Skillshort

Self-Study Preparation Pack

CMA INTERMEDIATE

Paper 10: Corporate Accounting and Auditing (CAA)

Important Topics, Weightage & Question Frequency

For the December 2026 term · Based on ICMAI study weightage and the four latest papers (Dec 2024, June 2025, Dec 2025, June 2026)

ICMAI weightage | Frequency in 4 papers | Priority list | MCQ favourites

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This subject pack has 6 parts

1 Chapter-wise notes

2 Important topics & weightage

3 Past papers: trends & links

4 Mock tests + solutions

5 Chapter practice questions

6 Last-week plan & strategy

Prepared by Skillshort for self-study. Original explanations and questions; not an official ICAI/ICMAI/ICSI publication. Items marked VERIFY should be checked against the latest official material.

1. ICMAI study weightage

Section	Module	Weight
A – Corporate Accounting (50%)	1 Accounting for shares and other capital transactions (incl. buy-back, redemption, underwriting)	10%
	2 Presentation of financial statements (Schedule III)	10%
	3 Cash flow statement	10%
	4 Accounts of banking, electricity and insurance companies	10%
	5 Indian Accounting Standards (framework, Ind AS 1, 2, 10, 19, 33, 37)	10%
B – Auditing (50%)	6 Basics of audit (concepts, SAs, internal control, evidence)	10%
	7 Company audit under the Companies Act, 2013 (appointment, rights, reports, CARO, cost and secretarial audit, NFRA)	**30%**
	8 Audit of different entities	10%

How the paper actually distributes marks (four latest papers): **Q1** – 15 MCQs, about 8 accounting and 7 auditing; **Q2** – shares (issue, forfeiture, buy-back, redemption, underwriting); **Q3** – **Schedule III statements from a trial balance** (14 marks, every paper); **Q4** – bank + insurance or electricity; **Q5** – Ind AS numericals + cash flow; **Q6–Q8** – auditing theory, two 7-mark parts each.

2. Frequency map – descriptive questions (Q2–Q8)

Q	Dec 2024	June 2025	Dec 2025	June 2026
Q2	Issue and **forfeiture**; redemption of convertible debentures	**Buy-back** financed by a preference issue; balances-based question	**Buy-back** (maximum shares); **redemption of preference shares**	**Forfeiture and re-issue**; **underwriting**
Q3	**Schedule III** from trial balance	**Schedule III** from trial balance	**Schedule III** from trial balance	**Schedule III** from trial balance
Q4	Bank – interest on loans; **life assurance fund**	Bank – credit lines and **NPA**; **life assurance fund**	**Bank advances**; **electricity** (power supply company)	Bank – **rebate on bills discounted**; **life assurance fund**
Q5	**Ind AS 19** bonus (450 employees, 8% turnover); **cash from operations**	**EPS** with convertible debentures; **cash flow** from ratios	**EPS** with rights issue; **Ind AS 2** inventory cost	**Ind AS 19** types of benefits; income statement → **cash flow**
Q6	**Internal check**; Companies Act and SEBI provisions	**Tax audit** (s.44AB); **cost audit** (CRA-3)	**Internal control** elements; **secretarial audit**	**Risk-based internal audit**; **secretarial audit** applicability
Q7	**Audit report vs certificate**; role of **NFRA**	**CARO 2020**; **NFRA** constitution	Audit of **employee benefits**; **NFRA**	Characteristics of an **audit report**; **NFRA**
Q8	**Co-operative society** audit; **first auditor** appointment	**Educational institution** audit; **rights of the auditor**	**Municipalities and panchayats**; **removal of the auditor**	**Nursing home** audit; **audit committee** formation

TREND What this tells you

- **Q3 Schedule III is a sure 14 marks** – practise two full trial-balance questions (Mock 1 and Mock 2 Q3).
- **NFRA came in Q7 in all four papers** – memorise constitution, functions, powers and penalties.
- **Life assurance fund / valuation surplus** came three times in Q4; NPA provisioning and rebate on bills fill the bank half.
- **Secretarial audit** (s.204) came twice in a row; the appointment, removal and rights of the auditor rotate in Q8(b).
- Q8(a) always asks about one **special entity** – co-operative, educational institution, local body, nursing home; hotels and hospitals are due.

3. Priority list

Priority	Topics	Why
★★★ Must do	Schedule III statements and notes; forfeiture and re-issue; buy-back tests and entries; redemption of preference shares (CRR); underwriting; NPA provisioning; rebate on bills; life fund and valuation surplus; EPS (basic, diluted, rights, bonus); Ind AS 19 categories; cash flow (indirect); NFRA; secretarial audit; appointment, removal and rights of the auditor; audit report vs certificate	Every or nearly every paper
★★ Important	Ind AS 2 cost; Ind AS 10 events; Ind AS 37 provisions; electricity accounts (replacement); internal check and internal control; CARO 2020; cost audit and CRA forms; audit committee s.177; audit of co-operatives, educational institutions, local bodies, hospitals	One or two papers
★ Do once	ESOP and sweat equity; bonus issue; own debentures; general insurance premium reserve; Ind AS 1 presentation; SA 200–700 basics; materiality and audit risk; tax audit (s.44AB); audit of hotels, LLPs, partnership firms, charities	MCQ material and future questions

4. MCQ favourites (Q1)

Area	Typical MCQ
Shares	Buy-back limit and sources; authorised capital; issue at par; securities premium uses (s.52); partly paid preference shares cannot be redeemed; underwriting commission 5%
Schedule III	Current-liability criteria; classes of contingent liabilities; CWIP head; term-loan period; trade receivables disclosure
Cash flow and Ind AS	Starting point of the indirect method; interest received by a finance company; Ind AS 19 has four categories; diluted EPS; exclusions from inventory cost; Ind AS 10 non-adjusting events; scope of Ind AS 1 and 37
Special companies	Statements of a general insurer; principles of insurance; subsidiary registers of a bank; NPA rates (doubtful 1–3 years 40%); electricity depreciation rates notified by the commission
Auditing	SA 600; SQC 1 retention (7 years); SA 230 documentation; SA 700; permanent audit file; test checking; assertions; flow charts; IFC benefits; control risk; audit sampling benefits
Company audit	CRA-1/CRA-3/CRA-4; NFRA constitution; secretarial audit s.204; s.139 reappointment; s.140(5) removal by Tribunal; audit certificate contents
Entities	Tiers of rural self-government; co-operative society provisions (profit contribution, bad-debt write-off)