

## Paper 12 : Company Accounts and Audit

### Summary of Examiner's Comment on the performance of the Candidates

#### General Comments:

General performance of the candidates has not been upto the mark. Sufficient practice and through revision will enable the candidates to improve their fundamental skill on the practical problems. It is also advised that the question paper should be gone through carefully before writing the answers.

#### Specific Comments:

- 1.(a) & (b) Very few students have been able to state the basic Accounting Assumptions correctly and are aware of the provisions of AS19.
- 2.(a) Very few students are aware of the provision of AS12 and have properly explained the two methods of treatment of Govt. Grants.
- 2.(b) Most of the students are not aware of the disclosure requirement of AS15 and components of provision expenses and consequently the answers were mostly vague.
- 2.(c) Most of the students have answered in respect of intangible Assets instead of requirements towards each class of provisions. In respect of other parts, mostly answered correctly.
3. The performance in this question was comparatively better barring a few cases. Some of the candidates were able to cover fully the subject matter.
- 4.(a)(I) Wrong calculation of Bank Term loan required were noticed in quite a few cases.
- 4.(a)(II) Majority of the students have answered this question correctly till the computation of managerial remuneration. Commission to be provided has not been calculated correctly by majority of the students.

- 4.(b) The performance in this question was comparatively better barring a few cases. But in the second part majority of the students were not able to prepare Liquidator's statement of Account correctly.
- 4.(c) Answer to the first part was satisfactory. But in the second part lack of knowledge in drawing up Cash flow Statement were noticed.
5. The performance in this question is satisfactory. However, most of the students were unfamiliar in respect of issue of Debentures as Co-lateral Security.
6. Average performance. Key points were lacking in several cases. They gave rather lengthy answer.
7. Average performance. Concept of forensic audit, checklist, true and fair view is not clear and complete by most of the students.