

SYLLABUS 2008

PAPER 6 : Commercial and Industrial Laws and Auditing

-
- Q1 a. **Good** : Most ^{of the} candidates rightly explained the eligibility under Payment of Bonus Act 1965.
- b. **Average** : Students were not aware about correct legal provisions about 'on sale or returns'.
- c. **Good** : Students explained the competency to contract in a good manner.
- d. **Satisfactory** : Many candidates could not explain seasonal employment.
- e. **Average** : Mostly students presented correct answers but reasons were not given correctly.
- f. **Average** : Students could not differentiate between LLP and a firm.
- Q2 a. **Average** : Most of the examinees written about impossibility instead of commercial impossibility.
- b. **Below Average** : Very few candidates could not explain the provisions of Indian Contract Act regarding the claim of Narendra against Ramendra.
- c. **Satisfactory** : Students explain the concept of agreement to sale instead of agreement to sale at valuation.
- d. **Good** : Examinees offered appropriate provisions of bid in an auction sale.
- e. **Average** : Mostly students knew the general provisions but little bit confused.

- f & g. **Average** : Most of the students knew the general rule but exceptions to EPF & workmen Compensation Act were not known which were asked in the question.
- Q3 a. **Good** : Mostly candidates explained the correct provisions of Competition Act.
- b. **Satisfactory** : Many of the students could not understand question itself. They were confused in explaining all about enforcement the promise.
- c. **Average** : The students failed to list the liability of surety in co-existence with that of the principal debtor.
- d. **Outstanding**: Answers given by many of the students were up to the mark.
- e & f. **Good** : Mostly students explained the correct answers reg. implied warranties.
- g & h. **Average** : Examinees in general manage to explain the proper justifications.
- Q4a. **Below Average**: Majority of the candidates were unknown about the concept of pension after retirement as per EPF and MP Act.
- b. **Average** : Students could not distinguish between foreign partner & foreign nationals.
- c. **Good** : A large no. of students points out correct fill in the blanks (Industrial Dispute Act) and secured very good marks.
- d. **Average** : Workers' participation in safety management at macro/organizational level were ignored by students.
- e. **Satisfactory**: Very simple question to answer, yet a large no. of them were far away from the exact answer. Instead of delivery of goods they were expressing irrelevant type of delivery of goods.
- f & g. **Good** : To some extent, the answer presented were based on provisions of Contract Act.

- Q5 a. **Good** : Many of the students explained internal audit well.
- b & c. **Average** : A large no. of students could not justify the correct answer.
- d. **Satisfactory**: Mostly students are unknown about AS 18 & As 13. They could not offer correct points.
- e & g. **Average** : Some students were not clear with the definition of company talent and applicability of IFRS.
- f. **Good** : As question related with computer mostly deciphered Edit Test properly.
- Q6a. **Satisfactory**: Answers were not as per CARO provisions.
- b. **Good** : Majority of the candidates commented the verification of copyrights appropriately.
- c. **Average** : Mostly students were not aware about the concept of audit trail.
- d. **Good** : A good no. of examinees dictated management audit in foreign collaborations perfectly.
- e & f. **Average** : Many students gave general answers and missed quoting specific functions and reasons.
- g. **Satisfactory** : Students could not highlight the justifications reg. the work done by the branch auditor.
- h. **Good** : Majority of the students expressed correct fill in the blanks related with AGM.
- Q7 a & b. **Poor** : Least attempted by the candidates. They were found missing in stating the auditing of foreign branch in India and verification of imported plant and machinery.
- c. **Average** : Answers reg. compliance with CARO in respect of loan was incorrect.
- d. **Satisfactory**: Mostly answers were related with materiality instead of circumstances of materiality.
- e. **Average** : Most of the examinees wrote about the benefit of management audit.

- f. **Poor** : Most of the candidates could not focus on the provisions of compliance report in different parts.
- g. **Below average:** Approaches to IS audit were answered incorrectly.
- h. **Good** : Few students were able to outline the verification of depreciation of fixed assets well.
- i. **Average** : Large no. of students could not list out the documents required in Audit in depth.
- Q8 a& f **Good** : Many students secured max. marks in these questions. Ans. Exhibit a good knowledge of management audit, points of students were proper and perfect.
- b. **Good** : Audit with EDI highlighted well by the candidates.
- c. **Poor** : Many students were in a fix, & could not explain different factors.
- d. **Satisfactory:** Most of the examinees mentioned the effectiveness of audit committee.
- e. **Good** : Except few students, views given reg. these sub points were accurate. Students were well up with the provisions of appointment of auditor.

SPECIFIC SUGGESTIONS

- In most of the cases, examinees could not understand the requirements of question. So, answers should be according to the requirement and avoid irrelevant answers.
- Due to lack of preparation, they have no command on subject. Students should quit shortcut method of study and apply thorough and indepth method of study.
- Students should focus on CARO, AS, Internal audit, Management audit and Computer audit related questions. In every exams, around fifteen to twenty marks question are related with these topics.
- Examinees should pay attention to new developments, changes, notifications issued time to time reg. commercial and Industrial laws.
- Candidates offering Hindi medium should improve the knowledge of English so that they may understand the question in English properly.