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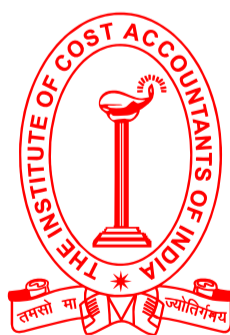
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CMA Student E - Bulletin

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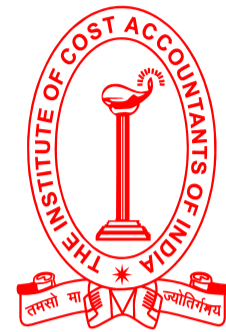
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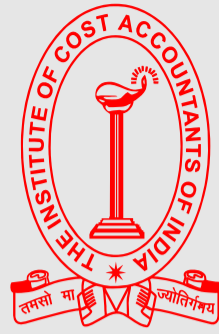
Behind every successful business decision, there is always a **CMA**



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KNOWLEDGE Update



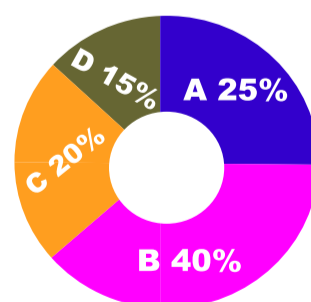
In this section of e-bulletin we shall have a series of discussion on each of these chapters to provide a meaningful assistance to the students in preparing themselves for the examination at the short end and equip them with sufficient knowledge to deal with real life complications at the long end.



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

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Your Preparation Quick Takes



Syllabus Structure

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

Learning Objective:

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

FINANCIAL ACCOUNTING

If you are bored with choosing the correct answer always – today apply your mind differently to choose the 'true one' because it is sometimes very painful in life for stating false, however saying truth always pays – may be later.

Explore your mind to find the truth today. Before that read the story and go.

Once a thief met a holy man and said I want to be a good man but cannot leave stealing as it is my livelihood. The holy man said "Ok. Fine. Better you tell me to leave at least one bad habit of yours." The thief thought and replied "Ok. From today I will never tell a lie". The holy man blessed him.

That night the king was patrolling with civil dress. He met the thief on road. After some talks, they agreed to rob the king's treasury. They did so. In the treasury there were three diamonds. They decided to keep one for king and shared one each for simple sharing policy. The king kept the thief's address for working together later.

Next morning in the court news spread that treasury is robbed. King asked the minister to check the treasury. The mischievous minister took that diamond in his pocket and reported the king "sir -nothing is left in the treasury".

King sent his soldiers to that address and they caught the thief and brought him to the king's court. King asked him "Have you stolen the treasury?" The thief recalled the advice of the holy man and said "Yes. But I was not alone. One more thief was there. We have stolen two diamonds and kept one in the treasury".

King became surprised to see this truthfulness and asked his soldiers to search the minister. From his pocket the third diamond is found.

Thereafter the king suspended the minister and appointed the thief as minister.

1. State which of the following is true

- Receipts and payments account considers only revenue items
- Income and expenditure account considers only capital items
- Income and expenditure account considers only revenue items
- Receipts and payments account considers only capital items

2. State which of the following is true

- Balance sheet and trial balance are same
- Trial balance is prepared after balance sheet
- Trial balance is prepared before balance sheet
- All are true

3. State which of the following are true

- Goodwill is a fixed asset
- Goodwill is a fictitious asset
- Goodwill is an intangible asset
- Goodwill is not an asset

4. State which of the following is true

- Cash a/c .. dr To Bank a/c is the journal for cash withdrawal from bank
- The above entry is called contra entry in cash book
- Bank a/c .. dr To cash a/c is the journal for cash withdrawal from bank
- Both a and b

5. State which of the following is true

- Account sales is sent by consignor to consignee
- Account sales is sent by consignee to consignor
- Account sales and sales account are same
- All are true

6. State which of the following is true

- a. Trade discount is recorded in books of accounts
- b. Trade discount is a kind of cash discount
- c. Trade is generally offered for bulk purchase
- d. None of the above

7. State which of the following is true

- a. Cost of production = prime cost + works cost
- b. Cost of production = prime cost + works cost + selling cost
- c. Cost of production = prime cost + factory overhead + selling overhead
- d. Cost of production = works cost + administration overhead

8. State which of the following is true : journal for bad debt recovery :-

- a. Bad debt recovery a/c ... dr To cash a/c
- b. Cash a/c ... dr To bad debt recovery
- c. Bad debt recovery a/c ... dr To Debtora a/c
- d. debtors a/c .. dr To bad debt recovery

9. state which of the following is true

- a. single entry system is very simple system of accounting
- b. single entry system is not a scientific system at all
- c. single entry system is followed by small traders
- d. all are true

10. state which of the following is true

- a. Rabin a/c is a kind of Personal account
- b. Shyam Steel Ltd is a kind of Personal account
- c. Outstanding salary is a kind of Personal account
- d. All are true

11. State which of the following is true

- a. Purchase a/c and purchase book are same
- b. Purchase a/c and purchase book are different
- c. Purchase book writes only credit purchase
- d. Only b and c are true

12. State which of the following is true

- a. Cost of installation of a machinery is a Revenue transaction
- b. Cost of installation of a machinery is a Capital transaction
- c. Cost of installation of a machinery is not a transaction at all
- d. Cost of installation of a machinery is not to be recorded

13. State which of the following is true

- a. Delcredere commission and bad debt can appear in consignment a/c at the same time
- b. If Delcredere commission appears, bad debt will not appear in consignment a/c
- c. If bad debt appears, Delcredere commission will not appear in consignment a/c
- d. Both b and c

14. State which of the following is true

- a. Current a/c is prepared when it is agreed that capital is to maintained fixed
- b. Current a/c is prepared when it is agreed that capital is to maintained fluctuating
- c. Current a/c is to be prepared all the time irrespective of the nature of capital
- d. None of the above

15. State which of the following is true

- a. When a bill is endorsed : Endorsee a/c .. dr To B/R a/c
- b. When a bill is endorsed : Drawee a/c .. dr To Endorsee a/c
- c. When a bill is endorsed : B/R a/c .. dr To Endorsee a/c
- d. When a bill is endorsed : Endorsee a/c .. dr To Drawee a/c

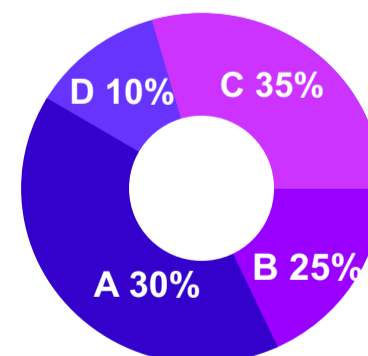
ANSWERS: 1c, 2c, 3(a&c), 4d, 5b, 6c, 7d, 8b, 9d, 10d, 11d, 12 b, 13d, 14a, 15a.



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

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Your Preparation Quick Takes



Syllabus Structure
A Commercial Laws 30%
B Industrial Laws 25%
C Corporate 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 and Rules

Punishment for violation of Section 94 of the Companies Act 2013

- (1) If any inspection or the making of any extract or copy required under this section is refused, the company and every officer of the company who is in default shall be liable, for each such default, to a penalty of Rs.1,000 (one thousand) for every day subject to a maximum of Rs.1,00,000 (One lakh) during which the refusal or default continues.
- (2) The Central Government may also, by order, direct an immediate inspection of the document, or direct that the extract required shall forthwith be allowed to be taken by the person requiring it.

Preservation Period - As per Sec.95 read with Rule 15(3) of The Companies (Management and Administration) Rules, 2014 provides that copies of Annual Return prepared and copies of certificates and documents required to be annexed thereto shall be **preserved for a period of 8 years** from the date of filing with the Registrar.

Rule 16 of The Companies (Management and Administration) Rules, 2014 provides that **copies of the registers and annual return** maintained under section 88 or entries therein and annual return filed under section 92 shall be furnished to any member, debenture-holder, other security holder or beneficial owner of the company or any other person on payment of such fee as may be specified in the Articles of Association of the company but not exceeding Rs.10 for each page and such copy shall be supplied by the company within a period of 7 days from the date of deposit of fee to the company.

Conclusive Evidence - Sec.95 of Companies Act, 2013 provides that the registers, and copies of annual returns maintained under sections 88 and 94 shall be prima facie evidence of any matter directed or authorised to be inserted therein by or under this Act.

Now, we will discuss about **Meetings of a Company**

We will start with **Notice under Section 101**
Notice of Meeting

Section 101. (1) A general meeting of a company may be called by giving not less than clear 21 days notice either in writing or through electronic mode.

In case of private company - Section 101 shall apply, unless otherwise specified in respective sections or the articles of the company

In case of section 8 company, in Section 101(1)(i) fourteen days clear notice shall be given

In case of Specified IFSC Public Company - Section 101 shall apply, unless otherwise specified in the articles of the company. Notification Dated 4th January, 2017.

Meeting at Short Notice : Effective From 09th February 2018
A general meeting may be called after giving shorter notice than that specified in Section 101(1), if consent, in writing or by electronic mode, is accorded thereto—

- (i) in the case of an annual general meeting, by not less than 95 per cent of the members entitled to vote thereat; and
- (ii) in the case of any other general meeting, by members of the company -
 - (a) holding, if the company has a share capital, majority in number of members entitled to vote and who represent not less than ninety-five per cent. of such part of the paid-up share capital of the company as gives a right to vote at the meeting; or
 - (b) having, if the company has no share capital, not less than 95 per cent. of the total voting power exercisable at that meeting

Effective From 09th February 2018 where any member of a company is entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those members shall be taken into account for the purposes of Sec.101(1) in respect of the former resolution or resolutions and not in respect of the latter.

Sec.101(2) provides that every notice of a meeting shall specify :

- the place,
- date,
- day and the hour of the meeting, and
- shall contain a statement of the business to be transacted at such meeting.

Sec.102(2) provides that -

(a) in the case of an annual general meeting, all business to be transacted thereat shall be deemed special, other than—

- (i) the consideration of financial statements and the reports of the Board of Directors and auditors;
- (ii) the declaration of any dividend;

- (iii) the appointment of directors in place of those retiring;
- (iv) the appointment of, and the fixing of the remuneration of, the auditors; and

(b) in the case of any other meeting, all business shall be deemed to be special:

Provided that where any item of special business to be transacted at a meeting of the company relates to or affects any other company, the extent of shareholding interest in that other company of every promoter, director, manager, if any, and of every other key managerial personnel of the first mentioned company shall, if the extent of such shareholding is not less than two per cent of the paid-up share capital of that company, also be set out in the statement.

Notice to whom to be given : Sec.101(3) provides that the notice of every meeting of the company shall be given to—

- (a) every member of the company, legal representative of any deceased member or the assignee of an insolvent member;
- (b) the auditor or auditors of the company; and
- (c) every director of the company.

Sec.101(4) provides that any accidental omission to give notice to, or the non-receipt of such notice by, any member or other person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting.

Notice by Electronic mode : Rule 18 of the Companies (Management and Administration) Rules, 2014 provides that :

In case company elects to send the notice by electronic mode , then it has to send the notice to all the members who have provided electronic mail address to the company.

In case of failure of transmission of email, company has to resend the email to the members .

The company shall not be in default for not delivering notice of meeting via e-mail in case member entitled to receive notice fails to provide or update relevant e-mail address to the company, or to the depository participant as the case may be.

The subject line in e-mail shall state the name of the company, notice of the type of meeting, place and the date on which the meeting is scheduled.

The company's obligation shall be satisfied when it transmits the e-mail and the company shall not be held responsible for a failure in transmission beyond its control.

The company may send e-mail through in-house facility or its registrar and transfer agent or authorize any third party agency providing bulk e-mail facility.

The notice of the general meeting of the company shall be simultaneously placed on the website of the company if any and **on the website as may be notified** by the Central Government.

For the purpose of Rule 18 of the Companies (Management and Administration) Rules, 2014 , it is hereby declared that the extra ordinary general meeting shall be held at a place within India.

Section 20 of the Companies Act, 2013 provides that a member may request for delivery of any document through a particular mode.

Sec.102(1) (1) A statement setting out the following material facts concerning each item of special business to be transacted at a general meeting, shall be annexed to the notice calling such meeting, namely:—

- (a) the nature of concern or interest, financial or otherwise, if any, in respect of each items of—
 - (i) every director and the manager, if any;
 - (ii) every other key managerial personnel; and
 - (iii) relatives of the persons mentioned in Sec.102(1)(i) and (ii);
- (b) any other information and facts that may enable members to understand the meaning, scope and implications of the items of business and to take decision thereon.

Deemed Special Transaction : Sec.102(2) provides that -

(a) in the case of an annual general meeting, all business to be transacted thereat shall be deemed special, other than—

- (iv) the consideration of financial statements and the reports of the Board of Directors and auditors;
- (v) the declaration of any dividend;
- (vi) the appointment of directors in place of those retiring;
- (iv) the appointment of, and the fixing of the remuneration of, the auditors; and

(b) in the case of any other meeting, all business shall be deemed to be special:

Provided that where any item of special business to be transacted at a meeting of the company relates to or affects any other company, the extent of shareholding interest in that other company of every promoter, director, manager, if any, and of every other key managerial personnel of the first mentioned company shall, if the extent of such shareholding is not less than two per cent of the paid-up share capital of that company, also be set out in the statement.

Sec.102(3) **regarding Inspection of documents**, provides that where any item of business refers to any document, which is to be considered at the meeting, the time and place where such **document can be inspected** shall be specified in the statement under Sec.102 (1).

Sec.102(4) **regarding Non-disclosure in Statement**, provides that where as a result of the **non-disclosure or insufficient disclosure in any statement** referred to Sec.102(1), being made by a promoter, director, manager, if any, or other key managerial personnel, any benefit which accrues to such promoter, director, manager or other key managerial personnel or their relatives, either directly or indirectly, the promoter, director, manager or other key managerial personnel, as the case may be, shall hold such benefit in trust for the company, and shall, without prejudice to any other action being taken against him under this Act or under any other law for the time being in force, be liable to compensate the company to the extent of the benefit received by him.

Sec.102(5) **regarding Penalty**, provides that without prejudice to the provisions of Section 102(4), if any default is made in complying with the provisions of this section, every promoter, director, manager or other key managerial personnel of the company who is in default shall be **liable to a penalty** of Rs.50,000 (fifty thousand) or five times the amount of benefit accruing to the promoter, director, manager or other key managerial personnel or any of his relatives, whichever is higher.

Quorum for Meetings

Let us first understand what we mean by Quorum. 'Quorum' simply means the minimum number of members that have to be present , under the Act, for a General Meeting, a Board Meeting and an Extraordinary General Meeting. The Act enumerates the numbers required within its provisions.

Section 103 of the Act states that, unless the Articles of Association of the company provide for a larger quorum, the quorum required for a General Meeting shall be as follows :

For public companies:

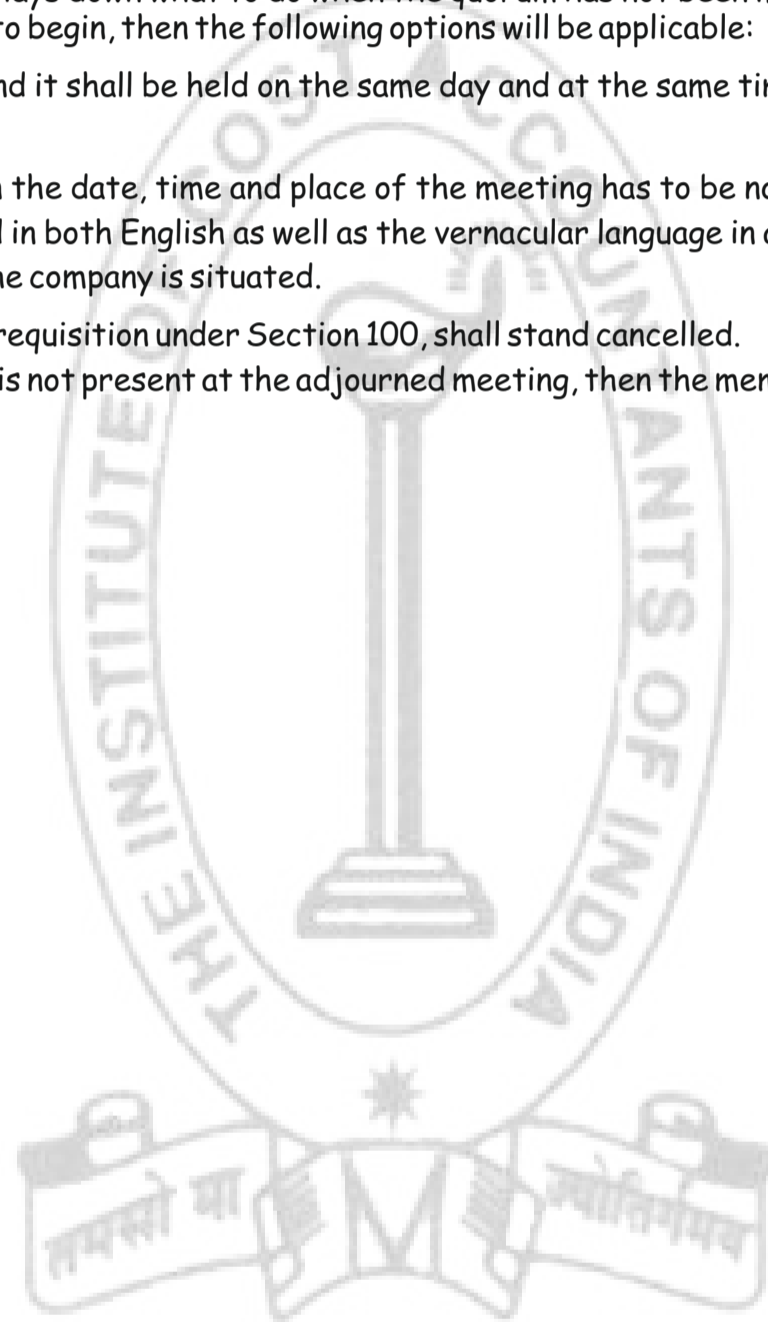
- 5 members present if as on the date of the meeting being held, the number of members in the company does not exceed one thousand.
- 15 members present if as on the date of the meeting there are more than one thousand members but less than five thousand members.
- 30 members present if as on the date of the meeting there are more than five thousand members.

For private companies:

- In the case of a private company regardless of the number of members, two members must be present for the quorum to be met for a meeting.

Sec. 103(2) and Sec.103(3), of the Act lays down what to do when the quorum has not been met. If the quorum is not present within half an hour of the time set for the meeting to begin, then the following options will be applicable:

- The meeting will be adjourned, and it shall be held on the same day and at the same time next week, or any other date and time as the Board may determine.
- If the meeting is adjourned then the date, time and place of the meeting has to be notified personally or via advertisement. The advertisement must be published in both English as well as the vernacular language in a newspaper which is in circulation at a place where the registered office of the company is situated.
- The meeting, which are called by requisition under Section 100, shall stand cancelled.
- Under Sec. 103(3), if the quorum is not present at the adjourned meeting, then the members present shall form the quorum.



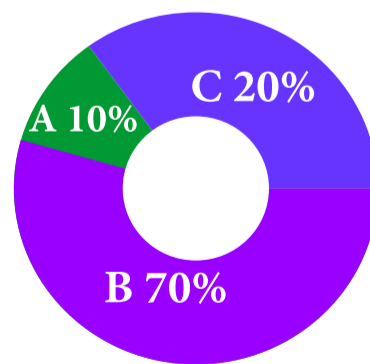


GROUP: I, PAPER: 7

DIRECT TAXATION (DTX)

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Your Preparation Quick Takes



Syllabus Structure

- A** Income Tax Act Basics **10%**
- B** Heads of Income and Computation of Total Income and Tax Liability **70%**
- C** 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.

Residential Status**Determination of Residential status [Sec. 6]**

Assessee	Condition to be a Resident	Condition to be an Ordinarily resident
Individual	<p>An individual is said to be a resident in India, if he satisfies any one of the following conditions -</p> <p>i) He is in India in the previous year for a period of 182 days or more [Sec. 6(1)(a)]; or</p> <p>ii) He is in India for a period of 60 days or more during the previous year and for 365 or more days during 4 previous years immediately preceding the relevant previous year [Sec. 6(1)(c)]</p> <p>Exceptions</p> <p>A. In the following cases, condition (ii) of sec. 6(1) [i.e. sec. 6(1)(c)] is irrelevant:</p> <p>a) An Indian citizen, who leaves India during the previous year for employment purpose.</p> <p>b) An Indian citizen, who leaves India during the previous year as a member of crew of an Indian ship.</p> <p>B. In case of an Indian citizen or a person of Indian origin comes on a visit to India during the previous year, and his total income, other than the income from foreign sources, exceeds ₹ 15 lakhs during the previous year then modified condition (ii) of sec. 6(1) is applicable i.e., he is in India for a period of 120 days or more (but less than 182 days) during the previous year and for 365 or more days during 4 previous years immediately preceding the relevant previous year. If such income does not exceed ₹ 15 lakhs, then condition (ii) of sec. 6(1) is irrelevant.</p> <p>C. If assessee has satisfied all the condition given u/s 6(1A), he is considered as deemed resident. The conditions are:</p> <p>a. He is a citizen of India</p> <p>b. His total income, other than the income from foreign sources, exceeds ₹ 15 lakhs during the previous year;</p> <p>c. He is not satisfying any of the basic conditions given u/s 6(1) [i.e., 182 days or 60 days + 365 days]; and</p> <p>d. He is not liable to tax in any other country or territory by reason of his domicile or residence or any other criteria of similar nature.</p>	<p>If a resident individual satisfies the following two additional conditions, he will be treated as resident & ordinarily resident in India -</p> <p>a) He has been resident in India [as per sec. 6(1)] in at least 2 out of 10 previous years immediately preceding the relevant previous year; and</p> <p>b) He has resided in India for a period of 730 days or more during 7 previous years immediately preceding the relevant previous year.</p> <p>Note: If the assessee is considered as resident by virtue of 120 days + 365 days criteria or he is considered as deemed resident u/s 6(1A), then he is considered as not ordinarily resident in India.</p>
HUF	Management is wholly or partly situated in India	Karta satisfies both the conditions of sec. 6(6)

Company		
a) Indian company	Always resident	Not applicable
b) Other company	Place of effective management is in India	
Any other person	Management is wholly or partly situated in India	

Example

Determine the residential status in the following different cases:

Case	A	B	C	D	E	F	G	H
Citizenship	Foreign	India	India	India	Foreign	Foreign	India	Foreign
Is he person of Indian origin	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No
Total income (excluding income from foreign source) exceeds ₹ 15,00,000	Yes	No	Yes	Yes	Yes	Yes	No	No
Liable to pay tax in other country	No	No	No	Yes	No	No	No	No
Stay in India during the previous year	30	30	30	30	138	185	85	85
Stay in India during 4 years immediately preceding previous year	380	380	380	380	380	180	380	380
Are dual conditions given u/s 6(6) satisfied	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Residential Status	NR	NR	NOR	NR	NOR	ROR	NR	ROR
Note	1	2	3	4	5	6	7	8

1. He is not an Indian citizen, hence sec. 6(1A) is not applicable. Further his stay in India during the previous year does not exceed 120 days.
2. His total income does not exceed ₹ 15,00,000.
3. All conditions of sec. 6(1A) are satisfied.
4. He is liable to pay tax in other country.
5. His stay in India exceeds 120 days (but does not exceed 182 days)
6. He has satisfied one condition of sec. 6(1) [i.e. 182 days criteria] and dual conditions of sec. 6(6)
7. He is not satisfying any of the condition provided in sec. 6(1)
8. He has satisfied one condition of sec. 6(1) [i.e. 182 days criteria] and dual conditions of sec. 6(6)

Incidence of Tax [Sec. 5]

The following chart highlights the provisions of tax incidence in brief:

Nature of Income	Tax incidence in the case of		
	Resident & ordinarily resident	Resident but not ordinarily resident	Non resident
Income accrued or deemed to be accrued and received or deemed to be received in India	Taxable	Taxable	Taxable
Income accrued outside India but received or deemed to be received in India.	Taxable	Taxable	Taxable

Income accrued or deemed to be accrued in India but received outside India	Taxable	Taxable	Taxable
Income accrued and received outside India from a business controlled in or profession set-up in India.	Taxable	Taxable	Not taxable
Income accrued and received outside India from a business controlled or profession set-up outside India.	Taxable	Not taxable	Not taxable
Income accrued and received outside India in the previous year (it makes no difference if the same is later remitted to India).	Taxable	Not taxable	Not taxable
Income accrued and received outside India in any year preceding the previous year and later on remitted to India in current financial year.	Not taxable	Not taxable	Not taxable

Note: In case of resident assessee like company, firm etc. (other than Individual and HUF) in which there is no classification as 'Resident but not ordinarily resident', income accrued and received outside India from a business controlled or profession setup outside India shall be taxable.

Example

Ram provides following details of income, calculate the income which is liable to be taxed in India for the A.Y.2021-22 assuming that -

a) He is an ordinarily resident	a) He is not an ordinarily resident	a) He is a non-resident.
Particulars		
Amount		
Salary received in India from a former employer of UK		1,40,000
Income from tea business in Nepal being controlled from India		10,000
Interest on company deposit in Canada (1/3 rd received in India)		30,000
Profit from a business in Mumbai controlled from UK		1,00,000
Profit for the year 2002-03 from a business in Tokyo remitted to India		2,00,000
Income from a property in India but received in USA		45,000
Income from a property in London but received in Delhi		1,50,000
Income from a property in London but received in Canada		2,50,000
Income from a business in Jamaica but controlled from Turkey		10,000

Solution

Calculation of income liable to be taxed in India of Ram for the A.Y.2021-22

Particulars	Resident & Ordinarily resident	Resident but not ordinarily resident	Non-resident
Salary received in India from a former employer of UK	1,40,000	1,40,000	1,40,000
Income from tea business in Nepal being controlled from India	10,000	10,000	Nil
<u>Interest on company deposit in Canada</u> - - 1/3 rd received in India	10,000	10,000	10,000
- 2/3 rd received outside India	20,000	Nil	Nil
Profit from a business in Mumbai controlled from UK	1,00,000	1,00,000	1,00,000

Past Profit from a business in Tokyo remitted to India	Nil	Nil	Nil
Income from a property in India but received in USA	45,000	45,000	45,000
Income from a property in London but received in Delhi	1,50,000	1,50,000	1,50,000
Income from a property in London but received in Canada	2,50,000	Nil	Nil
Income from a business in Jambia but controlled from Turkey	10,000	Nil	Nil
Income liable to tax in India	7,35,000	4,55,000	4,45,000

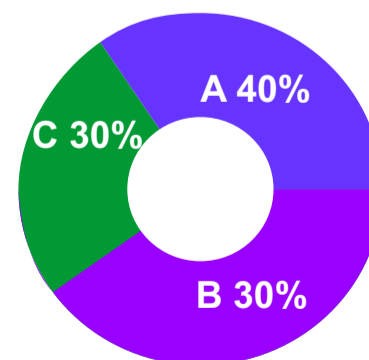




GROUP: I, PAPER: 8
COST ACCOUNTING
(CAC)

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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

Now a days 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.

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 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.

I have suggested the following areas based on my long time teaching experience for improving yourselves.

1. Try to go through your Study Note and know the complete syllabus. Remember all chapters are interlinked.
2. There should be a plane developed for completing the whole syllabus within the scheduled time .
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 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 Six main 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 , dams 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 thorough 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.

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 chapter "**Marginal Costing**" is not a particular method of cost ascertainment but a technique dealing with the nature and behavior of cost and their 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 **Standard 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 effective 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 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 incorrect deduction of opening and closing stocks.

Now I have suggested some Objective Type Questions based on Marginal Costing :

1. Indicate whether the following statements are true or false :

- Variable cost per unit varies with the increase in the volume of output.
- Conversion cost is equal to direct wages plus factory overhead.
- All costs are controllable.
- Depreciation is an out-of-pocket cost.
- An item of cost that is direct for one business may be indirect for another.
- Fixed cost per unit remains constant.

[Ans , True : (b), (e). False : (a), (c), (d), (f).]

2. Indicate whether the following statements are true or false :

- Profit = Contribution - Fixed cost .
- P/V ratio = Profit / sales .
- Marginal costing and direct costing are the same.
- marginal costing is based on the distinction between fixed and variable costs.
- Profit = P/v ratio × margin of safety.
- For decision-making, absorption costing is more suitable than marginal costing.
- In Marginal costing, under and over-absorption of fixed overheads is bound to arise.
- Marginal costing cannot be applied in Job-costing .
- Margin of safety = Contribution /P.V. ratio.
- Marginal costing can be used with process costing .
- In marginal costing, valuation of stock is done on total cost basis.
- Profit = Sales - Contribution.
- Variable + Profit = Sales

[Ans : True : (a), (d), (e), (j). False. (b),(c), (f), (g), (h), (i), (k), (l), (m).]

3. (a) Which of the following is true at break even point :

- Profit = Fixed cost + Variable Cost
- Contribution = Fixed Cost .
- Sales Revenue = Total Cost - variable cost
- Sales Revenue = variable cost .

[Ans . (ii)]

(b) The margin of safety may be defined as :

- The point at which break even sales are achieved
- The difference between planned sales and break-even point sales.
- The extent to which sales revenue exceeds fixed costs.

(iv) The excess of planned sales over the current actual sales.

[Ans . (ii)]

(c) Increase in fixed cost will result in which of the following :

- (i) A decrease in the contribution ; Sales ratio .
- (ii) A decrease in the contribution per unit .
- (iii) An increase in the break-even point sales level.
- (iv) An increase in the margin of safety.

[Ans . (iii)]

The usefulness of the marginal cost system largely depends upon a correct appreciation of the behaviors of costs with change of output. Hence only the variable or marginal costs are taken into consideration for determining product costs. In case of **make or buy decision**, the market price should be compared with marginal cost of producing component parts. If the marginal cost is lower than the price quoted by outsider (vender) , it will be more profitable to manufacture the component in the factory, instead of purchasing from outside. Here Fixed Cost are not taken into consideration. This concept will clear by solving the following problem .

Problem :-

Hero Cycle Ltd. purchases 20,000 bells per annum from an outside supplier at Rs. 5 each. The management feels that these be manufactured and not purchased . A machine costing Rs. 50,000 will be required to manufacture the items within the factory. The machine has an annual capacity of 30,000 units and life of 5 years . The following additional information are available:

Material cost per bell will be	Rs. 2.00
Labour cost	Rs. 1.00
Variable overheads	100% of labour cost .

You are required to advise whether :

- (i) The company should continue to purchase the bells from outside suppliers or should Make them in the factory, and
- (ii) The company should accept an order to supply, 5000 bells to the market at a selling price of Rs. 4.50 per bell ?

Solution :-

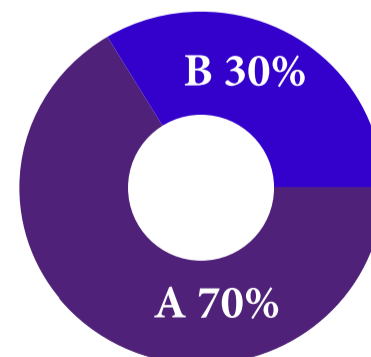
(a) Manufacturing cost of one unit of bell	Rs.
Material cost	2.00
Labour cost	1.00
Variable overheads 100 % of labour cost	1.00
Variable cost	4.00
Add : Depreciation : [Rs. 50,000 ÷ 5 years = Rs. 10,000 per annum = Rs. 10,000 ÷ 20,000 bells = 0.50]	0.50
Cost of Manufacture	4.50
Purchase cost	5.00
Saving if manufactured	0.50
Saving per annum, if manufactured $0.50 \times 20,000$. Hence, the company should manufacture the same in the factory.	10,000
(b) Depreciation has been recovered on 20,000 bells. Hence variable cost of Rs. 4.00 per unit is to be considered for decision making. Further, machine has additional capacity of 10,000 units per annum (30,000 - 20,000). Selling price (per unit in Rs.)	4.50
Variable cost (per unit in Rs.)	4.00
	0.50
Profit Profit on 5,000 units at Rs. 0.50 = Rs. 2,500. Hence, the company should accept an order to supply 5,000 bells at a selling price of Rs. 4.50 per unit.	



GROUP: II, PAPER: 9, Part- i
OPERATIONS
MANAGEMENT & STRATEGIC
MANAGEMENT (OMSM)
Operations Management

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Your Preparation Quick Takes



Syllabus Structure

A Operations Management 70%
B Strategic Management 30%

Learning Objectives:

- Operations Management develops skills in problem solving, project management, communication, and managing effectively in team-based work environments.
- Eventually, student's ability for leadership positions in the production and service industries gets increased.
- To solve business processes, it helps to apply knowledge of fundamental concepts of operations management and helps to apply knowledge of approaches to operational performance improvement.

Operations Management

In this issue let us do MCQs on ABBREVIATIONS:

Q1. WBS stands for

- Work Breakeven Structure
- Work Breakup Structure
- Work Building Structure
- Work Breakdown Structure

Q2. PDSA stands for

- Plan Do Study Act
- Produce Develop Sale Augment
- Product Developers Scientific Association
- Procure Develop Sourcing Administration

Q3. EPR stands for

- Enterprise Productivity Rate
- Extended Producer Responsibility
- Estimated Production Ratio
- Entitled Professional Remuneration

Q4. EVPI stands for

- Expected Value of Profitability Index
- Estimated Value of Performance Index
- Expected Value of Perfect Information
- Estimated Value of Production Information

Q5. DRP stands for

- Distribution Requirement Planning
- Development Resource Planning
- Design Redesign Planning
- Duty Reduced Price

Q6. MTBF stands for

- Mod Time Between Failures
- Mean Time for Balancing Facilities
- Modern Techniques for Balancing Facilities
- Mean Time Between Failures

Q7. QFD stands for

- Quality Function Deployment
- Quadratic Functional Driver
- Quantitative Functional Disorder
- Quadrature Functional Derivative

Q8. SPC stands for

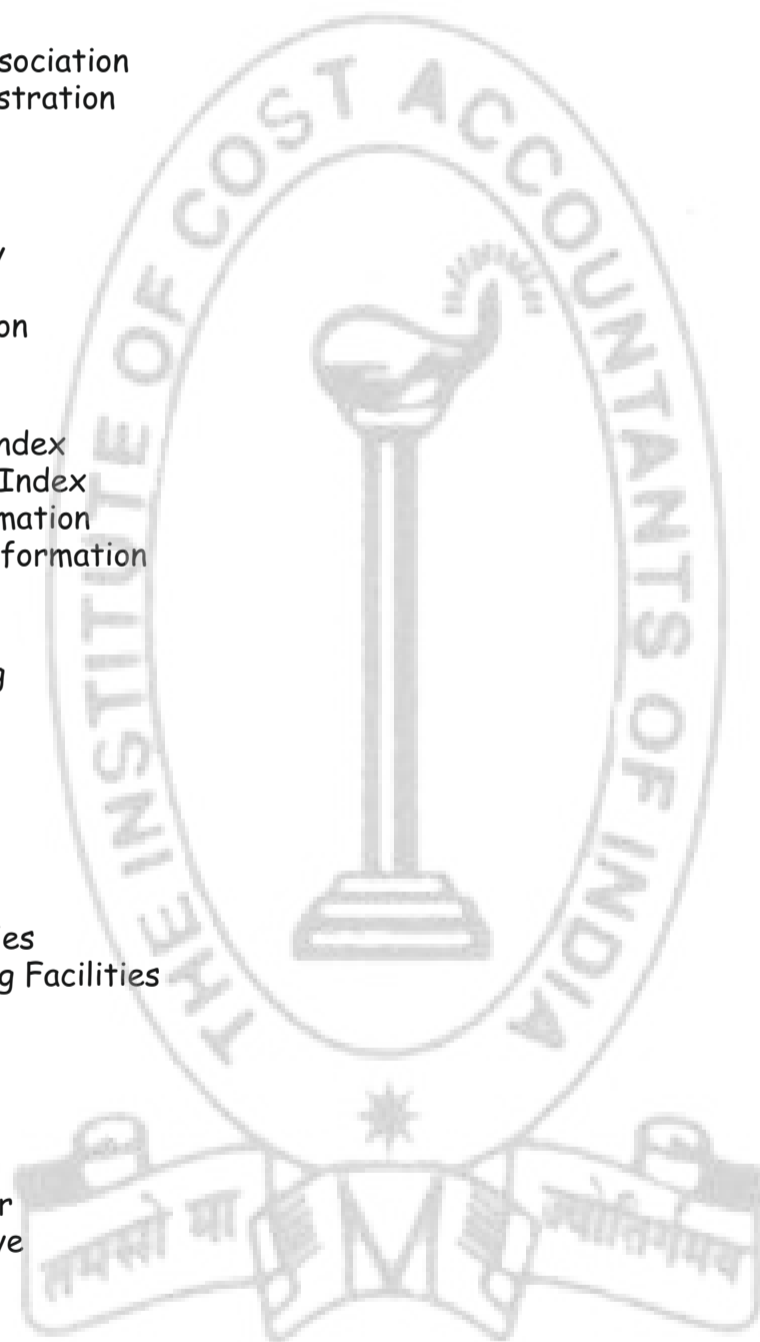
- Statistical Parametric Confirmation
- Statistical Productivity Council
- Statistical Process Control
- Statistical Parameter Control

Q9. VMI stands for

- Value Modulation Index
- Vendor Managed Inventory
- Vector Modulated Integer
- Valued Material Index

Q10. DMAIC stands for

- Derive Measure Authenticate Indicate & Control
- Develop Manage Activate Improve & Control



- (c) Design Manage Analyse Install & Control
- (d) Define Measure Analyse Improve & Control

Q11. ATM stands for

- (a) Available To Promise
- (b) Available To Manufacture
- (c) Addressed To Measure
- (d) Active Total Management

Q12. AOA stands for

- (a) Activity On Arrow
- (b) Analysis Of Activities
- (c) Arrow of Activities
- (d) Analytically Observed Activities

Q13. CIM stands for

- (a) Contributory Index Measure
- (b) Computer Integrated Manufacturing
- (c) Conditional Invoicing Mechanism
- (d) Controlled Investigation Method

Q14. FMS stands for

- (a) Fixed Manufacturing Supplies
- (b) Facility Malfunctioning Syndrome
- (c) Failure Monitoring System
- (d) Flexible Manufacturing System

Q15. MAPE stands for

- (a) Mean Absolute Probability Estimation
- (b) Mean Absolute Productivity Error
- (c) Mean Absolute Percent Error
- (d) Measure Act Produce Estimate

Q16. MPS stands for

- (a) Multiple Production Standard
- (b) Master Production Schedule
- (c) Measure Production Sequence
- (d) Methodological Procurement Scheme

Q17. AOQL stands for

- (a) Average Outgoing Quality Limit
- (b) Absolute Outgoing Quality Limit
- (c) Approved Outgoing Quality Limit
- (d) Authentication Of Quality Loop

Q18. CFE stands for

- (a) Confirmed Facility Establishments
- (b) Calculated sum of Facility Error
- (c) Cumulative sum of Forecast Error
- (d) Contour of Facility Error

Q19. FCFS stands for

- (a) Fault Cum Failure Signs
- (b) First Cum First Served
- (c) Fundamental Concept of Facility Sequence
- (d) Fixed Cum Floating Supplies

Q20. ELS stands for

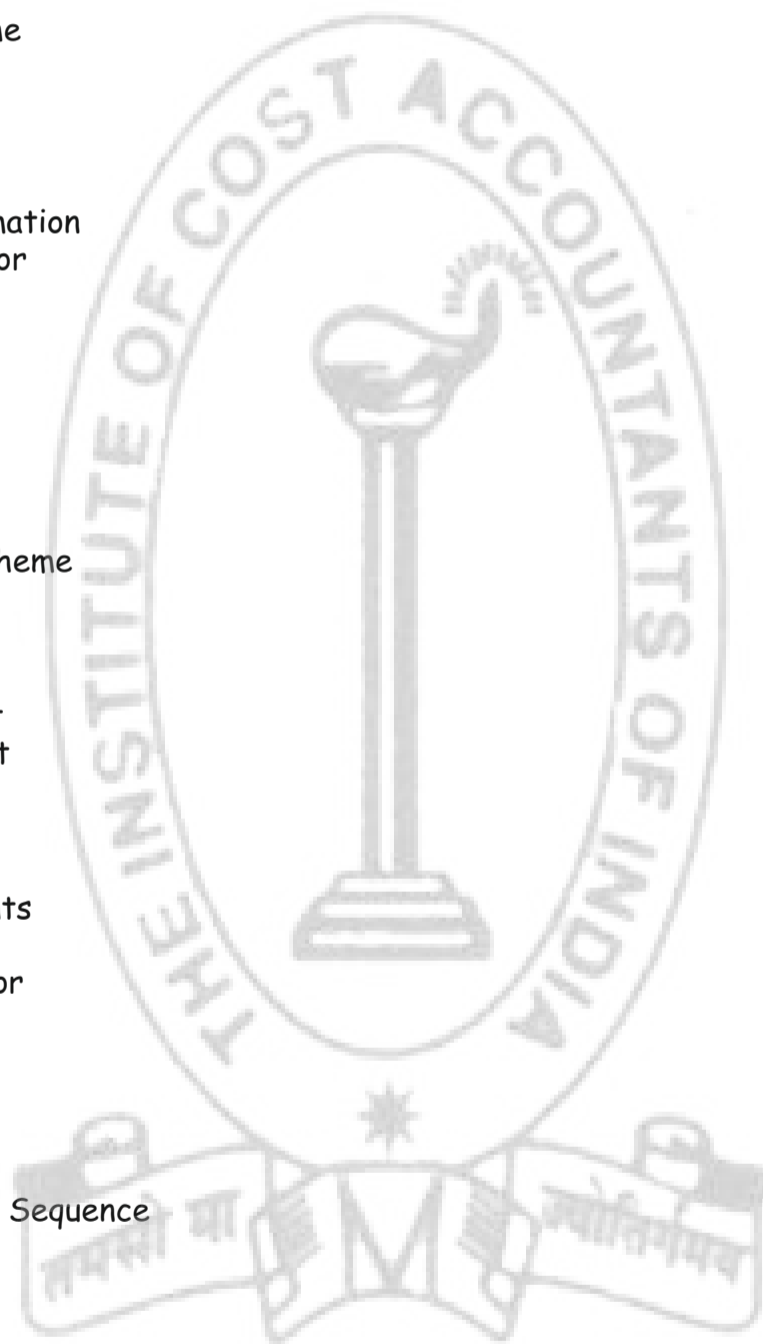
- (a) Economic Loop Size
- (b) Evaluated Local Sample
- (c) Estimated production Lot Size
- (d) Economic production Lot Size

Q21. MTM stands for

- (a) Methods Time Measurement
- (b) Materials Time Management
- (c) Monitoring Time Management
- (d) Market Total Mechanism

Q22. PWP stands for

- (a) Plan With Productivity
- (b) Progressive Working Procedure



- (c) Plants Within Plants
(d) Plant Working Plan

Q23. TBO stands for

- (a) Total Basket Offer
(b) Time Based orders
(c) Technical Bid Offer
(d) Time Between Orders

Q24. SKU stands for

- (a) Stock Keeping Utility
(b) Stock Keeping Unit
(c) Store Keeping Unit
(d) Store Keep Utilise

Q25. SPT stands for

- (a) Statistical processing Time
(b) Systematic Procurement Time
(c) Shortest production Time
(d) Shortest Processing Time

Q26. NTC stands for

- (a) Normalised Time Curve
(b) Nominal Time to Control
(c) Normal Time for the Cycle
(d) Normalised Total Control

Q27. DFA stands for

- (a) Design For Assembly
(b) Design For Augmentation
(c) Design For Automation
(d) Deviation From Agreement

Q28. MES stands for

- (a) Manufacturing Efficiency Standard
(b) Modular Engineering System
(c) Managed Electronic System
(d) Manufacturing Execution System

Q29. ECO stands for

- (a) Effective Cancellation orders
(b) Engineering Change Orders
(c) Economically Controlled Orders
(d) Electronically Controlled Organisation

Q30. ASRS stands for

- (a) Augmented System for Resource Storage
(b) Approved Sequence for Retrieval System
(c) Authenticated System for Resource Storage
(d) Automated Storage & Retrieval System

Answer:

Q1	d	Q16	b
Q2	a	Q17	a
Q3	b	Q18	c
Q4	c	Q19	b
Q5	a	Q20	d
Q6	d	Q21	a
Q7	a	Q22	c
Q8	c	Q23	d
Q9	b	Q24	b
Q10	d	Q25	d
Q11	a	Q26	c
Q12	a	Q27	a
Q13	b	Q28	d
Q14	d	Q29	b
Q15	c	Q30	d

Suggestions:

These MCQs are made from study guide on the paper 9- Operations Management & Strategic Management written and issued by Institute & from supplementary readings- 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. Students should also attempt to gain further knowledge from the referred books with their own efforts.

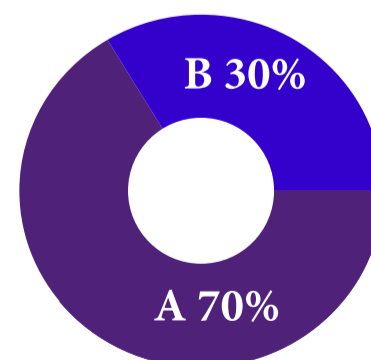




GROUP: II, PAPER: 9, Part- ii
OPERATIONS
MANAGEMENT & STRATEGIC
MANAGEMENT (OMSM)
Strategic Management

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Your Preparation Quick Takes



Syllabus Structure

A Operations Management 70%
B Strategic Management 30%

Learning Objectives:

- The course will follow in general terms the strategy development process from audit to formulation of strategic plans, their implementation and evaluation.
- Students will be introduced to strategic management in a way so that their understanding can be better.
- The ultimate aim of the course is to develop students as future managers who will add value by 'strategically managing' the organisation's resources and capabilities.

STRATEGIC MANAGEMENT**1. The three organization levels are:**

- Corporate level, Business level, Functional level
- Corporate level, Business unit level, Functional level
- Corporate strategy level, Business unit level, Functional level
- Corporate strategy level, Business level, Specialist level.

Ans: A**2. Long-term objectives should be all of the following except:**

- Measurable
- Continually changing
- Reasonable
- Challenging
- Consistent

Ans: B**3. What are guides to decision making?**

- Laws
- Rules
- Policies
- Procedures
- Goals

Ans:C**4. The Vision & Mission statement can be found:**

- In the SEC statement
- In Annual Reports
- On Customer Receipts
- On Supplier invoices
- On Community news bulletins

Ans:B**5. Which group would be classified as a stakeholder?**

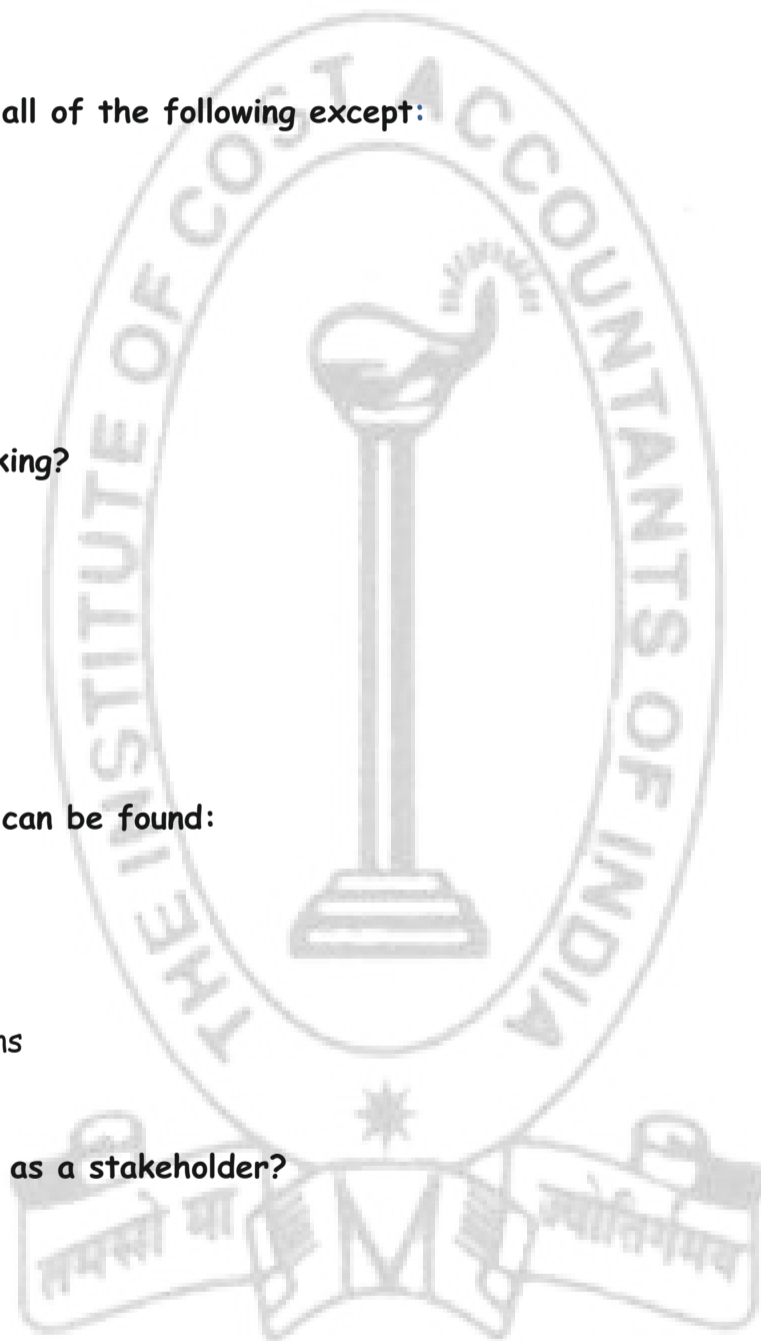
- Communities
- Banks
- Suppliers
- Employees
- All of these

Ans: E**6. The process of performing an external audit needs to include:**

- Only top level managers as it's a planning function
- As many managers and employees as possible
- Primarily front-line supervisors
- Between 15 to 20 managers for it to be valid

Ans:B**7. Strategy is _____**

- Completely Proactive & Completely Reactive
- Partly Proactive & Partly Reactive
- Neither Proactive nor Reactive
- Proactive Only



Ans: B

8. When formulating strategic options, it is a valid option to 'do nothing'. However, this can lead to:
- A. A core competence
 - B. A competency trap
 - C. An infinite option future
 - D. A limited-option future

Ans: B

9. A 'feint' strategy is where:
- A. A firm misleads competitors about its future intentions
 - B. A firm copies a competitor's strategy
 - C. A firm enters a new market secretly
 - D. A firm collaborates with another firm to face a common enemy

Ans: A

10. The slowest way to grow a business is likely to be through:
- A. A merger
 - B. Outsourcing
 - C. Internal development
 - D. A strategic alliance

Ans: C

11. A firm that has become too large has decided to set up part of the organization as an independent company. This is known as:
- A. Liquidation
 - B. A management buyout
 - C. Float-off
 - D. A sell-out

Ans: C

12. Something that you learn to do by practicing rather than from reading a manual is known as:
- A. Explicit knowledge
 - B. Codified knowledge
 - C. Embodied knowledge
 - D. Symbolic knowledge

Ans: C

13. Which of the following attributes is NOT seen as being necessary for an organization to become a 'learning organization'?
- A. Cultural diversity
 - B. Top management commitment
 - C. Openness to new ideas
 - D. Willingness to experiment and risk making mistakes

Ans: A

14. Knowledge management is concerned with the emergence, storage and _____ of knowledge.
- A. Trade
 - B. Transfer
 - C. Translation
 - D. Transcription

Ans: B

15. One of the main problems with explicit knowledge is that:
- A. It is difficult to transfer
 - B. It is easier to obtain it
 - C. It is not fluid
 - D. It inhibits further learning.

Ans: B



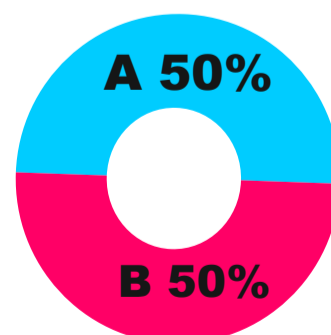
GROUP: II, PAPER:10

COST & MANAGEMENT

ACCOUNTING AND FINANCIAL
MANAGEMENT(CMFM)

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Your Preparation Quick Takes



Syllabus Structure

A Cost & Management Accounting 50%

B Financial Management 50%

Learning Objectives:

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

GR - II CMA & FM**Question No. - 1 (Labour)**

The following information relates to labour of X Ltd.: -

Type of Labour	Skilled	Semi-Skilled	Unskilled	Total
No. of workers in standard gang	4	3	2	9
Standard rate per hour (₹)	6	3	1	
Number of workers in actual gang				9
Actual rate per hour (₹)	7	2	2	

In a 40 hour week, the gang produced 270 standard hours.

The actual number of semi-skilled workers is two times the actual number of unskilled workers. The rate variance of semi-skilled workers is ₹ 160 (F).

What shall be the :-

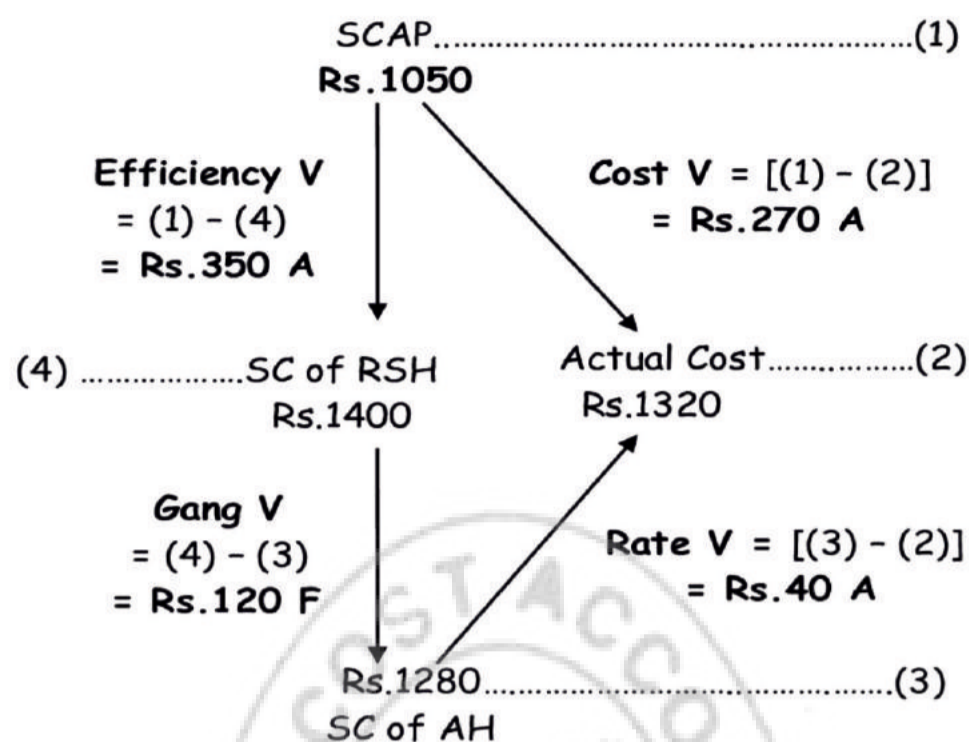
- i) Number of unskilled workers : (a) 4 (b) 3 (c) 2 (d) 1
- ii) Standard Cost of Actual Production (SCAP) : (a) Rs.1000 (b) Rs.1050 (c) Rs.1100 (d) Rs.1150
- iii) Actual Cost of Production (AC) : (a) Rs.1320 (b) Rs.1340 (c) Rs.1350 (d) Rs.1360
- iv) Standard Cost of Actual Hour (SC of AH) paid for : (a) Rs.1150 (b) Rs.1200 (c) Rs.1250 (d) Rs.1280
- v) Standard Cost of Revised Standard Hours (SC of RSH) : (a) Rs.1300 (b) Rs.1350 (c) Rs.1400 (d) Rs.1450
- vi) Labour Efficiency Variance : (a) Rs.350 A (b) Rs.350 F (c) Rs.400 A (d) Rs.400 F
- vii) Labour Rate Variance : (a) Rs.35 F (b) Rs.35 A (c) Rs.40 A (d) Rs.40 F
- viii) Gang Variance : (a) Rs.120 A (b) Rs.120 F (c) Rs.130 A (d) Rs.130 F
- ix) Labour Cost Variance : (a) Rs.270 A (b) Rs.270 F (c) Rs.280 A (d) Rs.280 F

Answer :

- | | | |
|------------------|--------------------|------------------|
| i) (c) 2 | ii) (b) Rs.1050 | iii) (a) Rs.1320 |
| iv) (d) Rs.1280 | v) (c) Rs.1400 | vi) (a) Rs.350 A |
| vii) (d) Rs.40 A | viii) (b) Rs.120 F | ix) (a) Rs.270 A |

Steps for Solution (for both Question 1 and 2) :

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

SOLUTION

[Note : Labour Cost V = Rate V + Gang V + Efficiency V]

Working Notes**Working Note - 1**

To find out No. of Unskilled Workers -

We know W. Rate Variance = Actual Hour (Std Rate - Actual Rate)

Let the No. of Unskilled Workers = X

So, the No. of Semiskilled Workers = 2X

In a 40 Hour week, the Rate Variance in respect of Semi-skilled workers comes to
 $2X \times 40 \text{ Hrs (Rs.3 - Rs.2)}$
 $= \text{Rs.160 F (given)}$

So $80X = (+) 160$

Or $X = 160/80 = 2$

Therefore No. of Unskilled Workers = 2

and hence No. of Semi- skilled Workers = 4 [2 x 2 times]

and No. of Skilled Workers = 3 [balancing figure]

Total = 9 [given]

Working Note - 2**Standard Cost of Actual Production (SCAP) [270 Standard Hours]**

Category	No.	Std. proportion of SH	Std Hour	SR (Rs.)	Amount (Rs.)
Skilled	3	$3/9 \times 270 \text{ Hr}$	120	6	720
Semi-Skilled	4	$4/9 \times 270 \text{ Hr}$	90	3	270
Unskilled	2	$2/9 \times 270 \text{ Hr}$	60	1	60
	<u>9</u>		<u>270</u>		<u>Rs.1050</u>

Working Note - 3

Actual Cost of Production (AC)

Category	No.	Hour	Total Hour	AR (Rs.)	Amount (Rs.)
Skilled	3	40	120	7	840
Semi-Skilled	4	40	160	2	320
Unskilled	2	40	80	2	160
	9		360		Rs.1320

Working Note - 4Standard Cost of Actual Hours

Category	Actual Hour	SR (Rs.)	Amount (Rs.)
Skilled	120	6	720
Semi-Skilled	160	3	480
Unskilled	80	1	80
	360		Rs.1280

Working Note - 5Std. Cost of Revised Std. Hours (SC of RSH)

Category	Std. proportion of Actual Hours	RSH	SR (Rs.)	Amount (Rs.)
Skilled	$3/9 \times 360$	120	6	720
Semi-Skilled	$4/9 \times 360$	160	3	480
Unskilled	$2/9 \times 360$	80	1	80
		360		Rs.1400

Question No. - 2 (Comprehensive)

Y Ltd. produces and sells a single product. Standard cost card per unit of the product is as follows :

	(₹)
Direct materials : A 10 kg @ ₹ 5 per kg	50.00
B 5 kg @ ₹ 6 per kg	30.00
Direct wages 5 hours @ ₹ 5 per hour	25.00
Variable production overheads 5 hours @ 12 per hour	60.00
Fixed production overheads	25.00
Total standard cost	190.00
Standard gross profit	35.00
Standard selling price	225.00

A fixed production overhead has been absorbed on the expected annual output of 25,200 units produced evenly throughout the year. During the month of June, 2021, the following were the actual results for an actual production of 2,000 units :

	(₹)
Sales 2,000 units @ ₹ 225	4,50,000
Direct materials : A 18,900 kg	99,225
B 10,750 kg	61,275
Direct Wages 10,500 hours (actually worked 10,300 hours)	50,400
Variable production overheads	1,15,000
Fixed production overheads	56,600
Total	3,82,500
Gross profit	67,500

The material price variance is extracted at the time of receipt of materials. Material purchase were A 20,000 kg. @ ₹ 5.25 per kg; B 11,500 kg @ ₹ 5.70 per kg.

What shall be the :-

- 1) Std. Cost of Actual Production (SCAP) for Material : (a) Rs.1,60,000 (b) Rs.1,65,000 (c) Rs.1,70,000 (d) Rs.1,75,000
- 2) Std. Cost of Actual Quantity of material used (SC of AQ) : (a) Rs.1,56,000 (b) Rs.1,57,000 (c) Rs.1,58,000 (d) Rs.1,59,000
- 3) Std. Cost of Revised Std. Quantity (SC of RSQ) of material : (a) Rs.1,58,122 (b) Rs.1,58,133 (c) Rs.1,58,144 (d) Rs.1,58,155
- 4) Actual Cost of Material : (a) Rs.1,59,500 (b) Rs.1,60,000 (c) Rs.1,60,500 (d) Rs.1,70,000
- 5) Material Price Variance after Usage in Production : (a) Rs.1500 A (b) Rs.1500 F (c) Rs.1575 A (d) Rs.1575 F
- 6) Material Price Variance at the point of Purchase/Receipt : (a) Rs.1525 A (b) Rs.1550 A (c) Rs.1550 F (d) Rs.1575 A
- 7) Material Usage Variance : (a) Rs.1050 F (b) Rs.1050 A (c) Rs.1000 F (d) Rs.1000 A
- 8) Material Mix Variance : (a) Rs.867 F (b) Rs.867 A (c) Rs.900 A (d) Rs.900 F
- 9) Material Yield Variance : (a) Rs.1687 F (b) Rs.1687 A (c) Rs.1700 A (d) Rs.1700 F
- 10) Material Cost Variance : (a) Rs.450 F (b) Rs.450 A (c) Rs.500 F (d) Rs.500 A
- 11) Standard Cost of Actual Production for Labour (SCAP) : (a) Rs.40000 (b) Rs.45000 (c) Rs.50000 (d) Rs.55000
- 12) Actual Cost of Labour (AC) : (a) Rs.50400 (b) Rs.50500 (c) Rs.50600 (d) Rs.50800
- 13) Standard Cost of Actual Hour paid for (SC of AH) : (a) Rs.49800 (b) Rs.50000 (c) Rs.52000 (d) Rs.52500
- 14) Standard Cost of Productive Hours (SC of PH) : (a) Rs.51000 (b) Rs.51500 (c) Rs.52000 (d) Rs.52500
- 15) Wage Rate Variance : (a) Rs.2100 F (b) Rs.2100 A (c) Rs.2150 A (d) Rs.2150 F
- 16) Labour Idle time Variance : (a) Rs.950 F (b) Rs.950 A (c) Rs.1000 F (d) Rs.1000 A
- 17) Labour Efficiency Variance : (a) Rs.1500 A (b) Rs.1500 F (c) Rs.1550 A (d) Rs.1550 F
- 18) Labour Cost Variance : (a) Rs.300 A (b) Rs.300 F (c) Rs.400 A (d) Rs.400 F
- 19) Standard Variable Overheads for Actual Production (S.VOH for AP) : (a) Rs.100000 (b) Rs.110000 (c) Rs.115000 (d) Rs.120000
- 20) Standard Cost of Productive Hour for V.OH : (a) Rs.123500 (b) Rs.123600 (c) Rs.123700 (d) Rs.123800
- 21) V.OH Expenditure Variance : (a) Rs.8500 F (b) Rs.8500 A (c) Rs.8600 A (d) Rs.8600 F
- 22) V.OH Efficiency Variance : (a) Rs.3600 A (b) Rs.8600 A (c) Rs.8700 A (d) Rs.8700 F
- 23) V.OH Cost Variance : (a) Rs.4500 F (b) Rs.4500 A (c) Rs.5000 F (d) Rs.5000 A
- 24) Standard Fixed Overhead for Actual Productions (S.FOH for AP) : (a) Rs.50000 (b) Rs.55000 (c) Rs.60000 (d) Rs.65000
- 25) Budgeted F.OH : (a) Rs.51000 (b) Rs.51500 (c) Rs.52000 (d) Rs.52500
- 26) F.OH Expenditure Variance : (a) Rs.4000 F (b) Rs.4000 A (c) Rs.4100 A (d) Rs.4100 F
- 27) F.OH Volume Variance : (a) Rs.2500 A (b) Rs.2500 F (c) Rs.2600 A (d) Rs.2600 F
- 28) F.OH Cost Variance : (a) Rs.6500 A (b) Rs.6600 A (c) Rs.6600 F (d) Rs.6500 F

Answer:

- | | | | |
|-------------------|-------------------|-------------------|-------------------|
| 1) (a) Rs.160000 | 2) (d) Rs.159000 | 3) (b) Rs.158133 | 4) (c) Rs.160500 |
| 5) (a) Rs.1500 A | 6) (b) Rs.1550 A | 7) (c) Rs.1000 F | 8) (b) Rs.867 A |
| 9) (a) Rs.1687 F | 10) (d) Rs.500 A | 11) (c) Rs.50000 | 12) (a) Rs.50400 |
| 13) (d) Rs.52500 | 14) (b) Rs.51500 | 15) (a) Rs.2100 F | 16) (d) Rs.1000 A |
| 17) (a) Rs.1500 A | 18) (c) Rs.400 A | 19) (d) Rs.120000 | 20) (b) Rs.123600 |
| 21) (d) Rs.8600 F | 22) (a) Rs.3600 A | 23) (c) Rs.5000 F | 24) (a) Rs.50000 |
| 25) (d) Rs.52500 | 26) (c) Rs.4100 A | 27) (a) Rs.2500 A | 28) (b) Rs.6600 A |

SOLUTION WITH WORKING NOTESDIRECT MATERIALSWorking Note - 1Standard Cost of Actual Production (SCAP)

Type	Std. Rate per Unit		SQ per Unit		AP (Units)	Amount (Rs.)
A	Rs.5	X	10 Kg	X	2000	1,00,000
B	Rs.6	X	5 Kg	X	2000	60,000
			15 Kg			<u>Rs.1,60,000</u>

Working Note - 2Standard Cost of Actual Quantity (SC of AQ)

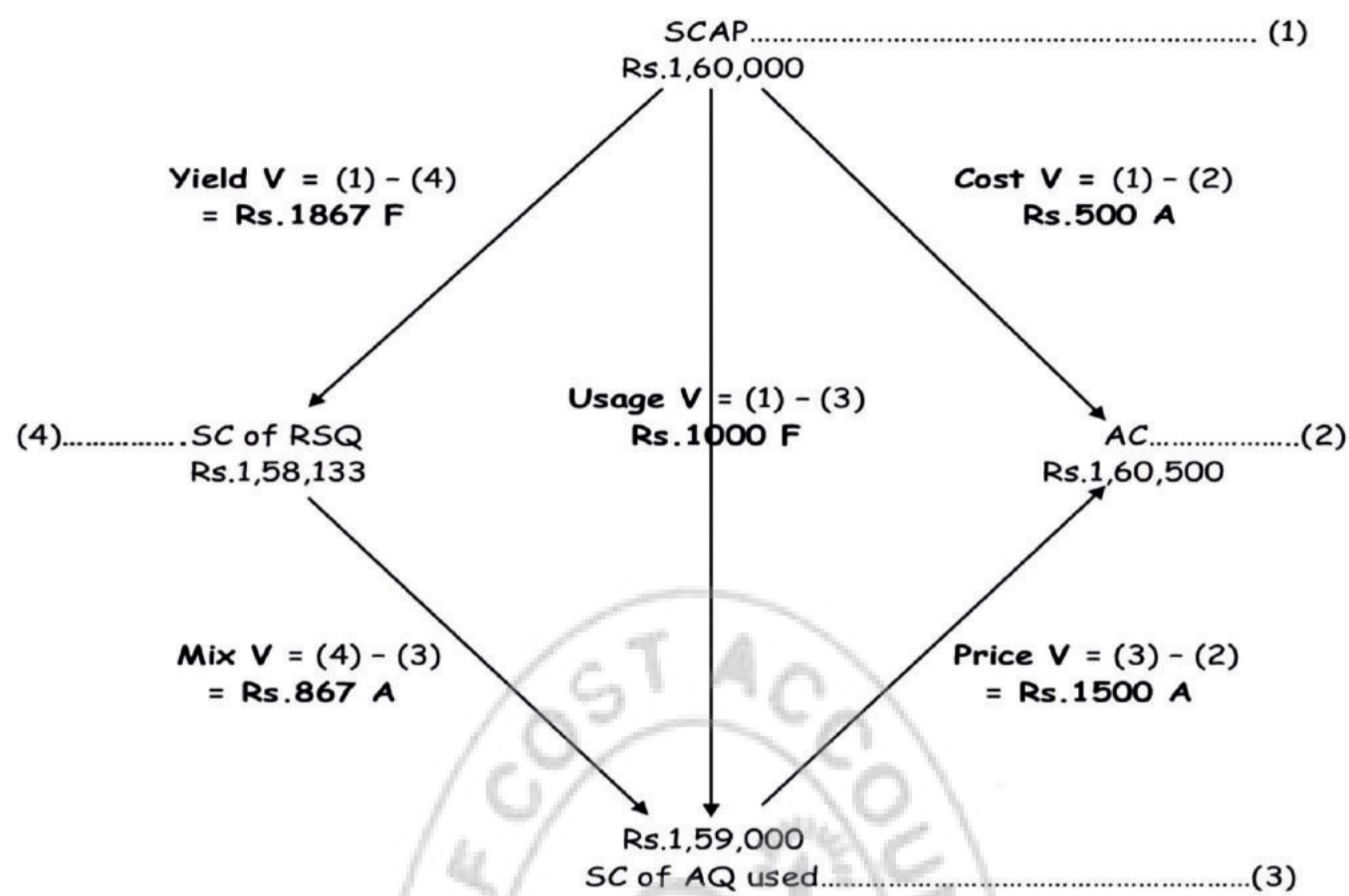
Type	SR	Actual Quantity	Amount (Rs.)
A	Rs.5	18900 Kg	94,500
B	Rs.6	10750 Kg	64,500
		29650 Kg	<u>Rs.1,59,000</u>

Working Note - 3Actual Cost of Production (AC)

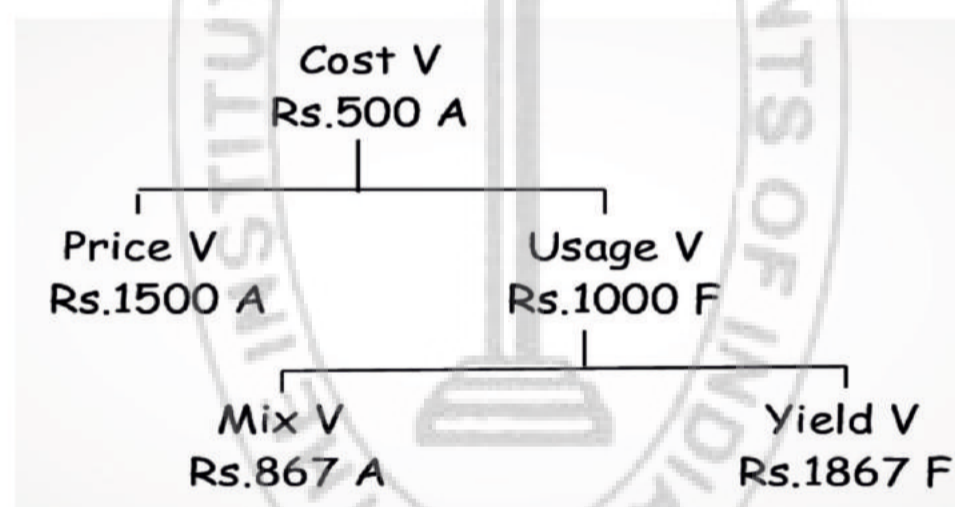
Type	Actual Rate	Actual Quantity	Amount (Rs.)
A		18900 Kg	99,225
B		10750 Kg	61,275
		29650 Kg	<u>Rs.1,60,500</u>

Working Note - 4Standard Cost of Revised Standard Quantity (SC of RSQ)

Type	AQ in Standard Proportion	RSQ	SR	Amount (Rs.)
A	29650 X 10/15	19766.67	Rs.5	98,833
B	29650 X 5/15	9883.33	Rs.6	59,300
		29650		<u>Rs.1,58,133</u>



RECONCILIATION



Important Notes

Material Price Variance at the time of purchase / receipt should always be computed according to the established Formula as follows.

Actual Quantity purchased / received (Std. Price - Actual Price). In this case :

Material

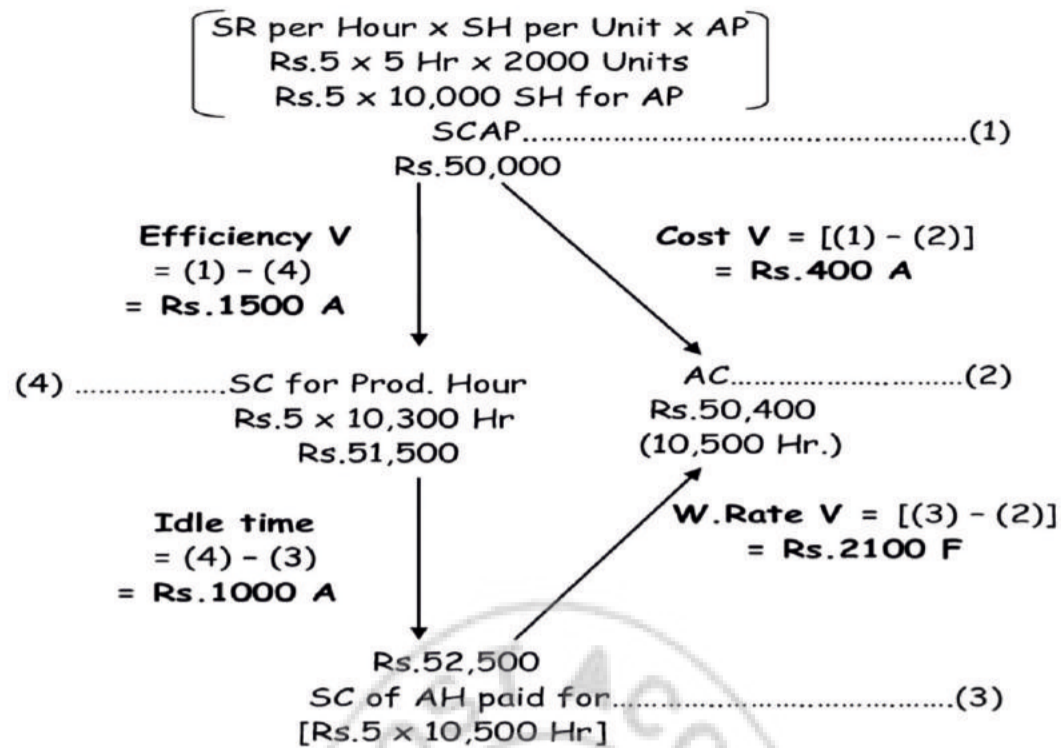
A : 20,000 Kg (Rs.5 - Rs. 5.25) = Rs.5000 A

B : 11,500 Kg (Rs.6 - Rs.5.70) = Rs.3450 F

Material Price V at the time of purchase Rs.1550 A

Rs.1550 A should never be the part of diagrammatic solution, since the diagrams takes into account only the actual quantity of material used / consumed. Hence Rs.1550 A, as in this case, should be shown separately.

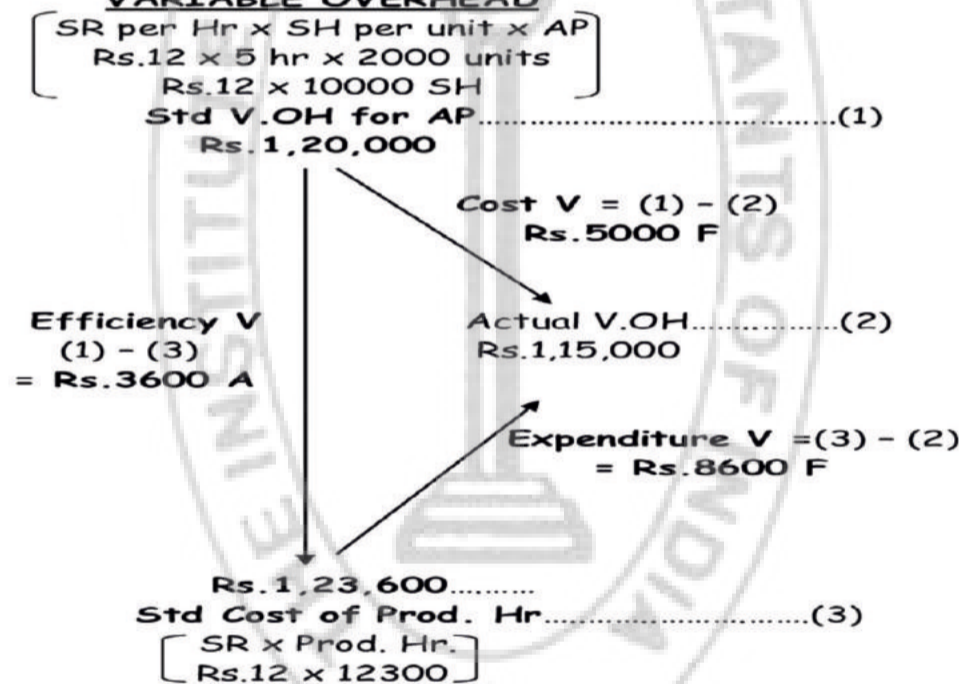
LABOUR



Note :

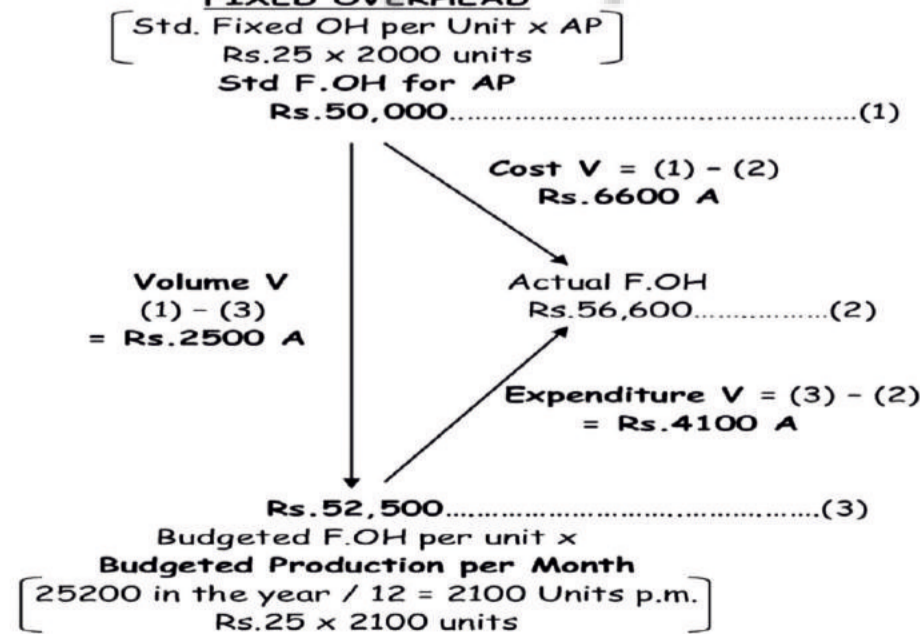
$\text{Cost V} = \text{W.Rate V} + \text{Idle time V} + \text{Efficiency V}$
 $\text{Rs.400 A} = \text{Rs.2100 F} + \text{Rs.1000 A} + \text{Rs.1500 A}$

VARIABLE OVERHEAD



Note : Due to the presence of Idle time, Std. Cost of Prod. Hr is relevant. Otherwise Std. Cost of Actual Hour paid for is to be taken into account.
 [Exp.V + Efficiency V = V.OH Cost V]

FIXED OVERHEAD



[Exp V + Volume V = F.OH Cost V]

Solution through diagrams

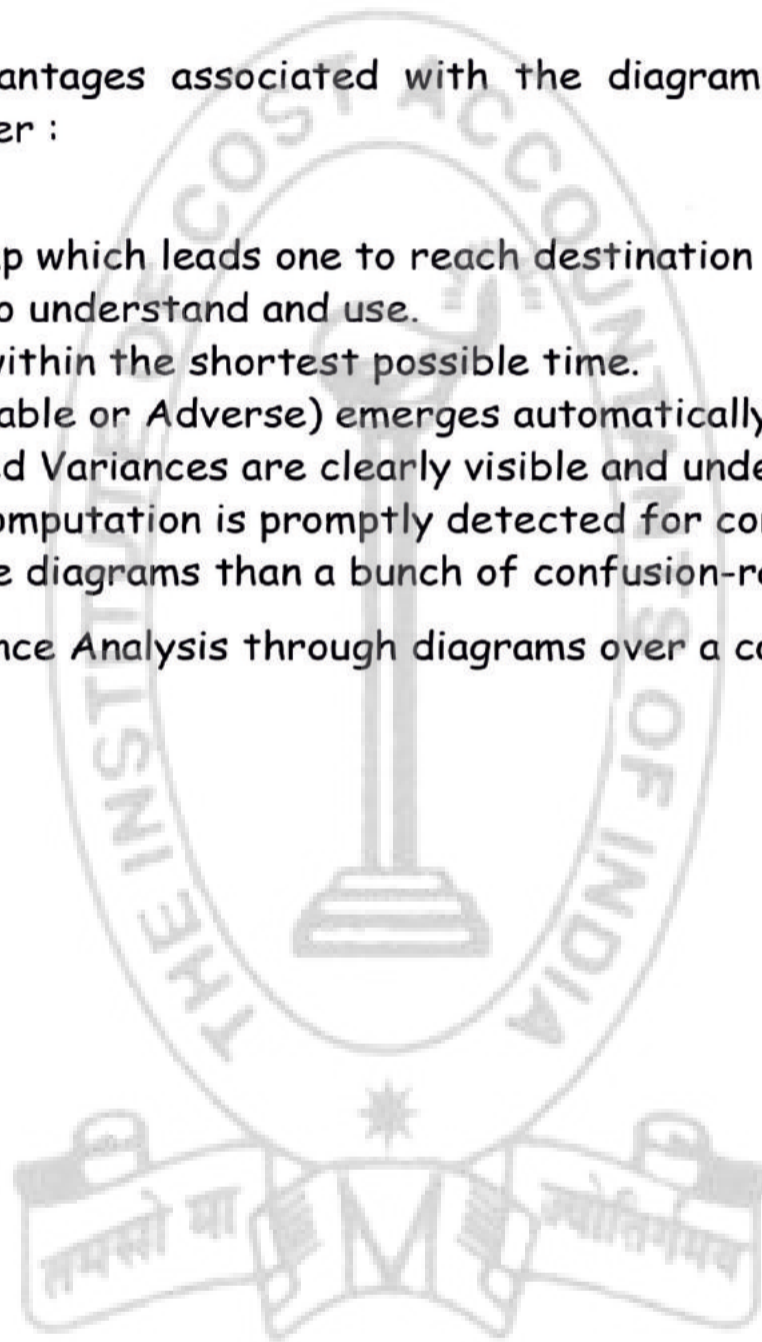
A diagrammatic solution is characterized by arrows having spearhead in one side. The basic principle is that the amount standing at the spearhead side should always be deducted from that of the bottom side of the same. The resulting balance, if positive, signifies a Favourable Variance whereas a negative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

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

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.



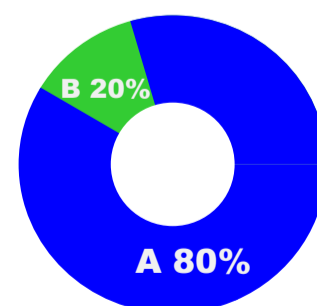


GROUP: II, PAPER:11

INDIRECT TAXATION (ITX)

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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

GST

- Which of the following taxes will be levied on imports?
 - CGST
 - SGST
 - IGST
 - None of the above
- Which of the following activity is outside the scope of supply and not taxable under GST ?
 - Services by an employee to the employer In the course of or in relation to this employment.
 - Services of funeral
 - Actionable claims, other than lottery, betting and gambling.
 - All of the above.
- Renting of immovable property is _____
 - Supply of goods
 - Supply of services
 - Neither as a supply of goods nor a supply of services.
 - Either as a supply of goods or a supply of services.
- Works contract as defined in section 2 (119) shall be treated as _____
 - Supply of goods
 - Supply of Services
 - Neither as a supply of goods nor a supply of services.
 - Either as a supply of goods or a supply of services.
- Gifts not exceeding _____ in value in a financial year by an employer to an employee shall not be treated as supply of goods or services or both.
 - 50,000
 - 1,00,000
 - 2,00,000
 - 2,50,000
- The _____ shall be treated as supply even if made without consideration.
 - Supply of goods by a principal to his agent where the agent undertakes to supply such goods on behalf of the principal.
 - Supply of goods by an agent to his principal where the agent undertakes to receive such goods on behalf of the principal.
 - Permanent transfer or disposal of business assets where input tax credit has been awaited. On such asserts.
 - All of the above.
- Which of the following is - the supply in which possession of the goods are transferred but the title on the same will be transferred at the future date ?
 - Rent a car
 - Hire Purchase
 - Normal sale of goods
 - None of the above.
- What would be the tax rate applicable in case of composite supply ?
 - Tax rate as applicable on principal supply
 - Tax rate as applicable on ancillary supply
 - Tax rate as applicable on respective supply
 - None of the above
- _____ means two or more individual supplies of goods or services, or any combination thereof, made in conjunction with each other by a taxable person for a single price where such supply does not constitute a composite supply.
 - Mixed supply
 - Principal supply

- C) Inward supply
D) Exempt supply
10. What is the threshold limit of turnover in the preceding financial year for opting to pay tax under composition scheme for states other than special category states ?
A) Rs. 20 lacs
B) Rs. 10 lacs
C) Rs. 50 lacs
D) Rs. 1.5 crore.
11. Can composition scheme be availed if the registered person effects inter-state supplies?
A) Yes
B) No
C) Yes, subject to prior approval of the Central Government.
D) Yes, subject to prior approval of the concerned State Government.
12. Which of the following will be excluded from the computation of aggregate turnover?
A) Value of taxable supplies
B) Value of exempt supplies
C) Non taxable supplies
D) Value of inward supplies on which tax is paid on reverse charge basis.
13. Which of the following persons can opt for composition scheme?
A) Person making any supply of goods which are not leviable to tax under this act.
B) Person making any inter-state outward supplies of goods.
C) Person effecting supply of goods through an e-commerce operator liable to collect tax at source.
D) None of the above
14. Services to a single residential unit is, exempted if :
A) It is pure labour service only
B) It is works contract only
C) It is a part of residential complex only
D). It is on ground floor without further super structure.
15. Services by educational institution is exempted if the services are to -
A) Any common man
B) Its own student, faculty / staff
C) Both a & b
D) None of the above
16. Transportation of passengers by _____ are exempt from GST
A) Railway in first class
B) Railway in an air-conditioned coach
C) Metro
D) All of the above.
17. What is time of supply of goods in case of forward charge?
A) Date of issue of invoice
B) Due date of issue of invoice
C) Date of receipt of consideration by the supplier
D) earlier of a & b
18. Mr. A sold goods to Mr. B. Determine the TOS in accordance with the provisions of section 12 of the CGST Act, 2017 in case supply involves movement of goods.
i. Date of removal - 1st Oct 2019
ii. Date of invoice - 2nd Oct 2019
iii. Date when goods made available to the recipient - 3rd Oct 2019
iv. Date of receipt of payment - 15th Nov., 2019
A) 1st Oct, 2019
B) 2nd Oct 2019
C) 3rd Oct 2019
D) 15th Nov 2019
19. Tax invoice must be issued by _____ on supplies made by him.
A. Every supplier
B. Every taxable person
C. Every registered person not paying tax under composition scheme
D. All the above.
20. Where the goods being sent or taken on approval for sale or return are removed before the supply takes place, the invoice shall be issued

- A) before/at the time of supply
- B) 6 months from the date of removal
- C) earlier of (a) & (b)
- D) none of the above.

21. What is time of supply of goods liable to tax under reversed charge mechanism ?

- A) Date of receipt of goods
- B) Date on which the payment is made
- C) Date immediately following 30 days from the date of issue of invoice by the supplier.
- D) Earlier of (a) or (b) or (c)

22. What is date of receipt of payment ?

- A) Date of entry in the books.
- B) Date of payment credited into bank account
- C) Date of deposit of cheque into bank account.
- D) Earlier of (a) and (b)

23. Value of services rendered is Rs. 1,18,000. Date of issue of invoice is 5th Sept, 2019. Advance received is Rs. 20,000 on 20th August, 2018. Balance amount received on 7th Sept 2019. What is the TOS of service ?

- A) 5th sept, 2019 - Rs. 1,18,000
- B) 20th August, 2019 - Rs. 1,18,000
- C) 20th August, 2019 - Rs. 20,000 and 5th Sept., 2019 - Rs. 98,000
- D) 20th August, 2019 - R. 20,000 and 7th Sept., 2019 - Rs. 98,00024.

24. In case of taxable supply of services, invoice shall be issued within a period of _____ from the date of supply of service.

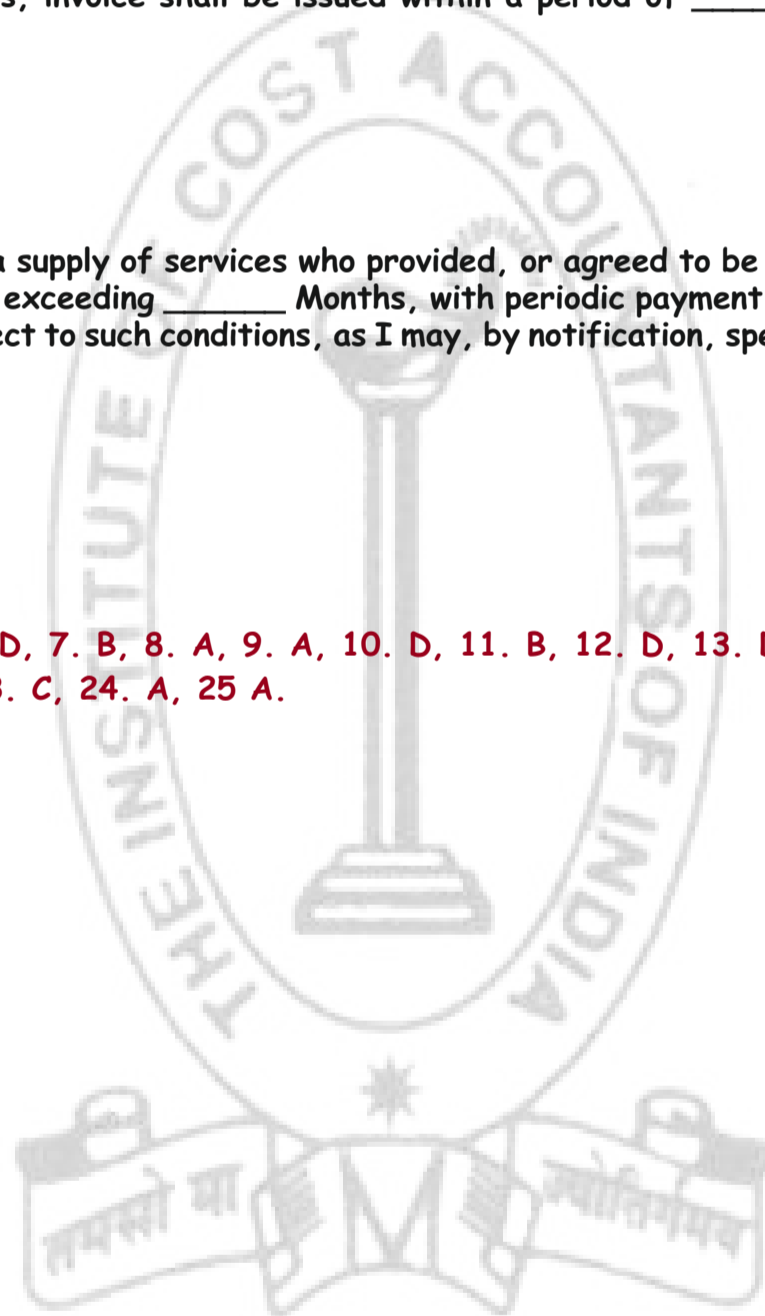
- A) 30 days
- B) 45 days
- C) 60 days
- D) 90 days.

25. Continuous supply of services means a supply of services who provided, or agreed to be provided, continuously or on recurrent basis, under a contract, for a period exceeding _____ Months, with periodic payment obligations and includes supply of such services as the Government may subject to such conditions, as I may, by notification, specify

- A) Three
- B) Four
- C) Six
- D) Twelve

ANSWERS:-

1. C, 2. D, 3. B, 4. B, 5. A, 6. D, 7. B, 8. A, 9. A, 10. D, 11. B, 12. D, 13. D, 14. A, 15. B, 16. C, 17. D, 18. A, 19. C, 20. C, 21. D, 22. D, 23. C, 24. A, 25. A.

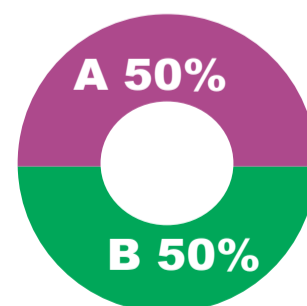




GROUP: II, PAPER:12
COMPANY
ACCOUNTS & AUDIT (CAA)

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Your Preparation Quick Takes



Syllabus Structure

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

Learning Objectives:

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

Company Accounts & Audit

Today we are to discuss some basics of vouching. Vouching is the first step of actual auditing job.

Vouching: It means the examination of the transactions with sufficient underlying evidences to satisfy an auditor about the-----

- *validity
- *accuracy
- *authority
- *authenticity - of the records entered in the books of accounts.

Now what are the sufficient underlying evidences?

Generally it means -vouchers/receipts/invoices/minutes/contracts/correspondence etc.

Vouching does not mean merely the inspection of receipts but includes the examination of receipts with the recorded transactions.

What are the main objects of vouching?

Vouching has following main objects:

- 1) It involves collections of vouchers and related evidences
- 2) It involves evaluating the collected evidences and vouchers
- 3) It satisfies the auditor with regard to the correctness and authenticity of the records of transactions
- 4) It implies finding out whether entries have been properly made in the books of account or not
- 5) It involves finding out that there is no omission of records Etc

What are the steps required in vouching?

- 1) Recognition of the propositions to be proved.
- 2) Evaluation of the proposition in terms of materiality
- 3) Collection of evidence with the given limit of time and cost
- 4) Evaluation of evidences obtained as valid or not
- 5) Formulation of judgment as to the proposition at issue

What is vouching in depth?

Vouching in depth implies examination of accounting records in depth. This is undertaken with a view to check the incidence of fraud and errors in the accounting records.

This technique of vouching in depth involves selection of a sample of transactions from one area of accounting and tracing them from the beginning to the end and vice versa.

What are the vouchers?

A voucher may be defined as documentary evidence in support of transaction. It may be:

- 1) A receipt
- 2) A contract
- 3) Minutes
- 4) Invoices
- 5) Correspondence
- 6) Bought notes
- 7) Sold notes
- 8) Wages book Etc

What are the considerations for taking evidence against a transaction?

The auditor should have two main considerations.

Firstly how much evidences should be in support of a transaction.

Secondly to what extent he should rely upon the available evidences.

The quantity of evidence to be secured by him will depend upon:

- 1) The degree of internal control applicable in the client's organization.
- 2) The materiality of the relative size of figures
- 3) The relative risk involved.

Reliability of the vouchers available to auditor depends upon the sources and documents as follows:

- 1) Vouchers which have been prepared by third party and sent directly to the auditor are ordinarily the most reliable.
- 2) Vouchers have been prepared by third party but are in the possession of the client have a lower degree of reliability.
- 3) Vouchers which originate within the client's organization are the least reliable
- 4) A voucher obtained by auditor himself directly is more reliable.

What are the points an auditor pay special attention in vouching?

The auditor should pay special attention to the following points:

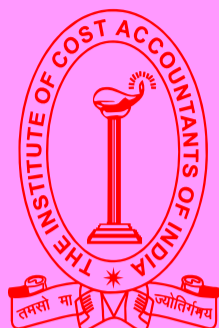
- 1) It is in the name of the client
- 2) Its date relates to a period under audit.
- 3) The amount entered therein is correct one.
- 4) The particulars entered are in corresponding to transactions recorded.
- 5) It is properly stamped.
- 6) It has been passed by a responsible officer.
- 7) In general it appears to be genuine.

What are the special instructions of auditor in the process of vouching?

The auditor should instruct:

- 1) All the vouchers should be properly filed
- 2) They should be consecutively numbered.
- 3) All the vouchers relating to a particular book should be produced at one and the same time.
- 4) The auditor /audit clerk cancel each voucher after checking so that it may not be reproduced.





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**

**Solve Exercises
given in Study Note**

02

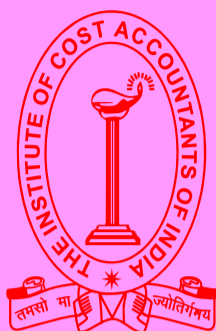
03

Assess Yourself

Appear For Examination

04

FINISHED



SUBMISSIONS



Update of E-Mail Address/Mobile:

Students are advised to update their E-Mail id and Mobile Numbers timely so that important communications are not missed as the same are sent through bulk mail/SMS nowadays. Student may update their E-Mail id/ Mobile Number instantly after logging into their account at www.icmai.in at request option.

Dear Students,

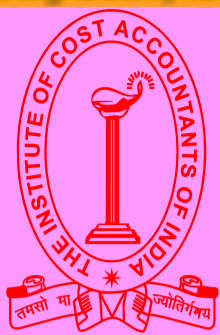
We are very much delighted to receive responses from all of you; for whom our effort is!

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

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

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



Message from Directorate of Studies

Dear Students,

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;

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.



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



विश्वविद्यालय अनुदान आयोग
University Grants Commission

(शिक्षा मंत्रालय, भारत सरकार)
(Ministry of Education, Govt. of India)

बहादुरशाह जफर 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 550th meeting held on 18th 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,

(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

STUDENTS' E-bulletin Intermediate
Vol: 3, No.: 12, December 2018, Issue



Statutory Body under an Act of Parliament

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Delhi Office:

CMA Bhawan, 3 Institutional Area, Lodhi Road, New Delhi - 110003

www.icmai.in

CMA LEADS

Last Date for Admission
June Exam
31st January
of the same Calendar Year

December Exam
31st July
of the same Calendar Year

5,00,000⁺
Students

75,000⁺
Members

4 Regional
Councils

98
Chapters

9
Overseas
Centres

Largest
CMA body
in Asia

2nd
Largest
CMA body
in the
Globe

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

ADMISSIONS OPEN

✉ studies@icmai.in

☎ 1800 345 0092/1800 110 910

For Online Admission

<http://cmaicmai.in/students/Home.aspx>

Cultivating and Enhancing Skills of Success

- CMA Course Curriculum is designed to meet Industry requirements and challenges in Global Economic Scenario
- Hands on Computer and Soft skills training
- Industry oriented practical training programme
- Six Skill Sets - Knowledge, Comprehension, Application, Analysis, Synthesis and Evaluation
- Four Knowledge Pillars - Management, Strategy, Regulatory Function and Financial Reporting
- Our Motto - Student friendly Syllabus and Industry friendly Students

Excellent Campus Placement Record
in renowned Public and Private Sector Companies

Highest Salary Offered **Rs.18 Lakh p.a.** | Average Salary **Rs.7.5 Lakh p.a.**

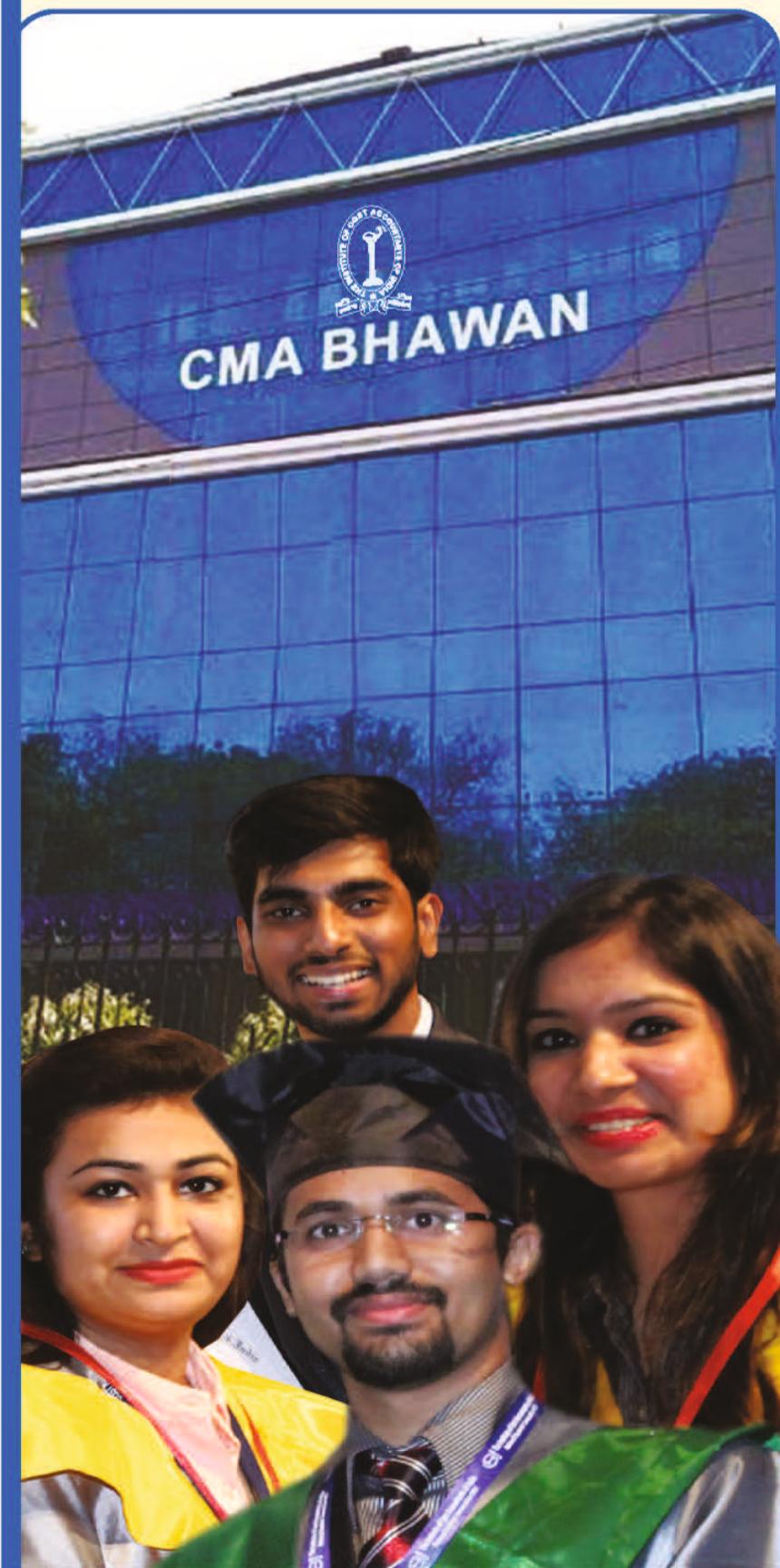
Few of Our Proud Recruiters



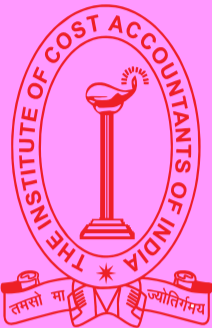
✉ placement@icmai.in / cpt@icmai.in

☎ + 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 Duttgupta, 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.



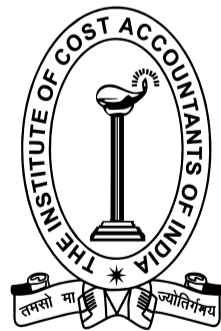
CMA Biswarup Basu, President facilitating Shri Debarshi Duttgupta, MD, East India Pharmaceuticals Works Limited on the occasion of National Corporate Laws Summit organised at Kolkata on 26th February 2021. Sharing the dias is CMA Dr. Ashish P. Thatte, Chairman Corporate Laws Committee and CMA Neeraj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



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory body under an Act of Parliament)

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