



CMA Students Newsletter

Vol.5: July 15, 2013

As we TAKE OFF..... 2 B a Successful CMA

A quote on Success:

"Take up one idea, make that one idea your life - think of it, dream of it, live on that idea. Let the brain muscles, nerves, every part of your body be full of that idea, and just leave every other idea alone. This is the way to success"

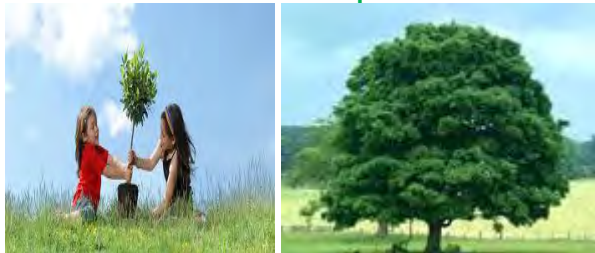
-Swami Vivekananda



Dear Friends,

In our last edition, we have discussed on "Getting Ready for December 2013_Syllabus 2012". From this e-script and onwards, it would be an endeavor to craft an in depth study on issues in various subjects. We trust that you would incalculably augment your knowledge even through a quiet and honest reading of these issues. These would rather facilitate yours' getting equipped to meet the challenges at ease.

ENSURING A STRONG FOUNDATION through Leadership Skills



In this script, we would rather emphasize on **LEADERSHIP skill sets**. There are certain questions which may be raised for your comments:

- (1) What separates dreamers different from Entrepreneurs/Leaders?
- (2) Do we make leaders in B-Schools or they are born as leaders?

It is a well known fact of life that a LEADER stands TALL amongst ALL - especially for the following attributes:

(i) Honesty



- Whatever ethical plane you hold yourself to, when you are responsible for a team of people, it is important to raise the bar even higher. Your business and its employees are a reflection of

yourself, and if you make honest and ethical behavior a key value, your team will follow suit.

(ii) Ability to Delegate -

Finessing your brand vision is essential to creating an organized and efficient business, but if you don't learn to trust your team with that vision, you might not progress to the next stage.



- It is important to remember that trusting your team with your idea is a sign of strength, not weakness. Delegating tasks to the appropriate departments is one of the most important skills you can develop as your business grows. The emails and tasks will begin to pile up, and the more you stretch yourself thin, the lower the quality of your work will become, and the less you will produce.

The key to delegation is identifying the strengths of your team, and capitalizing on them. Find out what each team member enjoys doing most. Chances are if they find that task more enjoyable, they will likely put more thought and effort behind it. This will not only prove to your team that you trust and believe in them, but will also free up your time to focus on the higher level tasks, that should not be delegated. It's a fine balance, but one that will have a huge impact on the productivity of your business.

(iii) Communication



TRY TO BE AKIN - TO THE PIED PIPER OF HAMELIN

Knowing what you want accomplished may seem clear in your head, but if you try to explain it to someone else and are met with a blank expression, you know there is a problem. If this has been your experience, then you may want to focus on honing your communication skills. Being able to clearly and succinctly describe what you want to be done is extremely important. If you can't relate your vision to your team, you won't all be working towards the same goal.

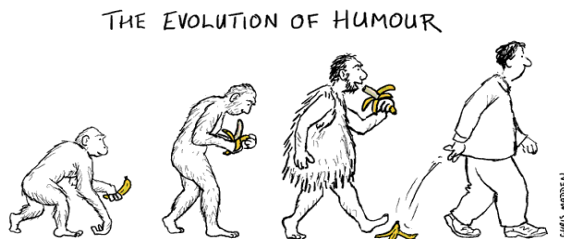


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Training new members and creating a productive work environment all depend on healthy lines of communication. Whether that stems from an open door policy to your office, or making it a point to talk to your staff on a daily basis, making yourself available to discuss interoffice issues is vital. Your team will learn to trust and depend on you, and will be less hesitant to work harder.

(iv) Sense of Humor



If your website crashes, you lose that major client, or your funding dries up, guiding your team through the process without panicking is as challenging as it is important. Morale is linked to productivity, and it's your job as the team leader to instill a positive energy. That's where your sense of humor will finally pay off. Encourage your team to laugh at the mistakes instead of crying. If you are constantly learning to find the humor in the struggles, your work environment will become a happy and healthy space, where your employees look forward to working in, rather than dreading it. Cracking jokes with the team and encouraging personal (but not too very personal) discussions, especially of weekend plans and trips, attempts to remove the fatigue and monotony at workplace. It's these short breaks from the task at hand that help keep productivity levels high and morale even higher.

We must believe it is the small, light hearted moments in the day that help keep our work creative and fresh. One tradition that we like to do and brings the team closer is we plan a fun prank on all new employees, on their first day. It breaks the ice and immediately creates that sense of familiarity.

(v) Confidence

There may be days where the future of your brand is worrisome and things aren't going according to plan. This is true with any business, large or small, and the most important thing is not to panic.



Part of your job as a leader is to put out fires and maintain the team morale. Keep up your confidence level, and assure everyone that setbacks are natural and the important thing is to focus on the larger goal. As the leader, by staying calm and confident, you will help keep the team feeling the same. Remember, your team will take cues from you, so if you exude a level of calm damage control, your team will pick up on that feeling. The key objective is to keep everyone working and moving ahead.

(vi) Commitment



If you expect your team to work hard and produce quality content, you're going to need to lead by example. There is no greater motivation than seeing the boss down in the trenches working alongside everyone else, showing that hard work is being done on every level. By proving your commitment to the brand and your role, you will not only earn the respect of your team, but will also instill that same hardworking energy among your staff. It's important to show your commitment not only to the work at hand, but also to your promises. If you pledged to host a holiday party, or uphold summer Fridays, keep your word. You want to create a reputation for not just working hard, but also be known as a fair leader. Once you have gained the respect of your team, they are more likely to deliver the peak amount of quality work possible.



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(vii) Positive Attitude

You want to keep your team motivated towards the continued success of the company, and keep the energy levels up.



Whether that means providing snacks, coffee, relationship advice, or even just an occasional beer in the office, remember that everyone on your team is a person. Keep the office mood a fine balance between productivity and playfulness.

If your team is feeling happy and upbeat, chances are they won't mind staying that extra hour to finish a report, or devoting their best work to the brand.

It is well said that "IT IS THE ATTITUDE AND NOT THE APTITUDE THAT DETERMINES THE ALTITUDE IN LIFE".



(viii) Creativity

"Necessity" is the Mother of Invention.

"Curiosity is the key to Creativity" - Akio Morita (Sony)

Some decisions will not always be so clear-cut. You may be forced at times to deviate from your set course and make an on the fly decision. This is where your creativity will prove to be vital. It is during these critical situations that your team will look to you for guidance and you may be forced to make a quick decision. As a leader, it's important to learn to think outside the box and to choose which of two bad choices is the best option. Don't immediately choose the first or easiest possibility; sometimes it's best to give these issues some thought, and even turn to your team for guidance. By utilizing all possible options before making a rash decision, you can typically reach the end conclusion you were aiming for.

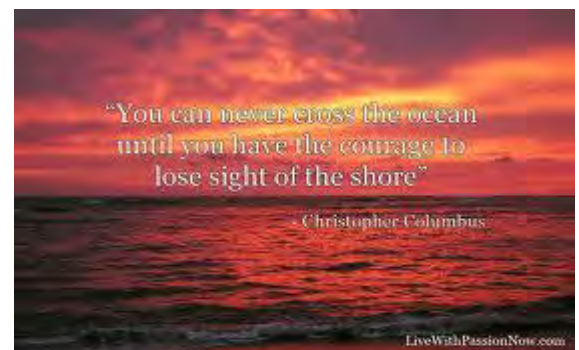
(ix) Intuition



When leading a team through uncharted waters, there is no roadmap on what to do. Everything is uncertain, and the higher the risk, the higher the pressure. That is where your natural intuition has to kick in. Guiding your team through the process of your day-to-day tasks can be honed down to a science. But when something unexpected occurs, or you are thrown into a new scenario, your team will look to you for guidance. Drawing on past experience is a good reflex, as is reaching out to your mentors for support. Eventually though, the tough decisions will be up to you to decide and you will need to depend on your gut instinct for answers. Learning to trust yourself is as important as your team learning to trust you.

(x) Ability to Inspire

For an Entrepreneur, while creating a business often involves a bit of forecasting. Especially in the beginning stages of a startup, inspiring your team to see the vision of the successes to come is vital. Make your team feel invested in the accomplishments of the company. Whether everyone owns a piece of equity, or you operate on a bonus system, generating enthusiasm for the hard work you are all putting in is so important. Being able to inspire your team is great for focusing on the future goals, but it is also important for the current issues. When you are all mired deep in work, morale is low, and energy levels are fading, recognize that everyone needs a break now and then. Acknowledge the work that everyone has dedicated and commend the team on each of their efforts. It is your job to keep spirits up, and that begins with an appreciation for the hard work.

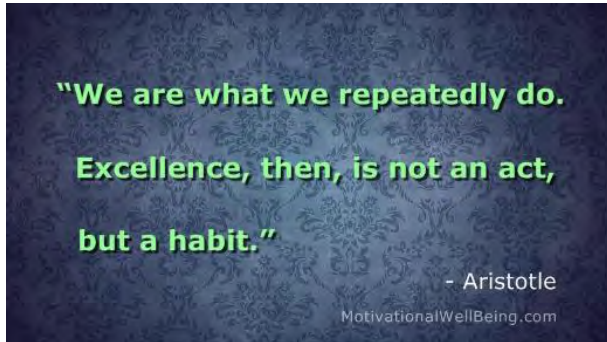




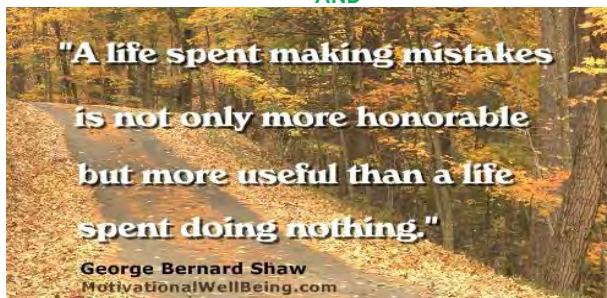
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REMEMBER.....



AND



However, the debate would still continue to persist:

"R LEADERS BORN OR MADE IN B-SCHOOLS"

Post your views within 300-350 words on the above issue and send it by e-mail to "technical.chennai@icmai.in". Put your Name, Registration Number, Course, Photograph(to be embedded in the write-up); e-mail id and contact details.

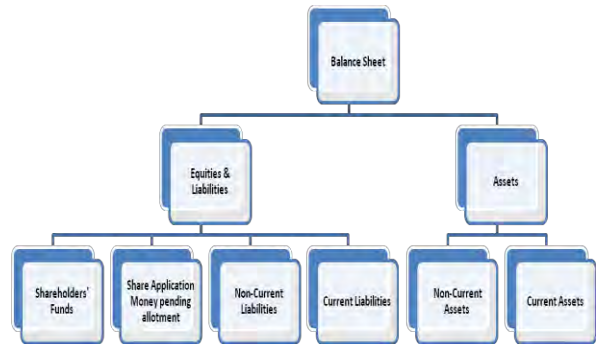
Accounting & Financial Reporting

Revised Schedule VI (At a glance)

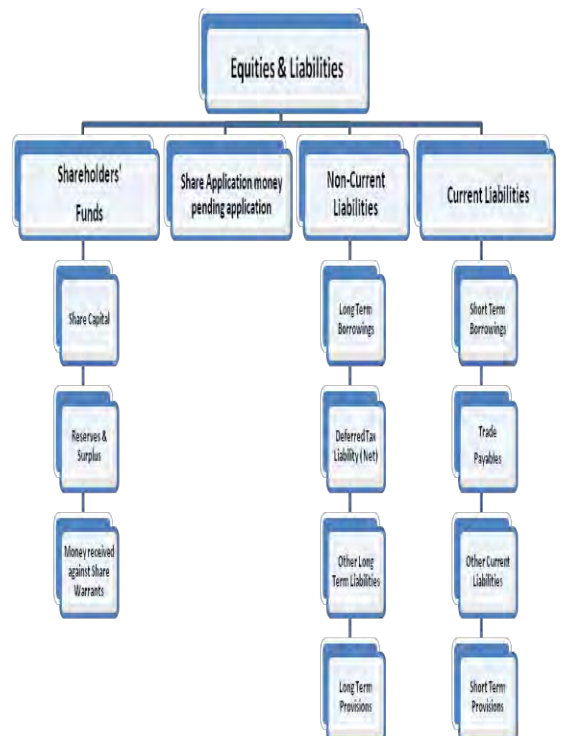
Applicability: In terms of powers conferred u/s 641(1) of the Companies Act, 1956, the Central Government replaced Existing Schedule VI, applicable w.e.f. 01.04.2011



PART I – FORM OF BALANCE SHEET



Break-up of Equities & Liabilities

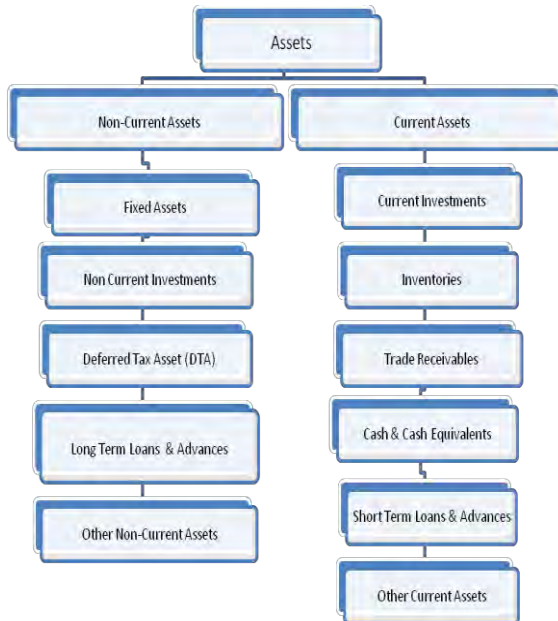




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Break-up of Assets



For details on the Revised Format of :

- ❖ **PART I – FORM OF BALANCE SHEET;** and
- ❖ **PART II FORM OF STATEMENT OF PROFIT AND LOSS**

Please refer to Study Material of Papers 12 & 18 (under Syllabus 2012) and Paper 5 & 16 (under Syllabus 2008). You may also visit www.icmai.in under students_ download section.

Tax Compliance - Alerts

31st July is the last date of filing return for those whose total income exceeds the basic exemption and accounts are not subjected to Audit. So everybody will be in rush of filling their respective return. Those, who can file the return within that date, will be treated as filing return u/s 139(1) or 139(3) [for loss return].

Return submitted thereafter, will be treated as belated return u/s 139(4).

An assessee can also revise the return filed, which may escalate his opportunity for a fair representation.

Forms	Applicability
ITR-1 (SAHAJ)	For individual having income from salary/ one house property (not being brought forward loss from Previous Years)/ income from other sources (except winning from lotteries and income from race horses)
ITR-2	For individuals and HUFs not having business or professional income
ITR-3	For individual or HUFs being partners in firms and not proprietor
ITR-4	For individual and HUFs having income from a proprietary business or profession
ITR-4S(SUGAM)	For individual or HUF deriving business income and such income is computed in accordance with special provision referred to in sections 44AD and 44AE

ITR-5	For firms, AOPs and BOIs or any other person (not being individual or HUF or company or to whom ITR-7 is applicable)
ITR-6	For companies other than companies claiming exemption under section 11
ITR-7	For persons including companies required to furnished return under section 139(4A)/(4B)/(4C)/(4D)
ITR-V	Where the data of the return of income in forms ITR-1, ITR-2, ITR-3, ITR-4, ITR-5 and ITR-6 transmitted electronically without digital signature.

The forms can be downloaded from the website of the Income Tax Department [http://www.incometaxindia.gov.in/download_all.asp].

- ❖ visit the website [<https://incometaxindiaefiling.gov.in>],
- ❖ download the applicable form,
- ❖ fill up the form ; and
- ❖ upload the filled form after logging to the website.

One can also file the return manually; however rules and procedures are getting revised from time to time. Hence, it is always advisable to be updated. Individual whose total income does not exceed ₹5,00,000 for the relevant previous year and income consists of only Salaries and Interest not exceeding ₹10,000, is exempted from compulsory filing of 'Return of Income' subject to satisfaction of specified conditions.

Alternate Minimum Tax(AMT) - Curtain Raiser

This time, before filing return, a non-corporate assessee, having claimed deductions u/s 80-IA to 80RRB other than section 80P; or section 10AA, shall have to check whether Alternate Minimum Tax(AMT) is applicable or not. However, the provisions of Alternate Minimum Tax under Chapter XII-BA shall not apply to Individual, HUF, AOP, BOI, Artificial Judicial Person, if Adjusted Total Income does not exceed ₹20,00,000. According to provisions of AMT, income tax liability of an assessee cannot be less than 18.5% of the Adjusted Total Income.

Example:

Mr. C (age 40 years), a businessman, furnishes the following information for the previous year 2012-13:

Net Profit as per Profit & Loss A/c ₹17,00,000 (before adjusting depreciation as per Income Tax Act of ₹5,00,000, but after availing deduction u/s 10AA of ₹3,00,000 and deduction claimed u/s 80IB ₹5,00,000). Therefore, adjusted total Income for Mr. C would be calculated as follows:

Net Profit as per Profit & Loss A/c	17,00,000
Less: Depreciation as per Income Tax Act	5,00,000
Add: Deduction claimed u/s 10AA of ₹3,00,000 now written back	3,00,000
Add: Deduction claimed u/s 80IB now written back	5,00,000
Adjusted Total Income	20,00,000



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Here, provisions of AMT is not applicable as the **Adjusted Total Income does not exceeds ₹20,00,000.**

However, if the Net Profit of Mr. C as per Profit & Loss A/c would have been ₹18,00,000, then the Adjusted Total Income will come to ₹21,00,000 and hence, **provisions of AMT will be applicable.**

Tax liabilities of Mr. C under both of the above situations are as follows:

Adjusted Total Income	₹20,00,000	₹21,00,000
AMT Provision	Not Applicable	Applicable
Total Income	(17,00,000 – 5,00,000) = 12,00,000	(18,00,000 – 5,00,000) = 13,00,000
Tax at Slab Rate plus 3% cess (A)	1,95,700	2,26,600
AMT @ 18.5% on Adjusted Total Income plus 3% cess (B)	NA	4,00,155
Tax Liability [Higher of (A) & (B)]	1,95,700	4,00,155
AMT credit available for next Assessment Year [(B)-(A)]	NA	1,73,555

Request:

Please follow the subsequent editions...you may gain differentially.

Best Wishes

Information:
(1) Practice Test Papers for all subjects - Foundation, Intermediate and Final - for both Syllabus 2008 and Syllabus 2012 would be uploaded in the website from August,2013 and onwards
(2) Revisionary Test Papers for all subjects - Foundation, Intermediate and Final - for both Syllabus 2008 and Syllabus 2012 would also uploaded in the website from September,2013 and onwards
(3) 'Mock Test Papers' to be uploaded from October,2013 and onwards
(4) Syllabus on 100-hours Compulsory Computer Training - Revised. Details to be uploaded in website by 20th July,2013
(5) Conversion Procedure from Syllabus 2008 to Syllabus 2012 - to be uploaded in the website on 20th July,2013



Fun Corner



Who Said This ?

1. "Live as if you were to die tomorrow. Learn as if you were to live forever."
2. "Education is the most powerful weapon which you can use to change the world."
3. "The more I live, the more I learn. The more I learn, the more I realize, the less I know."
4. "It does not matter how slowly you go as long as you do not stop."
5. "Do you know the difference between education and experience? Education is when you read the fine print; experience is what you get when you don't."

Math Square

	/		-		X		-102
-		+		-		+	19
	/		+				11
+		+		X		-	
	+		/		+		1
-		-		+		X	
	-		+		-		
-10		14		2		-61	

Try to fill in the missing numbers.

- ❖ Use the numbers 1 through 16 to complete the equations.
- ❖ Each number is only used once.
- ❖ Each row is a math equation. Each column is a math equation.
- ❖ Remember that multiplication and division are performed before addition and subtraction.

Double Maaza

TAYTSRGE	□□□□□□□□
CEHNI	□□□□
TAMKER	□□□□□□
SEIRNCAHF	□□□□□□□□
NEINRW	□□□□□□
RESGRBU	□□□□□□
NOUTC	□□□□
VELAU	□□□□□
MNOGA	□□□□□

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Unscramble each of the clue words.

Take the letters that appear in □ boxes and unscramble them for the final message.