CMA STUDENTS'

TOLL FREE 18003450092 / 1800110910

www.icmai.in

INTERMEDIATE







THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory body under an Act of Parliament) Headquarters: CMA Bhawan, 12, Sudder Street, Kolkata - 700 016 Phone: +91-33-2252-1031/34/35/1602/1492/1619/7373/7143 Delhi office: CMA Bhawan, 3, Institutional Area, Lodhi Road, New Delhi - 110 003 Phone: +91-11-2462-2156/2157/2158



Message from The Chairman



CMA Manas Kumar Thakur

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

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



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

(Statutory body under an Act of Parliament) CMA BHAWAN, 12, SUDDER STREET, KOLKATA-700 016, India Mobile : 79802 72019 / 98740 81422 E-mail : tmanasda@yahoo.com • Website : www.icmai.in

MESSAGE FROM THE CHAIRMAN

Dear Students,

"Education is not preparation for life; education is life itself".

What I too believe that you cannot change your destination overnight but you can change your direction overnight. Change is the end result of all true learning. A person who never made mistakes in life, never tried anything new. You cannot have a better tomorrow if you are still thinking about yesterday. What I believe that teaching is not about information. It's about having an honest intellectual relationship with our students. Being a successful student is about more than reading and writing. Its having an honest, intellectual relationship with the teacher as well as with the books / study notes. Develop a passion for learning.

'The aim of education is the knowledge; not of facts, but of values''. Knowledge is power, information is liberating. Thus, please try to grab knowledge from all available resources which are being offered from the Directorate of Studies. Learned academicians are investing their valuable timing towards your development. With the various academic publications from the Directorate of Studies like Revisionary Test Papers (RTPs), Mock Test Papers (MTPs), Work book, and E-bulletins you are getting opportunities to develop yourself. Webinar (live) has been introduced through which you may directly interact with the learned faculties and get immediate answers of the queries raised. My request to all of you is to be serious from the very beginning for availing favourable results in due course.

"Education is the passport to the future, for tomorrow belongs to those who prepare for it today".

I wish you all the very best for your bright future,

CMA Manas Kumar Thakur

Be a CMA, be a Proud Indian

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



39

40

41

42



Message from the Chairman -	i
Knowledge Update -	1
Group : I Paper 5: Financial Accounting (FAC) -	2
Group: I Paper 6: Laws & Ethics (LNE) -	7
Group: I Paper 7: Direct Taxation (DTX) -	11
Group: I Paper 8: - Cost Accounting (CAC)-	15
Group: II Paper: 9, Part - i: Operations Management & Strategic Management Operations Management (OMSM)-	19
Group: II Paper: 9, Part - ii: Operations Management & Strategic Management Strategic Management (OMSM) -	24
Group: II Paper: 10: Cost & Management Accounting and Financial Management (CMFM) -	27
Group: II Paper 11: Indirect Taxation (ITX) -	31
Group: II Paper 12: Company Accounts & Audit (CAA) -	34
Tips for improving communication skills -	37

Practical Advice -

Submissions -

Message from the Directorate of Studies -

Snapshots -







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)

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

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

SECTION: B

<u>4. PARTNERSHIP ACCOUNTS-DISSOLUTION-Piecemeal Distribution</u>

INTRODUCTION

In the last issues we discussed about the basic idea of dissolution of partnership and the cases with insolvency of partners with special reference to "Garner VS Murray" where you have seen the preparation of Realisation Account. It shows how assets are realized and liabilities are paid off. However, in reality the assets are not realized in a day. It is not an easy task to sell assets like building, plant etc in a day. The amounts are realized in installments. The amount is also distributed as and when the amount is realised which is called piecemeal distribution. Here lies a problem of priority of distribution. More clearly to say – who among the partners and creditors will get the preference to receive the money when it is realised? To solve this problem there are some techniques to follow. In this issue we will discuss the techniques of distribution of cash.

SURPLUS CAPITAL METHOD

This method is applicable when all the partners are solvent. The following steps are to be followed to calculate the surplus capital:

- 1. Adjusted capital: the balance lying in the capital accounts of the partners are adjusted with the undistributed profit or loss, drawings and reserves.
- 2. Base capital: the adjusted capital is divided by the unit of profit share and the minimum amount is called the base capital. For example if profit sharing ratio is 5:3:2 the respective capitals will be divided by 5, 3 and 2 respectively
- 3. Proportionate capital: the amount is ascertained by multiplying the base capital with unit of profit share. For example if base capital is Rs.20000 it is multiplied by 5,3 and 2 respectively
- 4. Surplus capital: it is ascertained by the difference of adjusted capital and the proportionate capital.

The process continues until we get an absolute surplus.

Example: (computation of surplus capital)

Balance of capital accounts

X:RS. 35000 Y:RS 33000 AND Z:Rs. 18000.Reserves Rs. 10000. Profit sharing ratio 5:3:2 Statement showing surplus capital

PARTICULARS		10	X	Y	Z
Capital balance	Α	1	35000	33000	18000
Add reserves (5:3:2)	В	1=	5000	3000	2000
Adjusted capital	С	3/5/	40000	36000	20000
Unit share of profit	D	1.81	5	3	2
Capital per unit of profit share	Е	~	8000	12000	10000
Base capital (being minimum)	F	8000	2		
Unit share of profit	G	and a	5	3	2
Proportionate capital (FXG)	H	A man	40000	24000	16000
Surplus capital (C-H)	Ι	A	O 0	12000	4000
Unit share of profit	J			3	2
Capital per unit of profit share	K			4000	2000
Base capital (being minimum)	L	2000			
Unit share of profit	Μ			3	2
Proportionate capital (LXM)	Ν			6000	4000
Absolute surplus capital(I-N)	0			6000	0

IMPLICATION:

The above table indicates that Y will get the first preference of settlement by Rs.6000. Thereafter, Y and Z will be settled in theratio of 3:2. Any balance left will then be open to X Y and Z in the ratio of 5:3:2.

Example: (Distribution of cash)

A B and C were partners sharing profits and losses as 2:1:1. The balance sheet as on 31.03.2018 when they dissolved their partnership was as under :

Liabilities	Rs	Assets	Rs
Capital :			
Α	60000	Sundry assets	185000
В	50000	cash	15000
С	30000		
Reserves	10000		
B's Loan	20000		
creditors	20000		
Government due	10000		
	200000		200000

Rupees 2000 was spent for packaging of materials before sale. The realization s were made on different dates as under : April Rs.15000 May Rs.20000 June Rs. 30000 July Rs. 60000 August Rs.40000

The collections were distributed as and when realized. Prepare a statement showing the distribution of cash collected.

Z

SOLUTION:

COMPUTATION OF SURPLUS CAPITAL

PARTICULARS		S	X	Y	Z
Capital balance	Α	0	60000	50000	30000
Add reserves (2:1:1)	В	1	5000	2500	2500
Adjusted capital	С	121	65000	52500	32500
Unit share of profit	D	191	2	1	1
Capital per unit of profit share	Е	-	32500	52500	32500
Base capital (being minimum)	F	32500			
Unit share of profit	G	ज्योहर्न	2	1	1
Proportionate capital (FXG)	Н	1	65000	32500	32500
Surplus capital (C-H)	I		0	20000	0
Unit share of profit	J		-	-	-
Capital per unit of profit share	K		-	-	-
Base capital (being minimum)	L		-	-	-
Unit share of profit	Μ		-	-	-
Proportionate capital (LXM)	Ν		-	-	-
Absolute surplus capital(I-N)	0		-	-	-

Statement showing distribution of cash

		Extern	al Debt		Partners Capi		Capital	
Particulars	Amount	Govt. Due	Creditors	B's Loan	Α	В	С	
Balance as on 31.03.2018	15000	10000	20000	20000	65000	52500	32500	
Less: expense for packaging	2000							
	13000							
Payment of govt. dues	10000	10000						
	3000	NIL						
Payment to creditors	3000		3000					
	NIL	TA	17000	20000	65000	52500	32500	
1 ST Realisation	15000	~	(0)					
Payment to creditors	15000		15000					
	13/		2000	20000	65000	52500	32500	
2 nd realisation	20000	3	E	1				
Payment to creditors	2000		2000	1				
Paid to B	18000	11	2	18000				
	and a second sec		0	2000	65000	52500	32500	
2 nd realisation	20000		jc					
Payment to creditors	2000		2000	'				
Paid to B	18000	4	12	18000				
	14	Concession of	19/	2000	65000	52500	32500	
3 rd realisation	30000	\searrow	-					
Paid to B	2000	*	40	2000				
Payment of surplus capital to B	20000	EN I	a verife	- March		20000		
Payment to partners(2:1:1)	8000	5 M	8	ामय	4000	2000	2000	
			9	\sim	61000	30500	30500	
4 th realisation	60000							
Paid to partners(2:1:1)	60000				30000	15000	15000	
					31000	15500	15500	
5 th realisation	40000							
Paid to partners(2:1:1)	40000				20000	10000	10000	
LOSS ON REALISATION					11000	5500	5000	

Priority of distribution At first the expenses of realization of Rs.2000 is adjusted

The govt due is settled with first priority as preferential creditor

Other creditors had been given next priority

Partners loan is next to settle

Partner having absolute surplus got the next priority

Balance is paid among the partners in the profit sharing ratio

 $Any \, balance \, left \, is \, the \, loss \, on \, realization \\$



GROUP: 1, PAPER: 6

LAWS & ETHICS (LNE)

CA Partha Ray He can be reached at: prapray@rediffmail.com

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 the students keep on reading and recapitulating all that they have read in the earlier issues. They must prepare a time-table with time allotted for each subject – to read, write and revise.

With Mission CMA in mind, the students are advised to study this paper with a practical approach, as if the points concern them and they are given to deal with it as a professional. As a CMA in the making whether you decide to get employed or be self-employed and employ people, you will have to deal with different statutes legally and establish Legal relationship for lawful consideration and perform your professional duties. Keeping that in mind, you have to study this subject seriously.

The first TIP is that you must start thinking like A Teacher. You must read the Bear Act and the Sections and start asking questions to yourself and find your own answers.

In this issue, let us deal with the Law relating to Indian Partnership Act,1932.

In respect of such papers, the students are reminded that since they are taking an exam, they must first focus on securing marks. For that, they must study the relevant Sections of the Act, write what the question wants and then attempt to elaborate by analyzing and commenting on the interpretations of the Act.

A) Indian Partnership Act,1932.

Nature of Partnership

At the very start, please have your concept clear. Ask yourself – What is a partnership? The simple answer is that – A partnership is a *relationship between persons* who have **agreed** to **share the profits** of a business **carried on by all or any of them acting for all**. Having understood that, now start splitting the definition for understanding the essential elements of a partnership, which are :-

1. There must be an agreement (expressed or implied), of

So we must understand, with the help of examples - why it is not the same .

Example 1. Mr and Mrs.X (husband and wife) both buy a house jointly. Here they *become co-owner but not necessarily partners*. We have read above that each partner is the agent of the other but the co-owner is not the agent of the other.

Example 2. Mr.A and Mr.B (brothers), inherit a house from their father. Here they become co-owners but they are not partners. Why? Because partnership arises out of agreement, here there is no agreement, but the co-ownership came from operation of law. Example 3 : Any co-owner can transfer his or her interest to a third party without consent from the other co-owner/s. In partnership, consent must be sought from the other partners.

Example 4 : We know that in partnership, there must be a business motive for sharing profits / losses, but co-ownership may exist without any business, just as we see in the case of co-ownership of a house property.

Example 5: The co-owner has no lien on the assets of the other coowner, but a partner has a lien on the partnership assets for moneys spent by him/her for the partnership.

Now, let us understand the following terms :

What is a Firm and what is a Firm-name.

When two or more persons enter into a partnership for business, they are individually called "Partners" and collectively called "a firm". When the partnership operated under a name, that name is called "Firm-name".

Unlike in the case of a Company, a Firm is not an artificial person, since it is a collective name of individuals.

Section 7 of the Partnership Act, lays down that when a partnership is not for a fixed period of time, and when there is nothing mentioned in the partnership agreement as to when the partnership will come to an end, such partnership shall be called a **Partnership-at-will**. Therefore, such partnerships can be dissolved whenever any partner chooses to do so.

- *voluntary contractual nature* between two or more persons;
- 2. The agreement must be for sharing the profits of a business and therefore there **must be a business motive**; and
- 3. The business must be **carried on by all or any of them acting for all**. In that case, *the persons carrying on the business are agents as well as principals*. Every action of a partner is binding on all the partners.

You must have noticed that sharing of losses is not mentioned in the definition. However, since incurring losses is incidental to running a business, that cannot be considered a test of partnership

Let us now remove a doubt that may come to mind. Is **Partnership and Co-ownership** the same? The answer is No.

On the other hand, Section 8 states that when partnership is formed for a particular adventure or undertaking, such a partnership is called **Particular Partnership**. Usually a particular partnership gets dissolved at the end of the venture or completion of the undertaking.

All properties, rights and interests in the property, whether originally brought into while setting up the partnership business or acquired by purchase or otherwise brought-in by the firm or for the firm , in the course of business of the firm, including Goodwill of the firm, are all considered **Property of the Partnership**. Capital in the partnership can be introduced in Cash or some partners may bring in Furniture, Equipments or other assets for the firm as their share of capital.

Rights and Liabilities of Partners

The rights of partners and the relation with one another depends on all that is stated in the agreement between the partners. Whenever, something is not stated in the partnership agreement, the rules stated in the Partnership Act shall be applied.

The following are some of the **major Rights of Partners**:

- 1. Section 12(a) states that every partner has a right to take part in the business of the firm ;
- 2. Section 12(c) states that every partner has a right to express an opinion in the business of the firm;
- 3. Section 12(d) states that every partner has a right to have access to and inspect and copy any of the books of account of the firm;
- 4. Section 13(b) states that every partner has a right to share equally in the profits earned from business of the firm ;
- 5. Section 13(c) and Sec.13(d) states that every partner is entitled to get interest on capital *out of profits only*, earned by the business of the firm . If a partner pays or gives any advance in excess of his /her amount of capital, he/she will be entitled to interest thereon on such excess at the rate of 6 percent per annum;
- 6. Section 13(c) states that every partner has a right to be indemnified (make good any loss) in respect of payments made and/or liabilities incurred by him, in the ordinary course of business and conduct of the firm or during an emergency arising in the firm ;
- 7. Section 15 states that the property of the firm shall be held and used by the partners exclusively for the purpose of business of the firm;
- 8. Section 18 and 19 states that every partner has a right to take part and act on behalf of the business of the firm ;
- 9. Sec.21 states that in the event of an emergency, the partners enjoy certain powers so as to act as the situation demands;
- 10. In case of introduction of new partners, or in case of death , retirement , insolvency or expulsion a partner or partners, or transfer of a partner's share to an outsider, the constitution of the firm may be changed and the firm stands re-constituted.
- 11. Every partner has a right to get the firm dissolved under appropriate circumstances. After dissolution of the firm, the partners shall have the right to get access to the accounts of the firm and his/her share of the surplus assets of the firm according to their profit sharing ratio.

Now let us know about the following important **Duties of Partners**:

- 1. Section 9 states that every partner has the duty to carry on the business of the firm for the greatest common advantage, with full faith and trust and render true accounts with full information of every business aspect, to any partner or his/her legal representative/s.;
- 2. Section 10 states that every partner is duty-bound to indemnify the firm for any loss that may be incidental to any fraud committed by him/her in the conduct of business of the firm;

business.

Liability for partner's separate debts :

Sec.49 of the Partnership Act provides that where there are joint debts from the firm and also separate debts due from any partner;

- a) the property of the firm shall be applied in the first instance in the payment of the debts of the firm; and
- b) if there is any surplus, then the share of each partner shall be applied in payment of his separate debts or paid to him.

The separate property of any partner shall be applied :

- a) first in the payment of his separate debts; and
- b) the surplus , if any, in the payment of the debts of the firm.

Dissolution of Firms

Dissolution of a firm takes place when there is break-up of business relationship of the partnership between all the partners. A Dissolution can be done mutually by the partners or a Court may dissolve a firm, at the suit of a partner, on any one of the following grounds:

- 1. If a partner becomes insane;
- 2. If a partner becomes permanently incapable of performing duties as a partner and any of the remaining partners files a suit;
- 3. If a partner is guilty of conduct which may affect or be prejudicial to the carrying on of the business of the partnership firm;
- 4. If a partner willfully and persistently breaches any terms of the partnership agreement or his conduct makes it practically impossible for other partners to carry on business in partnership with him;
- 5. If a partner transfers his entire interest in the firm to an outsider, any other existing partner can file a suit for dissolution of the firm;
- 6. If a situation arises, where the partnership business cannot be carried on except at a loss, where it is impossible to make profits.
- 7. For any other reason not covered above, the Court has the discretionary power to dissolve a firm , where it considers the case fit for dissolution.

We must now know - What are the consequences of the dissolution of a firm ?

The following are the consequences of the dissolution:

- The firm comes to an end.
- 2. The affairs of the firm must be wound-up according to the rules laid in the Act.
- 3. The assets of the firm must be collected and applied in payment of the debts and liabilities.
- 4. The surplus, if any, is to be distributed amongst the partners according to their Profit Sharing Ratio as per their rights.
- 5. The Deficit, if any, is to be paid by the partners according to the terms laid in the partnership agreement.
- 3. Section 12(b) states that every partner is duty bound to attend diligently to his/her duties;
- 4. Section 13(a) states that every partner is entitled to receive remuneration for participating in the conduct of business of the firm ;
- 5. Section 13(b) states that every partner has the duty to pay the losses of the firm equally;
- 6. Section 16(a) states that if a partner derives any profit for himself from any transaction of the firm, or from the use of any property of the firm , or from any business connection of the firm , or from using the firm-name , it is his duty to account for such profits and pay it to the firm ;
- 7. Section 16(b) states that if a partner carries on any competing business of the firm, it is his duty to account for and pay to the firm all the profits made by him in that

- 6. A public notice must be given of the dissolution.
- 7. Until the public notice is given, all the partners shall continue to be liable to third parties for all acts done on behalf of the firm Sec 45
- 8. Sec.47 lays that notwithstanding the dissolution, the authority of each partner to bind the firm continues, as may be necessary to wind-up the affairs of the firm, and all partners shall continue to complete the transactions begun but unfinished at the time of the dissolution.
- 9. If any partner earns any profit from any transaction connected with the firm, after its dissolution, he must share it (the profit) with the other partners and the

legal representatives of the deceased partner/s-Sec.50

- 10. Where a contract creating partnership is rescinded (reversal of a contract / termination of a contract), on the ground of fraud or misrepresentation of any of the parties to the contract, the party entitled to rescind is entitled to a) lien on the assets of the firm remaining after the debts of the firm have been paid, for any sum paid by him for the purchase of a share in the firm and for any capital contributed by him; b) to be ranked as a creditor of the firm in respect of any payments made to him towards the debts of the firm ; and c) to be indemnified (make good the loss) by the partner or partners guilty of fraud or misrepresentation against all debts of the firm [Please read Sec.52.
- 11. Sec.53 says that after a firm is dissolved, every partner or his representative may (unless there is some contract to the contrary) restrain any other partner or his representative from carrying on similar business in the firm's name. He may restrain any other partner or his representative from using any of the property of the firm for own benefit , until the affairs of the firm have been completely wound up.
- 12. Sec.54 states that partners upon dissolution or in anticipation of the dissolution of the firm, may make an agreement that some or all other partners will not carry on a similar business as that of the firm either *within a specified period* or *within specified local limits*. It may be pointed out here, that, such an agreement will not be void on the ground of restraint of trade.



GROUP: 1, PAPER: 7

DIRECT TAXATION

CA Vikash Mundhra He can be reached at: vikash@taxpointindia.com

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%

Ð

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
8oC	Individual and HUF	Investment in LIC, PPF, NSC, etc.	Maximum Rs.1,50,000
8oCCC	Individual	Deposit in LIC or other insurer's annuity plan	Maximum Rs.1,50,000
8oCCD	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 Rs. 50,000/-
80CCE	Max. deduction u/s 800 aggregate, cannot excee	C, 80CCC & 80CCD [other than employer's contributio ed Rs.1,50,000.	n and contribution u/s 80CCD(1B)], in
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 uptoRs.5,000). Further he can contribute to the Health Scheme for himself / spouse / dependent children. Further, medical expenditure incurred for a super senior citizen for which no medical insurance premium is paid is also eligible for deduction subject to overall maximum limit.	Maximum Rs.25,000 / Rs.30,000 (in case insured is a senior citizen) (Additional Rs.25,000 / Rs.30,000 for parents)
80DD	Resident individual & resident HUF	 Assessee has disable dependant relative. Assessee deposited medical certificate along with return. 	Rs.1,25,000 for severe disability.Rs.75,000 for non-severe disability
	Resident individual &	 Assessee himself or his relative is suffering from specified diseases Assessee deposited medical certificate along with return. 	Maximum [Rs.40,000 – Mediclaim received or Amount reimbursed by employer]
80DDB	resident HUF	where the patient is a senior citizen	received or Amount reimbursed by employer] In case of super senior citizen, Rs. 60,000 shall be increased to Rs.80,000/-
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 (uptoRs. 35 lakh) for acquisition of the residential house property (value uptoRs. 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: Rs. 50,000 Interest payable for the P.Y. Double deduction is not permissible.

Deduction

50% or 100% of amount donated (subject

to limit applicable, if any, on amount of

Minimum of the following-

a) Rs.2,000 p.m.

donation)

	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.	b) 25% of Adjusted GTI Rent paid – 10% of adjusted GTI
Assessee not having "Profits & gains of business or profession"	 Assessee has contributed certain amount for rural development, scientific research, etc. Rs.10,000⁺ should not be in cash. 	Amount so contributed.
Indian Company	6	Amount so contributed
All assessee other than local authority or artificial juridical person, which is wholly or partly financed by Govt.	Assessee contributed (other than by way of cash) an amount to political party or an electoral trust	Amount so contributed
Specified Assessee	Engaged in specified business and subject to other conditions	100% / 50% of profit of such business for certain years.
All assessee	Engaged in the business of developing SEZ	100% of profit of such business

Condition(s)

Assessee donated an amount (otherwise than in

He or his relative has no house at the place of

Donation in excess of Rs.2,000 should be in any

kind) to specified organisations or funds.

mode other than cash.

Assessee is paying rent.

employment of the assessee

Applicable to

All assessee

Individual

Sec.

80G

80GG

80GGA

80GGB

80GGC

80-IA

80-IAB

80-IAC	Company or LLP	 The assessee is engaged in the business which involves innovation, development, deployment or commercialisation of new products, processes or services driven by technology or intellectual property. The company / LLP is incorporated after 31-03-2016 but before 01-04-2019 Annual business turnover of the assessee does not exceed Rs. 25 crore in any of the 5 previous year beginning with the P.Y. 2016-17 The assessee holds a certificate issued by the Inter-Ministerial Board of Certification. 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). Subject to certain exception, it is not formed by the transfer to a new business of machinery or plant previously used for any purpose. 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. 	100% of profit from such business for 3 consecutive years out of 7 years beginning 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 years.

STUDENTS' E-bulletin Intermediate

VOL: 3, No.: 8. AUGUST 2018, ISSUE

14

ne profit from specified business. MT is applicable		
5% / 30% of profit of from such ertain years.		
profit of such business		
profit of such business		
profit of such business for 5		
dditional employee cost incurred ourse of such business in the s year is deductible for 3 ntyear.		
of income of such branch for 5 and fincome of such branch for next		
y fee (to the maximum of 15% of ue of the book sold; sum fee; ne brought into India in rtible foreign exchange; or 0,000		
of the following (as the case may ty fee or Lump sum fee; ne brought into Indian in rtible foreign exchange; or 0,000		
0,000		
e disability Rs.1,25,000 evere disability Rs.75,000		
oU		

GROUP: 1, PAPER: 8

COST ACCOUNTING

CMA (Dr.) Subir Kr. Datta Principal, Kshudiram Bose Central College, He can be reached at: duttasubirkumar1958@gmail.com

Your Preparation Quick Takes



Syllabus Structure

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

Learning Objectives:

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

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

Cost Accounting

During the present era the value and importance of costing need hardly be overemphasized. Although there is growing awareness about the need for cost accounting among the businessmen, there is also lack of appreciation as to how it can help them – this is due to imperfect competition and imperfect knowledge about costs vs benefits. It is hoped that with increased competition and growing realization about its need, cost accounting will increasingly find its place in the industries and its field will get considerably widened.

One of the important inputs in managerial decision-making is cost data . There is however no single concept of cost , which can cater to all management needs . Cost Accounting is that branch of accounting information system which records, measures and reports information about costs . A cost is a sacrifice of resources . The costs are reflected in accounting system by outlays of cash, promises to pay cash at a future date and the expiration of the value of an asset. The primary purpose of cost accounting is cost ascertainment and its use in decision making and performance evaluation.

Cost Accounting is a quantitative method that accumulates classifies, summarizes and interprets financial and non-financial information for three major purposes, viz. 1. ascertainment of cost of a product or service, 2. Operational planning and control, 3. Decision-making. Optimum utilization of resource is the urgent need of the day. The role of Cost Accounting in this regard plays a vital role all over the world. Hence, theory as well as solving of practical problems is very much essential for successful preparation of the subject. 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. Always try to remember that in professional examinations, emphasis is given on testing comprehension, self expression, understanding and ability to apply knowledge in divergent situation. The conquest of these examinations mainly depends on student's perseverance, seriousness of study and continuous effort.

essential for time-management.

- 8. Write down all the important terms in your own words and read them regularly.
- 9. Try to improve your speed by regular practice and revision.
- 10. Always try to answer all objective type questions, which carry 100% marks.
- 11. Finally, try to develop a habit of reading the questions well, underlining and understanding the specific requirements.

The study material of **Paper 8** includes 6 chapters. The first one is related to the basic concept of cost accounting. The second one described the Elements of cost in details. We know that the three major elements of costs are – Material, Labour and Overheads. Here, the major elements of cost are discussed elaborately with sufficient number of examples. You should read the scope and objectives of different Cost Accounting standards in details. This will help to grasp the concept of cost accounting easily. Try to solve the problems on earnings of workers under different schemes. Here Cost allocation, Cost apportionment and Cost absorption should be understood very clearly.

The next chapter is related to Cost Book-Keeping, which includes integrated accounting system also. In the Cost Books, only nominal accounts, e.g., income and expenses, losses and gains etc, and to some extent, real accounts are recorded. Costing Department is concerned with income and expenditure relating to business carried on. Here transactions are entered into the basis of double entry book- keeping principle – every debit must have a corresponding credit. It is generally the responsibility of the Cost Accountant to record the costing transactions. This chapter is very easy to understand but the process is lengthy. In practice different accounts are to be opened, but it is not necessary to give much effort to complete it. Here Cost Department maintains separate ledger quite distinct form financial accounting, maintaining their books of accounts.

Job or Batch Costing is one of the methods of Costing which is used when the job orders are under taken in the factory or workshop, and when contracts are taken out to build houses, construct roads, bridges, damps etc. Many companies manufacture goods against orders. The main purpose of job costing is to ascertain profit or loss on each job / batch undertaken. The chapter Contract /Job/ Batch Costing is very important for this type of examination. There are some standard norms for computation and recognition of profit or loss of incomplete contract. Students often face difficulty in recommending the amount of profit to be taken into account for incomplete contract. Make sure that you are familiar with various methods/formulae for different stage of completion and share of profit. Students are also advised to be through on the topic "Profit on incomplete contracts based on SSAP - 9". Various problems on 'exaltation clause' used to be set at this level of examination. Generally full credit is expected by solving the problem.

Based on my personal experience following trips may be suggested for the examinees :-

- 1. There should be a plane developed for completing the whole syllabus within the scheduled time.
- 2. Try to go through your Study Note and know the complete syllabus. Remember all chapters are interlinked.
- 3. This paper is based on mainly practical problems.
- 4. Analyze the trends of setting questions by taking at least ten terms.
- 5. Prepare yourself based on previous paper setting.
- 6. Clarity of concepts and self expression is essential for success in life.
- 7. Time schedule with specified activities is very much

The next chapter, 'Operating Costing' relates to find out operating cost per unit of output. Operating costing has derived its name from cost ascertainment by each operation. This chapter also

includes 'Transport Costing', 'Hospital Costing', 'Power House Costing', 'Hotel/ Hostel Costing' etc. Composite unit finding is important for solving the problem.

The next chapter "Marginal Costing" is not a particular method of cost ascertainment but a technique dealing with the nature and behavior of cost and there effects upon the profitability of an organization. It aims to find out cost-volume-profit relationships of a product. Some times more than one problem may be set from this chapter. The main thrust should be to follow the working and determine the desired impact on profitability. Finding the B.E.P. in Break-even Analysis is the basic part for solving problem. In this analysis you should also study the effect on profits due to various changes in Fixed Cost, variable cost , selling price and sales-mix.

In Slandered Costing, variances are analyzed in detail according to their originating causes. It provides a valuable guidance to the management in several management functions, such as in formulating policies, in determining prices, etc. The chapter relates to 'Variance Analysis' which helps the management to fix responsibility for each department and to identify the activities or areas of exceptions. Standard Costing, an accounting technique, came to be developed as a systematic method of Comparing the actual cost with the predetermined standard of cost and performance. 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 careful study and realization of the requirement in the problem can eliminate such difficulties. The main purpose of Variance analysis is to enable the management to improve the operations for effectives utilization of resources need to increase the efficiency by reducing cost.

The next chapter deals with Budget and Budgetary control . Planning and control are the important function of management. For assisting management in these two functions, the technique of Budgetary Control and Standard Costing are applied. Budget is defined as a financial and /or quantitative statement, prepared

Solution.

Books of The Transport Company

Statement showing operating cost of the bus per annum.

prior to a defined period of time, of the policy to be pursued during that period for the purpose of attaining a given objective. 'Budget and Budgetary control', which requires preparation of 'Flexible Budget', 'Functional Budgets' and 'Cash Budget' for taking necessary actions. Both theoretical and problem oriented questions 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. All functional budget are summarized into master budget consisting of a budgeted Profit and Loss account, a Balance Sheet and Cash Flow Statement. A common mistake is to incorrectly deduct closing stocks and opening stocks when preparing production and material purchase budget. For Preparing Material Purchase Budget and Production Budget there is some common mistake of incorrectly deduction of opening and closing stocks.

Now here we like to solve a problem relating to Transport Costing. Here through this problem we like to calculate the fair can be charged for each passenger for a specified distance. The problem can be solved in the following way:

Problem 7.7 The Transport Company has been given a twenty kilometer long route to ply a bus . The bus costs the company Rs. 100000. It has been insured at 3% per annum. The annual road tax amounts to Rs. 2000. Garage rent is Rs. 400 per month . Annual repair is estimated to cost Rs. 2360 and the bus is likely to last for five years.

The salary of the driver and the conductor is Rs. 600 and Rs. 200 per month respectively in addition to 10% of the takings as commission to be shared equally by them. The manager's salary is Rs. 1400 per month and stationary will cost Rs. 100 per month . Petrol and oil will cost Rs. 50 per 100 kilometers . The bus will make three round trips per day carrying on an average 40 passengers in each trip. Assuming 15% profit on taking and that the bus will ply on an average 25 days in a month. Prepare operating cost statement on a full year basis and also calculate the bus fare to be charged from each passenger per kilometer.

0 1 0		
A – Standing Charges:-	2	
Manager's salary (Rs. 1400 x 12)		= Rs. 16800.00
Driver's salary (Rs. 600 x 12)	A * AR	= Rs. 7200.00
Conductors' salary (Rs. 200 x 12)	THE A PRIME	= Rs. 2400.00
Road tax	ATTAIN BY STATUTE	= Rs. 2060.00
Insurance (3% of Rs. 100000)		= Rs. 3000.00
Garage rent (Rs. 400 x 12)		= Rs. 4800.00

Stationary (Rs. 100 x 12)	= Rs. 1200.00
Depreciation (Rs. 100000/ 5 years)	= <u>Rs. 20000.00</u>
	Rs. 57400.00
B – Maintenance Costs – Repairs	Rs. 2360.00
C- Running charges :	
Petrol and oil (36000 km x Rs. 50) /100	= <u>Rs. 18000.00</u>
Total costs (A + B + C)	Rs. 77760.00
add: 10% of takings for commission of driver and conductor	

13

15% Profit- desired on takings		
25% on total takings = $1/3$ of cost	<u>Rs.</u>	25920.00
	Rs.	103680.00
Calculation of total distance covered ($20 \text{ km} - 2 \times 3 \times 25 \times 12$) = 36000 km per annum		
Calculation of bus fare to be charged :		
Effective passengers kilometers :		
(2 x 20 km x 3 trips x 40 passengers x 25 days x 12 months)		= 1440000
Rate to be charged per Km from each passenger Rs. 103680		= Rs. 0.072



GROUP: 2, PAPER: 9, Part-i

OPERATIONS MANAGEMENT & STRATEGIC MANAGEMENT (OMSM) Operation Management

CMA Ankan K Bandyopadhyaya He can be reached at: abanerjee8533@gmail.com

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 let us discuss few numerical problems on inventory management starting from basic EOQ model.

Q1. Annual Demand 2000 units(Constant). Purchase price p.u. Rs.10 p.u. Holding Cost Rs.2.40 p.u. Ordering cost Rs.150 per order. Compute EOQ by graphical method as well as by formula.

40

-

Ans:

Order Q	Average	No. of orders	Ordering Cost	Holding Cost	Total
100	50	20	3000	120	3120
200	100	10	1500	240	1740
300	150	6.666666667	1000 52	360	1360
400	200	5	750	480	1230
500	250	4	600	600	1200
600	300	3.333333333	500 🚄	720	1220
700	350	2.857142857	428.5714286	840	1268.571
800	400	2.5	375	960	1335
900	450	2.22222222	333.3333333	1080	1413.333
1000	500	2	300	1200	1500
1200	600	1.666666667	250	1440	1690
1400	700	1.428571429	214.2857143	1680	1894.286
1600	800	1.25	187.5	1920	2107.5
1800	900	1.11111111	166.6666667	2160	2326.667
2000	1000	$\alpha \rightarrow i$	150	2400	2550

$$EOQ = \sqrt{\frac{2DO}{h}} = \sqrt{\frac{2 \times 2000 \times 150}{2.40}} = 500$$

EOQ is the ordering quantity at which total cost comprising Ordering cost and holding cost is at its minimum. More order quantities push up the holding cost but pull down the ordering cost. EOQ occurs at the point of trade-off between these two costs as depicted in the following fig:





Q2.

In Q1, say total working days in the year is 250 days and lead time (time from the date placing the order to date of receipt of order) is 15 days(Constant), then what will be reorder point?

Ans:

No of working days = 250Lead time = $15 \, \text{days}$ So with an annual demand of 2000, per day demand = $2000 \div 250 = 8$ So demand for $15 \text{ days} = 15 \times 8 = 120$ So when stock level is at 120, place for recorder.

Q3.

Refer Q1. Compute optimum interval between two consecutive orders.

Ans:

Optimum interval between two consecutive orders EOQ ÷ D 2000 can complete 1 year So 500 can complete $500 \div 2000 = 0.25$ years

```
Q4.
Refer Q1. Compute Annual total variable inventory cost.
```

Ans:

```
Annual total variable inventory cost = TC = Q \div 2 \times h + D \div Q \times O
or TC = SQRT (2DOh) or SQRT (2DOic) SQRT (2 \times 2000 \times 150 \times 2.4) 1200
```

Q5.EOQ with price break (Single)

Refer Q1. Suppose the supplier informs that if the order size is at least 800 units then a discounted price of Rs.9.80 per unit will be offered. Do you accept the offer?

Ans

EOQ with price break (Single)

in the previous problem Cost p.u is Rs. 9.80 provided 800 units are purchased at a time

at 500 : Total annual cost = $500 \div 2 \times 2.4 + 2000 \div 500 \times 150 + 2000 \times 10 = 21200$ at 800 : Total annual cost = $800 \div 2 \times 2.4 + 2000 \div 800 \times 150 + 2000 \times 9.8 = 20935$

Go for 800



Since the cost at minimum order quantity 800 and above is lower than the cost at EOQ of 500 units, we must give order at 800 units. The above shown curve shows a sizeable drop in the cost due to the price discount at a quantity of 800 units. At this level the total cost is lower than the total cost corresponding to 500 units.

Q6. EOQ with price break (Multiple), with holding cost is given in Rs per unit.

Refer Q5. The supplier now offers the following price schedule instead of a single price break:

Quantity	Price per unit
less than 300	10
300 <= Q < 600	9.9
600 <= Q < 1000	9.7
1000 <= Q < 1500	9.5
Q > = 1500	9.4

At what level do you order to minimize the cost?

Ans:

This is a problem with multiple price break but with constant holding cost given in Rs. per unit.

Considering discount given at different quantity levels the total cost at different levels is calculated and shown in the following table:

Category	Unit Cost	Order Quantity	Holding Cost	Ordering Cost	Purchase Cost	Total
1	10	100	120	3000	20000	23120
2	10	200	240	1500	20000	21740
3	9.9	300	360	1000	19800	21160
4	9.9	400	480	750	19800	21030
5	9.9	500	600	600	19800	21000
6	9.7	600	720	500	19400	20620
7	9.7	700	840	428.5714286	19400	20668.57
8	9.7	800	960	375	19400	20735
9	9.7	900	1080	333.3333333	19400	20813.33
10	9.5	1000	1200	300	19000	20500
11	9.5	1100	1320	272.7272727	19000	20592.73
12	9.5	1200	1440	250	19000	20690
13	9.5	1300	1560	230.7692308	19000	20790.77
14	9.5	1400	1680	214.2857143	19000	20894.29
15	9.4	1500	1800	200	18800	20800

(Blue at EOQ and Reds at different price breaks)

Clearly the total cost is minimum at a quantity of 1000 units and not at EOQ of 500 units. The inventory decision then is that to minimize the total cost, we should order 1000 units every time.



Q7. EOQ with price break (Multiple), with holding cost is given in (%) age.

Consider the following problem:

Annual Demand 800 Ordering Cost 180/Order Holding Cost 10% Price breaks are: Lot Size Unit Price 1-999 Rs. 22 1000 - 1499 Rs. 20 1500 - 1999 Rs. 19 2000 & above Rs. 18.5



At what level do you order to minimize the cost?

Ans:

Step 1 : Find EOQ with lowest price	18.5		Total Cost $2000 \div 2 \times 0.1 \times 18 = \pm 8000 \div 2000 \times 180 \pm 8000 \times 18$	
EOQ = SQRT (2DO ÷ ic) = 1247.700588		Not feasible	150570 Selected as minimum	
Step 2 : Find EOQ with next lowest price	19		$1500 \div 2 \times 0.1 \times 19 + 8000 \div 1500 \times 180 + 8000 \times 19$	
$EOQ = SQRT (2DO \div ic) = 1231.174023$		Note feasible	154385	
Step 3 : Find EOQ with next lowest price	20		$1200 \div 2 \times 0.1 \times 20 + 8000 \div 1200 \times 180 + 8000 \times 20$	
EOQ = SQRT(2DO/ic) = 1200		Feasible	161200	

If feasibility does not come in step 3 then we have to coninue finding EOQ at next level. At feasibility we compute total cost. Then at every price level next to this feasibility level i.e. at 1500 and 2000 level.

Q8.

Till now we have assumed that EOQ is supplied at a single lot. Means 500 units in Q1 is supplied in a single lot. But assume supply is made in lots @ 50 units/day. Then refer Q1 and compute maximum stock build up. Also compute the time required to supply the whole EQQ. Assume 250 working days in a year.

Ans:

The computation is shown in the following table:

Assuming 2000 annual demand and 250 working days, then demand rate per day $2000 \div 250 = 8$

Then EOQ = SQRT [$(2DO \div h) \{p \div (p-d)\}$]

where d = 8 and p = 50

1099.818

So EOQ $SQRT(2 \times 2000 \times 150 \div 2.4) \times (50 \div 50 - 8) = 545.5447256$

and total inventory cost $SQRT \{(2DOH)(1-d \div p)\}$

in one day stock build up is = no of units supplied - no of units consumed = 50 - 8 - 42 to supply total 545.545 units @ 50 units/day total time required 545.545 ÷ 50 = 10.9109 days So maximum stock build up = $10.91 \times 42 = 458.22$

Key formulae used in this issue are:

- 1. EOQ = $\sqrt{\frac{2DO}{h}}$ where D = annual Demand in units, O ordering Cost Rs/unit, h = holding cost in Rs/unit;
- 2. Reorder level = (Consumption per day) X (Lead time in Days)
- 3. Holding cost in %: Holding Cost (Rs) = (Cost/unit) X (% age rate)
- 4. Optimal Interval between two orders = EOQ/D
- 5. Annual Total Variable Inventory cost = Total of Ordering and Holding Cost = $\sqrt{2DOh}$ or when holding is given in % age = $\sqrt{2DOic}$
- 6. When D is given in Rs: EOQ = $\sqrt{\frac{2DO}{i}}$

7. EOQ with supply made in lots---"p" indicates rates of supply and "d" indicates consumption per day EOQ = $\sqrt{\frac{2DO}{h}} \sqrt{\frac{2}{p}}$

&Total variable inventory cost = Total of Ordering and Holding Cost = $\sqrt{2DOh}$

Suggestions:

This issue is based on basic inventory management with an objective to make foundation for further study on designing production schedule. The problems are just indicative type from which maximum benefits could be reached and applied while studying production run in the next issue. Guide book on the paper 9- Operations Management & Strategic Management along with reference books needs to be thoroughly consulted.

GROUP: 2, PAPER: 9, Part- ii

OPERATIONS MANAGEMENT & STRATEGIC MANAGEMENT (OMSM) Strategic Management

CMA (Dr.) Sumita Chakraborty Additional Director, Studies She can be reached at: studies.jd2@icmai.in

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

Strategic Implementation:

Strategy Implementation is a critical issue. Strategies remain useless unless they are effectively implemented. Strategy implementation requires a suitable organizational structure to translate the strategies into concrete action plans.

"Implementation of strategies is concerned with the design and management of

systems to achieve the best integration of people, structures, processes, and resources in reaching organisational purposes"- as described by Sreiner, Miner and Gray.

Strategic Implementation

Strategy is dependent on many variables - internal as well as external. all factors are interrelated.

The Mckinsey Company, a well known management consultancy firm in the United States, towards the end of 1970s was asked to find a solution to this issue. The researchers Peters and Waterman found after examining America's best run companies that the problem in strategy lay in its implementation and structure was only one lever in the hands of management. The other levers were systems, staff, style, skills and super ordinate goals. a strategy is usually successful when the other S's in the 7-S framework fit into or support the strategy.

- **Strategy**: a set of decisions and actions aimed at gaining a sustainable competitive advantage.
- Structure: the organisation chart and associated information that shows who reports to whom and how tasks are both divided and integrated.
- **Systems:** The flow of activities involved in the daily operation of a business, including its core processes and its support systems.
- Style: How managers collectively spend their time and attention and how they use symbolic behaviour. How management acts is more important than what management says.
- **Staff:** How companies develop employees and shape basic values.
- * Shared Values: commonly held beliefs, mindsets and assumptions that shape how an organisation behaves—its corporate culture.
- * Skills: an organisation's dominant capabilities and competencies.





Organizational Structure:

The successful implementation of strategy requires an effective organization structure. organizational structure means the framework in which the organization defines how tasks are divided, resources are deployed and departments are co-ordinated.

There are several types of organizational structure:

(1) Functional structure(2) Geographic structure



(3) Matrix structure(4) Hybrid structure

Functional structure:

The functional structure is characterized by the simultaneous combination of similar activities and the separation of dissimilar activities on the basis of function. all cost accountants are located in the cost accounting Department, and the HoD of cost accounting is responsible for all cost related activities. The same is true in marketing, research and development, and manufacturing.

Geographic structure:

Another basic form structural grouping is geographic structure, in which activities and personnel are grouped by specific geographic locations. Each geographic unit includes all functions required to produce and market products in that region. Organization according to geographic areas or territories is rather common structural form for large-scale enterprise whose strategies need to be tailored to fit the particular needs and features of different.

Matrix structure:

Another way to achieve focus on multiple outcomes is with the matrix structure. the matrix structure creates a dual chain of command; two lines of budget authority and two sources of performance and reward. The key feature of the matrix is that product (or business) and functional lines of authority are overlaid to form a matrix or grid, between the product manager and functional manager.

Hybrid Organization and supplemental Methods:

A single type of structural design is not always sufficient to meet the requirements of strategy. When this occurs, one opinion is to mix and blend the basic organizations forms, matching structure to strategy, requirement by requirement, and unit by unit, Hybrid structure is a form of departmentalization that adopts parts of both functional and divisional structures at the same level of management.





GROUP: 2, PAPER: 10

COST & MANAGEMENT ACCOUNTING AND FINANCIAL MANAGEMENT(CMFM)

Dr. Swapan Sarkar, Assistant Professor Department of Commerce, University of Calcutta He can be reached at: swapansarkar22@gmail.com

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 Section B

Chapter 10: Leverage Analysis:

- **Financial Leverage:**
- Concept of Financial Leverage:

Financial leverage occurs when firm's change in EBIT is accompanied by a more than proportional change in its Earnings per Share (i.e. EPS). Financial leverage represents a firm's capability to use fixed financial costs (i.e. interest on debt and preference dividend) to magnify the effect of change in EBIT into EPS. This is because, when a firm ensures proper utilization of its fixed financial costs, its earnings available to equity shareholders increases by the same amount as its increase in EBIT. As a result the percentage increase in EPS appears higher than the percentage increase in EBIT.

Consider the following example:

Current level of EBIT Rs. 40000 with expectation of change 25%. Rate of corporate tax 50%. Show the impact of change in EBIT on EPS if the capital structure includes (i) 2000 equity shares of Rs. 10 (ii) 1000 equity shares of Rs. 10 and 8% Debentures Rs. 10000.

Solution:

(i) Table showing change in EPS (without debt capital)

	Particulars	12	Present	Propo	sed
	0	12		(+) 25%	(-) 25%
EBIT (Rs.)	Z	1-1	40000	50000	30000
Less. Interest (Rs.)		121	Nil	Nil	Nil
EBT(Rs.)		101	40000	50000	30000
Less. Tax @ 50% (Rs.)	2	51	20000	25000	15000
EAT i.e. EAES (Rs.)		~	20000	25000	15000
No. of equity shares	a > *	60	2000	2000	2000
EPS (Rs.)	2 THE L	a mice	10	12.50	7.50
% Change in EPS	ATH " P M S	The second second	b	(+) 25%	(-) 25%

Thus when debt capital is absent in the capital structure, the % Change in EPS is exactly the same with % change in EBIT. Hence there is no financial leverage effect. (ii) Table showing change in EPS (with debt capital)

Particulars		Proposed	
		(+) 25%	(-) 25%
EBIT (Rs.)	40000	50000	30000
Less. Interest (Rs.)	800	800	800
EBT (Rs.)	39200	49200	29200

Less. Tax @ 50% (Rs.)	19600	24600	14600
EAT i.e. EAES (Rs.)	19600	24600	14600
No. of equity shares	1000	1000	1000
EPS (Rs.)	19.60	24.60	14.60
% Change in EPS		(+) 25.5	(-) 25.5%

Thus when debt capital is present in the capital structure, the % change in EPS is more than % change in EBIT. This is due to the fact that the company has increased the level of EBIT without any additional fixed financial charges. Hence there is financial leverage effect present.

Measurement of Financial Leverage:

Financial leverage is measured in terms of the Degree of Financial Leverage or DFL. It is basically a measure of sensitivity of EPS to change in EBIT.

40

Sec. 1

-

Thus, by definition, Degree of Financial Leverage or $DFL = \frac{Percentage Change in EPS}{Percentage Change in EBIT}$

However, for a given level of operation,	the above formula can be broken down to DFL =	$\frac{T}{r}$ as follows.
	EBT-	$\frac{\mathbf{p}_{\mathbf{d}}}{\mathbf{d}}$
E-1 1-t -p _d		1-t
We know that $EPS = \frac{u}{N}$		
Where, E = EBIT	14/ SATIC	
EPS = Earnings per share		
I = Interest		
t = tax rate		
P_{d} = Preference dividend		
N = Number of equity shares		
Change in EPS = $\Delta EPS = \frac{\Box EBTT T^2 t}{N}$	[since I and p _d are fixed]	1
No. (1
Now, from equation (1) we get,		
$DFL = Change in EPS / EPS \partial 100$		
Change in EBIT / EBIT × 100		
ΔEPS		
$=\frac{EPS}{AEBIT}$		
$\Delta EBIT$ 1-t /N		
$\frac{1}{1} \frac{1}{1} \frac{1}$		
$= \frac{\frac{1}{1 + 1 + 1 + 1} + \frac{1}{1 + 1 + 1}}{\frac{1}{1 + 1 + 1}}$		
	THE NASOUTH	
EBII AFRIT 1-+	ALL	197
		\mathcal{I}
$_{-}$ E-1 1-t -P _d		



Note: In the absence of P_{d} , the formula will be DFL= EBIT / EBT

Financial Leverage and Trading on Equity:

Trading on equity refers to the process of increasing the return on equity (ROE) by using higher proportion of fixed charge capital (i.e. debt capital and preference share capital) in the capital structure of any firm. In such a situation the firm experiences higher value of DFL. However, trading on equity is possible only when firm's return on asset is higher than the cost of debt capital and/or the return on shareholders' (both equity and preference) fund is higher than the cost of preference share capital. If the above conditions are not present, increasing the fixed charge capital will lead to reverse trading on equity and instead of increase, the ROE will decline, which is obviously not a desirable situation. Thus higher DFL is favourable only when it ensures higher ROE. But beyond the conditions stated above, higher DFL will lead to lower ROE.

Combined Leverage:

Concept of Combined Leverage:

Combined leverage shows the total effect of the operating and financial leverage. In other words, combined leverage shows the total risks associated with the firm. It is the product of the operating leverage and financial leverage.

Measurement of Combined Leverage:

Combined leverage is measured in terms of the Degree of Combined Leverage or DCL. It is basically a measure of sensitivity of EPS to change in Sales. Since it is a product of DOL and DFL, thus, by definition, Degree of Combined Leverage or

 $DCL = \frac{Percentage Change in EPS}{Percentage Change in Sales}$. For a given level of activity, Degree of Combined Leverage or $DCL = \frac{Contribution}{Pd}$ P_d EBT ·

Note: In the absence of P_d the formula will be

 $DCL = \frac{Contribution}{Contribution}$

EBT

• Selection of Optimal Combination of DOL and DFL:

There can be four alternative combinations of DOL and DFL as follows.

Situation	DOL	DFL	Implication
Situation 1	High	High	It is a highly risky situation. It should be avoided.
Situation 2	Low	Low	It is the situation of minimum risk. But it is associated with least potential of profitability also. So, it should be avoided.
Situation 3	High	Low	This is not the optimum situation. High operating leverage indicates that company's profit is vulnerable and any fall in demand will through the firm into the loss making zone. Low financial leverage further indicates that the firm has limited its use of debt capital.
Situation 4	Low	High	This is the optimum situation. Low operating leverage indicates higher margin of safety. This helps the firm to leverage on debt capital and try for trading on equity. As a result firm experiences higher ROE.





GROUP: 2, PAPER: 11

INDIRECT TAXATION

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

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

Indirect Taxation

The GST Bill has become one of the main points of discussion around the country thanks to its ability to completely reform the whole taxation system in India. The objective of the bill is to simplify the system for taxpayers by unifying the taxes applicable to consumers and suppliers alike. GST was implemented after the approval of four bills passed by the government, viz., Goods and Services Tax Bill, Integrated GST Bill, Compensation GST Bill, and Union Territory GST Bill.

One of the reasons for the implementation of the GST Bill, as revealed by the Finance Minister of India, Mr. ArunJaitley, is the impact it will have in keeping inflation in check. Moreover, the different kinds of taxes applicable to different commodities and services in different states will be uniform across the country depending on the category under which they fall, therefore removing ambiguity. Even individuals who are heavily taxed can find some respite under GST.

Prior to 1 July, 2017, the Centre and the State calculated and charged taxes depending upon the tax layers that were already being charged on a commodity or service, and not the original price of the commodity or service. A move like this could adversely affect the country's GDP. Through the GST Bill, not only will business operations become smoother, but it will also keep a check on tax evasion.

Through the GST Bill, the introduction of a multi-tier tax slab will see four tax slabs applicable to commodities and services in India – 5%, 12%, 18% and 28%. Although GST aimed at levying a uniform tax rate on all products and services, four different tax slabs were introduced because daily necessities could not be subject to the same rate as luxury items. As a result, the GST Bill is expected to have a good impact on the general public as products of mass consumption, such as food grains, will not be taxed. Other commodities and services that are commonly used, like soaps and toothpaste will attract 12%-18% tax, which is lower than the current rate of more than 20%. Even household products such as refrigerators and washing machines will be cheaper as the rate of tax now applicable to them is 28% as opposed to the previous rate of 30%-31%.

GST Calculator

A GST Calculator is an effective tool that can be used to calculate the cost of products and services. A GST Calculator is available on bankbazaar.com to help you determine the amount of tax applicable to a certain commodity or service. The formula for the addition of GST is as follows:

Net Price = Original Price - GST Amount

Calculation of Tax under GST

Here is a table that shows a contrast between the amount of tax applicable under the previous taxation system and the amount charged under GST (Tax rates have been assumed for the purpose of this example):

1	Details	Tax under Previous Regime	Tax under GST
	Value to Manufacturer		
	Production cost	Rs.2 lakh	Rs.2 lakh
-	+ Profit Margin (10%)	Rs.20,000	Rs.20,000
1	+ Excise Duty (12%)	Rs.26400	
	Total Production Cost	Rs.2,46,400	Rs.2,20,000
	+ Value Added Tax (12.5%)	Rs.30,800	
	+ State GST (6%)		Rs.13,200
	+ Central GST (6%)		Rs.13,200
	Manufacturer's Invoice Value	Rs.2,77,200	Rs.2,46,400
	Value to Wholesaler		
e	Cost of Products	Rs.2,77,200	Rs.2,46,400
1	+ Profit Margin (10%)	Rs.27,720	Rs.24,640
ļ	Total Value	Rs.3,04,920	Rs.2,71,040
Rea	+ Value Added Tax (12.5%)	Rs,38,115	
	+ State GST (6%)		Rs.16,262
	+ Central GST (6%)		Rs.16,262
	Wholesaler's Invoice Value	Rs.3,43,035	Rs.3,03,564
	Value to Retailer		
	Cost of Products	Rs.3,43,035	Rs.3,03,564
	+ Profit Margin (10%)	Rs.34,304	Rs.30,356

```
GSTAmount = (Original Price x GST Rate) / 100
```

Net Price = Original Price + GST Amount

For instance, if a commodity is sold from Mumbai to Bengaluru for Rs.5000, and the rate of GST is 12%, the GST amount applicable to the product will be $(5000 \times 15) / 100 = \text{Rs.750}$; and the net price will be Rs.5000 + Rs.750 = Rs.5750.

The formula for the removal of GST is as follows:

```
GST Amount = Original Price – (Original Price x (100 / (100 + GST Rate)))
```

Details	Tax under Previous Regime	Tax under GST
Total Value	Rs.3,77,339	Rs.3,33,920
+ Value Added Tax (12.5%)	Rs.47,167	
+ State GST (6%)		Rs.20,035
+ Central GST (6%)		Rs.20,035
Retailer's Invoice Value	Rs.4,24,506	Rs.3,73,990

Here is a table showing the calculation of tax for inter-state sales:

Details	Tax under Previous Regime	Tax under GST
Value to Retailer		
Cost of Commodities	Rs.2 lakh	Rs.2 lakh
+ Value Added Tax (12.5%)	Rs.25,000	
+ Integrated GST (12%)		Rs.24,000
+ Central State Tax (2%)	Rs.4,000	
Total Value to Retailer	Rs.2,29,000	Rs.2,24,000





GROUP: 2, PAPER: 12

COMPANY ACCOUNTS & AUDIT (CAA)

Dr. Malay Kr. Nayak Associate Professor, Dept. Of Commerce, M.B.B.College,Tripura He can be reached at: malay_nayak@ymail.com

Your Preparation Quick Takes



Syllabus StructureA 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.

Issue and Redemption of Preference Shares

Introduction

Let us discuss today on issue and redemption of preference shares. As the topic relates to preference shares, we can have an overview on the concept of preference shares in a very few words. Preference shares are those which enable the holder of shares in having dividend and repayment of share capital with preferential rights, i.e. before payment to ordinary shareholders, preference shareholders are to be dealt at first.

As per section 55 of The Companies Act, 2013, no company limited by shares can issue irredeemable preference shares.

A company limited by shares can issue redeemable preference shares for a period not exceeding twenty years. But the companies engaged in the infrastructure projects can issue redeemable preference shares exceeding twenty years but not exceeding thirty years.

Sources of Redemption

The redemption shall be made after stipulated time period either form the divisible profit of the company or from the proceeds of fresh shares issued for the purpose of redemption of preference shares or partly out of fresh issue and partly out of divisible profits. The redemption can be done at par or at premium.

Journal Entries 1. For issue of new shares: a) Bank A/C.....Dr. To Equity Share Application & Allotment A/C b) Equity Share Application & Allotment A/C.....Dr. To Equity Share Capital A/C To Securities Premium A/C 2. For redemption due: At par-Redeemable Preference Share Capital A/C.....Dr. To Redeemable Preference Shareholders A/C At Premium-

Redeemable Preference Share Capital A/C.... .Dr

Premium on Redemption A/CDr.

To Redeemable Preference Shareholders A/C

3. For divisible profits used for redemption

Divisible Profits A/CDr.

(General Reserve / Reserve Fund / Dividend Equalisation Fund etc.)

To Capital Redemption Reserve A/C

4. For writing off premium on redemption

Securities Premium / Capital Reserve / Divisible profits A/C.....Dr.



To Premium on Redemption A/C

5. For payment to preference shareholders

Preference Shareholders A/CDr.

To Bank A/c

Example

ABC Ltd. has 10% preference share capital of rupees 10 lakh. It has divisible profit at general reserve of rupees 4 lakh. Preference share capital is due for redemption. Write necessary journal entries if shares are redeemed at par. For redemption purpose the company has issued new capital of 7 lakh at premium of 10%.

Journal Entries

1) Bank A/C	Dr.	7,70,000	
To Equity Share A	pplication & Allotment A/C	7,70,00)0
(Being equity shares i	issued at a premium of 10%)		
2) To Equity Share Application & Allotment A/CDr.		7,70,000	
ToE	Equity Share Capital A/C	7,00,00	0
То	Securities Premium A/C	70,00	0
(Being application and all	otment money transferred to		
share capital and securiti	es premium account)		
3) General Reserve A/CDr.		3,00,000	
To Capital R	edemption Reserve A/C	3,00,0	00
(Being share capital to be red	deemed out of divisible profit and	dproceeds	
of new issue, the shortfall be	ing adjusted from general reserv	ve account)	
4) 10% Redeemable Preferen	nce Share Capital A/C	.Dr. 10,00,000	
To Redee	mable Preference Shareholders	A/C 10),00,000
(Being amount due to be p	baid to redeemable preference sh	areholders)	
5) Redeemable Preference S	hareholders A/C Di	<i>.</i> 10,00,000	
	To BankA/c	10,00,0	00
(Being the amount re	deemed to preference sharehold	lers)	





Tips for improving Communication Skills

CMA (Dr.) Sreehari Chava Cost & Management Consultant, Nagpur, Maharastra, He can be reached at: sreeharichava@yahoo.co.in

01.00Good Communication

Having good communication skills is really important in every walk of life.Good communication skills can help you overcome the basic complexities that you may face in certain tasks of life. For instance, they can help you to get a good job, perform better at the workplace, create a better impression about yourself, you can stand out in a crowd, and you can also improve your relationships with others. The right method of communication is, therefore, very important in whatever you do.

02.00 Process of Improving

The process of improving communication skills is really an ongoing affair. Here are ten tips to improve communication skills that can steer you towards a positive change in many aspects of your life.

02.01Observe the Peers

In order to improve your communications skills, you must always remember that you need to observe those people who communicate effectively. Look at and observe the people around you who make easy and effective conversations. This should give you an insight and an understanding that could open up better ways to communicate with others. A diligent observation of the peers is a perpetual practical hint towards acquiring better communication skills,

02.02 Be a Good Listener

Communication is not just about speaking effectively and in an impressive manner. No one likes to talk to a person who just goes on and on without ever listening to others. Remember, you also need to be a good listener. This is one factor that is so often overlooked by most people. It is important to be a good listener in order to understand what the other person is saying, and reply accordingly.

02.03 Think before You respond

Think twice before you speak once. When conversing with someone, remember that you need to take time to think before you react to what is being said. Impulsive reactions often bring out the wrong words, or do not convey what you actually mean. It is an excellent communication skill to take a few moments and process all the information before you respond.

02.04 Be Confident

Being confident is the key element to effective communication. Think about your



positive points before you start a conversation. This will help you overcome the initial hiccups and boost your level of confidence, especially if you are going to give a speech before a very large audience.

02.05 Draw the line with Humor

Having a sense of humor helps to make any conservation light and fun to be in! Develop your sense of humor and use it. Do note one important thing in such cases - you must not hurt the sentiments of others in any possible way, and do not try to be overly funny. As a good communicator, one should know where to draw the line with humor.

02.06 Develop a love for Reading

Be it books or news-papers, develop a love for reading. A well-read person has knowledge on a variety of topics, and does not feel left out when



discussing things with others. Reading makes you an intelligent individual with an improved vocabulary, which eventually boosts your confidence while talking to people.

02.07Avoid Preconceived Notions

Preconceived notions always create an obstacle to effective communication. Avoid thinking that what you say is always right; this may create a certain barrier beforehand in any conversation. An effective communicator makes it a point to listen to the other viewpoints before speaking himself. This provides him or her with a chance to assess the situation in a better way and prevents sticking to any preconceived notions.

02.08Be Polite

A polite manner of conversing can help you earn the respect of others and impress them as well.Rethink about the ways you are framing your sentences in order not to offend the other person. For example, at work, even if you are displeased, sometimes an effective manner of communicating can help you yield better results, rather than talking offensively.

02.09Sport the right kind of Body Language

Sporting the right kind of body language is another important key factor in improving communication skills. Maintain eye contact as you speak; sit and stand in an erect position, and have a firm handshake; do not give wrong signals by crossing your arms and legs; avoid fidgeting excessively. Always remember that your gestures say a lot about your personality as an individual.

02.10Connect with the Participants

It is extremely necessary to connect with the participantsby keeping the conversation interesting and interactive. Remember, having good communication skills is not only about talking all the time, it is also about how you get others interested enough to participate in the conversation with you. It is better that you speak up and put your point across so as to connect with the participants and enable them to respond.

03.00 Learning Wrap

Not everyone is equally endowed with the ability to effectively express and this is where the significance of communication skills can be truly fathomed. Effective communication skills help one to connect with others, and to build successful relationships that would create a feeling of harmony, and also increase productivity at work.





ABOUT YOUR STUDIES - INTERMEDIATE COURSE

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









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.

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

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





Message from Directorate of Studies

Dear Students,

We have stepped into 2018 and with new enthusiasm for the future to come, it is also a time to reflect on the year gone by and the beautiful moments shared with all. Express your gratitude and spare your thoughts for all who have supported you and remember to make a new year resolution to do much better in every sphere of your life.

'Learn from yesterday, Live for today, Hope for tomorrow'

For the smooth and flawless preparation. Directorate of Studies have provided meaningful tips which will help you to gain sufficient knowledge about each subject. "Tips" are given in this E-bulletin by the knowledge experts for the smooth encouragement in you preparation. We are sure that all students will definitely be benefitted by those tips and that will help them to brush up their knowledge and also to swim across.

Take the course seriously from the very beginning but don't be panicky. Please try to follow the general guidelines, mentioned below; which may help you in your preparation.

Essentials for Preparation:

- Conceptual understanding & Overall understanding of the subject both 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 required.
- Write question numbers correctly and prominently.
- Proper time management is also important while answering.

Please refer the links mentioned below :

For Mock Test Papers (MTP) : http://icmai.in/studentswebsite/mtp2016_j18_fnd.php

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

Wishing you all BEST OF LUCK in your forthcoming Examination.

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.



<section-header>

CMA Amit Anand Apte has been elected as the President of the Institute for the year 2018-19.



Independence Day Celebration 2018



CMA Balwinder Singh has been elected as Vice President of The Institute of Cost Accountants of India for the period 2018-2019.





CMA Amit A. Apte, President of the Institute extending greetings to Shri P. P. Chaudhary, Hon'ble Union Minister of State for Law & Justice and Corporate Affairs.









THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory body under an Act of Parliament) Headquarters: CMA Bhawan, 12, Sudder Street, Kolkata - 700 016 Phone: +91-33-2252-1031/34/35/1602/1492/1619/7373/7143 Delhi office: CMA Bhawan, 3, Institutional Area, Lodhi Road, New Delhi - 110 003 Phone: +91-11-2462-2156/2157/2158