.6. Portfolio Analysis and Measurement: Quantitative Concepts, Portfolio Analysis, Performance Measurement, Efficient Market Hypotheses, Portfolio Management Process, use of Derivative Securities, Ethical and Legal Consideration and Professional Standards.

2.1.7. Critical Analysis and Problem Solving:

2.1.8. Factual description of a problem related to banking and financial management will be given, candidates are required to analyze, synthesize, and evaluate the problem and prescribe the solution based on prevailing standards and practices.

2.2. Cooperative

Cooperative History & Development of Cooperatives in Nepal, Values, Principles, Types, Functions, Recent Status and Challenges, PEARLS, CAMEL Indicators.

2.3. Management

Principles of Management & Functions, Planning, Decision Making, Motivation & Leadership, Corporate Governance, Corporate Social Responsibility, Office Management, Human Resource Management, Performance Appraisal & Reward System, Communication, Business Environment Analysis.

3. Acts, Laws, Regulations, Regulatory Directives Related with BFI's and Cooperative Sector.

3.1. Banking Acts

- 3.1.1. Nepal Rastra Bank Act, 2058
- 3.1.2. Bank and Financial Institutions Act, 2073
- 3.1.3. Cooperative Act, 2074
- 3.1.4. Banking offence and Punishment Act, 2064
- 3.1.5. Anti Money Laundering Act, 2064

3.2. Bylaws and Directives

- 3.2.1. Cooperative Regulation, 2075
- 3.2.2. Directives/Manuals/Notice/Circulars issued by Nepal Rastra Bank for "A, B, C, D" class institutions along with Remittance & Money Transfer Entities.
- 3.2.3. Directives issued by the Department of Cooperative

3.3. Other Laws

- 3.3.1. Negotiable instrument Act, 2034
- 3.3.2. Labor Act, 2074
- 3.3.3. Audit Act, 2075
- 3.3.4. Consumer protection Act, 2075
- 3.3.5. Contributory Social Security Act, 2074
- 3.3.6. Environment Protection Act, 2076
- 3.3.7. Right to Information Act, 2064
- 3.3.8. Public Procurement Act, 2063
- 3.3.9. Evidence Act, 2031
- 3.3.10. Right to Employment Act, 2075
- 3.3.11. Sexual Harassment at Workplace (Prevention) Act, 2071

4. Quantitative Reasoning, Analytical Reasoning, IT Skill/Knowledge:
 - 4.1. Unitary Method, Percentage, Ratio and Proportion, Average, Profit & Loss, Fraction & Decimals, Measure of Central Tendency, Measure of Dispersion, Logical Reasoning, and Verbal Ability.
 - 4.2. General understanding about the Information and Communication Technology, Computer Operating System, Office Package, Internet, Intranet, Email, Website, Cyber Security, IT Abbreviation, IT Guidelines issued by NRB.