

SUMMARY OF HEAD EXAMINERS COMMENTS **DECEMBER 2011 EXAMINATION – SYLLABUS 2008**

INTER GROUP – I

IP- 05: FINANCIAL ACCOUNTING

Question wise Performance

Question 1 (Compulsory-objective type question)

Overall performance was very good and the majority of the candidates scored good marks in this question. In fact, this good scoring of marks in this question helped them to ultimately do well in this paper

Question 2

- (a) (a) and (b) performance of the candidates are satisfactory. However, in Part (b), in some cases, the students committed a mistake of treating “Repairs” as capital expenditure and including same in Machinery a/c.
- (b) Most of the candidates did not have knowledge of how to work out the Sacrifice ratio. This indicated lack of study of the various aspects of dealing with partnership accounts
- (c) Most of the answers did not cover all the aspects.

Question 3

- (a) Answers were of mixed nature as some answered well but quite a few could not arrive at correct answer, by ignoring Cash in hand in opening Balance Sheet and also failed to include all items including Capital Fund in closing Balance sheet. In such a problem, it is better to practice by keeping working notes in support of all adjustments, in order to keep track of the final closing figure.
- (b) Mostly incorrect answers as the candidates failed to work out correctly the Interest on Capital, revised Divisible Profit

Question 4

- (a) Many students could not work out Branch Debtors and Branch Adjustment Accounts correctly.
- (b) Very few students had knowledge of percentages of provision to be made in respect of all types assets, as asked for in the question.

Question 5

Not a very popular question with the students

- (a) Most of the answers were partly correct. Many candidates failed to calculate the quantum of fresh issue, value of shares redeemed.
- (a) Poor answer showing lack of knowledge of the subject

Question 6

- (a) Correct answers were not many, as many could not calculate the Cash Price correctly.
- (b) Generally well answered
- (c) A simple question on passing Journal Entries to rectify/ adjust certain transactions brought up mixed answers. Those with clear conceptual knowledge did well, those lacking failed.

Question 7

- (a) Generally well answered although many failed to correctly point out five points, as asked for in the question
- (b) Fully correct answers were not many and it was evident that the students did not have a clear idea about the subject of how to Balance Sheet from given Ratios, although this being also a common type question..
- (c) Average answers

Question 8 **Short Notes**

Answers were not brief and to the point. Most of the answers were of Descriptive nature. Majority of the candidates did not have clear knowledge about (c) "Conditions of Buy Back."

Suggestions to improve performance

Students must appreciate that this is a paper where high marks can be secured provided they prepare well. However, it appeared that large number of them was not well prepared. It must be understood that there is no alternative to acquiring knowledge of the subject. For that purpose, more intensive study of the Institute Study Material and prescribed texts is a must. The students must also practice to solve problems from past question papers of the Institute and those of other professional bodies covering the various matters covered in the syllabus so that they can face the examination more confidently.

They must also improve their skill of presentation of their answers in a neat and well-arranged manner. This will help them to score higher marks.

GENERAL

From the performance evaluation, ranking report submitted by examiners it is observed that about 50% of the candidates' performance was very poor.

From this it is revealed that students are taking casual approach in appearing in such professional examination.

It is advised that in-depth study of Institutes Study Materials, reading of good textbooks followed by regular repeat, regular practice of problems on various chapters can only help the candidates to clear such professional examination.

No short-cut method will keep the students to bring success in their career.

IP – 6: COMMERCIAL & INDUSTRIAL LAWS AND AUDITING (CILA)

Overall Performance Of Examinees:

Unsatisfactory performance of some candidates are mainly on account of failure to understand the question, wrong/incomplete answers, bad hand writing, vague and common sense answers, absence of logical and systemic approach etc.

Compulsory Question

- Q. No. 1a, 1f - Satisfactory
- 1b, 1c, 1d, 1e - Average
- 1g - Not satisfactory

Optional Question

- Q. No. 2a - Not Satisfactory
- 2b, 2c, 2d, 2e - Average – poor logical approach & presentation
- 2f - Satisfactory. Many failed to give correct legal provision
- 3a, 3d, 3f - Not satisfactory, absence of logical approach
- 3b, 3c, 3e - Satisfactory but lacking logical presentation
- 3g - Not satisfactory irrelevant answer by many

- 4 (i), 4 (ii), 4 (iii), 4 (v) - Not up to mark
 Information (RTI) - Vague/Incorrect answer by many
 4b - Not satisfactory – lack of knowledge

Compulsory Question

- Q. No. 5a, 5b, 5c, 5g - Average – Not properly answered
 5d - More of less satisfactory
 5e, 5f - Poor

Optional Question

- Q. No. 6a, 6e, 6f, 6g, 6h - Average
 6b, 6d - Satisfactory
 6c - Not satisfactory
 7a, 7c, 7e - Average
 7b, 7d, 7f, 7g - Not satisfactory
 8a, 8c (ii) - Not satisfactory
 8b, 8c (i) & 8d - Average

IP - 07: APPLIED DIRECT TAXATION (ADT)

COMMENTS ON THE PERFORMANCE OF THE EXAMINEES AND GUIDELINES TO THEM:

- The overall performance has not been up to the level which may be expected from the student desirous of entering into the profession of high expertise and knowledge.
- Their answers exhibited lack of systematic and logical approach, clear presentation, proper and adequate conceptual and analytical explanation.
- They had poor knowledge of concepts and lacked in adequate practice to solve diverse range of practical problems.
- Certain candidates did not start answer to each question on a FRESH PAGE as instructed by the Institute.
- More questions having different parts were answered by some of the examinees at different places of their Answer Books.
 - a. Many of the students did not read the entire subject thoroughly and hence were found wanting in answering Q. No. 1, which contained multiple choice objective type questions for 25 marks.
 - b. Many students were not aware of the recent amendments;
 - c. Lack of subject knowledge was evident. Concepts were not properly understood by the students and they appeared to adopt a mechanical approach. Most students found it difficult to answer short questions [question 1(b)];
 - d. Usage of precise legal terminology was absent. Though there is no word like “Taxable Income” “Total Income” is the precise word), many students have used such word or word like “Net Taxable Income”.
 - e. Lack of communication skill was evident. Answers were not presented in a proper manner by most of the students.

SPECIFIC COMMENTS:

Question No. 1:

This question was answered by and large well by most of the candidates. The overall performance was well.

Question No. 2 (a):

Overall performance was more or less satisfactory.

Question No. 2 (b):

Most of the candidates had added or deducted the amounts of expenses from total turnover, instead of mentioning the applicability TDS provisions. The overall performance was of below average level.

Question No. 2 (c):

Most of the candidates could get few points/steps correct. Some of them performed good in calculation of profit from SEZ which is exempt U/S 10AA. The overall performance was of average level.

Question No. 2 (d):

Most of the candidates failed to answer correctly in total income chargeable to Tax U/S 44AE. The overall performance was of below average level.

Question No. 3 (a):

Most of the candidates could get few points/steps right. Some of them performed well. The overall performance was of average level.

Question No. 3 (b):

Most of the candidates failed to answer to this question correctly. They lacked of knowledge in respect of LLP. The overall performance was not up to the mark.

Question No. 3 (c):

Most of the candidates wrongly calculated the amount eligible for deduction U/S 35AD of IT Act, 1961. The overall performance was very poor.

Question No. 4 (a):

Most of the candidates answered to the question more or less correctly. The overall performance was well.

Question No. 4 (b):

Most of the candidates could get few steps/parts correct. Some of them performed well. The overall performance was of average level.

Question 4 (c):

Most of the answers exhibited lack of knowledge on disallowance arises U/S 40(a)(i)/40(a)(ia) of the IT Act, 1961 and its applicability in practical situation. The overall performance was of average level.

Question No. 5 (a):

Setting off of the losses against profits under different heads of income was not correctly answered by most of the candidates. Some had just added all profits and reduced all losses separately, while some had reduced the losses on card games, long term capital loss also from total taxable income. The overall performance was of below average level.

Question No. 5 (b):

Most of candidates could get few steps/parts correct, only few candidates got the answer correct. Their overall performance has been quite dismal.

Question No. 6 (a):

Most of the answers exhibited lack of knowledge on SLUMP SALE U/S 50B and its applicability in practical situation. Many of the candidates wrongly calculated the tax liability which arises from slump sale. Their overall performance has been quite dismal.

Question No. 6 (b):

Most of the candidates could get few steps/parts right. Some of them performed well. The overall performance was of average level.

Question No. 7 (a):

Most of the candidates had prepared statement adding all the deductions mentioned in the question, instead of considering under sub-sections and considering the limit under each sub-section. Most of the candidates failed to compute the tax-liability of Ms. Anju correctly. Their performance has been quite dismal.

Question No. 7 (b):

Most of the candidates could get few steps/parts of the answer correct. Some of them computed the total business income working out the exemption U/S 10AA. The overall performance was of above average level.

Question No. 8 (a):

This question was answered by and large well by most of the candidates. The overall performance was more or less well.

Question No. 8 (b):

Most of the candidates could get few steps/parts of the answer right. Some of them performed well. The overall performance was of average level.

GENERAL SUGGESTIONS TO THE EXAMINEES

- **The** examinees/students are advised to read and understand the questions thoroughly and carefully before writing answers.
- **The** examinees should consult/read standard reference books. (latest editions)/study notes thoroughly and analytically.
- **Read** the theoretical portion before attempting the theoretical/practical problems. Only theoretical knowledge will help you to develop the conceptual and computation skills.
- **Adequate** practice of theoretical/practical model problems is essential to acquire command over the fundamentals of the subject matters.
- **Due attention** must be given towards orderly presentation of solutions of practical problems in suitable FORMAT along with sufficient working notes in order to secure good marks.
- **Comprehensive** preparation and acquiring in depth knowledge of the subject matters is extremely required.
- **Never** tend to indulge in selective studies.
- **Consult** the past questions and suggested answers of the Institute to know the pattern/standard of the questions and presentation of answers to the questions.

INTER GROUP – II

IP-08: COST & MANAGEMENT ACCOUNTING

Question wise observation and suggestions:

1. By and large most of the candidates answered the question but in many case brief workings not given to improve the performance reading of study material is very must needed.
2. (a) Most of the examinees solved the problem properly but the last part of the question could not attempted well.
(b) Answer was average. Conceptual knowledge must be improved by reading study material and good textbook.
3. (a) Answer was average. But most of the candidates could not prepare the sales budget for the year 2011. Regular practice and solving of previous questions can improve their performance.
(b) Answer was satisfactory.
4. (a) Majority of the examinees failed to make the distinction “Incentives to indirect workers” and “Indirect incentives to direct workers”. Only in-depth study of Institute’s study note can improve their performance.
(b) Answer was far from satisfactory except a few. Regular practice and orderly presentation of the answer will be improved only by constant solving of such problems good textbook and study material.
5. (a) Most of the candidates answered this problem properly. But few students could not solve the problem in an orderly manner.
Regular practice can improve their performance.
(b) Theoretical knowledge of the topic was lacking. Proper study of Institute’s study material is a must for improvement.
6. (a) Except in few case, performance was below average. Proper calculation of room charge was not done by many students.
It is suggested except regular practice performance will not be improved.
(b) Answer was by and large satisfactory. However, orderly presentation of theoretical answer should be improved by reading good books.
7. (a) Most of the candidates answered this question and overall performance was more than average.
But to improve the performance regular practice is very must required.
(b) This theoretical answer was attempted properly by most of the candidates for improvement in-depth study of Institute’s study material is necessary.
8. Answer was average. Appropriate definition and concept of the subject is lacking, orderly presentation is very much needed. There is no alternative but to read study material and good textbook.

IP - 9: OPERATION MANAGEMENT AND INFORMATION SYSTEMS:**Question-wise Comments:**

Q. No.	COMMENTS
1 (a), (b) & (c)	Objective type. General performance was satisfactory. Weakness was noticed among some students in respect of some parts of (a). Such questions are generally spread over various chapters. Thorough reading of the Study Notes and Revisionary Test Papers will enable the students to score good marks.
2 (a)	Average performance. Those who practiced variety of sums given in the study materials provided by the Institute could answer correctly.
2 (b)	Performance was good. .
2 (c)	Performance was satisfactory.
2 (d)	Weakness is noticed in this part. Chapter 3 on Maintenance Management is a small chapter which the students are expected to study in depth, in view of its gaining importance in an industry.
3 (a)	Many students have attempted this and could answer correctly. .
3 (b)	Students could answer this part on abbreviations quite well.
3 (c)	Performance was average. Lack of sufficient preparation was noticed.
4 (a)	Not attempted by many. Only a few could answer correctly. Practicing the sums in the Study Notes and Revisionary Test Papers is recommended.
4 (b)	Those who attempted performed well.
4 (c)	Objective type. Performance was good.
4 (d)	Performance was average. Part marks were scored by many.
5 (a), (b) & (c)	Objective type based on general conception about the subject. Performance was good.
6 (a)	Average performance
6 (b)	Average performance.
6 (c)	Performance was satisfactory.
7 (a)	Good performance.
7 (b)	Good performance.
7 (c)	Weakness is noticed in answering this part of the question requiring practical knowledge.
7 (d)	Objective type. Performance was quite good.
8 (a) to (h) (short notes on any six topics out of eight)	Performance was satisfactory. Weakness was noticed in respect of (d) where some students wrote about 'ERP' instead of 'cost of ERP implementation'. This requires careful reading and understanding the question before attempting to answer. Students can choose from alternatives.

Suggestions:

- i) Questions are set within the syllabus and Study Notes, including Revisionary Test Papers. Students should carefully read such materials, practice sums and questions and understand the implications and applicability.
- ii) To score high marks, students should plan to answer objective type questions and sums correctly. Plenty of examples are there in the Study Notes and Revisionary Test Papers for practicing.
- iii) Understanding the subject matter is important, as objective type questions are often set to test the knowledge and comprehension of the student. Therefore, in a Chapter, nothing

should be left out. All chapters are important and questions can be set from any part of any chapter within the study note / syllabus.

- iv) The various terminologies or acronyms used in a chapter should be noted and remembered. Questions are set sometimes on acronyms or definitions of the same.
- v) Answers should be brief and to the point. Marks allotted against each part will give an idea about the nature and size of the answer expected.
- vi) Some students write answers in a disorganized manner e.g. parts of one question are spread over the answer book or answering more questions than what are required. This shows weakness of his/her preparation / decision and seldom he or she gains as a result of such additional efforts. A student should concentrate on understanding the question carefully and providing a correct answer thereby utilizing the tome effectively. A good judgment and confidence based on thorough preparation for the examination is expected from the student.
- viii) Lastly, regular practice is the key to success. There is good opportunity to score high marks in this paper.

IP – 10: APPLIED INDIRECT TAXATION

GENERAL COMMENTS :

The General observation of the examiners was that Candidates took the Examination without adequate preparation. Knowledge of various provisions was not upto expectations. Even if the Candidates knew the rules and provisions, they failed to interpret and apply them properly.

Presentation was very much lacking. The handwriting in many cases was illegible. Many spelling mistakes and simple grammatical errors were also observed.

SPECIFIC COMMENTS :

- 1. (a) Overall performance of the students is poor. Students are not thorough with the various statutory provision which leads to poor performance.
- (b) Overall performance of the students is average. Some of the students gave the answer true/ false with wrong reasons.
- (c) Overall performance of the students is below average. Only very few students give correct answer especially with the part II and V.
- 2. (a) Only very few students able to give correct answer.
- (b) Many Candidates were found to be unaware of the provision of Section 28 of the Customs Act.
- (c) Most of the Students failed to understand what is Tax Payer's identification number (State level VAT).
- 3. (a) Some of the Candidates failed to compute correctly taxable value of services and amount of service tax payable.

- (b) Most of the candidates were not clear in respect of which dealers are not eligible for composition scheme under State VAT even if their annual turnover is below specified limit.
 - (c) Overall performance of the students were average.
 - (d) This question is attempted by students well except few.
4. The answer was attempted fairly well by majority of the Candidates. But, in respect of part II only very few students compute the Amount of service tax correctly under different situations.
 5. Overall performance of the students in respect of Part I and Part II are average. However in respect of Part III most of the Candidates failed to enumerate various categories of sale of goods, indicating when state VAT is payable, when Central Sales Tax is payable and when no VAT/CST is payable.
 6. Most of the Students answered correctly in respect of Part I and part II. But, in respect of Part III many candidates were not clear about the provisions relating to ER-4 return.
 7. The Performance of the students for this question in respect of Part I and part II are very poor. Further SSI exemption is available if the goods bearing brand name of other person are manufactured in a specified area (Part III) are not known by majority of the candidates.
 8. The answer was attempted fairly well by majority of candidates but the powers of Superintendent of Central Excise relating to adjudication and remission of duty (Part B) and when does an advance ruling on Service Tax become void-ab-initio are not clearly stated by majority of the Candidates.

FINAL GROUP – III

FP - 11: CAPITAL MARKET ANALYSIS & CORPORATE LAWS

COMMENTS ON STANDARD OF QUESTIONS:

The standard of the questions asked was up to the mark. The questions were well set to check the candidates' analytical ability, conceptual skill and theoretical knowledge in practical situation. It was duly balanced covering 100% of the syllabus.

COMMENTS ON THE PERFORMANCE OF THE EXAMINEES AND GUIDELINES TO THEM:

- The overall performance has not been up to the level which may be expected from the student desirous of entering into the profession of high expertise and knowledge.
- Their answers exhibited lack of systematic and logical approach, clear presentation, proper and adequate conceptual and analytical explanation.
- They had poor knowledge of concepts and lacked in adequate practice to solve diverse range of practical problems.
- Certain candidates did not start answer to each question on a FRESH PAGE as instructed by the Institute.
- More questions having different parts were answered by some of the examinees at different places of their Answer Books.

SPECIFIC COMMENTS:

Question No. 1(a):

Although majority of the candidates were able to choose correct answers from the alternatives but they could not substantiate their answers with adequate calculations/reasons.

Question No. 1(b):

This question was answered by and large well by most of the candidates. The overall performance was well.

Question No. 1(c):

Most of candidates could get few rights. Very few got the answer correct. The overall performance was of average level.

Question No. 2(a):

Most of the candidates could get few steps/points right. Some of them performed well. The overall performance was of average level.

Question No. 2(b):

Most of the candidates attempted this question and failed to answer correctly. Their answer exhibited confused knowledge of the concepts:-

(i) Ex-ante Beta (ii) Systematic and unsystematic risk and their proportions in the stocks. Some of the candidates performed well. The overall performance was of average level.

Question No. 3(a) & 3(b):

These are the theory questions. Most of the examinees could get few points right. Some of them performed well. The overall performance was of average level.

Question No. 3(c) & 3(d):

Most of the candidates could get few steps right. Some of them performed good. The overall performance was of below average level.

Question No. 4(a):

The overall performance was of above average level.

Question No. 4(b):

Most of the candidates could get few steps right, few got the answer correct. The overall performance was poor.

Question No. 4(c):

Most of the candidates failed to answer the question correctly. Their answers were not upto the mark.

Question No. 5(a):

This part of the question was answered by and large well by most of the examinees. The overall performance was well.

Question No. 5(b):

Most of the candidates failed to answer to this part of the question correctly. Their answers were not up to the mark.

Question No. 6(a):

Most of the candidates could get few points right, few got the answer correct. Overall performance was of below average level.

Question No. 6(b):

Most of the candidates could get few points correct. Some of them performed good. The overall performance was of average level.

Question No. 6(c):

Most of the candidates performed more or less well.

Question No. 7(a):

Most of the candidates could get few points correct. Some of them performed well. The overall performance was of average level.

Question No. 7(b):

Most of the candidates could get few points right, very few got the answer correct. Overall performance was of below average level.

Question No. 7(c):

Most of the examinees failed to answer to this question correctly. Some of the examinees were beating about the bush writing, unnecessary and irrelevant details in their answers. The overall performance was not up to the marks.

Question No. 8(a):

This part of the question was answered by and large good by most candidates. The overall performance was well.

Question No. 8(b):

Most of the candidates failed to answer to this part of question correctly. The overall performance was not up to the mark.

Question No. 8(c):

Most of the candidates could get few point of the answer right. Some of them performed more or less well. The overall performance was of average level.

GENERAL SUGGESTIONS TO THE EXAMINEES

- **The** examinees/students are advised to read and understand the questions thoroughly and carefully before writing answers.
- **The** examinees should consult/read standard reference books. (latest editions)/study notes thoroughly and analytically.
- **Read** the theoretical portion before attempting the theoretical/practical problems. Only theoretical knowledge will help you to develop the conceptual and computation skills.
- **Adequate** practice of theoretical/practical model problems is essential to acquire command over the fundamentals of the subject matters.
- **Due attention** must be given towards orderly presentation of solutions of practical problems in suitable FORMAT along with sufficient working notes in order to secure good marks.
- **Comprehensive** preparation and acquiring in depth knowledge of the subject matters is extremely required.
- **Never** tend to indulge in selective studies.
- **Consult** the past questions and suggested answers of the Institute to know the pattern/standard of the questions and presentation of answers to the questions.

FP - 12: FINANCIAL MANAGEMENT & INTERNATIONAL FINANCE (AFM)

QUESTION WISE PERFORMANCE OF THE STUDENTS

1. The majority of the candidates performed reasonably well and gave satisfactory answer in Question No. 1 in **Part-A**. It included six set of different nature questions like short/objective/matching the appropriate word/fill in the blanks in the statements type/nature compulsory questions. But very few candidates have properly answered Question No. 1 (c). Most of the students failed badly in this part only.

PART – B

2. (a) **Question No. – 2:** This question is very easy. First part is problem oriented and second part is theory/subjective question. Majority of the candidates attempted this question very well and gave satisfactory answer and they scored better.
- (b) **Question No. – 3:** These questions are comparatively critical. Most of the candidates had not attempted very well, especially the part (b) question. In this part only few students gave theoretical explanation well. Due to poor conceptual knowledge most of the candidates answered this part wrongly.
- (c) **Question No. – 4:** Part (a) of this question is standard. Most of the candidates attempted this question without knowledge and obviously their answer is not so good and satisfactory. The answer of part-b was comparatively better and most of the students obtained full marks in this part.
- (d) **Question No. – 5:** The first part of this question is problem oriented and easy. Majority of the candidates attempted this question very well and gave the satisfactory answer and they obtained full marks. But unfortunately in case of second part of this question, most of the candidates not answered properly and satisfactorily due to the lack of conceptual knowledge (because they did not read the study materials properly).
- (d) **Question No. – 6:** Most of the candidates were found comfortable in attempting the part-a question and answered very well for the question was practical and relatively easy to answer. They got full marks from this part of question. The second part of the question is subjective orientation. Due to lack of profound knowledge only few students were found comfortable and gave satisfactory answer.
- (e) **Question No. – 7:** The part-a of the question is very easy and scoring nature. Most of the students attempted all parts of this question and their answers were very well and in most cases they obtained full marks. The second part of the question demanded some critical analyses but the students could not understand the spirit of the question. They failed to match their answer according the question and not gave the satisfactory answer.
- (f) **Question No. – 8:** All these questions were scoring questions. Majority of the students attempted very well these questions especially part-a & b. But unfortunately a few candidates were able to attempt the part-c question. Due to lack of conceptual knowledge most of the candidates have given irrelevant and vague answers and obviously they are not getting the marks.

Notes:

- (i) Some candidates have given the answer based on superficial knowledge and ideas. A few candidates lack in conceptual knowledge and sometimes they have given irrelevant and vague answers mainly relating to the subjective type of questions.
- (ii) After analyzing and scrutiny the examiner's general comments regarding questions it may be observed that this paper is an average standard one.
- (iii) On the basis of answer of the students, it is observed that the majority of them did not go through the **study materials** more seriously. Candidates must read the study materials thoroughly and **Suggested Answers** of previous years' question papers and **quality text books** as well. Then they would have profound knowledge of the subject and may be able to answer the questions satisfactorily.

FP – 13: MANAGEMENT ACCOUNTING – STRATEGIC MANAGEMENT (MSM)

1. The majority of the candidates performed well in Question No.1 & 5, the short/objective type compulsory questions both in Section –I & II. But very few candidates have properly answered Question No. 1 (c). Most of the students failed badly.

Students performed reasonably well and gave satisfactory answer in Section-II of this paper in comparison to Section-I.

2. (a) **Question No -2:** Majority of the candidates attempted this question well expecting the last part of (c) i.e. the use of BCG by public Sector Insurance Companies, the strategic option-concept was mostly misdirected). Many candidates gave the wrong answer being mostly out of context. The market-Share and market-growth were not shown in the matrix.
- (b) **Question No - 3:** Most of the candidates had not attempted very well the concept of Economic Value Added (EVA). Few students gave theoretical explanation and failed to illustrate it in quantitative terms. But the answers of part-b and part-c attempted by the students wear of above the average.
- (c) **Question No. - 4:** Most of the candidates attempted this short note questions satisfactorily. Among them the answer of part-a was not so good but part b, c & d were comparatively better. Many of them did not draw the diagram of part-c. Had the students attempted these short note questions they would have performed better for this was a scoring question.
- (d) **Question No.6:** Most of the candidates were found comfortable in attempting all part of this question and answered very well for the question was relatively easy to answer.
- (e) **Question No. 7:** Most of the students attempted parts of this question and their answers were above the average standard. The question 7(a) demanded some critical analyses but the students could not understand the spirit of the question. They failed to match their answer according the question. Very few of them who attempted failed to show the variables of computation of premium and tariff rates as indicated by the insurance company. They could not enter critical arena of discussion, Candidates attempting the part-b and part-c questions were found comfortable and gave satisfactory answer.
- (f) **Question No. 8:** Majority of the students attempted very well this question especially part-a & part-c. Only few candidates were able in showing the impact of macroeconomic factor and risk (question part-b) Like the previous question no. 4, this was also a scoring question. As per the opinions of the examiners students should attempts these kinds of questions.

NOTE:

- (a) Some candidates have given the answer based on superficial knowledge and ideas. A few candidates lack in conceptual knowledge and sometimes they have given irrelevant and vague answers mainly relating to the subjective type of questions.
- (b) After analyzing and scrutiny the examiner's general comments regarding questions it may be observed that this paper is standard one.
- (c) On the basis of the answer of the students, it is observed that the majority of them did not go through the study materials more seriously. Candidates must read the study materials thoroughly and students' editions Suggested Answers of previous years' questions and quality text books as well. Then they would have profound knowledge of the subject and may be able to answer the questions satisfactorily.

FP - 14: INDIRECT & DIRECT TAX MANAGEMENT

Performance of Students

- 3.1 The performance of students as highly unsatisfactory. The following shortcomings were noticed in the case of most of the students.
 - A. Many students were not aware of the recent amendments;
 - B. Lack of subject knowledge was evident. Concepts were not properly understood by the students and they appeared to adopt a mechanical approach. Most students found it difficult to answer short questions [question 1(b)];

- C. Usage of precise legal terminology was absent. Though there is no word like “Taxable Income” (“Total Income” is the precise word), many students have used such word or word like “Net Taxable Income”.
- D. Lack of communication skill was evident. Answers were not presented in a proper manner by most of the students.

FINAL GROUP – IV

FP – 15: MANAGEMENT ACCOUNTING – ENTERPRISE PERFORMANCE MANAGEMENT

1. **Overall Performance of the Students:**

The overall performance is not good.

2. **Question No. 1(a), (b), (c) & (d):**

This was an objective oriented question and was more or less satisfactorily answered by the majority except for in definition of the term “data-mixing”, which very few could answer correctly.

Q. 2 (a): This was a problem on simulation and many who attempted it, got it right.

Q.2 (b): None could get this problem on “Decision True” correct. None could even draw the decision true correctly.

Q. 3 (a) & (b): These were practical problems and not many could solve them correctly.

Q. 4 (b), 5 (b), 6(b) & 7(a): Were good problems, basically aimed at testing examinees ability to solve such practical problems.

Q. 6 (a): Was quite easy and the majority of the examinees could answer correctly. Rest was theoretical questions.

**The overall performance was extremely poor.
To improve performance, the examinees are:**

- (i) advised to improve their English and hand-writing.
- (ii) built up a through concept by going through the study material from the 1st to the last sentence.
- (iii) They should practice to solve problems on all topics for scoring will in the exam.

FP – 16: ADVANCED FINANCIAL ACCOUNTING AND REPORTING

QUESTION NO. 1

Most of the students failed to understand the questions properly for which they attempted in a guess wise fashion. Also, workings for correct answers were not provided in numerous cases which adequately prove that the answers were consulted in the examination hall.

For the second part of the question, it was attempted fairly by some students.

QUESTION NO. 2

Most of the students failed to understand the difference between the equity and the long term fund approach of goodwill. As a result, the leverage effect on goodwill was misunderstood practically by all the students.

QUESTION NO. 3

Part A was fairly attempted by numerous students. However, for Part – B, students practically do not any idea of framing Journal Entries. Almost all the entries were wrong and marks were allocated in an average fashion to enable them to pass.

QUESTION NO. 4

This was a pretty lengthy sum. Students made a mess of the solution and practically not a single student was able to solve the sum correctly.

QUESTION NO. 5

The sum appeared very tough for the students to attempt and solve in exam situation. Majority of the students failed to calculate the number of shares to be issued to the shareholders of each of the companies. The projected profit and loss account was not understood by quite a large chunk of students.

QUESTION NO. 6

Calculation of maximum price which the management can pay per share of PIJUSH Ltd. was not calculated correctly by most of the students. This sum was also not understood by numerous students and marks were given in an average fashion.

QUESTION NO. 7

The specific sum was not understood by a large number of students. Most of the students could not understand the exact number of working notes which were required and necessary for solving the sum in a correct approach.

QUESTION NO. 8

Theoretical questions were attempted fairly well and most of the students on an average secured decent marks.

FP – 17: COST AUDIT AND OPERATIONAL AUDIT

The overall performance was quite satisfactory.

Question wise comments on the performance and guidelines to the examinees:**Question No. 1 and 5:**

Were compulsory questions and were framed basically to test examiner's knowledge on the basic concepts of the subject and the current financial and economic knowledge. Majority of the examinees have found well. For those who could not do well are advised to go through the study material & the suggested answers thoroughly, which will help the examinees to be in a position to correctly answer them.

Question No. 2:

Very few examinees answered this question and excepting 2/3 examinees, none could correctly answer part 2 (c). The examinees are advised to practice more and more problems and undertaken deep study of the subject.

Question No. 3:

This question including the mathematical part was quite easy and the majority of the examinees could get the correct answer.

Question No. 4:

This topical question required the examinees to have knowledge for making the current answer. Many could answer Part 'A' & Part 'B' correctly and the majority failed to answer correctly Part 'C' of the question.

Question No. 6:

The basic aim of this question was to test the examinees on the operational aspects of the subject. On the whole, the answer was satisfactory.

Question No. 7:

This theoretical question demand theoretical knowledge of the subject issues. The answers, as the whole, were not up to the mark.

The examinees are advised to go through the study materials thoroughly so as to enable them to answer such questions correctly.

Question No. 8:

Short Notes question as common topics. These questions have been answered more or less properly by the majority.

FP – 18: BUSINESS VALUATION MANAGEMENT

General observations & suggestion to students:

- i) Examinees/Students are advised to study the materials provided by the Institute carefully.
- ii) Reading the books prescribed in the syllabus will enhance depth of knowledge.
- iii) Students should regularly practice solving questions from past examination papers and books.
 1. Compulsory objective question – most students have done well. Performance can be improved if fundamentals are thorough.
 2. Most students have attempted this question. In 2(b) steps of calculating EVA are not specifically given. General answers should be avoided.
 3. Answer to part (a) and (c) is satisfactory. 3(b) – adjustments to financial statements for calculating EVA was not satisfactory.
 4. Fewer candidates could answer part (a) as required under Modigliani Miller approach. Answer to part (b) is satisfactory.
 5. Students could not explain concept of partial selloff satisfactorily.
 6. Some students did not make appropriate adjustments for inconsistency in results as required by the question.
 7. The approach used was correct, but most students made mistakes in the calculations.
 8. This question especially part (b) regarding merger/acquisition was answered well by most students.

Disclaimer : The summary of comments of the Head Examiners have been given as guidance to assist the students in preparing themselves for the Institutes examination. The opinion has been given by the Head Examiners and should not be taken to reflect the views of the Institute of Cost Accountants of India.