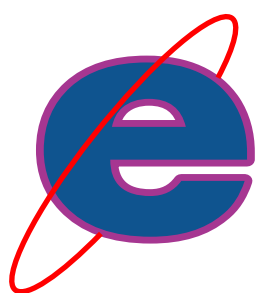


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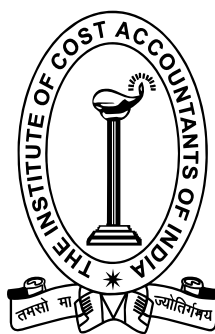
## FOUNDATION



# Bulletin

VOL: 3, NO.: 10, OCTOBER, 2018 ISSUE

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## THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory body under an Act of Parliament)

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

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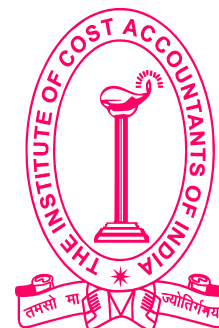
Behind every successful business decision, there is always a **CMA**



## *Message from* **The Chairman**

*CMA Manas Kumar Thakur*

**Chairman,  
Training & Education Facilities (T& EF) Committee**



**CMA MANAS KUMAR THAKUR**  
Chairman, T & EF Committee  
Directorate of Studies  
President (2016-2017)



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### **MESSAGE FROM THE CHAIRMAN**

**Dear Students,**

**Greetings,**

***“Education is not just about going to school and getting a degree. It's about widening your knowledge and absorbing the truth about life”.***

The aim of the education is the knowledge not of facts but of values. Both persistence and determination is needed to sail through any professional qualification. Education teaches one to think intensively with intelligence plus character is the main ingredients in it. *“It is the mark of an educated mind to be able to entertain a thought without accepting it”.*

Thus, I believe in the saying that **“Knowledge is power. Information is liberating. Education is the premise of progress, in every society, in every family”**. Learning without thought is a labour lost, thought without learning is dangerous. Learning is not just about looking and copying, it's about feeling too.

Strive for progress as our greatest weakness lies in giving up. In order to succeed you need to work hard and stay motivated. Starting your day feeling determined can help you work throughout the day and achieve your goal. Believe in yourself, be strong and never give up, no matter what the circumstances are.

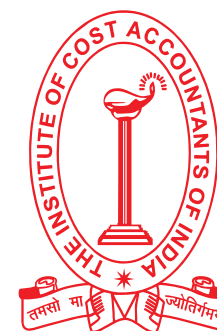
The Directorate of Studies is assisting in your preparation by providing you various kinds materials in the forms of Revisionary Test Papers (RTPs), Mock Test Papers (MTPs), Work Book along with all the recent amendments in papers related to Direct and Indirect taxation, Laws, Accounting etc. and also arranging for live Webinar session through which you may directly interact with the faculties and clear your doubts. Prior preparation is required to make the Webinar more live and vibrant. Try to grab the opportunities and make yourself prepare to face the challenges, afterwards. ***“One must learn by doing the thing; for though you think you know it, you have no certainty, until you try.”***

I wish you all a very happy Dussera & Durgapuja,

**CMA Manas Kumar Thakur**

**Be a CMA, be a Proud Indian**

“Behind every successful business decision there is always a CMA”



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# 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.

**PAPER: 1, PART: I**

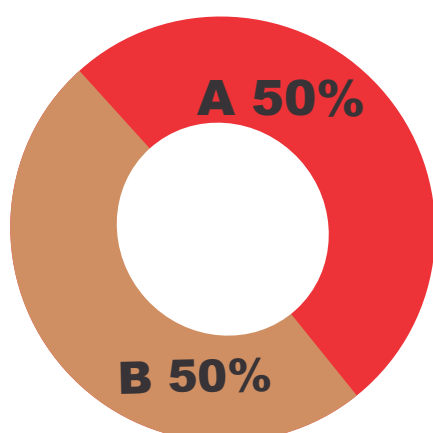
# **FUNDAMENTALS**

## **OF ECONOMICS & MANAGEMENT**

### **(FEM) - ECONOMICS**

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***Your Preparation Quick Takes***



### **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, we have seen how cost of production is important to a cost accountant. Next, we have seen how demand is important to a producer. Today we will explore how market is important to a producer. Producers produce products not for his own consumption. They produce their products for selling in the market. So the producer must be aware of the nature of the market he is in. There are two types of markets: Perfectly competitive market and imperfectly competitive market.

The following are the symptoms of a perfectly competitive market:

1. There must be many sellers and many buyers in the market
2. All firms must produce a homogeneous commodity.
3. Any individual firm cannot influence the market price. He is a price taker. The industry fixes the market price and the firms sell their product at this pre-determined price.
4. Any firm can enter into the market or leave the market any time. So there is free entry and free exit for any firm.
5. There is perfect knowledge in the sense that all the buyers are aware of the happenings in the market.
6. There must be perfect mobility of the factors of production.

### **Explanation of the main conditions of perfectly competitive market**

- (a) The first condition states that there are many sellers and many buyers. This implies that no buyer and seller can individually affect the market price. This is because each buyer or seller is an insignificant part of the market. Price is determined by the interaction between aggregate demand and aggregate supply, but an individual does not have any influence on price. So, each seller is merely a price taker.
- (b) The second condition states that if the outputs of the different sellers are not homogenous i.e., if different sellers produce output of different qualitative standards, each seller will, in effect, be the sole supplier of his own type of the commodity. He will then be able to influence the price of that particular type of commodity. So, in this market situation, a single seller does not spend any money on advertisements because it will only lead to an increase in its average cost of production and a fall in its total profits.
- (c) The third condition constitutes entry and exit to and from the market. The assumption of free entry into and exit from the market is that, if existing firms in the market earn abnormally high profits, new firms will be attracted toward this industry. Because of the increased competition, the rate of profit will come down. Similarly, if it is seen that the existing firms are incurring losses, some of the firms will leave the market. Due to decreased competition, the other firms will be able to make a profit. Thus, the meaning of this main condition of perfect competition is that in this type of market, the business firms ultimately neither incur losses nor make supernormal profits. They only make 'normal' profits.
- (d) The fourth condition has more than one meaning. One meaning is the absence of uncertainty because uncertainty comes from imperfect knowledge. Another meaning is that,

under perfect competition, a commodity has only one price in the market. If two sellers ask for two different prices for the same commodity, all purchasers will go to the seller charging the lower price because they will be conscious of this price difference.

- (e) For similar reasons, each factor of production will also have one price in the market.
- (f) The final condition involves absence of bias or partiality. One significance of them is that no seller will give special price discounts to a particular buyer. Similarly, no buyer will have a special attachment to a particular seller. Another significance is that all sellers will be situated at an equal distance from all purchasers. If distances are different, transport costs also will be different. But under perfect competition, a commodity will have only one price.

Example: Perfectly competitive conditions prevail in the markets for many of the commodities of our daily use. In particular, if we think of the local markets for these commodities, we see that quality of transport costs and the other conditions are being met. Markets for fruits, markets for the services of tailors and household servants, etc, can be broadly classified as perfectly competitive.

On the other hand, imperfectly competitive market is the example of market failure.

Here, market economy will not work. Among the imperfectly competitive markets, 'Monopoly' is the most important one. Let us have a look into the workings of this market.

### **Price and output under a monopoly market**

In a pure monopoly, there is only one firm producing and selling a commodity. There is no distinction here between a firm and an industry. Since only one firm produces the commodity, this firm controls the aggregate supply of the commodity. Moreover, the restrictions on entry may not always be man-made. The nature of a commodity and the technology of its production may be such that the firm, already in the market, has become very big (by taking advantage of the economies of scale) and caters to the total demand in the market. This limits the scope of entry of new firms in the market.

Thus, the basic characteristics of the monopoly market are as follows:

- i. There is a single seller and many buyers of a product
- ii. The products produced and sold by the firm may be homogeneous or non-homogeneous, but it has got no close substitute in the market
- iii. Entry of new firms into the market is not free
- iv. The firm is a price-maker, i.e., it has substantial control over the market price of that product
- v. The supply of the product by the single firm constitutes the market supply
- vi. The principal goal of the firm is to maximise its profits

- vii. The firm acts atomistically, i.e., while taking its profit-maximising decision, it ignores the reactions of other firms (viz., the potential competitors); and
- viii. The firm faces the market demand curve for its product.

There are other imperfectly competitive markets as well. For example, monopolistic competition , price discrimination, oligopoly etc.



# PAPER: 1, PART: II

# FUNDAMENTALS

## OF ECONOMICS & MANAGEMENT

## (FEM) - MANAGEMENT

**CMA (Dr.) Sumita Chakraborty**

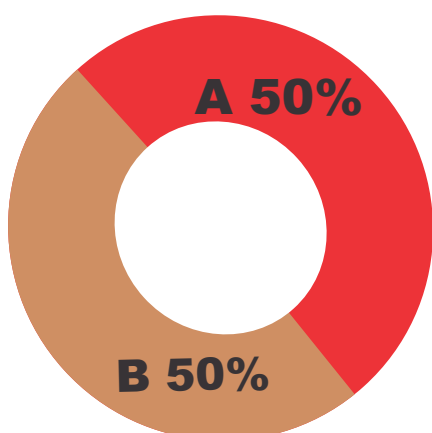
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## ***Your Preparation Quick Takes***



### **Syllabus Structure**

A Fundamentals of Economics 50%

B Fundamentals of Management 50%



Learning Objectives:

- Students will demonstrate their knowledge of business and management principles
- Students will reveal effective written and oral communication
- Students will exhibit an awareness of the global environment in which businesses operate
- Students will display the ability to recognize when change is needed, adapt to change as it occurs, and lead change

MANAGEMENT

Delegation of Authority:

Delegation of authority is “the process a manager follows in dividing the work assigned to him so that he performs that part which only he, because of his unique organisational placement, can perform effectively and so that he can get others to help with what remains”.

Thus, delegation means assigning work to others and giving them authority to do it. Delegation is the dynamics of management and the essence of sound organisation. A single individual can not manage and control everything due to physical and mental limitations. The tasks involved in the management of an organisation are too large and one particular person cannot discharge them single-handedly.

Delegation has the following characteristics:

Delegation takes place when a superior grants some discretion to a subordinate.

A manager cannot delegate the entire authority to his subordinates because if he delegate all his authority, he passes his position to the subordinates.

Generally, authority regarding routine decisions and for execution of policies are delegated to subordinates.

Delegation does not mean abdication of responsibility. No manager can escape from his obligation by delegating authority to subordinates.

Delegation may be specific or general, written or implied, formal or informal.

Delegation enables a manager to obtain the specialised knowledge and expertise of subordinates.

Obstacles to Delegation:

Even though delegation is vital for the efficient functioning of an organisation, in practice, there are several factors which prevent effective delegation. These problems in delegation may be classified into three categories:

- Superior,
- Subordinate &
- Organisation.

How to make Delegation effective?

Inadequate and ineffective delegation leads to several undesirable consequences, e.g; non-commitment, lack of initiative, frustration,

inefficiency etc. Therefore, it is necessary to make delegation effective. The following measures may be used for this purpose:

- I. Establishment of Definite Goals
- II. Clear Definition of Authority
- III. Proper Motivation
- IV. Appropriate Environment
- V. Proper Training
- VI. Effective Control Mechanism
- VII. Proper Communication.

Motivation:

“Motivation is a general inspirational process which gets the members of the team to pull their weight effectively, to give their loyalty to the group, to carry out properly the tasks that they have accepted and generally to play an effective part in the job that the group has undertaken.”

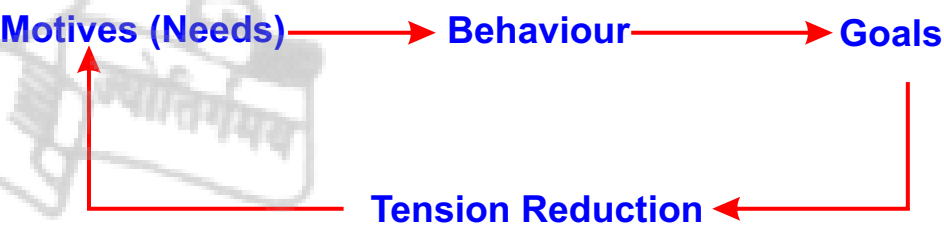
Importance of Motivation:

Motivation is one of the most crucial factors that determine the efficiency and effectiveness of an organisation. All organisational facilities will remain useless, unless people are motivated to utilise these facilities in a productive manner. Motivation is an integral part of management process and every manager must motivate his subordinates to create in them the will to work.

High motivation provides the following advantages:

- Higher Efficiency
- Optimum Utilisation of Resources
- Reduction in Labour Turnover
- Better Industrial Relations
- Easier Selection
- Facilitates Change.

A Generalised Model of Motivation:



Motivation is the process of interaction between human needs and incentives. Need is the feeling that something is required. Needs are mental feelings and subjective. Individuals differ in their approaches. Needs give rise to motives which prompt people to action.

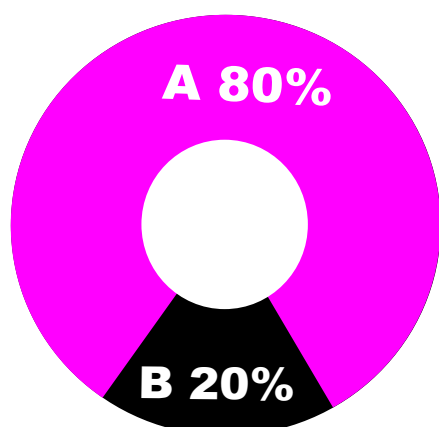
# **PAPER: 2**

# **FUNDAMENTALS**

## **OF ACCOUNTING (FOA)**

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***Your Preparation Quick Takes***



### **Syllabus Structure**

**A** Fundamentals of Financial Accounting **80%**  
**B** Fundamental of Cost Accounting **20%**

Learning Objectives:

In order to internalize the concepts of subjects like accountancy one has to have an understanding of the learning objectives of the chapters. Try to go through the Statement of Objects and Reasons issued for every topics as it would give you a background to your study.

SECTION: A UNIT: 2(c)  
ACCOUNTING FOR SPECIAL TRANSACTION  
JOINT VENTURE

INTRODUCTION

Venture or to be more specific terminable venture is a kind of business which is formed to perform a specific project and terminates at the completion of the project. This is a very short lived business and does not follow the going concern concept. During dewali road side shops are opened for selling crackers and wrapped up after dewali may be a good example of very small venture. A joint venture is a venture formed with more than one person like partnership business. The business is dissolved after the termination of the venture. The parties involved are Co Venturers.

ACCOUNTING SYSTEM

- 1. WHEN A SEPARATE SET OF BOOKS IS KEPT
- 2. WHEN NO SEPARATE SET OF BOOKS IS KEPT

Generally when the size of the business is large a separate set of books is maintained by opening the following accounts :

- a. Joint Bank account
- b. Joint Venture account and
- c. Co venturers account

Follow the following format to understand how the accounts are maintained:

JOINT VENTURE A/C

TO JOINT BANK ACCOUNT- PURCHASE		BY JOINT BANK ACCOUNT –SALES	
TO CO VENTURERS A/C – GOODS SUPPLIED BY CO VENTURERS		BY CO VENTURERS A/C – GOODS TAKEN OVER BY CO VENTURERS	
TO JOINT BANK ACCOUNT- EXPENSES		BY DEBTORS A/C- CREDIT SALE	
TO CRDITORS – CREDIT PURCHASE			
TO CO VENTURERS A/C – PROFIT ON VENTURE			
TOTAL		TOTAL	

JOINT BANK A/C

TO CO VENTURERS ACCOUNT – CASH INTRODUCED BY CO VENTURERS		BY CREDITORS – PAYMENT TO CREDITORS	
TO DEBTORS – COLLECTION FROM DEBTORS		BY JOINT VENTURE - PURCHASE	
TO JOINT VENTURE – SALES		BY JOINT VENTURE - EXPENSES	
		BY CO VENTURERS – FINAL PAYMENT	
TOTAL		TOTAL	

CO VENTURERS A/C

TO JOINT VENTURE – GOODS TAKEN OVER		BY JOINT BANK ACCOUNT – CASH INTRODUCED	
		BY CO VENTURERS – GOODS SUPPLIED	
TO JOINT BANK – FINAL PAYMENT			
TOTAL		TOTAL	

- JOINT VENTURE ACCOUNT :** in this account in the debit side all expenses (paid personally by the co venturers or out of joint bank) irrespective of its nature (i.e capital or revenue) are recorded. In the credit side all sales (to outsiders as well as to the co venturers) are recorded. In this way the difference is considered as profit / Loss on venture transferred to co venturers account in their profit sharing ratio.
- JOINT BANK ACCOUNT :** This is basically the cash book of the business. All cash inflows are recorded in the debit side and the outflows are recorded in the credit side. Final settlement of the co venturers are lastly put into this account so that it tallies.
- CO VENTURERS ACCOUNT :** It is like the capital account in the partnership business and is opened in multicolumnar form to record the transaction of individual venture. Balance in this account refers to the claim of a co venture to / from the business and is settled through the joint bank account.

NOTE :

- Since the type of business is very short lived normally a firm name is not used in this kind of business.*
- As a basic feature of accounting for special transaction all transactions are recorded in the name of joint venture. You must refer to consignment accounts where all expenses and incomes were charged to a single consignment account. Similarly here all expenses and incomes of the business are recorded in the name of joint venture account so that the transactions of the main business are not mixed with this kind of terminable business.*

#### ILLUSTRATION

Sudeshna and Sohini entered into a joint venture to buy and sell saris. They opened a joint bank account. Sudeshna deposited Rs.20000 and Sohini Rs. 15000. Sudeshna supplied saris worth Rs.2500 and Sohini supplied for Rs.1500. The following payments were made by the venture:

Cost of sari purchased Rs. 25000, transportation charges Rs. 1200, advertisement Rs.750, other expenses Rs.250.  
They sold saris for Rs.40000 in cash. Sudeshna took over some saris for Rs.3000 and Sohini took over some saris for Rs. 1000.  
They agreed to share profits and losses in the ratio 1:1.  
Prepare joint venture a/c, joint bank a/c and co venturers a/c.

#### SOLUTION

##### JOINT VENTURE A/C

TO JOINT BANK ACCOUNT- PURCHASE	25000	BY JOINT BANK ACCOUNT –SALES	40000
TO CO VENTURERS A/C – GOODS SUPPLIED BY CO VENTURERS: 2500+1500	4000	BY CO VENTURERS A/C – GOODS TAKEN OVER BY CO VENTURERS: 3000+1000	4000
TO JOINT BANK ACCOUNT- EXPENSES	2200	BY DEBTORS A/C- CREDIT SALE	
TO CREDITORS – CREDIT PURCHASE	0		
TO CO VENTURERS A/C – PROFIT ON VENTURE	12800		
TOTAL	44000	TOTAL	44000

##### JOINT BANK A/C

TO CO VENTURERS ACCOUNT – CASH INTRODUCED BY CO VENTURERS	35000	BY CREDITORS – PAYMENT TO CREDITORS	0
TO DEBTORS – COLLECTION FROM DEBTORS		BY JOINT VENTURE - PURCHASE	25000
TO JOINT VENTURE – SALES	40000	BY JOINT VENTURE - EXPENSES	2200
		BY CO VENTURERS – FINAL PAYMENT	47800
TOTAL	75000	TOTAL	75000

##### CO VENTURERS A/C

	SUDESHNA	SOHINI		SUDESHNA	SOHINI
TO JOINT VENTURE – GOODS TAKEN OVER	3000	1000	BY JOINT BANK ACCOUNT – CASH INTRODUCED	20000	15000
			BY CO VENTURERS – GOODS SUPPLIED	2500	1500
TO JOINT BANK – FINAL PAYMENT	25900	21900	BY JOINT VENTURE - PROFIT	6400	6400
TOTAL	28900	22900	TOTAL	28900	22900



WHEN NO SEPARATE SET OF BOOKS IS KEPT

When the size of the business is small and co venturers are living in distant places this method is generally applicable and in that case the venturers write transactions in his own books. This may again be done in two ways:

- a. When venturer maintains a complete records of all joint venture transactions:

Each co-venturer will record the transactions in the following ledger-  
Joint venture account and personal account of joint venture. For example if Anil and Mukesh are two venturers Anil will keep Joint venture account and Mukesh account . In the same way Mukesh will keep Joint Venture account and Anil account.

Example:  
Anil and Mukesh enter into a venture to take a job for Rs.24000. they provide the following information regarding the expenditure incurred by them:

	ANIL	MUKESH
MATERIALS	6800	5000
CEMENT	1300	1700
WAGES		2700
ARCHITECTS FEES	1000	
LICENSE FEES		500
PLANT		2000

Plant was valued at Rs.1000 at the end of the contract and Mukesh agreed to take it at that value. Contract amount was received by Anil. Show necessary accounts.

SOLUTION  
IN THE BOOKS OF ANIL

JOINT VENTURE A/C			
TO BANK A/C:		BY BANK A/C : CONTRACT PRICE	24000
MATERIALS	6800	BY MUKESH A/C : PLANT TAKEN OVER	1000
CEMENT	1300		
ARCHITECTS FEES	1000		
TO MUKESH A/C:			
MATERIALS	5000		
CEMENT	1700		
WAGES	2700		
LICENSE FEES	500		
PLANT	2000		
TO MUKESH A/C: SHARE OF PROFIT	2000		
TO P/L A/C : SHARE OF PROFIT	2000		
TOTAL	25000	TOTAL	25000

CO VENTURER (MUKESH ) A/C			
TO JOINT VENTURE A/C	1000	BY JOINT VENTURE A/C	11900
		BY SHARE OF PROFIT	2000
TO BANK- FINAL SETTLEMENT	12900		
TOTAL	13900	TOTAL	13900



INTHE BOOKS OF MUKESH

JOINT VENTURE A/C

TO ANIL A/C:		BY ANIL A/C : CONTRACT PRICE	24000
MATERIALS	6800	BY MUKESH A/C : PLANT TAKEN OVER	1000
CEMENT	1300		
ARCHITECTS FEES	1000		
TO BANK A/C:			
MATERIALS	5000		
CEMENT	1700		
WAGES	2700		
LICENSE FEES	500		
PLANT	2000		
TO ANIL A/C: SHARE OF PROFIT	2000		
TO P/L A/C : SHARE OF PROFIT	2000		
TOTAL	25000	TOTAL	25000

CO VENTURER (ANIL ) A/C

TO JOINT VENTURE A/C	24000	BY JOINT VENTURE A/C	9100
		BY JOINT VENTURE	2000
		BY BANK-FINAL SETTLEMENT	12900
TOTAL	24000	TOTAL	24000

a. When venturer maintains a records of his own transactions (memorandum method)

EXAMPLE:

A and B decided to work on a joint venture for the sale of electric motors. On 21.05.2016 A purchased 200 electric motors @ Rs.175/- each and dispatched 150 motors to B incurring Rs.1000/- as freight and insurance charges, 10 motors were damaged in transit. On 01.02.2017 Rs.500 was received by A from the insurance company in full settlement of claim. On 15.03.2017 A sold 50 motors @Rs.225 each. He received Rs.15000 from B on 01.04.2017.

On 25.05.2017 B took delivery of motors and incurred the following expenses:

Clearing charges Rs.125, repairs charges for the damaged motors in transit Rs.300, and godown rent Rs.600, B sold the electric motors as follows:

On 01.02.2017 10 damaged motors @Rs.170/- each, on 15.03.2018 40 motors @Rs.200/- each and 01.04.2017 20 motors @Rs.315 each, on 03.04.2017 80 motors @ Rs.250 each.

It is agreed that they are entitled to commission @ 10 % on the respective sales effected by them and that profits and losses will be shared by A and B in the ratio of 2:1. B remits to A the balance of money due on 30.04.2017. Prepare joint venture a/c with B in the books of A and Memorandum joint venture account.

SOLUTION

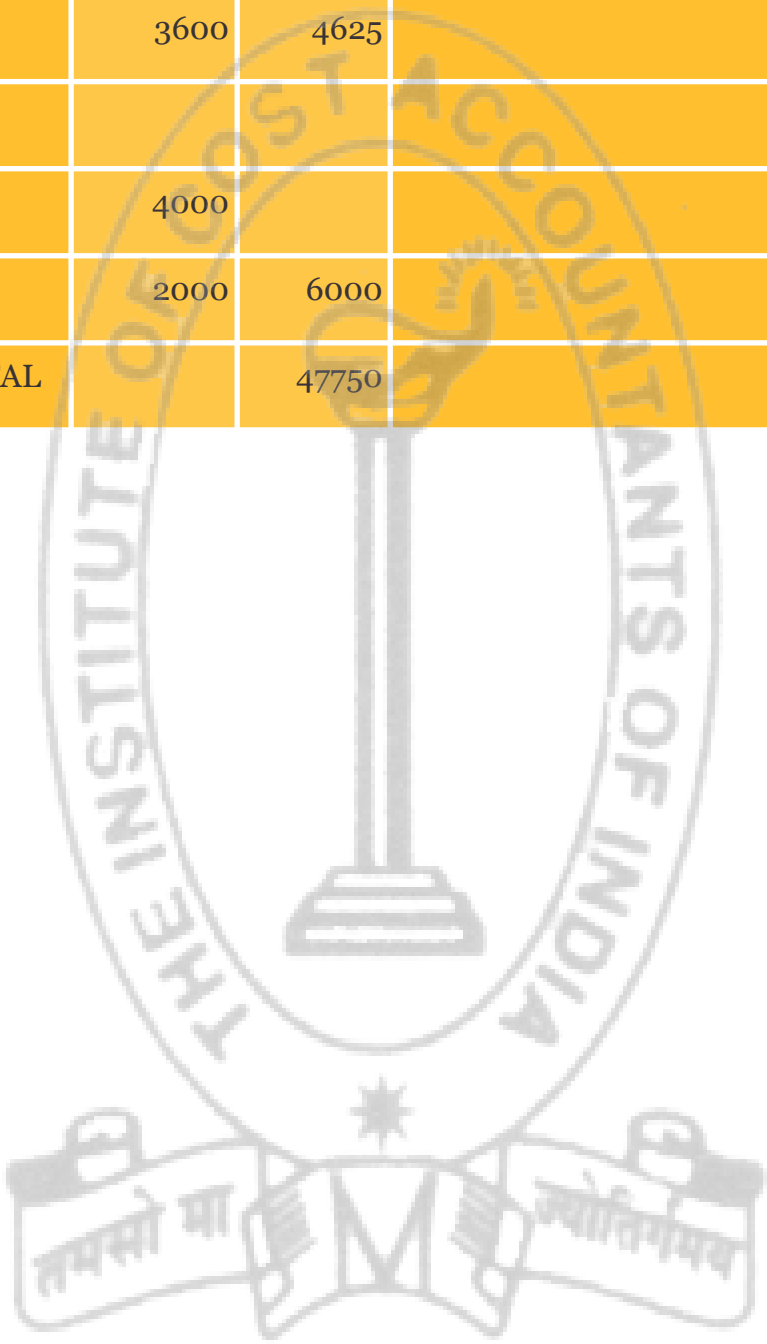
IN THE BOOKS OF A

IN THE BOOKS OF A JOINT VENTURE WITH B A/C

TO BANK A/C : PURCHASE	35000	BY BANK : INSURANCE CLAIM	500
TO BANK A/C : FREIGHT	1000	BY BANK : SALE PROCEEDS	11250
TO COMMISSION RECEIVED	1125	BY BANK : AMOUNT RECEIVED	15000
TO P/L A/C: SHARE OF PROFIT	4000	BY BANK : BALANCE RECEIVED	14375
TOTAL	41125	TOTAL	41125

MEMORANDUM JOINT VENTURE ACCOUNT

TO A :			BY A :		
COST OF MOTORS	35000		SALE	11250	
FREIGHT AND INSURANCE	18000		INSURANCE CLAIM	500	11750
COMMISSION	1125	37125			
TO B :					
CLEARING CHARGES	125		BY B : SALE		36000
REPAIRS	300				
GODOWN RENT	600				
COMMISSION	3600	4625			
TO NET PROFIT:					
A 2/3	4000				
B 1/3	2000	6000			
TOTAL		47750	TOTAL		47750



**PAPER: 3**

# **FUNDAMENTALS**

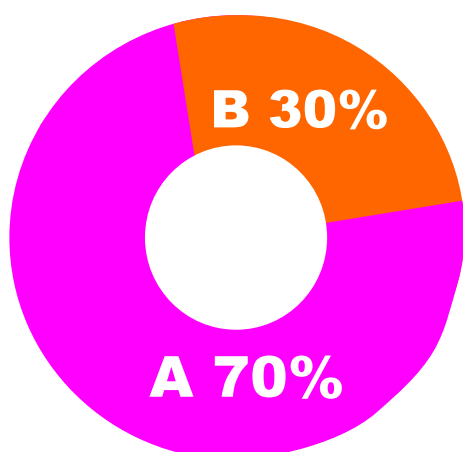
## **OF LAWS AND ETHICS (FLE)**

**CA Partha Ray**

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***Your Preparation Quick Takes***



### **Syllabus Structure**

**A Fundamentals of Commercial Laws 70%**

**B Fundamentals of Ethics 30%**

## Learning Objectives:

- Read the Study Material minutely.
- For details or if you don't understand Study Material or the section is important to identify the topic, then refer to Bare Act, otherwise reference to Bare Act is not necessary. For Company Law, book by Avtar Singh is recommended. For other laws Institute Study Material is sufficient.
- The words used in any of the texts as mentioned above should be understood by immediate reference to the Dictionary.
- The main points coming out in any of the provisions should be either underlined or written in separate copy which has to be repeated again and again.
- Theoretical knowledge should be adequate and clear before solving practical problems.
- Don't write wrong English. It changes the meaning and therefore answer may be wrong even when the student's conception is clear. Also don't make spelling mistakes.

## FUNDAMENTALS LAW &amp; ETHICS

It is hoped that you keep on reading and recapitulating all that you have read for which you must prepare a time-table with time allotted for each subject – to read, write and revise.

Now, let us understand why this paper is really very important for all of you who are aspiring to be true professionals and are all eager to proudly proclaim aloud that – **Yes, behind every successful decision, there is a CMA.** With Mission CMA in mind, the students are advised to study this paper with a practical approach, as if the points concern you and you are given to deal with it as a professional. As a CMA in the making whether you decide to get employed or be self-employed and employ people, you will have to deal with Offers and Acceptances legally and establish Legal relationship for lawful consideration and perform your professional duties. Keeping that in mind, you have to study this subject seriously.

***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 start revising part by part, what we have read in the previous issues.**

**Sale of Goods Act, 1930**

**Let us recapitulate - The difference between a Condition and a Warranty.**

Sec.12 of the Sale of Goods Act defines conditions and warranties. In a Contract of Sale, the terms or the stipulations laid, with reference to purchase and sale of goods, can be conditions or warranties.

We must understand that, a **Condition** is a stipulation which is **Essential** to the main objective/purpose of the contract. Any breach/violation of such condition/s may call for repudiation of the contract.

On the other hand, a **Warranty** is also a stipulation but such stipulation is **Collateral** to the main objective/purpose of the contract. Any breach/violation of such warranty may call for **Claim for damages**, but the contract can neither be repudiated nor can the goods be rejected.

So, we understand that both Condition and Warranty are terms/stipulations laid in a Contract of Sale, but whether the terms/stipulations are conditions or stipulations, depends on how the terms are laid, meant and construed to be understood in the contract. In many cases it is seen that a term in a contract is called as warranty but is actually a condition laid and such interpretations are left for the courts to decide.

Sec.11 of the Sale of Goods Act, lays that a stipulation as to time of payment, must not be deemed as conditions unless the terms of contract throws some indication to such intentions. Both conditions and warranties can be indicated in writing or may be implied on case to case basis, depending on the terms of the contract.

Suppose a contract of sale specifies a condition that goods sold shall

be repaired at the premises of the buyer. This condition can be waived by the buyer who decides to carry the goods to the repair shop himself for repairs. In such a case the condition can be treated as a warranty. A buyer may even decide to treat a breach of condition as a breach of warranty and in such cases the buyer cannot repudiate or reject the goods but can accept the goods and sue for damages suffered.

That takes us to the question – **what are the implied conditions and warranties in a contract of sale of goods?**

Please read Sections 14 to 17 of the Sale of Goods Act. **The implied conditions and warranties in a contract of sale of goods** are as follows:

**Implied Conditions -**

1. Title – that the seller has the right to sell the goods and that he shall have the right to sell the goods at the time when the property in the goods is to pass.
2. Description – that the goods shall correspond to the description – physical characteristics, mention of trade mark, brand, etc. under which the sale agreement was made or those goods are normally sold. It is expected that the goods will be same as the goods described.
3. Sample – that goods shall be supplied as per the sample shown and agreed upon. That the buyer will get the opportunity of comparing the goods supplied with the earlier sample shown and the quality of the goods supplied matches with the quality of the sample shown and that the defects, if any, cannot be detected apparently on reasonable examination and inspection.
4. Sample and Description – where goods are sold by sample as well as by description, it is expected that the goods will correspond both - with the sample and the description.
5. Fitness or Quality – Where the buyer tells the seller about the purpose for which the goods are required, and relies on the seller's skill or judgment, it is implied that the seller agrees to the implied condition of fitness and description of the goods. Where the supplier deals in goods of such description laid by the buyer, it is implied that the goods shall be of desired quality and fit for sale – whether manufactured or traded by the supplier. However, if the goods are bought after inspection by the buyer, it will be implied that the inspection of the goods bought ought to have detected and revealed the defects.

**Implied Warranties -**

1. That the buyer shall have quiet possession of the goods, that is, the vendor has the right to transfer the goods,
2. That the goods are free from any charge or encumbrances in favour of any third party, not known to the buyer or not revealed to the buyer at the time of the contract.
3. That a warranty as to fitness for a particular purpose may be annexed to a contract of sale by normal practice in trade or a custom or usage.

Now, let us discuss about – **Performance of the Contract of Sale**

In any contract of sale, there has to be two parties – the **Buyer and the Seller**. Both are expected to perform as per agreed terms – The



### **Seller to deliver the goods and the buyer to accept the goods and pay the price.**

**The seller is obliged** to deliver the goods as per the terms of contract at the specified – time, place, quantity and quantity. **The buyer is obliged to accept the goods and pay the agreed price.** Depending on the terms of the contract, the payment can be taken in advance, or on stipulated period of credit and the delivery too can be off-the-shelf, ex-godown, free-on-board, staggered etc.

Performance of a contract depends on two criteria – **timely delivery by the supplier and agreed payment terms of the buyer.** The seller shall be ready to give possession of the goods in exchange for payment of the price and the buyer to be ready to take possession of the goods from the seller in exchange for price.

#### **1) Delivery can mean Physical or actual transfer of possession from one person to another**

#### **2) Delivery can be through different modes – viz.**

- Actual Delivery** – where the goods are physically delivered to the buyer by the seller – directly or through an agent.
- Symbolic** – just as we see in reality shows where the keys of a motor car is handed over to the winner
- Constructive** – where the delivery order is issued to a third party for making delivery – Example – A Company selling Potatoes, issuing Delivery Order to the Cold Storage in a different location asking them to deliver certain Number of Potato Bags to the buyer on receipt of the Issue Slip.

### **Rules with regard to delivery of goods.**

**Sections 31 to 44 of the Sale of Goods Act, lays Rules with regard to delivery of goods.**

Those are explained briefly:

- Mode of Delivery** : Can be anything agreed between the parties to put the goods in the possession of the buy or any other person authorized by the buyer.
- Delivery and Payment of Price**: Both parties, that is - the seller must be ready to deliver the goods and the buyer must be willing to take the delivery and pay the price for the goods. How the buyer will take possession of the goods or how the seller will send the goods to the buyer depends on the terms of the contract.
- Effect of part delivery** : Where the goods are delivered in part, it shall amount to passing on the possession of the goods but any part delivery will not be treated as delivery of the remainder if the intention of the seller is to sever the remaining part from the whole ordered quantity.
- Buyer to apply for delivery** : Unless agreed in writing, the seller is not bound to deliver goods until the buyer applies for delivery.
- Place of Delivery** : Unless agreed otherwise, between the buyer and the seller, goods must be delivered at the agreed time and place for the buyer to take possession of the goods or the seller to initiate dispatch of the goods to the buyer.
- Time of Delivery** : Unless specifically agreed between the seller and buyer, goods must be sent to the buyer within a reasonable period of time/ reasonable hour or else the delivery may be treated as ineffectual. Reasonableness has to be decided depending on various factors.
- Goods in the possession of a Third Party** : Suppose at the time of sale the goods being sold, are in the possession of a third party, there is no delivery by the seller to buyer, unless and until, such third party acknowledges to the buyer that, the goods are held by him on his behalf.

**8. Cost of Delivery** : Unless agreed between the buyer and seller, all expenses including incidental expenses incurred for putting the goods in a deliverable state is borne by the seller.

**9. Delivery of wrong quantity** : The can be three possibilities:

- The seller may deliver to the buyer, a quantity which is **less than the quantity agreed** ; or
- The seller may deliver to the buyer, a quantity which is **more** than the quantity agreed ; or
- The seller may deliver to the buyer, a quantity which comprises of **goods as per contract, mixed with goods of other description** , not covered in the contract.

In such cases, the buyer may accept the lesser quantity actually received and pay for it at the contract rate, or in the second case, he may either accept only the ordered quantity and reject the excess quantity sent or accept the entire quantity sent and pay for it at the contract rate ; or in the third case, the buyer may accept the goods as per the contract and reject the rest, or he may even reject the whole quantity sent.

However, all decisions may be subject to usage of trade, special agreement and dealings between the seller and the buyer.

#### **10. Installment Delivery :**

- A buyer of goods is not bound to accept delivery in installments unless agreed otherwise ;
- There may be instances where the seller fails to make delivery or makes one or more defective deliveries or the buyer neglects or refuses to take delivery or pay or more installments, in such cases, the circumstances of each case shall decide whether there is a breach of contract calling for – repudiation of the whole contract or a case giving rise to claim for compensation but not to a right to treat the whole contract as repudiated.

#### **11. Delivery to Carrier or Wharfinger :**

- Where as per contract, the seller is authorized or is required to send the goods to the buyer, delivery of goods to the carrier or delivery of goods to the wharfinger for safe custody, is prima facie deemed to be a delivery of the goods to the buyer.
- The seller shall make a reasonable contract with the carrier or wharfinger on behalf of the buyer for transmission of the goods under the contract. If the seller omits to do so and the goods are lost or damaged, the buyer may decline to treat the delivery to the carrier or the wharfinger as a delivery to himself (the buyer) and /or may hold the seller responsible for any damage.
- Unless otherwise agreed, if the seller sends goods to the buyer via Sea route, where it is usual to get the goods insured, the goods shall be deemed to be at risk during the sea transit.

#### **12. Risk where goods are delivered at Distant Place :**

Where the seller undertakes to deliver the goods **at his (the seller's) own risk**, at a place other than that where the goods were when sold, the buyer shall nevertheless, unless otherwise agreed, take any risk of deterioration in the goods necessarily incidental to the course of transit.

#### **13. Buyer's right of examining the goods**

Where the goods were not examined by the buyer before hand, the delivered goods shall not be deemed to have been accepted unless and until the buyer has got a reasonable opportunity of examining those goods for the sake of ascertaining that they are in conformity with the contract.



**14. Acceptance :**

Only after the Buyer intimates to the Seller that he has accepted the goods , the goods shall be deemed to have been accepted. Moreover, if after receiving delivery of the goods, the buyer does not act within a reasonable time and still retains those goods, without intimating about any rejection of the goods to the seller, the goods shall be deemed to have been accepted.

**15. Buyer not bound to return rejected goods :**

Unless otherwise agreed, where the buyer legally holding the right to reject any goods sent by the seller, rejects any goods after receiving delivery, he (the buyer) is not bound to return the goods to the seller. In such case, the buyer just has to intimate the seller that he refuses to accept the goods sent.

**16. Liability of Buyer :**

Where the seller intimates to the buyer that he (the seller) is ready and willing to deliver the goods and also requests the buyer to take delivery and the buyer fails to take delivery within a reasonable time, the buyer becomes liable to the seller for any loss incidental to negligence or refusal of the buyer to take delivery and is responsible to pay the seller for a reasonable charge for the care and custody of the goods in question.



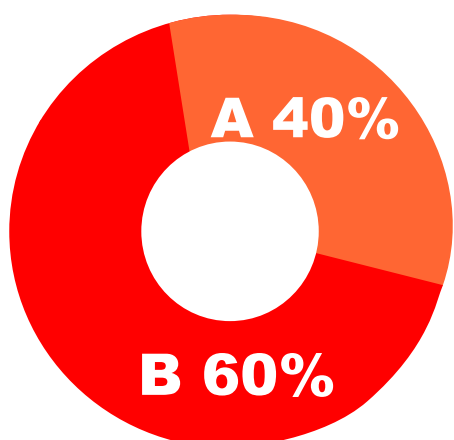
**PAPER: 4**

# FUNDAMENTALS

## OF BUSINESS MATHEMATICS AND STATISTICS (FBMS)

**CMA Ankan K Bandyopadhyaya**  
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[abanerjee8533@gmail.com](mailto:abanerjee8533@gmail.com)

***Your Preparation Quick Takes***



### **Syllabus Structure**

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

Learning Objectives:

The central **objective** of **Statistics** is to equip students with consequently requisite quantitative skills that they can employ and build on in flexible ways.  
Statistics help to design data collection plans, analyze data appropriately and interpret and draw conclusions from those analyses.  
To provide students with the idea of statistical calculations which promotes the efficient functioning of commerce and industry;

STATISTICS

In this issue we will compile our discussions so far made Dispersion with few more numerical. Important formulae on dispersion are:

Range = L - S, Where L is the largest term, S is the smallest term;

Coefficient of Range =  $\frac{L - S}{L + S}$ ;

Interquartile range =  $Q_3 - Q_1$  where  $Q_1$  is lower quartile and  $Q_3$  is the upper quartile;

Interquartile or quartile deviation =  $\frac{Q_3 - Q_1}{Q_3 + Q_1}$ ;

Percentile Range =  $P_{90} - P_{10}$ ;

Decile Range =  $D_9 - D_1$ ;

Mean deviation or average deviation MD =  $\frac{\sum D}{N}$ , where  $D = |X - A|$ ,  $N = \sum 1$

A = Mean, median or mode;

Coefficient of mean deviation =  $\frac{MD}{A}$

Standard deviation for discrete data  $\sigma = \sqrt{\frac{\sum (X - \bar{X})^2}{N}}$ , where  $\bar{X}$  is the mean

N total no of items;

Standard deviation for discrete data from assumed mean =

$\sigma = \sqrt{\frac{\sum dx^2}{N} - \frac{(\sum dx)^2}{n^2}}$  where  $dx = X - A$ , A is assumed mean = any no

Standard deviation for grouped data  $\sigma = \sqrt{\frac{\sum f dx^2}{N} - \frac{(\sum f dx)^2}{N^2}}$  where  $dx = X - A$ ,

A is assumed mean = any no or actual mean and  $N = \sum f$

Standard deviation of combined group -- Group I and Group II

$\sigma = \sqrt{\frac{n_1 \sigma_1^2 + n_2 \sigma_2^2 + n_1 d_1^2 + n_2 d_2^2}{n_1 + n_2}}$

Where

$\sigma_1$  = S.d. of Group I,  $\sigma_2$  = S.d. of Group II,  $n_1$  = no of items in group I,

$n_2$  = no of items in group II,  $d_1$  &  $d_2$  are deviation from combined group mean

Illustration: Find the standard deviation of the following distribution:

Class Interval	0-500	500-1000	1000-1500	1500-2000	2000-3000
Frequency	90	218	86	41	15

Ans :

Standard deviation for grouped data  $\sqrt{\frac{fd^2}{N} - \frac{fd'}{N}^2} \times h$

Where  $d' = \frac{X - A}{h}$ , A is the assumed mean and h is the common width.

In this problem we are taking h = 250 and the table for detailed computation is given below:

Class Interval	Frequency	Mid value (X)	$d' = \frac{X - 750}{250}$	$fd'$	$fd'^2$
0 -500	90	250	-2	-180	360
500-1000	218	750	0	0	0
1000-1500	86	1250	2	172	344
1500-2000	41	1750	4	164	656
2000-3000	15	2500	7	105	735
Total	450			261	2095

So  $\sqrt{\frac{2095}{450} - \frac{261}{450}^2} \times h = 519.564$

Illustration: The analysis of the results of a budget survey of 150 families gave an average monthly expenditure of Rs.120 on food items with a standard deviation of Rs.15. After the analysis was completed it was noted that figure recorded for one household was wrongly taken as Rs.15 instead of Rs.105. Determine the correct value of the average expenditure and its standard deviation.

Ans: We are given  $n = 150, \bar{X} = 120$  and  $s = 15$   
Wrong value used 15 and correct value 105

Now  $\bar{X} = \frac{\sum X}{n}$  or  $120 = \frac{\sum X}{150}$

So that  $\sum X = 120 \times 150 = 18000$

Corrected  $\sum X = 18000 - 15 + 105 = 18090$

Moreover  $s^2 = \frac{\sum X^2}{n} - \frac{(\sum X)^2}{n^2}$

Or,  $15^2 = \frac{\sum X^2}{150} - 120^2$

So  $\sum X^2 = 2193750$

Therefore Corrected  $\sum X^2 = 2193750 - 15^2 + 105^2 = 2204550$

So Corrected Mean  $= \frac{18090}{150} = 120.6$

Corrected Variance  $= \frac{\sum X^2}{n} - \frac{(\sum X)^2}{n^2} = \frac{2204550}{150} - 120.6^2 = 152.64$

So  $\sqrt{152.64} = 12.35$

Illustration: The mean and standard deviation of a sample of size 10 were found to be 9.5 and 2.5 respectively. Later on an additional observation became available. This was 15 and was included in the original sample. Find out the mean and standard deviation of the 11 observations.

Ans: Let us suppose that the 10 old observations constitute Group-I and the only additional observation forms another group Group-II. Since the mean of one observation is the value of the observation itself and its standard deviation is always zero, hence we have

$n_1 = 10, n_2 = 1$  &  $s_1 = 2.5, s_2 = 0, \bar{X}_1 = 9.5$  &  $\bar{X}_2 = 15$ .

The values are shown in the following table:

Characteristics	Groups		Combined Group
	Group I	Group II	
No of observations	$n_1 = 10$	$n_2 = 1$	11
Mean	$\bar{X}_1 = 9.5$	$\bar{X}_2 = 15$	$\bar{X}_{12} = ?$
S.D.	$s_1 = 2.5$	$s_2 = 0$	$s_{12} = ?$

The mean of combined group

$$\bar{X}_{12} = \frac{n_1 \bar{X}_1 + n_2 \bar{X}_2}{n_1 + n_2} = \frac{10 \times 9.5 + 1 \times 15}{10 + 1} = 10$$

Again the standard deviation of the combined group is

$$s_{12} = \sqrt{\frac{n_1 s_1^2 + n_2 s_2^2 + n_1 d_1^2 + n_2 d_2^2}{n_1 + n_2}}$$

Where  $d_1 = \bar{X}_1 - \bar{X}_{12}$  &  $d_2 = \bar{X}_2 - \bar{X}_{12}$

$$\text{So } s_{12} = \sqrt{\frac{10 \times 2.5^2 + 1 \times 0 + 10 \times 9.5^2 + 1 \times 15^2}{10 + 1}} = 2.86$$

Illustration: For a group containing 100 observations the arithmetic mean and standard deviations are 8 and  $\sqrt{10.5}$ . For 50 observations selected from these 100 observations the mean and the standard deviation are 10 and 2 respectively. Find the arithmetic mean and standard deviation of the other half.

Ans: Suppose the 100 observations have been split up into two groups – Group I containing 50 observations with mean  $\bar{X}_1 = 10$  and standard deviation  $s_1 = 2$  and Group II containing the remaining 50 observations. The combined group of 100 observations has mean  $\bar{X}_{12} = 8$  and s.d. =

$\sqrt{10.5}$ . It is required to find the mean  $\bar{X}_2$  and s.d.  $s_2$  of group II.

The values are shown in the following table:

Characteristics	Groups		Combined Group
	Group I	Group II	
No of observations	$n_1 = 50$	$n_2 = 50$	
Mean	$\bar{X}_1 = 10$	$\bar{X}_2 = ?$	$\bar{X}_{12} = 8$
S.D.	$s_1 = 2$	$s_2 = ?$	$s_{12} = \sqrt{10.5}$

The mean of combined group =

$$\bar{X}_{12} = \frac{n_1 \bar{X}_1 + n_2 \bar{X}_2}{n_1 + n_2} = \frac{50 \times 10 + 50 \times \bar{X}_2}{50 + 50} = 8$$

From above we can have  $\bar{X}_2 = 6$

Again the standard deviation of the combined group is

$$s_{12} = \sqrt{\frac{n_1 s_1^2 + n_2 s_2^2 + n_1 d_1^2 + n_2 d_2^2}{n_1 + n_2}}$$

Where  $d_1 = \bar{X}_1 - \bar{X}_{12}$  &  $d_2 = \bar{X}_2 - \bar{X}_{12}$

$$d_1 = 10 - 8 = 2$$

$$d_2 = 6 - 8 = -2$$

We can write from the s.d. formula of the combined group above

$$s_{12}^2 = \frac{n_1 s_1^2 + n_2 s_2^2 + n_1 d_1^2 + n_2 d_2^2}{n_1 + n_2}$$

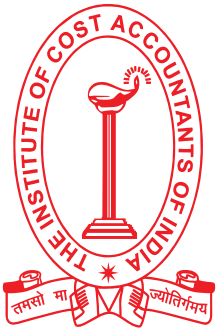
$$\text{or, } 10.5 = \frac{50 \times 2^2 + 50 \times s_2^2 + 50 \times 2^2 + 50 \times (-2)^2}{50 + 50}$$

From here we have  $s_2 = 3$

**Suggestions:**

This study note need to be read thoroughly. Supplementary readings could be made from other resources. This issue is based on Statistics for Management by Richard I Levin and Statistics by Sancheti Kapoor. In this issue all the formulae for dispersion are compiled and few illustrations are given on combined standard deviation. Discussions on dispersion has been made since May issue and from next issue discussions on central tendency will be made. These could be used as supplement to the study guide. Students should go thoroughly for clear conception on the subject Guide book on the paper 4- Fundamental of Business mathematics and Statistics written and issued by Institute on Syllabus -16.





## Introduction to Business Correspondence

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### 01.00 Concept

Correspondence refers to any written or digital communication exchanged by two or more parties. Correspondence may take the form of letters, emails, text messages, voice mails, notes, post cards, or any such other means. Correspondence, in principle, serves the trail of events for eventual utilisation for multiple purposes.

Business correspondence is a form of written communication used for business purposes. As such, business correspondence may simply be defined as 'Communication of Business Information'. The correspondence could be of several modes such as letters, notifications, memoranda, circulars, reports, orders, and so on.

**Business Correspondence =  
Communication of Business  
Information**

Business correspondence is usually made between organizations, within the organization, or between clients and the organization. It could be a small request for a day's leave of absence or an elaborate application to a financial institution for grant of a loan of a thousand crores; It is all 'Business Correspondence'.

### 02.00 Broad Categories

Business Correspondence may broadly be categorised into:

- (i) Internal Correspondence
- (ii) External Correspondence

#### Internal Correspondence:

Internal Correspondence is a written communication between the employees, units, departments, and branches of the same organization. Internal correspondence can either be formal or less formal. Routine internal correspondence is usually less formal, such as quick instructions between a supervisor and a staff, and these are normally in the form of email. There are other more formal types of internal correspondence such as flow of information from one department to the other, memorandums, circulars, formal requests for approval, etc. which ought to be in writing.

#### External Correspondence:

External correspondence is a form of written communication made by a company with those who do not belong to their organization. It takes place between different organizations, or between an organization and their individual clients. External correspondence is commonly made with vendors, creditors, suppliers, prospective clients, financial institutions, government offices, law and accounting firms, business affiliates, sponsors or donors, and other offices that have either direct or indirect business relationship with the company.

Examples of external correspondence include credit recovery letters to debtors, follow up reminders to suppliers, negotiation correspondence with vendors, information brochures to distributors, communications to shareholders about corporate events, etc. A specimen credit recovery letter is enclosed hereto as an appendix.

### 03.00 Personalized Correspondence

Personalized Correspondence involves personal and emotional factors. Despite being labelled as "personalized", this type of correspondence can also be used for business purposes. Examples of personalized correspondence include letters of gratitude, letters of favours or requests, appreciation notes, letters of congratulations or commendation, and such.

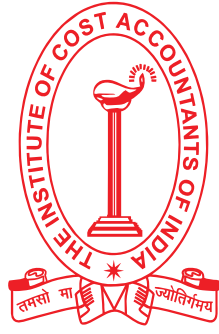
This particular type of correspondence doesn't need to have a very formal tone. Though this can be done via email, writing an actual, physical letter is more preferable because it has a sense of personal touch. One may use a regular office paper for this, or perhaps a personalized note pad, or a greeting card for a certain purpose (e.g. Thank You card, Congratulations card, etc).

### 04.00 Advantages

Business correspondence is an essential tool for the day-to-day operations of a company. It helps people within the organization to communicate with each other efficiently. It also helps an organization to transact and maintain a good professional relationship with its business associates, customers, other organizations and stakeholders.

The advantages of business correspondence include:

- (i) Writing is considered as more valid and reliable than spoken words.



- (ii) Written communication makes matters more precise, explicit and clear from ambiguity. It, thus, puts sender and receiver on the same wavelength which is very vital for any business transaction.
- (iii) It is a permanent means of communication. Written communication is useful where record maintenance is required.
- (iv) Delicate matters which cannot be expressed in person, can be communicated through discreet language by means of correspondence.
- (v) Business Correspondence overcomes the barriers of distance and serves as a convenient means for transaction of business information with any nook and corner of the world.

#### **05.00 Good Writing**

A good writing is a prerequisite for the business correspondence to be fair and objective. A good writing must engage a reader. Whether it is a proposal, report, resume or a letter, the reader must feel involved in the write-up. Effective writing involves careful choice of words, their organization in correct order in sentences formation as well as cohesive composition of sentences.

Social networking tools -say Face Book, Twitter, etc. - have become the order of the day, at times, even for business purposes. The word of caution is that language and written gestures also can have certain negative implications while communicating certain sensitive business information. Therefore, one must exercise due care and caution while using social networking tools and sending messages through business communication.

People read business memoranda in order to receive instructions or information upon which to base decisions or take action. Therefore, A straightforward, courteous tone is usually the best choice but one that may not come naturally without practice.

#### **06.00 Quick Take**

The tone, tune and texture of communication in a business translates into 'Business Correspondence'.



# **Examination** **TIME TABLE**

**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA**  
(Statutory body under an Act of Parliament)

Day & Date	Foundation Examination Syllabus-2016 Time 2.00 p.m. to 5.00 p.m.
10th December, 2018 (Monday)	Fundamentals of Economics & Management
11th December, 2018 (Tuesday)	Fundamentals of Accounting
12th December, 2018 (Wednesday)	Fundamentals of Laws & Ethics
13th December, 2018 (Thursday)	Fundamentals of Business Mathematics & Statistics



# 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  
Live Webinar

Solve Exercises  
given in Study Note

02

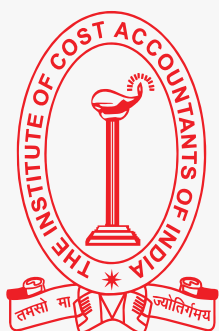
03

Assess Yourself

Appear For Examination

04

FINISHED



# SUBMISSION



## 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](http://www.icmai.in) at request option.

Dear Students,

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

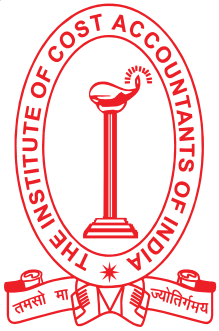
We have noted your queries and your requests will definitely be carried out. Further, requesting you to go through the current edition of the bulletin. All the areas will be covered gradually. Expecting your responses further to serve you better as we believe that there is no end of excellence! One of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

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Send your Feedback to:  
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# *Message from* **Directorate of Studies**

Dear Students,

***“The roots of education are bitter but the fruit is sweet”.***

We, from the Directorate of Studies, **congratulate to all successful students** who have passed out their examination in June, 2018 term of examination.

Those; who could not make it, please prepare sincerely for the forthcoming December, 2018 term of examination and apply for filling up examination application form through on-line mode only, within the specified time schedule. Those who cleared Foundation examination successfully, please opt for the next stage i.e. makes Registration for the Intermediate examination.

Those who cleared Intermediate examination, please enrol for Final stage. Final pass students, hopefully your orientation is going on or got over. Please try to participate in a positive way in the Nation building and try to put a positive mark on the society and also for the CMA fraternity.

For the smooth and flawless preparation, Directorate of Studies are providing meaningful and requisite inputs which will help you in gaining sufficient knowledge if you take those seriously from the very beginning. Through E-bulletin experts are providing tips on all subjects for your smooth preparation. We are sure that all students will definitely be benefitted by those tips and that will help them to gain requisite knowledge and also to become successful in their examination.

Please try to follow the general guidelines, mentioned below; which may help you in your preparation:

## **Essentials for Preparation:**

- 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 links mentioned below :**

For Mock Test Papers (MTP) : [http://icmai.in/studentswebsite/mtp2016\\_j18\\_fnd.php](http://icmai.in/studentswebsite/mtp2016_j18_fnd.php)

For PPT on “Achieve your GOAL : <http://icmai.in/studentswebsite>

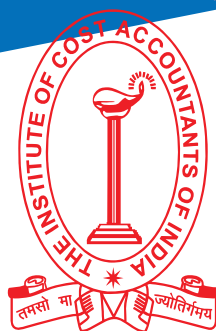
Live Webinar Link : <http://icmai.in/icmai/news/889.php>

***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.





# Few Snapshots



Glimpses of Northern Region Students Convention-2018 on the theme: "Prism of Possibilities" organised by NIRC of the Institute on 17th September, 2018 at New Delhi.



CMA Amit A. Apte, President and CMA Sanjay Gupta, Immediate Past President of the Institute congratulating CMA Anil Kumar Chaudhary on being appointed as Chairman of Steel Authority of India Limited (SAIL)



Shri M.P. Singh, IAS, Addl Chief Secy (Revenue and Rehabilitation) cum Financial Commissioner, Taxation Govt. of Punjab inaugurating the National Seminar on Cost Governance at Chandigarh on 7th October 2018 in presence of CMA Amit A Apte, President, CMA Balwinder Singh, Vice-President, CMA Sanjay Gupta, Immediate Past President and CMA P Raju Iyer, Chairman, PD&CPD Committee.

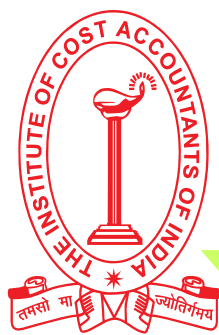


CMA Amit A Apte, President of the Institute addressing the press on 6th October 2018 at Chandigarh. CMA Balwinder Singh, VP and Chairman, CASB, and CMA P Raju Iyer, Chairman, PD&CPD Committee also addressed along with CMA Mrityunjay Acharjee and CMA Shivani Inder, Members CASB.



Glimpses of Northern Region Students Convention-2018 on the theme: "Prism of Possibilities" organised by NIRC of the Institute on 17th September, 2018 at New Delhi.

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