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150 YEARS OF CELEBRATING THE MAHATMA

CMA Student E - Bulletin

INTERMEDIATE

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Behind every successful business decision, there is always a CMA

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150 YEARS OF CELEBRATING THE MAHATMA

CONTENTS

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KNOWLEDGE
Update

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

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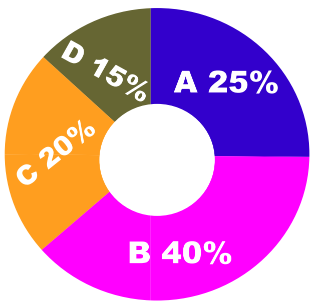
GROUP: I, PAPER: 5

FINANCIAL ACCOUNTING (FAC)

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.

FINANCIAL ACCOUNTING

There is no glory in practice, but without practice, there is no glory.

In all past issues we have provided lots of practice materials on various topics of your syllabus. However, the two areas of the syllabus viz. Royalty and Computerised Accounting System remained untouched in past issues. Here are some practice materials on those topics for you.

1. **What are the features of a computerized accounting system.**
   1. It facilitates off-line input and storage of accounting data
   2. This system never fails
   3. It generates a print-out of purchase and sale invoices
   4. None of the above

2. **What is not an advantages of a computerized accounting system.**
   1. High Speed
   2. High Reliability
   3. Reduced training cost
   4. None of the above

3. **What are the types of a computerized accounting system.**
   1. Ready to use Software
   2. Customized Software
   3. Tailor-made Software
   4. All of the above

4. **What is the advantages of tailor-made software.**
   1. These are ready made softwares
   2. Low cost
   3. High secrecy of data
   4. None of the above

5. **What are the factors to be considered while source accounting software?**
   1. Flexibility
   2. Adaptability
   3. Interest of management
   4. Both a & B
   5. All of the above

6. **Ram want to install a computerised accounting system but his budget is low. Which software he should opt for**
   1. Ready to use Software
   2. Customized Software
   3. Tailor-made Software
   4. He can buy any of above, all cost same

7. **If an organisation want to develop a computerised accounting system according to its need as the business of organisation is complex. Which software it should opt for**
   1. Ready to use Software
   2. Customized Software
   3. Tailor-made Software
   4. Any of above

8. **What are the features of computerized accounting software?**

1. storage of accounting data and on-line input
2. instantly produces different reports
3. group different account
4. All of the above

9. **The ……….of a vendor is also an important factor to consider while opting for a computerized accounting software**
   1. Level of profit
   2. Honesty
   3. Capability
   4. None of the above

10. **A software must be easy to…….**
    1. Install
    2. Adapt
    3. Understand
    4. All of the above

11. **Royalty account is a :**
    1. Real account
    2. Nominal account
    3. Personal account
    4. None of these

12. **Shortworking is :**
    1. Excess of minimum rent over actual royalties
    2. Excess of actual royalties over minimum rent
    3. Excess of standard output over actual output
    4. Excess of actual output over standard output

13. **Surplus is:**
    1. Excess of minimum rent over actual royalties
    2. Excess of actual royalties over minimum rent
    3. Excess of standard output over actual output
    4. Excess of actual output over standard output

14. **When the lessor receives payment, he credits:**
    1. Lessee account
    2. Royalty account
    3. Dead rent account
    4. None of these

15. Royalty earned by the lessee is credited to:
    1. Profit and loss account
    2. Capital account
    3. General reserve account
    4. None of the above

Answer Key

1. (3) 2. (3) 3. (4) 4. (3) 5. (4) 6. (1) 7. (3) 8. (4) 9. (3) 10. (4)
11. (2) 12. (1) 13 (2) 14 (1) 15 (1)

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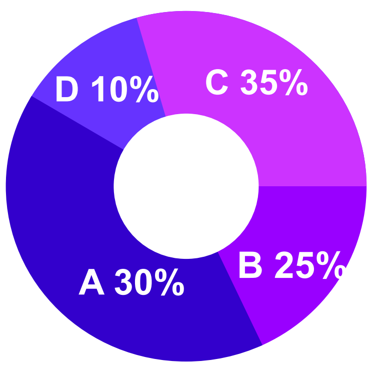
GROUP: I, PAPER: 6

LAWS & ETHICS (LNE)

Your Preparation Quick Takes



Syllabus Structure

A Commercial Laws **30%**
B Industrial Laws **25%**
C Corporate Laws **35%**
D Ethics **10%**

Learning Objectives:

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

- Read the Act carefully and try to know the meaning of the contents in it,
- All the Acts are having practical implications in the real life world and it will help you to solve the problems in your real life situations once you join in the industry and / or practicing field,
- Answers should be specific and to the point,
- Please don't try to elaborate your answers adding irrelevant terms and items ; it may 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.

LAWS & ETHICS

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

In this issue we shall continue to deal with Corporate Laws – Companies Act,2013 - **Acceptance of Deposits by Companies – Continued from where we left in the previous issue.**

Acceptance of deposits from public by certain companies
Sec. 76 Notified Date of Section is 1st April,2014

76. (1) Notwithstanding anything contained in Section **73,** a public company, having such net worth or turnover as may be prescribed, may accept deposits from persons other than its members subject to compliance with the requirements provided in Section 73(2) and subject to such rules as the Central Government may, in consultation with the Reserve Bank of India, prescribe:

Provided that such a company shall be required to obtain the rating *(including its networth , liquidity and ability to pay its deposits on due date)* from a recognized credit rating agency for informing the public the rating given to the company at the time of invitation of deposits from the public which ensures adequate safety and *the rating shall be obtained for every year during the tenure of deposits:*

Provided further that every company accepting secured deposits from the public *shall within thirty days of such acceptance, create a charge on its assets* of an amount not less than the amount of deposits accepted in favour of the deposit holders in accordance with such rules as may be prescribed.

(2) The provisions of this Chapter shall, ***mutatis mutandis*- meaning making alterations without affecting the main point under reference,** apply to the acceptance of deposits from public under this section.

Repayment of deposits

Sec.73(3) provides that every deposit accepted by a company under Section 73(2) **shall be repaid with interest** in accordance with the terms and conditions of the agreement.

Punishment
Sec.74(3) provides that if a company fails to repay the deposit or part thereof or any interest thereon within the time specified in Section 74(*1*) or such further time as may be allowed by the Tribunal under Section 74(*2*), the company shall, in addition to the payment of the amount of deposit or part thereof and the interest due, be punishable with fine which shall not be less than one crore rupees but which may extend to ten crore rupees and every officer of the company who is in default shall be punishable with imprisonment which may extend to seven years or with fine which shall not be less than twenty-five lakh rupees but which may extend to two crore rupees, or with both.

Damages for fraud Sec.75
(*1*) Where a company fails to repay the deposit or part thereof or any interest

thereon referred to in section 74(1) within the time specified or such further time as may be allowed by the Tribunal under Section 74(*2*) ,and it is proved that the deposits had been accepted with intent to :

i. Defraud the depositors or
ii. for any fraudulent purpose,

every officer of the company who was responsible for the acceptance of such deposit shall, without prejudice to the provisions contained in Sec 74(*3*) and liability under section 447, be personally responsible, without any limitation of liability, for all or any of the losses or damages that may have been incurred by the depositors.

(*2*) Any suit, proceedings or other action may be taken by any person, group of persons or any association of persons who had incurred any loss as a result of the failure of the company to repay the deposits or part thereof or any interest thereon.

Punishment for contravention of Section 73 or Section 76
Sec.76A of the Companies Act,2013 provides for punishment for contravention of Sec.73 or Sec.76, read with the Companies (Acceptance of Deposit) Rules,2014.

The company shall, in addition to the payment of the amount of deposit or part thereof and the interest due, be punishable with fine which shall not be less than one crore rupees but which may extend to ten crore rupees and every officer of the company who is in default shall be punishable with imprisonment which may extend to seven years or with fine which shall not be less than twenty-five lakh rupees but which may extend to two crore rupees, or with both.

Global Depository Receipt
Let us understand what is a **Depositary Receipt** (DR) first. A DR is a negotiable certificate issued by a bank representing shares in a foreign company traded on a local stock exchange. The **depositary receipt** gives investors the opportunity to hold shares in the equity of foreign countries and gives them an alternative to trading on an international market.

Section 41 A company may, after passing a special resolution in its

general meeting, issue
depository receipts in any foreign country in such manner, and subject to such conditions,as may be prescribed.

Scheme – Rule 2(c) Companies (Issue of Global Depository Receipts) Rules, 2014
"Scheme" means the Depository Receipts Scheme, 2014 or any modification or re-enactment thereof;

Eligibility to issue depository receipts. –

Rule 3 Companies (Issue of Global Depository Receipts) Rules, 2014 provides that a company may issue depository receipts provided it is eligible to do so in terms of the Scheme and relevant provisions of the Foreign Exchange Management Rules and Regulations.

Rule 4 Companies (Issue of Global Depository Receipts) Rules, 2014 provides the following Conditions for issue of depository receipts.–

(1) The Board of Directors of the company intending to issue depository receipts shall pass a resolution authorising the company to do so.

(2) The company shall take prior approval of its shareholders by a special resolution to be passed at a general meeting:

Provided that a special resolution passed under section 62 for issue of shares underlying the depository receipts, shall be deemed to be a special resolution for the purpose of section 41 as well.

(3) The depository receipts shall be issued by an overseas depository bank appointed by the company and the underlying shares shall be kept in the custody of a domestic custodian bank.

(4) The company shall ensure that all the applicable provisions of the Scheme and the rules or regulations or guidelines issued by the Reserve Bank of India are complied with before and after the issue of depository receipts.

(5) The company shall appoint :

- a merchant banker or
- a practising chartered accountant or
- a practising cost accountant or
- a practising company secretary

to oversee all the compliances relating to issue of depository receipts and the compliance report taken from such professionals (viz. merchant banker or practising chartered accountant or practising cost accountant or practising company secretary, as the case may be,) shall be placed at the meeting of the Board of Directors of the company or of the committee of the Board of directors authorised by the Board in this regard to be held immediately after closure of all formalities of the issue of depository receipts:

Provided that the committee of the Board of directors referred to above shall have at least one independent director in case the company is required to have independent directors.

Issue of depository – Rule 5 Manner and form of depository receipts. –

(1) The depository receipts can be issued by way of public offering or private placement or in any other manner prevalent in the concerned jurisdiction and may be listed or traded on the listing or trading platform in the concerned jurisdiction.(*Please refer Amendment Rules,2020 dated 13/02/2020)*

(2) The depository receipts may be issued against issue of new shares or may be sponsored against shares held by shareholders of the company in accordance with such conditions as the Central Government or Reserve Bank of India may prescribe or specify from time to time.

(3) (3) The underlying shares shall be allotted in the name of the overseas depository bank and against such shares, the depository receipts shall be issued by the overseas depository bank .(*Please refer Amendment Rules 2020 dated 13/02/2020)*

Voting Right means the right of a member of a Company to vote in any meeting of the company or by means of Postal Ballot.– **Rule 6 provides that :**

(1) A holder of depository receipts may become a member of the company and shall be entitled to vote as such only on conversion of the depository receipts into underlying shares after following the procedure provided in the Scheme and the provisions of this Act.

(2) Until the conversion of depository receipts, the overseas depository shall be entitled to vote on behalf of the holders of depository receipts in accordance with the provisions of the agreement entered into between the depository, holders of depository receipts and the company in this regard.

Proceeds of the Issue – Rule 7 –

The proceeds of issues of depository receipts shall either be remitted to a bank account in India or deposited in an Indian bank operating abroad or any foreign bank (which is a Scheduled Bank under the Reserve Bank of India Act, 1934) having operations in India with an agreement that the foreign bank having operations in India shall take responsibility for furnishing all the information which may be required and in the event of a sponsored issue of Depository Receipts, the proceeds of the sale shall be credited to the respective bank account of the shareholders.

Provided that proceeds of issue of depository receipts may be remitted in an International Financial Services Centre Banking Unit (IBU) and utilised in accordance with the instructions issued by the Reserve Bank of India from time to time.[**inserted vide Companies (Issue of Global Depository Receipts) Amendment Rules,2020 dated 13/02/2020).**

Depository receipts prior to commencement of this Act. – Rule 8 provides :

(1) A company which has issued depository receipts prior to commencement of these rules shall comply with the requirements under these rules within six months of such commencement.

(2) Any issue of depository receipts after six months of commencement of these rules shall be in accordance with the requirements of these rules.

Non applicability of certain provisions – Rule 9

(1) The provisions of the Act and any rules issued thereunder insofar as they relate to public issue of shares or debentures shall not apply to issue of depository receipts [**vide Companies (Issue of Global Depository Receipts) Amendment Rules, 2020 dated 13/02/2020).**

(2) The offer document, by whatever name called and if prepared for the issue of depository receipts, shall not be treated as a prospectus or an offer document within the meaning of this Act and all the provisions as applicable to a prospectus or an offer document shall not apply to a depository receipts offer document.

(3) Notwithstanding anything contained under section 88 of the Act, until the redemption of depository receipts, the name of the overseas depository bank shall be entered in the Register of Members of the company.

Charges – Under Sec.2(16) of the Companies Act, 2013

"Charge" means an interest or lien created on the **Property or Assets of a company** or any of its undertakings or both as security and includes a mortgage;

Let us be clear about the TYPES OF CHARGES which are of two types :

1. Fixed Charge:

Is a charge which is clearly a **Specific and clear Asset - Property** held at the time of creation of charge. The company cannot transfer such charge, **unless the charge holder (creditor) is paid off his dues.**

2. Floating Charge:

a. It covers the Assets & Properties of a company like sundry debtors, stock in trade etc. which are floating and circulating in nature ,

b. The nature of these property charged may change from time to time.

c. The floating charge crystallizes into fixed charge if the Company crystallizes or the undertaking ceases to be a going concern.

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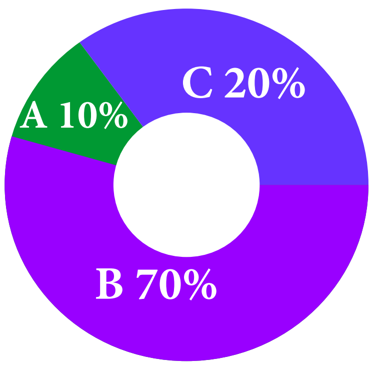
GROUP: I, PAPER: 7

DIRECT TAXATION (DTX)

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 Tax Management, 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.

SET OFF AND CARRY FORWARD

For computation of Gross Total Income (GTI), income from various sources is computed under the five heads of income. If all the sources and heads are having positive income (i.e. profit) then the same can simply be added to compute GTI. However, if certain source(s) or certain head(s) have negative income (i.e. loss) then such loss needs to be adjusted with income of another source(s) or head(s). Set off means adjustment of loss from one source or one head against income from another source or another head.

If a negative income is not fully set off in the current year, then the unabsorbed loss shall be carried forward to subsequent years subject to certain restrictions and conditions [e.g. Income from other sources (other than losses from activity of owning and maintaining horse races) cannot be carried forward.]

Set off of Loss

Head or Source of Income	Intra Head Adjustment u/s 70	Inter Head Adjustment u/s 71	Carry Forward
Income from House Property	With any income under the same head	With any income under other head subject to cap of ₹ 2,00,000/-	Yes
Profit & Gains of Business or Profession (Speculative)	With Speculative income only	No Adjustment	Yes
Profit & Gains of Business or Profession (Non-Speculative)	Any income under the head	With any income under other head except salary	Yes
Unabsorbed Depreciation	Any income under the head	With any income under other head except salary	Yes
Unabsorbed expenditure u/s 35AD	Specified business	No Adjustment	Yes
Long Term Capital Loss	With Long Term Capital Gain	No Adjustment	Yes
Short Term Capital Loss	Any Capital Gain	No Adjustment	Yes
Owning and Maintaining Race Horse	Income from such activity	No Adjustment	Yes
Other loss under the head Income from Other Sources	With any income under the same head	With any income under other head	No

Taxpoint

- No loss can be set off against winning from lotteries, crossword puzzles, races, card games, gambling or betting, etc. [Sec. 58(4) & 115BB]
- Wherever reference is given for unabsorbed depreciation, it includes reference to unabsorbed capital expenditure on scientific research and unabsorbed capital expenditure on promotion of family planning among employees

Example 1: Computation of Income under the head "Capital gains" of Mr. X for the A.Y. 2021-22

Particulars	Case A	Case B
Short term capital gain	80,000	(90,000)
Long term capital gain	(40,000)	1,00,000
Income under the head "Capital gains"	**80,000**	**10,000**

Example 2: Computation of "Profits & gains of business or profession" of X for the A.Y. 2021-22.

Particulars	Case A	Case B
Speculation business	80,000	(90,000)
Non speculation business	(40,000)	1,00,000
Profits & gains of business or profession	**40,000**	**1,00,000**

Example 3: Computation of "Income from other sources" of Mr. X for the A.Y. 2021-22

Particulars	Case A	Case B
Activity of owning and maintaining race-horses	80,000	(90,000)
Rent from land	(20,000)	1,30,000
Income from other sources	**60,000**	**1,30,000**

Example 4: Computation of "Income from other sources" of Mr. X for the A.Y. 2021-22

Particulars	Case A	Case B
Activity of owning and maintaining race-horses	10,000	(90,000)
Lottery income	20,000	1,30,000
Losses on letting out furniture not related to business	(40,000)	(50,000)
Income from other sources	**20,000**	**1,30,000**

Carry Forward of Loss

In case where the income of an assessment year is insufficient to set off the losses of the year then such losses (which could not be set off) can be carried forward to subsequent assessment year(s) for set off against income of such subsequent year(s). However, all losses cannot be carried forward, e.g. losses under the head 'Income from other sources' (other than loss from 'Activity of owning and maintaining race-horses') cannot be carried forward. Following rules is applicable for carry forward and set off of loss in subsequent assessment years:

Sec.	Type of loss to be carried forward & set off	Income against which carried forward loss can be set off in next year(s)	For how many years loss can be carried forward	Is it necessary to submit return of loss in time
71B	House property loss	Income under the head "Income from house property"	8 years	No
72	Non-speculation business loss (other than depreciation etc.)	Any income under the head 'Profits & gains of business or profession' (whether from speculation or otherwise)	8 years	Yes
32(2)	Unabsorbed depreciation, capital expenditure on scientific research and family planning	Any income other than Income under the head Salaries and winning from lotteries, etc.	Indefinite years	No
73	Speculation business loss	Income from speculation transaction.	4 years	Yes
73A	Loss of specified business covered u/s 35AD	Income from any specified business.	Indefinite years	Yes

74	Short term Capital Loss	Income under the head "Capital gains"	8 years	Yes
74	Long term Capital Loss	Long term capital gain	8 years	Yes
74A	Loss from activity of owing and maintaining race horses	Income from the activity of owing and maintaining race horses	4 years	Yes

MULTIPLE CHOICE QUESTIONS

Choose the correct alternative

1. **Unabsorbed business losses cannot be carried for more than**
   a. 7 assessment years
   b. **8 assessment years**
   c. 10 assessment years
   d. 12 assessment years

2. **Long term capital loss can be adjusted against**
   a. Any income excluding winning from lottery
   b. Any capital gains
   c. **Any long term capital gain**
   d. Any speculative business income

3. **Loss from Derivative trading is**
   a. Short-term Capital Loss
   b. Speculative business loss
   c. **Non-speculative business loss**
   d. Loss u/h 'Income from Other Sources'

4. **Loss from specified business covered u/s 35AD can be adjusted against**
   a. Any other business income
   b. Any income other then salary
   c. **Income from other specified business**
   d. Cannot be adjusted

5. **Unabsorbed depreciation can be carried forward for**
   a. **Any number of years**
   b. 8 years
   c. 4 years
   d. 7 years

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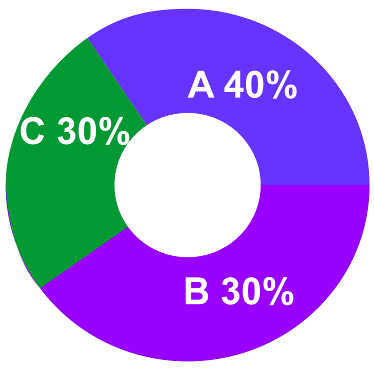
GROUP: I, PAPER: 8

COST ACCOUNTING (CAC)

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

Decision making is focused towards specific goals and without data about these goals decision will lack purpose and effectiveness. A good management decision should be both effective and efficient . An effective decision accomplishes the goals that management seeks. An efficient decision consumes minimum amount of resources to achieve the desired goal. Cost accountancy is a subject that provides knowledge to take effective and efficient decision for cost control, ascertainment of profitability and internal and external reporting . In the present era of cut throat competition , the need to study this subject is growing very cost. Hence, before any detailed discussion, it is necessary to give an overview of cost accounting and cost concepts.

The value and importance of Cost Accounting need hardly the over emphasized. So optimum utilization of resources is very much essential to meet need of the day. In this context Cost Accountant can play vital role. Hence, theory as well as solving the practical problems are very much essential for securing good marks in the exam. You please go through the theoretical part for easy understanding the topic and then try to solve the problems that are in exercise. Start from Chapter one and try to complete the other chapters serially as this will enable you to understand better the succeeding chapters. 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. Success of these examinations considerably depends on style of preparation which should have perseverance, regularity of efforts, detailed practice, vision and objectivity.

I have suggested the following suggestion based on my long time teaching experiences.

1. Students are suggested to develop a plan for completing the syllabus within specified time.
2. You should go through your Study Note and know the syllabus properly.
3. Analyze the trends of setting questions.
4. This paper is based on mainly solving the practical problems.
5. For successful result clarity of concepts and self expression is essential.
6. Try to improve your speed by practice and revision for able to attempt all questions in limited time.
7. Always try to answer all objective type questions as practices, which carries 100% marks.
8. Finally, try to develop a habit of reading the questions well, underlining and understanding the specific requirements.

Here the entire syllabus is divided into **six main chapters**. In first chapter the basic **Concept of Cost Accounting** are discussed, beside its other two branches viz, financial accounting and management accounting. The second chapter described the Elements of cost in details. You should read the scope and objectives of different Cost Accounting Standards in details. It will help to understand the scope and grasp the concept of cost accounting easily. The main objects of Cost accounting are to provide necessary information relating to the business to the management for planning and control. Cost Accounting may be explained as 'Accounting for costs classification and analysis of expenditure as will enable the total cost of any particular unit of production to be ascertained with reasonable degree of accuracy and at the same time to disclose exactly how such total cost is constituted' . The chapter includes scope , objectives and significance of cost , its relation with financial accounting , Elements of Cost - Materials, Labour and Other Direct Costs etc. This also includes – cost collection, classification and apportionment and allocation of overheads and its reporting to the Management. Employees Cost represents the related cost of converting raw materials into finished products. This also represents an important item of total cost. Controlling of labour / employees cost is most important function of administrative management.

Almost in every examination one or more questions have been set from this chapter. In respect of material, the students may feel difficulty in the areas like treatment of Return and Shortage of stores, determination of impact on profit of different valuation methods, pricing issues etc. A thorough treatment of subject – 'Material' will help the students to improve their confidence level and proficiency in dealing with different situations. In the context of group bonus schemes sometime the students feel difficulty to find out the clue to solve the problem. In this situation lead should be given in the language of the question.

The next chapter is **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.

The chapter **Contract Costing** is important for this type of examination. Students often experience difficulty in recommending the amount of profit to be taken into account during a period for long-term contract. There are some standard norms for completion and recognition of profit/ Loss of incomplete contract. Make sure that you are familiar with various methods/formulas for different stage of completion and share of profit. Students are also advised to go through the topic "Profit on incomplete contracts based on SSAP-9".Various Problems on escalation clause are also very important for this paper.

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. The finding out the 'Composite Unit' is very important for finding the solution of these type problems.

The chapter **Marginal Costing** aims to find out cost-volume-profit relationships. And it is very important from the students' perspective. It aims to find out Cost-volume-profit relationships. Some times more than one problem may be expected from this chapter. The main objective should be to understand the wordings of the problem and to determine the desired impact on profitability. Break-even Analysis and finding the B.E.P. is the basis part for solving problem. You should also study the effect on profits due to various changes in Fixed Cost/ Variable Cost/ Selling Price / Sales Mix and the effect of the above on Brake-Even-Point as well as Margin of Safety.

The chapter **'Variance Analysis'** is an analysis which relates to creating responsibilities and identifying the activities or areas of exceptions. The main purpose of variance analysis is to enable the management to improve the operation for effective utilization of resources and to increase the efficiency by reducing costs. Some 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 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 predetermined plane of action in details. Budgetary control requires preparation of **'Flexible Budget'**, Functional Budget, 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 budgets are summarized into master budget consisting of a Budgeted Profit and Loss Account, a Balance Sheet and Cash Flow Statement.

Budget is designed to assist management in carrying out its functions by allocating responsibility and authority to aid in making plans and estimates for the future. A flexible budget has been defined as a budget which is designed to change in accordance with the activities attained. Practically it is a series of fixed budgets for different levels of activities. The solution of following problem will clear this.

A **functional budget** is a budget of income and expenditure relates to any of the functions of an enterprise . There are various types of functional budgets depending on the size and policy of the organization. The functions are like production, sales, administration, research and development etc. Here we are discussing a problem relating to functional budget.

Problem :

The following information relating to the third and last quarter of 2019-2020 are furnished by a company which manufactures and sells a single product :

	Third quarter (Actual)	Last quarter (Estimate)
Sales	Rs. 6,24,000	Rs. 6,60,000

Inventory of raw materials and finished goods :

	Opening balance	Closing balance	Closing balance
Raw material " A" (Kg)	25,000	23,500	25,000
Raw material " B" (Kg)	12,650	13,400	15,000
Finished goods (units)	670	700	1,000

Unit cost data :

Raw material " A"	10 Kg. @ Rs. 3	= Rs. 30
Raw material " B"	5 Kg. @ Rs. 2	= Rs. 10
Direct Labour (machine time 5 Hrs. @ Rs. 4)	Machine Shop	= Rs. 20
Assembly 2 hrs. @ Rs. 5 (labour time)		= Rs. 10

Production Overheads :
Machine Shop @ 12 per machine hour .
Assemble @ Rs. 10 per labour hour.
Selling and Administration OH : 20% of production cost.
Profit margin : 10% on selling price .
Production and sales occur evenly during the budget period.

You are required to prepare for the last quarter of the year :

(a) Statement of Cost of production and Selling price per unit.
(b) Production budget (in units)
(c) Purchase budget (quantity and value)
(d) Production cost budget.

Solution

(a) Cost of Production and Selling Price Unit

Particulars	Rs.	Rs.
Direct material "A" = 10Kgs @ Rs. 3 "B" = 5Kgs @ Rs. 2	30.00 10.00	40.00
Direct Labour Machine shop = 5 hours @ Rs. 4 Assembly = 2 hours @ Rs. 5	20.00 10.00	30.00
Production overheads : Machine shop = 5 hours @ Rs.12 Assembly = 2 hours @ Rs. 10	60.00 20.00	80.00
Production cost		150.00
Selling and administration overheads @ 20%		30.00
Cost of sales		80.00
Profit Margin 10% on S.P. (or 10/90 on cost)		20.00
Selling Price		200.00

(b) **Production Budget for last quarter of 2019-2020**

	Units
Sales in last quarter (4th quarter) 660,000/200	3,300
Add : Closing balance at end of 1st quarter	1,000
Less : Opening balance	(700)
Production for last quarter	3,600

(c) purchase Budget for last quarter of 2019-2020

	Material A	Material B	Total Value (Rs.)
Consumption (Production × Qty/unit) A = 3,600 × 10 kgs B = 3,600 × 5 kgs	36,000	18,000	
Add : Closing Balance	25,000	15,000	
Less : Opening balance	(23,500)	(13,400)	
Purchase to be made	37,500	19,600	
Price per kg.	3	2	
Total Value	1,12,500	39,200	1,51,700

(d) Production Cost budget for last quarter of 2019- 2020

Particulars	Cost (Rs.)	Total
Direct Materials A : 36,000 @ Rs. 3 B : 18,000 @ Rs. 2	1,08,000 36,000	1,44,000
Direct Labour : Machine Shop : 18,000 hrs. @ Rs. 4 Assembly : 7,200 @ Rs. 5	72,000 36,000	1,08,000
Production overheads : Machine Shop : 18,000 hrs. @ Rs. 12 Assembly Shop : 7,200 hrs. @ Rs. 10	2,16,000 72,000	2,88,000
		5,40,000

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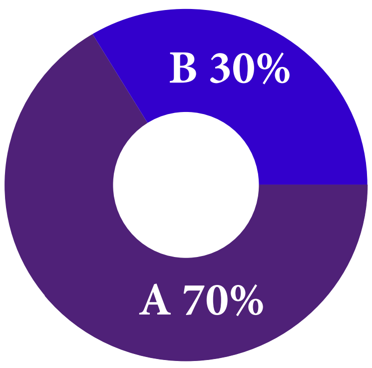
GROUP: II, PAPER: 9, Part- i

OPERATIONS MANAGEMENT & STRATEGIC MANAGEMENT (OMSM)

Operations Management

Your Preparation Quick Takes



Syllabus Structure
A Operations Management **70%**
B Strategic Management **30%**

Learning Objectives:

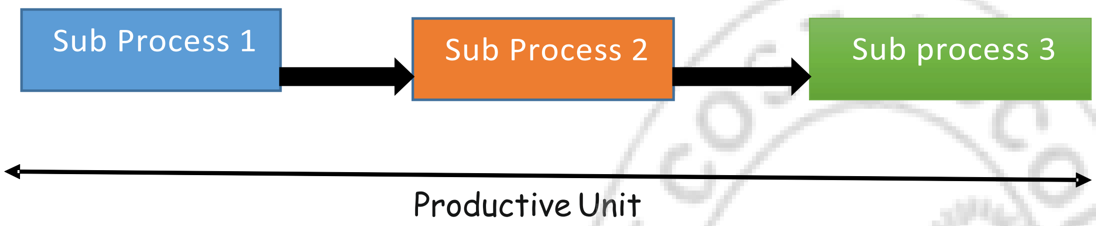
- Operations Management develops skills in problem solving, project management, communication, and managing effectively in team-based work environments.
- Eventually, student's ability for leadership positions in the production and service industries gets increased.
- To solve business processes, it 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 do recapitulation on Capacity Planning.
Capacity planning is a long term strategic decision that establishes a firm's overall level of resources.
It is a long term process over a time horizon long enough to obtain the requisite resources.
Long term capacity planning is central to the success of an organization.

Capacity is the maximum amount of output a productive unit could produce within a stated time. It is normally expressed in terms of output units per unit of time.

While producing output if the production process consists of many sub processes, then the capacity of the productive unit is governed by the capacity of the weakest link.



If sub process 2 is the weakest link then capacity of the productive unit is governed by the capacity of weakest link –sub process 2

The key question in capacity planning are the following:

- What kind of capacity is needed?
- How much is needed to match demand?
- When & Where is it needed?

Capacity can be:

1. Installed Capacity--It represents capacity in terms of machines actually installed. Productive machines procured for installation have some defined capacity, as provided in their printed literatures. Summation of such capacity gives a total installed capacity.
2. Rated Capacity--This denotes the highest output established by the actual trial runs of the productive machines installed. However, deciding the capacity rate based on the single one-time highest achievement may not be always correct. It is necessary to assume the average of performance rate of machines over a time period for more effective rating decision.
3. Licensed Capacity--This denotes the actual capacity licensed by the concerned government **authorities.**

Dimension	Effect on Capacity Management
Quality	What kind of capacity is needed?
Quantity	How much capacity is needed?
Timing	When should capacity be available?
Location	Where capacity should be installed?

The question of what kind of capacity is needed depends on the products and services that management intends to produce or provide.

Forecasts are key inputs used to answer the questions of how much capacity is needed and when it is needed

Probable questions are:

- How much will it cost, how will it be funded and what is the expected return
- What are the potential benefits and risks
- Should capacity be changed all at once or through several changes

Capacity decisions affect—

- Product lead times (Duration between receipt of order for the product and readiness of the product);
- Customer Responsiveness;

- Operating Costs;
- Firm's ability to compete;

Inadequate capacity –
- Loss of customers;
- Restricts growth;

Excess capacity –
- Drain company's resources;
- Prevent investments in more lucrative ventures;

Capacity Planning procedure –
- Assess company situation and environment to predict future demand;
- Determine the available capacity;
- Translate predictions into physical capacity requirements;
- Develop alternative capacity plans;
- Determine economic effects of alternative plans;
- Determine the risks of alternative plans;
- Recommend a course of action;
- Implement the course of action;

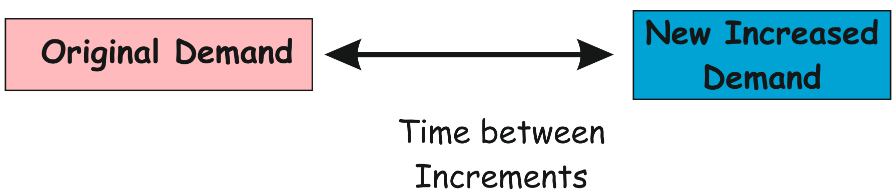
Capacity planning is mainly of two types:

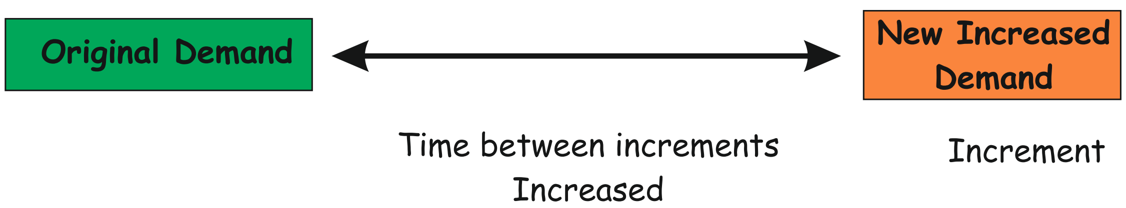
(i) **Long-term capacity plans** which are concerned with investments in new facilities and equipment. These plans cover a time horizon of more than two years.
(ii) **Short-term capacity plans** which takes into account work-force size, overtime budgets, and inventories.

Capacity decisions are strategic because
- Capacity decisions have a real impact on the ability of the organisation to meet future demands for products and services
- Capacity decisions affect operating costs
- Capacity is usually a major determinant of initial cost – greater the capacity of a productive unit, the greater its cost
- Capacity decisions often involve long term irrevocable commitment of resources
- Capacity decisions can affect competitiveness—adequate capacity or easily add on capacity help to capture the market quickly or to bar other players
- Capacity at appropriate level facilitates easier management of organisation than when capacity mismatched

So operations managers must examine three dimensions of capacity strategy before making capacity decisions:
- Sizing capacity cushions;
- Timing and sizing expansion;
- Linking Capacity decisions with other operating decisions;

If the demand goes on increasing over time, then long term capacity must be increased accordingly to provide some buffer against uncertainties. When average utilization rates approach 100 percent, it is usually a signal to increase capacity. The capacity cushion is the amount of reserve capacity a process uses to handle sudden increase in demand. It measures the amount by which the average utilization in terms of total capacity falls below 100% i.e.





Increased

Two extreme strategies are followed for expanding capacity:
- Expansionist Strategy – which involves large infrequent jumps in capacity. It stays ahead of demand, minimizes the chance of sales lost to insufficient capacity. Suitable for second situation above;
- Wait and see strategy – which involves smaller more frequent jumps. It lags behind demand. Suitable for first condition above;

Factors favouring expansionist strategy:

- It results economies of scale;
- It results reducing cost of operation;
- It facilitates a firm to compete on price;
- It might increase the firm's market share;

Factors favouring wait and see strategy:

- It reduces the risks of overexpansion;
- It facilitates firms to avoid obsolete technology;
- It guards against inaccurate assumptions regarding competition;

Economies of scale – occur when it costs less per unit to produce or operate at high levels of output. This is true when:

- Fixed costs can be spread over a larger number of units;
- Production or operating costs do not increase linearly with output levels;
- Quantity discounts are available for material purchases;
- Operating efficiency increases as workers gain experience;

A higher capacity plant offers some economies of scale:

- Automation is possible in a high capacity plant;
- Labour economies – lower variable cost/unit – increase of skill of worker;
- Managerial economies, technical competence;
- Marketing economies – Purchase in bulk;
- Financial economies – better security, attract investment at lower cost;

Economies of scale do not continue indefinitely. Above a certain level of output diseconomies of scale can occur like:

- Overtaxed machines and material handling equipment break down;th
- Slowing of service time;
- Quality suffers requiring more rework;
- Labour costs increase with more overtime;
- Increase in difficulties in coordination and management activities;

Capacity planning –what it actually means is explained as follows:

The productive stages which are considered to bottlenecks are to be analysed first.
Let us consider a manufacturing firm and let it faces an average annual increase in demand in product = 200 units.

Its present maximum capacity is equal to 2000 units/year.
Let the trend line for the annual demand has been formed by analyzing the past data as y = 700 + 200t, with t = 0 in year 2020.

Our objective is to add enough capacity to cover expected demand for the next 20 years assuming that the linear upward trend will continue in future.
At t =2040 i.e. 20 years from now (2020) the value of t in trend line equation will be 20 and therefore the annual expected demand will be in year 2040 = 700 + 200 × 20 = 4700.

Thus if the present trend continue we must provide enough capacity to produce an annual output rate in 2040 = 4700 units.
Given current capacity of 2000 units the projected increase in capacity requirements will be = 4700 -2000 =2700 units.
Whether the required capacity will be added all at once or in smaller increments are the purview of capacity planning against the given lead time needed to add new capacity i.e for activities like engineering, design, construction, equipment installation etc.
The choice depends on balancing the lower variable costs for large capacity increments against high fixed costs that cannot be absorbed due to underutilization in near future.

This forecasting techniques are used for output for each products (if the firm is a multiproduct manufacturer) and when added it provide the capacity required.

Outputs which are in the maturity phases of their product life cycles exhibit less volatility in the demands. With a long life cycle demand growth remain steady and demand can be predicted more precisely. Products like Steel, Cement etc. behave like this.
Long term forecasts of the demand of an output are made by using causal forecasting methods like regression analysis, econometric model or by using methods like market survey, historical analogy, life cycle analysis etc.

Once long term forecast is found out as above additions of increments can be done:

- Add capacity increments but more often (less new capacity at a time);
- Add capacity increments but less often (high new capacity at a time);
- Add capacity before the requirements exceed the capacity available;
- Add capacity after the requirements has overtaken the available capacity;

Alternative sources of capacity:
A manager can access to a higher capacity by increasing the intensiveness of use of existing capacity without building additional capacity and it includes overtime, holiday work, additional shift working, subcontracting.

At start of this discussion it was stated that Capacity is normally expressed in terms of output units per unit of time. But no single capacity measure is best for all situations.

- A retailer measures capacity as annual sales rupees generated per square ft;
- An airline measures capacity as available seat miles per month;
- A theater measures capacity as number of seats;
- A car manufacturer measures capacity as number of cars produced per day;

In general capacity can be expressed in one of two ways:
Output measures of capacity –

- Are best utilized when applied to individual processes within the firm or when the firm provides a relatively small number of standardized services and products;
- High volume processes such as car manufacturers are a good example;
- Capacity is expressed as number of cars produced per day;
- This method is less applicable when the amount of customization and variety in the product mix increases;

Input measures of capacity –

- Are generally used for low volume, flexible processes such as furniture maker;
- Capacity is usually expressed as number of workstations or number of workers;
- Main problem area here is demand is invariably expressed as an output rate;
- If the furniture maker wants to keep up with demand, he or she must convert the business's annual demand for furniture into labour hours and number of employees required to fulfill those hours;

Few examples are:

Business	Inputs definition of capacity	Outputs definition of capacity
Auto Manufacturing	Labour hours, Machine hours	Number of Cars per shift
Steel plant	Furnace Size	Tons of Steel per day
Oil Refinery	Refinery Size	Gallons of fuel per day

Usually two useful definitions of capacity are:
Design Capacity: The maximum output rate or service capacity an operation, process or facility is designed for
Effective Capacity: Design capacity minus allowances such as personal time and maintenance
Design capacity is the maximum rate of output achieved under ideal conditions. Effective capacity is always less than design capacity owing to realities of -

- Changing product mix
- Need for periodic maintenance of equipment
- Lunch/tiffin break
- Problems of scheduling & balancing operations

Actual Output: Cannot exceed effective capacity and is often less because of

- Machine breakdown
- Absenteeism
- Shortages of materials
- Rejection due to quality problems
- Factors beyond control of operations manger

These different measures of capacity are useful in defining two measures of system effectiveness

Efficiency: is the ratio of actual output to effective capacity
Capacity Utilisation: is the ratio of actual output to designed (maximum) capacity
It is the degree to which a resource such as equipment, space or the workforce is currently being used and is measured as the ratio of average output rate to maximum capacity (expressed as a percent).

The average output rate and the maximum capacity needs to be measured in the same terms – that is time, customers, units or rupees.

$$\text{Utilisation} = \frac{\text{Average Output rate}}{\text{Maximum Capacity}} \times 100\%$$

The utilization rate indicates the need for adding extra capacity or eliminating unneeded capacity.

Suggestions:
The study notes, again I am reiterating, need to be read thoroughly. Proper understanding of what exactly capacity planning means is prerequisite to challenge different cases on determination of capacity requirement. It helps in answering MCQs. For supplementary readings one can refer Modern Production/Operations Management by Buffa and Sarin, Operations Management by R.S Russell & BW Taylor, Operations Management by Lee J Krajewski, Comprehensive productions and Operations management by Dr KC Arora. Attempts here are made to clearly explain preliminaries on capacity planning. From guide book on the paper 9- Operations Management & Strategic Management written and issued by Institute on Syllabus -16, item 2.2 idea on capacity planning could be developed. Students should also attempt to gain further knowledge from the referred books with their own efforts. In next issue some MCQs will be discussed on the topic.

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150 YEARS OF CELEBRATING THE MAHATMA

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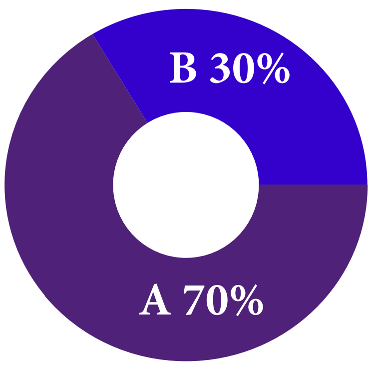
GROUP: II, PAPER: 9, Part- ii

OPERATIONS MANAGEMENT & STRATEGIC MANAGEMENT (OMSM)

Strategic Management

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

1. **Typical dictionary will define the word _________ as something that has to do with war and ways to win over enemy.**
   A. Business
   B. Policy
   C. Management
   D. Strategy

2. **The foundation of blue ocean strategy is _________**
   A. Evaluation
   B. Creativity
   C. Core strength
   D. Value Innovation

3. **The BCG Matrix is based on ___________**
   A. Industry attractiveness & Business Strength
   B. Industry Growth rate & Business strength
   C. Industry Attractiveness & Relative market share
   D. Industry Growth rate & Relative market share

4. **The word tactic is most likely to be associated with __________**
   A. Business Strategy
   B. Corporate strategy
   C. Operational Strategy
   D. All of the above

5. **According to ____________, strategic management is not a box of tricks or a bundle of techniques. It is analytical thinking and commitment of resources to action.**
   A. Philip Kotler
   B. Andrew Carnegi
   C. Peter Drucker
   D. Abraham Maslow

6. **Which of the following is not part of the micro environment?**
   A. Technology
   B. Shareholders
   C. Competitors
   D. Publics

7. **The origins of Business Policy & Strategic Management can be retraced to _________**
   A. 1930
   B. 1911
   C. 1879
   D. 1938

8. **Competitive advantage can best be described as ________**
   A. Perfect Competition in The Market
   B. Advantages of Competition
   C. Increased Efficiency of the organisation
   D. Stand out the organization

9. **Strategy is __________**
   A. Completely Proactive & Completely Reactive
   B. Partly Proactive & Partly Reactive
   C. Neither Proactive nor Reactive
   D. Proactive Only

10. **In strategic thinking, how long is the long term, approximately?**
   A. 1 Month to 1 year
   B. 2 to 3 years

C. 3 to 5 years
D. More than 5 years

11. **In BCG matrix, __________ is the label of the horizontal axis**
A. Relative Market share
B. Business Strength
C. Industry Growth Rate
D. Market Growth Rate

12. **In BCG Matrix, what is the label of the Vertical axis?**
A. Relative Market share
B. Business Strength
C. Industry Growth Rate
D. Market Growth Rate

13. **In Strategic Management, another name for GE 9 cell model is ______**
A. Three colour matrix
B. Stop light matrix
C. Strategic Portfolio Matrix
D. Colour light matrix

14. **The acronym SWOT stands for:**
a. Special Weapons for Operations Timeliness
b. Services, Worldwide Optimization, and Transport
c. Strengths Worldwide Overcome Threats
d. Strengths, Weaknesses, Opportunities, and Threats

15. **What does Dog symbolize in BCG matrix?**
A. Introduction
B. Growth
C. Maturity
D. Decline

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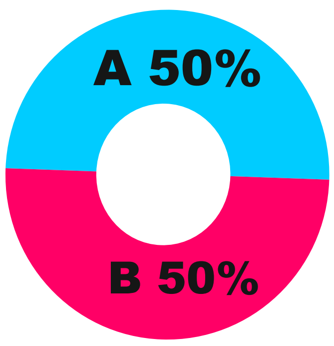
GROUP: II, PAPER:10

COST & MANAGEMENT ACCOUNTING AND FINANCIAL MANAGEMENT(CMFM)

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:Paper15) 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.

GR – II CMA & FM

Question No. – 1 (Comprehensive)

The budgeted production of a company is 20,000 units per month. The standard cost sheet is as under:

Direct materials	1.5 kg @ Rs.6 per kg
Direct Labour	6 hrs @ Rs.5 per hr
Variable overhead	6hrs @ Rs.4 per hr
Fixed overheads	Rs.3 per unit
Selling price	Rs.72 per unit

The following are the actual details for the month :

Actual production and sales 18,750 units
Direct materials consumed 29,860 kg. at Rs.5.25 per kg.
Direct labour hours worked 1,18,125 hrs. at Rs.6 per hour.
Actual overheads were Rs. 5,65,000 out of which a sum of Rs.40,000 was fixed.
Actual Selling Price Rs.75 per unit.

What shall be the :-

1. Material Price Variance : (a) Rs.22,395 A (b) Rs.22,395 F (c) Rs.21,395 F (d) Rs.21,395 A
2. Material Usage Variance : (a) Rs.10,510 A (b) Rs.10,510 F (c) Rs.10,410 A (d) Rs.10,410 F
3. Labour Rate Variance : (a) Rs.1,18,125 A (b) Rs.1,18,125 F (c) Rs.1,20,125 F (d) Rs.1,20,125 A
4. Labour Efficiency Variance : (a) Rs.27,125 A (b) Rs.27,125 F (c) Rs.28,125 F (d) Rs.28,125 A
5. Budgeted Cost per unit : (a) Rs.64 (b) Rs.65 (c) Rs.66 (d) Rs.67
6. Budgeted Profit Margin per unit : (a) Rs.5 (b) Rs.6 (c) Rs.7 (d) Rs.8
7. Standard Production units in Actual Hours : (a) 19680.50 (b) 19687.50 (c) 19700.50 (d) 19725.50
8. Standard Hour for Actual Production : (a) 1,11,000 (b) 1,11,500 (c) 1,12,000 (d) 1,12,500
9. Variable Overheads Expenditure Variances : (a) Rs.52,500 F (b) Rs.52,500 A (c) Rs.53,000 A (d) Rs.53,000 F
10. Variable Overheads : (a) Rs.23,000 F (b) Rs.23,000 A (c) Rs.22,500 F (d)

	Efficiency Variance		Rs.22,500 A
11.	Fixed Overheads Expenditure Variances	:	(a) Rs.20,000 F (b) Rs.20,000 A (c) Rs.21,000 A (d) Rs.21,000 F
12.	Fixed Overheads Volume Variances	:	(a) Rs.3750 F (b) Rs.3750 A (c) Rs.3700 A (d) Rs.3700 F
13.	Fixed Overheads Efficiency Variances	:	(a) Rs.2814.50 A (b) Rs.2814.50 F (c) Rs.2812.50 A (d) Rs.2812.50 F
14.	Fixed Overheads Capacity Variances	:	(a) Rs.937.50 A (b) Rs.937.50 F (c) Rs.940.50 F (d) Rs.940.50 A
15.	Total Material Cost Variance	:	(a) Rs.10985 F (b) Rs.10985 A (c) Rs.11985 A (d) Rs.11985 F
16.	Total Labour Cost Variance	:	(a) Rs.146250 F (b) Rs.146250 A (c) Rs.144250 A (d) Rs.144250 F
17.	Total Fixed Overheads Cost Variance	:	(a) Rs.16250 F (b) Rs.16250 A (c) Rs.18250 A (d) Rs.18250 F
18.	Total Variable Overheads Cost Variance	:	(a) Rs.75000 F (b) Rs.75000 A (c) Rs.74000 A (d) Rs.74000 F
19.	Actual Margin per Unit	:	(a) Rs.7 (b) Rs.8 (c) Rs.9 (d) Rs.10
20.	Total Sales Margin Value Variance	:	(a) Rs.48750 F (b) Rs.48750 A (c) Rs.48700 A (d) Rs.48700 F
21.	Sales Margin Price Variance	:	(a) Rs.55250 F (b) Rs.55250 A (c) Rs.56250 A (d) Rs.56250 F
22.	Sales Margin Volume Variance	:	(a) Rs.7500 F (b) Rs.7500 A (c) Rs.8500 A (d) Rs.8500 F

Answer :

1.	(b) Rs.22,395 F	2.	(c) Rs.10,410 A	3.	(a) Rs.1,18,125 A
4.	(d) Rs.28,125 A	5.	(c) Rs.66	6.	(b) Rs.6
7.	(b) Rs.19687.50	8.	(d) 1,12,500	9.	(b) Rs.52,500 A
10.	(d) Rs.22,500 A	11.	(a) Rs.20,000 F	12.	(b) Rs.3,750 A
13.	(c) Rs.2812.50 A	14.	(a) Rs.937.50 A	15.	(d) Rs.11,985 F
16.	(b) Rs.1,46,250 A	17.	(a) Rs.16,250 F	18.	(b) Rs.75000 A
19.	(c) Rs.9	20.	(a) Rs.48,750 F	21.	(d) Rs.56,250 F
22.	(b) Rs.7500 A				

Steps for Solution:

1) Draw separate diagrams for each item (i.e. Mateiral, Labour, V. Overheads, F. Overheads, Sales etc.) as shown below.
2) Put the given data as well as derived data in the appropriate places of the diagrams as specified.
3) Start connecting the same, in the way embodied therein.
4) The requisite answers will emerge automatically.
5) In case of any difficulty, please have a look to the **Solutions through diagram** at the end of the e-bulletin.

Solution : (i) Basic data : Actual Production (AP) = 18,750 Units

MATERIAL

[SR per Unit X SQ per Unit X AP]
[Rs.6 x 1.5 kg x 18,750 units] [28125 kg SQ]
SCAP
Rs.1,68,750……………………………(1)

Cost V = Rs.11,985 F
[(1) - (2)]

Usage V
= Rs.10,410 A
[(1) - (3)]

[AR X AQ]
[Rs.5.25 x 29,860 kg]
Actual Cost
Rs.1,56,765…………………(2)

Price V = Rs.22,395 F
[(3) - (2)]

Rs.1,79,160 ……………………………(3)
SC of AQ
[Rs.6 x 29,860 kg]
[SR per Unit x AQ]

LABOUR

[SR per Hr X SH per Unit X AP]
[Rs.5 x 6 Hr x 18,750 units
Rs.5 x **1,12,500 S.H.**]
SCAP
Rs.5,62,500……………………………(1)

Cost V = Rs.1,46,250 A
[(1) - (2)]

Efficiency V
= Rs.28,125 A
[(1) - (3)]

[AR X AH]
[Rs.6 x 1,18,125 Hr]
Actual Cost
Rs.7,08,750…………………(2)

Rate V = Rs.1,18,125 F
[(3) - (2)]

Rs.5,90,625 ……………………………(3)
SC of AH
[Rs.5 x 1,18,125 Hr]
[SR per Hr x AH]

VARIABLE OVERHEAD

[SR per Hr X SH per Unit X AP]
[Rs.4 x 6 Hr x 18,750 units
Rs.4 x **1,12,500 S.H.**]
Std V.OH for AP
Rs.4,50,000……………………………(1)

Total V = Rs.75,000 A
[(1) - (2)]

Efficiency V
= Rs.22,500 A
[(1) - (3)]

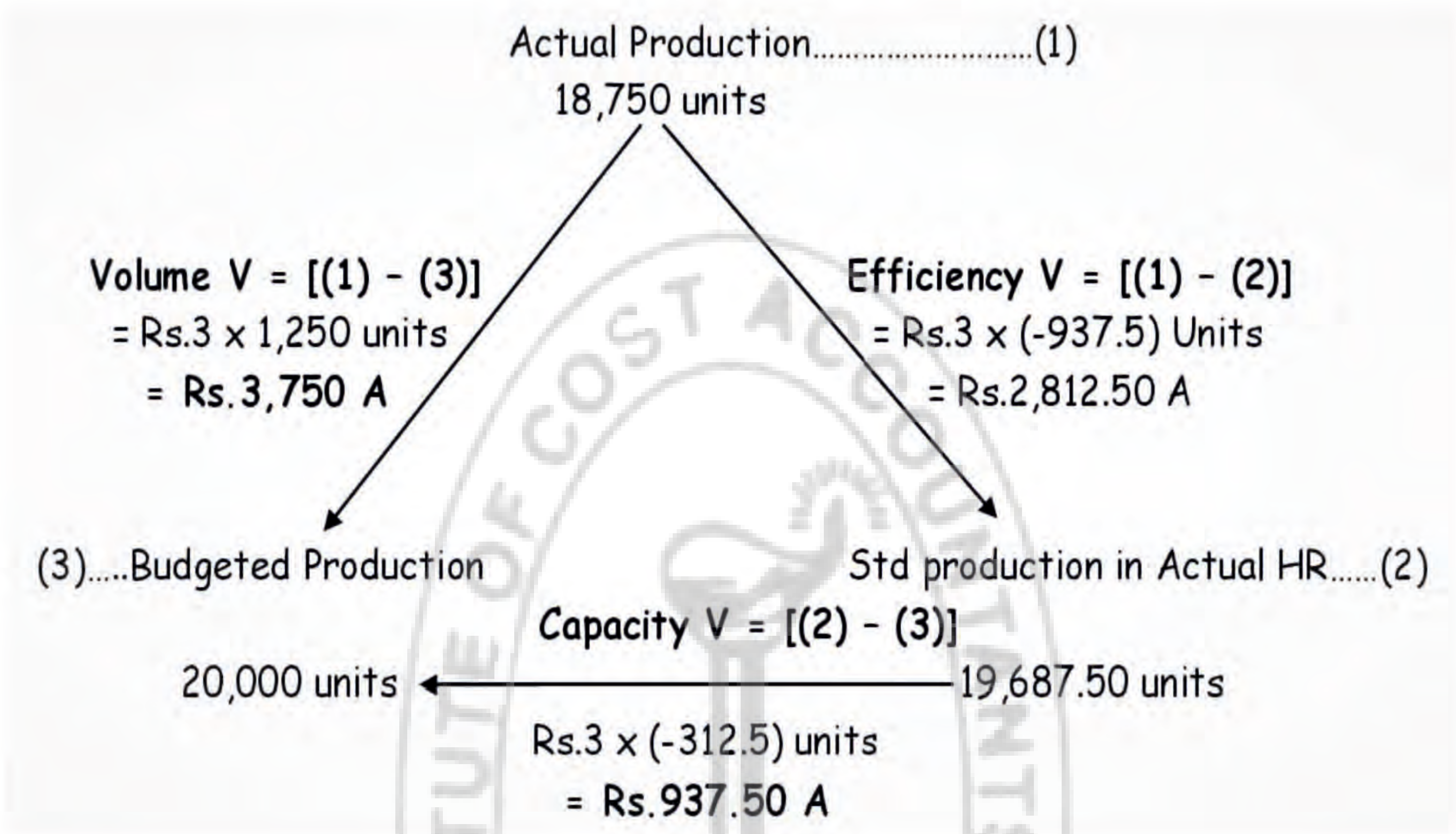
Actual V.OH
Rs.5,25,000…………………(2)

Exp V = Rs.52,500 A
[(3) - (2)]

SC of AH = Rs.4,72,500 ……………………(3)
[Rs.4 x 1,18,125 Hr]
[SR per Hr x AH]

Std Production in Actual Hour = **19687.5**

	Hour	Prod. Unit
Std	6	1
	1,18,125	**19,687.5**



Note : Volume V = Efficiency V + Capacity V
Rs.3,750 A = Rs.2,812.50 A + Rs.937.50 A

Budgeted Profit (Amt in Rs.)		Per Unit	20,000 units
Selling Price		72	14,40,000
Material	1.5 kg @ 6 = 9		
Labour	6 Hr @ 5 = 30		
V.OH	6 Hr @ 4 = 24		
F.OH	= 3		
		66	13,20,000
Profit/Margin		6	1,20,000

*Budgeted Margin = **Rs.6**

Actual Profit		18,750 units
Selling Price	@ 75	14,06,250
Material	1,56,765	
Labour	7,08,750	
V.OH	5,25,000	
F.OH	40,000	
		14,30,515
Loss		(24,265)

* Actual Margin = Rs.75 – Rs.66 = **Rs.9**
[Actual Profit – Budgeted Cost]

SALES
[Actual Margin per unit x Actual Sales unit]
[Rs.9 x 18,750 units]
Actual Margin
Rs.1,68,750..........(1)

Total Sales Margin Value V
= Rs.48,750 F [(1) - (3)]

Sales Margin Price V
= Rs.56,250 F [(1) - (2)]

Budgeted Margin
[Std Margin per unit X BQ]
[Rs.6 x 20,000]
(3)..........Rs.1,20,000

Std Margin
[Std Margin per unit X Actual Sales Unit]
[Rs.6 x 18,750]
Rs.1,12,500 ....(2)

Sales Margin Volume V
= Rs.7,500 A [(2) - (3)]

Note : Total Sales Margin Value Variance : Rs.48,750 F
= Sales M Price V + Sales M Volume
= Rs.56,250 F + Rs.7500 A

Additionally, Reconciliation of Budgeted Profit and Actual Profit (Loss) is also given hereunder for understanding.

Reconciliation of Budgeted Profit and Actual Profit (Loss)

				(Amount in Rupees)
Budgeted Profit				120000
Less : Sales Margin Volume V				(-) 7,500 A
Standard Profit				1,12,500
Add : Sales Margin Price V				(+) 56,250 F
				1,68,750
Adjustment of Cost Variances				
Material	Price V	22,395 F	11,985 F	
	Usage V	10,410 A		
Labour	Rate V	1,18,125 A	1,46,250 A	
	Efficiency V	28,125 A		
V. Overhead	Expenditure V	52,500 A	75,000 A	
	Efficiency V	22,500 A		
F. Overhead	Expenditure V	20,000 F	16,250 F	
	Efficiency V	2,812.50 A		
	Capacity V	937.50 A		
				1,93,015 A
Actual Profit (Loss)				(24,265)

Question No. – 2 (Labour)

A building can be constructed by engaging a gang of workers as per details given bellow for 100 working days of eight hours each.

Standard data :

	Skilled	Semi-skilled	Unskilled
No. of workers in the gang	6	8	6
Standard rate of wages/hr.	Rs.25	Rs.20	Rs.16

Actual completion of the work however took 104 days of eight hour each. This includes 16 hours of stoppages due to heavy rains. The actual no. of workers engaged and the actual rates paid are given bellow :

	Skilled	Semi-skilled	Unskilled
Number engaged	8	6	6
Actual rate / hr.	Rs.30	Rs.24	Rs.16

What shall be the :-

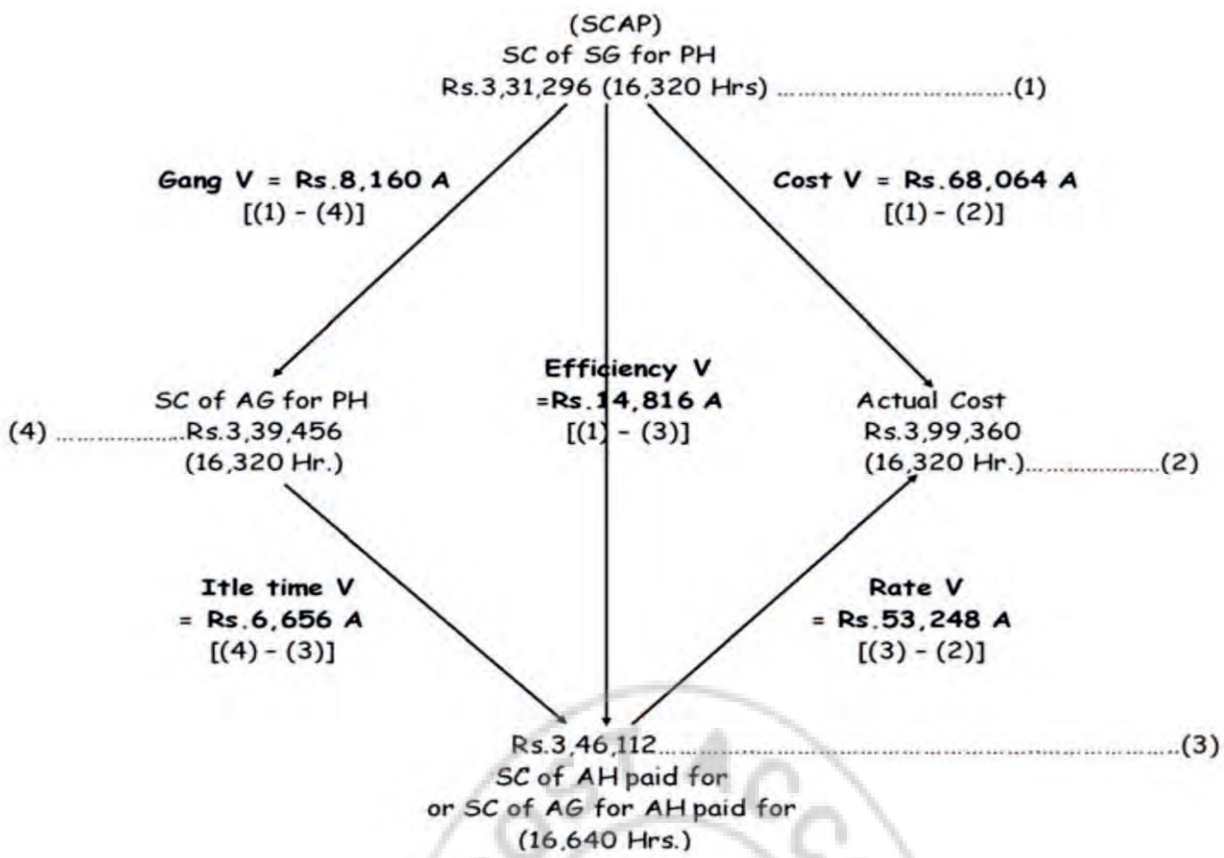
1. Wage Rate Variance : (a) Rs.53,250 F (b) Rs.53,250 A (c) Rs.53,248 A (d) Rs.53,248 F
2. Labour Efficiency Variance : (a) Rs.14,816 A (b) Rs.14,816 F (c) Rs.14,806 A (d) Rs.14,806 F
3. Labour Gang Variance : (a) Rs.8,150 A (b) Rs.8,150 F (c) Rs.8,160 F (d) Rs.8,160 A
4. Labour Idle time Variance : (a) Rs.6,655 A (b) Rs.6,656 A (c) Rs.6,657 A (d) Rs.6,658 A
5. Labour Cost Variance : (a) Rs.68,064 A (b) Rs.68,064 F (c) Rs.68,080 A (d) Rs.68,080 F

Answer :

1. (c) Rs.53,248 A
2. (a) Rs.14,816 A
3. (d) Rs.8,160 A
4. (b) Rs.6,656 A
5. (a) Rs.68,064 A

Steps for Solution :

1) Compute the requisite components (viz. Actual Cost, Std Cost of Actual Hrs. paid for etc.) as shown under Working Notes
2) It is a typical problem. However, place the components in the designated place of the diagram specified below.
3) Note down the variances with their nature (Favourable or Adverse) which would emerge automatically as indicated in the parenthesis of diagram.
4) In case of any difficulty please have a look to the Solution through diagrams at the end of this e-bulletin.



Working Notes :

It may be noted that this problem does not provide any indication about Output/ Production (either in terms of Standard Hours or otherwise). Hence Standard Cost of Actual Production (SCAP) can not be computed. Here "Standard Cost of Standard Gang for Productive Hours" takes the position of SCAP as shown in the diagram.

Actual Cost

Category	No	Days	Hours	Total Hours	Rate(Rs.)	Amount(Rs.)
Skilled	8	104	8	6,656	30	1,99,680
Semi skilled	6	104	8	4,992	24	1,19,808
Un skilled	6	104	8	4,992	16	79,872
				16,640		Rs.3,99,360

Standard Cost of Actual Hours paid for (SC of AH paid for)

Category	Actual Hours	Std rate(Rs.)	Amount(Rs.)
Skilled	6,656	25	1,66,400
Semi skilled	4,992	20	99,840
Un skilled	4,992	16	79,872
	16,640		Rs. 3,46,112

Productive Hours = (104 days x 8 Hours) – 16 Hours = 816 Hours

Standard Cost of Actual Gang for Productive Hours (SC of AG for PH)

Category	No	Productive Hours	Total PH	SR (Rs.)	Amount (Rs.)
Skilled	8	816	6,528	25	1,63,200
Semi skilled	6	816	4,896	20	97,920
Un skilled	6	816	4,896	16	78,336
			16,320		Rs. 3,39,456

Standard Cost of Standard Gang for Productive Hours (SC of SG for PH)

Category	No	Productive Hours	Total PH	SR (Rs.)	Amount (Rs.)
Skilled	6	816	4,896	25	1,22,400
Semi skilled	8	816	6,528	20	1,30,560
Un skilled	6	816	4,896	16	78,336
			16,320		Rs. 3,31,296

Check : Idle time Variance

Category	No	Idle Hours	Total Idle Hours	SR (Rs.)	Amount (Rs.)
Skilled	8	16	128	25	3,200
Semi skilled	6	16	96	20	1,920
Un skilled	6	16	96	16	1,536
			320		Rs. 6,656 A

Actual Hours paid for = 16640
Total Productive Hours = 16320
Idle hours = 320

RECONCILIATION

Labour Cost V
Rs.68064 A

Wage Rate V
Rs.53248 A

Efficiency V
Rs.14816 A

Gang V
Rs.8160 A

Idle Time V
Rs.6656 A

Solution through diagrams

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

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

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

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

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

Ms. Poushali Das
Asstt. Professor,
Scottish Church College
She can be reached at:
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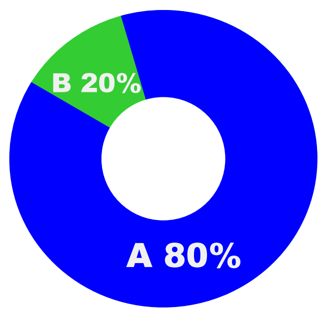
GROUP: II, PAPER:11

INDIRECT TAXATION
(ITX)

Your Preparation Quick Takes



Syllabus Structure

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

Learning objectives:

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

Goods and Services Tax

1. **Dealers whose annual turnover between Rs. 1.5 crore and Rs. 5 crore need to use**
   a) **Two-digit HSN code**
   b) Four digit HSN Codes
   c) Four digit HSN Codes
   d) Eight digit HSN codes

2. **Dealers with annual turnover of Rs. 5 crore and above must use -- for their invoices.**
   a) Two-digit HSN code
   b) Four digit HSN Codes
   c) **Four digit HSN Codes**
   d) Eight digit HSN codes

3. **In the case of import or export of goods, using -- is compulsory**
   a) Two-digit HSN code
   b) Four digit HSN Code
   c) Four digit HSN Code
   d) **Eight digit HSN code**

4. **Under GST law SAC refers to --**
   a) Systematic Accounting Code
   b) **Service Accounting Code**
   c) System administration code
   d) Scientific accounting code

5. **Under GST law, tax rates are determined by**
   a) Central Government
   b) State Government
   c) **GST Council**
   d) Central Government in consultation with state governments

6. **The lowest tax rate under GST is --**
   a) **0.25%**
   b) 1%
   c) .05%
   d) 5%

7. **Base metals, gold, silver, articles of jewellery are taxable in India at the rate of**
   a) 0.25%
   b) 1%
   c) **3%**
   d) 5%

8. **The highest GST rate applicable now is ---**
   a) 100%
   b) 18%
   c) **28%**
   d) 50%

9. **Tax Deducted at Source at the rate of 1% is applicable in the case of supplies received by**
   a) Any GST dealer
   b) **Government Departments**
   c) Ecommerce operators
   d) Composite dealers

10. **Tax Collected at Source at the rate of 2% is applicable in the case of**
   a) Any GST dealer

b) Government Departments
c) **E-commerce operators**
d) Composite dealers

11. **Composite tax is applicable for dealer with turnover upto**
a) **Rs. 1 Crore**
b) Rs. 20 lakh
c) Rs. 1.5 Crore
d) Rs. 10 Crore

12. **Under GST law Compensation cess is applicable on**
a) **Luxury articles and demerit goods**
b) All goods
c) Petroleum products and Alcohol
d) Consumer goods

13. **Goods which get input tax credit without being liable to collect output tax is called**
a) Exempt goods
b) White goods
c) Sin goods
d) **Zero rated goods**

14. **GST can be collected by**
a) Any registered dealer
b) **Any GST dealer**
c) Any service provider
d) Any dealer

15. **-- confers powers to Government of India to collect tax on intra-state supply of goods or services or both.**
a) UTGST Act
b) IGST Act
c) **CGST Act**
d) SGST Act

150 YEARS OF CELEBRATING THE MAHATMA

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Dept. Of Commerce,
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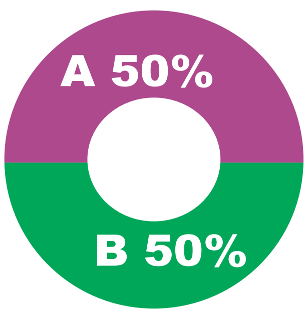
malay_nayak@ymail.com

GROUP: II, PAPER:12

COMPANY ACCOUNTS & AUDIT (CAA)

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.

Company Accounts & Audit

Examinees are to cite case laws whenever demanded for the clarity of auditor's liability and to pronounce duties of auditor in case of company audit. For that accomplishment some important case laws jotted here. These will enrich the value of answers and can fetch good marks.

IMPORTANT CASES:

1. **Leeds Estate Building& Investment Co.**
   Case- the Company went into voluntary liquidation and an action was brought by the company against the Directors, the Manager and the Auditor to hold them liable in respect of certain sums paid out of capital for dividend and for the fees and bonuses of the directors and managers respectively.

   DECISION: It was held that the Auditor was liable for negligence and was called upon to pay the damages to the company. His plea for the ignorance of the provisions of the Articles of Association of the company was also turned out.
   It is the duty of the Auditor not to confine himself merely to the task of ascertaining the arithmetical accuracy of the Balance Sheet, but to see that it is true and accurate presentation of the company's Affairs.

2. **Verner v. General commercial investment trust Ltd.**
   Case-the income from the investment exceeds the current expenditure by nearly pound 23,000. The company wanted to distribute the amount of profit in the form of dividend to the shareholders without making good the loss in the value of securities.

   Decision: It was held, although this course might sometimes be imprudent, there was no law which prevented it in all cases and under all circumstances.

3. **London and General bank Ltd.**
   Case-The interest on loans was duly brought into credit in the books but as a matter of fact the interests were never paid. This resulted into heavy losses and its consequent failure.

   Decision: It was held that the auditor was liable for misfeasance and was liable to refund, by way of damages, the amount of dividend.

4. **KINGSTON COTTON MILL CO LTD.**
   Case- The manager of the company has inflated its profits by deliberate manipulation of the quantities and values of the stock in trade. This resulted into the payment of dividend out of capital.

   Decision: It was held that it was no part of the auditor's duty to take stock of the company unless there is some suspicion. He could not be regarded guilty of negligence by having accepted the certificate with regard to the stock in trade of a reasonable officer of the company.

5. **Irish Woolen Co Ltd**
   Case-The employees of the company committed frauds. It was done through overvaluation of the stock and book debts and by understatements of liabilities. Fictitous profits arose.

   Decision: It was held that the auditor would have discovered the understatement of the liabilities. Hence he was held liable for damages on account of this.

PRACTICAL Advice

ABOUT YOUR STUDIES - INTERMEDIATE COURSE

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

START

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

02 Solve Excercises given in Study Note

03 Assess Yourself

04 Appear For Examination

FINISHED

Vol: 6, No.: 4.
April 2021, Issue

SUBMISSIONS

Dear Students,

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

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

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

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.

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

Message from
Directorate of Studies

Dear Students,

Passing the exam is a happy event. Congratulations on all that you have accomplished! There is no secret of success. It is the result of preparation, hard work and learning from failure. Well done! It is clear that the future holds great opportunities for you.

Those who could not pass, failing in an exam does not mean failing in life. All of us face failure at one time or another. Try to focus your attention on the importance of perseverance and mind it that dedication and determination plays the lead role in shaping a person's life.

We from the Directorate of studies know your expectations from us and accordingly we are trying to deliver 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 Books, MCQs and we have conducted Webinar sessions.

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

"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 link mentioned below :

https://icmai.in/studentswebsite/

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

You can win!

The Institute is pleased to inform that the University Grants Commission (UGC) Ministry of Education, Govt. of India has announced that CMA qualification be Considered equivalent to PG Degree.

GOOD LUCK

Be Prepared and Get Success;

ज्ञान-विज्ञान विमुक्तये
डॉ. सुरेन्द्र सिंह
संयुक्त सचिव
Dr. Surender Singh
Joint Secretary

सत्यमेव जयते

विश्वविद्यालय अनुदान आयोग
University Grants Commission
(शिक्षा मंत्रालय, भारत सरकार)
(Ministry of Education, Govt. of India)
बहादुरशाह जफ़र मार्ग, नई दिल्ली-110002
Bahadur Shah Zafar Marg, New Delhi-110002
दूरभाष Phone : कार्यालय Off : 011-23238865
ई-मेल E-mail : ssingh.ugc@nic.in

D.O.No.9-35/2016 (CPP-II) **March, 2021**

15 MAR 2021

Sub: To consider CA/CS/ICWA qualification equivalent to PG Degree for appearing in UGC-Net

Sir/ Madam,

UGC had received requests from the Institute of Chartered Accountants of India, the Institute of Company Secretaries of India and the Institute of Cost Accountants of India to consider the qualification being awarded by them, i.e., Chartered Accountant (CA), Company Secretary (CS) and Cost and Works Accountants (ICWA) respectively, equivalent to Post Graduation Degree.

To consider this, a Committee was constituted by the UGC. The Commission, in its 550^{th} meeting held on 18^{th} February, 2021 considered the recommendation of the Expert Committee and resolved as under:

"CA/CS/ICWA qualification be considered equivalent to PG Degree."

This is for your kind information.

With kind regards,

Yours sincerely,

Surender Singh

(Dr. Surender Singh)
Joint Secretary

The President
The Institute of Cost Accountants of India
3, Institutional Area
Lodhi Road
New Delhi- 110 003

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

Statutory Body under an Act of Parliament

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June Exam 31st January of the same Calendar Year
December Exam 31st July of the same Calendar Year

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

ADMISSIONS OPEN 2020-2021

studies@icmai.in
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- **Industry oriented practical training** programme
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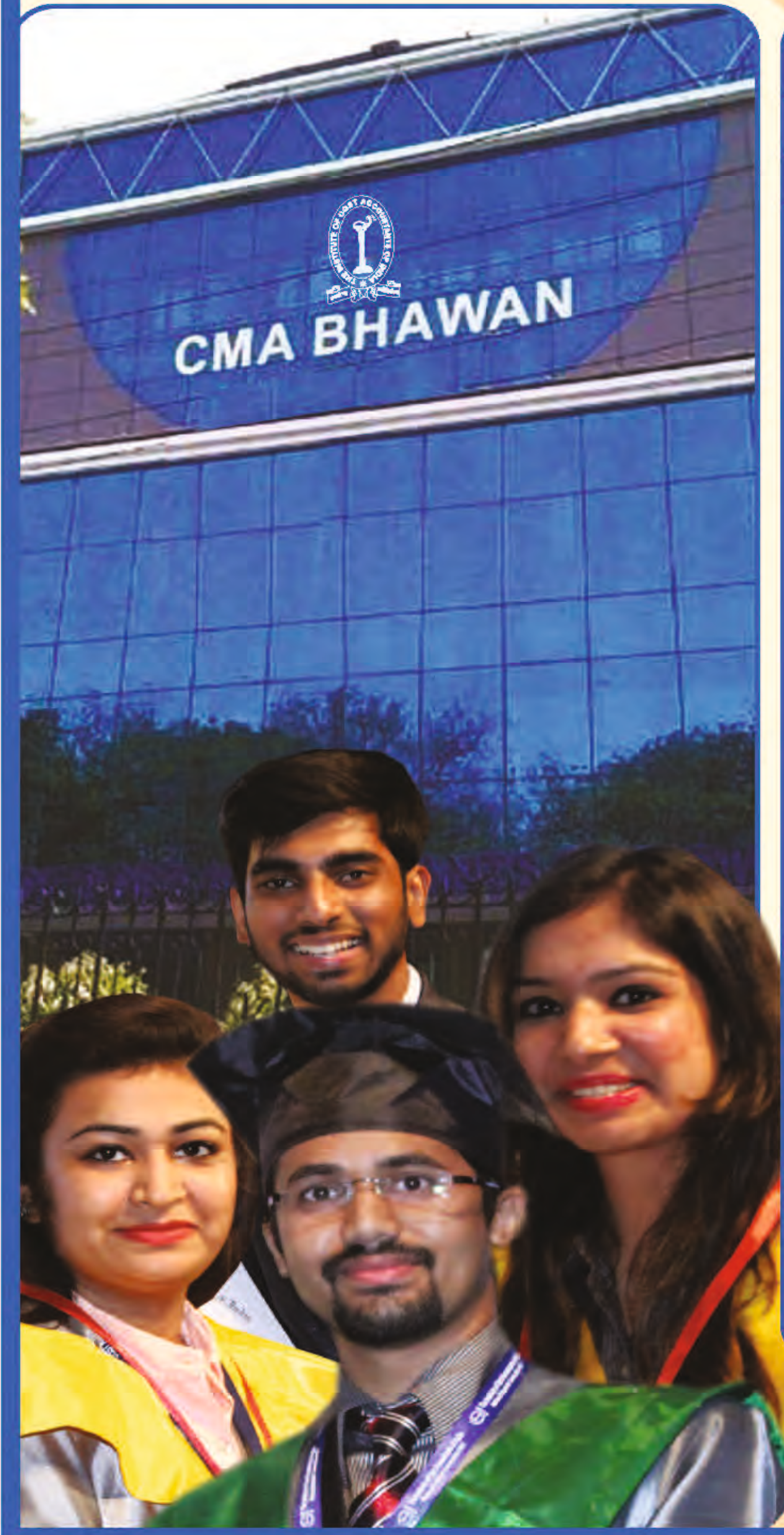
- **Four Knowledge Pillars -** Management, Strategy, Regulatory Function and Financial Reporting
- **Our Motto - Student friendly Syllabus and Industry friendly Students**



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and many more...

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+ 91 33 40364770

Behind every successful business decision, there is always a CMA

Few Snapshots

Dignitaries sharing the screen with Shri Arjun Ram Meghwal Hon'ble Union Minister of State for Parliamentary Affairs and Heavy Industries & Public Enterprises during National Corporate Laws Summit. Left to Right CMA Neeraj D. Joshi, CCM; CMA Mahesh Shah, Past President; Shri Debarshi Duttagupta, MD, East India Pharmaceuticals Works Limited; Shri Arjun Ram Meghwal, Hon'ble Union Minister, CMA Dr. Ashish P. Thatte, Chairman, Corporate Laws Committee; CMA Biswarup Basu, President; CMA Chittaranjan Chattopadhyay, CCM; CMA Amal Kumar Das, Past President; CMA Vijender Sharma, CCM

Shri Arjun Ram Meghwal Hon'ble Union Minister of State for Parliamentary Affairs and Heavy Industries & Public Enterprises is giving his live online speech on occasion of inauguration of National Corporate Laws Summit.

CMA Biswarup Basu, President facilitating Shri Debarshi Duttagupta, MD, East India Pharmaceuticals Works Limited on the occasion of National Corporate Laws Summit organised at Kolkata on 26th February 2021. Sharing the dias is CMA Dr. Ashish P. Thatte, Chairman Corporate Laws Committee and CMA Neeraj D. Joshi, Central Council Member.

From Left to Right CMA Balwinder Singh, Immediate Past President and Council Member, Shri S.K. Kaushik, CAO (AR), Indian Railways, Shri Naresh Salecha, Member (Finance) Railway Board, CMA Biswarup Basu, President, CMA P. Raju Iyer, Vice-President, CMA Chandra Wadhwa, Past President, CMA B.B. Goyal, Advisor ICWAI MARF, CMA J.K. Budhiraja, CEO ICWAI MARF, Ms. Tripti Guraha, Executive Director, (S & E), Indian Railways, Sh. Abhishek Kumar, CPM (AR), Indian Railways

Presentation of Final Report on Performance Costing System in Indian Railways at Rail Bhawan, New Delhi on 19th February, 2021 by CMA Biswarup Basu, President, ICAI to Shri Naresh Salecha, Member (Finance), Railway Board.

From Left to Right CMA Balwinder Singh, Immediate Past President and Council Member, Shri S.K. Kaushik, CAO (AR), Indian Railways, Shri Naresh Salecha, Member (Finance) Railway Board, CMA Biswarup Basu, President, CMA P. Raju Iyer, Vice-President, CMA Chandra Wadhwa, Past President, CMA B.B. Goyal, Advisor ICWAI MARF, CMA J.K. Budhiraja, CEO ICWAI MARF.

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