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150 YEARS OF CELEBRATING THE MAHATMA

CMA Student
E - Bulletin

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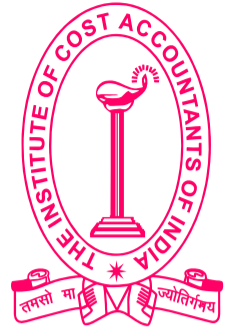
Behind every successful business decision, there is always a CMA

Message from
The Chairman
CMA Biswarup Basu
Vice President & Chairman, Training & Education Facilities and Placement Committee

150 YEARS OF CELEBRATING THE MAHATMA

MESSAGE FROM THE CHAIRMAN

Dear Students,

Greetings!!

"You must not lose faith in humanity. Humanity is an ocean; if a few drops of the ocean are dirty, the ocean does not become dirty" - M.K. Gandhi

Always hope for the best! Long drawn lockdown has bogged down the level of pollution everywhere. Now it is the duty for us to nourish the greenery and environment, and help mother earth to rejuvenate for the days to come. COVID 19 is still in growth stage. Stay safe and ensure everyone around you are staying safe. The world needs people with high values to make it a better place to live in. We always prefer to see that our students are contributing positively towards the development of a new and refreshed environment with the accomplishment of requisite knowledge.

The Directorate of Studies is always there to provide the students with all possible supports and guidance. Live Webinars are being conducted for the benefit of the students; recorded webinars are kept in the e-library. Answers to the Mock Test Papers (MTPs), updated Work Books and monthly E-bulletins are also being uploaded in our website as per the schedule. Eminent academicians and industry personalities are contributing regularly for the knowledge development of our students. Being the Chairman of Training & Education Facilities and Placement Committee, I am really thankful to all of them. Hence, I am requesting you to carry on with your revisions and try to grab the various academic inputs offered by the Directorate of Studies.

"Students' Connect" section has been made live this month for the convenience of all our students to view and download various online services under one umbrella offered to them. [https://icmai.in/studentswebsite/Students-E-Services.php]

Always keep in mind that, *"A small body of determined spirits fired by an unquenchable faith in their mission can alter the course of history"*.

Best wishes as always,

CMA Biswarup Basu
Chairman, Training & Education Facilities and Placement Committee

Be a CMA, be a Proud Indian

Stay Home Stay Safe

Behind every successful business decision, there is always a CMA

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Contents

KNOWLEDGE
Update

STAY HOME STAY SAFE

#stayhome #staysafe

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.

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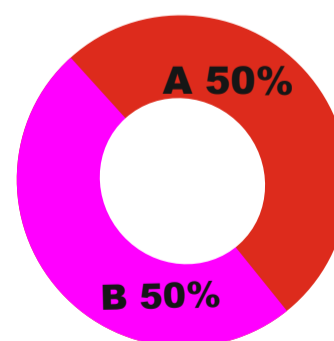
PAPER: 1, PART: I

FUNDAMENTALS

OF ECONOMICS & MANAGEMENT
(FEM) - ECONOMICS

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Your Preparation Quick Takes

A 50%

B 50%

Syllabus Structure

A Fundamentals of Economics **50%**
B Fundamentals of Management **50%**

Learning Objectives:

- Studying economics, one will be able to develop the analytical skills needed to work successfully in the field, including the study of logical analysis.
- Students will be able to identify and explain economic concepts and theories related to the behaviour of economic agents, markets, industry and firm structures, legal institutions, social norms, and government policies.
- Students will be able to integrate theoretical knowledge with quantitative and qualitative evidence in order to explain past economic events and to formulate predictions on future ones.
- Students will be able to evaluate the consequences of economic activities and institutions for individual and social welfare.

Economics

Friends I do understand your problem during this unprecedented pandemic of COVID 19 and the consequent lockdown for an unending period. You have remained confined to your home for quite a long time and you never know how long it will continue. This has definitely led you to a nasty boredom which has systematically consumed much of your energy. So, in order to revitalise your dissipated energy, I have prepared this mock test which will not only energise you but also force you to flex the muscles of your brain.

I. Choose the correct answer:

1. **The equation for the total utility curve is TU = $2q^2$ + 5. So the MU will be**
   A. Upward rising straight line
   B. Upward rising straight line through the origin
   C. Downward falling curve
   D. U-shaped curve

2. **If the demand forecasting equation is D = 5 + 8t, where D = demand and t = time, then find out the level of demand if t =10**
   A. 58
   B. 16
   C. 85
   D. 130

3. **A point above the production possibility curve can be attained if**
   A. The economy grows technologically
   B. If the shifted production possibility curve passes through the point
   C. The economy acquires more resources
   D. None of the above

4. **The income-demand curve of a superior good will slope**
   A. Upward from left to right
   B. Downward from left to right
   C. Vertically with the y-axis
   D. Horizontally with the x-axis

5. **The Cross Demand curve for a complementary good will be**
   A. Parallel to the y-axis
   B. Parallel to the x-axis
   C. Rising upward from left to the right
   D. Falling downward from left to the right

6. **A straight line demand curve cuts the x-axis at point B. The price elasticity of demand at point B will be**
   A. Infinity
   B. > 1
   C. <1
   D. Zero

7. **A straight line supply curve will be inelastic if**
   A. It cuts the quantity axis
   B. It cuts the price axis
   C. It passes through the origin
   D. None of the above

8. **The supply curve of a monopolist is**
   - A.   Upward rising
   - B.   Downward falling
   - C.   Parallel to the x-axis
   - D.   None of the above

9. **To produce 1000 units of output, the AFC and AVC are 10000 and 400 respectively. Find out the TC**
   - A.   10400
   - B.   104000
   - C.   1040000
   - D.   10400000

10. **The competitive output is 30000 units. If the Cournot duopolist face the same market demand curve as in the competitive market, the Cournot output would be**
    - A.   20000
    - B.   10000
    - C.   2000
    - D.   1000

KEY: 1.B, 2.C, 3.B, 4.A, 5.D, 6.D, 7.A, 8.D, 9.D, 10.A

II. Fill in the blanks:

1. The AFC curve is shaped like a ………………….   ………………….
2. In Monopolistic Competition, every firm makes huge expenditure to sell more output through advertisement. This cost is called …………….   ……………
3. If it is not possible for any buyer to resale the product sold by the monopolist, then the monopolist can start …………… …………………
4. In business, the practice of setting the price of a product to equal the extra cost of producing an extra unit of output is called ………………   …………   ……………….
5. Store of value is the …………………. function of money

KEY: 1. Rectangular hyperbola, 2. Selling cost, 3. Price Discrimination, 4. Marginal cost pricing, 5. secondary

III. True or False:

1. When a firm accrues internal economies with the expansion of its scale of output, the LAC curve would rise.
2. As a result of external diseconomies the LAC curve of the firm shifts upward
3. Penetration pricing is setting the price low in order to attract customers and gain market share. The price will be raised later once the desired market share is attained.
4. The policy which is prepared by the RBI and implemented by the RBI to control the money supply is called Fiscal policy
5. The instrument commercial paper has risen out of the changing industrial scenario

KEY: 1. False, 2. True,   3. True,   4. False,   5. True

IV. Matching:

1.MSME	A. Note issue
2. Moral Suasion	B. credit card
3. RBI	C. SFC
4. Commercial bank	D. LIC
5. Nationalisation	E. Qualitative credit control

KEY: 1.C, 2.E, 3.A, 4.B, 5.D

Friends, I do hope that you must have enjoyed solving this mock test paper, particularly when you are forced to remain confined at home. This paper is a bit mathematical. So you have to put pressure on your brain to solve these. So this exercise will definitely refresh and energise the neurons of your brain. All the best !!!
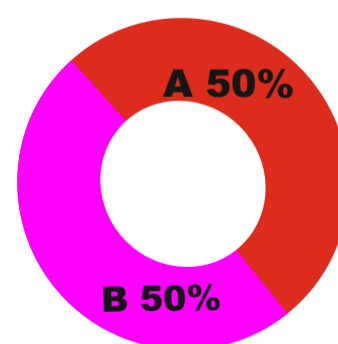
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PAPER: 1, PART: II

FUNDAMENTALS

OF ECONOMICS & MANAGEMENT
(FEM) - MANAGEMENT

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Your Preparation Quick Takes

A 50%

B 50%

Syllabus Structure

A Fundamentals of Economics **50%**
B Fundamentals of Management **50%**

MANAGEMENT

Effective communication involves not only sending information but also receiving it.

- by listening to employees' concerns,
- allowing them to have input on their work and their workplace, and
- giving consideration to their suggestions,

managers can make everyone in the organization feel like they are valued contributors.

Communication is the process of passing information from one person to another. The purpose of communication understands of information. Whatever one wants to say to someone should be clearly understood by him else the very purpose of the communication would be defeated.

The communication brings people together, closer to each other. The communication is an important management function closely associated with all other managerial functions. It bridges the gap between individuals and groups through flow of information and understanding between them. Information is the most vital aspect for communication. It is the information which is transmitted, studied, analyzed and interpreted and stored. The manager therefore has to spare time to collect, analyze and store the information for decision-making and routine day to day business.

Purpose of Communication:

Management is getting the things done through others. The people working in the organisation should therefore be informed how to do the work assigned to them in the best possible manner. The communication is essential in any organisation.

Importance of Communication:

Effective communication is vital for efficient management and to improve industrial relations. In modern world the growth of telecommunication, information technology and the growing competition and complexity in production have increased importance of communication in organisations large and small irrespective of their type and kind. A corporate executive must be in a position to communicate effectively with his superiors, colleagues in other departments and subordinates. This will make him perform well and enable him to give his hundred percent to the organisation.

Principles of Communication:

Lack of effective communication renders an organisation handicapped. So to have effective communication certain principles are to be followed.

They are as follows:

1. **Clarity**: The principle of clarity means the communicator should use such a language which is easy to understand. The message must be understood by the receiver. The words used should be simple and unambiguous. The language should not create any confusion or misunderstanding. Language is the medium of communication; hence it should be clear and understandable.

2. **Adequacy and Consistency**:
The communicator must carefully take into account that the information to be communicated should be complete and adequate in all respect. Inadequate and incomplete message creates confusion and delays the action to be taken. The adequate information must be consistent with the organizational objectives, plans, policies and procedures. The message which is inconsistent may play havoc and distort the corporate interests.

3. **Integration:**
The principle of integration portrays that through communication the efforts of human resources of the organisation should be integrated towards achievement of corporate objectives. The very aim of communication is to achieve the set target. The communication should aim at coordinating the activities of the people at work to attain the corporate goals.

4. **Economy:**
The unnecessary use of communication system will add to cost. The system of communication must be used efficiently, timely i.e. at the appropriate time and when it is necessary. The economy in use of communication system can be achieved in this way.

5. **Feedback:**
The purpose of communication will be defeated if feedback is not taken from the receiver. The confirmation of the receipt of the

message in its right perspective from its receiver fulfills the object of communication. The feedback is essential only in case of written communication and messages sent through messengers. In case of oral type of communication, the feedback is immediately known.

6. Need for Communication Network:
The route through which the communication passes from sender or communicator to its receiver or communicate refers to communication network. For effective communication this network is essential. The managerial effectiveness will also depend upon the availability of adequate network.

7. Attention:
The message communicated must draw the attention of the receiver staff and ensure action from him in the right perspective. The efficient, sincere and prompt manager succeeds in drawing the attention of his subordinates to what he is conveying.

Thus, Communications is fundamental to the existence and survival of humans as well as to an organization. It is a process of creating and sharing ideas, information, views, facts, feelings, etc. among the people to reach a common understanding. Communication is the key to the Directing function of management.

A manager may be highly qualified and skilled but if he does not possess good communication skills, all his ability becomes irrelevant. A manager must communicate his directions effectively to the subordinates to get the work done from them properly.

Communications Process:

Communications is a continuous process which mainly involves three elements viz. sender, message, and receiver. The elements involved in the communication process are explained below in detail:

1. Sender- The sender or the communicator generates the message and conveys it to the receiver. He is the source and the one who starts the communication

2. Message- It is the idea, information, view, fact, feeling, etc. that is generated by the sender and is then intended to be communicated further.

3. Encoding-The message generated by the sender is encoded symbolically such as in the form of words, pictures, gestures, etc. before it is being conveyed.

4. Media-It is the manner in which the encoded message is transmitted. The message may be transmitted orally or in writing. The medium of communication includes telephone, internet, post, fax, e-mail, etc. The choice of medium is decided by the sender.

5. Decoding-It is the process of converting the symbols encoded by the sender. After decoding the message is received by the receiver.

6. Receiver-He is the person who is last in the chain and for whom the message was sent by the sender. Once the receiver receives the message and understands it in proper perspective and acts according to the message, only then the purpose of communication is successful.

7. Feedback-Once the receiver confirms to the sender that he has received the message and understood it, the process of communication is complete.

8. Noise-It refers to any obstruction that is caused by the sender, message or receiver during the process of communication. For example, bad telephone connection, faulty encoding, faulty decoding, inattentive receiver, poor understanding of message due to prejudice or inappropriate gestures, etc.
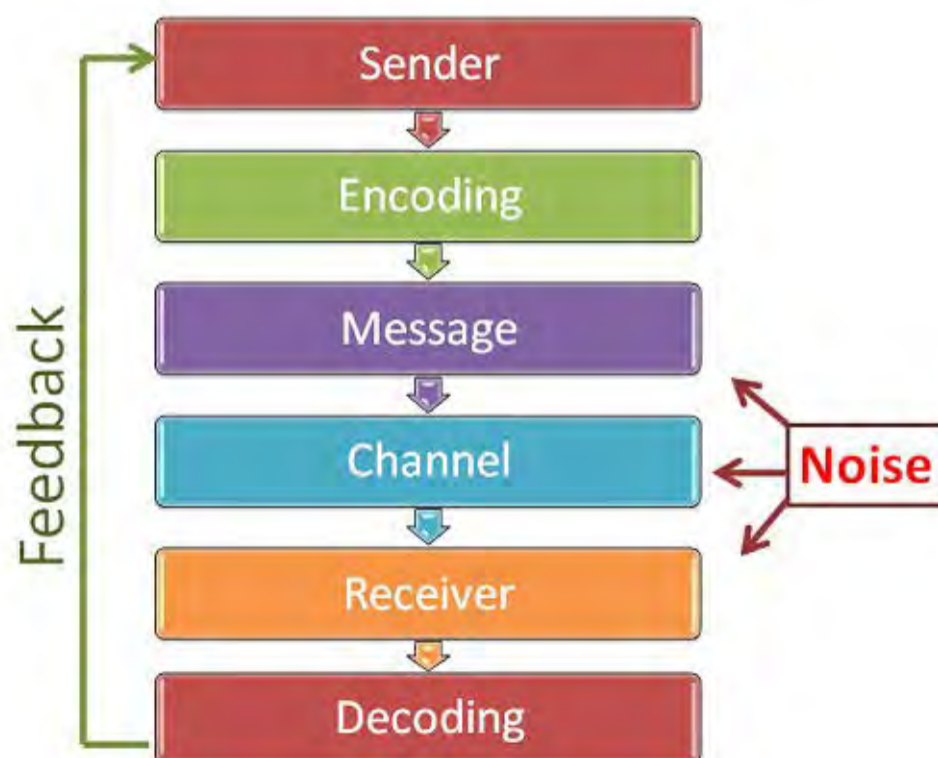
Process of Communication

Importance of Communication:

1. The Basis of Co-ordination- The manager explains to the employees the organizational goals, modes of their achievement and also the interpersonal relationships amongst them. This provides coordination between various employees and also departments. Thus, communications act as a basis for coordination in the organization.

2. Fluent Working-A manager coordinates the human and physical elements of an organization to run it smoothly and efficiently. This coordination is not possible without proper communication.

3. The Basis of Decision Making- Proper communication provides information to the manager that is useful for decision making. No decisions could be taken in the absence of information. Thus, communication is the basis for taking the right decisions.

4. Increases Managerial Efficiency-The manager conveys the targets and issues instructions and allocates jobs to the subordinates. All of these aspects involve communication. Thus, communication is essential for the quick and effective performance of the managers and the entire organization.

5. Increases Cooperation and Organizational Peace-The two-way communication process promotes co-operation and mutual understanding amongst the workers and also between them and the management. This leads to less friction and thus leads to industrial peace in the factory and efficient operations.

6. Boosts Morale of the Employees-Good communication helps the workers to adjust to the physical and social aspect of work. It also improves good human relations in the industry. An efficient system of communication enables the management to motivate, influence and satisfy the subordinates which in turn boosts their morale and keeps them motivated.

Types of Communication:

1. **Formal Communication**- Formal communications are the one which flows through the official channels designed in the organizational chart. It may take place between a superior and a subordinate, a subordinate and a superior or among the same cadre employees or managers. These communications can be oral or in writing and are generally recorded and filed in the office. Formal communication may be further classified as Vertical communication and Horizontal communication.

Vertical Communication-Vertical Communications as the name suggests flows vertically upwards or downwards through formal channels. Upward communication refers to the flow of communication from a subordinate to a superior whereas downward communication flows from a superior to a subordinate.

Application for grant of leave, submission of a progress report, request for loans etc. are some of the examples of upward communication. Sending notice to employees to attend a meeting, delegating work to the subordinates, informing them about the company policies, etc. are some examples of downward communication.

Horizontal Communication-Horizontal or lateral communication takes place between one division and another. For example, a production manager may contact the finance manager to discuss the delivery of raw material or its purchase.

Types of communication networks in formal communication:

- ❖ Single chain: In this type of network communications flows from every superior to his subordinate through a single chain.
- ❖ Wheel: In this network, all subordinates under one superior communicate through him only. They are not allowed to talk among themselves.
- ❖ Circular: In this type of network, the communication moves in a circle. Each person is able to communicate with his adjoining two persons only.
- ❖ Free flow: In this network, each person can communicate with any other person freely. There is no restriction.
- ❖ Inverted V: In this type of network, a subordinate is allowed to communicate with his immediate superior as well as his superior's superior also. However, in the latter case, only ordained communication takes place.

2. **Informal Communication-** Any communication that takes place without following the formal channels of communication is said to be informal communication. The Informal communication is often referred to as the 'grapevine' as it spreads throughout the organization and in all directions without any regard to the levels of authority.

The informal communication spreads rapidly, often get distorted and it is very difficult to detect the source of such communication. It also leads to rumors which are not true. People's behavior is often affected by the rumors and informal discussions which sometimes may hamper the work environment.

However, sometimes these channels may be helpful as they carry information rapidly and, therefore, may be useful to the manager at times. Informal channels are also used by the managers to transmit information in order to know the reactions of his/her subordinates.

"The art of effective listening is essential to clear communication and clear communication is essential to management".
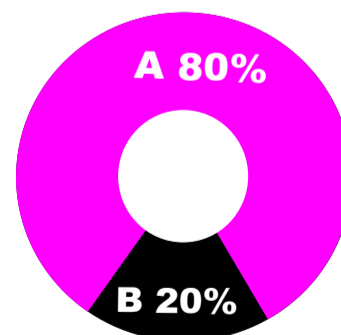
150 YEARS OF CELEBRATING THE MAHATMA

PAPER: 2

FUNDAMENTALS
OF ACCOUNTING (FOA)

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Your Preparation Quick Takes

A 80%

B 20%

Syllabus Structure

A Fundamentals of Financial Accounting **80%**

B Fundamental of Cost Accounting **20%**

FUNDAMENTALS OF ACCOUNTING

Hope you all are keeping well and getting ready for the examination which is supposed to be held in July 2020. Keeping this in mind in this issue I provide a set of questions to brush up your minds. In the last webinar held on 31.05.2020 I discussed the basic concepts conventions and principles of accountancy. I did not get much time to discuss the questions and answers. Here in this issue I provide a bunch of questions for your practice. Do not see the answer first. Write the answer opted by you in a sheet and finally tally that with the answer provided below. Assess your performance at your own.
Wish you all the best.

Q1 Which accounting concept satisfy the valuation criteria
   A) Going concern, Realisation, Cost
   b) Going concern, Cost, Dual aspect
   c) Cost, Dual aspect, Conservatism
   d) Realisation, Conservatism, Going concern.

Q2 A trader has made a sale of Rs.75,500 out of which cash sales amounted to Rs.25,500. He showed trade receivables on 31-3-2014 at Rs.25,500. Which concept is followed by him?
   a) Going concern
   b) Cost
   c) Accrual
   d) Money measurement

Q3 In which of the following cases, accounting estimates are needed?
   a) Employs benefit schemes
   b) Impairment of losses
   c) Inventory obsolescence
   d) All of the above

Q4 Deewali advance given to an employee is
   a) Revenue Expenditure
   b) Capital Expenditure
   c) Deferred Revenue Expenditure
   d) Not an Expenditure

Q5 A firm has reported a profit of Rs.1,47,000 for the year ended 31-3-2014 after taking into consideration the following items.
   a) The cost of an asset Rs.23,000 has been taken as an expense
   b) The firm anticipated a profit of Rs.12,000 on the sale of an old furniture
   C) Salary of Rs.7,000 outstanding for the year has not been taken into account.
   d) An asset of Rs.85,000 was purchased for Rs.75,000 and was recorded in the books at Rs.85,000.
      What is the correct amount of profit to be reported in the books? a) Rs.1,47,000 b) Rs. 1,51,000 c) Rs.1,63,000 d) Rs.1,41,000

Q6 The process of recording financial data upto trial balance is
   a) Book keeping
   b) Classifying
   c) Summarising
   d) Analyzing

Q7 Rohit carrying on real estate business sold a piece of land for Rs.4,00,00,000 (cost Rs.3,50,00,000) then the type of receipt is_____nature and profit on sale is
   a) Capital & transferred to capital reserve
   b) Revenue & transferred to P & L a/c
   c) Capital & transferred to P & L a/c
   d) Revenue & transferred to general reserve

Q8 In income measurement & recognisation of assets & liabilities which of the following concepts goes together ?

a) Periodicity, Accural, Matching
 b) Cost, Accural, matching
 c) Going concern, cost, Realization
 d) Going concern, Periodicity, Reliability

Q9 Interpretation means
 a) Explanation of meaning and significance of the data in Financial Statements.
 b) Concerned with preparation and presentation of classified data
 c) Systematic analysis of recorded data
 d) Methodical classification of data given in Financial Statements.

Q10 A trader purchases goods for Rs. 2500000, of these 70% of goods were sold during the year. At the end of 31st December 2009, the market value of such goods were Rs. 500000. But the trader recorded in his books for Rs. 750000. Which of the following concept is violated.
 a) Money measurement
 b) Conservatism
 c) Consistency
 d) None of these

Q11 Which of the following is wrong?
 a) All real and personal accounts are transferred to balance sheet
 b) Nominal accounts are transferred to P & L account
 c) Each account is opened separately in ledger
 d) Rent is a personal account, outstanding rent is nominal account

Q 12 is root cause for financial accounting
 a)   Stewardship accounting
 b)   Social accounting
 c)   Management accounting
 d)   Human resource accounting

Q 13 If nothing is given in the financial statements about the three accounting assumptions then it is to be treated as it
 a) Is assumed that it is not followed
 b) Is assumed to be followed
 c) Is assumed to be followed to some extent
 d) None of the above

Q14 The proprietor of the business is treated as creditor for the capital introduced by him due to_concept.
 a) Money measurement
 b) Cost
 c) Entity
 d) Dual aspect

Q15 Fixed assets are held by business for
 a) Converting into cash
 b) Generating revenue
 c) Resale
 d) None of the above

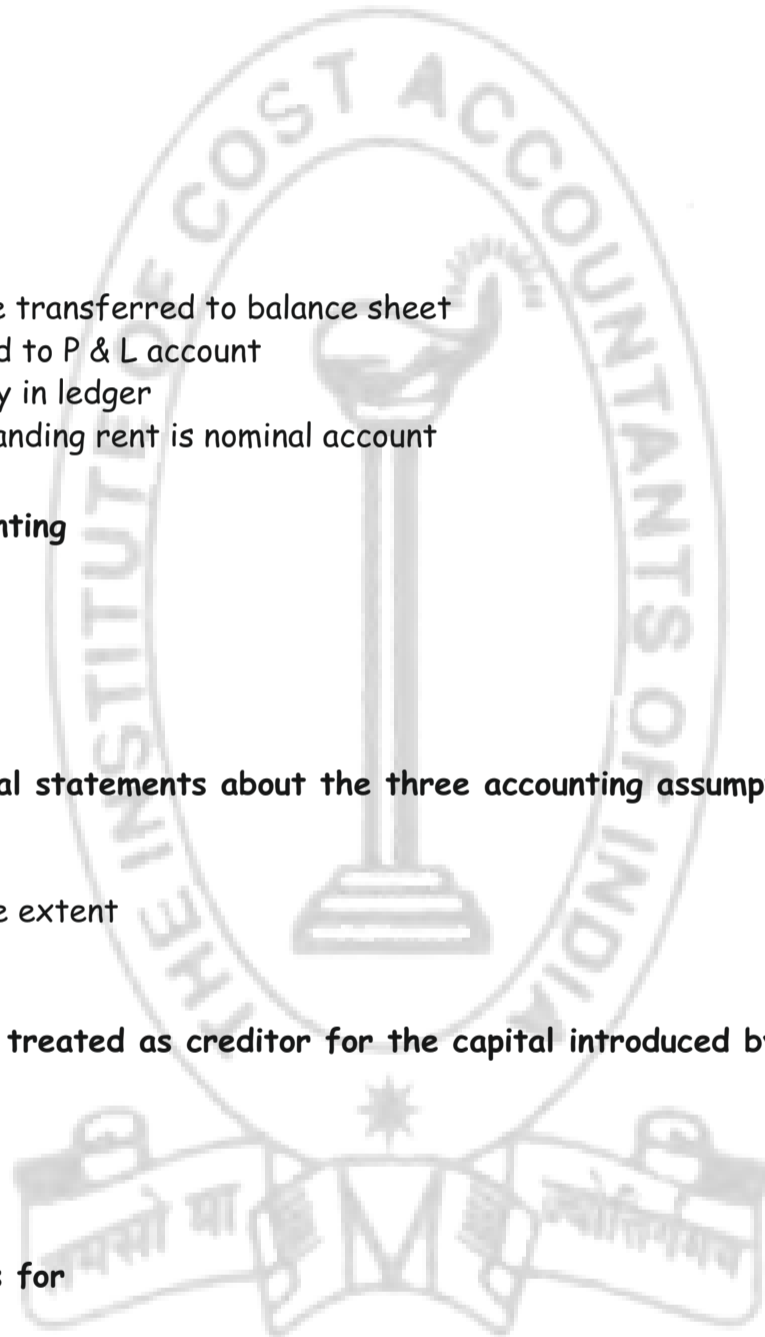**Q16 Which accounting concept specifies the practice of crediting closing stock to the trading account?**
 a) Cost
 b) Realisation
 c) Going concern
 d) Matching

Q17 Amount spent to increasing the earning capacity is a_____expenditure
 a) Capital
 b) Revenue
 c) Deferred revenue
 d) Capital Loss

Q18 Change in the capital A/c of proprietor may occur due to
 a) Profit earned

b) Loss incurred
c) Capital Introduced
d) All of the above

Q19 Consistency with reference to application of accounting procedures means
a) All companies in the same Industry should use identical accounting procedures
b) Income & assets have not been overstated
c) Accounting methods & procedures shall be followed uniform basis year after year
d) Any accounting method can be followed as per convenience

Q20 If one of the cars purchased by a car dealer is used for business purpose, instead of resale, then it should be recorded by
a) Dr Drawing A/c & Cr Purchases A/c
b) Dr Office Expenses A/c & Cr Motor Car A/c
c) Dr Motor Car A/c & Cr Purchases A/c
d) Dr Motor Car & Cr Sales A/c

Q21 If wages are paid for construction of business premises____A/c is credited and_____A/c is debited.
a) Wages, Cash
b) Premises, Cash
c) Cash, Wages
d) Cash, Premises

Q22 Human resources will not appear in the balance sheet according to ___ concept.
a) Accrual
b) Going concern
c) Money measurement concept
d) None

Q23 Provision for discount on debtors is calculated on the amount of debtors.
a) Before deducting provision for doubtful debts.
b) After deducting provision for doubtful debts.
c) Before deducting actual debts and provision for doubtful debts.
d) After adding actual bad and doubtful debts.

Q24 Which of the following is not a Real Account?
a) Cash A/c
b) Investments A/c
c) Out standing rent A/c
d) Purchases A/c

Q25 Value of goods withdrawn by the proprietor for his personal use should be credited to
a) Capital A/c
b) Sales A/c
c) Drawings A/c
d) Purchases A/c

Q26 Which of the following is incorrect?
a) Good will intangible asset
b) Sundry debtors - current asset
c) Loose tools tangible fixed asset
d) Outstanding expenses -current asset.

Q27 M/s Stationery Mart will debit the purchase of stationery to
a) Purchases A/c
b) General Expenses A/c
c) Stationery A/c
d) None

Q28 Small items like, pencils, pens, files, etc. are written off within a year according to _ concept.
a) Materiality
b) consistency
c) Conservatism

d) Realisation

Q29 Business enterprise is separate from its owner according to__concept.
a) Money measurement concept
b) Matching concept
c) Entity concept
d) Dual aspect concept

Q30 The policy of anticipate no profit and provide for all possible losses arise due to the concept of
a) Consistency
b) Disclosure
c) Conservatism
d) Matching

Q31 According to which concept, the proprietor pays interest on drawings
a) Accrual concept
b) Conservatism concept
c) Entity concept
d) Dual Aspect concept

Q32 Cost concept basically recognises
a) Fair Market value
b) Historical cost
c) Realisable value
d) Replacement cost

Q33 If the Market value of closing Inventory is less than its cost price, inventory will he shown at
a) Marketable value
b) Fair Market value
c) Both
d) none

Q34 The Market price of good declined than the cost price. Then the concept that plays a key role is
a) Materiality
b) Going concern concept
c) Realization
d) Consistency

Q35 Fixed assets are double the current assets and half the capital. The current assets are Rs.3,00,000 and investments are Rs.4,00,000. Then the current liabilities recorded in balance sheet will be
a) 2,00,000
b) 1,00,000
c) 3,00,000
d) 4,00,000

Q36 Which of the following provide frame work and accounting policies so that the financial statements of different enterprises become comparable.
a) Business Standards
b) Accounting Standards
c) Market Standards
d) None

Q37 Which of the following factor is not considered while selecting accounting policies?
a) Prudence
b) Substance over form
c) Accountancy
d) Materiality

Q38 Debit the receiver & credit the giver is___account
a) Personal
b) Real
c) Nominal
d) All the above

13

Q39 Cash a/c is a
a) Real a/c
b) Nominal
c) Personal
d) None

Q40 As per accrual concept, which of the followings is not true
a) revenue – expenditure = profit
b) revenue – profit = expenditure
c) sales + gross profit = revenue
d) revenue = profit + expenditure

Q41 Mr. X sold goods to Mr. Y ask Mr. X to keep the goods with him for some time
a) symbolic delivery
b) actual delivery
c) constructive delivery
d) none of these

Q42 If nothing is written about the accounting assumption to be followed it is presumed that
a) They have been followed
b) They have not been followed
c) They are followed to some extent
d) none of these

Q43 Capital A/c is a_____A/c.
a) Personal
b) Real
c) Nominal
d) None

Q44 Cash A/c is a_____A/c.
a) Personal
b) Real
c) Nominal
d) None

Q45 The principle "Debit the receiver and credit the giver" is related to
a) Personal a/c
b) Real a/c
c) Nominal a/c
d) None

Q46 As per the Matching concept, Revenue – ? = Profit
a) Expenses
b) Liabilities
c) Losses
d) AssetsQ47 Sales – Gross Profit =

Q48 Which of the following is a Real A/c?
a) Building A/c
b) Capital A/c
c) Shyam A/c
d) Rent A/c

Q49 Valuation of stock in accounting follows the principle of cost price or_____which ever is lower.
a) Market Price
b) Average Price
c) Net realizable Value
d) None of these.

Q50 Which of the following is not a nominal Account?
A) Outstanding salaries Account
B) Salaries account

14

C) Interest paid

D) Commission received

Q51 Mr. X is a dealer in electronic goods (refrigerator, washing machine, air conditioners, televisions, etc.) He purchased two air conditioners and installed in his showroom. In the books of X the cost two air conditioners will be debited to

A) Drawing account

B) Capital Account

C) Fixed assets

D) Purchases account

Q52 A trader calculated his profit as Rs.150000 on 31/03/2014. It is an

A) Transaction

B) Event

C) Transaction as well as event

D) Neither transaction nor event

Q53 For every debit there will be an equal credit according to

A) Matching concept

B) cost concept

C) Money measurement concept

D) Dual aspect concept

Q54 Historical cost concept requires the valuation of an asset at

A) Original cost

B) Replacement value

C) Net realizable value

D) Market value

Q55 The comparison of financial statement of one year with that of another is possible only when concept is followed

A) Going concern

B) Accrual

C) Consistency

D) Materiality

Q56 Profit and loss is calculated at the stage of

A) Recording

B) Posting

C) Classifying

D) Summarising

Q57 Which of the following is not the main objective of accounting?

A) Systematic recording of transactions

B) Ascertaining profit or loss

C) Ascertainment of financial position

D) Solving tax disputes with tax authorities

Q58 An asset was purchased for Rs.1000000 with the down payment of Rs.200000 and bills accepted for Rs.800000/-. What would be the effect on the total asset and total liabilities in the balance sheet?

A) Assets increased by Rs.800000 and liabilities decreased by Rs.800000

B) Assets decreased by Rs.800000 and liabilities increased by Rs.800000

C) Assets increased by Rs.1000000 and liabilities increased by Rs.800000

D) Assets increased by Rs.800000 and liabilities increased by Rs.800000

Q59 The rule debit all expenses and losses and credit all income and gains relates to

A) Personal account

B) Real account

C) Nominal accounts

D) All

Q60 Matching concept means

A) Assets = capital + liabilities

B) Transactions recorded at accrual concept

C) Anticipate no profit but recognize all losses
D) Expenses should be matched with the revenue of the period.

1] a	2]c	3] d	4] d	5] b	6] a	7] b	8] a	9] a	10] b
11] d	12] a	13] b	14] c	15] b	16] d	17] a	18] d	19] c	20] c
21] d	22] c	23] b	24] c	25] d	26] d	27] a	28] a	29] c	30] c
31] c	32] b	33] a	34] c	35] b	36] b	37] c	38] a	39] a	40] c
41] a	42] b	43] a	44] b	45] a	46] a	47] a	48] a	49]c	50] a
51] c	52] b	53] d	54] a	55] c	56] d	57] d	58] d	59] c	60] d

150 YEARS OF CELEBRATING THE MAHATMA

PAPER: 3

FUNDAMENTALS
OF LAWS AND ETHICS (FLE)

CA Partha Ray
He can be reached at:
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Your Preparation Quick Takes

B 30%

A 70%
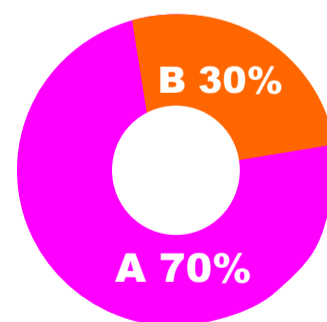
Syllabus Structure

A Fundamentals of Commercial Laws **70%**

B Fundamentals of Ethics **30%**

17

LAW & ETHICS

It is hoped that you - the students , who are getting ready for the exams soon, are now focusing on revising. Please prepare a time-table with time allotted for each subject and read, write, revise and recapitulate all that you keep on reading. **I hope that you have noticed that the important points in my articles are generally highlighted. I suggest that while revising, please focus on those highlighted points and keep those in mind.**.*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 the previous issue, you have read about Negotiable Instrument Act.

The first TIP is that you must start thinking like A Teacher. You must start studying the subject and raise questions to yourself and find your own answers.

Now, let us deal with the Law of Contracts – Indian Contract Act,1872.

In respect of such papers , the students are reminded that they must study the relevant Sections of the Act , write what the question wants and then attempt to elaborate by analyzing and commenting on the interpretations of the Act.

To start with, let us **cover Essential Elements of Contract, Offer and Acceptance.**

In every contract, there has to be two or more persons. One party will offer/propose to do something and the other party will agree/accept the **offer /proposal**. However, a party may even offer not to do something and the other party may **agree/accept** that.

The question arises – Will all agreements be contracts ? **The answer is –** No, only those agreements that can be enforced in the court of law are contracts. For example , an agreement to play chess or sing a song just for fun.

So, now ask yourself – *What is an Offer ?*
The Answer is simple. An offer is just an act of making a Proposal. Read Sec.2(a) and understand that. The person making the Offer is the Offeror /Proposer/Promisee and the person to whom you propose is the Offeree. The offer has to be for a Consideration and when that is accepted by the other party, the other party becomes the Acceptor and there is a contract.

Well, ask yourself -*How do I make an offer ?*

The answer is that that are certain **Rules regarding Offer** which are : **1.(i)**. **An offer can be in words spoken or written** and (ii). **An offer can be implied by conduct.** For example : X tells Y by word of mouth or in writing that he wants to sell his Mobile Phone for Rs.5000 that is an offer when Y accepts it , there is a contract. The State Transport Corporation runs a Bus from Location A to location B along a fixed route. Here it is implied by conduct that the bus is offering to carry passengers against a specific fare structure. When a passenger boards the bus it is implied that he accepts to offer and wants to become a passenger. Here too, there is a implied contract**. 2. The terms of offer must be certain**. Example : When the passenger boards the bus, he accepts to pay the specific fare and follow certain terms offered. **3. A simple intention to sell is not an offer or an advertisement is an invitation to make an offer but is not an offer**. For example : A told C that his old mobile phone was fetching him Rs.5000 but he did not say that he was willing to sell at that price. Here there is no contract between A and C . **4. An offer must be communicated and the offeree must be aware of such offer. 5. If an offer is conditional, such conditions must be clearly communicated to the offeree.**

So, we arrive at the obvious question –

How should I communicate the offer to other person /s ?
As said above, a**n offer can be in words spoken or written** and (ii). **An offer can be implied by conduct.** The offer by the bus to move along a specified route and carry passengers is a clear example of an offer by conduct.

Section 2(b) states that a proposal when **accepted** becomes a promise. So, the question arises – **What are the Rules regarding Acceptance ?**

The answer is that –1. Sec.7(1) lays that *an acceptance must be absolute and unqualified*. Even, if a insignificant point of variation between the terms of offer and the terms of acceptance is found, there is no contract. For example : You offer to sell your Office Premises to Y for Rs.5,00,000 and no payment term was laid.Y sends you a bank draft for Rs.1,00,000 and promises to pay the balance Rs.4,00,000 after 2 months. So, here the acceptance is conditional and so there is no contract. 2. **An acceptance must be expressed in a usual or reasonable manner**. (Refer Sec,7(2).Such acceptance can be by word of mouth, in writing or by post or even by conduct, but the offeree must do what the offeror wants him to do. (Refer Sec.8) . **3. A mental acceptance is not a contract. Moreover, an acceptance which is not communicated is not a contract**. For example : You write to your friend X that you want to sell your Motorcycle for Rs.10,000 . Your friend mentally decides to buy the motorcycle and even writes a letter addressed to you, but forgets to post the letter to you or verbally inform you. This does not result in a contract. **4. If the Offeror prescribes a specific mode of acceptance, the Offeree must follow that particular** mode unless the offeror waives it. (Read Sec.7(2), **5.** Both the Communication of the Offer and he communication of the Acceptance must be complete. Another point is that the acceptance must be made till the offer is in force. For example : A desires to sell his Motor Car for Rs.50,000 before 31st January,2018 ,such an offer is not valid after 31st January,2018.

So, now you have a fair idea about – Offer, Acceptance and a Contract. The obvious question that will come to mind is –

What are the Essentials of a Contract ?

Just remember the following:

OAL3 – where O is Offer, A is Acceptance , first **L is Legal Relationship** and second **L is Lawful Consideration** and the third **L is Legally Capable** . Next remember

CFL – where **C is Capacity, F is Free Consent , L is Legality** Next remember

WNP – where **W is Written and Registered ,N is Not Vague** and **P is Possibility of Performance** .

Please **Note :** Oral contract is legal but not always valid , for example – Sale of House Property has to be written and registered.

If you revise and recapitulate what you have read above, you can now raise the following question – **On what grounds can you revoke an offer ?** The answer is given in Sec.6 and those are :

1. When the offer is expressly revoked ;
2. When the proposer prescribes a time for acceptance of the offer, that proposal expires as soon as the time expires.
3. If there is no prescribed time, in that case the offer expires after a reasonable time depending on the circumstances of the case ,
4. If the proposer lays some conditions and the acceptor fails to fulfill any condition ; and
5. An offer lapses on the death or insanity of the proposer provided the acceptor gets to know about the death or insanity before acceptance.

So, two questions immediately arises - regarding **Communication of Revocation** (please read Sec.3 of the Contract Act,1872) and regarding **Revocation of Acceptance** please read Section 5 of the Contract Act,1872

Void and Voidable Agreements

Read Sec.2(g) and you will know that an agreement not enforceable by law is said to be void.

Here, the question arises – **What are void agreements ?**

The answer is – a) An agreement made by a minor (b) an agreement made without consideration (with certain exceptions);(c) certain agreements with unlawful object ; (d) agreement in restraint of marriage (except marriage of a minor); (e)agreement in restraint of trade (with exceptions); (f)agreement in restraint of legal proceedings ; (g)agreements where the meaning contained therein is not certain or cannot be made certain (h) agreement where the money payable depends on the happening or non-happening of a future or uncertain event (example –gambling etc.) ;(i) agreement that cannot be enforced due to change of law ;and (j) agreement to do an impossible act. Please remember that a void agreement is not necessarily illegal but an illegal agreement is always void.

There is something which is called **Voidable Contracts**, let us understand that with a simple example. Suppose Mr.A enters into an agreement at Gunpoint with Mr.Z to sell his Stationery Shop. Mr. Z can avoid the agreement and Mr.A cannot enforce it. However, if Mr.Z desires , he can enforce it against Mr. A . Avoidable Contracts can be due to Coercion, Undue Influence, etc. The example above is a case of coercive threat to cause injury.

Under essential elements of Contract, we read that there must be a Lawful Consideration. So, **what is consideration ?**

Section 2(d) of the Contracts Act 1872 defines consideration. All past, present and future promise, desire to do or abstain from doing something is a consideration for the promise . For example :

A agrees to sell his Motorcycle to B for Rs.15,000. For A the consideration is Rs.15,000 for the promise and for B the consideration is the Motorcycle.

The question arises – **What is past consideration ?**

This can be explained with an example : X is asked by Z to do certain special extra work which X performs in the month of December,2017. In January,2018 X is paid Rs.5000 by Z to compensate for the work done in December,2017. In this case, the consideration of X is past consideration.

Almost all contracts require consideration, so the question is - what agreements are valid without consideration ? Please read Sec.25(1), Sec.25(3) and Sec 25(explanation 2)

Section 25(1) specifies those cases where agreement without consideration is valid and those are :
1. The agreement is freely made in writing
2. The written document is registered with the Appropriate Authority
3. The agreement is made on account of natural love and affection ;
4. The parties to the agreement stand in near relation to one another.

At this point ,an interesting question comes to mind – **Can a stranger to a contract sue on a contract ?**

A stranger to a contract is a person who is not a party to the contract and so he cannot go to court to enforce it. However, **if a stranger is a party to the contract, he can sue to enforce it**. For example : There is an agreement between Anil, Billu and Chand , where Anil pays money to Billu to deliver to Chand. In this case, Chand can enforce the agreement even though he did not pay any part of the consideration.
Therefore, the next question is - What are the exceptions to the rule that a stranger to the contract cannot sue upon it ?

The exceptions are as follows :

1. An agreement to create a trust can be enforced by the beneficiary;
2. A party to a contract can transfer his rights under the contract to third parties. For example : A bearer cheque drawn on an individual can be transferred to any person he wishes.
3. In case of family disputes settled by mutual agreement , where the terms of settlement are written down in a document, such Family Settlements can be enforced by those persons who were not original parties to the settlement.

It may be noted that except for the three exceptions mentioned above, a contract does not give any right upon a person who is not a party to the contract.

Now, let us appreciate that we are all in the Computerized Environment. Therefore, Offers, Acceptances and Contracts can be electronically performed. Such **e-contracts** are paperless in the electronic form -made , communicated, executed ,deployed through software systems. All the essential elements of contract are satisfied but in order to give it the legal validity, The Information Technology Act,2000 has laid regulations for such e-contracts. It requires the parties to the contract to obtain Digital Signatures from the Competent Authority and affix the digital signature instead of the conventional manual signature. Digital Signatures are legally valid and cannot be denied as the signature is in digital form and delivered electronically. In this case, the

lawful process of negotiation, acceptance of the terms and the final Contract is through E-mails which are valid in law.

Capacity of Parties and Free Consent

Capacity - It must be remembered that the parties to an agreement must be legally capable of entering into an agreement. If that capacity is wanting/absent, the agreement in that case cannot be enforced by a Court of Law.

So the question naturally arises - **In what way Want of Capacity arises ?**

The simple answer is that want of capacity arises **from – Minority, Lunacy, Idiocy, Drunkenness etc.** In such cases the of disability, the agreement with such person cannot be enforced by law, *except in special cases.*

Free Consent – Unless an agreement is based on Free Consent of all the parties to an agreement, it is not enforceable.

So, here again the obvious question coming to mind is – **When can we say that there is absence of Free Consent ?**

The answer is – If an agreement is induced by **Coercion, Undue influence, Mistake, Misrepresentation and / or fraud** *in such circumstances it can be said that there is absence of Free Consent.* The party guilty of coercion, undue influence, fraud etc. cannot enforce the agreement as the essence of the agreement is vitiated by such factors. However, the other aggrieved party to the agreement can enforce it, subject to certain rules laid in the Act.

150
YEARS OF
CELEBRATING
THE MAHATMA

PAPER: 4

FUNDAMENTALS
OF BUSINESS MATHEMATICS
AND STATISTICS (FBMS)

CMA Ankan K Bandyopadhyaya
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Your Preparation Quick Takes

A 40%

B 60%
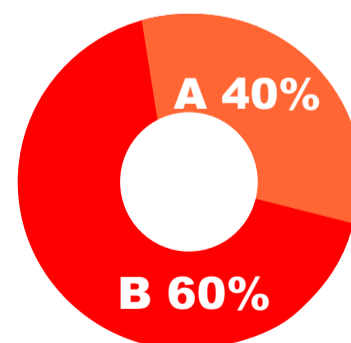
Syllabus Structure
A Fundamentals of Business Mathematics **40%**
B Fundamentals of Business Statistic **60%**

BUSINESS MATHEMATICS

In this issue we will discuss some MCQs on Arithmetic/Algebra part of the curriculum

Q1. If 16th term of the series X, 3.5, 3.25, 3......is zero, then sum of 1st 16 term of the series is
(a) 90
(b) 30
(c) -30
(d) 0

Q2. If the roots of $ax^2 + bx + c = 0$ are in the ratio p:q, then a^2 is
(a) cq/ap
(b) aq/pc
(c) ap/cq
(d) pc/aq

Q3. If $a^2 + b^2$, ab + bc and $b^2 + c^2$ are in GP then which one of the following is correct
(a) $b^2 = ac$
(b) $(a + b)^2 = (b + c)(c+a)$
(c) $a^2 = bc$
(d) abc = 1

Q4. The simplest value of $\left[1 - \left\{ 1 - \left(1 - x^3 \right)^{-1} \right\}^{-\frac{1}{3}} \right]$ is
(a) 1
(b) 0
(c) $\frac{1}{3}$
(d) ∞

Q5. If n = 6, then the value of $\frac{(n-2)!}{(n-4)!}$ is equal to
(a) -1
(b) 0
(c) 12
(d) 6

Q6. If $x = \log_a (ab)$ & $y = \log_b (ab)$ then $\frac{1}{x} + \frac{1}{y}$ is
(a) 0
(b) ½
(c) 1
(d) -1

Q7. A committee consisting of 5 members is to be formed out of 6 men and 4 women. The number of committees that can be formed with at least one women always in the committee is
(a) 246
(b) 6
(c) 252
(d) 258

Q8. If $x = \left[a + \sqrt{a^2 + b^3} \right]^{\frac{1}{3}} + \left[a - \sqrt{a^2 + b^3} \right]^{\frac{1}{3}}$ then $x^3 + 3bx - 2a$ is equal to
(a) 1
(b) 9

(c) 0

(d) -1

Q9. Which one of the following value of x satisfying the equation $x^{\frac{2}{3}} + x^{\frac{1}{3}} - 2 = 0$ is

    (a) -1

    (b) -9

    (c) 2

    (d) -8

Q10. The value of recurring decimal 0.17 is

    (a) $\dfrac{1}{90}$

    (b) $\dfrac{8}{45}$

    (c) $\dfrac{1}{135}$

    (d) $\dfrac{1}{3}$

Q11. The number of arrangement that can be made out of the letters of the word ASSASSINATION is

    (a) 2494800

    (b) 840

    (c) 1440

    (d) 10810800

Q12. Simplest value of $\log_3 \sqrt[4]{729 \sqrt[3]{9^{-1}.27^{-4/3}}}$ is

    (a) 1

    (b) 0

    (c) 743

    (d) 1/3

Q13. There are 10 hockey players including X and Y. A team of 6 players is to be selected out of these 10 players. The ways it can be done so that X and Y are not selected together are

    (a) 112

    (b) 272

    (c) 140

    (d) 28

Q14. Which one of the following value of m will make the equation $(m+1)x^2 + 2(m+3)x + (2m+3) = 0$ have equal roots?

    (a) 2

    (b) -2

    (c) 1

    (d) -3

Q15. $\dfrac{3.2^{n+1} + 2^n}{2^{n+2} - 2^{n-1}}$ is equal to

    (a) 1

    (b) 0

    (c) 2

    (d) -1

Q16. $\sqrt{6 + \sqrt{6 + \sqrt{6 + \sqrt{6 + \ldots \infty}}}}$ is equal to

    (a) 3 or -2

    (b) 1 or 0

    (c) 3 or -3

    (d) 1 or -1

Q17. The ratio of 45 minutes to $5\dfrac{3}{4}$ minutes is

    (a) 5 : 21

    (b) 3 : 23

    (c) 2 : 19

    (d) 1 : 27
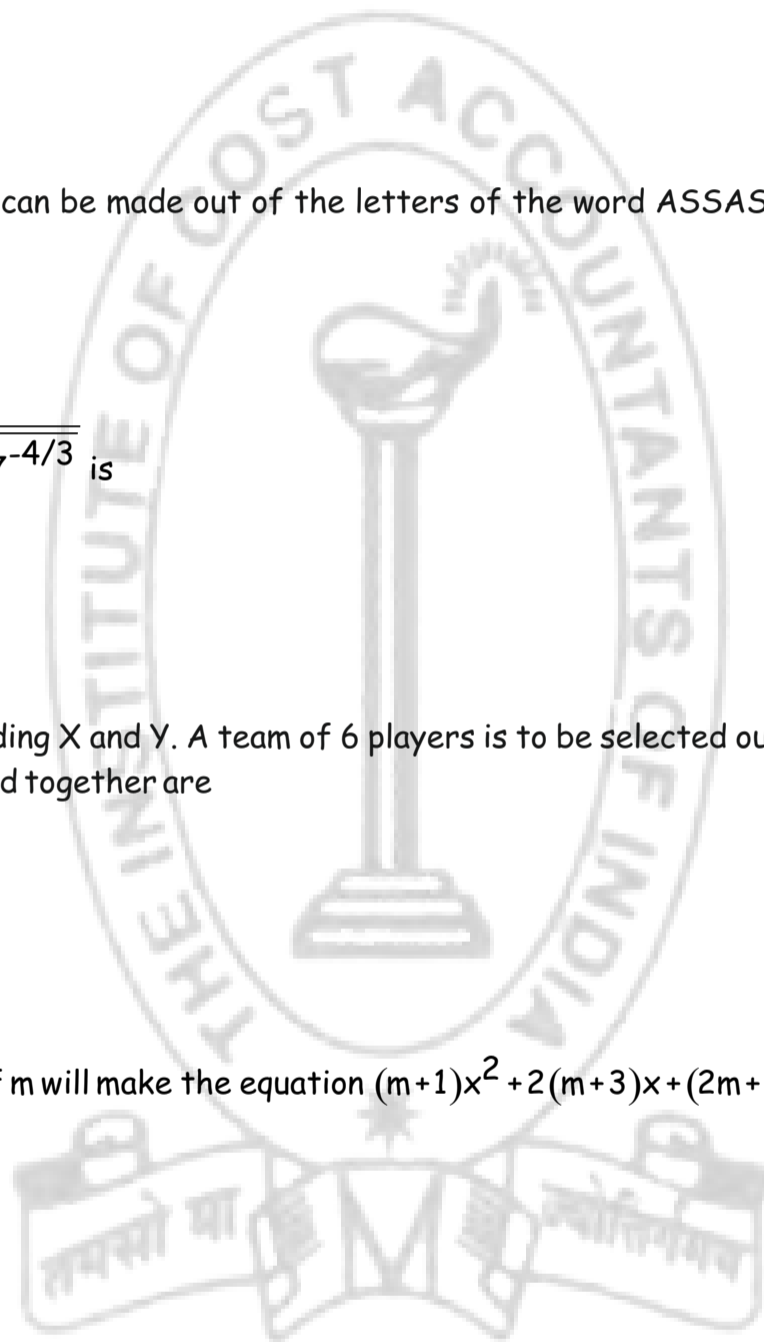
Q18. If the rates of interest for the successive years are 11% & 12% respectively then at compound interest after two years a deposit of R100000 amounts to
(a) R123210
(b) R125440
(c) R124323
(d) R132000

Q19. When $x \hat{I} N$ (i.e. Natural Numbers), the value of satisfying $3x^2 - 14x + 8 = 0$
(a) $\frac{2}{3}$
(b) 4
(c) $4 \& \frac{2}{3}$
(d) 7 & 2

Q20. A sum of money is divided in the ratio 3:5. If the larger part is R3125, then smaller part is
(a) R1925
(b) R1125
(c) R1315
(d) R1875

Q21. If b is the mean proportional between a and c than $\dfrac{a^2 b^2 c^2 \left(a^2 - b^2 - c^2\right)}{b^2 c^2 - c^2 a^2 + a^2 b^2}$ is
(a) abc
(b) $a^4 c^4$
(c) b^4
(d) c^2

Q22. From 6 boys and 4 girls, 5 are to be selected to admission for a particular house. If there must be exactly 2 girls, then this can be done in
(a) 120 ways
(b) 20 ways
(c) 100 ways
(d) 150 ways

Q23. The value of x satisfying $\log_{10}(x-14) + l\log_{10}(x-5) = 1$ is
(a) 21
(b) 15
(c) 4
(d) 18

Q24. If arithmetic mean of a & b is $\dfrac{a^{n+1} + b^{n+1}}{a^n + b^n}$ then n is
(a) 1
(b) -1
(c) 0
(d) Infinity

Q25. Associative laws for any three sets A, B & C indicates
(a) $A \cup (B \cap C) = (A \cap B) \cap C$
(b) $A \cup (B \cap C) = (A \cap C) \cap B$
(c) $A \cap (B \cap C) = (A \cup B) \cap C$
(d) $A \cup (B \cup C) = (A \cup B) \cup C$

Ans:

Q1	b	Q6	c	Q11	d	Q16	a	Q21	c
Q2	d	Q7	a	Q12	a	Q17	b	Q22	a
Q3	a	Q8	c	Q13	c	Q18	d	Q23	b
Q4	a	Q9	d	Q14	b	Q19	b	Q24	c
Q5	c	Q10	b	Q15	c	Q20	d	Q25	d

Explanation:

Q1: $d = -0.25$; 1st term is 3.75; $S_{16} = \dfrac{16}{2}(3.75 + 0)$

Q2: $\alpha + \beta = -\dfrac{b}{a}$ & $\alpha\beta = \dfrac{c}{a}$; As $\dfrac{\alpha}{\beta} = \dfrac{p}{q}$, $\dfrac{\alpha}{\beta} \times \alpha\beta = \alpha^2$. Hence the result

Q3: We have $(ab + bc)^2 = \left(a^2 + b^2\right)\left(b^2 + c^2\right)$ Hence the result

Q6: We could write from $x = \log_a(ab)$ $a^x = ab$, and $y = \log_b(ab)$ $b^y = ab$ Hence the result

Q7: $10_{C_5} - 6_{C_5}$ & hence the result

Q8. Use $x^3 = (a+b)^3 = a^3 + b^3 + 3ab(a+b)$. Hence the result

Q9. Put $x^{\frac{1}{3}} = z$ Hence the result

Q10. $0.17 = 0.1 + 0.07 + 0.007 + 0.0007 + \ldots$ Hence the result

Q12. $\log_3 \sqrt[4]{729 \sqrt[3]{9^{-1}.27^{-4/3}}} = \log_3 \sqrt[4]{3^6 \sqrt[3]{3^{-2}.3^{-4}}} = \log_3 \sqrt[4]{3^6 3^{-2}}$ Hence the result

Q13. $8_{C_6} + 2. 8_{C_5}$

Q14. $b^2 = 4ac$. Hence the result

Q16. Let $x = \sqrt{6 + \sqrt{6 + \sqrt{6 + \sqrt{6 + \cdots \infty}}}}$ So squaring both sides we get $x^2 = 6 + x$ and hence the result

Q18. $100000 \times (1.10) \times (1.12)$

Q20. Let x be the smallest part. So $\dfrac{x}{3125} = \dfrac{3}{5}$

Q21. $b^2 = ac$, hence the result

Q22. No of ways girls can be included 4_{C_2}. Then no of ways boys can be selected 6_{C_3}

Q23. $\log_{10}(x - 14)(x - 5) = 1 = \log_{10} 10$. Hence the result

Q24. $\dfrac{a+b}{2} = \dfrac{a^{n+1} + b^{n+1}}{a^n + b^n}$. We get $a^n = b^n$ Or, $\dfrac{a^n}{b^n} = 1$ Or, $\left(\dfrac{a}{b}\right)^n = 1$ Or, $\left(ab^{-1}\right)^n = \left(ab^{-1}\right)^0$

Suggestions:

The study guide needs to be read thoroughly. Supplementary readings could be made from other resources. This issue is based totally on study guide issued by the institute. Standard books could be referred for additional expertise to attend the conventional questions. This lesson is an extension of discussion on the topic in guide book. Detailed discussions on different formulas are not done here to avoid repetition. This lesson is purely an aid to study guide on paper 4- Fundamental of Business mathematics and Statistics written and issued by Institute on Syllabus -16.

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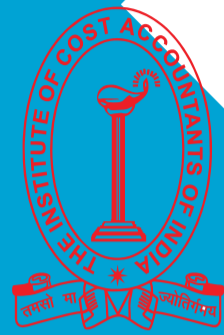
Examination
RESCHEDULED TIME TABLE
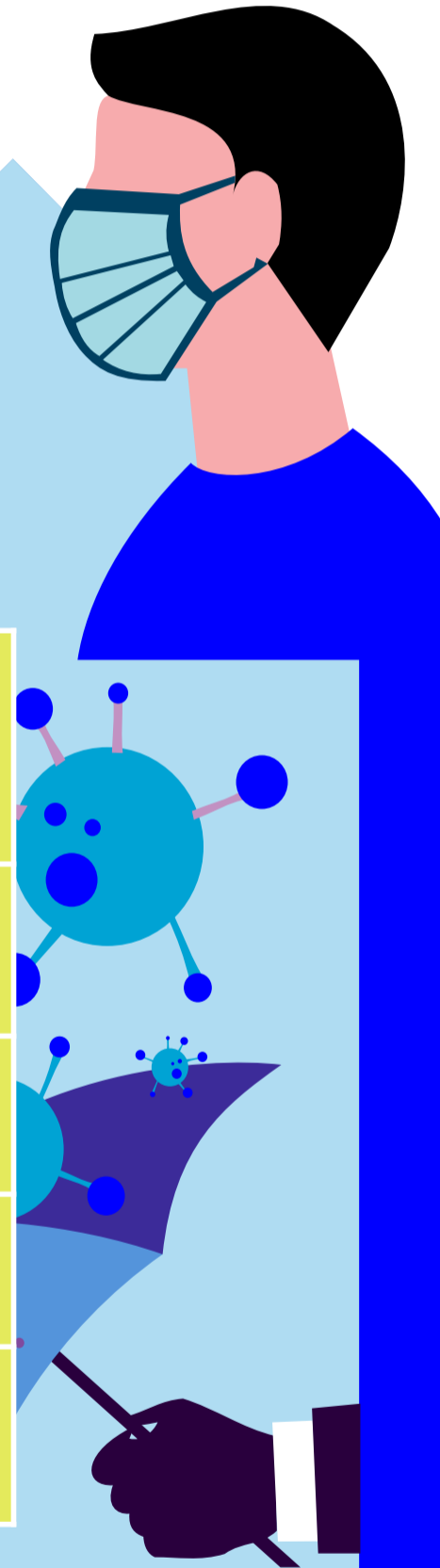
Day & Date	Foundation Examination Syllabus-2016 Time 2.00 p.m. to 5.00 p.m.
21st July, 2020 (Tuesday)	Fundamentals of Economics & Management
23rd July, 2020 (Thursday)	Fundamentals of Accounting
25th July, 2020 (Saturday)	Fundamentals of Laws & Ethics
27th July, 2020 (Monday)	Fundamentals of Business Mathematics & Statistics

STAY HOME STAY SAFE

Behind every successful business decision, there is always a CMA
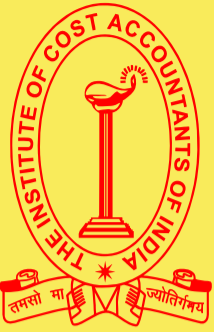
PRACTICAL
Advice

ABOUT YOUR STUDIES - FOUNDATION 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 Excercises given in Study Note **02**

03 Assess Yourself

Appear For Examination **04**

FINISHED
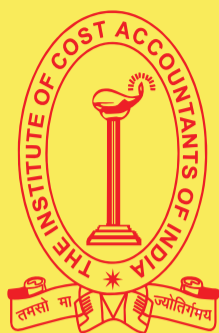
SUBMISSIONS

Submissions

Dear Students,

We are very much delighted to receive responses from all of you; for 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.

Send your Feedback to:
e-mail: studies.ebulletin@icmai.in
website: http://www.icmai.in

Updation 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 at request option.

Cracking the CMA

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I believe you are in full motion of your preparation for the upcoming CMA examination in June. Indeed, one needs to prepare for the tests with sincerity and determination to achieve success. Most students do think that CMA exams are challenging. I do agree to some extent, but it isn't that difficult if we face them with adequate preparation, which isn't the case with just examinations, but it is the case with any significant issues in life.

Set your goals, plan your activities, and work harder to conquer. Success has no reservations for those who dream of it and work for it. There is no substitute for hard work. In the words of *Mahatma Gandhi*, **"The future depends on what that we do in the present."** Due to the lockdown, we all are going through unprecedented times, but you should utilize this time to prepare well and get successful in the exams.

Planning is the cornerstone of success

Yes, a good plan implies a good beginning, but a goal without a plan is just a wish. Translate that wish into an actionable plan to succeed. There is no magic mantra for success without smart work. It is imperative to plan your studies focusing on your examination. You are required to ensure a systematic study plan to qualify the so-called difficult examination. Planning should include your schedule, hours of study, topics to be covered, strategy for retrieval, and finally, how to make an impressive presentation in your answer book. I am reminded of the words of *Benjamin Franklin*,**"If you fail to plan, you are planning to fail."** Preferably, you should plan to win. It is better late than never.

Prepare from Study Material

The Cardinal principle for success in the CMA exam is to study from the study material and is crucial, which is why the institute provides you with excellent quality material. Don't get carried away by private coaching notes, which necessarily may not cover the whole of the study material. Unless you practice intensely, you may not gain the required speed and expertise to face the examination confidently, especially in the case of non-theory papers. If you can solve all the problems in the study material and past ten years' question papers, without the aid of the answer key, your success in the exam is assured. Before the crucial exam day, do practice a few mock exams at your home. Set your questions, and try to answer it under exam conditions,

do a self-evaluation, and find out where you stand. One of the significant deficiencies among today's students is that they lack writing skills and also the patience for sitting through the exam conditions for 3 hours. Command over the English language is lacking. And to overcome these deficiencies, the institute provides the students with MTP and RTP. But unfortunately, it is a matter of great concern that only a handful of students utilize this facility to assess them of the preparedness. I strongly recommend all of you to make use of this golden opportunity.

Strategize the Subject

Strategize your studies is equally important when considering the voluminous syllabus. Your approach to study can make a lot of difference. One should be conscious of the following three things

1.What to study

The syllabus, weightage of marks, the trend in past question papers and study materials will give an overall idea about what to study.

2. How to study

It is advisable to allocate your available time into three buckets. First revision covering 50% of your study time, second revision should target 30%, third revision, and final covering to target the balance 20% of your time. For the first revision, you should complete the reading of your study material cover to cover. While doing so, do highlight the essential contents of each chapter. When you take a non-theory paper, you should carefully understand the concepts, and based on that, solve all illustrations. For the second revision, you should be able to prepare your study notes out of the segregated contents. One should complete all problems in the Practice manual without referring the solution in the case of subjects other than theory, identify only those problems where you got stuck for your final revision. Do not waste your time on a problem which you could solve in the first instance. The final round should help you to reproduce your understanding of any topic that you will be examined. Constant practice is the only mechanism to make you perfect. When you prepare for your examination by writing notes or jotting down hints, it helps you acquire this ability besides improving legibility. You should solve illustrations and exercises repeatedly, instead of merely reading the problems in the subject. You must attempt several problems to have complete control over the topics.

3. How to deliver

How to write an examination is nothing but the Art of Writing Examination
It is of the supreme importance of how you write the test or how you present your answers. You must keep calm during the exam and utilize every minute of the allocated time. How effectively you use the **3 hours and 15 minutes** in answering the questions determines your result. Remember, **Your Answer Sheet is your deliverable**. Once the exam starts, the initial **15** minutes, you should read the questions and instructions carefully to decide the questions you will attempt. The **order (Starting from the question you know the best to the question you are least confident about)** and the **time** to be allocated to each question (**Commensurate**

with the marks/weightage assigned to the question). Make sure to conserve some time for a revision at the end. It is pertinent to reinforce that utilizing your time effectively, especially during the examination is crucial for your success. You must present your answers carefully and neatly to maximize your score. **Remember, you will be marked on what you write rather than what you know.** You must allot your time prudently according to the weightage and complexity of the question, utilizing some time in planning and structuring your answers. Enumerate the points to enhance the readability of your response. Write neatly and legibly, explaining the concept with clarity, precision, and coherence, highlighting important terms and keywords. Incorporate illustrations and examples wherever necessary. You may answer the theoretical questions in points sequentially, citing examples and section numbers wherever necessary. For practical questions, you could mention underlying case law/standard and give working notes. If a particular question requires making an assumption, you must clearly state that in your answer. Do not spend much more than the allocated time on a single question. Attempt all the subparts of a question together. Highlight the critical points by underlining them. Always adhere to the time limits. Attach all your supplementary sheets in the right sequence and ensure details are written legibly on the front page. The presentation of the answers should be perfect, and there should not be many cancellations or strikethroughs, handwriting should be legible, the delivery of your answers should be tidy. In short, the examiner should be delighted to read through your answers.

ALWAYS KEEP IN MIND WHAT YOU ARE EXPECTED TO STUDY IN 18 MONTHS IS GOING TO BE EXAMINED IN 3 HOURS AND WILL BE EVALUATED IN LESS THAN AN HOUR.

I wish you all the very best

Stay Home, Stay safe
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Member of Editorial Board
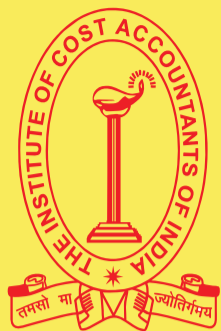
Message from
Directorate of Studies

Dear Students,

We from the Directorate of studies know your expectations from us and accordingly we are trying to delivery some meaningful tips through the publications of monthly E-bulletins. Other than this we are trying to help you through, Mock Test Papers (MTPs), Work Book, and we have conducted Webinar sessions.

You know that the nation is celebrating 150th birth anniversary of the father of the nation **M.K. Gandhi**. One of his inspirational message towards the students were:

"You must be the Change you wish to see in the World",

Let us observe his memory, following the above message.

Certain general guidelines are listed below and which will help you in preparing yourselves:

- Conceptual understanding & Overall understanding of the subject should be clear.
- Candidates are advised to go through the study material provided by the Institute in an analytical manner.
- Students should improve basic understanding of the subject with focus on core concepts.
- The Candidates are expected to give to the point answer, which is a basic pre-requisite for any professional examination.
- To strengthen the answers candidates are advised to give answer precisely and in a structured manner.
- In-depth knowledge about specific terms is required.
- Write question numbers correctly and prominently.
- Proper time management is also important while answering.

Please refer the link mentioned below :

https://icmai.in/studentswebsite/

- Don't give up
- Don't give in
- Don't give out

You can win!

GOOD LUCK

Be Prepared and Get Success;

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.

150 YEARS OF CELEBRATING THE MAHATMA

Few Snapshots

Message on COVID-19 from Students of ROCC Streamline Academy Thrissur

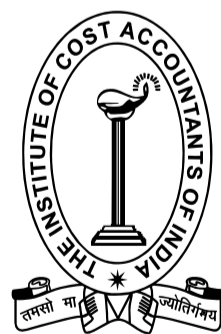**Nagpur Chapter initiative on COVID-19**

Message on COVID-19 from Eastern India Region Student Fraternity.

Message on COVID-19 from Patiala Chapter of the Institute

Message on COVID-19 from Students, Staff, Members of Nellore Chapter.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

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