

# General FAQs

## 1. What is the job of Cost accountant ?

It is one of the most essential management services. It is a fairly new branch, a profession ushered in during the last century. With increase in competition and consequent economic pressures, cost and management accountancy has been finely interwoven into the main fabric of management. Collection, assimilation, collation and analysis of financial information from all areas of an organisation are the functions of a cost accountant. There is no denying the fact that an organisations success or failure is dependent on the quality of information made available to the management. This is where a cost accountants productivity is of vital importance to the company. It is his primary job to ensure that managerial decisions are well within the cost prescriptions. The cost accountant is expected to give a prognosis for projects to be undertaken based on past and present financial performances. In order to do this a cost accountant needs to take into account factors like cost of raw materials, labour, transport, overheads and the like. Knowledge of these costs will help the cost accountant prepare budgets for the operation that is planned. In a word the Cost Accountant can facilitate strategic decisions in respect of diverse economic activities of an organization where he/she is employed as an employee or deployed as consultant.

## 2. What is the nature of job of a cost accountant ?

A cost accountant specialises in navigating managerial decisions, stabilising budgets and standards, assessing operational efficiency and the effectiveness of production and service management, identifying accountability for profit variance and so on. His responsibilities include: designing and implementing effective management information and control systems, planning costing systems and methods, inventory control incorporating mathematical models, investment analysis, project management, internal audit, cost audit, diagnosis in the case of sick industries, fund management, pricing planning, interpreting information and data related to business activities and translating them in such a way as to guide the core management into taking the right decisions. Criteria The academic requirement is to pass the examination conducted by the Institute of Cost and Works Accountants of India (ICWAI).

## 3. Why you should study Cost Accountancy?

The core areas of three professional courses are different. The core area chartered accountancy is mainly to ensure compliance with the financial discipline and audit requirement etc. Similarly, the core area of MBA (Finance) is to know the art of regulating finance. You might be knowing that in an enterprise, there are three activities namely operations, marketing and finance. These three activities are co-related and it is always required to take strategic management decisions in respect of these three activities. Operation management, Marketing management and Financial management are the planks on which the edifice of strategic management rests. The curriculum of

cost and management accountancy has been designed to equip its students with the modern tools of management so that they are in a position to facilitate the strategic management decisions in respect of the diverse economic activities of an organisation where they are employed or deployed as consultant. Moreover, the earlier theory of cost +profit =price is not prevalent today rather the new equation price-cost = profit has emerged. Since price can not be changed in the competitive market, it is the cost which is required to be managed to retain the normal of profit of an organisation. After traversing the path of cost control, cost reduction, we have now entered into the arena of cost mangement. Cost Accountants are the best professional for this job.

#### **4. How are the ICWAI examinations held ?**

The ICWAI examinations are held in three stages Foundation ,Intermediate and Final. A candidate may appear for the Foundation examination after passing the plus two (twelfth standard) examinations and completing coaching either postal or oral.. The students are tested in Organisation and Management Fundamentals, Financial Accounting Fundamentals, Economics and Business Fundamentals and Business Mathematics and Statistics Fundamentals .The Foundation is waived in the case of gazetted officers, post graduates, qualified engineers holding a degree and graduates from other streams . They are generally allowed to register with the institute for the intermediate examination. The institute has made it mandatory for registered candidates to undergo coaching either directly or through correspondence and practical training, before appearing for the examinations.

#### **5. What are the qualities essential for cost accountancy ?**

As for personal traits, the first requirement is that one needs to be a native numerate. Of course, academic abilities too top the list alongside. Other equally important requirements are an ability to communicate (both written and spoken) concisely, a keen business sense and the ability to negotiate. The job calls for a high sense of motivation, concentration and determination. Regional councils and other institutes recognised by the Directorate of Studies of the ICWAI conduct these classes. Examinations are held twice in the year. The Cost and Work Accountancy course may be completed over a period of three years.

#### **6. What does the future hold?**

Once a candidate has passed the examination, there are several options ahead of him. He could either serve in an industry or opt for government service. There is plenty of scope in the banking and insurance sectors. There is always the option of practising as a consultant. A third option is to impart teaching at institutes or at universities. Higher academic pursuit for a doctorate is also possible. The ICWAI programme has been recognised by Association of Indian Universities for admission to Ph. D courses in commerce and allied subjects. The returns: For a cost accountant, there is no fixed pay scale. It depends entirely on the organisation that he is employed in.

## 7. What is the List of Indian Cost and Works Accountant Institutes ?

Head Office The Institute Of Cost and Works Accounts of India, 12, Sudder Street, Kolkata-700 016 having Website address [www.icwai.org](http://www.icwai.org) Regional offices: Northern India Regional Council of the ICWAI, 3, Institutional Area ,Lodhi Road, New Delhi-110 003. Western India Regional Council of the ICWAI, Rohit Chambers, 4th Floor, Janmabhoomi Marg, Fort, Mumbai-400 001, Southern India Regional Council of the ICWAI, 4, Montieth Lane, Egmore, Chennai-600 008. Eastern India Regional Council of the ICWAI, 84, Harish Mukherjee Road, Kolkata-700 025.

## 8. Equivalence of ICWAI qualification with International academic standard

A7 The minimum requirement of entry in the ICWAI Course is Graduation. A candidate who has passed the final examination of ICWAI and having a Graduation degree can register himself for Ph.D course in Commerce and allied areas. In response to our letter the Association of Indian Universities (AIU){vide their letter no. EV/II{2}/2000/179741 dated November 29, 2000} clarified that recognition awarded by AIU is generally accepted by the Universities in our country. As the Final Examination of the Institute of Cost and Works Accountants of India (ICWAI) has already been recognized by AIU, they do not anticipate any difficulty to be faced by the ICWAI candidates in the matter of acceptance of their qualification as sufficient for registering for Ph D/M Phil. From the above it is quite clear that the Cost Accountancy qualification is not less than Post Graduate qualification. The total period of a person is required to complete Post Graduation in India is 10 + 2 + 3(for Graduation) +2 (for Post Graduation) i.e. 17 years. The person is required to spend 18 years minimum for obtaining the degree of ICWAI. The breakup is given below : 10 + 2 + 3(for Graduation) + 3(for ICWAI qualification) i.e. 18 years in total. Hence, ICWAI course is more than the Post Graduation Course offered by the Universities in India.

### Career Chart for Cost Accountants

Higher Secondary (class 10+2) Passed Candidates  
Then comes the Foundation Examination  
Intermediate Course (18 months minimum)  
[Direct admission for graduates (any discipline)]  
After passing the Intermediate Examination  
Final Course (18 months minimum)  
Final Examination Passed Candidates with 3 years Practical Experience  
Cost Accountants (Members of the Institute)

Those who are known as  
**"Cost Accountants" in India are called "Management Accountants " all over the World**  
**It is our another name**