

Paper - 19 : Cost and Management Audit

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Full Marks: 100

Time allowed: 3 hours

Part - I

Answer Question 1 which is compulsory.

1. Choose the correct option among four alternative answers. (1 mark for correct choice, 1 mark for justification.) [10×2=20 marks]
- (i) Cost Auditing Standard 102 deals with_____.
- (a) knowledge of business, its Process and the Business Environment
 - (b) planning an Audit of Cost Statements
 - (c) Cost Audit Documentation
 - (d) overall objectives of the Independent Cost Auditor
- (ii) To whom Management Audit report is submitted?
- (a) Audit Committee
 - (b) Cost Audit Branch
 - (c) Management of concern.
 - (d) Central Government
- (iii) In which form, the appointment of cost auditor is intimated to Central Government by the company?
- (a) CRA-1
 - (b) CRA-2
 - (c) CRA-3
 - (d) CRA-4
- (iv) The Cost Accounting Standard 7 deals with_____.
- (a) Material Cost
 - (b) Employee Cost
 - (c) Direct Expenses
 - (d) Administrative Overhead
- (v) What is the length of Corporate Identity Number (CIN)?
- (a) 11
 - (b) 17
 - (c) 19
 - (d) 21
- (vi) _____ is the process of determining the elements which correspond to the lines and the columns in a financial statement and the elements which must be created by extension.

- (a) Name
- (b) Concept
- (c) Mapping
- (d) Scaling

(vii) _____ is an example of Solvency Ratio.

- (a) Debtors Turnover Ratio
- (b) Debt Equity ratio
- (c) Capital turnover Ratio
- (d) None of above

(viii) A management Auditor uses the techniques of position Analysis, to evaluate _____.

- (a) Net worth of a Corporate.
- (b) Profit of a Corporate.
- (c) Corporate image.
- (d) Balance Sheet of a Corporate.

(ix) CAS 18 deals with _____

- (a) Pollution Control Cost
- (b) Research and Development Cost
- (c) Joint Costs
- (d) Royalty and Technical Know-How

(x) Which one of the following items appearing only in Cost Records?

- (a) Notional interest on capital
- (b) Rent receivable
- (c) Dividends.
- (d) Goodwill written off.

Answer: 1

- (i) (c) Cost Audit Documentation

Reason: The purpose of this standard is to provide guidance to the members in preparation of Audit Documentation in the content of the audit of cost statements, records and other related documents.

- (ii) (c) Management of concern.

Reason: Management audit undertakes examination of the effectiveness of management in controlling the total activities of the organisation in the accomplishment of the organisation objectives.

(iii) (b) CRA-2

Reason: Every company referred to in sub-rule (1) shall inform the cost auditor concerned of his or its appointment as such and file a notice of such appointment with the Central Government within a period of thirty days of the Board meeting in which such appointment is made or within a period of one hundred and eighty days of the commencement of the financial year, whichever is earlier, through electronic mode, in form CRA-2, along with the fee as specified in Companies (Registration Offices and Fees) Rules, 2014.

(iv) (b) Employee Cost

Reason: CAS-7 deals with the principles and methods of classification, measurement and assignment of Employee cost, for determination of the Cost of product or service, and the presentation and disclosure in cost statements. The objective of this standard is to bring uniformity and consistency in the principles and methods of determining the employee cost with reasonable accuracy.

(v) (d) 21

Reason: Corporate Identity Number (CIN) is a unique 21 digit alpha-numeric number which is assigned by the ROC (Registrar of Companies).

(vi) (c) Mapping

Reason: As per the XBRL, Mapping is the process of determining the elements which correspond to the lines and the columns in a final statement and the elements which must be created by extension.

(vii) (b) Debt Equity ratio

Reason: Debt Equity ratio represents the long term solvency position of an entity. It is a ratio of debt to equity representing ratio of debt in capital structure.

(viii) (c) Corporate image.

Reason: Position Analysis helps in determining market share, market stability, etc.

(ix) (b) Research and Development cost

Reason: CAS - 18 deals with the principles and methods of determining the Research and Development costs and their classification, measurement and assignment for determination of the cost of product or service and the presentation and disclosure in cost statement. The objective of this standard is to bring uniformity, consistency in the principles, methods of determining the Research and Development cost with reasonable accuracy.

(x) (a) Notional interest on capital.

Reason: This does not involve actual outlay of funds but is included in cost records as an opportunity cost to determine product cost. The other three items are not related to actual production and this do not form part of cost records.

Part – II

Answer any five questions from question number 2 to 8. Each question carries 16 marks.

[5 x 16= 80]

2. (a) As per section 143 of the companies Act, 2013, what is the duty of a Cost Auditor to report fraud?

(b) Mention the steps to be followed by a Cost Auditor for Practical Audit Process.

[8+8]

Answer: 2. (a)

According to Section 143(12) of the Companies Act 2013, if an auditor of a company, in the course of the performance of his duties as auditor, has reason to believe that an offence involving fraud is being or has been committed against the company by officers or employees of the company, he shall immediately report the matter to the Central Government within such time and in such manner as may be prescribed.

Sub-Section 13 specifies that no duty to which an auditor of a company may be subject to shall be regarded as having been contravened by reason of his reporting the matter referred to in sub-section (12), if it is done in good faith.

Sub-Section 14 makes it clear that the provisions of this section shall mutatis mutandis apply to the cost accountant in practice conducting cost audit under section 148.

According to Sub-Section 15 if any auditor, cost accountant or company secretary in practice do not comply with the provisions of sub-section (12), he shall be punishable with fine which shall not be less than one lakh rupees but which may extend to twenty-five lakh rupees.

Matter relating to fraud is to be reported immediately but not later than 2 days of his knowledge specifying:

- Nature of Fraud with description;
- Approximate amount involved; and
- Parties involved.

Following disclosures to be made in Board's Report:

- Nature of Fraud with description;
- Approximate Amount Involved;
- Parties involved, and
- Remedial action not taken

Answer: 2. (b)

In order to conduct practical audit, the following steps are to be followed by a cost auditor:

Step I: Objectives of Audit and Management Outlook i.e. cost optimization or cost reduction, checking parameters of operational efficiency of a unit or any utility or any other function or department, identifying profit making or loss making products, suggesting changed marketing strategies, complete review of business strategies etc.

Step II: Pre-conditions i.e. Objectives of cost audit, Area, nature and scope of audit, Number of cost auditors appointed, the applicable reporting framework, the reporting period, the statutory deadlines etc.

Step III: Understanding the Company's Business i.e. the cost auditor is required to understand the company's business, its corporate structure and various systems followed like Internal Control Systems, Internal Audit System, Accounting Systems & Policies, Cost Accounting System & Policies, Company's MIS system, risk identification & management system, IT policy, IT data security policy etc.

Step IV: Planning the Audit which includes timing and duration of audit period, Level and number of audit personnel to be deployed, audit partner to be deployed, drawing up an overall audit plan and audit strategy, Formulating appropriate audit procedures etc.

Step V: Execution of Audit i.e. Perform the audit checks and procedures as planned, Collect all required audit evidence and validate their relevance, reliability and accuracy, Prepare draft observations & discuss with key management personnel and Prepare final audit report.

Step VI: Audit Documentation i.e. Document audit plan, audit strategy, working papers, draft observations, final report etc. and preserve all documents in a bound folder/file for the prescribed period.

3. (a) Z has made an agreement with T of Japan for import of kits of Automatic Washing Machine in completely knocked down (CKD) condition. The terms of agreement are:

- (i) T will supply some items keeping 20% margin on cost. These imported items are of value of 40% of FOB price of Washing Machine and balance 60% will be locally manufactured.
- (ii) Z will pay a lump sum of ₹300 lakhs for technical know how and drawing for manufacturing of 3 lakhs washing machines.
- (iii) Z will also pay a royalty at 10% of selling price fixed by it in the local market less landed cost of imported kits and cost of locally procured components.

The following related information is also available:

- (i) FOB price for washing machine is ₹8,000.
- (ii) Insurance & freight is ₹300 per set of imported items
- (iii) Effective custom duty is @ 40% on CIF price
- (iv) Assembling & other overhead costs will be ₹1,000 per set.
- (v) Expected profit is 20% on selling price

You are required to calculate the selling price of Washing machine (rounded to ₹10)

- (b) How to value the cost of repair and maintenance as per CAS-12 under following circumstances:

- (i) In house R & M activity
- (ii) R & M by contractor inside entity
- (iii) R & M by contractor in its premises.

[10+6]

Answer: 3

- (a) Computation of selling price of Washing Machine

Particulars	Amount (₹)
FOB price of complete Washing Machine	8,000
Value of imported items (40% of FOB price)	3,200
Value of locally manufactured items (60% of FOB Price)	4,800

A. Cost of imported Items :	
(i) FOB price of imported parts	3,200
(ii) Freight & Insurance	300
(iii) CIF value	3,500
(iv) Custom duty 40% on CIF value	1,400
Landed cost of imported kits (iii) +(iv)	4,900
B. Cost of material - both imported + local (4800 +4900)	9,700
C. Assembling cost & other overhead costs	1,000
D. Technical know-how cost per machine	100
E. Total cost excluding royalty (B+ C + D)	10,800
F. Royalty	434
G. Total Cost	11,234
H. Profit (25% of Cost)	2,806
Selling Price of Washing Machine (G + H) [rounded to ₹10]	14,040

Working note for calculation of royalty:

Let Royalty = X,

Cost = (10,800 + X)

Selling price = (10,800 + X) x 1.25 = (13,500 + 1.25 X)

Royalty = (Selling Price – landed cost of imported kits - landed cost of local items) x 0.10

Or X = (13,500 + 1.25 X – 9,700) x 0.10

Or X = 380 + 0.125 X

Or 0.875 X = 380

Or X = 434

Answer: 3 (b)

Repairs and maintenance cost shall be the aggregate of direct and indirect cost relating to repairs and maintenance activity.

- (i) Cost of in-house repairs and maintenance activity shall include cost of materials, consumable stores, spares, manpower, equipment usage, utilities, and other resources used in such activity.
- (ii) Cost of repairs and maintenance activity carried out by outside contractors inside the entity shall include charges payable to the contractor and cost of materials, consumable stores, spares, manpower, equipment usage, utilities, and other costs incurred by the entity for such jobs.
- (iii) Cost of repairs and maintenance jobs carried out by contractor at its premises shall be determined at invoice or agreed price including duties and taxes, and other expenditure directly attributable thereto net of discounts (other than cash discount), taxes and duties refundable or to be credited. This cost shall also include the cost of other resources provided to the contractors.

4. (a) How Management Audit and Operational Audit are complementary and supplementary to one another?

(b) Indicate the contents of Performance Analysis Report.

(8+8)

Answer: 4 (a)

Management Audit is wider in scope compared to Operational Audit.

Management Audit is concerned with quality of managing whereas Operational Audit centres on the quality of operation. Operational Audit is an audit for the management and Management Audit is an audit of the management also.

The basic difference between the two audits is not in method, but in the level of appraisal. In management audit, the auditor is to make his tests to the level of top management, its formulation of objectives, plans and policies and its decision making. It is not that he just verifies the operations of control and procedures and fulfilment of plans in conformity with the prescribed policies.

The auditor is to reach the root i.e., the functions of top management which lay down objectives and policies, provide means and procedures of implementation and control and which actually engage in direction and control on a continuous basis. In addition to what would normally be covered in an operational audit, management audit would also encompass the relevance and effectiveness of the aims, duties and decisions of management at various levels, plans, policies and decisions of the top management. Every aspect of the functions of Board of Directors should be in conformity with the objects set out in the constituting document. Similarly, the managing director, if any, should act not only in accordance with the mandate he has received but he should ensure that the decisions he takes are in conformity with the objects of the company and the policies formulated by the Board. The effectiveness of management under the control of managing director and the various members of the Board including those in charge of finance, production, sales etc., should be subject to review of the management auditor.

Therefore, it can be said that the two audits are complementary and supplementary to one another.

Answer: 4 (b)

The Report on Performance Analysis may cover the following indicative areas:

- (i) Capacity Utilization Analysis
- (ii) Productivity/Efficiency Analysis
- (iii) Utilities/Energy Efficiency Analysis
- (iv) Key-Costs & Contribution Analysis
- (v) Product/Service Profitability Analysis
- (vi) Market/Customer Profitability Analysis
- (vii) Working Capital & Inventory Management Analysis
- (viii) Manpower Analysis
- (ix) Impact of IFRS on the Cost Structure, Cash-Flows and Profitability
- (x) Application of Management Accounting Tools

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5. (a) A manufacturing firm has up its own power plant to cater its need in manufacturing process. Its one month data is given below :

Number of units produced = 100 lakh units of which 5% is used by generating unit.

Material and utility used :

- (i) Coal 300 MT @ ₹ 30,000 per MT
- (ii) Oil 5 MT @ ₹1,60,000 MT
- (iii) Cost of Water extraction and treatment : 6 lakh litres @ ₹ 3 per litre
- (iv) Steam boiler cost ₹55 lakh with residual value 5 lakhs after life of 10 years.
- (v) Cost of Generating Plant is ₹ 90 lakhs with no residual value. Depreciation is charged on straight line method @ 10%
- (vi) Generating Plant : 100 skilled workers@ ₹ 30,000 & 150 helpers @ ₹ 20,000 pm.
- (vii) Boiler plant : 60 semi-skilled workers @ ₹ 25,000 & 100 helpers @ ₹ 20,000 pm.
- (viii) Repair & Maintenance of generating plant & Boiler is ₹ 5.0 lakhs
- (ix) Share of Administrative charges ₹ 20 lakh
- (x) Realization from Sale of ash disposed is ₹ 1.5 lakh

Prepare a cost sheet for Electricity Generating Cost and calculate cost per unit.

- (b) What are the responsibilities of Management with regard to Internal Control?

[10+6]

Answer: 5(a)

	Calculation	₹ Lakh
Material cost		
Coal	300 x 30,000	90.00
Oil	5 x 1,60,000	8.00
Water	6 x 3	18.00
Total Material Cost		116.00
Wages for Generator Plant	(100 x 30,000) + (150 x 20,000)	60.00
Wages for Boiler plant	(60 x 25,000) + (100 x 20,000)	35.00
Depreciation - Generating Plant	90 x 0.10	9.00
Depreciation- boiler plant	(55- 5) /10	5.00
Repair & Maintenance of generating plant & boiler		5.00
Administrative Exp.		20.00
Total Cost		250.00

Answer: 5(b)

The responsibilities of Management with regard to internal Control can be summarized as under-

- (i) Creation of system: Management is responsible for maintaining an adequate accounting system incorporating various internal Controls to the extent appropriate to the size and nature of the Business. The Management is vested with the responsibility of carrying on the business, safeguarding its assets and recording the transactions in the books of account and other records.
- (ii) Review of system: The system installed, should be reviewed by the Management to ascertain, whether-
 - The prescribed Management policies are being properly interpreted by the employees and are faithfully implemented,

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- The prescribed procedures need a revision due to changed circumstances or whether they have become obsolete or cumbersome, and
 - Effective corrective measures are taken promptly when the system appears to breakdown
- (iii) Internal Audit: it is desirable that the Management also installs an internal audit System as an independent function to check, amongst other things, the actual operation of the Internal Control System and report any deviations or non-compliances.

6. (a) The following particulars pertaining to production of yarn are extracted from the records of Balarampur Textiles Ltd. for the year ended March 31, 2022:

Particulars	₹ in '000
Direct Material Cost per unit	2,560
Direct Wages & Salaries	1,540
Direct Expenses	450
Indirect Materials	533
Factory Overheads	897
Administrative Overheads (40% relating to producing activities)	1,250
Quality Control Cost	565
Research and Development Cost	600
Interest on Working Capital	350
Sale of Scrap Realised	460

You are to determine the Cost of Production for the purpose of captive consumption in terms of the Rule 30 of the Central Goods & Services Tax Rules 2017 and as per the CAS-4 (Revised) and the Assessable Value for the purpose of paying GST on applicable transactions.

- (b) Mention the preliminary information which are generally required by Cost Auditor from a company for the purpose of Cost Audit. [8+8]

Answer: 6.(a)

According to the Rule 30 of the Central Goods & Services Tax Rules 2017, the assessable Value of goods used for captive consumption is 110% of cost of production of such goods. The manner of determination of cost of production for captive consumption is laid down in CAS 4

Particulars	₹ in '000
Direct Material	2,560
Direct Wages & Salaries	1,540
Direct Expenses	450
Indirect Materials	533
Factory Overheads	897
Administrative Overheads (40% on ₹ 1,250)	500
Quality Control Cost	565
R & D Cost	600
Total Cost	7,645
Less: realization of scrap	460
Cost of production as per CAS 4	7,185

- Note : 1. The cost of Working Capital Interest is not chargeable to Cost of Production
2. Assessable value as per Rule 30 of CGST Rules, 2017 is ₹ 79,03,500 (110 % × 71,85,000)

Answer: 6. (b)

The following information from the company is generally required by a cost auditor relating to cost audit:

- (i) A brief history of the company and its business activities.
- (ii) Memorandum of Association and Articles of Association.
- (iii) Annual reports and accounts for the last three to five years.
- (iv) A list including addresses of all factories, branch offices and depots with the names managers-in-charge.
- (v) Organization chart with details of key personnel.
- (vi) Collaboration agreements, if any, including agreements for payment of royalty.
- (vii) Details of manufacturing capacity - installed, licenses and utilization of installed capacity for the last three years.
- (viii) A detailed note indicating the system and procedure followed in -
 - (a) Cost department
 - (b) Financial accounting department
 - (c) Purchase, raw materials/ packing materials stores etc.
 - (d) Time office
 - (e) Production department
 - (f) Sales department
 - (g) Management Information System
 - (h) Internal audit department
- (ix) Copies of budget manual
- (x) Flow charts and description of manufacturing process
- (xi) Major raw materials with quantitative details for each; unit of finished output
- (xii) Labour incentive schemes, if any
- (xiii) Details of budgetary control and standard costing procedures with treatment for variances.
- (xiv) Copies of industrial licenses, if any, issued from time to time
- (xv) Periodical reports submitted to Government authorities.

7. (a) (i) How Value Chain activity can have an impact in performance analysis?

(ii) What are the limitations of Internal Control System?

[4+6]

- (b) Purchase of Materials ₹6,00,000 (inclusive of GST of ₹64,286); Fee on Board ₹24,000; Import Duty paid ₹30,000; Freight inward ₹40,000; Insurance paid for import by sea ₹20,000; Rebates allowed ₹8,000; Subsidy received from the Government for importation of these materials ₹40,000. Compute the landed cost of material (i.e. value of receipt of material). [6]**

Answer: 7.(a) (i)

Value Chain — Many company attempts to gain competitive advantage by appropriately linking its own activities with those of the suppliers, channels or customers. Vertical-integration, quality controls on inputs from suppliers, total quality management strategies, controlling distributors' performance through training/financing etc., collaborative arrangements etc. are some of the

ways in which company's own activities are beneficially linked to other organizations. This provides an avenue for reporting under performance analysis report. What has been the cost of such coordinating strategies and how much of competitive advantage of the company has improved or strengthened at present level? If such linkages with other companies are established as a matter policy, every year, then performance as to the cost efficiency in such coordinating/ cooperating linkages can be an area for appraisal for the Cost Auditor.

(ii) Internal control can provide only reasonable, but not absolute, assurance that the objectives" stated above are achieved. This is because there are some inherent limitations of internal control, such as:

1. Cost: management's consideration that a control be cost- effective;
2. No control for unusual transaction: the fact that most controls do not tend to be directed at transactions of Unusual nature;
3. Human Error: the potential for human error; These include the realities that human judgement in decision- making can be faulty and that breakdowns in internal control can occur because of human error. For example, there may be an error in the design of, or in the change to, a control.
4. Collusion among employees: the possibility of circumvention of controls through collusion with parties outside the entity or with employees of entity; For example, management may enter into side agreements with customers that alter the terms and conditions of the entity's standard sales contracts, which may result in improper revenue recognition.
5. Abuse of authority: the possibility that a person responsible for exercising control could abuse that authority, for example, a member of management overriding a control;
6. Inadequate procedure: The possibility that procedures may become inadequate due to changes in Conditions and compliance with procedures may deteriorate;
7. Manipulations by management: with respect to transactions or estimates and judgments required in the preparation of financial statements.

Answer: 7.(b)

Computation of Material Cost Sheet

	Particulars	Amount (₹)
	Purchase price of materials	6,00,000
Add:	Fee on Board	24,000
Add:	Import Duties of purchasing the material	30,000
Add:	Freight Inward during the procurement of material	40,000
Add:	Insurance paid	20,000
	Total	7,14,000
Less:	Rebates	(-) 8,000
Less:	GST Input Tax Credit	(-) 64,286
Less:	Subsidy received from the Government for importation of materials	(-) 40,000
	Value of Receipt of Material	6,01,714

Note: (i) Cash discount is not allowed, as it is a financial item.

(ii) Subsidy received, rebates and GST Input tax credit are to be deducted for the purpose of computing the material cost.

8. Answer any four.

(4×4=16)

- (a) Write a short note on Code of Ethics in the field of Cost and Management Accounting.**
- (b) Discuss the areas of the "Corporate Services Audit".**
- (c) Write a short note on Key Performance Indicators (KPIs).**
- (d) "The Cost Audit Reports can be termed as Propriety Audit" - Discuss.**
- (e) Mention the steps involved in the preparation of the Report Performance Analysis .**

Answer:

- (a) As professionals in the field of Cost and Management Accounting, the members of the Institute are bound by a code of professional ethics. This code stipulates and binds them to the highest level of care, duty and responsibility to their employers and clients, the public and their fellow professionals.

The objectives of the accountancy profession are to work to the highest standards of professionalism, to attain the highest levels of performance and generally to meet the public interest requirement. These objectives require four basic needs to be met:

- (i) Credibility in information and information systems;
- (ii) Professionalism identified by employers, clients and other interested parties;
- (iii) Quality of service carried out to the highest standards of performance; and of services.

- (b) With the enlarged role assumed by corporate organization in this country, the bodies are expected to have better social responsibilities than in the past. The "Corporate Services" refer to the activities that combine or consolidate enterprise- wide needed support services, provided based on specialized best practices and technology to serve internal (and sometimes external) and business partners viz. employees, shareholders, community, fellow businessman Government. Management Auditor studies separately and properly, evaluate critically examination of the different aspects of services and their extent that been satisfactorily rendered by the corporate body and of evaluation of degrees responsiveness and awareness on the part of such enterprise.

The areas of Corporate Service Audits are:

Consumers - Quality goods in right qualities at right price place and time. Employees - Pay, training, safety, welfare, industrial relations, etc.

Shareholders - Safety of investment, satisfactory return, appreciation (in Value & Quantity & marketability)

Community - Social Cost and Social benefit public relations.

Fellow - Business ethics and fair trade dealings.

Businessmen

State/Government - Compliance with, the spirit of laws, fair trade practices, payment of Taxes.

Auditor should consider the level of contribution a business entity makes to society and its business environment towards raising the quality of life through better product quality and services rather than profit maximization. So, it is an appraisal by the auditor as referred above and auditor's responsibilities lies in evaluating the company's response to social needs.

- (c) Key Performance Indicators (KPIs) are simply the variables, independent or interdependent, in respect of which the goals can be set and performance measured to assess whether it is in furtherance of the enterprise objectives. Hence, for evaluation of performance the selection of KPIs must be chosen correctly in tune with the objectives. The KPI measurement should not be a static computation, but always needs to be compared with a benchmark set.

The KPIs could be:

- (i) Quantitative – these can be financial or non-financial
 - (ii) Qualitative – these are often lead indicators i.e. they influence future performance
 - (iii) Actionable – those which can be influenced by enterprise actions or controllable
 - (iv) Trending – those which need to be assessed over a period of time to observe whether they are improving or not
- (d) Propriety audit stands for verification of transactions in the best interest of the public, commonly accepted customs and standards of conduct. In other words, the propriety audit seeks to ensure that the planned expenditure would yield the optimum returns and there is no other better alternative available. It seeks to ensure that the expenditure is not only appropriate to the circumstances of each case, it has indeed achieved the objectives for which it has been incurred.

The Cost Audit Reports can be termed as propriety audit as these reports seek to ensure that actual expenditure at each stage is appropriate and optimum returns have been achieved. The cost auditor always aims at ensuring that the actual expenditure should not be *prima facie* more than what the occasion demands. The cost auditor has to report on matters which appear to him to be clearly wrong in principle, cases where the company's funds have been used in a negligent or inefficient manner, arm's length pricing of related party transactions, etc. These are the areas where the propriety aspect is involved and therefore cost audit may be in the nature of "propriety audit".

- (e) The following steps are involved in the preparation of report on Performance Analysis:
- (i) Identify and understand the key strategies of the company, both prescriptive and emergent strategies included.
 - (ii) Choose strategies that have more visible expressions in costs data maintained by the company.
 - (iii) Identify the activities that were impacted by the strategies selected and also implemented during the year.
 - (iv) Analyze the cost implications of those activities and link it with the expected results of the strategies.
 - (v) Present the evaluation, in a table or any other easily comprehensible format like histogram, chart, graph etc.
 - (vi) Give explanatory notes for the terms used, calculations made, and assumption behind the evaluations.
 - (vii) Finalize the finding after a discussion with the concerned operating executives and then with the management of the company.