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MARKETVIEW

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Rakesh Singh, president, Institute of Cost Accountants of India (ICAI), talks to **Ruchi Chopda** on the various opportunities in the field of accounting

Rakesh Singh

What is cost accountancy?
Cost accountancy is essentially required for planning, monitoring and controlling the cost and price of a product or a service. It involves measurement, analysis and reporting of information relating to the costs of acquiring or using resources in an organisation. Thanks to the growing competition in the corporate sector, the role and importance of cost accounting has increased manifold. Broadly stated, the job of a cost accountant essentially consists of closely analysing costs and devising ways to reduce it.

What employment opportunities does this field offer?
Business managers are increasingly becoming aware of the vital contribution that cost and management accountancy services can make in order to help them achieve their goals. This has accentuated the demand for professionals in this field in all sectors of the economy. Many members of the Institute of Cost Accountants hold top management positions such as managing director, finance director, financial controller, chief accountant, cost controller, marketing manager, chief internal auditor, CEO, CFO in various companies.

What do you foresee for this industry in the near future?
The increasing complexities and dynamics of the business world, coupled with the expectations of stakeholders, require companies to focus on improving efficiency of operations. This mandates a mechanism of cost-linked performance measurement and evaluation framework so as to enable companies to become cost competitive and sustainable. Cost and management accountants (CMAs) have a key role in carrying out value analysis, segmental profit analysis and ensuring judicious application of resources.

A number of reports on the education sector in India point towards a skill-gap scenario between fresh graduates and the job market. Is this true for commerce and accountancy too?
In order to develop the necessary skills required for applying theoretical knowledge of cost and management accounting to practical situations in different fields, the institute introduced a scheme of practical training in 2008. As per this scheme, all the students are required to undergo a practical training with either practicing cost accountants or business organisations. The practical training provides exposure to environments in which different organisations work and helps the students to get acquainted with the industry and makes the students industry-ready. Further, the subjects that are taught at the final level are imbibed using a case-study approach through experience sharing by experienced professionals.

What is the knowledge and skills that the industry wants from commerce students and where is the mismatch?
The institute's syllabus has been framed following the International Educational Guidelines (IEG) of IFAC to gain advantages in the process of Mutual Recognition Agreement (MRA) among different member-countries of the world under GATS in WTO. The subjects in intermediate and final course of the institute provide a balanced and comprehensive knowledge, which is evenly distributed among four knowledge pillars: financial, management, strategy and regulatory functions. At the intermediate level, we are focusing on accountancy and regulatory environment and at the final stage the focus is on strategy and management. For the purpose of capacity and competency building, the institute regularly organises seminars/workshops for technical skill development of members in practice and industry. The institute has prescribed minimum compulsory hours of attendance of members in these programmes for continuous update of their knowledge and skills.

What should students focus on when they are planning their studies?
The basic requirement of our courses is general knowledge, common sense and hard work. Our courses equip you with knowledge that you can practice or use throughout your life.