

SUMMARY OF HEAD EXAMINER COMMENTS

JUNE 2013 EXAMINATION – SYLLABUS 2008

INTERMEDIATE GROUP – 1

IP 05 – FINANACIAL 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

Performance of the candidates was average. Many students are not aware of Schedule VI requirements of the Companies Act for preparation of Balance Sheet.

Answers were mostly incorrect. Many students could not work out Petty Cash and Memorandum Debtors Accounts correctly. They calculated wrong figures of cost of goods sent to the branch.

Quite a few candidates did not calculate correctly the realization loss transferred to current A/c. Many students did not show Bank A/c; instead they prepared revised balance sheet.

Question 3

Most of the answers were satisfactory. However, some students were not aware of the concept of Fixed & Fluctuating Rights in context of short workings.

Very few students attempted this question. Many of them could not calculate interest correctly.

Average Performance- Profit on purchase of own shares for Rs. 10,000 was not recognized correctly & was not transferred to Capital reserve Account.

Question 4

Satisfactory Performance – However, some students did not have conceptual understanding of bifurcation of expenditure into capital, revenue & deferred revenue.

Overall performance was average. Quite a few students made mistakes in calculations of effective capital contribution & profit sharing ratio.

Most of the answers were not satisfactory. Many students could not prepare Machinery Account correctly. This was due to wrong calculations of depreciation on discarded machine.

Question 5

Most of the answers were correct. However, some students could not prepare closing Balance Sheet of the club correctly.

Unsatisfactory Performance mainly on account of lack of understanding of the question & principles of AS-2.

Question 6

Overall satisfactory answer was given by the students. However, some students could not distinguish between branch accounting & departmental accounting correctly.

Poor Performance- Students could not calculate provision for taxation correctly. Transfer from free reserves to bonus shares and subsequent capitalization was not done correctly.

Average Performance- Some students did not calculate the figure of Gross Profit & Closing stock correctly.

Question 7

Average Performance- Many students deducted (instead of adding) Interim Bonus paid from surplus as per Valuation Balance Sheet.

Most of the answers were correct. Some students did not have a clear idea about how to prepare the Balance Sheet from given Ratios, although this is a common type of question.

Average Performance- Issue of debentures as a collateral security was wrongly dealt with by some students. In some cases, discount on issue of debentures was wrongly calculated.

Question 8

Short Notes

Answers were not brief and to the point. Most of the answers were descriptive in nature. The students lack ability to express answers to theory questions. Majority of the students did not have clear knowledge about rebate on bills discounted, commission on reinsurance ceded/accepted.

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 many of them were 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 OBSERVATION

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 help the students to bring success in their career.

I-P 6 (CILA): COMMERCIAL AND INDUSTRIAL LAWS AND AUDITING

Question wise Performance

Question 1 – Average :

Majority of the students answered part a, b, c correctly but in part d, e f they could not offer right justification.

In part d, though they mention that E is not eligible for bonus but they were not able to mention correct duration for becoming eligible for bonus under payment of bonus act.

In part e, examinees could not explain the number of workers when factories act becomes applicable.

In part f, most of the candidates could not explain time limit for filling appeal under consumer protection act.

In part g, students could not explain the rule of hire purchase agreement correctly.

Question 2 – Satisfactory :

In part a, majority of the students mentioned that lunatic person is incapable to contract but they did not mention that he can contract when he is of sound mind.

Part b, c and g were answered well in most of the cases but almost none of the students answered part e correctly.

Also students were not aware about the correct process of filling complaint under RTI act as asked in part f. In 2d, a great no. of students scored 5 marks as this question was related with true/false and fill in the blanks.

Question 3 – Average :

In part a, students got confused between Damping & Dumping, forfeiture of shares & forfeiture of gratuity.

In annual returns they were responding for annual returns under IT act instead of LLP. They were able to explain quasi contract & discharge of contract properly.

In 3b, similarly they confused between PIO and IPO.

Question 4 – Good :

Majority of the examinees attempted this question and performance in part a, b, c and d was good.

They explained well the provision of Payment of Wages act, provident fund & Misc. provision act.

They were not aware about minimum no. of employees required for maintaining shelters, lunchrooms and rest rooms under factories act.

Question 5 – Average :

As compulsory question, mostly students answered correctly but justification and reasons were not available.

In part b, students explained CARO is application to private companies but basic requirements were not stated correctly.

In part c, most of the students gave general answers lacking I.T knowledge in accounting and audit.

The students were also unable to explain the simple answers in part d, e, f, and g.

Question 6 –Average :

Students were confused in answering part a, no students were able to give correct answer.

In part b, examinees could not differentiate between appointment of cost auditor and statutory auditor.

They were also unable to explain the provisions regarding internal auditor in part c.

For part d, none of the students mentioned that auditor is not a part of audit committee but he can attend the same.

Part e exhibits the poor knowledge of students regarding computer system of audit and information system.

Question 7 – Satisfactory :

Very few candidates attempted this question.

In part a, most of the students have answered regarding payment of retirement benefits instead of vouching of retirement benefits.

In the same way they were unable to highlight verifying sales returns in part d.

In part e, none of the students answered about how to disclose the fees instead they discussed whether he can take up an additional assignment or not.

A greater part of examinees explained irrelevant points in part g and h.

Question 8 – Satisfactory :

In part a, most of the examinees find out the correct ratio but did not explain the reasons for the change.

As part b, c related with computer, answers were found to be misleading and lacking the desired level of approach.

In part d, answers were based on vague idea and guessing.

Part e shows the poor knowledge of PF and gratuity.

In part f, few examinees were not clear about compliance of CARO in respect of guarantees for loan

taken by others.

In part g performance was poor.

SPECIFIC SUGGESTIONS

Re Q. 1&5. Examinees did not quote relevant sections/provisions case laws of the problem. Reasons were not elaborated correctly. Illogical and irrelevant justifications should not be given.

Re Q. 3a. Short notes are the high scoring questions but examinees did not pay their attention towards it and very few of them answered it with conceptual clarity. Examinees should explain concepts first, then they should mention the relevant provisions of the act to support their answer.

GENERAL OBSERVATION

Examinees have less tendencies to read text book, study papers in depth. Regular practice will improve the foundation of company law, auditing.

Students should participate in practical course to know about information system audit.

Students should focus on having in-depth knowledge and clarity of concept. The question asked were mostly practical or case studies which involved application of legal provisions.

For securing maximum marks, answers should be directed towards the asked with relevant points, sections, Para and clause.

I-P 7 (ADT) APPLIED DIRECT TAXATION

Question wise performance

Question 1 (Compulsory objective type questions)

This was objective type question. Answered well by most students. Examinees need not write the question and the answer in full but give the correct word/phrase with the option number, to save time.

Question 2

In part (a) many students could not calculate the number of days stay in last four years. Errors were also committed in determining status (non-resident) of Mr. Jeff.

In part (b), The reason for inclusion / exclusion was not explained in most cases.

In part (c) Deduction of 50% available on such income, was not given by most students.

Question 3

In part (a) only few students could correctly compute the loss under the head income from house property.

In part (b) Computation of tax including basic exemption in case of non-resident was not done correctly.

In part (c) Overall answer was satisfactory but rate of TDS was not given properly.

Question 4

In part (a) Performances is very poor. Most of the students correctly do upto Net worth of Rs. 90 lacs. the students could not grasp the question.

In part (b) most students could not answer properly.

In part (c) Overall performance was satisfactory

Question 5

In part (a) some students have answered the admissibility without reference to the applicability of TDS to the transactions.

In part (b) Overall performance was good.

In part (c) few students computed the liability of Income Tax correctly.

Question 6

In part (a) Overall performance is good.

In part (b) overall not satisfactory, as many students have taken age of applicability as 80 years in place of 60 years.

In part (c) Overall good.

In part (d) Very few students properly knew the persons not eligible u/s 44AD.

Question 7

In part (a) Overall good but reasons are not properly written.

Question 8

In part (a) “Amount of Rs. 10,000/- as penalty” is written by very few students.

In part (b) Section 80 GGC is not mentioned by large number of students.

In part (c) Not up to the mark, most students have given wrong answers in clubbing of income.

In part (d) Performance is overall good.

➤ In part (e) Overall good but reasons are not properly written.

SUGGESTIONS TO STUDENTS:

Read the question carefully and understand what is required to be stated.

Answers written should have relevance to the marks allotted, and the question asked.

Candidates should learn to manage their time, so that they can complete the paper.

GENERAL OBSERVATIONS

Examinees / students are not adequately prepared for the examinations. A first reading, followed by solving practical problems, followed by a revision and mock test will enable the students to prepare well.

Examinees would perform better if they understood and noted, clearly grasped what is asked for in the question and if they covered the required points in their answers.

INTERMEDIATE GROUP II

I-P 8 (CMA) COST & MANAGEMENT ACCOUNTING

Question-wise observation and suggestions:-

Question 1

70-75 % accuracy was observed in this compulsory question.

It is also observed lack of knowledge of various concepts of cost & management accounting. For improvement, thorough study of Institute's study materials is a must.

Question 2

In part (a) only a few students attempted this question correctly. Most of the students could not understand the question properly. Application of basic concepts in practical problems was lacking.

It is advised students must acquire proper theoretical knowledge and followed by solving practical problems from study materials & good text books.

In part (b) Performance was average. Lacking of knowledge in treatment of fringe benefits and bad debts in cost accounting was observed.

Question 3

In part (a) many students attempted this question but failed to solve it correctly due to lack of proper knowledge on standard costing.

It is suggested that adequate knowledge in standard costing must be acquired to clear such professional examination. No shortcut method will help the students to be successful the examination.

In part (b) the overall performance was up to the mark.

Question 4

In part (a) Very few candidates attempted this question. Also could not solve the problem properly.

Students must take this paper seriously and for which regular practice is necessary.

In part (b) answer was average.

Question 5

In part (a) many students attempted this question. Most of the candidates have done first part correctly but have failed to arrive at 100% level of productivity. In order to improve the performance sound knowledge the topics is required.

In part (b) answer was average. Many candidates were not able to calculate the amount of normal and abnormal loss/gain in process account.

It is suggested candidates should avoid casual treatment in solving such problem. They should acquire proper knowledge of the topics & before appearing in the examination. Regular practice will improve the performance.

Question 6

In part (a) most of the candidates answered this question properly.

In part (b) answer was average.

Question 7

In part (a) answer was not satisfactory. It was disappointing to see many of the candidates could not prepare store ledger under LIFO/FIFO method. They also failed to workout turnover ratio.

In part (b) many students have attempted this question but failed to indicate the demerits as required.

Question 8

Answer was average.

GENERAL OBSERVATIONS :

It reveals that majority of the examinees did not take the course seriously. They appeared to be casual. It should be brought to the notice of all students that casual treatment will not bring any fruitful result.

In order to clear such prestigious professional course, the following guidelines should strictly be adhered to by the concerned students:

- (i) In-depth study of Institutes study material and good text books.
- (ii) Regular solving of practical problems including past question and problems of institutes study materials.
- (iii) Due to lack of practice while solving practical problems examinees could not complete most of the problems set in the examination, hence regular practice is essential.

SUBJECT : OPERATION MANAGEMENT AND INFORMATION SYSTEM (IP – 9)

Question No.	Comments
Q1 (a) , (b) & (c)	As it was objective question, in general performance was satisfactory.
Q2 (a)	Performance was Poor.
(b)	Performance was Poor.
(c)	Performance was average.
(d)	Performance was satisfactory.
(e)	Performance was average.
Q3 (a)	Performance was satisfactory.
(b)	Performance was satisfactory.
(c)	Performance was average.
(d)	Performance was average
Q4 (a)	Performance was satisfactory.
(b)	Performance was satisfactory.
(c)	Performance was poor.
(d)	Performance was poor.
Q5 (a) , (b) & (c)	As it was objective question, in general performance was satisfactory.
Q6 (a)	Performance was unsatisfactory.
(b)	Performance was satisfactory.
(c)	Performance was average.
(d)	Performance was average.
Q7 (a)	Performance was un satisfactory.
(b)	Performance was average.
(c)	Performance was average.
Q8 (a)	Performance was satisfactory.
(b)	Performance was unsatisfactory.

(c)	Performance was poor.
(d)	Performance was satisfactory.
(e)	Performance was satisfactory.
(f)	Performance was satisfactory.
(g)	Performance was satisfactory.
(h)	Performance was unsatisfactory.

GENERAL OBSERVATIONS

- Lack of analytical skill was noticed.
- Lack of in-depth knowledge was revealed.
- Lack of comprehensive preparations.
- Lack of proper presentation.
- Lack of Professional approach was observed.
- Lack of conceptual clarity.
- Lack of practice was noticed.
- Weakness was noticed in section II (information system).

SUGGESTIONS

- Questions are set within the syllabus & study notes, students are advised to read it properly.
- To fetch high scores students should labour hard for objectives & numerical sections of the question paper. They should consult reference books of this subject.
- Avoid unnecessary and irrelevant details in the answer.
- Avoid repetitions of same points in the answer.
- Students must not to be bookish and should apply logic and practical aspect while answering the descriptive questions.
- Students are advised to learn , how to write precise answers.
- This paper is a technical paper and students need to balance in both parts Operation management & information system. Comprehensive preparation and in-depth knowledge is required for both parts.
- Students are advised to avoid selective studies.
- Students should consult the past questions and suggested answers of the institute to know the suggested pattern/standard of the questions & presentation of answers.
- This paper is high scoring paper; regular practice will make them perfect.

IP 10 – APPLIED INDIRECT TAXATION

GENERAL COMMENTS :

The general observation of the examiners was that candidates took the examination without adequate preparations. Knowledge of various provisions was not up to the expectation. Even if the candidates knew the rules and provisions, they failed to interpret and apply them perfectly. Presentations were very much lacking.

SPECIFIC COMMENTS :

Question 1

In part (a) overall performance of the students is poor. Students are not thorough with the various statutory provision which leads to poor performances.

In part (b) overall performance of the students is average. Some of the students gave answer true/false without reasons or with wrong reasons.

Question 2

In part (a) most of the students could not clearly explain Rules 9 and 10 of the Valuation Rules.

In part (b) the purpose of the interpretation Rules of Custom Tariff is not known by most of the candidates.

In part (c) overall performance of the students was satisfactory.

Question 3

Overall performance of the students in respect of part I and part II were average. However in respect of part III, the inter-state purchases liable to Central Sale Tax are not eligible for import tax credit is not clearly stated by majority of the candidates.

Question 4

The answer was attempted fairly well by majority of the candidates. But in respect of part I only very few students could compute the amount of Custom Duty correctly.

Question 5

Overall performance of the students in respect of part II and part III were average. However in respect of part I assessable value and duty liability were not correctly computed by majority of the candidates.

Question 6

The answer was attempted fairly well by majority of the candidates. But in respect of part III Speed Post service rendered by the department of the Indian Post is not covered in the negative list and hence service is fully taxable is not correctly stated by majority of the candidates.

Question 7

The answer was attempted fairly well by majority of the candidates.

Question 8

The answer was attempted fairly by majority of the candidates. But the difference between ICD and CFS (part I) were not correctly stated by majority of the candidates.

FINAL GROUP III

PAPER 11 – CAPITAL MARKET ANALYSIS & CORPORATE LAWS

Suggestion for improvement of Examinee's Performance:

It is suggested (i) to keep in touch with periodical amendments, to study the Institute's Study Notes and books of latest edition.

(ii) through and in depth study in necessary especially for compulsory question No. 1.

(iii) careful reading and understanding the meaning and basic requirement of question.

(iv) to avoid repetition of same points.

(v) to provide margin on both sides of the answer book, with adequate space in between two answer, to present in a legible manner.

(vi) not to write vague answers.

(vii) to improve handwriting.

(viii) to improve communication skills etc.

Performance of the Students

1a. (I to VII)	Good
Excepting (I) & (VII)	Reasons – Not indicated in number of cases.
1b.	Good
2a.	Not as per expectation – Average.
2b.	Satisfactory – some could not present properly. Presentation – Unsatisfactory although end result was correct.
2c.	Unsatisfactory.
3a.	Average.
3b.	Good majority failed to answer last part i.e. (III)
4a & b.	Not satisfactory. Majority avoided question 4.
4c.	Few candidates attempted results was satisfactory.
5a & b.	Good.
6a.	Majority attempted performance. Good – however presentation not satisfactory. Majority failed to refer “Financial Year” which was to be referred to.
6b.	Satisfactory.
7.	Majority attempted.
7a.	Satisfactory.
7b.	Many avoided.
7c.	Satisfactory.
8.	Less number of candidates attempted.
8b.	Many avoided.
8c.	Average.

General for Q 7 & 8

Quality of Answer not good. Required improvement.

PAPER - 12 FINANCIAL MANAGEMENT AND INTERNATIONAL FINANCE

Questionwise Performance of the Candidates

Question-1

In part (a) overall performance is good. Most of the examinees have performed well though proper workings/calculations in support of the answers were not presented in many cases.

In part (b) performance is good. Mostly attempted correctly.

In part (c) performance is average.

Question-2

In part (a) very few could answer it correctly. Students erred in calculating “advance to be paid” and “Interest Cost” thereby failed to reach at correct cost of factoring.

In part (b) majority of examinees described ‘Venture Capital’ in vague term. Many answered treating this as part of share capital.

Question-3

In part (a) the performance is satisfactory. Only few examinees explained the need of considering proper method for decision making in case of conflict between NPV and IRR.

In part (b) the performance is generally poor. Not properly explained from the perspectives of environmental and economic viability.

Question-4

In part (a) satisfactory to good performance observed except for Part (I) where the final answer could not be arrived at in most of the cases.

In part (b) the performance is generally poor. Majority of examinees could not identify the basic financial decision as Investment, Financing and Dividend decision.

Question-5

In part (a) the performance is poor. Many students have erred in calculating stock of WIP, Debtors and Cash.

In part (b) performance is average. Various models of Dividend Payment discussed which is not required.

Question-6

In part (a) well responded by the candidates.

In part (b) performance is average. Some examinees have arrived option price by directly going to the last step without giving calculation in between.

In part (c) overall performance is poor. Majority of examinees explained swap points rather than the concept, necessity and financial benefits.

Question-7

In part (a) some examinees missed to note that the question is about the % and not simply spread. Performance is satisfactory.

In part (b) few examinees answered correctly till the end by clearly indicating the benefit of hedging.

Question-8

In part (a) mostly vague answers. Lacked the basic knowledge of FCCB.

In part (b) poor performance observed. The answers did not elaborate the hedging payable and hedging receivable.

In part (c) very few attempted this question. Answers presented in such a way that it was a block in trading in stock exchange.

In part (d) performance is average. The answers described the benefits of FDI rather than the factors that discourage FDI.

OVERALL PERFORMANCE OF THE CANDIDATES

The overall performance of the candidates found to be satisfactory in general.

Question—1(a) & (b), 3(a), 4(a), 6(a) & 7(a) – well responded by the candidates.

Question—1(c), 2(a), 5(a), 6(b) & 7(b) – average to poor performance observed.

Theory questions: Mostly general points discussed upon not supported by relevant and valid points which shows the lackness in the conceptual understanding.

SUGGESTIONS ON IMPROVEMENT

Comprehensive study of material issued by the institute on the subject is desirable along with related standard reference books (updated).

Previous years question papers and suggested answers should be consulted upon to form a concrete idea about the standard / pattern of the question and the presentation skill required at this level.

Ambit of knowledge should be extended with special emphasis in theoretical portion of the syllabus.

Time-bound practice schedule should be undertaken for effective time management during examination.

F-P 13 (MGM): MANAGEMENT ACCOUNTING-STRATEGIC MANAGEMENT:

Overall Performance of the Examiner's:-

Question 1

- In part (a) students scored good marks.
- In part (b) students scored good marks.
- In part (c) mixed Performance was seen.

Question 2

- In part (a) lack of knowledge could not explain the relevant terms in four parts. Poor Performance.
- In part (b) a less scoring questions for students.
- In part (c) average
- In part (d) average

Question 3

- In part (a), (b), (c), (d) since it is a practical question and requires a huge knowledge and information. Student could not understand and could not given the proper solutions. Overall average performance.

Question 4

- In part (a) poor.
- In part (b) average.
- In part (c) good.
- In part (d) average.
- In part (e) good.

Question 5

- In part (a) & (b) average.

Question 6

- In part (a) performance is average.
- In part (b) poor performance.
- In part (c) very good performance.

Question 7

In part (a) below average performance.

In part (b) average performance.

In part (c) some are very good but some use the simple concept without example. Average Performance.

Question 8

In part (a) good Performance.

In part (b) below average performance.

In part (c) above average performance.

In part (d) average performance.

GENERAL OBSERVATIONS:

Paper was good with the approach of theory and practical. Students of Final syllabus are expected to cover both aspects. So it is recommended to go through a variety of information through books, articles, and internet. Overall performance is average.

F-P 14 (AI&DTM): APPLIED INDIRECT & DIRECT TAX MANAGEMENT:

Performance of students

The performance of the students discernible from the review of the samples is that the students have not fared satisfactorily. In the case of most of the Examiners, the theory questions were answered in a poor fashion, exhibiting poor communication skills and lack of knowledge of the subject matter. For many a theory question and problem-based questions, answers of poor quality were seen in several samples. Most of the students were not aware of the recent amendments. Had it not been for the first question wherein high marks were generally scored, the performance would have been miserable.

FINAL GROUP IV

**PAPER 15 – MANAGEMENT ACCOUNTING – ENTERPRISE PERFORMANCE
MANAGEMENT**

Report on the Performance of Students

Question Nos.	Performance of Students	Suggestions for Improvement
1.(a) 'True' or 'false'	Overall good performance. Scored significantly. Some students not gave the reason against the “false” answer. It was required as per question.	Students could have saved time by writing only the reason of “false”. Many students wasted time by writing unnecessary details and/or examples.
1. (b) Multiple choice	Very Good performance. The majority of the candidates performed better. Some got full marks also.	Students should have read the whole syllabus sincerely. This is a scoring question. They should not miss out on this question. Some students wasted their time writing out the choice as in the question paper. They should preferably write in the same order as the question paper so that examiners do not make any scope of mistake while evaluating.
1. (c) Fill in the blanks with most appropriate word	Overall good performance. The majority of the candidates performed better.	Students need to study the text book and study materials meticulously. A conceptual knowledge is required for this type of question.
1. (d) Aggregate Planning, Chase Strategy, The Theory of Constructions, Vat Analysis and Materials Requirement Planning (Meaning/concept in one/two sentences).	Average performance. Most of the students not answered all questions. Some can't explain in one/two sentences.	Students may prepare for the paper more strategically by remembering key words in definitions of important terms. Students need not waste time by giving examples / details. They need to go through the guideline answers.
2. Internet (theory) and concept of shadow price and linear programming equation	Most of the students have attempted first part of the question. But in the case of 2 nd part of the question very poor performance.	Most of the students not aware of the concept of sales mix and linear programming equation. Practicing more problems based on the key factor.
3. Concept of Relevant Costing and decision making problem	Very poor performance. Very few students attempted this question and out of the marginal students corrected the answer.	Students are not able to differentiate costs which are relevant and which are not relevant for decision making. It requires through knowledge of different type of cost for decision making. Practicing more problems based on concept of Relevant Costing is necessary.
4. (a) Kizen Costing (theory)	Very good performance by	Students should require the fundamental

(theory) and Standard Costing problem	the majority of the students both the 1 st and 2 nd part of the question.	concept and in-depth knowledge of standard costing related different overhead variance formulas.
5. Target Costing Environment (theory) and target costing problems.	Good Performance. Majority of the students attempted very well both part of the question. Some students have written the objectives of target costing instead of role of CMA in target costing environment.	The students should first clear understanding regarding the spirit of the question. Otherwise their answers will not be in proper line. In this question a major percentage of the students confused in calculation of waiting time and even they wrote the wrong answer of target costing.
6. Total Quality Management (TQM) (both are theory questions)	Very good performance in both parts of the questions. Most of the students attempted very well.	Key points and hard presentation lacking. Good number of students started the questions very well but ends up beating around the bush. Fundamental concept of the topic must be rigorously studied by the students.
7. Problems of Cash Flows and Standard Costing (calculation of variances)	Majority of the students have done outstanding in the both part of the question. Majority of them answered correctly and scored significantly.	The concept and depth knowledge of standard costing is not clear to a number of students. They require practice more and more problems in hard to learn the related topic.
8. McKinsey's 7-S Framework, Succession Planning, Basic Steps for Implementing Lean / JIT Production, Matrix Organization and crowned Prince Syndrome (all are theory questions)	Well attempted by majority of the students in Part- (i), Part- (iii) and Part- (iv) only. But the answers of the most of the students of Part- (ii) and par- (v) were not up to the standard.	Students must need to study the text books and study materials seriously and in-depth knowledge is necessary to give good answer in these types of questions.

Overall Performance of the Students: Good

General Observations and Suggestions:

Some candidates have given the answer based on superficial knowledge and ideas. A few candidates lack in basic and conceptual knowledge and sometimes they have given irrelevant and vague answers mainly relating to the subjective type of questions. They are not serious to follow the institute's study materials as well as text books. In-depth study and more practicing the problems based on the key factor are necessary for the improvement of the standard.

After analyzing and proper scrutiny of examiner's general comments regarding question paper and suggested answers it may be observed that this paper covered whole syllabus and also a standard one.

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. Preparation is lacking for them. A Final level student cannot be ignorance in serious studies accordingly. In **Final Level High Quality Professional Course** 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.

PAPER 16 – ADVANCED FINANCIAL ACCOUNTING & REPORTING

Questionwise Performance

Part – A

Question 1 (Compulsory- objective type question)

Almost all examinees found the majority of questions within their knowledge and secured good marks in all three parts of the question.

Part- B

Question 2

In part (a) most of the students failed to work out the second part of the question asking for reversal of impairment loss and its allocation as per AS-28.

In part (b) Performance satisfactory. Common mistake was failure to work out weighted average cost of capital.

Question 3

In part (a) Performance was very poor and only a handful of the candidates could correctly work out the problem fully. The question related to chain holding. Most of the candidates failed to correctly work out cost of control, minority interest and consolidated revenue reserve. The concept of revenue profit allocation in pre and post profit was not clear. In such question it is important to solve the problem step wise and then to draw up the consolidated Balance Sheet and see that it tallies. Generally, most of the candidates approached to solve in an unsystematic manner and left the problem incomplete. More practice to solve such problems is required to overcome this deficiency.

Question 4

In part (a) Average performance. Many candidates failed to calculate the purchase consideration. Many candidates failed to pass correct journal entries to record the adjustments to be made one by one as per question. Consequently, the Balance Sheet figures were incorrect.

Question 5

In part (a) generally well answered. However, a few candidates failed to group the amounts as per Activity.

In part (b), (c) and (d) average performance. Candidates, who had specific knowledge, answered well but others wrote whatever they thought right from their common sense. This created a bad impression.

Question 6

In part (a) most answers were not correct and, in many cases the reason for opting for the specific method of rating was not stated by the candidates.

In part (b) poor answers. Candidates lacked clear idea of Option, Contracts and Financial instruments.

In part (c) poor answers as the candidates lacked knowledge of the topic.

Question 7

The adjustment to be made in respect of balance amount of Rs 12500/- out of Profit for six months of operation could not be dealt properly by the candidates.

It should have been adjusted with either Sundry Creditors or shown as a balancing figure separately. Provision of Doubtful debts was wrongly credited either to Debtors or shown as Bad Debts. Working notes were not shown in many cases.

Question 8

Short Notes

In part (a) average Performance.

In part (b) Poor answers. Lacked knowledge on Jaggi and Lau Model.

In part (c) Poor Performance. Only a few candidates had knowledge of constitution of Public Accounts Committee.

In part (d) fair performance. It appeared that although the candidates knew about IFRS and Indian AS, they had no clear concept about convergence of AS with IFRS.

SUGGESTIONS TO IMPROVE PERFORMANCE

It should be appreciated that there is scope to score high marks in this paper. But the performances of the candidates were below expected level. It happened because it appeared that most student did not prepare well for the examination through intensive study of the Institute Study material and prescribed texts. The students must appreciate that there is no alternative to learn about the subject matter and they must also practice to solve all types of problems from past question papers of the Institute and those of other professional bodies covering the various topics of 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.

FP 17 – COST AUDIT AND OPERATIONAL AUDIT

Question No. 1 & 5

They are Objective Questions. The overall performances in these Questions were satisfactory and by and large almost all the examinees had attempted these questions and many could score good marks.

Question No. 2

In part (a) performance was not satisfactory. Very few could work and the capital employed / network correctly and answered the questions correctly.

In part (b) very few knew treatment of Administration Overhead as per CAS-II.

Question No. 3

Part (a) was based on latest amendments & only those who had updated themselves with the website could answer this question. Students are advised to keep themselves updated with the information put up on the website.

In part (b) & (c) the performance was miserable, even though this question had been repeated in the previous exams.

Question No. 4

In part (a), (b) & (c) The overall performance was good.

Question No. 6

In part (a) & (b) these were common topics of students ought to have studied them thoroughly. But performance does not indicate that.

Question No. 7 & 8

The average performance was ok. Those who have faced badly are advised to go through with Study Material, Suggested Answers and the Institute's Website and develops their concepts and understanding of the subject. The English is very poor in general. This should be improved.

F-P 18 (BVM): BUSINESS VALUATION MANAGEMENT

COMMENTS ON THE PERFORMANCE OF THE EXAMINEES AND GUIDELINES 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 also 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 1

In Part (a), Part (b) and Part (c) of this question were answered by and large good by most of the Candidates. The overall performance was well.

Question 2

In part (a) most of the candidates could get few steps right. Very few got answer correct. The overall performance was not up to the mark.

In part (b) most of the candidates could get few steps/point right. Some of them performed well. The overall performance was of average level.

In part (c) most of the candidates failed to answer to the question correctly. The overall performance was very poor.

Question 3

Most of the candidates failed to calculate the intrinsic value of share using constant Growth Model correctly. Most of the answers exhibited lack of knowledge of P/E Multiple, P/B Multiple etc. their overall performance has been quite dismal.

Question 4

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

Question 5

In part (a) most of the candidates attempted this question but their answers exhibited lack of knowledge of relative valuation. The overall performance was not up to the mark.

In part (b) & (c) most of the examinees could get few points right. Some of them performed well.

Though some of the examinees were beating about the bush writing, unnecessary irrelevant details in their answers. However the overall the performance was of overage level.

Question 6

Most of the examinees failed to calculate enterprise value. Their performance was not up to the mark.

Question 7

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

Question 8

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

GENERAL GUIDANCE/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 to 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.

Avoid beat about the bush writing, unnecessary and irrelevant details in the answers to the questions. 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.