CMA STUDENTS' FOUNDATION

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E- bulletin

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THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

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Behind every successful business decision, there is always a **CMA**

MESSAGE FROM THE CHAIRMAN

Dear Students,

Greetings,

I hope you have started realising the true meaning of *"An investment in knowledge pays the best interest"* as you have started your journey in this professional course. My request to all of you is that gradually try to realise further that *'Imagination is more important than knowledge' & 'What we learn with pleasure we never forget'*. Hence, apply yourself. Get all the education you can, but then, do something. Don't just stand there and feel that it happens automatically; rather try to make it happen. Try to explore the meaning of education in the correct context and feel really that "*Education is not a problem, education is an opportunity*".

Great academicians are putting down their valuable tips on different subjects and the Directorate of Studies are also trying to energise you in your preparation by the monthly publication of this E-bulletin. I believe that "*Technology will never replace great teachers but technology in the hands of great teachers is transformational*".

Be positive about your target and as the December term of examination is approaching, wishing you all 'Best of luck and effort'. I am faithful about your performances and I believe that you all are equally capable to deliver your best.

Enjoy your reading and appear boldly in your forthcoming examination,

Best wishes to you all,

CMA Manas Kumar Thakur

Chairman,
Training & Education Facilities (T& EF) Committee

Be a CMA, be a Proud Indian

Contents

Behind every successful business decision, there is always a CMA

KNOWLEDGE UPDATE

In this section of e-bulletin we shall have a series of discussion on each of these chapters to provide a meaningful assistance to the students in preparing themselves for the examination at the short end and equip them with sufficient knowledge to deal with real life complications at the long end.
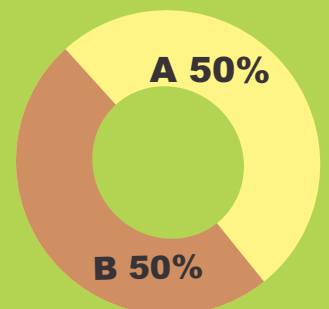
Paper : 1, Part : - I

Fundamentals of Economics & Management (FEM) - Economics

CMA Sucharita Chakraborty
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Your
Preparation
Quick
Takes

Syllabus Structure

A Fundamentals of Economics **50%**
B Fundamentals of Management **50%**

A 50%

B 50%

Learning Objectives:

In this issue of e-bulletin we refine our learning process through few M.C.Qs on Economics.
Try to choose the correct answer from the alternatives provided and thereafter check yourself from Answers given at the end of M.C.Qs.

MCQ (Part II)

In this issue we shall learn some more MCQs before Examination

1. **Total output is maximum when**

    (a)   MP = 0
    (b)   MP is increasing
    (c)   MP is decreasing
    (d)   MP is constant

2. **Law of variable proportion applies ....**

    (a)   When all inputs are variable
    (b)   When all input are fixed
    (c)   Some inputs are fixed and some are variable
    (d)   All the three

3. **Law of returns to scale applies when ....**

    (a)   All inputs cost are variable
    (b)   All input cost are fixed
    (c)   All cost are partly fixed and partly variable
    (d)   None

4. **Implicit cost refers to ....**

    (a)   Value of inputs owned by the firm and used in its own manufacturing process
    (b)   Value of input or services purchased from outside and used in its own manufacturing process
    (c)   Value inputs owned by the firm and sold to others
    (d)   Value of inputs or services for which no payments were made to outside

5. **The positively sloped part of long run cost curve of a firm is due to**

    (a)   Economies of scale
    (b)   Diseconomies of scale
    (c)   Diminishing returns to scale
    (d)   Marginal utility theory

6. **Which of the following statement is true about average cost function**
    (a)   ATC = AFC – AVC

(b)   AVC = AFC + ATC

(c)   AFC = ATC+ AVC

(d)   ATC = AFC + AVC

7. **When a firm enters the law of diminishing returns to scale**

(a)   TVC curve begins to fall at an increasing rate

(b)   TVC curve begins to increase at an increasing rate

(c)   TVC curve begins to fall at an decreasing rate

(d)   TVC curve begins to increase at an decreasing rate

8. **Which of these curve never touch X axis**

(a)   AVC

(b)   AFC

(c)   TC

(d)   MC

9. **Variable cost is also known as**

(a)   Incremental cost

(b)   Marginal cost

(c)   Differential cost

(d)   All the three

10. **Which of the following cannot be U shaped curve**

(a)   AFC curve
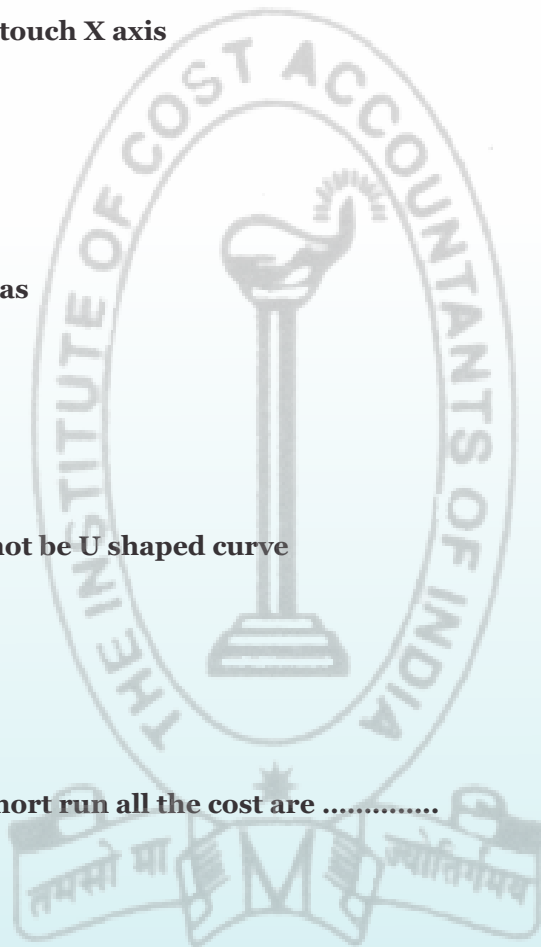
(b)   AC curve

(c)   AVC curve

(d)   AMC curve

11. **In economic theory in the short run all the cost are ....**

(a)   Fixed

(b)   Variable

(c)   Controllable

(d)   Semi variable

12. **Luxury goods have _____ degree of elasticity**

(a)   High

(b)   Low

(c)   Moderate

(d)   Completely inelastic

13. **If the cross price elasticity of demand for two product is negative, then the two products are _____**

(a)   Complementary to each other
(b)   Perfectly substitute for each other
(c)   Completely competitive
(d)   Unrelated

14. Select the odd one

(a)   Consumer taste
(b)   Price of the goods
(c)   Change in population
(d)   Increase in price of product

15. Breakeven point refers to the situation when

(a)   Total fixed cost
(b)   Average fixed cost
(c)   Variable cost
(d)   Average variable cost

16. Which of these is associated with a monopolistic competitive market –

(a)   Product differentiation
(b)   Homogeneous product
(c)   Normal in short run
(d)   Single buyer

17. When the Demand Curve of a pure monopoly firm is elastic, MR will be

(a)   Negative
(b)   Positive
(c)   Zero
(d)   Any of these

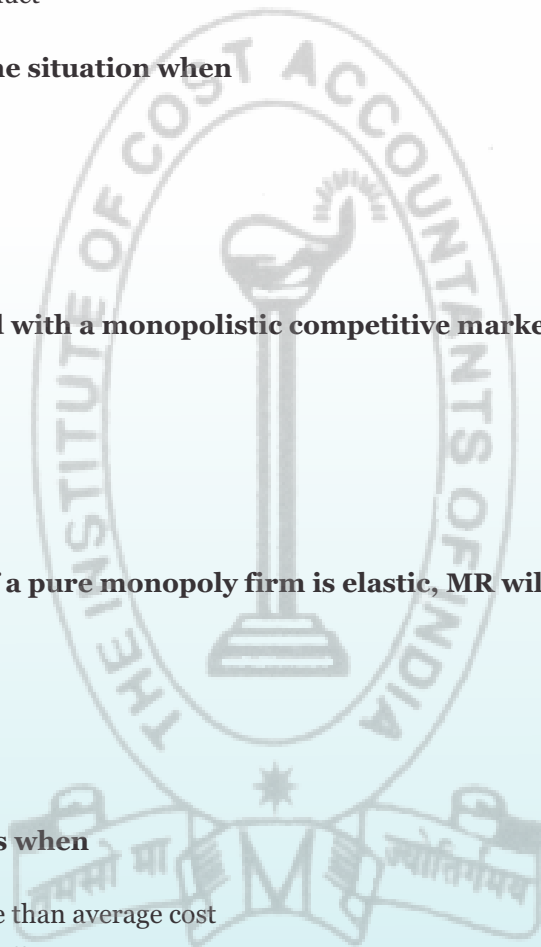**18. Super normal profits occurs when**

(a)   Average revenue is more than average cost
(b)   Total revenue is maximum
(c)   Total cost is minimum
(d)   MC is equal to MR

19. Oligopoly market is known for ....

(a)   Price flexibility
(b)   Price rigidity
(c)   Price discrimination
(d)   All the three

20. Which of the following statement is true

(a)   In perfect competition Average and Marginal revenue are identical
(b)   In perfect competition Average and Marginal cost are identical
(c)   In perfect competition Average price and Marginal cost are identical
(d)   In perfect competition only normal profit can be earned by a firm

21. A monopoly is characterized by

(a)   Limited and exit opportunity
(b)   Single supplier
(c)   Few customers
(d)   All the three

22. Which of the following faces a downward sloping demand curve

(a)   Firm in a competitive market
(b)   Firm in a monopoly market
(c)   Both
(d)   None

23. Total profit of a firm in a perfect competitive market is –

(a)   Total revenue less total cost
(b)   Marginal revenue less marginal cost
(c)   Total revenue less marginal cost
(d)   Total revenue less variable cost

24. Under perfect market conditions an Industry is said to be in equilibrium where

(a)   Total output is equal to total demand
(b)   Profit is the maximum
(c)   Where the total revenue is maximum
(d)   Where total average cost is the minimum

25. If a firm shut down at a level when AVC > Price, the firm restricts its losses to

(a)   Total fixed cost
(b)   Average fixed cost
(c)   Variable cost
(d)   Average variable cost
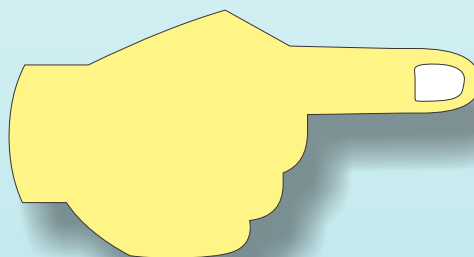
ANSWER 👉 NEXT PAGE

ANSWERS

1.   (a)   MP = 0
2.   (c)   Some inputs are fixed and some are variable
3.   (a)   All inputs cost are variable
4.   (d)   Value of inputs or services for which no payments were made to outside
5.   (b)   Diseconomies of scale
6.   (d)   ATC = AFC + AVC
7.   (a)   TVC curve begins to fall at an increasing rate
8.   (b)   AFC
9.   (d)   All the three
10.   (a)   AFC curve
11.   (a)   Fixed
12.   (a)   High
13.   (a)   Complementary to each other
14.   (d)   Increase in price of product
15.   (a)   Total revenue is equal to total cost
16.   (c)   Normal is short run
17.   (b)   Positive
18.   (a)   Average revenue is more than average cost
19.   (b)   Price rigidity
20.   (a)   In perfect competition Average and Marginal revenue are identical
21.   (a)   Limited entry and exit opportunity
22.   (b)   Firm in a monopoly market
23.   (a)   Total revenue less total cost
24.   (a)   Total output is equal to total demand
25.   (a)   Total fixed cost
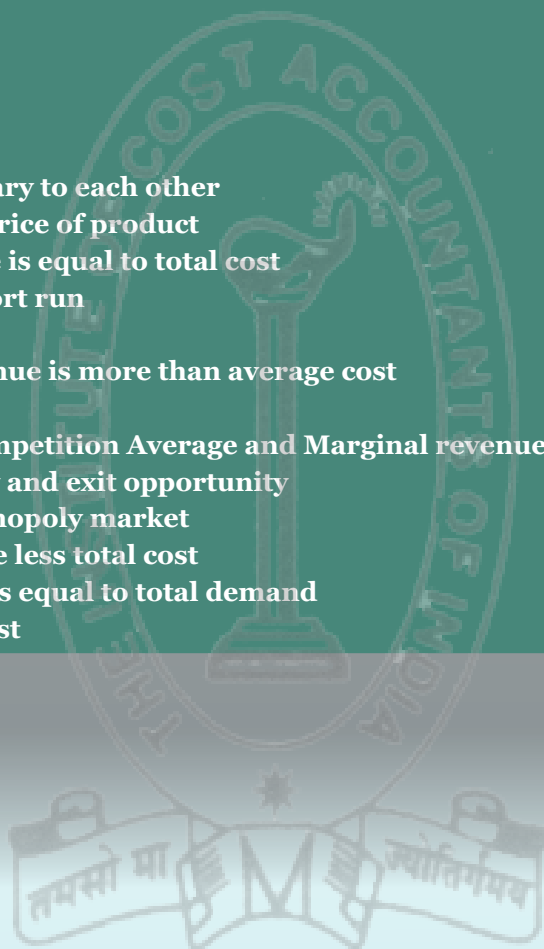
Paper : 1, Part : - II

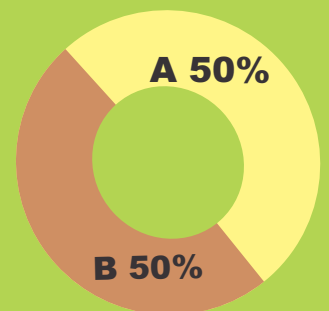# Fundamentals of Economics & Management (FEM) - Management

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Your

Preparation

Quick

Takes

Syllabus Structure

A Fundamentals of Economics **50%**
B Fundamentals of Management **50%**

A 50%

B 50%

Learning Objectives:

Students will demonstrate their knowledge of business and management principles

Students will reveal effective written and oral communication

Students will exhibit an awareness of the global environment in which businesses operate

Students will display the ability to recognize when change is needed, adapt to change as it occurs, and lead change

Decision Making

Managing a decision is an important managerial activity and central point of the managing process. Decisions are made by every manager though its significance and coverage depends on the situation, problem and hierarchy. Thus, decision making i a managerial process involving selection of a particular course of action out of many alternatives for achieving the given objectives or solving a problem.

One of the indispensable components of management of organisations is the decision making. Every manager is in decision-making. All the functions of management involve decision-making and hence it is all-pervasive in nature.

"Decision-making is a process involving information, choice of alternative actions, implementation, and evaluation that is directed to the achievement of certain stated goals".

Thus, a decision is the selection of a course of action from several alternatives and the decision- making is the process of arriving at the final selection.

Types of Decision:

There are several types of decisions like-

(i) **Routine and strategic decisions**- Theses kinds of decisions, require neither collection of new data nor conferring with people. Thus they can be taken without much deliberation. They may be complicated but are always one dimensional. They do not require any special effort by the manager.

(ii) **Programmed and non-programmed decisions-** The programmed decisions are of routine and repetitive natures which are to be dealt with according to specific procedure. But the non-programmed decisions arise because of unstructured problems. There is no standard procedure for handling such problems.

(iii) **Policy and operating decisions**-Policy decisions are of vital importance and are taken by the top management. They affect the entire enterprise. But operating decisions are taken by the lower management in order to put into action the policy decisions.

(iv) **Organisational and personal decisions**-Organisational decisions are those which a manager takes in his official capacity. Such decisionscan be delegated. But, personal decisions, which relate to the manager as an individual and not as a member of the organization, cannot be delegated.

(v) **Individual and group decisions-** When a decision is taken by an individual in the organisation, it is known as individual decision. Groups decisions refer to the decisions which are taken by a group of organisational members, say Board of Directors or Committee.
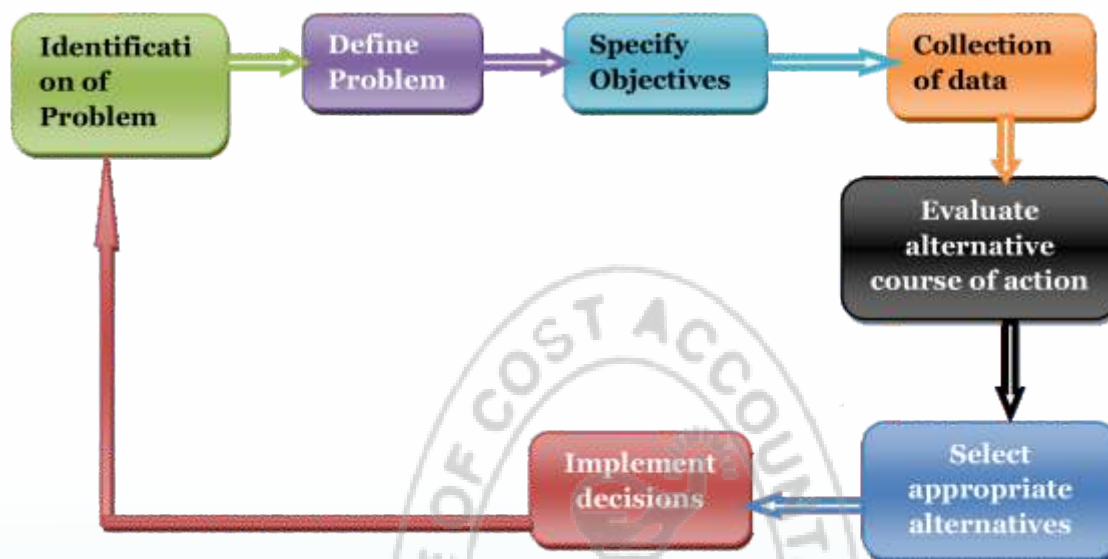
Elements of Decision Making Process:

(i) Identification of problem situation

(ii) Definition of problem situation

(iii) Specification of objectives

(iv) Collection of data

(v) Developing alternative courses of action

(vi) Evaluation of alternative courses of action

(vii)   Selecting appropriate techniques

(viii)   Implementation of decision.

Diagrammatic presentation of the Decision Making Process:

Guidelines for Effective Decision Making:

A decision making process and a decision is effective if it makes significant contribution to the achievement of managerial and organisational objectives at
acceptable levels of costs and unsought consequences.

Within this broad setting, we may identify the principles, guidelines or the ways and means of making the process effective, as follows:

1.   Establishment of multiple decentralised centres of managerial decision making at appropriate organisational levels and delegation of adequate authority along with pinpointing of accountability for making decisions to managers at each centre.

2.   Determination of appropriate decision-making work-load at each centre, so as to minimise the possibility of overloading at any centre.

3.   Co-ordination of various decision making centres through communication and other means so as to ensure consistency and co-operation in making decisions.

4.   Establishment of expert advisory staff units to provide the needed intellectual and professional inputs for decision making.

5.   Formulation and communication of organisational objectives, policies, decision rules and procedures to serve as guidelines to managers in their decision making function.

6.   Design and installation of decision support systems which include information and control systems so as to provide logistic support to managers.
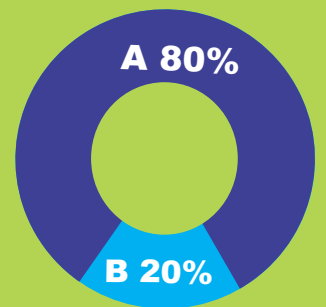
Paper : 2

Fundamentals of Accounting (FOA)

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Your
Preparation
Quick
Takes

Syllabus Structure

A Fundamentals of Financial Accounting **80%**

B Fundamental of Accounting **20%**

A 80%

B 20%

Learning Objectives:

In order to internalize the concepts of subjects like accountancy one has to have an understanding of the learning objectives of the chapters. Try to go through the Statement of Objects and Reasons issued for every topics as it would give you a background to your study.

PREPARATION OF FINAL ACCOUNTS UNDER SINGLE ENTRY SYSTEM
SECTION: A   UNIT: 4 (c)(ii)
Conversion of single entry system into double entry system of accounting

In earlier issue we have discussed the recording system of single entry. In this issue we will discuss how single entry system can be converted into double entry system. In fact under single entry system you must have learnt that we prepare statement of profit and loss and statement of affairs. However, under conversion approach we have to prepare Trading and Profit and loss account and balance sheet. But our job will be more difficult since the entity does not keep all records complete. That is why single entry system of accounting is otherwise known as final accounts from incomplete records. Therefore our job is to find out many missing information to complete the record and prepare final accounts. At the basic level the basic information that remain missing are normally credit sales, credit purchase opening capital and cash or bank balance. As a part of your working you have to open some ledger accounts to find out the missing information. Following table will give a guideline to open such accounts:

1. *Open Debtors Account to ascertain credit sales as a balancing figure*
2. *Open Creditors Account to ascertain credit purchase as a balancing figure*
3. *Prepare opening balance sheet to find opening capital.*
4. *Cash or Bank account to ascertain cash or bank balance.*

Following points may be remembered to complete the process of conversion:

1. *Open the trading, profit and loss account and balance sheet at the same time. Keep putting the information as available to these formats where they should go. The process will be like filling up blank forms.*
2. *Prepare necessary ledger accounts as and when will be needed to find missing information.*
3. *Ensure to give double entry effect of the missing information.*

Go through the following illustration and follow the steps as indicated.

Illustration:

The books of Mr. Z showed the following information:

	JAN 1,2016	DECEMBER 31,2016
	Rs.	Rs.
Bank balance	nil	50000
Debtors	nil	87500
Creditors	nil	46000
Stock	50000	62500
Fixed assets	7500	9000

The following are the details of the bank transactions (figures in Rs.)

Receipts from customers	340000	Expenses paid	49250
Payment to creditors	280000	Drawings	25000
Capital brought in	5000	purchase of fixed assets	5000
Sale of fixed assets	1750		

Other information:
1. Cost of goods sold Rs. 260000; 2. Gross profit @25% on cost of goods sold; 3. Book value of fixed assets sold Rs. 2500.
Prepare trading, profit & loss account for the year ended December,31, 2016.

Solution :
In the above example the missing informations are:
Sales, purchase, opening bank balance, opening balance of debtors, opening balance of creditors and opening capital . To find out we need to open the debtors account, creditors account, bank account and opening balance sheet.
Since sales as well as opening balance of debtors are unknown we need to apply the formula to find out sales as : sales = cost of goods sold + gross profit.
Or, 260000 + 25% of 260000 = 325000.
Again purchase as well as opening balance of creditors are unknown therefore we need to apply the formula as:
Opening stock + purchase –closing stock = cost of goods sold.
Or, 50000 + purchase – 62500 = 260000
Or, purchase = 260000+12500 = 272500.
Now let us open the required accounts

Debtors account

To balance b/d	102500	By bank	340000
To sales	325000	By balance c/d	87500
	427500		427500

Form the above account we get the opening balance of debtors as balancing figure which will be transferred to the opening balance sheet .

Creditors account

To bank	280000	By balance c/d	53500
To balance c/d	46000	By purchase	272500
	326000		326000

Form the above account we get the opening balance of creditors as balancing figure which will be transferred to the opening balance sheet .

Bank account

To balance b/d	62500	By creditors	280000
To debtors	340000	By expenses	49250
To capital	5000	By drawings	25000
To fixed assets	1750	By fixed assets	5000
		By balance c/d	50000
	409250		409250

From the above account we get the opening bank balance which is again transferred to opening balance sheet.

Balance sheet as on 1.1.2016

Capital	169000	Fixed assets	7500
Creditors	53500	stock	50000
		debtors	10250
		bank	62500
	222500		222500

Putting all the balances we get the opening capital as balancing figure.

Fixed assets

To balance b/d	7500	By bank	1750
To bank	5000	By loss on sale(2500-1750)	750
		By depreciation	1000
		(balancing figure)	
		By balance c/d	9000
	12500		12500

Putting all the balances we get the depreciation as balancing figure. In these cases you have to apply common sense to find out the balancing figure. As we have purchase, sale, loss on sale, opening and closing balance the balancing figure must be depreciation.

Trading & Profit & Loss Account for the year ended 31.12.2016

	Rs		Rs
To opening stock	50000	By sales	325000
To purchase	272500	By closing stock	62500
To Gross Profit	65000		
	387500		**387500**
To expenses	49250		65000
To depreciation	1000		
To loss on sale	750		
To net profit	14000		
	65000		**65000**

Balance sheet as on 31.12.2016

| Capital	169000	Fixed assets	9000
Net pfofit	14000	stock	62500
Further capital	5000	debtors	87500
	188000	bank	50000
Less drawings	25000		
	163000		
Creditors	46000		
	209000		**209000**

Paper : 3

Fundamentals of Laws and Ethics (FLE)

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Your

Preparation

Quick

Takes

Syllabus Structure

A Fundamentals of Commercial Laws **70%**
B Fundamentals of Ethics **30%**

B 30%

A 70%
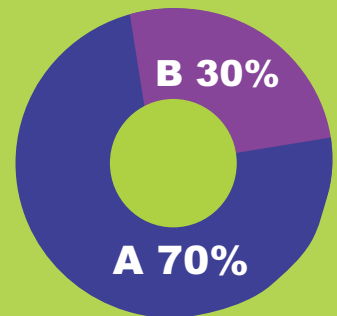
Learning Objectives:
- Read the Study Material minutely.
- For details or if you don't understand Study Material or the section is important to identify the topic, then refer to Bare Act, otherwise reference to Bare Act is not necessary. For Company Law, book by Avtar Singh is recommended. For other laws Institute Study Material is sufficient.
- The words used in any of the texts as mentioned above should be understood by immediate reference to the Dictionary.
- The main points coming out in any of the provisions should be either underlined or written in separate copy which has to be repeated again and again.
- Theoretical knowledge should be adequate and clear before solving practical problems.
- Don't write wrong English. It changes the meaning and therefore answer may be wrong even when the student's conception is clear. Also don't make spelling mistakes.

Ethics and Business

Ethics also known as moral philosophy is a branch of philosophy that involves systematizing, defending and recommending concepts of right and wrong conduct.

Ethics is a branch of philosophy that deals with the principles of conduct of an individual or group. It works as a guiding principle as to decide what is good or bad. They are the standards which govern the life of a person. Ethics is also known as moral philosophy. Some ethical principles are:

Truthfulness

Honesty

Loyalty

Respect

Fairness

Integrity

Morals are the social, cultural and religious beliefs or values of an individual or group which tells us what is right or wrong. They are the rules and standards made by the society or culture which is to be followed by us while deciding what is right. Some moral principles are:

Do not cheat

Be loyal

Be patient

Always tell the truth

Be generous

Ethics fundamentally comprises of two elements:
    a) Firstly, ethics refers to well founded standards of right and wrong that describe what humans ought to do in terms of rights, obligations, benefits to society, etc.
    b) Secondly, ethics refers to the study and development of one's ethical standards.

Generally, ethics and morals are used as synonyms. There is nothing wrong in such a usage, for after all, the meanings of all words depend on their common usage. However, in formal study, we need to understand the meaning of the terms in a qualified way so as to make our subject of study precise and well defined.

Difference between Ethics & Morals:

SL.NO.	Ethics	Morals
1	Root word in Greek is 'ethikos' which means 'Character'.	Root word in Greek is 'mos' which means 'custom'.
2	Deals with right and wrong conduct.	Deals with principles of right and wrong.
3	Deals with individual character.	Deals with customs set by groups.
4	Character is personal attribute.	Customs are determined by groups or Some authority like religion or culture.
5	Ethics is the response of an individual to a specific situation.	Morals are general principles, e.g. "You should speak truth."
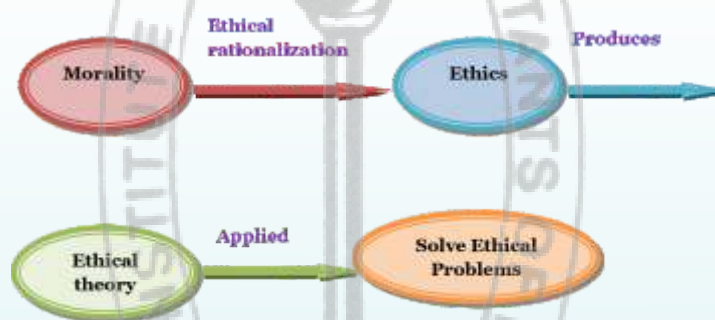
Business Ethics as Professional Code:

Business ethics is not a pure science but a professional practice, and society expects businessmen to abide by the principles of a civil society, just as it expects professionals from other areas such as medicine, bureaucracy, politics and sports to do so. Thus, instead of a value -free business ethics, we have a value loaded or value -based business practice.

The Seven Principles of Public Life:
  I. -Selflessness
  II. -Integrity
  III. -Objectivity
  IV. -Accountability
  V. -Openness
  VI. -Honesty
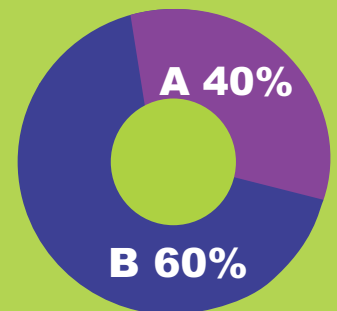 VII. -Leadership.

Paper : 4
Fundamentals of Business Mathematics and Statistics (FBMS)

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Your Preparation Quick Takes

Syllabus Structure

A Fundamentals of Business Mathematics **40%**
B Fundamentals of Business Statistic **60%**

A 40%
B 60%

Learning Objectives:

Statistics is a branch of mathematics dealing with the collection, analysis, interpretation, presentation, and organization of data. Statistics deals with all aspects of data including the planning of data collection in terms of the design of surveys and experiments.

Statistics
Representation of Data

Statistician begins the work with the collection of data. Before the collection of data,every enquiry must have a definite object and certain scope.ie,what information will be collected and for whom it will be collected and so on.

Statistical Data

The main portion of **Statistics** is the display of summarized **data**. **Data** is initially **collected** from a given source, whether they are experiments, surveys, or observation. **Data collection** is the process of **gathering** and measuring information on targeted variables in an established systematic fashion, which then enables one to answer relevant questions and evaluate outcomes.

Statistical Data are of two types

Primary Data- Data which are collected for first time for a specific purpose are known as Primary Data.

Secondary Data-Secondary data is the data that have been already collected by and readily available from other sources. Such data are cheaper and more quickly obtainable than the primary data and also may be available when primary data can not be obtained at all.

For Example- Data relating to National Income collected by Government are primary data. The same data will be Secondary while those will be used by a different concern.

Secondary Data should be used only after careful enquiry and with due scrutiny.

Concept of Population (or Universe) and Sample-

The **population** or **universe** represents the entire group of units which is the focus of the study. Thus, the population could consist of all the persons in the country, or those in a particular geographical location, or a special ethnic or economic group, depending on the purpose and coverage of the study.The "**population**" in statistics includes all members of a defined group that we are studying or collecting

information on for data driven decisions.

If a part is selected out of universe then the selected part is **Sample.**

For Example-The bulbs produced in a factory are to be tested.. The aggregate of all such items is *Universe.* It is not always possible to test every item. So in such case , a part of the whole is taken and then tested. This part is known as *Sample.*

Types of Data

Qualitative Data

A. Nominal, Attribute, or Categorical Data:
   Examples:
   1. Gender (female, male)
   2. Medication (aspirin, Tylenol, Advil, none)
   3. Religion

B. Ordinal or Ranked Data: one value is greater or less than another, but the
   Magnitude of the difference is unknown.
   Examples:
   1. Muscle response (none, partial, complete)
   2. Tree vigor(Sick, healthy)

Quantitative Data

A. Discrete Data- Discrete series is formed from items which are exactly measurable. Every unit of data is separate, complete and not capable of divisions.

For example- Number of children in a family.

B. Continuous Data-Some phenomenon cannot be measured exactly or with absolute accuracy. **Continuous data** is information that can be measured on a continuum or scale. **Continuous data** can have almost any numeric value.

For example- Height, Weight, Blood Pressure.

Classification of Data

The process of arranging data into homogenous group or classes according to some common characteristics present in the data is called classification. Data classification enables the separation and classification of data according to data set

requirements for various business or personal objectives. It is mainly a data management process.

For Example: The process of sorting letters in a post office, the letters are classified according to the cities and further arranged according to streets.

Bases of Classification:

There are four important bases of classification:

(1) Qualitative Base   **(2)** Quantitative Base   **(3)** Geographical Base **(4)** Chronological or Temporal Base

(1) Qualitative Base:
When the data are classified according to some quality or attributes such as sex, religion, literacy, intelligence etc

(2) Quantitative Base:
When the data are classified by quantitative characteristics like heights, weights, ages, income etc.

(3) Geographical Base:
When the data are classified by geographical regions or location, like states, provinces, cities, countriesetc.

(4) Chronological or Temporal Base:
When the data are classified or arranged by their time of occurrence, such as years, months, weeks, days etc.

For Example: Time series data.

Types of Classification:

(1) One -way Classification:
If we classify observed data keeping in view single characteristic, this type of classification is known as one-way classification.

For Example: The population of world may be classified by religion as Muslim, Christians etc

(2) Two -way Classification:
f we consider two characteristics at a time in order to classify the observed data then we are doing two way classifications.

For Example: The population of world may be classified by Religion and Sex.

(3) Multi –way/ manifold Classification:
We may consider more than two characteristics at a time to classify given data or observed data. In this way we deal in multi-way classification.

For Example: The population of world may be classified by Religion, Sex and Literacy.
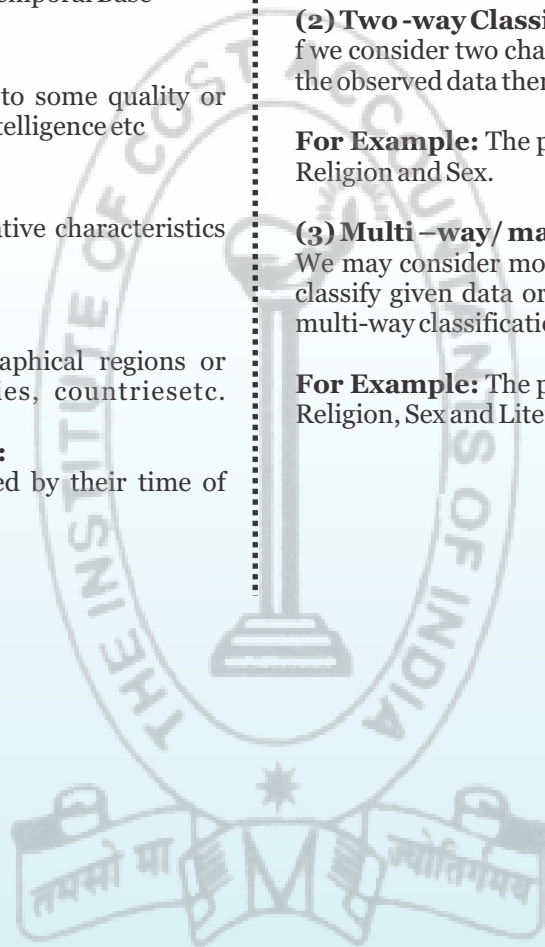
PRACTICAL ADVICE

ABOUT YOUR STUDIES - FOUNDATION COURSE

Practical support, information and advice to help you get the most out of your studies.

Appear For Examination

Solve Exercises given in Study Notes

Assess Yourself

Read The Tips

Read Study Notes & MTPs

Personality Stance

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01.00 Thomas Alva Edison

I am astonished to learn that Thomas Alva Edison had only three months of schooling before he was considered by his teacher, "too stupid to learn", and was sent home. Nancy Edison – Thomas's mother, became very mad and decided to teach Thomas herself. However, she did encourage him to be self-educated. So, he spent most of his time in the library reading books, especially scientific books. His mother later bought him the Dictionary of Science, and he read it all.

Before Thomas Alva Edison was ten, he had already read History of England, Decline and Fall of the Roman Empire, History of the World, Burton's Anatomy Of Melancholy, The Age of Reason and a number of works on Practical Chemistry. Likewise, when he was ten years old he set up his own chemical laboratory in the basement of his house. At the same time, life for Thomas was not an easy one. When he was twelve, he took up a job as a newspaper boy. He sold newspapers, candy, books, fruits, and other snacks to passengers of trains.

At fifteen, Thomas purchased a small printing press located at the train station. His turning point came when he rescued the son of the railway station-master. To show his appreciation to Edison, the station-master taught Edison the art of telegraphy. Eventually, when Edison was seventeen, he became one of the most expert telegraph operators.

Edison continued to spend time and money on self-improvement, and as a result he gained the equivalent of many college degrees, although he had only three months of formal education. Edison realized his weakness and used the brains of others. He had a pool of 61 talented people, consisting of chemists, engineers, model makers, scientists, mathematicians and skilled mechanics. During his lifetime, he patented more than 1,100 inventions.

One of his inventions was the electric light bulbthat changed the world and technology forever. Thomas succeeded in this invention only after failing more than 10,000 times. Thereafter, everyone accepted that Thomas was a wizard, and gave him the name "Wizard of Menlo Park".

02.00 Personality

Personality is the combination of characteristics or qualities that form an individual's distinctive character. Personality reflects 'Wisdom in Reality'. Personality reflectors include multi-dimensional aspectssuch as knowledge, maturity, communication, team play, skill traits and also the looks

02.01 Knowledge

Knowledge refers to the exposition, facts, information, and skills acquired by a person through education and experience. Knowledge includes the theoretical aspects as also the practical understanding of a subject. Knowledge is divine; Knowledge is eternal; and Knowledge reflects the intrinsic strengths of an individual. In relation to any career planning, knowledge may be split into two parts, viz. knowledge relating to the subject proper and knowledge relating to general topics.

> Knowledge is divine; Knowledge is eternal; and Knowledge reflects the intrinsic strengths of an individual.

02.02 Maturity

Maturity is the ability to respond to a situation in an appropriate manner. This response is generally instinctive. Maturity comes out of thoughtful application of knowledge, diligent mental balance, flexible approach towards consideration of issues, contained temperament and reasoned logic. Maturity is the attitude that can be articulated through experience and exposure. A mature person is perceived to possess the ability to keep up long-term commitments in a fair manner.

> Maturity is the ability to respond to a situation in an appropriate manner.

02.03 Communication

Effective communication adds value to personality. Every career crafter should understand and carve out basic communication skills. Your body stance, words, and voice

> Effective communication adds value to personality.

Knowledge + Maturity + Communication + Team Play + Skill Traits + Looks ⇨ Personality

are the primary reflectors of your communication whereas clarity about the contents of the subject matter reveals your thoroughness.

02.04 Team Play

One of the challenges facing the enterprises, all across, is to find team-oriented employees. Team Play inculcates team orientation. Team playrefers to the collective efforts of the team members with mutual support to each other.

A team is defined as group of individuals who are committed to achieving common goals; who meet regularly to identify and solve problems; who work and interact effectively together; and who produce optimal economic and motivational results. Impact of team play is visible when a group of players with mediocre talent outperforms a team of superstars. The factors of team play include leadership, adaptability and team spirit.

> **Team play refers to the collective efforts of the team members with mutual support to each other.**

02.05 Skill Traits

Skill Traits, in our analysis, refer to language proficiency and any special skills that you may possess over your peers. Proficient language propels oratory skills leading to an edge in your convincing power. Special skills such as knowing an additional alien language, related vocational skills, etc. provide you an added advantage on your competitors.

> **Skill Traits refer to language proficiency and any special skills that you may possess over your peers.**

02.06 Looks

Recall the age old saying 'First impression is the best impression'. It is your looks that give out the first impression about you. Looks refers to your external appearance. It is a mixture of your attire, expressions and confidence.

> **Looks refers to your external appearance.**

Attire is the dress code and refers to the clothing that you wear. Attire is to differ from occasion to occasion and from place to place. Depending on the occasion and place, the dress codes range from traditional and formal to smart casual, business casual, and casual. Expression is the manner or form in which a thing is expressed. Expressions include words and phrases as also the gestures and postures. Expressions are a part of nonverbal communication skills. Confidence is the feeling of self-assurance arising from one's appreciation about one's own capabilities. Confident people end to inspire confidence in their audience, their peers, their bosses, their customers, and their friends. And gaining the confidence of others is one of the important means in which a self-confident person carves out success.

03.00 Evaluation of Personality

Now is the stage to have a comprehensive self-evaluation of your personality. Mirror out your own evaluation in terms of a true assessment of your overall personality. Allot marks for each of the attributes and draw your score in comparison to the bench mark. Analyze your current situation. Before you can even do any planning, clearly and realistically identify your starting point.

The desirable assignment, to your personality stance, in a total score of 200is 50 marks for knowledge, comprising 30 for the subject and 20 for the general; 25 for maturity at the rate of 5 being awarded to each of the constituents i.e. thoughtfulness, mental balance, flexibility, temperament and logic; 25 for communication consisting of 6 for body stance, 6 for words, 6 for voice and 7 for contents; 25 for team play by earmarking 13 for leadership and 6 each for adaptability and team spirit; 25 for skill traits comprising 12 marks for language proficiency and 13 marks for social skills; and 25 marks for looks comprising 9 for attire, 8 for expressions and 8 for confidence.

Appended hereto is a Model Personality Evaluator that charts out the details of Mr. Anan, an illustrative character of Cost Manger.

04.00 Quick Take

Recall the fact that Thomas Alva Edison is the 'Visionary' who had beenwritten-off as 'Stupid' by his school teacher. Education alone will not make you successful, although it helps lot. Edison was successful because he was creative and had carved out a strong inventive personality. Gear yourself to Get Set GO. Thomas Alva Edison is staring at you. Here is Wishing you all the very Best!

Model Personality Evaluator

Serial	Item		Max. Score	Assessed Score	Remarks
1	**Knowledge**				Good
	a	Subject Knowledge	30	25	Good
	b	General Knowledge	20	16	
	c	Sub Total	50	41	Good
2	**Maturity**				
	a	Thoughtfulness	5	4	Good
	b	Mental Balance	5	4	Good
	c	Flexibility	5	3	Average
	d	Temperament	5	3	Average
	e	Logic	5	4	Good
	f	Sub Total	25	18	Fair
3	**Communication**				
	a	Body Stance	13	11	Good
	b	Words	12	10	Good
	c	Voice	12	10	Good
	d	Clarity	13	11	Good
	e	Sub Total	50	41	Good
4	**Team Play**				
	a	Leadership	13	9	Fair
	b	Adaptability	6	5	Good
	c	Team Spirit	6	5	Good
	d	Sub Total	25	19	Fair

5		Skill Traits			
	a	Language Proficiency	12	10	Good
	b	Special Skills	13	11	Good
	c	Sub Total	25	21	Good

6		Looks			
	a	Attire	9	7	Fair
	b	Expressions	8	6	Fair
	c	Confidence	8	6	Fair
	d	Sub Total	25	19	Fair

7	Total		200	160	Good

Rating criteria: 95% and above = Excellent; 90% to 94% = Very Good; 80% to 89% = Good; 65% to 79% = Fair: 50% to 64% = Average

Submission

Dear Students,

We are very much delighted to receive responses from all of you; for whom our effort is!
We have noted your queries and your requests will definitely be carried out. Further, requesting you to go through the current edition of the bulletin. All the areas will be covered gradually. Expecting your responses further to serve you better as we believe that there is no end of excellence! One of the mails received is acknowledged below.

I am CMA Vijay Pal Singh and I am a regular reader of e-bulletin which is being published every month and uploaded in our Institutes website for students. During my studies I always studied and referred Students Newsletter that helped me a lot to update my self and keep on doing value addition.

CMA Vijay Pal Singh
vijay007pal@gmail.com

Updation of E-Mail Address/Mobile:
Students are advised to update their E-Mail id and Mobile Numbers timely so that important communications are not missed as the same are sent through bulk mail/SMS nowadays. Student may update their E-Mail id/ Mobile Number instantly after logging into their account at www.icmai.in at request option.

Please put your opinions so that we can make your e-bulletin everything that you want it to be.

Send your Feedback to:
e-mail: studies.ebulletin@icmai.in
website: http://www.icmai.in

Examination
TIME TABLE

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA
(Statutory body under an Act of Parliament)

Day & Date	Foundation Course Examination Syllabus-2012 Time 2.00 p.m. to 5.00 p.m.	Foundation Course Examination Syllabus-2016 Time 2.00 p.m. to 5.00 p.m.
10th Dec, 2017 Sunday	Fundamentals of Economics & Management (FEM)	Fundamentals of Economics & Management (FEM)
11th Dec, 2017 Monday	Fundamentals of Accounting (FOA)	Fundamentals of Accounting (FOA)
12th Dec, 2017 Tuesday	Fundamentals of Laws & Ethics (FLE)	Fundamentals of Law & Ethics (FLE)
13th Dec, 2017 Wednesday	Fundamentals of Business Mathematics & Statistics (FBMS)	Fundamentals of Business Mathematics & Statistics (FBMS)

Behind every successful business decision, there is always a **CMA**

Message from the Directorate of Studies

Dear Students,

Your December term of examination is almost "knocking the door". Those who will be appearing in your forthcoming term of examination, we are sure, they are almost prepare to face the challenges of this professional course and busy in their last time preparation!

"Tips" are given is this E-bulletin by the knowledge experts, for the smooth encouragement in your preparation. We are sure that all aspirants will definitely be benefitted by those tips and that will help them to brush up their knowledge and also to swim across.

Take the examination seriously but don't be panicky. Please try to follow the general guidelines, mentioned below; which may help you to get success in your examination.

Essentials for Preparation:

- ❖ Conceptual Understanding & Overall Understanding of the subject both should be clear
- ❖ Candidates are advised to go through the study material provided by the institute in an analytical manner.
- ❖ Student should improve basic understanding of the subject with focus on core concepts,
- ❖ The candidates are expected to give to the point answer, which is a basic pre-requisite for any professional examination,
- ❖ To strengthen the answers candidates are advised to give answers precisely and in a structured manner,
- ❖ In-depth knowledge about specific terms required. Write question numbers correctly and prominently.
- ❖ Proper time management is also important while answering.

Be Prepared and Get Success;

GOODBYE AND GOOD LUCK TO ALL OF YOU!

PHOTO GALLERY

Glimpses of CFO & HR Discussion Meet - Skill Development & Employability-Agenda for Economic Development organized by the Institute at Bhubaneswar on 22.10.2017.

Glimpses of CFO & HR Discussion Meet - Skill Development & Employability-Agenda for Economic Development organized by the Institute at Bhubaneswar on 22.10.2017.

PHOTO GALLERY

Tashia Batstone, CPA Canada Senior Vice-President, External Relations and Business Development being welcomed by CMA Sanjay Gupta, President of the Institute.

CMA Sanjay Gupta, President, CMA Amit A. Apte, CCM and CMA P . Raju Iyer, CCM met Dr. Viral V. Acharya, Dy Governor, Reserve Bank of India regarding matters of the profession

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THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

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Behind every successful business decision, there is always a CMA