



**TOLL FREE 18003450092 / 1800110910**

**August - 2023 Issue**  
**CMA Student E - Bulletin**  
**INTERMEDIATE**

---



**The Institute of Cost Accountants of India**

---

Statutory Body under an Act of Parliament

[www.icmai.in](http://www.icmai.in)



## CONTENTS

I.	<b>Message from the President.....</b>	<b>1</b>
II.	<b>Message from the Chairman .....</b>	<b>2</b>
III.	<b>Knowledge Update.....</b>	<b>3</b>
IV.	<b>Financial Accounting (FAC) .....</b>	<b>3</b>
	Financial Accounting.....	5
V.	<b>Laws &amp; Ethics (LNE) .....</b>	<b>11</b>
	Laws & Ethics .....	12
VI.	<b>Direct Taxation (DTX) .....</b>	<b>16</b>
	Clubbing of Income .....	17
VII.	<b>Cost Accounting (CAC) .....</b>	<b>22</b>
	Cost Accounting .....	23
VIII.	<b>Operations Management &amp; Strategic Management (FBMS) ....</b>	<b>28</b>
	Operations Management .....	29
IX.	<b>Operations Management &amp; Strategic Management (FBMS) ....</b>	<b>37</b>
	Strategic Management.....	38
X.	<b>Cost &amp; Management Accounting and Financial Management (CMFM) .....</b>	<b>41</b>
	GR – II CMA & FM .....	42
XI.	<b>Indirect Taxation (ITX) .....</b>	<b>54</b>
XII.	<b>Company Accounts &amp; Audit (CAA) .....</b>	<b>58</b>
	Company Accounts & Audit.....	59
XIII.	<b>Practical Advice .....</b>	<b>62</b>
XIV.	<b>Submissions .....</b>	<b>63</b>
XV.	<b>Message from Directorate of Studies .....</b>	<b>64</b>
XVI.	<b>Few Snapshots .....</b>	<b>66</b>

## Message from the President



## Message from the PRESIDENT

Dear Students,

Greetings,

**“Take up one idea. Make that one idea your life; dream of it; think of it; live on that idea. Let the brain, the body, muscles, nerves, every part of your body be full of that idea, and just leave every other idea alone. This is the way to success, and this is the way great spiritual giants are produced.” — Swami Vivekananda.**

The Institute prepares the course curriculum considering the perspective of the ongoing best practices which are in vogue both in domestic and global arena. Professional expertise of both the academia and industry doyens is well blended in the syllabi. To achieve six important skill sets- Knowledge, Comprehension, Application, Analysis, Synthesis and Evaluation based on four knowledge pillars as Management, Strategy, Regulatory Function and Financial Reporting, the CMA course entails skills for employability worldwide. Communication and soft skill sessions coupled with rigorous computer training help the students to enhance knowledge and to face the challenges.

The June term of examination is over. You have silently studied for weeks, and now you need to wait for your results to get published. Those who have worked hard, and studied meticulously, your success will be loud and proud. You are strong, you are well prepared and you will succeed. All the hard work is about to pay off in success and cheers. I firmly believe that you can achieve your target.

As you are aware that study materials are continuously updated for incorporation of necessary amendments paper wise where those are extremely needed and also the same is carried out in all the papers with the view of providing you the needed and relevant information. Answers to Mock Test Papers (MTPs) and Model Question Papers (MQPs) have been uploaded. Please refer to those publications, published and/ or uploaded by the Directorate of Studies (D.O.S.) for your steady professional development.

“Education is the key to unlocking the golden door of freedom” I strongly believe that our students will conquer the World in their own way,

Good luck to you all,

CMA Ashwin G. Dalwadi  
President,  
The Institute of Cost Accountants of India

## Message from the Chairman



## Message from the CHAIRMAN

Dear Students,

### Greetings!!!

It gives me immense pleasure to address you as the Chairman of the Training & Education Facilities Committee of the Institute.

A student's world is a beautiful yet mysterious embroidery made up of a multitude of hopes and aspirations dyed in bright colours of thought and deed and their world is very much influenced by the environment of the institutions they are attached with.

The Institute of Cost Accountants of India and more specifically the Directorate of Studies, strive hard to provide resources that enhance your journey from student to a professional. The implicit promise of The Institute has always been a transformative education, rooted in the highest standards of academic excellence, nurtured by ethics and values and enriched by the opportunity to learn in the best settings.

I want to congratulate to all the aspirants of June, 2023 term of examinations and also to the prospective students of the forthcoming December 2023 term of examinations, well in advance! Moreover, you must have noticed and delighted to know that we are back to the original date of examinations from the December, 2023 term of examinations. I request to all of you to regularly look into the Students portal of the Institute to keep yourselves up to date.

I extend my heartfelt gratitude to the academicians engaged in the process and every effort of them, are highly appreciated, who has contributed towards making learning through Students E-bulletin so meaningful.

As we embark on this exciting journey, I want you to know that our new council and Training & Educational Facilities Committee is here to listen, support, and work alongside each and every one of you. We welcome your thoughts, suggestions, and feedback with open arms

Let us make this academic year one to remember—a year of growth, inspiration, and unity. Together, we will leave an indelible mark on our institute and profession and create a legacy that future generations of students can proudly carry forward

May you all continue to scale greater and insurmountable heights of excellence,

Best wishes,

CMA Vinayranjan P.  
Chairman, Training & Education Facilities Committee  
The Institute of Cost Accountants of India

## Knowledge Update

# KNOWLEDGE Update



In this section of e-bulletin we shall have a series of discussion on each of these chapters to provide a meaningful assistance to the students in preparing themselves for the examination at the short end and equip them with sufficient knowledge to deal with real life complications at the long end.

## Financial Accounting (FAC)



GROUP: 1, PART: 5

# FINANCIAL ACCOUNTING - (FAC)

**CMA (Dr.) Nibir Goswami**  
Associate Professor in  
Commerce  
Vidyasagar  
Mahavidyalaya, W.B.  
He can be reached at:  
[drnibrgoswami@gmail.com](mailto:drnibrgoswami@gmail.com)

# Your Preparation Quick



### Syllabus Structure

- A Accounting Basics 25%
- B Preparation of Financial Statements 40%
- C Self Balancing Ledger, Royalties, Hire Purchase & Installment System, Branch & Departmental Accounts 20%
- D Accounting in Computerised Environment and Accounting Standards 15%

**Learning Objectives:**

- Students will demonstrate their knowledge of the fundamental and technical concepts of accounting.
- Students will reveal critical-thinking and problem-solving skills.
- Students will exhibit the ability to recognize when change is appropriate, to adapt to change as it occurs, and to take the lead in creating change.
- Students will display a sense of responsibility and a capacity for the subject after learning.

**Financial Accounting**

Happy Bengali New Year Day to all. Unlike English calendar this day falls in summer. Life is such - sometimes it burns; sometimes it washes the pains. We learn this from nature. Let us welcome summer and wait for the rain to come.

Seasons are like partners and friends in a rally. One stops his journey and hands over the baton to the next. The run continues.

Keep running. Wish you all success in life.

**INTRODUCTION:****TREATMENT OF GOODWILL WHEN A NEW PARTNER IS ADMITTED:**

1. When the new partner brings premium for goodwill:

When the new partner brings an amount as premium for goodwill such amount will be shared by the old partners in sacrificing ratio and the entry will be –

**Bank A/C.....dr**  
**To Old Partners Capital A/C**

Sacrificing ratio

It is the difference between the old ratio and new ratio. This is illustrated with an example:

Say Sujata and Sutapa are partners sharing profits in the ratio of 2:1. Sanjukta enters in the business with 1/5th share of profit. Now new ratio will be calculated as follows:

$1 - 1/5 = 4/5$  is the share left for Sujata and Sutapa. So Sujata will get  $4/5 \times 2/3 = 8/15$  and Sutapa will get  $4/5 \times 1/3 = 4/15$ . Sanjukta is getting  $1/5 = 3/15$ . Thus the new ratio becomes 8:4:3. (eliminating the common denominator)

In that case sacrificing ratio will be calculated as follows:

	Sujata	sutapa	Sanjukta
<b>Old ratio</b>	2/3=10/15	1/3=5/15	Nil
<b>New ratio</b>	8/15	4/15	3/15
<b>Sacrificing ratio</b>	2/15	1/15	(3/15)

From the above table you can understand sacrificing partners are sujata and sutapa and gaining partner is sanjukta where sacrifice is 2:1 and gain is 2+1=3. i.e the sacrifice made by old partners is exactly equal to the gain by the new partner.

2. When the new partner fails to bring premium for goodwill:

If the new partner fails to bring the necessary premium for goodwill his capital account is debited by such amount and credited to the old partners capital account.

**New partners capital A/c.... dr**

**To old partners capital A/C**

Note: after issuance of AS-10 read with AS-26 the question of raising the amount of Goodwill and writing it off is no longer valid. Always follow the principle of capital adjustment as discussed above.

Other than adjustment of goodwill when a new partner is admitted the balance sheet of the firm is reformed i.e assets and liabilities are revalued as a measure of current update. This change in the value of assets and liabilities may

lead to profit or loss on revaluation. To find out such profit or loss a Revaluation account is opened. The profit or loss on such revaluation is shared by the old partners in their old profit sharing ratio.

A standard format of revaluation account

#### REVALUATION ACCOUNT

	Dr		Cr
To decrease in the value of assets		By increase in the value of assets	
To increase in the value of liabilities		By decrease in the value of liabilities	
To profit on revaluation		By loss on revaluation	
Total		Total	

Note: Remember to take the difference in value only (not the changed value). For example, if the value of building is revalued as Rs. 20,00,000 form Rs. 18,00,000 the take Rs. 2,00,000 in the revaluation account.



To solve the standard problem on admission of partner you have to open one revaluation account one composite capital account of all partners and a new balance sheet giving all such effects.

**EXAMPLE:**

Anik and babul were carrying on business in partnership sharing profits and losses in the ratio of 3:2. On December 31, 2017 their balance Sheet was as follows:

**BALANCE SHEET**

LIABILITIES	RS	ASSETS	RS
Capital : Anik	30200	Land and Building	40000
Babul	35400	Furniture	10600
Bank Loan	20000	Stock	38500
Sundry Creditors	20800	Debtors	19000
Bills payable	10000	Cash	20300
Workmen compensation fund	12000		
Total	128400	Total	128400

On January 1, 2018 charu was admitted to partnership on the following conditions:

- Charu would be entitled to 1/3rd share in profits
- Charu would bring Rs.30000 as his capital
- He would not be able to bring his share of Goodwill in cash for Rs.10000.
- The book value of land and building will be increased by Rs.10000, that of furniture would be reduced to Rs. 10000 and stock would be reduced by 10 %.
- A provision for bad debts @ 5 % of sundry debtors would be created
- The actual liability of workmen compensation fund is estimated at Rs.2000
- Bank loan would be paid off

Prepare Revaluation Account, Partners Capital Accounts and the Balance sheet of the new firm.

**REVALUATION ACCOUNT**

To Furniture	600	By Land and Building	10000
To Stock	3850		
To Provision for bad debt	950		
To Capital A/C:			
Anik - 3/5th	2760		
Babul - 2/5th	1840		

	10000		10000
--	-------	--	-------

**CAPITAL ACCOUNT**

	Anik	Babul	Charu		Anik	Babul	Charu
To Anik			6000	By balance b/f	30200	35400	-
To Babul			4000	By cash			30000
				By Revaluation	2760	1840	-
				By Workmen C F	6000	4000	-
To balance c/f	44960	45240	20000	(Rs 10000 in 3:2)			
				By charu	6000	4000	-
	44960	45240	30000		44960	45240	30000

**BALANCE SHEET**

LIABILITIES	RS	ASSETS	RS
Capital : Anik	44960	Land and Building	50000
Babul	45240	Furniture	10000
Charu	20000	Stock	34650
Sundry Creditors	20800	Debtors (19000-950)	18050
Bills payable	10000	Cash (20300+30000-20000)	30300
Workmen compensation fund	2000		
Total	143000	Total	143000

Note : Take care of the phrases like “ increased to” and “ increase by”. For increase by take the whole amount in revaluation account and for increased to take the difference amount.

**EXAMPLE:**

X and Y share profits and losses in the ratio of 5:3. They admit Z as a new partner with 1/5th share in future profits. He pays Rs.80000 as capital but does not contribute anything towards goodwill which is valued at Rs.60000. the capitals of the partners are fixed. All adjustments are to be made through partners current account except introduction of capital. Their balance sheet as on 31.03.2018 is as follows:

**BALANCE SHEET**

LIABILITIES	RS	ASSETS	RS
Capital : x	80000	Plant and machinery	50000
Y	60000		31000

Current a/c: x	5000	Stock	60000
y	6000	Debtors	90000
General reserve	60000	investment	30000
Sundry Creditors	50000		
		Cash	
Total	261000	Total	261000

**Additional information:**

Plant and machinery is valued at Rs.46000 and stock at Rs.96000

One creditor for Rs.6000 is dead and nothing is likely to be paid

The capital accounts are to be proportionately adjusted on the basis of Z's capital and his share of profit, through current account. Any deficit should be brought by the partners themselves

Partners decided to maintain the general reserve in the books of the firm.

Prepare revaluation account, capital and current accounts and balance sheet of the firm.

**Solution:****REVALUATION ACCOUNT**

To Plant and machinery	4000	By stock	6000
		Sundry creditors	6000
To Current A/C: x	5000		
y	3000		
	12000		12000

**CAPITAL ACCOUNT**

	x	y	z		x	y	Z
				By balance b/f	80000	60000	
				By cash			80000

To balance c/f	80000	60000	80000			
	80000	60000	80000		80000	60000 80000

**CURRENT ACCOUNT**

	x	y	z		x	y	Z
To				By balance b/f	5000	6000	
To gen reserve	30000	18000	12000	By goodwill	37500	22500	
To goodwill	30000	18000	12000	By Revaluation	5000	3000	
				By gen reserve	37500	22500	
To balance c/f	120000	60000					
				By cash	95000	42000	24000
	180000	96000	24000		180000	96000	24000

**BALANCE SHEET**

LIABILITIES	RS	ASSETS	RS
Capital : x	80000	Plant and machinery	46000
Y	60000		
Z	80000		
Current a/c: x	120000	Stock	96000
y	60000	Debtors	60000
General reserve	60000	investment	31000
Sundry Creditors	44000		
		Cash	271000
Total	504000	Total	504000

## Laws & Ethics (LNE)



GROUP: 1, PART: 6

# LAWS & ETHICS (LNE)

CA Partha Ray

He can be reached at:

[prapray@rediffmail.com](mailto:prapray@rediffmail.com)

# Your Preparation Quick



### Syllabus Structure

**A** Commercial Laws **30%**

**B** Industrial Laws **25%**

**C** Corporate Laws **35%**

**D** Ethics **10%**

### Learning Objectives:

Prior to start discussing on the paper, we need to understand few basic points about the paper, unlike other papers, this particular may turn to be very interesting and scoring as well, provided you pay attention to the points discussed below:

- Read the Act carefully and try to know the meaning of the contents in it.
- All the Acts are having practical implications in the real life world and it will help you to solve the problems in your real life situations once you join in the industry and / or practicing field,
- Answers should be specific and to the point,
- Please don't try to elaborate your answers adding irrelevant terms and items; it may penalize you with the Tips given here, please follow the Suggested Answers and Mock Test Papers of the Institute to have a fair idea about writing the paper in the examination.

### Laws & Ethics

It is hoped that you - the students prepare a time-table with time allotted for each subject and read, write, revise and recapitulate all that you keep on reading. The first TIP is that you must read the Bear Act and the Sections and start asking questions to yourself and find your own answers.

In this issue we shall deal with Corporate Laws – Companies Act,2013 and Rules

Punishment for violation of Section 94 of the Companies Act 2013

(1) If any inspection or the making of any extract or copy required under this section is refused, the company and every officer of the company who is in default shall be liable, for each such default, to a penalty of Rs.1,000 (one thousand) for every day subject to a maximum of Rs.1,00,000 (One lakh) during which the refusal or default continues.

(2) The Central Government may also, by order, direct an immediate inspection of the document, or direct that the extract required shall forthwith be allowed to be taken by the person requiring it.

Preservation Period - As per Sec.95 read with Rule 15(3) of The Companies (Management and Administration) Rules, 2014 provides that copies of Annual Return prepared and copies of certificates and documents required to be annexed thereto shall be preserved for a period of 8 years from the date of filing with the Registrar.

Rule 16 of The Companies (Management and Administration) Rules, 2014 provides that copies of the registers and annual return maintained under section 88 or entries therein and annual return filed under section 92 shall be furnished to any member, debenture-holder, other security holder or beneficial owner of the company or any other person on payment of such fee as may be specified in the Articles of Association of the company but not exceeding Rs.10 for each page and such copy shall be supplied by the company within a period of 7 days from the date of deposit of fee to the company.

Conclusive Evidence - Sec.95 of Companies Act,2013 provides that the registers, and copies of annual returns maintained under sections 88 and 94 shall be prima facie evidence of any matter directed or authorised to be inserted therein by or under this Act.

Now, we will discuss about Meetings of a Company

We will start with Notice under Section 101

#### Notice of Meeting

Section 101. (1) A general meeting of a company may be called by giving not less than clear 21 days notice either in writing or through electronic mode .

In case of private company - Section 101 shall apply, unless otherwise specified in respective sections or the articles of the company

In case of section 8 company, in Section 101(1)(i) fourteen days clear notice shall be given

In case of Specified IFSC Public Company - Section 101 shall apply, unless otherwise specified in the articles of the company. Notification Dated 4th January, 2017.

Meeting at Short Notice : Effective From 09th February 2018

A general meeting may be called after giving shorter notice than that specified in Section 101(1) , if consent, in writing or by electronic mode, is accorded thereto—

- (i) in the case of an annual general meeting, by not less than 95 per cent of the members entitled to vote thereat; and
- (ii) in the case of any other general meeting, by members of the company -
  - (a) holding , if the company has a share capital, majority in number of members entitled to vote and who represent not less than ninety-five per cent. of such part of the paid-up share capital of the company as gives a right to vote at the meeting; or
  - (b) having , if the company has no share capital, not less than 95 per cent. of the total voting power exercisable at that meeting

Effective From 09th February 2018 where any member of a company is entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members shall be taken into account for the purposes of Sec.101(1) in respect of the former resolution or resolutions and not in respect of the latter.

Sec.101(2) provides that every notice of a meeting shall specify :

- the place,
- date,
- day and the hour of the meeting , and
- shall contain a statement of the business to be transacted at such meeting.

Sec.102(2) provides that –

(a) in the case of an annual general meeting, all business to be transacted thereat shall be deemed special, other than—

- (i) the consideration of financial statements and the reports of the Board of Directors and auditors;
- (ii) the declaration of any dividend;
- (iii) the appointment of directors in place of those retiring;
- (iv) the appointment of, and the fixing of the remuneration of, the auditors; and

(b) in the case of any other meeting, all business shall be deemed to be special:

Provided that where any item of special business to be transacted at a meeting of the company relates to or affects any other company, the extent of shareholding interest in that other company of every promoter, director, manager, if any, and of every other key managerial personnel of the first mentioned company shall, if the extent of such shareholding is not less than two per cent of the paid-up share capital of that company, also be set out in the statement.

Notice to whom to be given : Sec.101(3) provides that the notice of every meeting of the company shall be given to—

- (a) every member of the company, legal representative of any deceased member or the assignee of an insolvent member;
- (b) the auditor or auditors of the company; and
- (c) every director of the company.

Sec.101(4) provides that any accidental omission to give notice to, or the non-receipt of such notice by, any member or other person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting.

Notice by Electronic mode : Rule 18 of the Companies (Management and Administration) Rules, 2014 provides that :  
In case company elects to send the notice by electronic mode , then it has to send the notice to all the members who have provided electronic mail address to the company .

In case of failure of transmission of email, company has to resend the email to the members .

The company shall not be in default for not delivering notice of meeting via e-mail in case member entitled to receive notice fails to provide or update relevant e-mail address to the company, or to the depository participant as the case may be.

The subject line in e-mail shall state the name of the company, notice of the type of meeting, place and the date on which the meeting is scheduled.

The company's obligation shall be satisfied when it transmits the e-mail and the company shall not be held responsible for a failure in transmission beyond its control.

The company may send e-mail through in-house facility or its registrar and transfer agent or authorize any third party agency providing bulk e-mail facility.

The notice of the general meeting of the company shall be simultaneously placed on the website of the company if any and on the website as may be notified by the Central Government.

For the purpose of Rule 18 of the Companies (Management and Administration) Rules, 2014 , it is hereby declared that the extra ordinary general meeting shall be held at a place within India.

Section 20 of the Companies Act, 2013 provides that a member may request for delivery of any document through a particular mode.

Sec.102(1) (1) A statement setting out the following material facts concerning each item of special business to be transacted at a general meeting, shall be annexed to the notice calling such meeting, namely:—

- (a) the nature of concern or interest, financial or otherwise, if any, in respect of each items of—
  - (i) every director and the manager, if any;
  - (ii) every other key managerial personnel; and
  - (iii) relatives of the persons mentioned in Sec.102(1)(i) and (ii);
- (b) any other information and facts that may enable members to understand the meaning, scope and implications of the items of business and to take decision thereon.

Deemed Special Transaction : Sec.102(2) provides that –

- (a) in the case of an annual general meeting, all business to be transacted thereat shall be deemed special, other than—
  - (i) the consideration of financial statements and the reports of the Board of Directors and auditors;
  - (ii) the declaration of any dividend;
  - (iii) the appointment of directors in place of those retiring;
  - (iv) the appointment of, and the fixing of the remuneration of, the auditors; and
- (b) in the case of any other meeting, all business shall be deemed to be special:

Provided that where any item of special business to be transacted at a meeting of the company relates to or affects any other company, the extent of shareholding interest in that other company of every promoter, director, manager, if any, and of every other key managerial personnel of the first mentioned company shall, if the extent of such shareholding is not less than two per cent of the paid-up share capital of that company, also be set out in the statement.



Sec.102(3) regarding Inspection of documents, provides that where any item of business refers to any document, which is to be considered at the meeting, the time and place where such document can be inspected shall be specified in the statement under Sec.102 (1).

Sec.102(4) regarding Non-disclosure in Statement, provides that where as a result of the non-disclosure or insufficient disclosure in any statement referred to Sec.102(1), being made by a promoter, director, manager, if any, or other key managerial personnel, any benefit which accrues to such promoter, director, manager or other key managerial personnel or their relatives, either directly or indirectly, the promoter, director, manager or other key managerial personnel, as the case may be, shall hold such benefit in trust for the company, and shall, without prejudice to any other action being taken against him under this Act or under any other law for the time being in force, be liable to compensate the company to the extent of the benefit received by him.

Sec.102(5) regarding Penalty, provides that without prejudice to the provisions of Section 102(4), if any default is made in complying with the provisions of this section, every promoter, director, manager or other key managerial personnel of the company who is in default shall be liable to a penalty of Rs.50,000 (fifty thousand) or five times the amount of benefit accruing to the promoter, director, manager or other key managerial personnel or any of his relatives, whichever is higher.

#### Quorum for Meetings

Let us first understand what we mean by Quorum. 'Quorum' simply means the minimum number of members that have to be present, under the Act, for a General Meeting, a Board Meeting and an Extraordinary General Meeting. The Act enumerates the numbers required within its provisions.

Section 103 of the Act states that, unless the Articles of Association of the company provide for a larger quorum, the quorum required for a General Meeting shall be as follows :

#### For public companies:

- 5 members present if as on the date of the meeting being held, the number of members in the company does not exceed one thousand.
- 15 members present if as on the date of the meeting there are more than one thousand members but less than five thousand members.
- 30 members present if as on the date of the meeting there are more than five thousand members.

#### For private companies:

- In the case of a private company regardless of the number of members, two members must be present for the quorum to be met for a meeting.

Sec. 103(2) and Sec.103(3), of the Act lays down what to do when the quorum has not been met. If the quorum is not present within half an hour of the time set for the meeting to begin, then the following options will be applicable:

- The meeting will be adjourned, and it shall be held on the same day and at the same time next week, or any other date and time as the Board may determine.
- If the meeting is adjourned then the date, time and place of the meeting has to be notified personally or via advertisement. The advertisement must be published in both English as well as the vernacular language in a newspaper which is in circulation at a place where the registered office of the company is situated.
- The meeting, which are called by requisition under Section 100, shall stand cancelled.
- Under Sec. 103(3), if the quorum is not present at the adjourned meeting, then the members present shall form the quorum.

## Direct Taxation (DXT)



GROUP: 1, PART: 7

# DIRECT TAXATION (DTX)

CA Vikash Mundhra  
He can be reached at:  
[vikash@taxpointindia.com](mailto:vikash@taxpointindia.com)

## Your Preparation Quick



### Syllabus Structure

- A Income Tax Act Basics 10%
- B Heads of Income and Computation of Total Income and Tax Liability 70%
- C Tax Management, Administrative Procedures and ICDS 20%

**Learning Objectives:**

- Identify the key concepts and function of direct tax
- Know how to calculate income tax provision's.
- Describe how uncertain tax positions are accounted for under the rules.
- Gradually you will come to know how to prepare and fills tax returns.

**Clubbing of Income**

Generally, an assessee is taxed on income accruing to him only and he is not liable to tax for income of another person. However, there are certain exceptions to the above rule (mentioned u/s 60 to 64). Sec. 60 to 64 deals with the provisions of clubbing of income, under which an assessee may be taxed in respect of income accrued to other person, e.g. certain income of minor child shall be clubbed in the hands of his parents, income from asset transferred to spouse for inadequate consideration shall be clubbed in the hands of the transferor, etc. These provisions have been enacted to counteract the tendency on the part of the taxpayers to dispose off their income or income generating assets to escape tax liability. Various provisions relating to clubbing are enumerated here in below:

Section	Particulars
60	Where an income is transferred without transferring the asset yielding such income, then income so transferred shall be clubbed in the hands of the transferor.
61	<p>If an assessee transfers an asset under a revocable transfer, then income generated from such asset, shall be clubbed in the hands of the transferor.</p> <p><i>Revocable transfer means, there is any provision for the retransfer of any part or whole of the income/assets to the transferor or gives the transferor a right to re-assume power over any part or whole of the income/assets.</i></p> <p><u>Exceptions:</u> a) A transfer by way of creation of a trust which is irrevocable during the lifetime of the beneficiary; b) Any transfer which is irrevocable during the lifetime of the transferee; or c) Any transfer made before 1.4.61, which is not revocable for a period of 6 years or more.</p>
64(1)(ii)	<p>Salary, commission, fees or any other remuneration to the spouse from a concern in which assessee has substantial interest. An individual shall be deemed to have substantial interest in a concern if he shares 20% profits of that concern or holds 20% voting power of that company.</p> <p><b>Exception:</b> If income to spouse generated due to his/her technical or professional qualification, skill etc.</p> <p>Where both, husband and wife, have substantial interest in a concern, remuneration will be included in hands of spouse, whose total income excluding such remuneration, is higher.</p>
64(1)(iv)	Subject to sec. 27(i), any income arising from assets transferred (directly or indirectly) to spouse otherwise than in connection with an agreement to live apart without adequate consideration, shall be included in the income of the transferor.

<b>64(1)(vii)</b>	If asset is transferred to other person or an AOP, for inadequate consideration, for immediate or deferred benefit of spouse, then income on asset so transferred shall be clubbed in the hands of the transferor.	
<b>64(1)(vi)</b>	Income arising (directly or indirectly) from assets transferred to son's wife, without adequate consideration, shall be included in income of transferor.	
<b>64(1)(viii)</b>	If an asset is transferred to other person or an AOP, for inadequate consideration, for immediate or deferred benefit of son's wife, then income on asset so transferred shall be clubbed in the hands of the transferor.	
<b>Note applicable on sec. 64(1)(iv), (vi), (vii), (viii)</b>	If assets so transferred, is invested in business then tax treatment shall be as under:	
	<b>Business</b>	<b>Income to be clubbed</b>
	<b>Proprietary</b>	<u>Income of such business x Value of such assets as on the 1<sup>st</sup> day of the P.Y.</u>
		Total investment in the business by the transferee as on the same day
	<b>Partnership</b>	<u>Interest on capital x Value of such assets as on the 1<sup>st</sup> day of the P.Y.</u>
Total investment in the firm by the transferee as on the same day		
<b>64(1A)</b>	<p>Income of a minor child shall be clubbed with income of the parent whose total income (excluding this income) is higher. Once clubbing is made with either parent, then in any subsequent years clubbing shall be made with the same parent, unless the AO is satisfied. If marital relationship does not subsist, income shall be clubbed with that parent who maintains the minor child.</p> <p><b>Exceptions: a)</b> Income arises or accrues to the minor child due to any manual work, his skill, talent; or <b>b)</b> The minor child is suffering from any disability of nature specified u/s 80U.</p> <p>Exemption u/s 10(32) lower of a) ₹ 1,500; or b) Income so clubbed</p>	
<b>64(2)</b>	Where an individual has converted his property into property of HUF, for inadequate consideration, then income derived from such converted property shall be clubbed with individual as under:	
	Before partition	The entire income from such property
	After partition	Income from the assets attributable to the spouse of transferor.

<b>65</b>	After application of provisions of clubbing (on transfer of property without adequate consideration as discussed above in several sections), income is taxable and tax liability arises in the hands of the transferor. But sec. 65 empowers the tax authorities to serve demand notice (in respect of tax on clubbed income) upon transferee.
<b>Notes</b>	<ul style="list-style-type: none"> <li>• Clubbing of income includes clubbing of negative income</li> <li>• The credit of TDS shall be given to the person in whose hands the income is taxable.</li> <li>• Income shall be clubbed even when form of the transferred asset is changed.</li> <li>• Income arising from the accretion of such property is not to be clubbed.</li> <li>• Income on income is not to be clubbed.</li> <li>• Income shall be, first, computed in hands of recipient &amp; then clubbing shall be made head wise.</li> <li>• If the clubbed income is eligible for deduction u/s 80C to 80U, then such deduction shall be allowed to the assessee in whose hands such income is clubbed.</li> </ul>

**Illustration**

Mr. A owned a residential house for his own residential purpose, details of which are as follows –

Particulars	Amount
Gross Annual value	5,00,000
Municipal tax (paid)	10,000
Interest on loan taken for construction of house	25,000

On 1/4/2022, Mr. A gifted ₹ 10,00,000 to her wife. Out of such money, she acquired a house property for her own residential purpose. New house has gross municipal value of ₹ 50,000. She paid corporation tax of ₹ 2,000. Compute income from house property of Mr. & Mrs. A. (Assume that Mrs. A does not own any other property).

**Solution**

Computation of income from house property of Mr. A for the A.Y. 2023-24

Particulars	Amount
<u>Self-occupied house</u>	
Net Annual Value	Nil
<i>Less: Deduction u/s</i>	
24(b) Interest on loan	25,000
	(25,000)
<i>Add: Income of Mrs. A clubbed u/s 64(1)(iv)</i>	Nil
<b>Income from house property</b>	<b>(25,000)</b>

Computation of income from house property of Mrs. A for the A.Y. 2023-24

Particulars	Amount
-------------	--------

<u>Self-occupied house</u>	
Net Annual Value	Nil
<i>Less:</i> <u>Deduction u/s</u>	
24(b) Interest on loan	Nil
	Nil
<i>Less:</i> Income clubbed u/s 64(1)(iv) with the income of Mr. A	Nil
<b>Income from house property</b>	<b>Nil</b>

**Choose the correct answer**

- Mr. X's minor daughter earned ₹ 50,000 from his special talent. This income will be clubbed with –
  - The income of Mr. X
  - The income of Mrs. X
  - Mr. X or Mrs. X, whoever's income is higher
  - It will not be clubbed
- Maximum exemption available in clubbing of income to mother or father is –
  - ₹ 1,500
  - ₹ 1,500 per child
  - ₹ 1,200 per child
  - ₹ 100 per month per child
- Mr. A gifted debenture of ₹ 1,00,000 to his wife. She received ₹ 10,000 interest which she reinvests and earns ₹ 1,000. This ₹ 1,000 will be taxable in the hands of –
  - Mr. A
  - Mrs. A
  - Not Taxable
  - Mr. A or Mrs. A, at the choice of the Assessing Officer
- Income arising to a minor married daughter shall be –
  - assessed in the hands of minor married daughter
  - clubbed with the income of that parent whose total income is higher
  - Exempt from tax
  - clubbed with the income of her spouse
- Income of a minor child suffering from any disability of the nature specified in section 80U shall be –
  - assessed in the hands of minor
  - clubbed with the income of that parent whose total income is higher
  - Exempt from tax
  - taxable in hands of provider of income like reverse charge
- Mr. X gives ₹ 2,00,000 to Mrs. X as gift. She invests in a proprietary concern and incurs a loss of ₹ 40,000.
  - This loss shall be clubbed in the hands of Mr. X
  - The loss shall be borne by Mrs. X
  - The loss shall not be clubbed
  - The loss shall be ignored while computing income of both Mr. and Mrs. X

7. In certain cases, income of other person is included in the income of assessee. It is called –
- Clubbing of income
  - Addition to income
  - Increase in income
  - Set-off of income
8. In whose total income, the income of a minor child is included –
- Father
  - Mother
  - Father & Mother both
  - Parent whose total income is greater
9. When the income of an individual includes ₹ 20,000 as the income of his minor child in terms of section 64(1A), taxable income in this respect will be –
- Nil
  - ₹ 20,000
  - ₹ 18,500
  - ₹ 15,000
10. Mr. A has three minor children deriving interest from bank deposits to the tune of ₹ 2,000, ₹ 1,300, ₹ 1,600 respectively. Exemption available under section 10(32) of the Income Tax is –
- ₹ 4,900
  - ₹ 4,300
  - ₹ 4,500
  - ₹ 5,000

Answer Key	1	2	3	4	5	6	7	8	9	10
	(d)	(b)	(b)	(b)	(a)	(a)	(a)	(d)	(c)	(b)



## Cost Accounting (CAC)



GROUP: 1, PART: 8

# COST ACCOUNTING (CAC)

CMA (Dr.) Subir Kr. Datta  
Principal,  
Khudiram Bose Central  
Collage  
He can be reached at:  
[duttasubirkumar1958@gmail.com](mailto:duttasubirkumar1958@gmail.com)

## Your Preparation Quick



### Syllabus Structure

- A Introduction To Cost Accounting 40%
- B Methods of Costing 30%
- C Cost Accounting Techniques 30%



**Learning Objectives:**

- Before taking the examination, it is necessary to read thoroughly the study material first.
- After that select the suitable text book or reference books available in the market for your further study and follow them.
- Next, follow the question papers of previous years and you will be able to get a general idea about the trend or pattern of questions generally set for this type of examination.
- So, if you want to score high marks then along with practical problems you have to answer properly the theoretical part.
- Due to lack of theoretical concepts they cannot score good marks not only in the theoretical part but also in tricky problems.
- Prepare notes on the theoretical part to improve your performance in the examination.

**Cost Accounting**

The Costing technique not only enable a business to find out what various jobs or processes have cost but also what the cost should be .It also indicate where loses and waste are occurring before the work is finished, and therefore immediate action may be taken, if possible to avoid such losses or waste . Business policy may require the consideration of alternative methods and procedures, and this is facilitated by cost information presented correctly. At present the value and importance of cost accounting need hardly be overemphasized. Cost accounting, by exercising control over the entire business operations, enables management to eliminate wastages, leakages, increase efficiency and productivity and helps decision making by suitably fixing prices in case of competition, trade depression, and idle capacity with a view to maximizing the gains or minimizing the losses.

So far my experience **Paper eight** is a scoring subject out of all papers. It is observed from the past experience that 70% to 80% of the total questions are set from practical problems and the balance is theoretical part. Although only 20% questions are set from theoretical part, but a greater emphasis should be given on theoretical part, as most of the students are very much weak in theory. For easy understanding the topic you should go through the theory in details and then try to solve the exercise problems. Starting from the first chapter we should go through all other chapter serially to understand the succeeding chapters in a better way.

We know it is a professional examination; hence emphasis should be given mainly on testing comprehension, self expression and managerial ability to apply knowledge in divergent situation. Chances of repetition of questions are normally avoided. The true success of this examination mainly depends on style of preparation which should have, perseverance, regularity of efforts, through practice, vision and objectivity.

**I have suggested some valuable guidelines based on my long time experience-**

1. A time bound plan should be there for completing the whole syllabus as well as revision within the target periods.
2. Try to go through your Study Note and know the complete syllabus. Remember all chapters are interlinked.

3. Analyze the trends of setting questions by taking at least ten to fifteen terms.
4. Please try to write all the important terms in your own words and read them regularly.
5. Improve your speed by regular practice and revision.
6. Always try to answer all objective type questions as practice, which carries 100% marks.
7. Try to develop a habit of reading the questions well, underlining and understanding the specific demands.
8. Clarity or concept is different from cramming which exerts avoidable strain on the students.

The main purpose of our study, **Paper Eight** are to understand the concept of cost, determining the Cost of product or services, understanding the concept of Standard Cost, applying the concept of the marginal costing, Budgetary Control and formulating of business strategy and operational planning.

As per study material, your entire syllabus is divided into six main chapters. In first chapter the basic concepts of cost accounting are discussed, besides its other two branches viz, Financial Accounting and Management accounting. The second chapter described the Elements of cost thoroughly. Here a classification has to be made to arrive at the detailed cogs of departments, process, production orders, jobs or other cost units. The three major elements of costs are – material, labour and Overheads. In this chapter cost concepts are discussed and analyzed element-wise. Material consists of the major part of total cost of a product, hence it is necessary to control this cost. You must read the scope and objectives of different Cost Accounting Standards. It will help to grasp the concept of cost accounting easily. Try to solve the problems on earnings of workers under different schemes. The meaning of Cost allocation, Cost apportionment and cost absorption should be very clear by solving the practical problems regularly. It will help to grasp the concept of Cost Accounting very easily.

The next chapter, Cost Book-Keeping, which includes integrated accounting system is not at all difficult. In this system, different accounts are to be opened, but it is not necessary to give much emphasis to complete its solution. Here, separate ledgers are maintained by the cost sections. Here the transactions are recorded on the recorded of double entry principles. The chapter is very easy to understand but the process is lengthy.

The third chapter relates to Contract Costing, which is used when orders or jobs are undertaken in the factory and when contracts are taken for building of a house, construction of roads, bridges or dams etc. The Job, Batch or Contract Costing is very important for the Intermediate Examinations. Most of the students often face difficulty in recommending the amount of profit to be taken into account for an incomplete contract. You should make sure that you are familiar with various methods/formulae for different stages of completion and share of profit. Students are also advised to go through the topic “Profit on incomplete contracts based on SSAP – 9”. Various problems on ‘escalation clause’ are used to be set at this level of examination also.

The next chapter is related to Operating Costing. In ‘Operating Costing’ we have to find out operating cost per unit of output. This chapter also includes ‘Transport Costing’, ‘Hospital Costing’, ‘Power House Costing’, ‘Hotel/ Hostel Costing’ etc. Finding out the ‘Composite Unit’ is very important for finding the solution of these type problems.

The next chapter relates to ‘Marginal Costing’ which aims to find out cost-volume-profit relationships of a product. It is not a system of costing, but is a especial technique concerned particularly with the effect which

fixed overheads has on the running of the business. This is an important chapter from the students' perspective. Students should understand the concepts, Uses, needs and importance of 'Marginal Costing' carefully. The main thrust should be to follow the wording and determine the desired impact on profitability. Break-even Analysis and finding out the Breakeven point is the basic part for solving the problem. For a product of different sales-mix, contribution per unit of key-factor should be find out and then different options should be marked on the same basis, i.e. contribution per unit of key factor. Here you should also study the effect on profits due to various changes, in Fixed Cost/ Variable Cost/ selling price/ sales-mix and again the effect of the above on BEP, Margin-of-safety. More than one problem is generally set from this chapter. Hence, various types of problems should be worked out for easy understanding.

The chapter 'Standard Costing' deals with creating responsibilities and identifying the activities or areas of exceptions. Here variances are analyzed in detail according to their originating causes. Any problem on standard cost for working out different variances can be worked out by using a standard format applicable to all variance analysis. This chapter helps to the management by fixing responsibility for each department and to identify the activities or areas of exceptions. The students are afraid of this important chapter only because of different formulae for different analysis. Only a serious study and realization of the requirement in the problem can eliminate such difficulties. The main objective of this analysis is to improve the operation by effective utilization of resources for reducing its product cost.

The next chapter is related to 'Budget and Budgetary Control'. The term budget can be expressed as a pre-determined plan of action in details. Budgetary control requires preparation of 'Flexible Budget', 'Functional Budget' and 'Cash Budget' for taking necessary action. Both theoretical and practical problems may be set from this chapter. The students can easily understand the problems, if theory remains clear. The students are also suggested to go through the theoretical parts like, concept of Zero Based Budgeting, behavior and classification of Budget etc. very carefully.

An enterprise which maintains two sets of accounts , viz. Financial Accounts and Cost Accounts, may not generally agree with each other in respect of profit for that we need reconciliation in order to mach these two profit figures. Again, management is also interested to know the cause of differences in order to check the arithmetical accuracy of both sets of accounts. Here I have suggested a problem in respect of reconciliation of profits shown by financial and cost accounts.

**Problem: -**

The following is available from the financial books of a company having a normal production capacity of 60,000 units for the year ended 31<sup>st</sup> March 2022. :

- (i) Sales Rs. 1000000 ( 50,000 units )
- (ii) There was no opening and closing stock of finished units.
- (iii) Direct material and direct wages cost were Rs. 500000 and Rs. 250000, respectively.
- (iv) Actual factory expenses were Rs. 1500000 of which 60% are fixed.
- (v) Actual administrative expenses were Rs. 45000 which are completely fixed.
- (vi) Actual selling and distribution expenses were Rs. 30000 of which 40% are fixed.

(vii) Interest and dividends received Rs. 15000.

**You are required to:**

- Find out profit as per financial books for the year ended 31<sup>st</sup> March 2022.
- Prepare the cost sheet and ascertain the profit as per cost accounts for the year ended 31<sup>st</sup> March 2022 assuming that the indirect expenses are absorbed on the basis of normal production capacity, and
- Prepare a statement reconciling profits shown by financial and cost books.

**Solution:**

**As per Financial Books  
Profit & Loss A/c  
( for the year ended 31<sup>st</sup> March 2022 )**

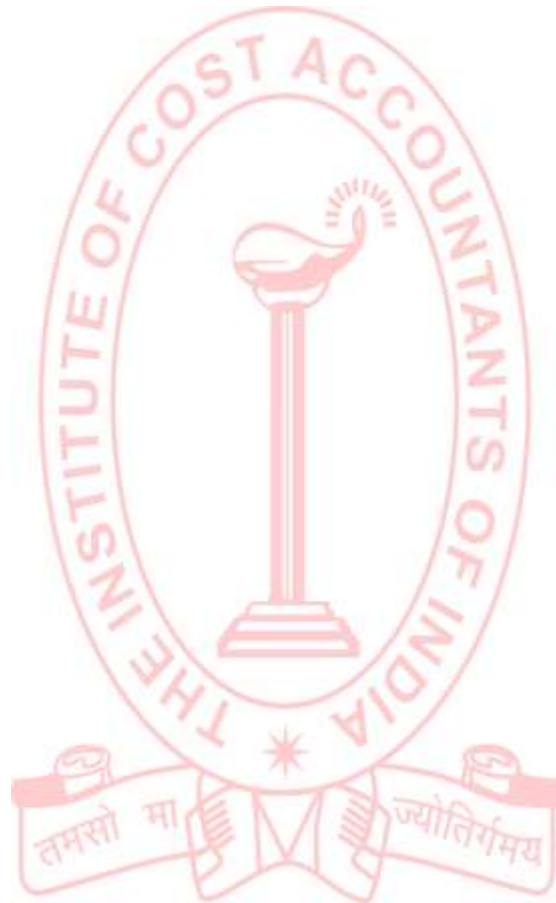
	Rs.		Rs.
To Direct Material	500000	By Sales ( 50000 units )	1000000
To Direct wages	250000	By Interest & Dividend	15000
To Factory Expenses ( Actual )	150000		
To Administrative Expenses	45000		
To S & D expenses	30000		
Profit	40000		
	1015000		1015000

**Cost Sheet  
For the year ended 31<sup>st</sup> March 2022**

Normal Production capacity ( units )		60000	
Sales /Production units		50000	
	Rs.		Rs.
Direct materials		500000	
Direct wages		250000	
Prime cost		750000	
Factory overheads ( variable )	60000		
Fixed Rs. 90000 × 5/6	75000	135000	
Work cost		885000	
Administrative expenses Rs. 45000 × 5/6		37500	
Total cost of production		922500	
Selling & Distribution expenses			
Variable	18000		
Fixed Rs. 12000 × 5/6	10000	28000	
Cost of sales		950500	
Profit ( balance )		49500	
Sales		1000000	

**Reconciliation Statement**

Profit as per cost account	49500	
Add : Income from dividend ( Not considered in cost A/c )	15000	64500
Less : Expenses under-charged in cost A/c		
(i) Factory expenses ( 150000 – 13500 )	15000	
(ii) Admn. Expenses ( 45000 – 37500 )	7500	
(iii) Selling & distribution ( 30000 – 28000 )	2000	24500
		<u>40000</u>



## Operations Management & Strategic Management (FBMS)



GROUP: 2, PART: 9, PART - I

# OPERATIONS

MANAGEMENT & STRATEGIC  
MANAGEMENT  
(OMSM) - OPERATION  
MANAGEMENT

CMA Ankan K Bandyopadhyaya  
He can be reached at:  
[abanerjee8533@gmail.com](mailto:abanerjee8533@gmail.com)

# Your Preparation Quick



### Syllabus Structure

- A Introduction To Cost Accounting 40%
- B Methods of Costing 30%
- C Cost Accounting Techniques 30%

**Learning Objectives:**

- Operations Management develops skills in problem solving, project management, communication, and managing effectively in team-based work environments.
- Eventually, student's ability for leadership positions in the production and service industries gets increased.
- To solve business processes, it helps to apply knowledge of fundamental concepts of operations management and helps to apply knowledge of approaches to operational performance improvement.

**Operations Management**

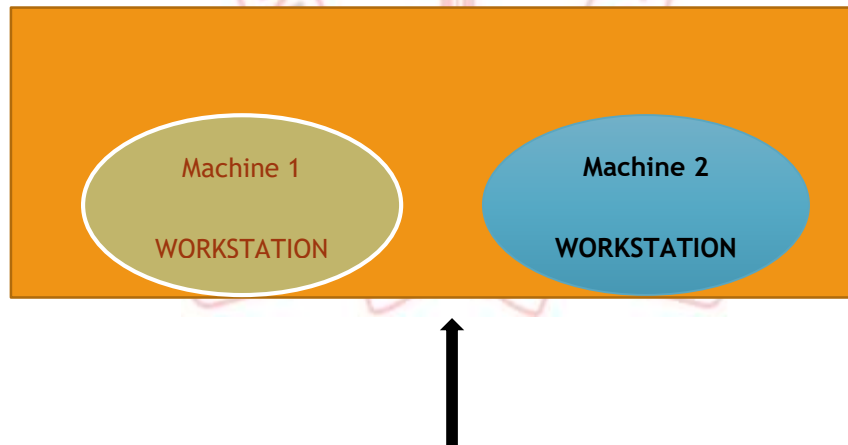
In this issue let me discuss on Production Planning and Control with Sequencing.

When more than one job is assigned to a machine or activity, the operator needs to know the order in which to process the jobs. The process of prioritizing jobs is called Sequencing.

Although Loading decisions determine the machines or work centers that will be used to process specific jobs, they do not indicate the order in which the jobs waiting at a given work center are to be processed. For this Sequencing is required.

Sequencing decisions determine

- Order in which jobs are processed at various work centers;
- Order in which jobs are processed at individual workstations within the work centers;

**WORK CENTER**

Workstation is an area where one or a few workers and/or machines perform similar work.

If work centers are lightly loaded and if all jobs require the same amount of processing time, sequencing presents no particular difficulties. However for heavily loaded work centers the order of processing can be very

important in terms of costs associated with jobs waiting for processing and in terms of idle time at the work centers.

After the work center has been loaded (i.e. after identifying specific jobs which are to be processed in a work center) dispatching of jobs is carried out according to Priority Rules.

Priority rules are simple heuristics used to select the order in which the jobs will be processed. Priority rules can be classified as either local or global. Local priority rules take into account information pertaining only to a single workstation. Global priority rules take into account information pertaining to multiple workstation.

**Some of the most common priority rules are:**

- First Come First Served (FCFS): Jobs are run in the order in which they are received;
- Shortest Operations Time (SOT): Run the job with the shortest completion time first, next shortest second and so on. This is also referred to as Shortest Processing Time (SPT);
- Due Date (DDATE): Run the jobs in the order of their due dates starting with the job with the earliest due date first;
- Slack Time Remaining (STR): It is the difference between the time remaining to due date and the remaining processing time. Jobs are scheduled in the order of the slack time remaining with the one having the least slack time remaining scheduled first.  

$$STR = (\text{Due Date} - \text{Today's date}) - \text{Remaining processing time};$$
- Critical Ratio (CR): It is the ratio between the time remaining and the work remaining. The job with the least critical ratio is scheduled first.

$$CR = \frac{\text{Due Date} - \text{Today's date}}{\text{Remaining Processing Time}}$$

If  $CR > 1$ , then the job is ahead of schedule;  
 If  $CR < 1$ , then the job is behind the schedule;  
 If  $CR = 1$ , then the job is exactly on schedule;

- Last Come First Served (LCFS): This generally occurs by default. As jobs arrive they are put on top of the stack. The operator usually picks up the job on top to run first;
- Longest Processing Time (LPT): Jobs are run as per their processing time, the one with the longest processing time being run first.

FCFS, SOT, DDATE are local priority rules whereas STR, CR are global priority rules.

A number of assumptions apply when using the priority rules:

- The set of jobs is known. No new jobs arrive after processing begins and no jobs are cancelled;
- Set up time is considered negligible;
- Processing time and due dates are fixed;
- There will be no interruption in processing such as machine breakdowns, accidents or worker illness;

In effect priority rules pertain to static sequencing. In practice jobs may be delayed or cancelled and new jobs may arrive, requiring schedule revisions.

Let us apply these rules with the help of an illustration applicable to sequencing of a number (n) of jobs on one machine.



In the following illustration we will see that the completion time (also called Flow Time) of each job will differ depending on its place in the sequence but the overall completion time for the set of jobs (called the Makespan) will not change.

Job flow time is the amount of time it takes from when a job arrives until it is completed.

Makespan is the total time needed to complete a group of jobs.

Tardiness (delay) measures the difference between a job's due date and its completion time for jobs completed after their due date.

**Illustration:** The following table contains information regarding jobs that are to be scheduled through one machine.

Job	Processing time (days)	Due date (days hence)
A	11	16
B	10	15
C	2	12
D	4	20
E	12	30
F	6	10
G	3	5

Draw up the schedule using different priority rules and compare the results.

Answer:

i) Scheduling the jobs on First Come First Served (FCFS) basis will result in the following schedule:

Job	Processing Time(Days)	Due Date (days hence)	Start Date	Finish Date	Delay
Sequence					
A	11	16	0	11	0
B	10	15	11	21	6
C	2	12	21	23	11
D	4	20	23	27	7
E	12	30	27	39	9
F	6	10	39	45	35
G	3	5	45	48	43

Start date of Job A = 0, Finish Date of Job A = 0 + processing time

Start date of subsequent job = Finish date of preceding job.

Finish date of subsequent job = Start date + Processing time.

Delay of a job = Finish date – Due date.

Flow time = (11 + 21 + 23 + 27 + 39 + 45 + 48) = 214days

From the above table it is clear that Job A is completed in time. Jobs B, C, D, E, F, G are delayed and average delay time is

$$\frac{(0 + 6 + 11 + 7 + 9 + 35 + 43)}{7} = 15.86 \text{ days}$$

ii) Shortest Operation Time (SOT) method schedules jobs according to their operations time running the one with the shortest operations time first. The result is shown below:

Job Sequence	Processing Time(Days)	Due Date (days hence)	Jobs Scheduled First	Start Date	Finish Date	Delay
A	11	16	C	0	2	0
B	10	15	G	2	5	0
C	2	12	D	5	9	0
D	4	20	F	9	15	5
E	12	30	B	15	25	10
F	6	10	A	25	36	20
G	3	5	E	36	48	18

Job C is having the least processing time (2) followed by G(3),D(4),F(6),B(10),A(11) and E(12)

Start date of Job C = 0, Finish Date of Job C = 0 + processing time

Start date of subsequent job = Finish date of preceding job.

Finish date of subsequent job = Start date + Processing time.

Delay of a job = Finish date – Due date.

Flow time = (2 + 5 + 9 + 15 + 25 + 36 + 48) = 140days

From the above table it is clear that Jobs C, G and D are completed in time. Jobs F, B, A, E are delayed and average delay time is

$$\frac{(0 + 0 + 0 + 5 + 10 + 20 + 18)}{7} = 7.57 \text{ days}$$

iii) Due Date (DDATE) method schedules jobs with the earliest due date first. Under this method the result is shown below:

Job Sequence	Processing Time(Days)	Due Date (days hence)	Jobs Scheduled First	Start Date	Finish Date	Delay
A	11	16	G	0	3	0
B	10	15	F	3	9	0
C	2	12	C	9	11	0
D	4	20	B	11	21	6
E	12	30	A	21	32	16
F	6	10	D	32	36	16
G	3	5	E	36	48	18

Job G is having the earliest due date (5) followed by F(10),C(12),B(15),A(16),D(20) and E(30)

Start date of Job G = 0, Finish Date of Job G = 0 + processing time

Start date of subsequent job = Finish date of preceding job.

Finish date of subsequent job = Start date + Processing time.

Delay of a job = Finish date – Due date.

Flow time = (3 + 9 + 11 + 21 + 32 + 36 + 48) = 160days

From the above table it is clear that Jobs G, F and C are completed in time. Jobs B, A, D, E are delayed and average delay time is

$$\frac{(0 + 0 + 0 + 6 + 16 + 16 + 18)}{7} = 8 \text{ days}$$

iv) Slack Time Remaining (STR) method schedules job on slack time basis with job with least slack time scheduled first.

Slack Time Remaining of a job = (Due date- Today's Date) – Processing time

The result under this method is shown below:

Job Sequence	Processing Time(Days)	Due Date (days hence)	Slack Time Remaining	Jobs Scheduled First	Start Date	Finish Date	Delay
A	11	16	5	G	0	3	0
B	10	15	5	F	3	9	0
C	2	12	10	B	9	19	3
D	4	20	16	A	19	30	15
E	12	30	18	C	30	32	20
F	6	10	4	D	32	36	16
G	3	5	2	E	36	48	18

Job G is having the least slack time remaining (2) followed by F(4),B(5),A(5),C(10),D(16) and E(18)

Start date of Job G = 0, Finish Date of Job G = 0 + processing time

Start date of subsequent job = Finish date of preceding job.

Finish date of subsequent job = Start date + Processing time.

Delay of a job = Finish date – Due date.

Flow time = (3 + 9 + 19 + 30 + 32 + 36 + 48) = 177days

Slack time remaining for Job A and B are equal. We have chosen B first than A, as A has less processing time than that required by A. If A is chosen first then Average delay time will come around 10.72 days

From the above table it is clear that Jobs G, F are completed in time. Jobs B, A, C, D, E are delayed and average delay time is

$$\frac{(0 + 0 + 3 + 15 + 20 + 16 + 18)}{7} = 10.29 \text{ days}$$

v) Critical Ratio (CR) schedules job with least critical ratio first.

Critical Ratio of a job =  $\frac{\text{Due Date} - \text{Today's Date}}{\text{Remaining Processing time}}$

Under this method the result is given below:

Job	Processing Time(Days)	Due Date (days hence)	Critical Ratio	Jobs Scheduled First	Start Date	Finish Date	Delay
Sequence							
A	11	16	1.45	A	0	11	0
B	10	15	1.50	B	11	21	6
C	2	12	6.00	G	21	24	19
D	4	20	5.00	F	24	30	20
E	12	30	2.50	E	30	42	12
F	6	10	1.67	D	42	46	26
G	3	5	1.67	C	46	48	36

Job A is having the least CR (1.45) followed by B(1.50),G(1.67),F(1.67),E(2.5),D(5) and C(6)

Start date of Job A = 0, Finish Date of Job A = 0 + processing time

Start date of subsequent job = Finish date of preceding job.

Finish date of subsequent job = Start date + Processing time.

Delay of a job = Finish date – Due date.

Flow time = (11 + 21 + 24 + 30 + 42 + 46 + 48) = 222days

CR for Job F and G are equal. We have chosen G first than F, as G has less processing time than that required by F. If F is chosen first then Average delay time will come around 17.43 days

From the above table it is clear that Job A is completed in time. Jobs B,G, F, E, D and C are delayed and average delay time is

$$\frac{(0 + 6 + 19 + 20 + 12 + 26 + 36)}{7} = 17 \text{ days}$$

vi) Last Come First Served (LCFS) schedules jobs on last come first served basis assuming jobs arrive in alphabetic order i.e. A came first and G came last. The result is given below:

Job	Processing Time(Days)	Due Date (days hence)	Jobs Scheduled First	Start Date	Finish Date	Delay
Sequence						
A	11	16	G	0	3	0
B	10	15	F	3	9	0
C	2	12	E	9	21	0
D	4	20	D	21	25	5
E	12	30	C	25	27	15
F	6	10	B	27	37	22
G	3	5	A	37	48	32

Start date of Job G = 0, Finish Date of Job G = 0 + processing time

Start date of subsequent job = Finish date of preceding job.

Finish date of subsequent job = Start date + Processing time.

Delay of a job = Finish date – Due date.

Flow time = (3 + 9 + 21 + 25 + 27 + 37 + 48) = 170days

From the above table it is clear that Jobs G, F & E are completed in time. Jobs D, C, B, A are delayed and average delay time is

$$\frac{(0 + 0 + 0 + 5 + 15 + 22 + 32)}{7} = 10.57 \text{ days}$$

vii) Longest Process Time (LPT) schedules jobs with job having longest processing time scheduled first. The result is as follows:

Job Sequence	Processing Time(Days)	Due Date (days hence)	Jobs Scheduled First	Start Date	Finish Date	Delay
A	11	16	E	0	12	0
B	10	15	A	12	23	7
C	2	12	B	23	33	18
D	4	20	F	33	39	29
E	12	30	D	39	43	23
F	6	10	G	43	46	41
G	3	5	C	46	48	36

Start date of Job E = 0, Finish Date of Job E = 0 + processing time

Start date of subsequent job = Finish date of preceding job.

Finish date of subsequent job = Start date + Processing time.

Delay of a job = Finish date – Due date.

Flow time = (12 + 23 + 33 + 39 + 43 + 46 + 48) = 244days

From the above table it is clear that Job E is completed in time. Jobs A, B, F, D, G and C are delayed and average delay time is

$$\frac{(0 + 7 + 18 + 29 + 23 + 41 + 36)}{7} = 22 \text{ days}$$

The following table is a comparison of different methods:

Scheduling method	Average Delay or Tardiness (days)
FCFS	15.86
SOT	7.57
DDATE	8
STR	10.29
CR	17
LCFS	10.57
LPT	22

In the given case if we schedule jobs under Shortest Operations Time (SOT) method we could achieve least average delay time.

Makespan in all the above cases is 48days.

### Average number of jobs

Jobs that are in a shop are considered to be work-in-process inventory. The average work-in-process for a group of jobs can be computed using the following formula:

$$\text{Average number of jobs} = \frac{\text{Total flow time}}{\text{Makespan}}$$

For our illustration Flow time details and Makespan are as follows with corresponding WIP inventory

Scheduling method	Total Flow time (days)	Makespan (days)	WIP (Average no of jobs)
FCFS	214	48	$214/48 = 4.46$
SOT	140	48	2.92
DDATE	160	48	3.33
STR	177	48	3.69
CR	222	48	4.63
LCFS	170	48	3.54
LPT	244	48	5.08

**Suggestions:**

*This lesson could be used as an aid to teaching in study notes on Scheduling (4.4)—Sequencing rules for single facility. Proper understanding of priority rules is prerequisite to challenge different numerical problems. Attempts are made here to indicate detail computation. Study note are required to be read thoroughly to have a proper understanding on priority problems. For supplementary readings one can refer Operations Management by R.S. Russell & B.W. Taylor, Operations Management by J Stevenson, Productions and Operations management by R.B. Khanna.*

## Operations Management & Strategic Management (FBMS)



GROUP: 2, PART: 9, PART - II

# OPERATIONS

MANAGEMENT & STRATEGIC  
MANAGEMENT  
(OMSM) - STRATEGIC  
MANAGEMENT

CMA (Dr.) Sumita Chakraborty  
Additional Director, Studies,  
She can be reached at:  
[studies.addldir1@icmai.in](mailto:studies.addldir1@icmai.in)

# Your Preparation Quick



### Syllabus Structure

- A Introduction To Cost Accounting 40%
- B Methods of Costing 30%
- C Cost Accounting Techniques 30%

**Learning Objectives:**

- The course will follow in general terms the strategy development process from audit to formulation of strategic plans, their implementation and evaluation.
- Students will be introduced to strategic management in a way so that their understanding can be better.
- The ultimate aim of the course is to develop students as future managers who will add value by 'strategically managing' the organisation's resources and capabilities.

## Strategic Management

- 1. What type of strategy is stability strategy?**
  - A. Corporate level
  - B. Functional level
  - C. Strategic level
  - D. Business level
- 2. Organizations require good people with appropriate skills and abilities to work together effectively to be successful. Which are the characteristics is not seen as critical for this?**
  - A. Competent
  - B. Committed
  - C. Cost-effective
  - D. Capable
- 3. Selling all of a company's assets in parts of their tangible worth is called**
  - A. Divestiture
  - B. Liquidation
  - C. Concentric diversification
  - D. Unrelated integration
- 4. How long is the long term in strategic thinking approximately?**
  - A. 1 month to 1 year
  - B. 2 to 3 years
  - C. 3 to 5 years
  - D. More than 5 years
- 5. How many cells are there in a SWOT matrix?**
  - A. 9
  - B. 6
  - C. 3
  - D. 2
- 6. State the guides to decision making**



- A. Rules
  - B. Procedures
  - C. Goals
  - D. Policies
7. **Selling all of a company's assets in parts of their tangible worth is called**
- A. Divestiture
  - B. Liquidation
  - C. Concentric diversification
  - D. Unrelated integration
8. **BCG matrix is based on**
- A. Attractiveness of industry and business strength
  - B. Growth of industry and business strength
  - C. Attractiveness of industry and relative market share
  - D. Growth rate of industry and relative market share
9. **Low cost, focus and differentiation are examples of**
- A. Corporate strategies
  - B. Operational strategies
  - C. Business strategies
  - D. Functional strategies
10. **BCG in BCG matrix stands for \_\_\_\_\_**
- A. Boston Calmette Group
  - B. British Consulting Group
  - C. Boston Corporate Group
  - D. Boston Consulting Group
11. **Which of the following is not part of the micro environment?**
- A. Technology
  - B. Shareholders
  - C. Competitors
  - D. Public
12. **What does Dog symbolize in BCG matrix?**
- A. Introduction
  - B. Growth
  - C. Maturity
  - D. Decline
13. **Cultural values would be part of which of the following factor in macro environment?**
- A. Demographic

- B. Social
- C. Ecological
- D. Natural

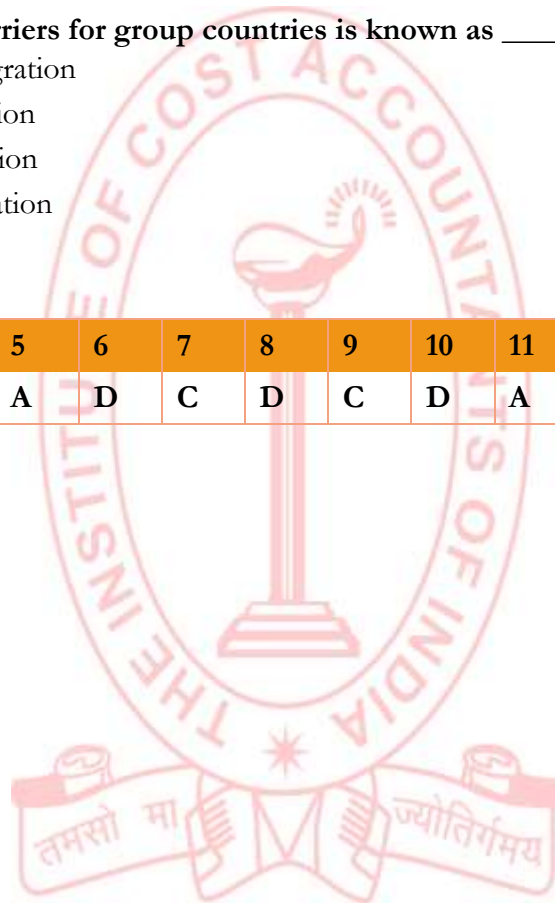
14. In SWOT analysis, OT reflects \_\_\_\_\_ factors

- A. Internal
- B. External
- C. International
- D. Necessary

15. Removing the barriers for group countries is known as \_\_\_\_\_

- A. Horizontal Integration
- B. Vertical Integration
- C. Internal Integration
- D. Regional Integration

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
A	D	C	D	A	D	C	D	C	D	A	D	B	B	D



## Cost & Management Accounting and Financial Management (CMFM)



GROUP: 2, PART: 10,

### COST & MANAGEMENT

ACCOUNTING AND FINANCIAL  
MANAGEMENT - (CMFM)

CMA Bimalendu Banerjee

He can be reached at:

[bbanerjee2050@gmail.com](mailto:bbanerjee2050@gmail.com)

# Your Preparation Quick



**Syllabus Structure**

A Cost & Management Accounting 50%

B Financial Management 50%

**Learning Objectives:**

The paper Cost & Management Accounting and Financial Management (Group II; Paper 10) is a unique blend of theoretical elaborations and practical illustrations. The aim of this paper is to equip the students with a working level knowledge regarding the two disciplines and prepare a ground for a few advanced level papers like Strategic Financial Management (Final Group 3: Paper 14), Strategic Cost Management decision Making (Final Group 3: Paper 15) and Strategic Performance Management and Business Valuation (Final Group 4: Paper 20) in the CMA Final Course. The entire syllabus of the paper is segregated into two segments namely Cost & Management Accounting (Section A: Full Marks 50) and Financial Management (Section B: Fill Marks 50). Each of the individual sections has further been divided into five chapters each highlighting a specific aspect of the subject concerned. In this section of e-bulletin we shall have a series of discussion on each of these chapters to provide a meaningful assistance to the students in preparing themselves for the examination at the short end and equip them with sufficient knowledge to deal with real life complications at the long end.

**GR – II CMA & FM****Question No. – 1 (Sales)**

The budgeted sales for month and the actual results achieved are as under :

	Budget			Actual		
	Quantity	Rate	Amount	Quantity	Rate	Amount
Product						
	Nos.	Rs.	Rs.	Nos.	Rs.	Rs.
A	1,000	100	1,00,000	1,200	125	1,50,000
B	700	200	1,40,000	800	150	1,20,000
C	500	300	1,50,000	600	300	1,80,000
D	300	500	1,50,000	400	600	2,40,000
	<b>2,500</b>		<b>5,40,000</b>			<b>6,90,000</b>

**What shall be the: -**

- 1) Standard Sales (On Actual Quantity) : (a) Rs.6,30,000 (b) Rs.6,40,000 (c) Rs.6,50,000 (d) Rs.6,60,000
- 2) Std Sales on Revised Standard Quantity (RSQ) : (a) Rs.6,47,000 (b) Rs.6,48,000 (c) Rs.6,49,000 (d) Rs.6,50,000
- 3) Sales Value Variance in respect of Product 'A' : (a) Rs.20,000 A (b) Rs.30,000 F (c) Rs.50,000 F (d) Rs.90,000 F
- 4) Sales Price Variance in respect of Product 'B' : (a) Rs.30,000 F (b) Rs.40,000 A (c) NIL (d) Rs.40,000 F

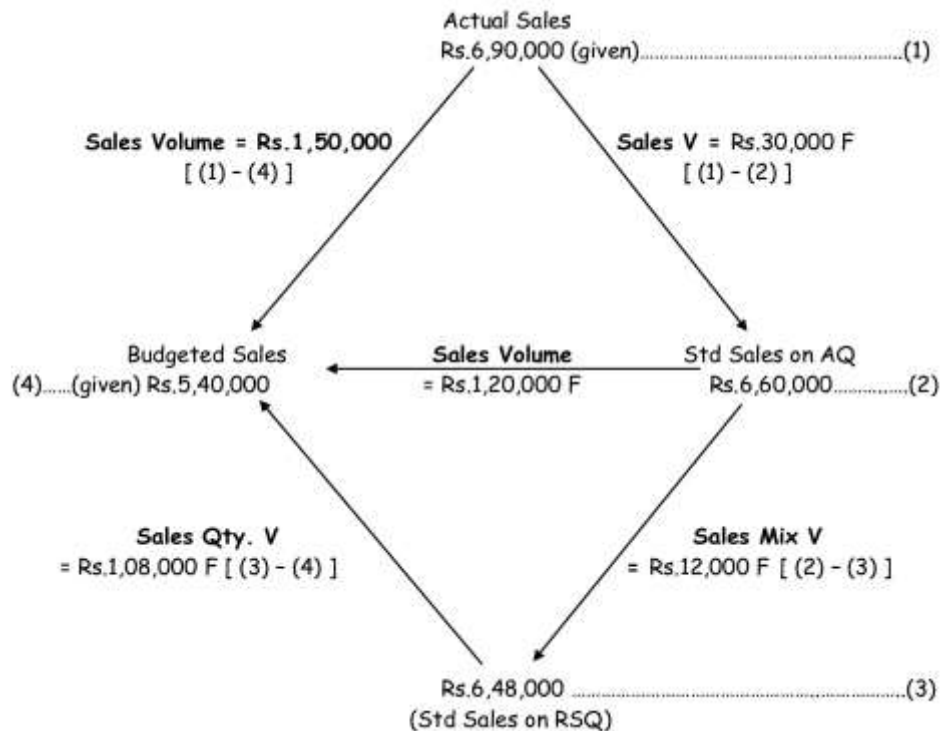
- 5) Sales Volume Variance in respect of Product 'C' : (a) Rs.30,000 F (b) Rs.20,000 F (c) Rs.30,000 A (d) Rs.50,000 F
- 6) Sales Mix Variance in respect of Product 'D' : (a) NIL (b) Rs.8,000 A (c) Rs.20,000 A (d) Rs.20,000 F
- 7) Sales Quantity Variance in respect of Product 'A' : (a) Rs.20,000 A (b) Rs.20,000 F (c) NIL (d) Rs.30,000 A

**Answer:**

1)	(d) Rs.6,60,000	2)	(b) Rs.6,48,000	3)	(c) Rs.50,000 F
4)	(b) Rs.40,000 A	5)	(a) Rs.30,000 F	6)	(d) Rs.20,000 F
7)	(b) Rs.20,000 F				

**Steps for Solution through diagrams for Question 1 & 2:**

- 1) Draw diagrams as shown in respect of each part of the Question.
- 2) Put the given data as well as data derived from the Working Notes in the appropriate places of the diagrams as specified.
- 3) Start connecting the same by the arrows having spearheads in the way embodied therein.
- 4) The requisite Variances / data will emerge automatically.
- 5) In case of any difficulty, please have a look to the **Solutions through diagrams** at the end of this e-bulletin.

**Solution with Working Notes**

**Working Notes :****Standard Sales (on AQ)**

Product	Actual Qty	Std Price (Rs.)	Amount (Rs.)
A	1200	100	120000
B	800	200	160000
C	600	300	180000
D	400	500	200000
	3000		660000

(Amount in Rupees)

## 1) Sales Value Variance

= Actual sales – Budgeted sales

**A : 1,50,000 – 1,00,000 = 50,000 F**

B : 1,20,000 – 1,40,000 = 20,000 A

C : 1,80,000 – 1,50,000 = 30,000 F

D : 2,40,000 – 1,50,000 = 90,000 FRs. 1,50,000 F

## 1) Sales Price Variance

= Actual sales – Standard sales

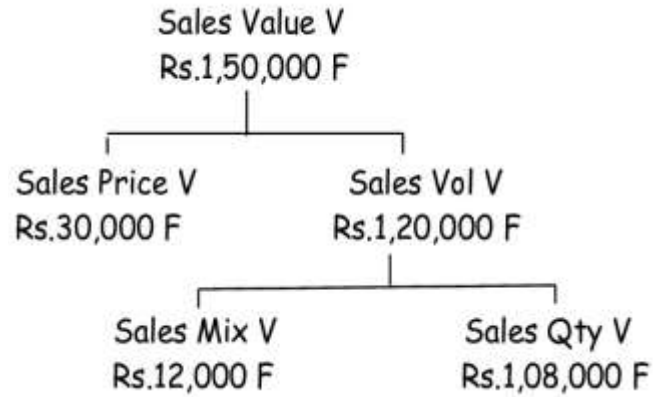
A : 1,50,000 – 1,20,000 = 30,000 F

**B : 1,20,000 – 1,60,000 = 40,000 A**

C : 1,80,000 – 1,80,000 = NIL

D : 2,40,000 – 2,00,000 = 40,000 FRs. 30,000 F**Standard Sales on Revised Std Qty**

	AQ in Std Proportion	RSQ	SR (Rs.)	Amount (Rs.)
A :	3000 x 10/25	1200	100	120000
B :	3000 x 7/25	840	120	168000
C :	3000 x 5/25	600	300	180000
D :	3000 x 3/25	360	500	180000
		3000		648000

**RECONCILIATION**

**Sales Volume Variance**  
= Standard Sales - Budgeted Sales

<b>A :</b>	<b>120000</b>	-	<b>100000</b>	=	<b>20000 F</b>
<b>B :</b>	160000	-	140000	=	20000 F
<b>C :</b>	<b>180000</b>	-	<b>150000</b>	=	<b>30000 F</b>
<b>D :</b>	200000	-	150000	=	50000 F
					Rs.120000 F

**Sales Mix Variance**  
= Std Sales – Standard Sales on RSQ

<b>A :</b>	120000	-	120000	=	NIL
<b>B :</b>	160000	-	168000	=	8000 A
<b>C :</b>	180000	-	180000	=	NIL
<b>D :</b>	<b>200000</b>	-	<b>180000</b>	=	<b>20000 F</b>
					12000 F

**Sales Quantity Variance**  
= Std Sales on RSQ – Budgeted Sales

<b>A :</b>	<b>120000</b>	-	<b>100000</b>	=	<b>20000 F</b>
<b>B :</b>	160000	-	140000	=	28000 F
<b>C :</b>	180000	-	150000	=	30000 F
<b>D :</b>	180000	-	150000	=	30000 F
					108000 F

**Question No. – 2 (Comprehensive)**

The standard cost sheet of company based on the normal output of 30,000 unit for a quarter is given below :

	Rs.
<b>Direct Materials 4 kg. @ Rs.2 per kg.</b>	8.00
<b>Direct Wages 6 Hour @ Rs.4 per hour</b>	24.00
<b>Overheads 50% of Direct Wages</b>	12.00
<b>Total Cost</b>	44.00
<b>Profit</b>	6.00
<b>Selling Price</b>	50.00

The budgeted fixed overheads amount to Rs.1,44,000 per quarter and it is included in the overhead cost given above.

On the basis of the budgeted activity of 36,000 units, the company estimated the profit for the second quarter of the year as under :

	Rs.
<b>Direct Materials</b>	2,88,000
<b>Direct Wages</b>	8,64,000
<b>Overheads</b>	4,32,000
<b>Total Costs</b>	15,84,000
<b>Sales</b>	18,00,000
<b>Profit</b>	2,16,000

The cost records revealed the following actual data for the second quarter of the year :

Production 25,000 units  
 Direct materials consumer 96,000 kg at Rs.2.25 per kg  
 Direct wages paid 1,60,000 hours at Rs.4.10 per hour out of which 6,000 hours being idle time were not recorded on production.  
 Overhead Rs.3,32,000 out of which Rs.1,50,000 were fixed  
 Sales 25,000 units at an average price of Rs.51.50 per unit.

Please see “Compulsory Question” after Reconciliation at Page 13

What shall be the :-

**REG. MATERIAL**

- Standard Cost per unit of Production : (a) Rs.5.00 (b) Rs.6.00 (c) Rs.7.00 (d) Rs.8.00
- Standard Quantity (SQ) for Actual Production (AP) : (a) 90,000 kg (b) 1,00,000 kg (c) 1,10,000 kg (d) 1,20,000 kg
- Standard Cost of Actual Production (SCAP) : (a) Rs.2,00,000 (b) Rs.2,10,000 (c) Rs.2,20,000 (d) Rs.2,30,000
- Standard Cost of Actual Quantity used (SC of AQ) : (a) Rs.1,90,000 (b) Rs.1,91,000 (c) Rs.1,92,000 (d) Rs.1,93,000
- Price Variance : (a) Rs.24,000 F (b) Rs.24,000 A (c) Rs.25,000 A (d) Rs.25,000 F



- 6) Usage Variance : (a) Rs.7,000 F (b) Rs.7,000 A (c) Rs.8,000 A (d) Rs.8,000 F  
 7) Cost Variance : (a) Rs.16,000 A (b) Rs.16,000 F (c) Rs.17,000 A (d) Rs.17,000 F

**REG. LABOUR**

- 8) Standard Cost per Unit of Production : (a) Rs.24.00 (b) Rs.25.00 (c) Rs.26.00 (d) Rs.27.00  
 9) Standard Hour for Actual Production (SH for AP) : (a) 1,30,000 Hrs. (b) 1,40,000 Hrs. (c) 1,50,000 Hrs. (d) 1,60,000 Hrs.  
 10) Productive Hours (PH) : (a) 1,54,000 Hrs. (b) 1,55,000 Hrs. (c) 1,56,000 F (d) 1,57,000 Hrs.  
 11) Standard Cost of Productive Hours (Effective Hours) : (a) Rs.6,13,000 (b) Rs.6,14,000 (c) Rs.6,15,000 (d) Rs.6,16,000  
 12) Standard Cost of Actual Hours paid for (SC of AH) : (a) Rs.6,30,000 (b) Rs.6,40,000 (c) Rs.6,50,000 (d) Rs.6,60,000  
 13) Wage Rate Variances : (a) Rs.15,000 F (b) Rs.15,000 A (c) Rs.16,000 F (d) Rs.16,000 A  
 14) Idle time Variance : (a) Rs.23,000 A (b) Rs.24,000 A (c) Rs.25,000 A (d) Rs.26,000 A  
 15) Efficiency Variance : (a) Rs.15,000 A (b) Rs.15,000 F (c) Rs.16,000 A (d) Rs.16,000 F  
 16) Cost Variance : (a) Rs.56,000 A (b) Rs.56,000 F (c) Rs.57,000 A (d) Rs.57,000 F

**REG. VARIABLE OVERHEADS**

- 17) Actual Variable Overhead : (a) Rs.1,79,000 (b) Rs.1,80,000 (c) Rs.1,81,000 (d) Rs.1,82,000  
 18) Budgeted V.OH : (a) Rs.2,13,000 (b) Rs.2,14,000 (c) Rs.2,15,000 (d) Rs.2,16,000  
 19) Budgeted Hour : (a) 1,79,000 Hrs. (b) 1,80,000 Hrs. (c) 1,81,000 Hrs. (d) 1,82,000 Hrs.  
 20) Budgeted / Standard V.OH Rate per Hour : (a) Rs.1.10 (b) Rs.1.20 (c) Rs.1.30 (d) Rs.1.40  
 21) V.OH Cost per unit : (a) Rs.7.00 (b) Rs.7.20 (c) rs.7.30 (d) Rs.7.40  
 22) Standard V.OH Cost per Actual Production : (a) Rs.1,78,000 (b) Rs.1,79,000 (c) Rs.1,80,000 (d) Rs.1,81,000  
 23) Standard Cost of Productive Hours : (a) Rs.1,84,800 (b) Rs.1,84,900 (c) Rs.1,85,000 (d) Rs.1,85,100  
 24) Expenditure Variance : (a) Rs.2,700 F (b) Rs.2,700 A (c) Rs.2,800 A (d) Rs.2,800 F  
 25) Efficiency Variance : (a) Rs.4,800 F (b) Rs.4,800 A (c) Rs.4,900 A (d) Rs.4,900 F  
 26) Cost Variance : (a) Rs.2,000 A (b) Rs.2,000 F (c) Rs.3,000 A (d) Rs.3,000 F

**REG. FIXED OVERHEADS**

- 27) Standard F.OH Rate per Hour : (a) Re.0.50 (b) Re.0.60 (c) Re.0.70 (d) Re.0.80  
 28) Expenditure Variance : (a) Rs.5,000 F (b) Rs.5,0100 A (c) Rs.6,000 A (d) Rs.6,000 F  
 29) Volume Variance : (a) Rs.24,000 A (b) Rs.24,000 F (c) Rs.25,000 A (d) Rs.25,000 F  
 30) Cost Variance : (a) Rs.30,000 F (b) Rs.30,000 A (c) Rs.31,000 A (d) Rs.31,000 F  
 31) Efficiency Variance : (a) Rs.3,100 F (b) Rs.3,100 A (c) Rs.3,200 F (d) Rs.3,200 A  
 32) Capacity Variance : (a) Rs.20,900 F (b) Rs.20,900 A (c) Rs.20,800 A (d) Rs.20,800 F

**REG. SALES**

- 33) Actual Margin per unit : (a) Rs.7.40 (b) Rs.7.50 (c) Rs.7.60 (d) Rs.7.70  
 34) Total Actual Margin : (a) Rs.1,87,500 (b) Rs.1,87,600 (c) Rs.1,87,700 (d) Rs.1,87,800  
 35) Total Actual Profit : (a) Rs.83,200 (b) Rs.83,300 (c) Rs.83,400 (d) Rs.83,500  
 36) Total Budgeted / Standard Margin : (a) Rs.2,14,000 (b) Rs.2,15,000 (c) Rs.2,16,000 (d) Rs.2,17,000

- 37) Total Standard Margin (on AQ) : (a) Rs.1,50,000 (b) Rs.1,60,000 (c) Rs.1,70,000 (d) Rs.1,80,000  
 38) Sales Margin Value Variance : (a) Rs.28,000 F (b) Rs.28,000 A (c) Rs.28,500 F (d) Rs.28,500 A  
 39) Sales Margin Volume Variance : (a) Rs.66,000 F (b) Rs.66,000 A (c) Rs.67,000 A (d) Rs.67,000 F  
 40) Sales Margin Price Variance : (a) Rs.37,500 F (b) Rs.37,500 A (c) Rs.38,000 A (d) Rs.38,000 F

**Answer :**

1)	(d) Rs.8.00 [4 kg @ Rs.2]	2)	(b) 1,00,000 kg	3)	(a) Rs.2,00,000
4)	(c) Rs.1,92,000	5)	(b) Rs.24,000 A	6)	(d) Rs.8,000 F
7)	(a) Rs.16,000 A	8)	(a) Rs.24.00 [6 Hr @ Rs.4]	9)	(c) 1,50,000 Hr.
10)	(a) 1,54,000 Hr.	11)	(d) Rs.6,16,000	12)	(b) Rs.6,40,000
13)	(d) Rs.16,000 A	14)	(b) Rs.24,000 A	15)	(c) Rs.16,000 A
16)	(a) Rs.56,000 A	17)	(d) Rs.1,82,000	18)	(d) Rs.2,16,000

**Answer (Contd.) :**

19)	(b) 1,80,000 Hr.	20)	(b) Rs.1.20	21)	(b) Rs.7.20 [6 Hr. @ Rs.1.20]
22)	(c) Rs.1,80,000	23)	(a) Rs.1,84,800	24)	(d) Rs.2,800 F
25)	(b) Rs.4,800 A	26)	(a) Rs.2,000 A	27)	(d) Re.0.80[Rs.144000/180000 Hrs.]
28)	(c) Rs.6,000 A	29)	(a) Rs.24,000 A	30)	(b) Rs.30,000 A
31)	(d) Rs.3,200 A	32)	(c) Rs.20,800 A	33)	(b) Rs.7.50
34)	(a) Rs.1,87,500	35)	(d) Rs.83,500	36)	(c) Rs.2,16,000
37)	(a) Rs.1,50,000	38)	(d) Rs.28,500 A	39)	(b) Rs.66,000 A
40)	(a) Rs.37,500 F				

**Solution with Working Notes**

$$\text{Actual Profit per unit} = \text{Rs.50} - \text{Rs.44} = \text{Rs. (given)}$$

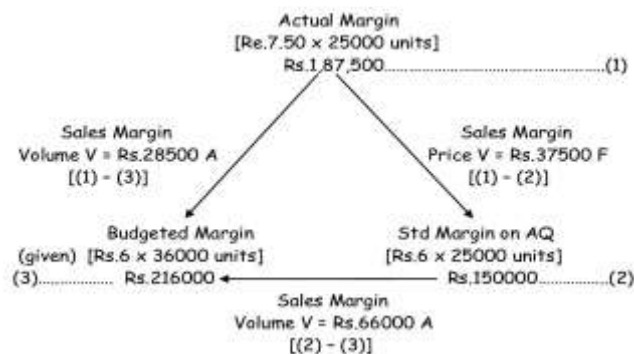
**Working Note – 1**

Computation of Actual Margin.

Actual Margin per unit = Actual Sales Price – Std Cost per unit

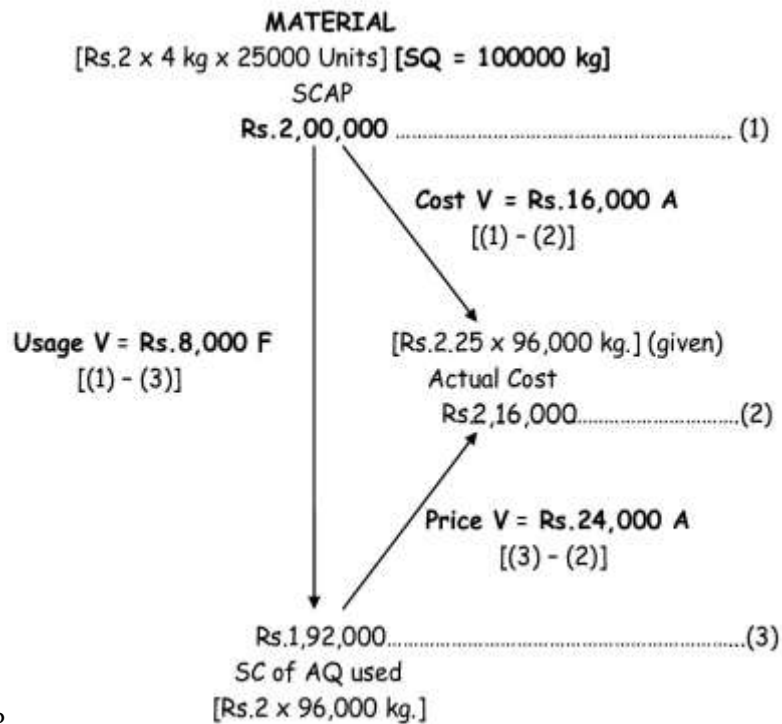
$$\text{Rs.51.50} - \text{Rs.44} = \text{Rs.7.50}$$

$$\text{So Actual Margin} = \text{Rs.7.50} \times 25000 \text{ units} = \text{Rs.1,87,500}$$



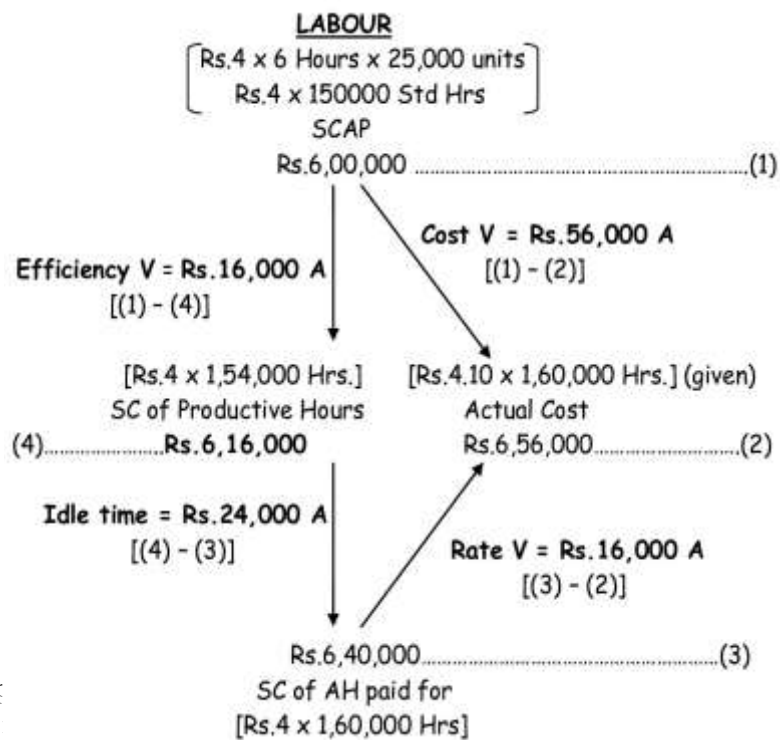
**Working Note - 2**

Basic data : Actual Production (AP) = 25000 units



**Working Note - 3**

Basic data : Actual P



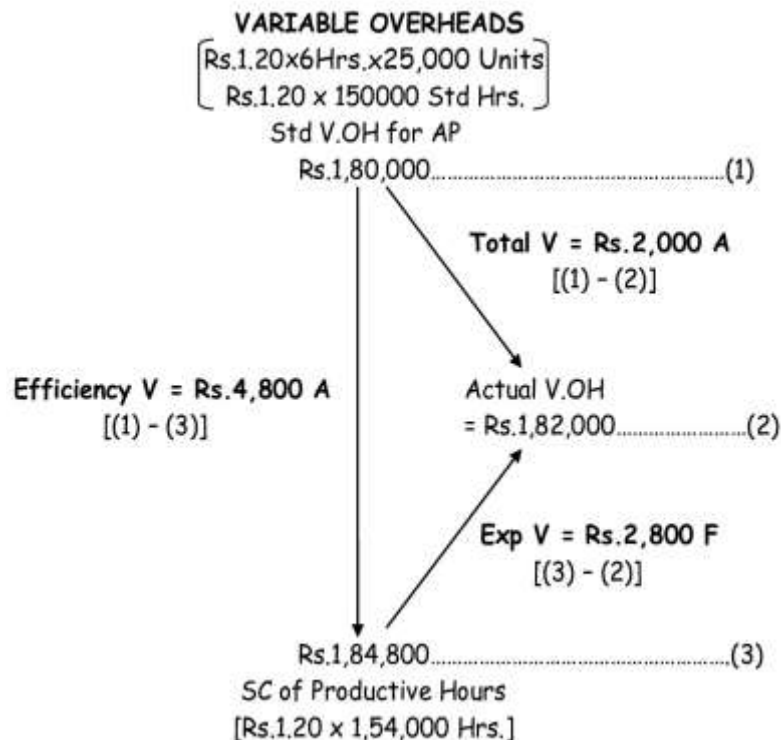
Check Idle time V = SR<sub>f</sub>  
= Rs.4

Note : Cost V = Rate V + Idle time V + Efficiency V

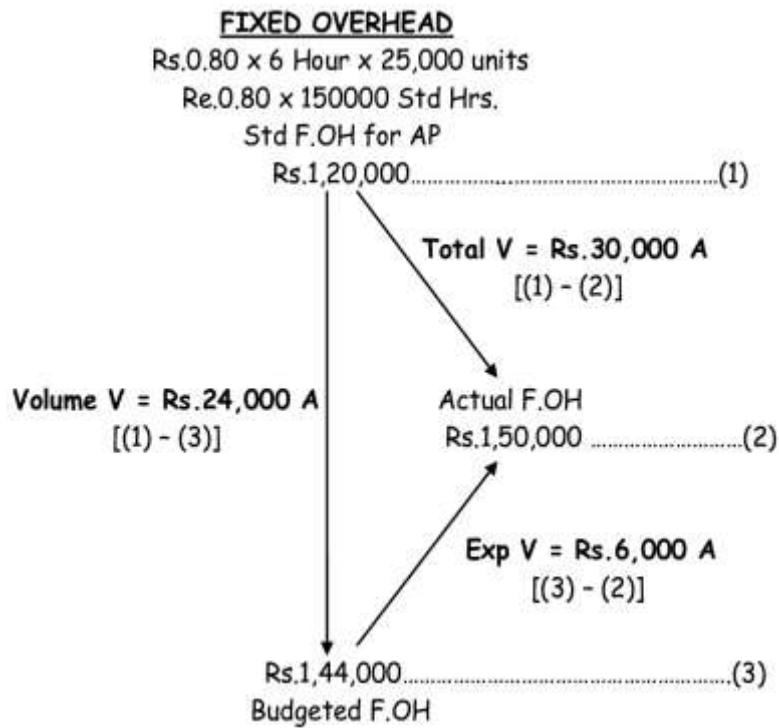
**Computation of requisite figures relating to Variable Overhead and Fixed Overhead**

- I. Productive Hours = **1,54,000**  
[1,60,000 Hrs. – 6,000 Idle Hrs.]
- II. Budgeted Overhead = **Rs.3,60,000**  
[Rs.12 x 30,000 units]  
Less : Fixed Overhead (-) Rs.1,44,000 (given)  
Budgeted Variable OH **Rs.2,16,000**
- III. Budgeted Hour = **1,80,000**  
[6 Hours x 30,000 units]
- IV. Actual total Overhead = Rs.3,32,000 (given)  
Less : Fixed OH (-) Rs.1,50,000 (given)  
Actual Variable OH **Rs.1,82,000**
- V. Standard V.OH rate per Hour = **Re.1.20**  
[Rs.2,16,000 / 1,80,000 Hour]
- VI. Std Fixed OH rate per Hour = **Re.0.80**  
Budgeted F.OH / Budgeted Hour  
[Rs.1,44,000 / 1,80,000 Hour]

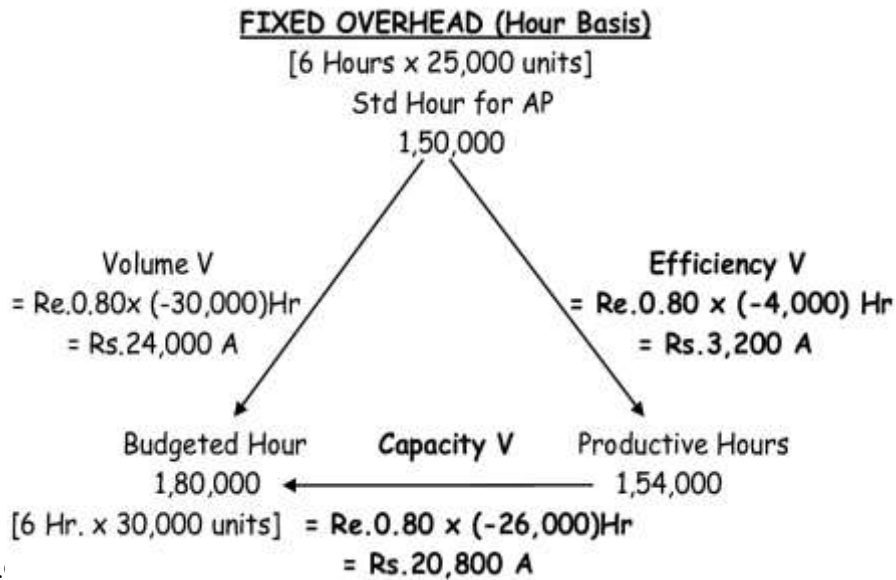
**Working Note - 4**



Working Note - 5



Working Note - 5(a)



Note : Total F.

= Expenditure V + Volume V

Where, Volume V = Effi V + Capacity V

**Statement of Actual Profit for the second quarter of the year**

	(Amount in Rs.)	W.N. No.
Direct Material [96,000 kg. @ Rs.2.25]	2,16,000	2
Direct Wages [1,60,000 Hours @ Rs.4.10]	6,56,000	3
Overhead [F – 1,50,000, V – 1,82,000]	3,32,000	4,5
Total Cost	12,04,000	
Sales Revenue [25,000 units @ Rs.51.50]	12,87,500	
Actual Profit	83,500	

**FOR UNDERSTANDING OF STUDENTS**

**Operating statement (Amount in Rs)  
(Reconciliation of Budgeted Profit with Actual Profit)**

W.N.-1	Budgeted Profit (for the second quarter of the year) [36,000 units @ Rs.6.00]	2,16,000
	Less : Sales Margin Volume V	66,000 A
	Standard Margin (on Actual Quantity) [25,000 Units @ Rs.6.00]	1,50,000
	Add : Standard Margin Price V	37,500 F
	Actual Margin [25,000 Units @ Rs.7.50]	1,87,500
W.N.-2	<b>Material Cost Variance</b>	16,000 A
	Price V	24,000 A
	Usage V	8,000 F
W.N.-3	<b>Labour Cost Variance</b>	56,000 A
	Rate V	16,000 A
	Efficiency V	16,000 A
	Idle time V	24,000 A
W.N.-4	<b>Variable Overhead Variance</b>	2,000 A
	Expenditure V	2,800 F
	Efficiency V	4,800 A

W.N.-5	<b>Fixed Overhead Variance</b>	30,000 A
	Expenditure V	6,000 A
	Efficiency V	3,200 A
	Capacity V	20,800 A
		1,04,000 A
	<b>Actual Profit</b>	Rs. 83,500

**Compulsory Question**

Suppose, you are the Cost and Management Accountant of the Company. The Managing Director of the Company seeks for your opinion in regard to the following matters with reference to Question No. 2 above.

- 1) At least three probable reasons leading to the high cost of idle time (Rs.24,000 for 6000 Hours in the instant case).
- 2) How the high Cost of Idle time can be minimized?
- 3) The economic consequences affecting Sales and marketing of the products of the Company in case the high cost of Idle time prevails.

**Solution through diagrams**

A diagrammatic solution is characterized by arrows having spearhead in one side. The basic principle is that the amount standing at the spearhead side should always be deducted from that of the bottom side of the same. The resulting balance, if positive, signifies a Favourable Variance whereas a negative balance invariably signifies an Adverse or Unfavourable Variance, automatically. The principle involved can be clearly understood with a simple illustration following :

- 1)  $\text{Rs.52} - \text{Rs.48} = (+) \text{Rs.4} = \text{Rs.4 Favourable Variance, shown as Rs.4 (F)}$
- 2)  $\text{Rs.52} - \text{Rs.61} = (-) \text{Rs.9} = \text{Rs.9 Adverse or Unfavourable Variance, shown as Rs.9 (A)}$

Some of the multiple advantages associated with the diagrammatic solution of Variance Analysis are noted hereunder :

- 1) Diagram works as a road map which leads one to reach destination in the easiest way.
- 2) Diagrams are simple, easy to understand and use.
- 3) Solution can be arrived at within the shortest possible time.
- 4) Nature of Variance (Favourable or Adverse) emerges automatically due to in-built system.
- 5) Inter-relationship of related Variances are clearly visible and understood.
- 6) Inconsistency in on-going computation is promptly detected for correction.
- 7) It is easier to memorize the diagrams than a bunch of confusion-raising formulae.

A sincere practice of Variance Analysis through diagrams over a couple of days is likely to pay a rich dividend.

-----\*\*\*\*\*-----

## Indirect Taxation (ITX)



GROUP: 2, PART: 11,

# INDIRECT TAXATION (ITX)

Ms. Poushali Das  
Asstt. Professor,  
Scottish Church College  
She can be reached at:  
[das.poushali16@gmail.com](mailto:das.poushali16@gmail.com)

## Your Preparation Quick



### Syllabus Structure

- A** Canons of Taxations - Indirect Tax GST **80%**
- B** Customs Laws **20%**



**Learning Objectives:**

- The concept of tax and the objective for its levy
- The concept of direct and indirect tax and the differences between the two
- The basic features of indirect taxes
- What are the principal indirect taxes
- As to how the indirect taxes are administered in the country

**Indirect Taxation**

101 Constitutional Amendment Act: First Amendment Act, 2016

The 101 Constitutional Amendment Act was instrumental in conducting in India's Goods and Services Tax (GST). The Goods and Services Tax replaced all the erstwhile indirect taxes that were levied on the manufacture, sale, and consumption of goods and services across the country.

The 101 Constitutional Amendment Act is the first amendment made in the Constitution of India. Constitutional Amendment Act 101 allows both the center and states to assess excise duty, Octroi tax, customs duty, service tax, entry tax, entertainment tax, etc., all substituted by the GST, making it a single.

101 Amendment of Indian Constitution

Since GST involved a complete tax regime change and restructuring of central and state taxes; the responsibility to prepare a road map for implementing the GST under 101 Constitutional Amendment Act was handed down to the Empowered Committee of State Finance Ministers (EC).

The EC proposed to have two GST components, the central GST to be levied and collected by the center and the state GST to be levied and collected by the states.

The Parliament passed the 101 Constitutional Amendment Act in 2016, and after some ratifications put together by the states, the President of India gave assent to the bill.

Objectives of GST Under 101 Constitutional Amendment

Listed are the major objectives aspired to be accomplished by implementing GST under the 101 constitutional amendment act 2016.

The fundamental objective of GST was to build a common market with a constant tax rate in India.

The goods and services tax eradicates the initial taxes for the same transaction as input tax credits.

There is no export tax as GST boosts exports by refunding the amount collected on the inputs.

It seeks to increase revenue as it brings more taxpayers by growing the tax base.

The procedure of application and return of tax has been simplified with the use of common forms.

The tax payment and form submission became convenient with the introduction of online payment gateways.

A unified information technology system called Goods and Services Network (GSTN) got operated for simple GST operation.

#### Salient Features of 101 Constitutional Amendment Act

There are many features of the 101st constitution amendment act 2016. Keep reading to know everything in detail.

One hundred and first constitution amendment act led to Article 246A in the constitution, which gave it special powers to the parliament and the state legislatures to make GST tax laws, specifically on inter-state supplies.

Collection of revenue from Integrated goods and services tax (IGST) was also under Article 269A of constitutional amendment act 101. IGST deals with inter-state supplies. IGST is governed by the IGST Act 2017.

The insertion of Article 279A under the 101 constitutional amendment act gave the president power to form a GST council. The council could include ministers from state and union governments responsible for making suggestions or modifying any regulation related to GST.

Article 286 restricted the tax charge by the state on supplying products or services where such collection occurs outside the territory of the respective state or on the trade of goods in India.

If any state deals with a loss of revenue due to the undertaking of the GST, it can borrow compensation from the central government. It is applicable for up to five years and is controlled by the Goods and Services Act, 2017.

#### Constitution (One Hundred and First Amendment) Act, 2016 – India's Tax System

The Constitution 101 Amendment Act 2016 ensued the amendment and insertion of certain articles of the Constitution to bring about comprehensive enactment of GST:

##### Creation of GST Council

Article 279A empowered the President of India to create GST Council with members from the Centre and the States. It is an apex forum authorized to create, modify, or remove any law based on GST in 101 Constitutional Amendment Act.

## Special Provision for GST

Article 246A was inserted in the Constitution to validate the Parliament and the State legislatures to make laws on GST. However, the Parliament of India was awarded exclusive power to make laws for inter-state supplies. Additionally, crude petrol, natural gas, motor spirit, high-speed diesel, and aviation fuel were excluded from the scope of GST.

## GST on Inter-State Supply

Article 269A covers how the revenue from inter-state supplies is shared between the center and the state and authorizes the GST Council to make laws regarding this. Importing goods or services is also considered inter-state supplies, and the central government imposes IGST on it.

## Restrictions on Levying Tax on Services

Article 286 was already in place and restricted state governments from passing any law to levy tax on the sale or purchase of goods. After 101 Constitutional Amendment Act 2016, the restriction was extended to prevent the state governments from passing any laws on services.

## Important Definitions and Revenue Compensation

Article 366, an existing article, was amended to include GST, Services, and State definitions. The GST 101 Constitutional Amendment Act also provides for relief to states due to the revenue loss emanating from the implementation of GST.

## Changes in the 7th Schedule of the Constitution

Contain 3 lists that mention the subjects on which the union and the state governments can make laws. Appropriate changes were made to the list to facilitate smooth GST implementation.

The 101 Constitutional Amendment Act heralded a new chapter in India's tax regime.

GST 101 Amendment minimized the tax burden on small companies and reduced corruption, instilling order and accountability in the unorganized sector.

## Company Accounts & Audit (CAA)



GROUP: 2, PART: 12,

# COMPANY

ACCOUNTS & AUDIT  
(CAA)

CMA (Dr.) Malay Kr. Nayak  
Associate Professor,  
Dept. of Commerce,  
M.B.B.College, Tripura  
He can be reached at:  
malay\_nayak@ymail.com

# Your Preparation Quick



### Syllabus Structure

A Accounts of Joint Stock Companies 50%  
B Auditing 50%

**Learning Objectives:**

- Apply appropriate judgment derived from knowledge of accounting theory, to financial analysis and decision making.
- Effectively define the needs of the various users of accounting data and demonstrate the ability to communicate such data effectively, as well as the ability to provide knowledgeable recommendations.
- Prepare financial statements in accordance with Generally Accepted Accounting Principles.
- Demonstrate an understanding of current auditing standards and acceptable practices, as well as the impact of audit risk on the engagement.

**Company Accounts & Audit**

Students lectures discuss today about double entry system specially meant for accounts of electricity companies.

**1. State whether each of the following statements is 'True' or 'False'**

- The terms 'Double Entry System' and Double Account System are synonymous.
- Double Account System is applied to public utility concern.
- Under Double Account System Balance Sheet is prepared in two parts.
- Depreciation is credited to the asset account under Double Account System.
- The Balance Sheet from the Capital Account is shown as an item on the appropriate side of the general balance sheet in case of general electricity companies.
- Preliminary expenses are shown on the assets side of the general balance sheet.
- The accounts of the electricity companies must be prepared according to the format prescribed vide Schedule VI of the Companies Act.

True: (II)	<b>True: (III)</b>	False: (I)	False: (IV)	False: (V)	False: (VI)	False: (VII)
------------	--------------------	------------	-------------	------------	-------------	--------------

**2. Select the most appropriate answer:**

- The Profit and Loss Account under Double Account system  
(a) Revenue Account (b) Income and Expenditure Account
- Shares forfeited account is shown on:  
(a) Credit side of the Net Revenue Account (b) Credit side of the Receipts and Payment Capital Account (c) Liabilities side of General Balance Sheet.
- Original cost of an asset in Rs. 1,00,00. Present cost of its replacement is amount spent in its replacement is Rs. 1,52,000. The amount to be.  
(a) Rs. 22,000 (b) 1,52,000 (c) 1,30,000
- Cost of licence appears in  
(a) Revenue account (b) Capital Account (c) General Balance Sheet
- On replacement of an asset any amount realised on account of sale of old material.  
(a) Asset account (b) Revenue account (c) Replacement account

- Preliminary Expenses Account is shown on:
  - (a) Asset side in the General Balance Sheet
  - (b) Debit side of the Net Revenue side of the Receipts and Expenditure on Capital Account.

Answer: (I) a, (II) b, (III) a, (IV) b, (V) c, (VI) c.

### 3. What are the special features of Double entry system?

The Following are the special features of double entry system:

- This is a special form of Final Accounts in greater detail, accompanied by a number of statistical statements.
- The undertaking which adopt this system of presenting their final accounts require large amount of fixed capital and it is permanently invested in fixed assets.
- The Balance Sheet prepared and presented in two parts i.e., Capital account and General Balance Sheet. Capital Account (also called Receipts and Expenditure on Capital Account) display on the debit or expenditure side capital expenditure incurred on the acquisition of fixed assets and on the credit or receipts side, receipts on capital account such as shares, debenture, premium on shares and debentures, fixed loans, and calls received in advance.

### 4. What do you mean by Reasonable Return?

In order to prevent electricity undertaking to earn too high a profit, a reasonable return has been allowed. Reasonable Return means the sum of the following:

- A yield at the standard rate (bank rate plus two percent) on the capital based.
- Income derived from investments other than those included in the capital based.
- An amount equal to
  - (a)  $\frac{1}{2}$  % on the loans advanced by the State Electricity Board.
  - (b)  $\frac{1}{2}$  % on the amount borrowed from approved financial institution.
  - (c)  $\frac{1}{2}$  % on the amount realized by the issue of debentures.
  - (d)  $\frac{1}{2}$  % on the balance of Development Reserves.

### 5. Mention the difference between single account and double account system.

The following are the main distinctions between the single account and double account system

- Under single account system only one balance sheet is presented in its usual form of a statement of asset and liabilities but under double account system the balance sheet is prepared and presented into parts i.e. capital account and general balance sheet.
- The main purpose of preparing the balance sheet under single account system is to show the final position of a concern on a particular date but in case of double account system the main purpose is to show the amount of capital raised and how the same has been spent on the acquisition of fixed assets.
- Under single account system assets are shown in the balance sheet after deduction of depreciation from the concern assets but under double account system assets are shown

at their original value in the capital account and the depreciation fund created for charging depreciation is shown on the liabilities side of General Balance Sheet.

- Profit and loss account and Profit and loss Appropriation Account under single account system take the form of Revenue Account and Net Revenue Account is case of double account system

#### **6. State the advantage of double account system**

- The presentation of accounts under double account system makes it easy to understand. Capital account is in the nature of cash account and therefore readily followed by the shareholders and others who do not possess knowledge of accounting.
- Depreciation fund is compulsorily created and invested in securities in this method. This helps replacement of fixed assets without any depletion of the cash resource of the companies.
- The presentation of accounts in the prescribed form enables the states to ensure that the undertaking is rendering efficient service at reasonable cost.
- The publication of accounts in prescribed form enables the undertaking to compile many statistical returns reflecting the service rendered to the public.

#### **7. Give the criticism points of double account system**

The main objections against this system are:

- The Revenue Account is not able to disclose a fair and true view of the trading results since it does not include interest paid or received. As renewals are usually charged to revenue, profit of any year are not always correctly stated.
- The Balance Sheet is also not able to disclose a fair and true financial position of the company since the assets are shown in the capital account at the cost price and the amount of depreciation is shown by the Depreciation Fund which appears on the liabilities side of the General Balance Sheet.
- Preliminary expenses as cost of special acts and preliminary expenses in putting forward new bills may be permanently capitalized.
- Assets may be capitalized even though they are not of permanent nature. Some assets as electric light, mains are not capable of being maintained out of revenue. Unless these are written off in due course, the Capital Account does not represent the true position.
- There are practical difficulties in drawing the necessary distinction between capital and revenue expenditure.
- The provision for depreciation, obsolescence etc, may be overlooked in case of dead and abandoned assets under the Double Account System.
- These accounts are not adequately understood by the general public.

## Practical Advice



# PRACTICAL Advice

## ABOUT YOUR STUDIES - INTERMEDIATE COURSE

Practical support, information and advice to help you get the most out of your studies.

START

01

Read Study Notes, MTPs, E-Bulletin, Work Books, Attend Webinar sessions

Solve Exercises given in Study Note

02

03

Assess Yourself

Appear For Examination

04

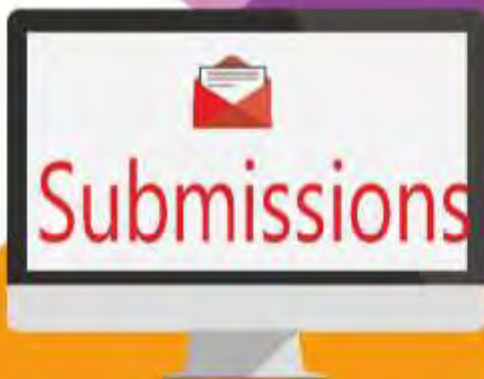
FINISHED



## Submissions



# SUBMISSIONS



### Update of E-Mail Address/Mobile:

Students are advised to update their E-Mail id and Mobile Numbers timely so that important communications are not missed as the same are sent through bulk mail/SMS nowadays. Student may update their E-Mail id/ Mobile Number instantly after logging into their account at [www.icmai.in](http://www.icmai.in) at request option.

Dear Students,

We are very much delighted to receive responses from all of you; to whom our effort is!

We have noted your queries and your requests will definitely be carried out. Further, requesting you to go through the current edition of the bulletin. All the areas will be covered gradually. Expecting your responses further to serve you better as we believe that there is no end of excellence! One of the mails received is acknowledged below.

Please put your opinions so that we can make your e-bulletin everything that you want it to be.

All rights reserved. No part of this Bulletin may be translated or copied in any form or by any means without the prior written permission of the Institute of Cost Accountants of India.

Send your Feedback to:  
e-mail: [studies.ebulletin@icmai.in](mailto:studies.ebulletin@icmai.in)  
website: <http://www.icmai.in>

## Message from Directorate of Studies



# Message from Directorate of Studies

Dear Students,

Greetings from the D.O.S.!!!

We from the Directorate of Studies understand your expectations from us and accordingly we are trying to deliver some meaningful tips through various publications in soft versions like-E-bulletins, Mock Test Papers (MTPs), Model Question Papers (MQPs) and we also have conducted Tutorial Webinar Sessions for the benefit of the students. Supplementary and Amendments are also uploaded from time to time to keep the students updated about the recent changes made in the papers; wherever applicable.

- Certain general guidelines are listed below and which will help you in preparing for the examinations:
- Conceptual understanding and overall understanding of the subjects should be clear,
- Students are advised to go through the study material provided by the Institute meticulously,
- Students should know and learn the basic understandings of the subjects with focus on core concepts,
- Students are expected to give to the point answer which is a pre-requisite for any professional examination,
- To strengthen the answers, students are advised to answer precisely and in the structured manner,
- Proper time management is also important while answering.

**Please refer the link mentioned below:**

<https://icmai.in/studentswebsite/index.php>

**GOOD LUCK**

**Be prepared and be successful**

**Disclaimer:**

Although due care and diligence have been taken in preparation and uploading this E-Bulletin, the Institute shall not be responsible for any loss or damage, resulting from any action taken on the basis of the contents of this E-Bulletin.



**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA**  
Statutory Body under an Act of Parliament

Headquarters:  
CMA Bhawan, 12 Sudder Street, Kolkata - 700016  
Delhi Office:  
CMA Bhawan, 3 Institutional Area, Lodhi Road, New Delhi - 110003

[www.icmai.in](http://www.icmai.in)



**CMA LEADS**

**Last Date for Admission**

June Exam  
31<sup>st</sup> January  
of the same Calendar Year

December Exam  
31<sup>st</sup> July  
of the same Calendar Year

5,00,000<sup>+</sup>  
Students

75,000<sup>+</sup>  
Members

4 Regional  
Councils

98  
Chapters

9  
Overseas  
Centres

Largest  
CMA body  
in Asia

2<sup>nd</sup>  
Largest  
CMA body  
in the  
Globe

The Institute of Cost Accountants of India is a premier professional Institute and a statutory body constituted under an Act of Parliament under the administrative control of **Ministry of Corporate Affairs (MCA), Govt. of India** to regulate and develop the profession of Cost and Management Accountancy (CMA) in the country. The Institute established in **1944** is now celebrating the **Platinum Jubilee year** of its glorious presence.

**ADMISSIONS OPEN**

✉ [studies@icmai.in](mailto:studies@icmai.in)

☎ 1800 345 0092/1800 110 910

**For Online Admission**  
<http://cmaicmai.in/students/Home.aspx>

**Cultivating and Enhancing Skills of Success**

- CMA Course Curriculum is designed to meet Industry requirements and challenges in Global Economic Scenario
- Hands on Computer and Soft skills training
- Industry oriented practical training programme
- Six Skill Sets - Knowledge, Comprehension, Application, Analysis, Synthesis and Evaluation
- Four Knowledge Pillars - Management, Strategy, Regulatory Function and Financial Reporting
- Our Motto - Student friendly Syllabus and Industry friendly Students



**CMA BHAWAN**

**Excellent Campus Placement Record**  
in renowned Public and Private Sector Companies

**Highest Salary Offered Rs.18 Lakh p.a. Average Salary Rs.7.5 Lakh p.a.**

*Few of Our Proud Recruiters*



































*and many more...*

✉ [placement@icmai.in](mailto:placement@icmai.in) / [cpt@icmai.in](mailto:cpt@icmai.in)

☎ + 91 33 40364770

Behind every successful business decision, there is always a **CMA**

## Few Snapshots

## Few Snapshots



CMA Ashwin G. Dalwadi has been elected as the President and CMA Bibhuti Bhusan Nayak as the Vice President, ICAI for the year 2023-24.



CMA Ashwin G. Dalwadi has been elected as the President and CMA Bibhuti Bhusan Nayak as the Vice President, ICAI for the year 2023-24.

CMA Navneet Kumar Jain, Council Member, ICAI, CMA Manish Kandpal, Secretary, NIRC-ICAI and CMA Jeewan Chandra met with Hon'ble Chief Minister of Uttarakhand, Shri Pushkar Singh Dhama and submitted representations.



CMA Ashwin G. Dalwadi, President, ICAI along with CMA Manoj Kumar Anand, Council Member, ICAI had a meeting with CS Manish Gupta, President, ICSI and CS Asish Mohan, Secretary, ICSI at CMA Bhawan, New Delhi on 25th July, 2023.

CMA Ashwin G. Dalwadi, President, ICAI along with CMA Manoj Kumar Anand, Council Member, ICAI called on Shri Manoj Govil, IAS, Secretary to the Government of India, Ministry of Corporate Affairs on 26th July, 2023.



## THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory body under an Act of Parliament)

Headquarters: CMA Bhawan, 12, Sudder Street, Kolkata - 700 016

Phone: +91-33-2252-1031/34/35/1602/1492/1619/7373/7143

Delhi office: CMA Bhawan, 3, Institutional Area, Lodhi Road, New Delhi - 110 003

Phone: +91-11-2462-2156/2157/2158