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CMA Student E - Bulletin

INTERMEDIATE

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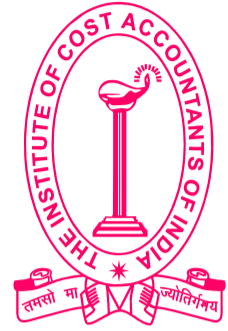
Behind every successful business decision, there is always a CMA



Message from The Chairman

CMA Biswarup Basu

Vice President & Chairman,
Training & Education Facilities (T& EF) Committee



CMA BISWARUP BASU

Chairman, T & EF Committee
Directorate of Studies



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MESSAGE FROM THE CHAIRMAN

Dear Students,

Greetings!

"Strength does not come from physical capacity. It comes from an indomitable will"- M.K.Gandhi

In his opinion the highest aim of education is the Self -realization. He used to say, "The end of all knowledge must be building up of character". In Gandhi's opinion character building is the most important among students. He believed basic Education is Education for life and through life.

He firmly believed that the goodness of the individual formed the constituent part of the goodness of the society. As the nation is Commemorating 150th Birth Anniversary of Mahatma Gandhi Ji likewise we too, in the Institute have celebrated it.

"A teacher who establishes rapport with the taught, becomes one with them, learns more from them than he teaches them. He who learns nothing from his disciples is, in my opinion, worthless. Whenever I talk with someone I learn from him. I take from him more than I give him".

The Directorate of Studies (D.O.S.) has come out with revised **work book** in some paper's where the amendments has taken place. As you are aware that study materials are continuously updated for incorporation of necessary amendments paper wise where those are extremely needed and also the updation is carried out in all the papers with the view of providing you the needed and relevant information. **Answers to Mock Test Papers (MTPs)** have started uploading and please keep watching on it.

The Directorate of Studies is restarting the **webinar session** and the calendar for the same will also be uploaded shortly. I am really thankful to all those academicians who are regularly updating your knowledge bank by extending their suggestions and input towards your all-round development. Please refer all those publications which will help to smoothen your preparation.

My good wishes are as always for all of you,

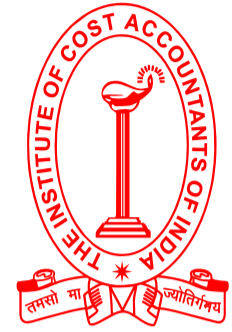
CMA Biswarup Basu

Vice President & Chairman, Training & Education Facilities and Placement Committee

Be a CMA, be a Proud Indian

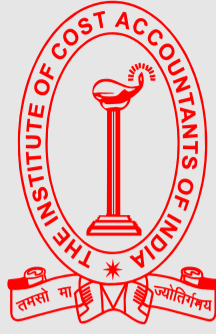


"Behind every successful business decision there is always a CMA"



CONTENTS

Message from the Chairman -	i
Knowledge Update -	1
Group : I Paper 5: Financial Accounting (FAC) -	2
Group: I Paper 6: Laws & Ethics (LNE) -	6
Group: I Paper 7: Direct Taxation (DTX) -	10
Group: I Paper 8: - Cost Accounting (CAC)-	15
Group: II Paper: 9, Part - i: Operations Management & Strategic Management Operations Management (OMSM)-	18
Group: II Paper: 9, Part - ii: Operations Management & Strategic Management Strategic Management (OMSM) -	25
Group: II Paper: 10: Cost & Management Accounting and Financial Management (CMFM) -	28
Group: II Paper 11: Indirect Taxation (ITX) -	33
Group: II Paper 12: Company Accounts & Audit (CAA) -	35
Examination Time Table -	38
Practical Advice -	39
Submissions -	40
Message from the Directorate of Studies -	41
Snapshots -	42



KNOWLEDGE Update



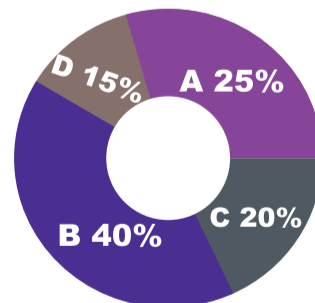
In this section of e-bulletin we shall have a series of discussion on each of these chapters to provide a meaningful assistance to the students in preparing themselves for the examination at the short end and equip them with sufficient knowledge to deal with real life complications at the long end.



GROUP: 1, PAPER: 5
FINANCIAL
ACCOUNTING (FAC)

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Your Preparation Quick Takes



Syllabus Structure

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

Learning Objective:

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

DEPRECIATION

The word depreciation lays its roots in the Latin word depretiare. 'de' means down and 'pretium' means price. So, literal translation of the word brings out the meaning as downfall in price. But, in modern scenario, the use of the word depreciation is restricted to fixed assets only (except land).

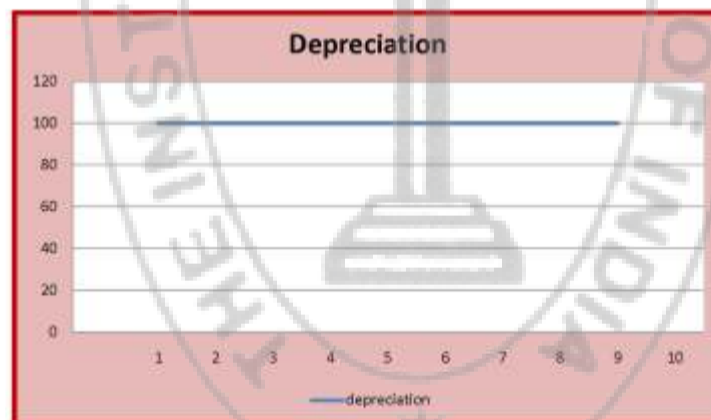
Now, first we have to understand what depreciation actually means. We know, to carry on day to day operations, every organisation has to deploy numerous fixed assets to use. Quite obviously, no asset can perform with same capacity all throughout its life. It will face gradual wear and tear due to continuous usage or maybe because of remaining idle for so long. This results in reduction of efficiency of the concerned asset. The phenomenon discussed above is commonly termed as depreciation.

We have to keep in mind that as depreciation as a concept is important, it's accounting is also important. There are various scientific methods of accounting for depreciation. The most important of them are straight line method and written down Value method (as per your syllabus).

1. **Straight line method:** this method is the simplest way of calculating depreciation on fixed assets. Under this method, the cost of purchase of the concerned fixed asset, the salvage value (scrap value) of the asset and duration of use are considered. This method is also known as original cost method, because, the rate of depreciation is applied on the original cost of the machine. To ascertain the amount of depreciation to be allocated to an asset, the following formula is used:

Depreciation = (cost of asset + installation charges - scrap value) / duration of use

Under this method, total depreciation of an asset is apportioned equally along the duration of use. Suppose, total cost of an asset is Rs. 1200 and it is used by the organisation for 10 years. Let, the scrap value of the asset be Rs. 200. So, the amount of depreciation to be allocated per year would be: $(1200 - 200) / 10 = \text{Rs. } 100$. So, at the end of the 10th year, the value of the asset would be completely diminished.



Hence, from the above chart, we can see that the trend of depreciation follows a straight line. That is why, the method discussed above is commonly referred as straight line method.



From the above chart, we can see that the value of asset decreases at a constant rate. That is why, the diagram is a downward sloping straight line.

Though this method is simple to follow and account for, but it is not completely logical. Because, in real life, no machine is equally used all along its life. So, in real scenario, the amount of depreciation would differ.

1. Written down value method:

under this method, an asset is depreciated at a particular rate which is charged on the value of asset on the 1st day of each financial year. So, unlike straight line method, amount of depreciation would be different each year and it will gradually decrease. This method is more logical as the depreciation is charged on the effective value of the asset instead of its original cost. Suppose, cost of an asset is Rs. 1000 and rate of depreciation is 10%. So, for the first year, amount of depreciation would be $(1000 \times 10\%) = \text{Rs. } 100$. So, the written down value of the asset on the first day of next financial year will be Rs. 900. In this year, depreciation will be charged @10% on Rs. 900, viz: $900 \times 10\% = \text{Rs. } 90$. Hence, this process will continue until the value of the asset reaches zero.

ILLUSTRATIONS:

UNDER SLM:

On 1.1.2015, machinery was purchased by Mr. A Dasgupta for Rs. 80000. On 1.7.2016, additions were made to extent of Rs. 14000. On 1.4.2017, further additions of Rs. 8200 were made.

On 30.6.2018, machinery, original value of which was Rs. 12000 on 1.1.2015 was sold for Rs. 10000.

Depreciation is charged @10% on original cost.

Show machinery account for the years from 2015 to 2018 in the books of Mr. Adasgupta who closes his books on 31st December every year.

SOLUTION
BOOKS OF MR. A DASGUPTA
MACHINERY A/C.

Date	Particulars	Amount	Date	Particulars	Amount
2015 Jan.1	To bank ac.	80000	2015 Dec.31	By depreciation ac(80000*10%)	8000
				By balance cd	72000
		80000			80000
2016 Jan.1	To balance bd	72000	2016 Dec.31	By depreciation ac[(80000*10%)+ (14000*10%*6/12)]	8700
				By balance cd	77300
		86000			86000
2017 Jan.1	To balance bd	77300	2017 Dec.31	By Depreciation ac [(80000*10%)+ (14000*10%)+(8200*10%*9/12)]	10015
Apr.1	To bank ac	8200		By balance cd	75485
		85500			85500
2018 Jan.1	To balance bd	75485	2018 Jun.30	By depreciationac (12000*10%*6/12)	600
2018 jun.30	To PL ac(profit on sale of machinery)[note 1]	2200		By bank ac	10000
				By depreciation ac	9020
		77685			77685

WORKINGS:

1. PROFIT ON SALE OF MACHINERY:

	Rs.
Original cost on 1.1.2015	12000
Less: depreciation @10% for 3 years(12000*10%*3)	3600
WDV on 1.1.2018	8400
Less: depreciation for 6 months(12000*10%*6/12)	600
WDV on 30.6.2018	7800
Sale proceeds	<u>10000</u>

Profit on sale 2200

2. ANNUAL DEPRECIATION FOR 2018:

	Rs.
On machinery purchased in 2015[(80000-12000)*10%]	6800
On additions made in 2016(14000*10%)	1400
On additions made in 2017(8200*10%)	820
ANNUAL DEPRECIATION FOR 2017	<u>9020</u>

UNDER WDV:

X Ltd purchased a machinery for Rs. 100000 on January 1, 2016. They incurred Rs. 5000 as freight and carriage and Rs. 5000 installation charges. The machine was sold for Rs. 40000 on June 30, 2018.

Prepare machinery account and provision for depreciation account for the last three years assuming that depreciation is charged @10% p.a under WDV.

SOLUTION BOOKS OF X LTD. MACHINERY AC

Date	Particulars	Amount	Date	Particulars	amount
2016 Jan.1	To bank ac	<u>110000</u>	2016 Dec.31	By balance cd	<u>110000</u>
2017 Jan. 1	To balance bd	<u>110000</u>	2017 Dec.31	By balance cd	<u>110000</u>
2018 Jan. 1	To balance bd	110000	2018 Jun.30	By provision for depreciation ac	25355
				By bank ac	40000
				By PL ac(loss on sale of machine)	44645
		<u>110000</u>			<u>110000</u>

PROVISION FOR DEPRECIATION AC

Date	Particulars	Amount	Date	Particulars	Amount
2016 Dec.31	To balance cd	<u>11000</u>	2016 Dec.31	By depreciation ac	<u>11000</u>
2017 Dec.31	To balance cd	20900	2017 Jan.1	By balance bd	11000
			2017 Dec.31	By depreciation ac	9900
		<u>20900</u>			<u>20900</u>
2018 Jun.30	To machinery ac	25355	2018 Jan.1	By balance bd	20900
			2018 Jun.30	By depreciation ac	4455
		<u>25355</u>			<u>25355</u>

WORKINGS:

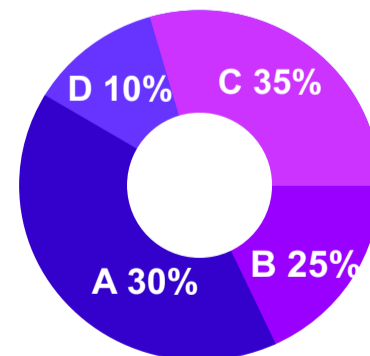
Acquisition cost on 1.1.2016	110000
Less: depreciation for 2016(110000*10%)	<u>11000</u>
WDV on 1.1.2017	99000
Less: depreciation for 2017(99000*10%)	<u>9900</u>
WDV on 1.1.2018	89100
Less: depreciation for 6 months (89100*10%*6/12)	<u>4455</u>
WDV on 30.6.2018	84645
Less: sale proceeds	<u>40000</u>
Loss on sale	<u>44645</u>



GROUP: 1, PAPER: 6
LAWS & ETHICS
(LNE)

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Your Preparation Quick Takes



Syllabus Structure
A Commercial Laws 30%
B Industrial Laws 25%
C Corporate Law 35%
D Ethics 10%

Learning Objectives:

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

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

LAW & ETHICS

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

In this issue we shall continue to deal with Corporate Laws - Companies Act, 2013 which became law on 12th September, 2013 after the President of India gave his affirmation (to replace the Companies Act, 1956) on 29th August, 2013

In the earlier issue, we covered up to Registration and issue of the Certificate of Incorporation and allotment of Corporate Identity Number.

Let us start with **Obligation of the Company** under Section 7(4) to maintain and preserve at its registered office, copies of all documents and information as originally filed with the Registrar till its dissolution under the Companies Act, 2013.

Effect of Memorandum of Association and Articles of Association:

Section 10 provides that the provisions contained in the Memorandum and Articles of association of a company shall be binding on the company and each of the members thereof. It is to be treated just like a contract signed by the company and each of its members.

Therefore, all the contents of Articles of Association shall be followed by the members and the company, as if it was an agreement signed by and between them.

It may be noted that, the Articles of Association is not an agreement between the company and /or outsiders or third parties.

However, while dealing with outsiders or third parties or entering into contract between outsiders or third parties and the company, the provisions of the Memorandum and Articles of Association of the company, shall be considered since the Articles generally provides that disputes arising between the Contractor Party and the company shall be referred to arbitration. Articles also provides that all moneys payable by members to the company shall be debt due from him to the company.

Procedure for alteration of Memorandum of Association

Any Company which intended to make any change to the Memorandum of Association (MOA) of its company, will have to comply with the provisions of **Section- 13 of Companies Act, 2013** and any other applicable provisions of the Act and applicable rules.

Company's Memorandum of Association has the following clauses :

Name Clause
Object Clause
Capital Clause
Registered Office Clause
Liability Clause
Subscription Clause, cannot be altered .

Every alteration made in the memorandum of a company shall be noted in every copy of the Memorandum or Articles, as the case may be.

A company may alter contents of its memorandum by a special resolution and complying with the procedure prescribed by the Act. However section 61 will be complied with for alteration of the capital clause of the memorandum.

It is clarified that the expression '**alter**' means to modify, change or vary; to make or become different; to change in character, appearance, etc; or to change in some respect.

The process of alteration of the Memorandum of Association can be grasped through the following Step by Step approach :

FIRST STEP - : Convey a Board Meeting of Directors: (As per section 173 and Secretarial Standard - 1 (SS-1))

A **Board of Directors' Meeting** has to be convened and Notice of the Board Meeting shall be sent to all the directors of company at least 7 days before the date of Board Meeting and the following shall be attached with the Notice :

Agenda
Notes to Agenda, if any ; and
Draft Resolution

SECOND STEP --: At the Board Meeting held : (As per section 173 and Secretarial Standard -1 (SS-1))

At the Board meeting, the required resolutions in respect of alteration in MOA must be passed.
After obtaining the necessary Approval for Alteration in Memorandum of Association from the Board of Directors , recommend the proposal for members' consideration by way of special resolution.

Next thing to do is to Fixing the date, time, and venue of the **general meeting/Extra Ordinary General Meeting** and authorize a director or any other person to send the notice for the same to the members.

THIRD STEP- : Issue Notice of General Meeting(GM): (Section 101)

Notice of GM/ EGM shall be given at least 21 days before the actual date of the GM. (EGM can be called on Shorter Notice after giving a shorter notice if consent is given in writing or by electronic mode by not less than 95% of the members entitled to vote at such meeting) to :

All the Directors.
Members
Auditors of Company

The notice shall specify the place, date, day and time of the meeting and contain a statement on the business to be transacted at the GM/EGM.

FOURTH STEP- : Hold General Meeting: (Section 101)

At the general meeting, the first thing to do is to :

Check the Quorum.
Check whether auditor is present, if not.
Then Leave of absence is Granted or Not. (As per Section-146).
Pass Special Resolution.[Section-114(2)]for Approval of Alteration in MOA.

FIFTH STEP- : Filing of form with ROC: (Section 117)

File Form MGT-14 (Filing of Resolutions and agreements to the Registrar under section 117) with the Registrar along with the requisite prescribed filing fee within 30 days of passing the special resolution, along with the following documents:-

Certified True Copies of the Special Resolutions along with explanatory statement;
Copy of the Notice of meeting sent to members along with all the annexure;
A printed copy of the Altered Memorandum of Associations.

Duty of the ROC after receiving the Form and fees

The Registrar will arrange to issue a certificate which makes it clear that all the requirements with respect to the alteration have been duly complied with by the company. It may be noted that , no alteration made under this section shall have any effect until it has been registered in accordance with the provisions of this section.

The alteration shall be complete and effective only on the issue of certificate by the Registrar.

The process of alteration of the Articles of Association can be grasped through the following Step by Step approach :

Any Company which intends to make any change to the Article of Association (AOA) of its company, will have to comply with the provisions of Section- 14 of Companies Act, 2013 and any other applicable provisions of the Act and applicable rules.

Company can alter its Article by way of addition, deletion, modification, substitution, or in any other way, only if it wants.

STEP - I: Convey Board Meeting of Directors: (As per section 173 and Secretarial Standard -1 (SS-1)

To alter the Article of association of Company Notice of at least 7 days must be given.

STEP - II: Hold Board Meeting: (As per section 173 and Secretarial Standard -1 (SS-1)

At the Board meeting, the necessary resolutions in respect of alteration in AOA must be passed and Approval for Alteration in Article of Association must be obtained.

The Board must recommend the proposal for members' consideration by way of special resolution.

The Board must Fix the date, time, and venue of the general meeting and authorize a director or any other person to send the notice for the same to the members.

STEP- III: Issue Notice of General Meeting: (Section 101)

Notice of EGM shall be given at least 21 days before the actual date of EGM. EGM can be called on Shorter Notice after giving a shorter notice if consent is given in writing or by electronic mode by not less than 95% of the members entitled to vote at such meeting) to :

All the Directors.
Members
Auditors of Company

The notice shall specify the place, date, day and time of the meeting and contain a statement on the business to be transacted at the EGM

STEP- IV: Hold General Meeting: (Section 101)

Check the Quorum.

Check whether auditor is present, if not. Then Leave of absence is Granted or Not. (As per Section-146).

Pass Special Resolution.[Section-114(2)]

Approval of Alteration in AOA.

STEP- V: Filing of form with ROC: (Section 117)

File Form MGT-14 (Filing of Resolutions and agreements to the Registrar under section 117) with the Registrar along with the requisite filing within 30 days of passing the special resolution, along with given documents:-

Certified True Copies of the Special Resolutions along with explanatory statement;

Copy of the Notice of meeting sent to members along with all the annexure;

A printed copy of the Altered Article of Associations

Rectification of name of company

The Company after incorporation can change their name from:

- 1) Private Limited to Public Company
- 2) Public Limited to Private Limited Company
- 3) Zzz Company Limited to xxx Company limited

Change in Name clause of the Company involves alteration of Memorandum of Association as per the procedure explained above.

Service of Documents

A document may be served on a company or an officer thereof by sending it to the company or the officer at the registered office of the company by :

- 1) registered post or by speed post or by courier service at

its registered office: or

2) by means of such electronic or other mode as may be prescribed viz.

Facsimile
Electronic mail or network provided by the company
Other means of electronic communication

The communication must be such that is capable of retention, retrieval and review and is in clear legible form.

In case of delivery by post such service shall be deemed to have been effected -

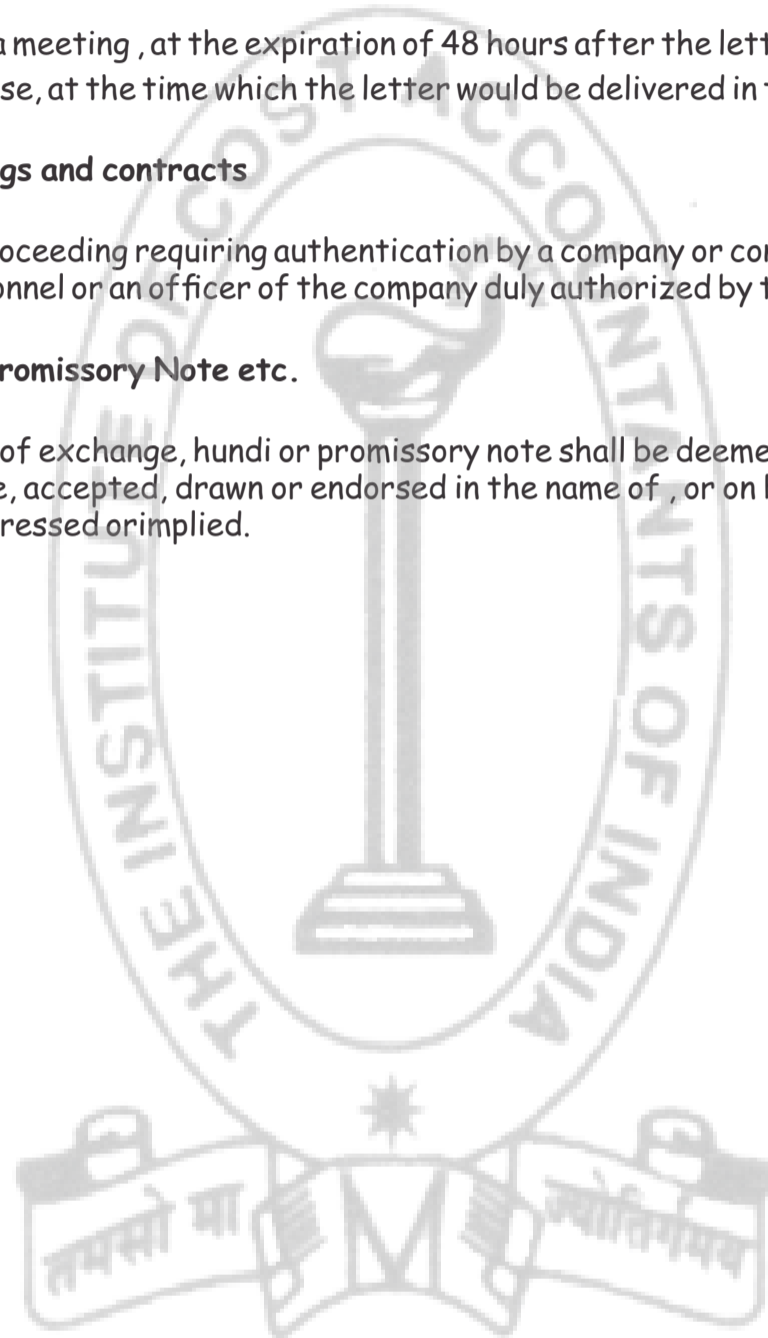
In the case of a meeting , at the expiration of 48 hours after the letter containing the same is posted ; and
In any other case, at the time which the letter would be delivered in the ordinary course of post.

Authentication of documents, proceedings and contracts

Section 21 provides that a document or proceeding requiring authentication by a company or contracts made by or on behalf of a company may be signed by any key managerial personnel or an officer of the company duly authorized by the Board in this behalf.

Execution of Bills of Exchange, Hundi, Promissory Note etc.

Section 22 of the Act provides that a bill of exchange, hundi or promissory note shall be deemed to have been made , accepted ,drawn or endorsed on behalf of a company , if made, accepted, drawn or endorsed in the name of , or on behalf of or an account of the company by any person acting under its authority ,expressed or implied.



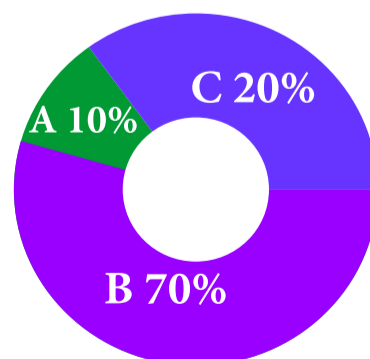


GROUP: 1, PAPER: 7

DIRECT TAXATION (DTX)

CA Vikash Mundhra
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Your Preparation Quick Takes



Syllabus Structure

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

Learning Objectives:

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

Deductions

Sec.	Applicable to	Condition(s)	Deduction
80C	Individual and HUF	Investment in LIC, PPF, NSC, etc.	Maximum ₹ 1,50,000
80CCC	Individual	Deposit in LIC or other insurer's annuity plan	Maximum ₹ 1,50,000
80CCD	An individual	Assessee has in the previous year paid or deposited any amount in his account under a pension scheme notified by the Central Government. (New Pension System and Atal Pension Yojna) Note: Any payment from NPS to an employee because of closure or his opting out of the scheme is chargeable to tax. However, amount received by the nominee from NPS on death of the assessee is exempt from tax.	<u>In case of salaried individual:</u> Aggregate of the amount paid or deposited in such pension scheme - By himself (to the maximum of 10% of salary). By the employer (to the maximum of 10% of salary) Salary means Basic + DA, if the terms of employment so provide. <u>In other cases:</u> 20% of GTI Further, deduction u/s 80CCD(1B) is also available to any individual upto ₹ 50,000/-
80CCE	Max. deduction u/s 80C, 80CCC & 80CCD [other than employer's contribution and contribution u/s 80CCD(1B)], in aggregate, cannot exceed ₹ 1,50,000.		
80D	Individual & HUF	Paid medical insurance for relative by any mode other than cash from taxable income. Note: Individual can pay (even in cash) for preventive health check up (eligible upto ₹ 5,000). Further he can contribute to the Health Scheme for himself / spouse / dependent children. Further, medical expenditure incurred for a senior citizen for which no medical insurance premium is paid is also eligible for deduction subject to overall maximum limit.	Maximum ₹ 25,000 / ₹ 50,000 (in case insured is a senior citizen) (Additional ₹ 25,000 / ₹ 50,000 for parents)
80DD	Resident individual & resident HUF	Assessee has disable dependant relative. Assessee deposited medical certificate along with return.	₹ 1,25,000 for severe disability. ₹ 75,000 for non-severe disability
80DDB	Resident individual & resident HUF	Assessee himself or his relative is suffering from specified diseases Assessee deposited medical certificate along with return.	Maximum [₹ 40,000 - Medclaim received or Amount reimbursed by employer]
		Where the patient is a senior citizen	Maximum [₹ 1,00,000 - Medclaim received or Amount reimbursed by employer]
80E	Individual	Assessee is repaying the interest on loan (taken for higher education).	Interest paid during the year for a maximum period of 8 years
80EE	Individual	The loan (upto ₹ 35 lakh) for acquisition of the residential house property (value upto ₹ 50 lakh) has been sanctioned by the housing finance company or bank during the Previous Year 2016-17. The assessee does not own any residential house property on the date of sanction of the loan.	Minimum of the following: ₹ 50,000 Interest payable for the P.Y. Double deduction is not permissible.

80G	All assessee	Assessee donated an amount (otherwise than in kind) to specified organisations or funds. Donation in excess of ₹ 2,000 should be in any mode other than cash.	50% or 100% of amount donated (subject to limit applicable, if any, on amount of donation)
80GG	Individual	Assessee is paying rent. He or his relative has no house at the place of employment of the assessee. He is neither receiving HRA nor has claimed any benefit for self occupied property. Assessee submitted Form 10BA along with return of income.	Minimum of the following- a) ₹ 5,000 p.m. b) 25% of Adjusted GTI c) Rent paid - 10% of adjusted GTI
80GGA	Assessee not having "Profits & gains of business or profession"	Assessee has contributed certain amount for rural development, scientific research, etc. ₹ 10,000' should not be in cash.	Amount so contributed.
80GGB	Indian Company	Assessee contributed (other than by way of cash) an amount to political party or an electoral trust	Amount so contributed
80GGC	All assessee other than local authority or artificial juridical person, which is wholly or partly financed by Govt.		Amount so contributed
80-IA	Specified Assessee	Engaged in specified business and subject to other conditions	100% / 50% of profit of such business for certain year
80-IAB	All assessee	Engaged in the business of developing SEZ	100% of profit of such business
80-IAC	Company or LLP	<p>The assessee is engaged in in innovation, development or improvement of products or processes or services or a scalable business model with a high potential of employment generation or wealth creation.</p> <p>The company / LLP is incorporated after 31-03-2016 but before 01-04-2021</p> <p>The total turnover of its business does not exceed ₹ 25 crore in the previous year relevant to the assessment year for which deduction is claimed</p> <p>The assessee holds a certificate issued by the Inter-Ministerial Board of Certification.</p> <p>The company / LLP is not formed by splitting up, or the reconstruction, of a business already in existence (however, reconstruction, etc. referred u/s 33B is allowed).</p> <p>Subject to certain exception, it is not formed by the transfer to a new business of machinery or plant previously used for any purpose.</p> <p>Books of account should be audited and audit report should be submitted along with return of income</p> <p>The deduction should be claimed in the return of income.</p> <p>Return should be filed within due date</p>	from the year of incorporation. However, provision of MAT/ AMT is applicable.

80-IB	Specified Assessee	Engaged in specified business and subject to other conditions	100% / 50% of profit of such business for certain year
80-IBA	All assessee	Engaged in the business of developing and building a housing project. Subject to some conditions	100% of the profit from specified business. MAT / AMT is applicable
80-IC	All assessee	Engaged in production of specified article in Sikkim, Himachal Pradesh, Uttarakhand & North-Eastern States	100% / 25% / 30% of profit of from such unit for certain year
80-ID	All assessee	Engaged in the business of hotel in specified world heritage site	100% of profit of such business
80-IE	All assessee	Engaged in the specified business in North-Eastern States	100% of profit of such business
80JJA	All assessee	Assessee engaged in the business of processing of bio-degradable waste	100% of profit of such business for 5 year
80JJAA	Any person having business income and liable for Tax Audit u/s 44AB	The business is not formed by splitting up, or the reconstruction, of a business already in existence (however, reconstruction, etc. referred u/s 33B is allowed). Business is not acquired by the assessee by way of transfer from any other person or as a result of business reorganization. Books of account should be audited and audit report should be submitted along with return of income The deduction should be claimed in the return of income. Return should be filed within due date	30% of additional employee cost incurred in the course of such business in the previous year is deductible for 3 assessment year.
80LA	A scheduled bank Any other bank incorporated outside India. Unit of an IFSC	Assessee has a branch in SEZ. A certificate of chartered accountant is to be submitted signifying that deduction has been correctly claimed.	100% of income of such branch for 5 years; and 50% of income of such branch for next 5 year
80PA	Producer Company as defined u/s 581A of the Companies Act, 2013	Total turnover of the assessee is less than ₹ 100 crore in any previous year Gross total income of the assessee includes any income from following eligible business. - the marketing of agricultural produce grown by the members; or - the purchase of agricultural implements, seeds, livestock or other articles intended for agriculture for the purpose of supplying them to the members; or - the processing of the agricultural produce of the members Return should be filed within due date	100% of the profits and gains attributable to such eligible business

80QQB	Resident Individual	Assessee is author of the specified book. He earned royalty income (whether received in lump sum or otherwise). A certificate from the payer in Form 10CCD is to be submitted along with return of income. In case income is earned outside India, money must be brought into India in convertible foreign exchange and a certificate must be obtained.	Minimum of the following (as the case may be) - - Royalty fee (to the maximum of 15% of the value of the book sold); Lump sum fee; Income brought into India in convertible foreign exchange; or ₹ 3,00,000
80RRB	Resident Individual	Assessee is a patentee. He earned royalty income (whether received in lump sum or otherwise). In case income is earned outside India, money must be brought into India in convertible foreign exchange within 6 months from the end of the P.Y. and a certificate must be obtained.	Minimum of the following (as the case may be) - - Royalty fee or Lump sum fee; Income brought into Indian in convertible foreign exchange; or ₹ 3,00,000
80TTA	Individual (other than senior citizen covered u/s 80TTB) & HUF	Interest from saving account in bank, post office or co-operative society	Max. ₹ 10,000
80TTB	Senior Citizen	Interest from saving account in bank, post office or co-operative society	Max. ₹ 50,000
80U	Resident Individual	Assessee himself suffering from disabilities. Medical certificate submitted along with return.	Severe disability ₹ 1,25,000 Non-severe disability ₹ 75,000
Taxpoint: Deduction in respect of certain payment			: Deduction u/s 80C to 80GGC
Deduction in respect of certain income*			: Deduction u/s 80IA to 80RRB
Deductions in respect of other incomes			: Deduction u/s 80TTA & 80TTB
Other deduction			: Deduction u/s 80U

*No deduction shall be allowed unless return of income is furnished on or before the due.



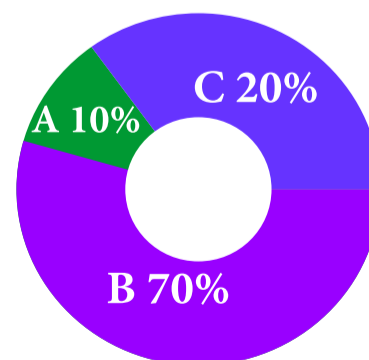


GROUP: 1, PAPER: 8

COST ACCOUNTING (CAC)

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Your Preparation Quick Takes



Syllabus Structure

A Income Tax Act Basics 10%

B Heads of Income and Computation
of Total Income and Tax Liability 70%

C Administrative Procedures and ICDS 20%

Learning Objectives:

Before taking the examination, it is necessary to read thoroughly the study material first.

After that select the suitable text book or reference books available in the market for your further study and follow them.

Next, follow the question papers of previous years and you will be able to get a general idea about the trend or pattern of questions generally set for this type of examination.

So, if you want to score high marks then along with practical problems you have to answer properly the theoretical part.

Due to lack of theoretical concepts they cannot score good marks not only in the theoretical part but also in tricky problems.

Prepare notes on the theoretical part to improve your performance in the examination.

Cost Accounting (CAC)

An effective cost accounting system is an integral part of the management for efficient running of the business. In the present era the value and importance of cost accounting need hardly be overemphasized. Cost accounting, by exercising control over the entire business operations, enables management to eliminate wastages, leakages, increase efficiency and productivity, achieve economies and helps decision making by suitably fixing prices in case of competition, trade depression, and idle capacity with a view to maximizing the gains or minimizing the losses. This paper is a scoring paper out of the eight papers in the intermediate course of the Institute of Cost Accountants of India. It is observed from the past experience that 65% to 75% of the total questions are set from practical problems and the balance is theoretical part. Although only 25% questions are set from theoretical part, but a great emphasis should be given on theoretical part as most of the students are very much weak in theory. Hence, go through the theory very carefully for easy understanding the topic and then try to solve the exercise problems. Start from Chapter one and try to understand the other chapters serially as this will enable you to understand the succeeding chapters in a better way.

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

Here I have suggested some tips based on my teaching experiences :-

1. A well defined plan for completing the whole syllabus as well as revision.
2. Please go through your Study Note and know the complete syllabus. Remember all chapters are interlinked.
3. Try to analyze the trends of setting questions by taking at least ten terms.
4. For time-management the time schedule with specified activities is very much essential.
5. Clarity of concepts and self expression is essential for success in life.
6. Write down all the important terms in your own words and read them regularly.
7. Improve your speed by regular practice and revision.
8. Finally, try to develop a habit of reading the questions well, underlining and understanding the specific requirements.
9. Always try to answer all objective type questions as practice, which carries 100% marks.
10. Try to improve your habit of reading the questions well,

underlining and understanding the specific demands of the question.

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

The next chapter, Cost Book-Keeping, including integrated accounting system is not at all difficult. In this system, different accounts are to be opened, but it is not necessary to give much effort to complete its solution. It's a lengthy process. Here, separate ledgers are maintained by the cost sections.

This chapter relates to Contract Costing. Only Job/Batch/Contract Costing is very important for the Intermediate Examinations. Students often face difficulty in recommending the amount of profit to be taken into account for incomplete contract. You should make sure that you are familiar with various methods/formulae for different stages of completion and share of profit. Students are also advised to go through the topic "Profit on incomplete contracts based on SSAP - 9". Various problems on 'escalation clause' is used to be set at this level of examination also.

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

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

should be worked out for easy understanding.

The chapter 'Variance Analysis' deals with creating responsibilities and identifying the activities or areas of exceptions. Any problem on standard cost for working out different variances can be worked out by using a standard format applicable to all variance analysis. The students are afraid of this important chapter only because of different formulae for different analysis. Only a serious study and realization of the requirement in the problem can eliminate such difficulties. The main objective of this analysis is to improve the operation by effective utilization of resources for reducing its product cost.

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





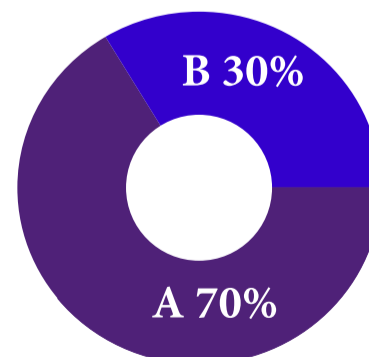
GROUP: 2, PAPER: 9, Part- i

OPERATIONS

MANAGEMENT & STRATEGIC
MANAGEMENT (OMSM)
Operation Management

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Your Preparation Quick Takes



Syllabus Structure

A Operations Management 70%
B Strategic Management 30%

Learning Objectives:

Operations Management develops skills in problem solving, project management, communication, and managing effectively in team-based work environments. Eventually, student's ability for leadership positions in the production and service industries gets increased.

To solve business processes, it helps to apply knowledge of fundamental concepts of operations management and helps to apply knowledge of approaches to operational performance improvement.

Operations Management

In this issue we will discuss some important terms/abbreviation which may be required to answer various short type questions.

Q1.

AOA	Activity on Arrow	Related to Project Management
AON	Activity on Node	Related to Project Management

While doing Network Techniques for planning and coordinating large scale projects Network diagram is to be drawn. These diagram depict major project activities and their sequential relationships. There are two slightly different conventions for drawing these networks. Under AOA convention arrows designate activities and under AON convention nodes designate activities.

Q2.

ATP inventory	Available to Promise inventory	Uncommitted inventory. Means inventory which is not yet committed to existing customer orders. Related to Aggregate Planning
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It is determined while doing Master Scheduling. ATP is calculated in the first period and other periods of the scheduling horizon in which there is a master production schedule quantity. In the first period $ATP = \text{Opening inventory} + \text{Master production schedule quantity} - \text{Sum of committed customer orders in the periods starting from 1}^{\text{st}}$ period to period till there is a new master production schedule quantity. In subsequent period Opening inventory will not come into computation. Say opening inventory in the first week of a master scheduling is 90. Master production schedule at 1st week, 3rd week and 5th week are respectively 0, 70, and 70. Committed customer orders are 30, 20, 33 25 units respectively. So ATF in the first week = $90+0-(30+20) = 40$. ATF in the 3rd week = $70-(33+25) = 12$. ATF in the 5th week like way is to be determined. ATF in 2nd week is not required to be computed as there is no master production schedule in this month.

Q3.

ATO	Assemble to Order	An approach to customer's order fulfilment
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Under this approach products are assembled, to the specification desired by the customers, from a stock of standard and modular components. It is a production model where the final goods are produced once the manufacturer receives the order from the customers. The components are already produced and stored at the site. ATO technique is beneficial for business where huge number of customers is demanding for customized products. DELL computer manufacturer use this technique.

Q4.

BSC	Balanced Score Card	A management system
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It is a top down system organizations use to explain their vision and strategy and transform them into action. The balanced scorecard (BSC) is a management system and structured report that aligns company's strategy with its tactical activities. The balanced scorecard includes objectives, measures (key performance indicators or KPIs), targets for company's KPIs, and the initiatives that can help a company to reach those targets.

Q5.

BOM	Bill of materials	A bill of materials contains a listing of all of the assemblies, subassemblies, intermediate assembly's parts and raw materials that are needed to produce one unit of a finished product.
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A production order is issued with bill of materials so that issuance of it may generate reservations for components in the bill of materials that are in stock and requisitions for components that are not in stock. A BOM can define products as they are designed -engineering bill of materials, as they are ordered -sales bill of materials, as they are built -manufacturing bill of materials, or as they are maintained service bill of materials. The different types of BOMs depend on the business need and use for which they are intended.

Q6.

BPM	Business Process Management	It include process design, process execution and process monitoring
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A business process is an activity or set of activities that will accomplish a specific organizational goal. In operations BPM are managing processes to meet demand and dealing with process variability. BPM sees processes as important assets of an organization that must be identified, managed, and developed to deliver value-added products and services to clients or customers.

Q7.

B2B commerce	Business to Business Commerce	Refers to any company primarily focused on selling products and services to other businesses rather than to consumers.
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One example of a traditional B2B market can be found in automobile manufacturing. In every model of car or truck manufacturer use dozens of other companies' products. These include the tires, hoses, batteries and electronics that are essential for the final consumer product - the vehicle - to operate properly. The manufacturer purchases these products from its various suppliers and then finishes them into the final product. When a car is sold consumers are really purchasing parts that were created other businesses from all around the world.

Q8.

CAD	Computer Aided Design	
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A programming, modeling and simulation platform that merges a desktop environment tuned for iterative analysis and design processes with a programming language that expresses matrix and array mathematics directly.

Q9.

CAM	Computer Aided Manufacturing	Refers to the use of computers in process control ranging from robots to automated quality control
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Computer-aided manufacturing (CAM) is the use of software to control machine tools and related ones in the manufacturing of work pieces. CAM may also refer to the use of a computer to assist in all operations of a manufacturing plant, including planning, management, transportation and storage.

Q10.

CCPM	Critical Chain Project Management	It is an approach to project management that includes an emphasis on the resources required to execute project tasks.
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It takes into account not only sequential task relationships but also resource constraints that can result in tasks being delayed when they must wait for a resource that is being used on another task. Think of walking on a road. One might be walking on it at a steady pace, but if his/her cement supplier is bringing cement to finish the road, he/she will be delayed. The resource caused the delay, not the task.

Q11.

CIM	Computer Integrated Manufacturing	A system for linking a broad range of manufacturing activities through an integrating computer system
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CIM combines various technologies like computer-aided design (CAD) and computer-aided manufacturing (CAM) to provide an error-free manufacturing process that reduces manual labor and automates repetitive tasks. The CIM approach increases the speed of the manufacturing process and uses real-time sensors and closed-loop control processes to automate the manufacturing process. It is widely used in the automotive, aviation, space and ship-building industries.

Q12.

CM	Cellular Manufacturing	It is a form of mass production that divides work into teams known as cells. Each cell is managed to achieve goals such as quality, efficiency and waste reduction.
A Car manufacturer assembles 10 cars concurrently in 10 cells. Cells take components and parts as inputs and produce completed cars. Each cell has 15 members on each shift with every member full trained on all steps that are required to produce a finished product.		

Q13.

CNC	Computerised Numerical Control	When individual machines often have their own computer, this is referred to as CNC
Computerised Numerical Control (Computer + Numerical Control). Numerical control is a programmable automation in which process is controlled by Numbers, Letters, and symbols. CNC Machining is a process used in the manufacturing sector that involves the use of computers to control machine tools like lathes, mills and grinders.		

Q14.

CONWP	Constant Work in Process	
With CONWP when a job exits the system, a new job is allowed to enter. This result in a constant level of work in process		

Q15.

CPFR	Collaborative Planning Forecasting and Replenishment	It is a contractual agreement used to achieve supply chain integration by cooperative management of inventory in the supply chain by major supply chain partners.
CPFR is a process in which a company not only collaborates and integrates planning, forecasting and other data points from within the company—but also uses data points provided by company's suppliers and its customers.		

Q16.

CR	Critical Ratio	It is a priority sequencing rules
The critical ratio (CR) is calculated by dividing the time remaining until a job's due date by the total shop time remaining for the job, which is defined as the setup, processing, move, and expected waiting times of all remaining operations, including the operation being scheduled. The formula is $CR = (\text{Due date} - \text{Today's date}) / \text{Total shop time remaining}$ A ratio less than 1.0 implies that the job is behind schedule, and a ratio greater than 1.0 implies that the job is ahead of schedule. The job with the lowest CR is scheduled next.		

Q17.

CRP	Capacity Requirement Planning	It is the process of determining short range capacity requirements.
The necessary inputs include planned order releases for Material Requirement Planning (MRP), the current shop load, routing information and job times. Outputs include load reports for each work center. It is a technique that entails evaluating the ability of current resource levels to meet current orders and projected demand		

Q18.

DFA	Design For Assembly	A good design must take into account not only how a product will be fabricated but also how it will be assembled
Design for assembly focuses on reducing the number of parts in an assembly as well as on the assembly methods and sequence that will be employed. Notable example is Sony Walkman which implemented fully automated assembly in which parts are inserted in straight-down moves only.		

Q19.

DFD	Design For disassembly	
Design for Disassembly is the way of designing products so that they can be easily, cost effectively and rapidly taken apart at the end of the product's life so that components can be reused and/or recycled. HP computer products are designed for disassembly		

Q20.

DFM	Design For Manufacturing	A term used to indicate the designing of products that are compatible with an organization's capabilities.
Simply stated, DFM is the ability to design components and products that are easier and thus more affordable to manufacture. Blind holes often increase manufacturing time. Design with thru holes when possible.		

Q21.

DFMA	Design For Manufacturing & Assembly	It refers to working with both of DFA and DFM concepts together
If a design is easier to produce and assemble, it can be done in less time, so it will be less expensive. DFMA is used towards this.		

Q22.

DFR	Design for Recycling	It refers to product design that takes into account the ability to disassemble a used product to recover the recyclable parts.
Design for recycling is a goal of the automobile industry, which develops vehicles that are easy to dismantle and that indicate constituent materials on components allowing for easier material separation.		

Q23.

DMAIC	Define Measure Analyse Improve & Control	It is a formalized problem solving process composed of five steps that can be applied to any process to improve its effectiveness.
A data-driven improvement cycle used for improving, optimizing and stabilizing business processes and designs. The DMAIC improvement cycle is the core tool used to drive Six Sigma projects. However, DMAIC is not exclusive to Six Sigma and can be used as the framework for other improvement applications. Define the objectives of improvement, measure the capability of the process, Analyse data and tools to understand cause and effect relationships, Improve the process through modifications, Control through plans and procedures to ensure sustainability.		

Q24.

DNC	Direct Numerical Control	One computer controlling a number of numerically controlled machines
It is a process set in a manufacturing unit where a set of machines are controlled by a programmed computer with the help of a direct connection to the same. A DNC comprises of Mainframe computer, Huge memory capacity, Connectivity between the machines and the computers, and Machine tools.		

Q25.

DRP	Distribution Requirements Planning	It is a method used for planning orders in a supply chain.
DRP enables a planner to compute time phased inventory requirements for a supply chain extending MRP concepts. Distribution requirements planning (DRP) is a systematic process to make the delivery of goods more efficient by determining which goods, in what quantities, and at what location are required to meet anticipated demand. The goal is to minimize shortages and reduce the costs of ordering, transporting, and holding goods.		

Q26.

EDI	Electronic Data Interchange	Electronic Data Interchange (EDI) is the computer-to-computer exchange of business documents in a standard electronic format between business partners.
There are several EDI standards in use today, including ANSI, EDIFACT, TRADACOMS and ebXML. And, for each standard there are many different versions, e.g., ANSI 5010 or EDIFACT version D12.		

Q27.

ERP	Enterprise Resource Planning	
It is a computerized system designed to connect all parts of a business organization as well as key portions of its supply chain to a single database for the purpose of information sharing.		

Q28.

EMQ	Economic Manufacturing Quantity	
EMQ would theoretically answer three questions: 1.How many manufacturing plants a company should have; 2.In what locations those plants should be located; 3.How many units each plant would produce.EMQ, decision makers would make assumptions, including the number, price, and cost of a product that can be sold in a given market.		

Q29.

EPQ	Economic Production Quantity	The economic production quantity model (also known as the EPQ model) determines the quantity a company or retailer should order to minimize the total inventory costs by balancing the inventory holding cost and average fixed ordering cost.
Economic production quantity (EPQ) is the quantity of a product that should be manufactured in a single batch so as to minimize the total cost that includes setup costs for the machines and inventory holding costs.		

Q30.

EOL programme	End Of Life programme	Product and service design in the quest for sustainability use end of life programme as one of the key aspect.
It deals with products that have reached the end of their useful lives mainly to reduce the dumping of products particularly electronic equipment.		

Q31.

ETO	Engineer To Order	An approach of order fulfilment according to which products are designed and built according to customer specification.
Useful for large scale construction projects, custom homebuilding, home remodeling and for products made in job shops.		

Q32.

EVPI	Expected Value of Perfect Information	The difference between the expected payoff with perfect information and the expected payoff under risk.
EVPI = Expected payoff under certainty - Expected payoff under risk. A decision maker determines EVPI for decision making after ascertaining the state of nature prevailing in future.		

Q33.

FEA	Finite Element Analysis	The Finite Element Analysis (FEA) is the simulation of any given physical phenomenon using the numerical technique called Finite Element Method (FEM).
Engineers use it to reduce the number of physical prototypes and experiments and optimize components in their design phase to develop better products, faster. It is a numerical method for solving problems of engineering and mathematical physics. Typical problem areas of interest include structural analysis, heat transfer, fluid flow, mass transport, and electromagnetic potential..		

Q34.

FMS	Flexible Manufacturing System	FMS is a group of machines that include supervisory computer control, automatic material handling and robots.
It has four or more processing work stations (typically CNC machining centers or turning centers) connected mechanically by a common part handling system and automatically by a distributed computer system		

Q35.

GIS	Geographical Information System	GIS is a computer based tool for collecting storing retrieving and displaying demographic data on maps.
It relies on an integrated system of computer hardware, software, data and trained personnel to make available a wide range of geographically referenced information. A logistic company could use GIS data to plan fleet activities such as routes and schedules based on the locations of its customers.		

Q36.

GERT	Graphical Evaluation Review Technique	Graphical Evaluation and Review Technique, commonly known as GERT, is a network analysis technique used in project management that allows probabilistic treatment both network logic and estimation of activity duration.
GERT includes features such as probabilistic branching (stochastic models), network looping (feedback loops), multiple sink nodes (multiple outcomes), and multiple node realization (repeat events) which are unavailable in PERT/CPM.		

Suggestions:

These abbreviations are taken purely from teachings imparted by the Guide book issued by Institute and some reference books covering the syllabus. The study guide on Operations Management issued by Institute is to be studied thoroughly and many of these sort of abbreviations are to be noted carefully. In this month discussions are held in alphabetical order and this same procedure will be continued in the next month. Attempts are made here to explain all the abbreviated words in some detail and very very common words are not considered again. For supplementary readings one can refer Operations Management by R.S. Russell & B.W. Taylor, Operations Management by J Stevenson.





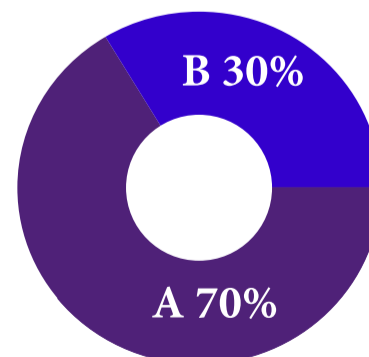
GROUP: 2, PAPER: 9, Part- ii

OPERATIONS

MANAGEMENT & STRATEGIC
MANAGEMENT (OMSM)
Strategic Management

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Your Preparation Quick Takes



Syllabus Structure

A Operations Management 70%
B Strategic Management 30%

Learning Objectives:

The course will follow in general terms the strategy development process from audit to formulation of strategic plans, their implementation and evaluation.

Students will be introduced to strategic management in a way so that their understanding can be better.

The ultimate aim of the course is to develop students as future managers who will add value by 'strategically managing' the organisation's resources and capabilities.

**STRATEGIC MANAGEMENT OCTOBER
ISSUE****Situational Analysis:**

A company's macro environment consists of all related dimensions and influences outside the company's boundaries; by relevant factors like:

Direction,
Objectives,
Strategy, and
Business model.

But influences coming from the outer globe of the macro environment have a small impact on a company's business situation. They only shape the limits of the company's direction and strategy. There are sufficient amount of strategically relevant trends and developments in the macro environment. As company managers scrutinize the external environment, they must examine for:

- Potentially important environmental forces,
- Assess their impact and influence, and
- Adapt the company's direction and strategy as needed.

Companies carry out market research by conducting surveys to evaluate market requirements and trends. **SWOT & PEST** analyses are two methods through which companies plan ahead by conducting research

PEST analysis refers to:

- ❖ Political,
- ❖ Economical,
- ❖ Social, and
- ❖ Technological factors which manipulate the business environment.

SWOT analysis refers to:

- ❖ Strengths,
- ❖ Weaknesses,
- ❖ Opportunity and
- ❖ Threats.

These factors are prime determinants of strategic planning. Without SWOT and PEST analysis companies might fail to achieve desired goals.

Both SWOT & PEST analyses are simple and easy to list but hard to implement fully. It takes time and research to completely analyze the situation.

SWOT analysis might not be able to provide results for each factor plus for the analysis to be successful, it requires expertise which would analyze all possible threats and weaknesses and turn them into strength and opportunity. It requires resources and capital to perform and a positive outcome cannot be guaranteed.

PEST analysis is to be used if the SWOT analysis of a company fails and they need to study markets. It focuses on external factors and not on the firm's internal factors which can cause conflict. PEST analysis works on a macro scale as it includes economic factors. These factors are uncertain and change constantly depending on the state of the country.

Portfolio Analysis:

Portfolio analysis is a term used in describing methods of analysing a product -market portfolio with the following aims:

- (i) To identify the current strengths and weaknesses of an organisation's products in its markets, and the state of growth or decline in each of these markets.
- (ii) To identify what strategy is needed to maintain a strong position or improve a weak one. Several matrices have been developed over the years to analyse market share, market growth and market position.

Factors influencing Portfolio Strategy:

There are number of factors -

Historical,
Personal,
Strategic,
Environmental etc.

which influence portfolio strategy.

Important such factors are given below:

1. Mission/Vision: The mission of the company is one of the most important factors which influence, the portfolio strategy because the mission defines the scope and purpose of the company.

2. Value system: A factor very much complimentary to the mission that influences the portfolio strategy is the value system of the promoters or major stock holders.

3. Future of Current Business: The future prospects of the current business are a very important factor influencing the portfolio strategy. If a current business, particularly the most important one, has a bleak future a company would be tempted to divest or diversify into growing business.

4. Position on the Portfolio Matrix/PLC: The position of different business on the product portfolio life cycle also may influence the portfolio strategy of a company. Products in the declining stage may be dropped. Similarly some of the dogs or question marks could also be eligible candidates for divestment.

5. Government Policy: Government policy sometimes is an important determinant of portfolio strategy. The pre-1991 regulatory regime did not permit many companies, particularly large ones and foreign firms, to pursue the type of growth and diversification strategies they would have followed in an environment of business freedom, resulting in distorted portfolios.

6. **Competitive Environment:** The competitive environment too has its influence on the portfolio strategy of many companies. When competition is absent or limited, as in a protected market, even firms which are inefficient may be able to thrive. The protection itself may prompt firms to enter such business.

7. **Company Resources:** The resources and strengths of the company, undoubtedly, are important factors influencing the 'portfolio strategy'.

8. **Supply/Demand Conditions:** Problems with input supplies may encourage backward integration. Similarly, problems with marketing the output, or advantages of value addition, may encourage forward integration.

9. **Competitive Moves:** Some firms have a tendency to imitate the growth pattern of the established popular firms. There are firms which follow almost the same portfolio strategies of competitors.

10. **Portfolio Strategy of Parent:** The portfolio strategy of subsidiaries may be influenced by the portfolio strategy of the parent as has been the case with companies like Glaxo India, ICI and Hindustan Lever.

11. **Business Environment:** The business environment, in general, is an influencer of the portfolio strategy and, quite obviously, significant changes in business environment have important implications for portfolio strategy.





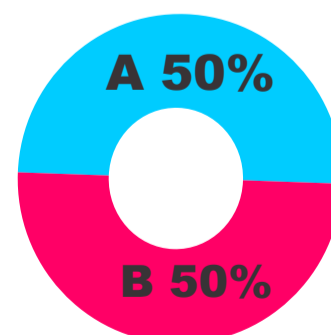
GROUP: 2, PAPER:10

COST & MANAGEMENT

**ACCOUNTING AND FINANCIAL
MANAGEMENT(CMFM)**

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Your Preparation Quick Takes



Syllabus Structure

A Cost & Management Accounting 50%

B Financial Management 50%

Learning Objectives:

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

Cost & Management Accounting and Financial Management
Chapter 2: Decision Making Tools

Decision Type: Selling in the Home Market or Export

A business may often face a situation when it has to decide whether it should utilise any surplus capacity available, after catering to the domestic sales, to produce and then sell in any foreign market. The decision may be critical in the sense that the export price may be much lower than the domestic selling price, thus leading to much lower contribution from the export. However, the firm needs not to incur any marketing expenses (selling and distribution expenses) as the orders are placed directly. In some cases, however, the importer may require the product in some special packaging which may entail additional cost. In addition, the fixed cost remains irrelevant in the decision making. The decision rule, therefore will be to have a positive contribution from the export order.

Consider the following example.

Illustration: X Ltd. has a capacity to produce 10,000 articles but actually produced only 4,000 articles for home market at the following costs:

Particulars	Rs.
Materials	80,000
Wages	72,000
Factory Overheads:	
Fixed	24,000
Variable	40,000
Administration overhead (Fixed)	36,000
Selling and Distribution overhead:	
Fixed	20,000
Variable	32,000
	3,04,000

The home market can consume only 4,000 articles at a selling price of Rs. 80 per article. An additional order for the supply of 6,000 articles is received from a foreign customer at Rs. 65 per article. Should this order be accepted or not?

Solution:

Calculation for variable cost per unit (Units produced = 4000 units)

Particulars	Total	Per unit
Materials	80,000	20
Wages	72,000	18
Variable FOH	40,000	10
Variable SOH and DOH	32,000	8
Total variable cost	2,24,000	56

Selling price of foreign order = Rs. 65 per unit

Contribution from foreign order = $(65 - 56) = \text{Rs. } 9$ per unit

Total contribution = $\text{Rs. } (9 \times 6000) = \text{Rs. } 54000$

Since contribution from foreign order is positive, it should be accepted.

Illustration: Y Ltd. has a capacity to produce 20000 units p.a. It is currently operating at 60% capacity as the domestic market can only accommodate 12000 units of product. However, the product has a foreign market and Y Ltd. occasionally receives export orders.

The cost structure of the product is as follows:

Particulars	Amount (Rs.)
Direct materials	40.00
Direct labour	20.00
Direct expenses	10.00
Variable manufacturing overhead	10.00
Fixed Manufacturing overhead	5.00
Fixed administrative overhead	10.00
Variable selling and distribution overhead	5.00
Fixed selling and distribution overhead	10.00

The company sells the product in the domestic product at Rs. 150. During the F.Y 2019-20, the company received an order from an importer to export 5000 units at Rs. 85 per unit. The order will not require the selling and distribution expenses. Should the order be accepted?

Solution:

Calculation of variable cost per unit.

Particulars	Amount (Rs.)
Direct materials	40.00
Direct labour	20.00
Direct expenses	10.00
Variable manufacturing overhead	10.00
Total variable cost	80.00

Since the price under export order is Rs. 85.00 per unit, contribution from export order = $\text{Rs. } (85 - 80) = \text{Rs. } 5.00$.
Since export order offers positive contribution the offer should be accepted.

Additional Question:

Refer to the previous problem. If the export order requires an additional packaging costing Rs. 8.00 per unit, will the offer be accepted.

Solution:

The revised variable cost = $\text{Rs. } 80 + \text{Rs. } 8 = \text{Rs. } 88.00$ per unit.

Since the price under export order is Rs. 85.00 per unit, which is lower than the variable cost per unit, the contribution is negative.
Hence, the offer should not be accepted.

Decision Type: Diversification

Sometimes, organisations diversify to explore new opportunities. A company may diversify and decide to add a new product to its existing offering. Here, there are two possibilities- the company may have surplus capacity available or the company may have to compromise with an existing product to diversify into the new one.

Situation 1: When surplus capacity is available

In this situation, adding a new product in its product portfolio will require only variable costs to be incurred, as fixed costs will remain fixed for the given capacity. Thus, diversification will be acceptable to the company so long the new product brings additional contribution to the company. Hence, a positive contribution will mean acceptance of the diversification decision.

Consider the following example.

Illustration:

The following data are available in respect of product 'X' manufactured by Anand Ltd.:

Particulars	Rs.
Sales	250000
Direct materials	100000
Direct wages	50000
Variable overhead	25000
Fixed overhead	50000

The company now proposes to introduce a new product 'Y' so that sales may be increased by Rs. 50000. For the new product there will be no increase in fixed costs, however, the estimated variable costs of the product 'Y' are:

Particulars	Rs.
Direct materials	24000
Direct wages	11000
Variable Overhead	7000

Advise whether the company should diversify into product Y or not.

Solution:

Calculation of profit from existing product

Particulars	Rs.
Sales	250000
Less. Variable cost (DM +DW+VOH)	175000
Contribution	75000
Fixed overhead	50000
Profit	25000

Since diversification, in this case, does not require additional fixed cost, the co. may produce the new product if the contribution from the new product is positive.

Calculation of Contribution from the new product

Particulars	Rs.
Sales	50000
Less. Variable cost (DM +DW+VOH)	42000
Contribution	8000

Since contribution is positive, the company should diversify into the new product Y.

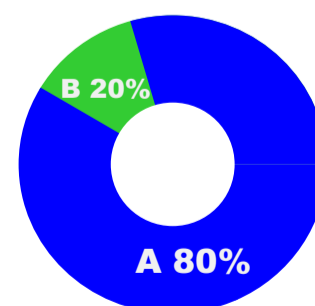


GROUP: 2, PAPER:11

INDIRECT TAXATION (ITX)

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Your Preparation Quick Takes



Syllabus Structure
A GST 80%
B Customs Laws 20%

Learning objectives:

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

Educational Institutions whether actually exempt from GST?**Or is just a myth !!**

Education has always been one of the major and challenging sectors of any economy. The education of country's youth is not only the decisive factor of country's economy rather it is one of the most powerful weapon you can use to change the world. For India being a young nation with around 28% of the population in the 0 to 14 age group it has always been a matter of concern for Indian Government to ensure that this young population proves to be our future demographic dividend. It is because of this reason it has always been the priority of our Government in extending the tax benefits and other concessions to boost education sector in India.

GOODS AND SERVICES TAX (GST) AS TAX REFORM

Earlier GST Act was launched with the objective of expanding the tax base through wide coverage of economic activities, mitigating cascading effects, reduction of exemption thereby resulting into formation of common national market for goods and services. However, the Act has seen drastic changes ever since its inception. With continuous developments in GST it becomes obligatory on our part to re-visit the taxation regime to check the constant changes in tax rates or any extended benefits via amendments through Notifications/Circulars or through Advance Rulings.

ARE EDUCATIONAL SERVICES CONSIDERED AS SUPPLY IN GST?

In order to find an answer to the aforesaid query, it is relevant to determine as to what amounts to supply¹, who is the supplier² and what are taxable supplies³ in GST. The definition of all the stated connotations has been defined under Section 7, Section 2(105) and Section 2(108) of the CGST Act 2017 respectively.

On perusal of Section 7(1)(a) reveals that the term 'supply' is of very wide amplitude and to constitute supply under Section 7(1)(a) the following conditions must be fulfilled:

1. All forms of supply are included.
2. As an illustrative measure certain forms of supply have been enumerated such as sale, transfer, barter, exchange, licence, rental, lease or disposal made.
3. The supply must be for a consideration
4. The supply must be by a person
5. The supply should be in the course of or furtherance of business.

Thus, in nutshell any educational institution providing services to any person for consideration in the course or furtherance of business shall constitute supply.

Now the next question that needs to be determined is whether all the supplies by education institutions are exempt or taxable?

The Central Government in exercise of powers under section 11 of the CGST Act has exempted certain services from levy of GST and for this purpose Notification No.12/2017-CT(Rate) dated 28th June, 2017 was notified. The said Notification has been amended from time to time

MEANING OF EDUCATIONAL INSTITUTION

For the purposes of exemption under GST the term "educational institution" has been defined in 2(y) of Notification No.12/2017-CT (Rate) and the same reads as under:

2(y) "educational institution" means an institution providing services by way of,-

1. pre-school education and education up to higher secondary school or equivalent;

education as a part of a curriculum for obtaining a qualification recognized by any law for the time being in force;

2. education as a part of an approved vocational education course;

This Notification also defines "approved vocational education course" in 2(h) and the same reads as under:

2(h) "approved vocational education course" means,-

1. a course run by an industrial training institute or an industrial training centre affiliated to the National Council for Vocational Training or State Council for Vocational Training offering courses in designated trades notified under the Apprentices Act, 1961 (52 of 1961); or
2. Modular Employable Skill Course, approved by the National Council of Vocational Training, run by a person registered with the Directorate General of Training, Ministry of Skill Development and Entrepreneurship;

This Notification also defines the term "charitable activities" in 2(r) and the same reads as under:

(a) charitable activities" means activities relating to -

1. public health by way of,-
 1. care or counseling of
 1. terminally ill persons or persons with severe physical or mental disability;
 2. persons afflicted with HIV or AIDS
 3. persons addicted to a dependence-forming substance such as narcotics drugs or alcohol; or
 2. public awareness of preventive health, family planning or prevention of HIV infection;
2. advancement of religion, spirituality or yoga;
3. advancement of educational programmes or skill development relating to,-
 1. abandoned, orphaned or homeless children;
 2. physically or mentally abused and traumatized persons;
 3. prisoners; or
 4. persons over the age of 65 years residing in a rural area;
4. preservation of environment including watershed, forests and wildlife;

It is pertinent to mention here that w.e.f. 26th July, 2018 vide Notification No.14-CT(Rate), for a limited purpose the Central and State Educational Boards have also been deemed to be Education Institutes. Explanation 3(iv) of the said Notification No.12/2017-CT(Rate) states as under:

26.07.2018 onwards

Thus, in view of the above

5. Conduct of degree courses by colleges, universities or institutions which lead grant of qualifications recognized by law would be exempted from GST. However the Training given by private coaching institutes or other unrecognized institution or self styled educational institution would not be exempted.
6. Services provided by way of education as a part of a prescribed curriculum for obtaining a qualification recognized by a law of a foreign country are also not exempted because the course / degree not recognized by Indian Law.

EDUCATIONAL INSTITUTIONS: WHETHER REQUIRE GST REGISTRATION?

The perusal of the said Notification reveals as far as an entity registered under Section 12AA of the Income-Tax Act, 1961 is

concerned all its activities are not exempt from GST. Only specified activities as mentioned in definition of 'charitable activities' would be exempt. Thus although most of the educational institutions are run by an entity registered under Section 12AA of the Income Tax Act, still the activities of such Education Institutions would not be exempt under Entry No.1 of the Notification No.12/2017-CT(Rate).

Now we proceed to look at Entry No. 66 of Notification No. 12/2017-Central Tax (Rate) and examine if all the activities of the educational institution fall under this entry or not. It can be seen from an examination of the said entry that only services provided by an educational institution to its students, faculty and staff are exempt from tax. Other services rendered by an educational institution have been subjected to tax. Now in this backdrop if we examine the host of services rendered by an educational institution it can be culled that prima facie there are few activities/ services that are not to students, faculty or staff. To illustrate services like franchisee services, services of conducting examination for AIIMS, UGC etc., selling of admission forms and old vehicles, scrap, sponsorship services for annual function, fete etc., would be exigible to tax. Although we shall examine the exact taxability of each of services in detail, for the purposes of registration it would suffice to note that certain activities of the educational institutions are liable to tax. From a perusal of the aforesaid discussion it can be clearly seen that certain supplies like 'Sale of forms', Sale of old assets by the educational institutions, conducting of fete by schools, running of cricket/tennis or dance academy etc. would definitely not qualify as 'exempt' supplies.

In accordance with Section 2(6) of the CGST Act the term aggregate turn over includes both taxable as well as exempt supply. In this backdrop the aggregate turnover of almost all the educational institutes would definitely cross Rs. 20 lacs.

Hence it can be safely concluded that the educational institution would be required to take a registration.

EDUCATIONAL INSTITUTES - WHETHER ALL SERVICES REALLY EXEMPT

The perusal of Notification No.12/2017-CT(Rate) shows that only limited services received by an Educational Institute are exempt from tax by way of Entry No.66 of the said Notification. Thus prima facie the services provided by an Educational Institutes to its students, faculty and staff have been exempted from GST but it cannot be said that all the services rendered by Educational Institutions are exempt. There can be many instances where the services rendered by Educational Institutes would be taxable. Say for example:

1. Education Institutions run various kinds of academies in their premises like Cricket academy, Tennis academy, Dance academy etc. and such academies rendered services to its own students as well as to students of other Educational Institutions. The said Academy can be run by the educational institutions itself or many a times it is outsourced and is being run by a third party. The services received as well as the services rendered by the educational institutions under this head would always need to be examined.
2. Certain Education Institutions give franchise of their brand name to other educational institutions. Taxability of franchise fee received by educational institutions would always be taxable.
3. Educational Institutions hold Carnivals, Annual Fetes and receive amount towards sponsorship services from various business entities. Besides this the educational institutions also sell the tickets for entry to these Fetes/Carnivals. The sponsorship services would be rendered by Educational Institutions is definitely taxable transaction.
4. Sale of Newspaper, Magazines, Furniture, Computers, old School Buses or any other fixed assets sell by Educational Institutions would be a taxable transaction.
5. Any inter-branch supply of services from one branch of the educational institution to other also needs to be examined.
6. Sale of Forms at the time of admission would also constitute a taxable supply, (in the opinion of the author).

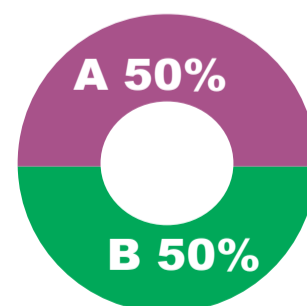
It is pertinent to mention here that these are illustrations only and besides this there are many instances and a host of transactions / services rendered by Educations Institutions which can fall in the ambit of taxable supply.



GROUP: 2, PAPER:12
COMPANY
ACCOUNTS & AUDIT (CAA)

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Your Preparation Quick Takes



Syllabus Structure

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

Learning Objectives:

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

RIGHT SHARE

Now, we are discussing about right share.

When a company which has already issued shares wants to make a further issue of shares, it is under a legal obligation to first offer the fresh issue to the existing shareholders. The right of the existing shareholder to buy shares is transferable.

If the market price is higher than such offer price, the rights carry a price.

Suppose a company offers to its equity shareholders the right to buy one equity share of Rs 100 each at Rs 120 for every 4 equity shares of Rs 100 each held. If the market value of equity share is Rs 180 each, then

The value of the right would be:

Market value of 4 eq shares[180 *4]	=Rs 720
Add issue price of 1 new eq share	= 120
Total price of 5 shares	= 840
Value of one share=RSs 840/5	= 168
The value of Right = Rs 180 - 168	= 12

Alternatively

$$\begin{aligned} \text{Value of Right} &= \frac{\text{NEW SHARES}}{\text{TOTAL SHARES}} * [\text{CUM RIGHT PRICE} - \text{NEW ISSUE PRICE}] \\ &= \frac{1}{5} * [180 - 120] \\ &= \frac{1}{5} * 60 \\ &= \text{Rs } 12 \end{aligned}$$

BONUS SHARE

Bonus shares are the fully paid shares allotted to existing shareholders without any consideration. They are issued to capitalize profits of the company.

Bonus share can be issued if it is authorized by articles and on recommendation of the board backed by authorization in the annual general meeting.

It is to issue out of

- free reserves
- share premium a/c
- capital redemption reserve a/c

A company has 60000 eq shares of Rs 10 each, fully paid Rs 6,00,000. The company issues bonus shares of Rs 10 each for every 3 eq shares

The co is to issue out of profit & loss a/c Rs 100000 and general reserve Rs 100000

The entry would be

1] Profit & loss a/c	Dr 100000
General Reserve a/c	Dr 100000

To Bonus to eq shareholders a/c

200000

2] Bonus to eq shareholders a/c Dr 200000

To Equity share capital a/c

200000

Students enjoy puja days coupled with serious study

Today we are to discuss something around audit planning.

Let us start with AUDIT PROGRAMME .

Audit programme is a written plan containing exact details with regard to the conduct of a particular audit. As per SA 300 the auditor is to prepare a written audit programme .A well conceived carefully drawn and executed audit programme gives order, points and coherence to the audit.

In broad sense it contains the work to be done, members of the staff responsible, time allotted and consumed in each section of audit.

Advantages

- 1] It trails the progress of audit. There is less chance of its being overlooked and omitted.
 - 2] DIVISION OF WORK can be easily made.
 - 3] It serves as a guide to the juniors. No need of repeated instruction .
 - 4] Audit work can start immediately.
 - 5] It serves as a ready check list.
 - 6] Supervision and control of work can be undertaken easily.
 - 7] The auditor is able to work more efficiently and effectively
 - 8] The auditor is to go on along the programme and may compare against the work performed.
 - 9] It may result in uniformity.
 - 10] It may provide evidence by the auditor
 - 11] The whole work can be completed in time
- THEN there are some disadvantages too.
- 1] The audit work of juniors may become clerical
 - 2] Certain items may be left
 - 3] Rigidity may be boredom
 - 4] Procure preplanned may not work always in actual field
 - 5] Error noticed may not get room for correction
 - 6] Special circumstances may be cropped up

Now we are to go on AUDIT NOTE BOOK

Audit note book is the book in which an auditor usually maintains records of all important matters which he comes across while conducting audit.

It generally contains:

- 1] Nature of work
- 2] Vouchers invoices
- 3] Notes of errors and frauds
- 4] Extracts of important correspondances

5]Certificates of officials and bankers

Then we are to say something on AUDIT WORKING PAPER

Audit working paper consist of summaries, comments and correspondences. THEY may be helpful in supporting the facts and opinions.

According to SAP issued by ICAI, The adequate audit planning facilitates:

- 1]developing attention to important areas of audit
- 2]prompt identification of potential problems
- 3]expeditious completion of work
- 4]proper utilization of man power
- 5]co-ordination of work

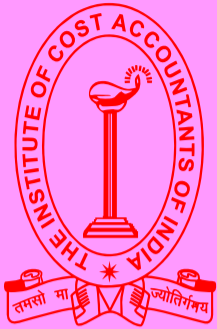




Examination TIME TABLE

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

Day & Date	Intermediate Examination Syllabus-2016 Time 2.00 p.m. to 5.00 p.m.
10th December, 2019 (Tuesday)	Financial Accounting (Paper 05) (Group - I)
11th December, 2019 (Wednesday)	Operations Management & Strategic Management (Paper 09) (Group - II)
12th December, 2019 (Thursday)	Laws & Ethics (Paper 06) (Group - I)
13th December, 2019 (Friday)	Cost & Management Accounting and Financial Management (Paper 10) (Group - II)
14th December, 2019 (Saturday)	Direct Taxation (Paper 07) (Group - I)
15th December, 2019 (Sunday)	Indirect Taxation (Paper 11) (Group - II)
16th December, 2019 (Monday)	Cost Accounting (Paper 08) (Group - I)
17th December, 2019 (Tuesday)	Company Accounts & Audit (Paper 12) (Group - II)



PRACTICAL Advice

ABOUT YOUR STUDIES - INTERMEDIATE COURSE

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

START

01

**Read Study Notes
MTPs, E-Bulletin
Work Books
Webinar seasons**

**Solve Exercises
given in Study Note**

02

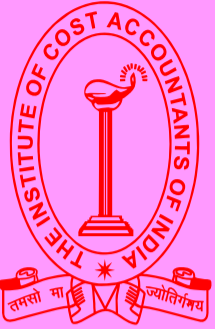
03

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 at request option.

Dear Students,

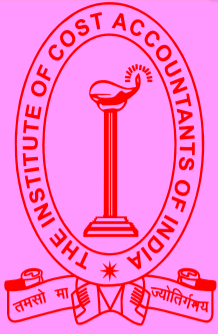
We are very much delighted to receive responses from all of you; for whom our effort is!

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:
e-mail: studies.ebulletin@icmai.in
website: <http://www.icmai.in>



Message from Directorate of Studies

Dear Students,

Greetings from the D.O.S.,

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. Before stepping in to the examination hall, please go through the PPTs on "Achieve your GOAL"; Uploaded by the Directorate of Studies and which will help you to know about certain Do's and Don'ts in the examination.

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:

"Whatever you do will be insignificant. But it is very important that you do it",

Let us observe his memory by following his 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 links mentioned below :

For Mock Test Papers (MTP) : https://icmai.in/studentswebsite/mtp2016_j19_Final.php

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

For Work Book Link : <https://icmai.in/studentswebsite/Workbook-Syl-2016-Final-March2019.php>

Live/Recorded Webinar Link : https://eicmai.in/Webinar_Portal/Students/StudentLogin.aspx

Ebulletin Link : <https://icmai.in/studentswebsite/E-Bulletin.php>

We are sure that you will be motivated after looking into the placement news of our students' appeared in the Times of India, newspaper.

GOOD LUCK & Best wishes as always.

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.



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

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Councils

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in the
Globe

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

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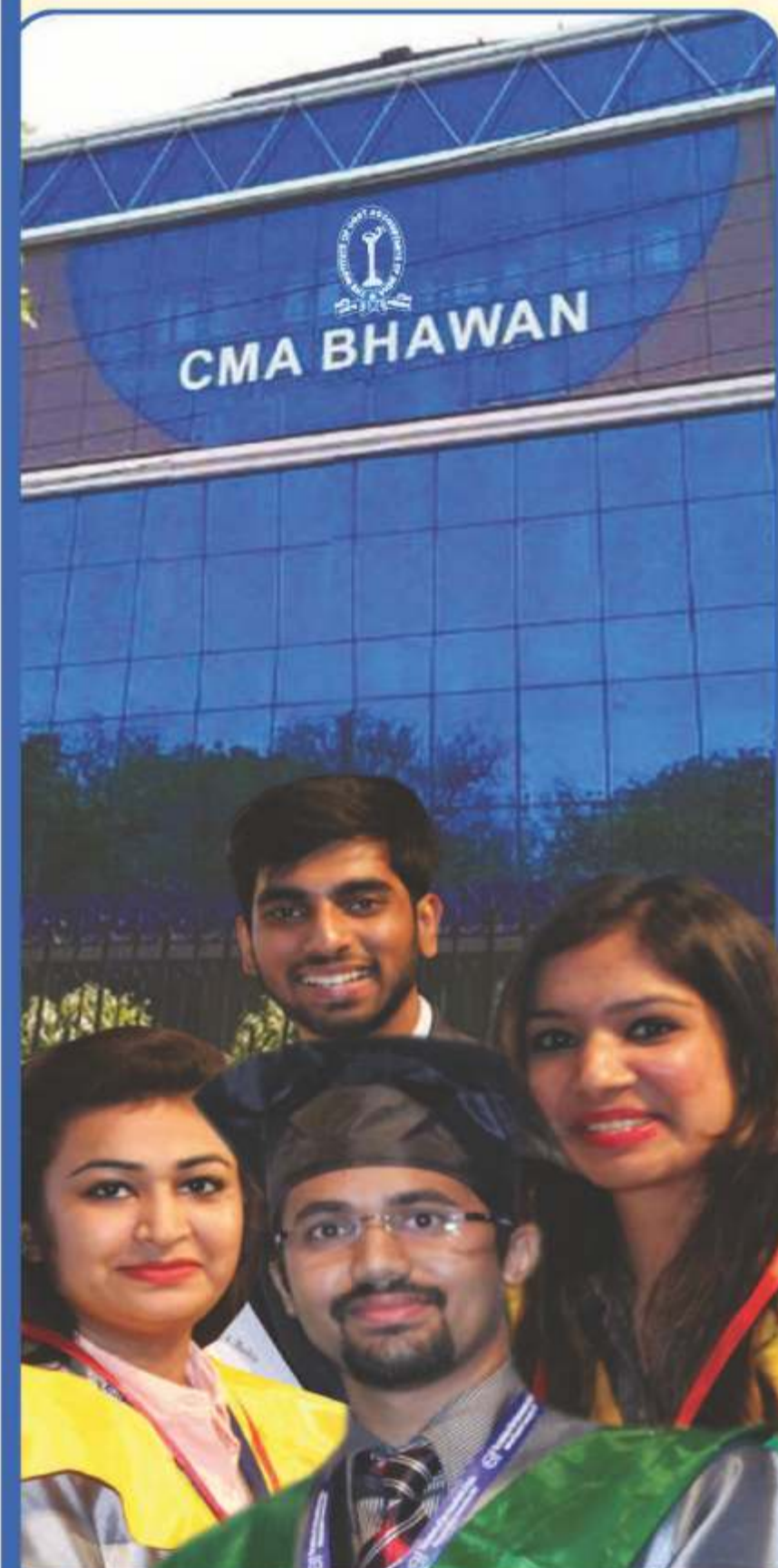
Few of Our Proud Recruiters



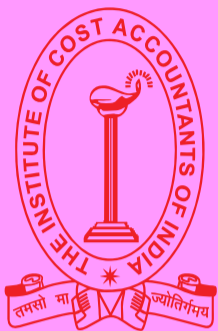
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Behind every successful business decision, there is always a **CMA**



Few Snapshots



CMA Balwinder Singh President ICAI and Shri. K Sankaranarayanan Ex-Governor of the Indian state of Maharashtra, Nagaland & Jharkhand inaugurating Thrissur Chapter events by lighting the lamp. With them are CMA H Padmanabhan Council Member ICAI, CMA Dr PVS Jaganmohan Rao President SAFA, CMA Jyothi Satish Chairperson and CMA Sankar Panicker VC ICAI SIRC and CMA T G Sugunan Chairman & MCMs Thrissur Chapter



CMA Balwinder Singh, President along with CMA Vijender Sharma, Chairman, Professional Development Committee of the Institute extending greetings to Shri Ramesh Pokhriyal, Hon'ble Union Minister of Human Resource Development on 12th September 2019.



CMA Balwinder Singh, President along with CMA Biswarup Basu, Vice President and CMA Chandra Wadhwa, Past President of the Institute extending greetings to Shri Hardeep Singh Puri, Hon'ble Union Minister of State (IC) for Ministry of Housing & Urban Affairs on 16th September 2019.



CMA Balwinder Singh, President ICAI honoring CMA N P Sukumaran, Former President ICAI (1996-97) with Institute Medallion along with CMA H Padmanabhan Council Member ICAI, CMA Jyothi Satish Chairperson and CMA Sankar Panicker VC ICAI SIRC with TCCA MCMs



TEAM ICAI SIRC participates in Swachhtha Pakhwada celebrations, October 2nd 150 th Mahatma Gandhi Anniversary celebrations. CMA H Padmanabhan Council Member ICAI, CMA Jyothi Satish Chairperson, CMA Rajesh Sai Iyer, RCM, Members and Officials of ICAI SIRC involved in the Services



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory body under an Act of Parliament)

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