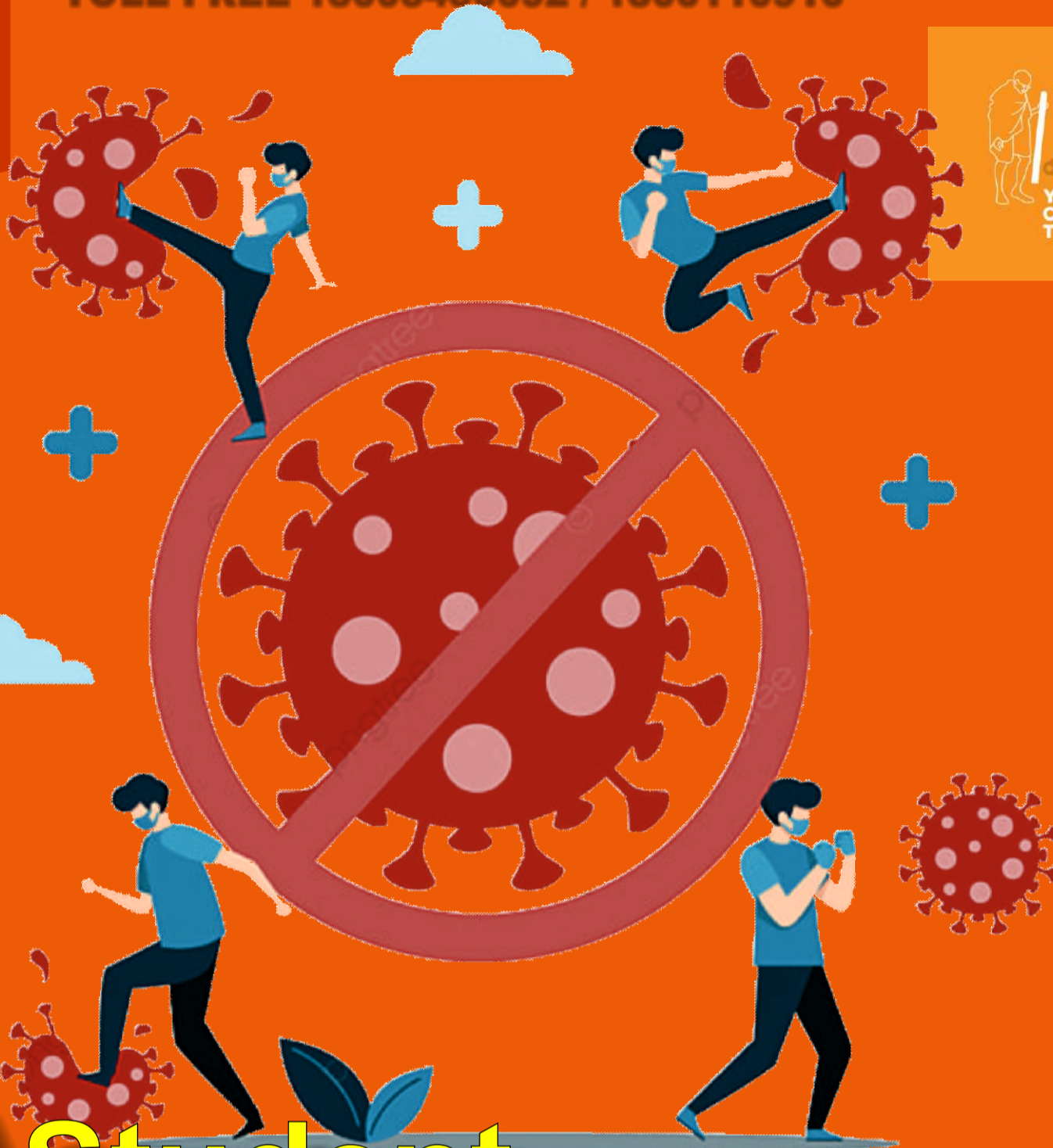


2021

June
VOL: 6, NO.: 6,

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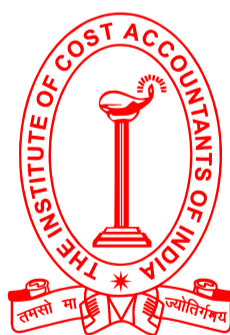
15
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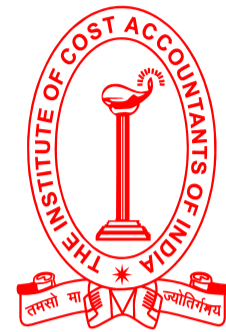
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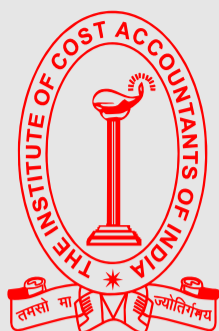
Behind every successful business decision, there is always a **CMA**



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KNOWLEDGE Update



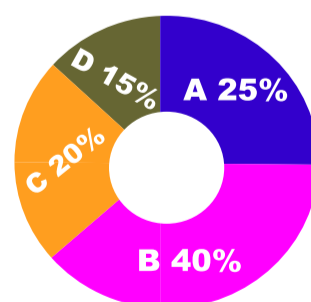
In this section of e-bulletin we shall have a series of discussion on each of these chapters to provide a meaningful assistance to the students in preparing themselves for the examination at the short end and equip them with sufficient knowledge to deal with real life complications at the long end.



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**DISCOVER YOUR "SELF" - BE CONFIDENT****LIKE EARLIER ISSUES LET ME SHARE A STORY :**

Self-confidence and a strong belief in oneself and the things that you can achieve is a strong trait that an individual can have. When a person has a good self-image, they find that they can not only accomplish their goals but they can achieve things far and above anything that they ever imagined. In other words, sometimes a person who possess a high level of self-confidence, can discover something within themselves that they might not have thought never existed.

Today's story is a great illustration of this power of self-confidence.

One of the greatest violinists of all time was named Niccolo Paganini. He was born in 1782 and he enjoyed a well-known and memorable career before his death in 1840.

One day as Paganini was about to perform before a packed opera house, he suddenly discovered that he had walked out on stage with the wrong violin. What he was holding was not his valued instrument but one that belonged to someone else. His cherished violin was made by the master violin maker, Guarneri.

Paganini was horrified and panic-stricken but knowing that he had no other choice, he began to play with all of the skill that he possessed. Everyone agreed, after the performance, that he had given a performance of a lifetime. When he finished his concert, the audience gave him a standing ovation.

After the concert, in his dressing room, he was praised and commended for his marvelous performance, Paganini replied, " Today, I learned the most important lesson in my entire career. Before today, I thought the music was in my violin but today I learned that the music is in me."

NOW YOU PROCEED :

1. Babu consigned 3,000 litres of oil to Mamu at the rate of Rs 50 per litre, and paid expenses of Rs 21,000. Due to evaporation there was a loss of 150 litres. Consignee sold 2550 litres at the rate of Rs 75 per litre. What will be the value of Closing stock?
 - a. 15000
 - b. 15600
 - c. 17100
 - d. **18000**

Hint : Goods sent on consignment	3000 x 50 = 150000
Add Consignors expense	21000
Less normal loss	150 liters nil
Less sold out	2550 liters
Closing stock	300 liters 171000/2850x300

2. Entries are made in Accounts on the basis of supporting vouchers-
 - a. Realization concept
 - b. **Objectivity**
 - c. Conservatism
 - d. None of the above
3. What is normal loss or unaccounted loss?
 - a. Loss which is unavoidable
 - b. **Loss which is avoidable**
 - c. Loss by fire
 - d. None of these

4. Calculate Net Income given the following information:

Consulting Revenue: 50,000
 Rent Expense: 5,000
 Software Licensing Fees: 3,000
 Dividends Paid: 6,000

Advertising Expense:20,000

- a. 20000
- b. **22000**
- c. 17000
- d. 16000

Hint : dividend is not to be considered as it is an appropriation item

5. In the month of march outstanding rent was provided for Rs. 50000, which is actually paid in the month of April. Which account will be debit in the journal for that payment ?

- e. Rent
- f. Advance rent
- g. **Rent payable**
- h. Cash

Hint : in march rent payable was credit so for payment rent payable to be debited and cash to be credited

6. Beginning Inventory: 1,000 units at Rs. 4/unit.

Purchases: 600 units at Rs. 5/unit.

Ending Inventory: 900 units.

What will be the value of cost of goods sold if closing stock is valued at FIFO ?

- a. 7200
- b. 4000
- c. **2800**
- d. 3000

Hint : 700 units sold is out of beginning inventory. So value of ending stock will be $300 \times 4 + 600 \times 5 = 4200$. Therefore cogs is $1000 \times 4 + 600 \times 5 - 4200 = 2800$

7. Generally depreciation on fixed assets is calculated on which balance?

- a. **Opening**
- b. Closing
- c. Only on additional
- d. Amount realized on asset sold

8. Bad debt recovery affects :

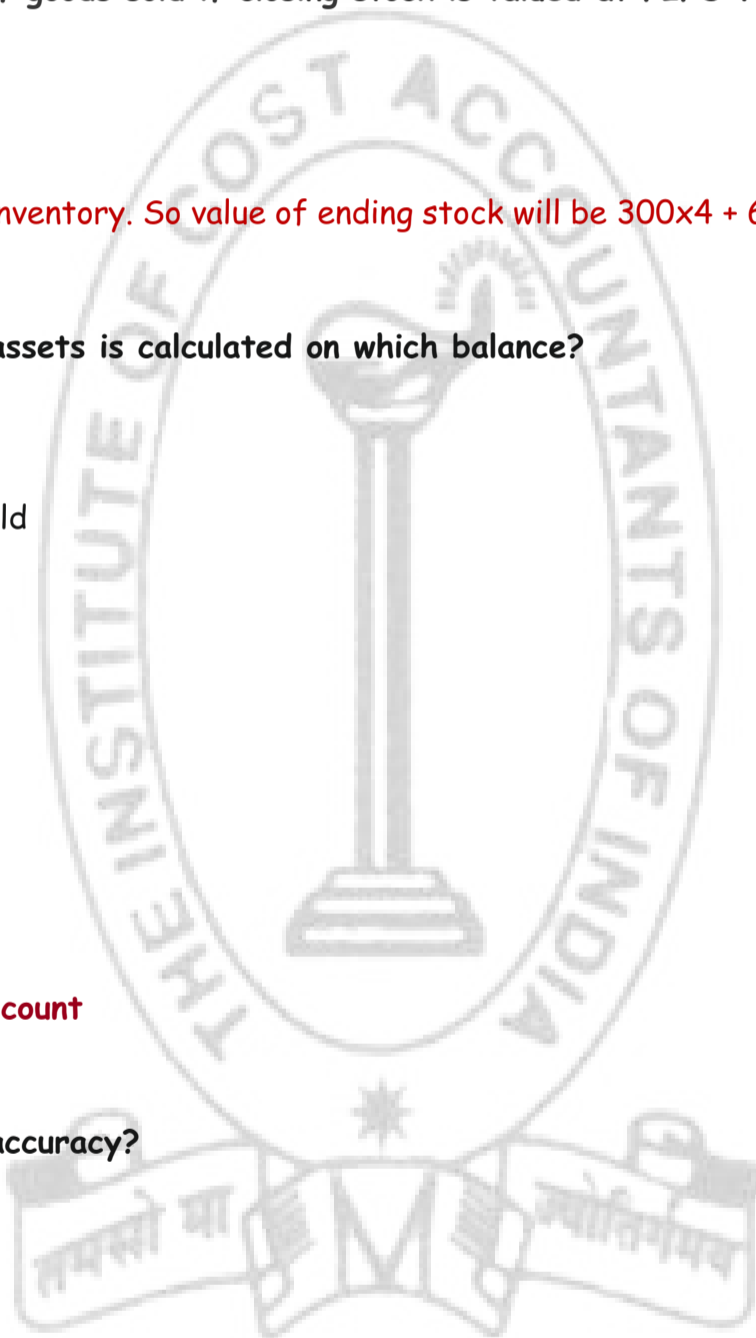
- a. Creditors
- b. Debtors
- c. Provisions
- d. **Cash**

9. Outstanding salary is :

- a. Nominal account
- b. Personal account
- c. **Representative personal account**
- d. None of these

10. How do you satisfy accounting accuracy?

- a. By preparing balance sheet
- b. By preparing cash book
- c. By preparing journal
- d. **By preparing trial balance**

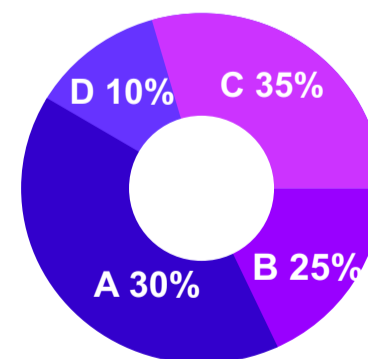




GROUP: I, PAPER: 6
LAWS & ETHICS
(LNE)

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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

Maintenance of Register of Members etc.

As per Rule 5 of Companies (Management and Administration) Rules, 2014 requiring Maintenance of the Register of members etc. under section 88. -

Every company shall maintain the registers under Section 88(1) clauses (a), (b) and (c) in the following manner namely:-

- (1) The entries in the registers maintained under section 88 shall be made within 7 (seven) days after the Board of Directors or its duly constituted committee approves the allotment or transfer of shares, debentures or any other securities, as the case may be.
- (2) The registers shall be maintained at the registered office of the company unless a special resolution is passed in a general meeting authorising the keeping of the register at any other place within the city, town or village in which the registered office is situated or any other place in India in which more than one-tenth of the total members entered in the register of members reside.
- (3) Consequent upon any forfeiture, buy-back, reduction, sub-division, consolidation or cancellation of shares, issue of sweat equity shares, transmission of shares, shares issued under any scheme of arrangements, mergers, reconstitution or employees stock option scheme or any of such scheme provided under this Act or by issue of duplicate or new share certificates or new debenture or other security certificates, entry shall be made within seven days after approval by the Board or committee, in the register of members or in the respective registers, as the case may be.
- (4) If any change occurs in the status of a member or debenture holder or any other security holder whether due to death or insolvency or change of name or due to transfer to Investor Education Protection Fund or due to any other reason, entries thereof explaining the change shall be made in the respective register.

(5) If any rectification is made in the register maintained under section 88 by the company pursuant to any order passed by the competent authority under the Act, the necessary reference of such order shall be indicated in the respective register.

(6) If any order is passed by any judicial or revenue authority or by Security and Exchange Board of India (SEBI) or competent authority attaching the shares, debentures or other securities and giving directions for remittance of dividend or interest, the necessary reference of such order shall be indicated in the respective register.

(7) In case of companies whose securities are listed on a stock exchange in or outside India, the particulars of any pledge, charge, lien or hypothecation created by the promoters in respect of any securities of the company held by the promoter including the names of pledge / pawnee and any revocation therein shall be entered in the register within fifteen days from such an event.

(8) If promoters of any listed company, which has formed a joint venture company with another company have pledged or hypothecated or created charge or lien in respect of any security of the listed company in connection with such joint venture company, the particulars of such pledge, hypothecation, charge and lien shall be entered in the register members of the listed company within fifteen days from such an event.

As per Rule 8 of Companies (Management and Administration) Rules, 2014

Authentication. - (1) The entries in the registers maintained under section 88 and index included therein shall be authenticated by the company secretary of the company or by any other person authorized by the Board for the purpose, and the date of the board resolution authorising the same shall be mentioned.

(2) The entries in the foreign register shall be authenticated by the company secretary of the company or person authorized by the Board by appending his signature to each entry.

As per Rule 9 of Companies (Management and Administration) Rules, 2014

Declaration in respect of beneficial interest in any shares. - (1) A person whose name is entered in the register of members of a company as the holder of shares in that company but who does not hold the beneficial interest in such shares (hereinafter referred to as "the registered owner"), shall file with the company, a declaration to that effect in **Form No. MGT. 4**, within a period of thirty days from the date on which his name is entered in the

register of members of such company:

Provided that (1) where any change occurs in the beneficial interest in such shares, the registered owner shall, within a period of thirty days from the date of such change, make a declaration of such change to the company in **Form No. MGT.4** in duplicate.

(2) Every person holding and exempted from furnishing declaration or acquiring a beneficial interest in shares of a company not registered in his name (hereinafter referred to as "the beneficial owner") shall file with the company, a declaration disclosing such interest in **Form No. MGT.5**, within thirty days after acquiring such beneficial interest in the shares of the company:

Provided that where any change occurs in the beneficial interest in such shares, the beneficial owner shall, within a period of thirty days from the date of such change, make a declaration of such change to the company in **Form No. MGT.5** in duplicate.

(3) Where any declaration under section 89 is received by the company, the company shall make a note of such declaration in the register of members and shall file, within a period of thirty days from the date of receipt of declaration by it, a return in **Form No. MGT.6** with the Registrar in respect of such declaration with fee.

As per Rule 14 of Companies (Management and Administration) Rules, 2014

Inspection of registers, returns etc. -

(1) The registers and indices maintained pursuant to section 88 and copies of returns prepared pursuant to section 92, shall be open for inspection during business hours, at such reasonable time on every working day as the board may decide, by any member, debenture holder, other security holder or beneficial owner without payment of fee and by any other person on payment of such fee as may be specified in the articles of association of the company but not exceeding fifty rupees for each inspection.
Explanation.- For the purposes of this sub-rule, reasonable time of not less than two hours on every working day shall be considered by the company.

(2) Any such member, debenture holder, security holder or beneficial owner or any other person may require a copy of any such register or entries therein or return on payment of such fee as may be specified in the articles of association of the company but not exceeding ten rupees for each page. Such copy or entries or return shall be supplied within seven days of deposit of such fee.

As per Rule 15 of Companies (Management and Administration) Rules, 2014

Preservation of Register of Members etc. and Annual Return. -

- (1) The register of members along with the index shall be preserved permanently and shall be kept in the custody of the company secretary of the company or any other person authorized by the Board for such purpose; and
- (2) The register of debenture holders or any other security holders along with the index shall be preserved for a period of eight years from the date of redemption of debentures or securities, as the case may be, and shall be kept in the custody of the company secretary of the company or any other person authorized by the Board for such purpose.
- (3) Copies of all annual returns prepared under section 92 and copies of all certificates and documents required to be annexed thereto shall be preserved for a period of eight years from the date of filing with the Registrar.

(4) The foreign register of members shall be preserved permanently, unless it is discontinued and all the entries are transferred to any other foreign register or to the principal register. Foreign register of debenture holders or any other security holders shall be preserved for a period of eight years from the date of redemption of such debentures or securities.

(5) The foreign register shall be kept in the custody of the company secretary or person authorized by the Board.

Now let us start with **ANNUAL RETURN - Sec.92 of Companies Act, 2013**

Annual Return is prepared by a company every year. It must be kept in mind that this Annual Return is not a financial document, but gives information available about the company, its members, the activities of the company and other useful information as at the close of the financial year. It is to be filed with the Registrar of Companies.

Now, let us know what information, this Annual Return contains.

The annual return of a company shall contain the following details:

1. The details of the Registered office.
2. The Principal Business activities.
3. Details of holding, subsidiary, and associate companies.
4. Details of members, debenture holders, and other security holders and their shareholding pattern.
5. Particulars of promoters, directors, and Key Managerial Personnel (KMPs).
6. The Indebtedness of the company.
7. Details of Board Meetings & Committee meetings and the particulars of their attendance.
8. Details of the meeting of members or class thereof along with attendance particulars.
9. Particulars of remuneration of directors and the KMPs.
10. Details of any penalty or punishment, if any, imposed on the company, or its directors and/or officers.
11. Details of compounding or appeals.
12. Details of shares held by or on behalf of Foreign Institutional Investors (FIIs).
13. Such other particulars as may be prescribed.

The format of the Annual return is e-Form MGT-7.

This form is available for download on the MCA website.

As per Sec.92(4) An annual return is required to be filed by the company to the Registrar within 60 days from the date of the AGM or within 60 days from the date on which it should have been held.

Annual Return shall be signed by a director and the Company Secretary of the Company or in case of absence of the Company Secretary by a Company Secretary in Practice.

Provided that in the case of a small company or an One Person Company (OPC) not having a company secretary, the annual return shall be signed by the director of the company.

Certificate of Correctness of Annual Return

As per Sec.92(2) every listed company and public company having paid-up Share Capital of Rs.10 crores or more or a turnover of Rs.50 crores or more are required to take certification from a Practicing Company Secretary regarding the **correctness of the facts stated in the Annual Return in Form MGT-8.**

Extracts of Annual Return

As per Sec.92(3) The extracts of the Annual Return shall form the part of the Board's Report. The format of extracts of Annual Return is Form MGT-9.

As per Sec.92(5) Penalty for Non-Filing of Annual Return

Where a company fails to file an annual return before the due date, it shall be liable to a penalty which shall not be less than Rs.50,000 but which may extend to Rs.5,00,000 and every officer of the company who is in default shall be punishable with imprisonment which may extend to six months or with fine which shall not be less than Rs.50,000 but which may extend to Rs.5,00,000 or both.

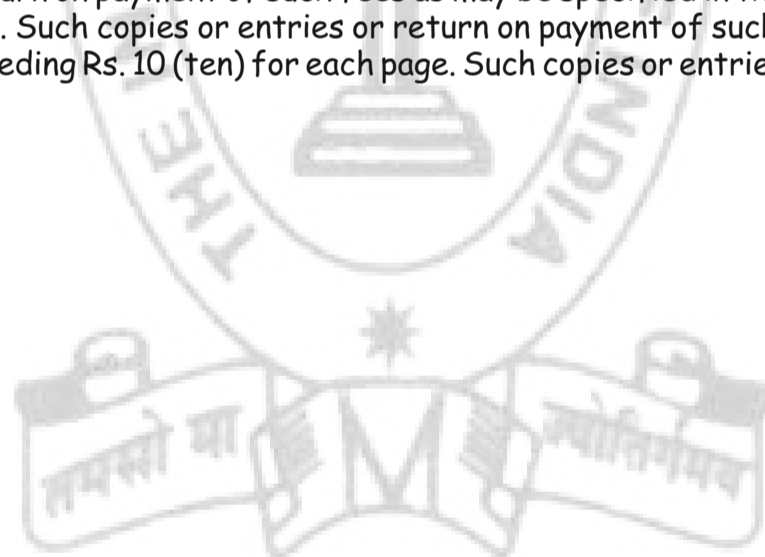
Sec.93 - Return in case Promoters' Stake Changes omitted w.e.f. 13/06/2018**As per Sec.94 - Place of keeping returns :**

1. The registers required to be kept and maintained by a company under section 88 and copies of the annual return filed under section 92 shall be kept at the registered office of the company.
2. Registers or copies of return may also be kept at any other place in India in which more than one-tenth of the total number of members entered in the register of members reside, if approved by a special resolution passed at a general meeting of the company and the Registrar has been given a copy of the proposed special resolution in advance.
3. The registers and their indices, except when they are closed under the provisions of this Act, and the copies of all the returns shall be open for inspection by any member, debenture-holder, other security holder or beneficial owner, during business hours without payment of any fees and by any other person on payment of such fees as may be prescribed.
4. Any such member, debenture-holder, other security holder or beneficial owner or any other person may-
 - (a) take extracts from any register, or index or return without payment of any fee; or
 - (b) require a copy of any such register or entries therein or return on payment of such fees as may be prescribed.

COMPANIES(MANAGEMENT AND ADMINISTRATION) RULES,2014 [EFFECTIVE FROM 1st APRIL,2014]**Rule 14 of Companies (Management and Administration) Rules,2014 Inspection of registers, returns etc.-**

Rule 14(1) provides that the registers and indices maintained pursuant to section 88 and copies of returns prepared pursuant to section 92, shall be open for inspection during business hours, at such reasonable time on every working day as the board may decide, by any member, debenture holder, other security holder or beneficial owner without payment of such fee as may be specified in the articles of association of the company but not exceeding Rs.50 (fifty) for each inspection. Explanation- For the purposes of this sub-rule, reasonable time of not less than two hours on every working day shall be considered by the company.

Rule 14(2) provides that any such member, debenture holder, security holder or beneficial owner or any other person may require a copy of any register or entries therein or return on payment of such fees as may be specified in the articles of association of the company but not exceeding Rs.10 (ten) for each page. Such copies or entries or return on payment of such fees as may be specified in the articles of association of the company but not exceeding Rs. 10 (ten) for each page. Such copies or entries or return shall be supplied within 7 (seven) days of deposit of such fee.



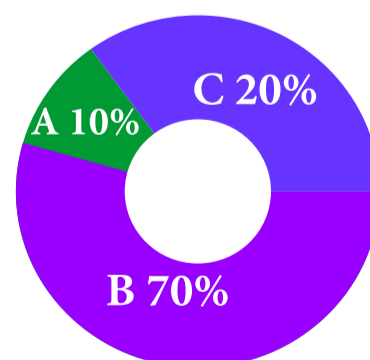


GROUP: I, PAPER: 7

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.

SALARIES

- Salary** means any payment by the employer to employee.
- Basis of charge:** Salary is chargeable to tax either on 'due' basis or on 'receipt' basis, whichever is earlier.
- Basic Salary:** Fully taxable in all cases.
- Dearness Allowance (DA) or Dearness Pay (DP):** Fully taxable in all cases.
- Fees:** Fully taxable in all cases.
- Commission:** Fully Taxable.
- Bonus:** Contractual bonus is taxable as bonus whereas voluntary bonus is taxable as perquisite.
- Gratuity**
 - Gratuity received during continuation of service is fully taxable in the hands of all employees.
 - Gratuity received at the time of termination of service by Government employee is fully exempted.
 - Gratuity received at the time of termination of service by non-government employee, covered by the Payment of Gratuity Act shall be exempted to the minimum of the following
 - Actual Gratuity received
 - ₹ 20,00,000; and
 - $\frac{15}{26} \times \text{Completed year of service} \times \text{Salary p.m.}$
Completed year of service consider any fraction in excess of 6 months.
 - Gratuity received at the time of termination of service by non-government employee not covered under the Payment of Gratuity Act shall be exempted to the minimum of the following:
 - Actual Gratuity received;
 - ₹ 20,00,000; and
 - $\frac{1}{2} \times \text{Completed year of service} \times \text{Average Salary p.m.}$
Completed year of service ignores any fraction of the year.
 - Gratuity received after death of employee is exempted.
- Leave Salary Encashment**
 - Leave salary during continuation of service is fully taxable in hands of all employees.
 - Leave salary received by Government employee is fully exempted.
 - Leave salary received by non-Government employee shall be exempted to the minimum of the following:
 - Actual amount received as leave salary
 - ₹ 3,00,000/-
 - $10 \times \text{Average salary p.m.}$
 - $[(1 \times \text{completed year of service}) - \text{leave actually taken in terms of month}] \times \text{average salary p.m.}$
Completed year of service ignores any fraction of the year.
 - Leave salary paid to the legal heir of deceased employee is not taxable as salary.
- Pension [Sec. 17(1)(ii)]**
 - Uncommuted pension is fully taxable in the hands of all employees
 - Commuted pension received by a Government employee is fully exempt from tax.
 - Commuted pension received by an employee who also received gratuity: $\frac{1}{3}$ of total pension commuted shall be exempted.
 - Commuted pension received by an employee who does not receive gratuity: $\frac{1}{2}$ of total pension commuted shall be exempted.
- Voluntary Retirement Compensation:** Compensation received at the time of voluntary retirement shall be exempted to the minimum of the following
 - Actual amount received as per guidelines; or
 - ₹ 5,00,000 provided following conditions are satisfied -
 - Compensation is not received from Individual, HUF or Firm.
 - Voluntary Retirement Scheme (VRS) framed in accordance with prescribed guidelines i.e.

- (a) Scheme must be applicable to all employees who have either completed age of 40 years or has completed 10 years of service
- (b) Scheme must be framed to reduce the number of employees
- (c) Vacancy caused is not to be filled up
- (d) Retiring employee is not employed in another company or concern belonging to the same management
- (e) Compensation does not exceed - 3 months salary for each completed year of service; or salary for balance month of service left. Benefit under 10(10C) can be claimed once in the life of assessee.

- 12. **Annuity [Sec. 17(1)(ii)]**: Fully taxable
- 13. **Salary received in lieu of notice period**: Fully taxable
- 14. **Profits in lieu of salary [Sec. 17(3)]**: Fully taxable

ALLOWANCES

- 15. **House rent allowance (HRA)**: Minimum of the following is exempted from tax:
 - (a) Actual HRA received
 - (b) 50%/40% of salary
 - (c) Rent Paid - 10% of Salary
- 16. **City Compensatory Allowance/Tiffin Allowance/Medical Allowance/Servant Allowance**: Fully taxable.
- 17. **Entertainment Allowance**: Fully taxable, irrespective of actual expenditure incurred. Government employee can claim deduction u/s 16(ii)
- 18. **Children Education Allowance**: Minimum of the following is exempted -
 - (a) ₹ 100 per month per child (to the maximum of two children)
 - (b) Actual amount received.
- 19. **Children Hostel Allowance**: Minimum of the following is exempted -
 - (a) ₹ 300 per month per child (to the maximum of two children)
 - (b) Actual amount received
- 20. **Truck Driver's Allowance**: Minimum of the following shall be exempted:
 - (a) 70% of allowance
 - (b) ₹ 10,000 p.m.
- 21. **Allowance to Government employees outside India**: As per sec. 10(7), any allowance or perquisite allowed outside India by the Government to an Indian citizen for rendering services outside India is wholly exempt from tax.
- 22. Any other allowance for which there is no specific provision shall be fully taxable.
- 23. **In case of following allowances deduction is allowed to the extent of actual expenditure**: Travel or transfer Allowance, Daily Allowance, Conveyance Allowance, Helper / Assistant Allowance, Professional Development Allowance/ Research Allowance, Uniform Allowance

PERQUISITES

- 24. Rent-free accommodation in hands of Government employee is taxable to the extent of licence fee.
- 25. Rent-free accommodation in hands of other employees is taxable as under -
 - Where accommodation is hired by the employer: 15% of salary or hire charges, whichever is lower.
 - Where accommodation is owned by the employer: 15%/10%/7.5% of salary, depending on population of city in which accommodation is provided.
- 26. Valuation of rent-free furnished accommodation = [Value of accommodation + Value of furniture being {10% of original cost (if owned by employer) or Hire charge paid by employer}].
- 27. Valuation of accommodation provided at concessional rent: Value of Rent free accommodation as usual - Rent payable by employee to employer for the above facility.

28. Insurance premium payable by employer shall be fully taxable
29. The difference between fair market value of the specified securities or sweat equity shares and amount paid by the employee shall be considered as taxable perquisite.
30. The amount or the aggregate of amounts of any contribution made to the account of the assessee by the employer:
- in a Recognised Provident Fund (RPF);
 - in the scheme referred to in sec. 80CCD(1) [i.e., NPS]; and
 - in an approved superannuation fund,
- to the extent it exceeds ₹ 7,50,000 in a previous year.

Taxpoint: There is combined upper limit of ₹ 7,50,000 in respect of employer's contribution in a year to NPS, superannuation fund and recognised provident fund and any excess contribution is taxable.

31. The annual accretion (like interest, dividend, etc.) during the previous year to the balance at the credit of the aforesaid fund or scheme to the extent it relates to the contribution referred above.
- Taxpoint:** Such accretion shall be included in the total income and shall be computed in such manner as may be prescribed.

32. **Motor-car Facility:**

Owned	Maintain	Used for	Taxable value
Employer		Personal purpose	Maintenance + Depreciation
		Both purpose	₹ 1,800 or ₹ 2,400 p.m.
Employer	Employee	Personal purpose	Depreciation
		Both purpose	₹ 600/₹ 900 p.m.
Employee	Employer	Personal purpose	
		Both purpose	Actual expenditure by employer - ₹ 1,800/2,400 p.m.
Driver: Add salary of driver (used for personal purpose) or ₹ 900 p.m. (partly used for personal purpose)			

33. **Free Transport -**
- If employer is engaged in transportation business: Amount charged from public for such facility.
 - In any other case: Actual cost of employer for such facility.
34. Notional cost of Traveling/Touring/Holiday Home facility shall be taxable.
35. Expenditure incurred by employer in respect of credit card facility to employee shall be taxable unless the card is wholly used for office purpose.
36. Gift, voucher or token given by employer: Cash gift is fully taxable. However, non-cash gift in excess of ₹ 5,000 fully taxable.
37. Club Expenditure:
- Expenditure incurred by employer in respect of club facility to employee shall be taxable.
 - Where such expenses are incurred wholly and exclusively for office purpose and specified conditions are satisfied then nothing shall be taxable.
 - Health club, sports and similar facilities are not taxable.
 - Entrance fee of corporate membership is not taxable
38. Manufacturing cost or hire charge of gas, electricity or water facility shall be taxable.
39. Free education to family of employee

Case	Taxable Value
Institution owned by the employer	Child: Notional cost subject to an exemption of ₹ 1,000 p.m. per child.
Institution not owned by the employer by reason of his being in employment.	Other family member: Notional cost of such facility
Reimbursement	Actual reimbursement shall be taxable.

40. Valuation of perquisite in respect of free domestic servants shall be actual cost to the employer.
41. Perquisite in respect of interest free loan or concessional rate of interest shall be taxable in the hands of all employees as per the SBI rate of interest (on first day of the previous year), if aggregate amount of loan exceeds ₹ 20,000. However, any interest paid

by the employee to the employer shall be reduced from the above computed value.

42. Valuation of perquisite in respect of use of movable assets shall be 10% of the original cost of such asset (If asset is owned by the employer) or charges paid or payable by the employer (If asset is hired).
43. Valuation of the perquisite in respect of movable assets sold by an employer to its employee shall be "the written down value - sale price". The written down value shall be calculated considering the rate of depreciation for Electronic items 50%(WDV), Motor-car 20%(WDV) and for other items 10% (SLM).
44. Medical facility in India -
 - Medical facility in a Government hospital or hospital maintained by the employer is exempted.
 - Reimbursement of medical expenses in a hospital, which is approved by the CCIT, for the prescribed diseases is fully exempted.
 - Group medical insurance obtained by the employer for his employees is fully exempted.
 - Reimbursement of any insurance premium paid by the employee is fully exempted.
45. Medical facility provided outside India: Medical expenditure, cost of stay abroad (for patient + one caretaker) is exempted to the extent permitted by the RBI. Cost of travel (for patient + One care taker) is exempted only when GTI of the employee does not exceed ₹ 2,00,000 p.a.
46. If an employee goes on travel in India (on leave) with his family and traveling cost is reimbursed by the employer, then such reimbursement is fully exempted for 2 journeys in a block of 4 years.
47. Provident Fund

Particulars	SPF	RPF	URPF	PPF
Employer's Contribution	Not taxable	Exempted upto 12% of Salary	Not taxable	NA
Employee's Contribution	Eligible for deduction u/s 80C	Eligible for deduction u/s 80C	Not eligible for deduction u/s 80C	Eligible for deduction u/s 80C
Interest	Not Taxable	Exempted @ 9.5% p.a.	Not Taxable	Not taxable
Lump sum	Not Taxable	Not Taxable if employee retires after 5 years of service or due to inability to work. Otherwise it shall be taxable as URPF	Employer's contribution or interest thereon is taxable as salary. Interest on employee's contribution taxable as income from other sources	Not Taxable

Taxpoint

- The amount or the aggregate of amounts of any contribution made to the account of the assessee by the employer:
 - a) in a Recognised Provident Fund (RPF);
 - b) in the scheme referred to in sec. 80CCD(1) [i.e., NPS]; and
 - c) in an approved superannuation fund,
 - to the extent it exceeds ₹ 7,50,000 in a previous year.
 - The annual accretion (like interest, dividend, etc.) during the previous year to the balance at the credit of the aforesaid fund or scheme to the extent it relates to the contribution referred above.
1. **Transferred balance:** On conversion of URPF to RPF, taxable amount is all sums comprised in the transferred balance that would have been liable to income tax if the recognition of the fund had been in force from the date of institution of the fund.
 2. Standard deduction: Lower of (i) salary; (ii) ₹ 50,000
 3. Entertainment allowance is allowed as deduction u/s 16(ii) in hands of Government employee to the minimum of following -
 - (a) Actual entertainment allowance
 - (b) ₹ 5,000
 - (c) 20% of Basic Salary.
 4. Tax on employment or professional tax shall be allowed as deduction u/s 16(iii) on cash basis, whether paid by employee or by employer (on behalf of employee) from gross taxable salary.

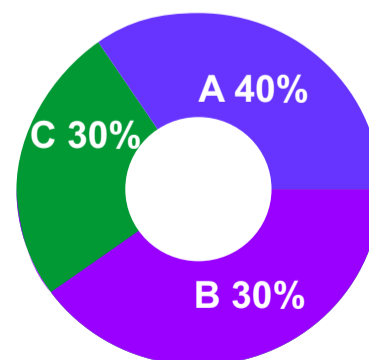
Hopefully, you enjoy!



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

The world of Cost Accounting is vast and varied. Management cannot avoid making decision even if the decision is to be nothing in a particular situation. Every decision making is focused towards specific goals and without data about these goals decision will lack purpose and effectiveness. An efficient decision consumes minimum amount of resources to chive the desired target.

Cost Accounting is a branch of accounting that is concerned with recognition, measurement, interpretation, and presentation of information about the costs associated with the products, services or activities of an organization. Cost Accounting information is meant for internal use in business. During present days we are leaving in a competitive world where there is also scarcity of natural resources. The urgent need of the day is to utilize the resources efficiently. The roll of Cost Accountants in this regard plays a vital role all over the world. Starting as a branch of Financial Accounting, Cost Accountancy has made a remarkable progress during the last few decades.

The students are requested to go through the theoretical part first for easy understanding the topic and then try to solve the problems that are in exercise. Start from Chapter one and try to complete the other chapters serially as this will enable you to understand better the succeeding chapters. Always try to remember that in professional examinations, emphasis is given on testing comprehension, self expression, understanding and ability to apply knowledge in divergent situation. Success of these examinations mainly depends on student's perseverance, seriousness of study, regularity and through practice.

Based on my long period experience I have suggested some important guideline for easy success :-

1. Please go through your Study Note and know the syllabus properly.
2. The students should have a well defined plane for completing the syllabus as well as its revision.
3. A plane should be developed for completing the syllabus within stipulated time.
4. Try to analyze the trends of setting questions.
5. Time schedule with specified activities, which will help you to avoid procrastination.
6. Clarity of concepts and self expression is essential for successful result.
7. Improve your speed by practice and revision to be able to attempt all questions in limited time.
8. Try to write down all the important terms in your own words and practice it regularly.
9. The student should remember that all objective type questions should be answered as it will carry 100% marks.
10. Try to develop a practice of reading the questions minutely, underlining and understanding the specific requirements.

The main purpose of our study of Paper - 8 (Cost Accounting) are : --

- a) Understanding the concept of Cost
- b) Determining the Cost of product or service
- c) Understanding Standard Cost
- d) Applying the concept of Marginal Costing
- e) Formulating of business strategy, operational planning and Budgeting.

Here the details syllabus is segregated into Six Chapters. The first chapter relates to the basic concept of cost accounting, beside its other two branches viz, Financial Accounting and Management Accounting. This chapter includes definition, scope, objective and significance of Cost Accounting, its object, Cost Centers and Cost Units with its elements as well as classification. The second chapter relates to the Elements of cost in details. We know the three major elements of costs are - Material, Labour and Overheads. Here the major elements of costs are discussed elaborately and analyzed element-wise with sufficient number of examples. Material consists of the major part of total cost of a product, hence it is necessary to control this cost very carefully. You should read the scope and objectives of different Cost Accounting Standards in details. It will help to grasp the concept of cost accounting clearly.

The third chapter is concerned with Cost Book-keeping, which includes integrated accounting system also. Here Cost Accounting Records, Ledgers and Cost Statement, and Reconciliation of Cost Accounting Records with Financial Accounts are maintain. 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 its solution.

The fourth chapter is associated with Contract Costing. This method of Costing viz., Job/Batch/Contract is very much essential and important for the purpose of Intermediate Examinations. Students often face difficulty in recommending the profits to be taken into account in case of incomplete contract. There are some standard norms for computation and recognition of profit /loss of incomplete

contract. Students sometimes experience difficulty in recommending the amount of profit to be taken into account during a period for long-term contract. Make sure that you are familiar with various methods/formulas for different stage of completion and share of profit. Students are also advised to go through the topic " Profit on incomplete contracts based on SSAP-9. ". Problems on escalation clause are also very important for this chapter.

This chapter deals with Operating Costing. In 'Operating Costing' we have to find out operating cost per unit of output. This chapter also includes 'Transport Costing', 'Hospital Costing', 'Power House Costing', 'Hotel/ Hostel Costing' etc. Finding out the 'Composite Unit' is very important for finding the solution of these type problems. Here suitable cost unit to be used for cost ascertainment purpose.

The chapter Marginal Costing relates to the nature and behavior of cost and their effects on profitability of a concern. It relates to find out Cost-volume-profit relationships. The main thrust should be to follow the wording and determine the desired impact of cost on profitability. The basic part of the problem is to solve Break-even-point. Sometimes a question gives details of costs but not the split into fixed and variable elements. Students are advised to segregate total costs into fixed and variable elements using high-low method. For a product of different sales-mix, contribution per unit of key factor should be found out and then different options should be marked on the same basis, i.e. contribution per unit of key factor. For easy understanding you have to solve various types of problems.

The chapter 'Standard Costing' deals with creating responsibilities and identifying the areas of exceptions. The main purpose of variance analysis is to enable the management to improve the operation for effective utilization of resources and to increase the efficiency by reducing costs. Some students are afraid of this important chapter only because of different formulae for different analysis. Only careful study and realization of the requirement in the problem can eliminate such difficulties. Finally the step should be taken based on the causes of variance.

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

In order to bring uniformity and consistency in classification, measurement and assignment of costs CAS - 1 to 24 should read carefully. Questions are generally set from any one or two standards.

Here a problem has been set which is based on some of the important areas where Marginal Costing can be applied to serve the day to day need of management in taking many strategy decision.

Tarus Ltd. produces three products X, Y and Z from the same manufacturing facilities. The cost and other details of the three products are follows :

	X	Y	Z
Selling price/unit (Rs.)	200	160	100
Variable cost/unit (Rs.)	120	120	40
Fixed expenses/ month (Rs.)			2,76,000
Maximum production per month (units)	5,000	8,000	6,000
Total hours available for the month			200
Maximum demand per month (units)	2,000	4,000	2,400

The processing hours cannot be increased beyond 200 hours per month.

You are required to :

- Compute the most profitable product mix.
- Compute the overall break-even sales of the company for the month based on the mix calculated in (a) above.

Solution :

	<u>(a) Statement of Contribution and Priority</u>		
	X	Y	Z
(a) Maximum Production per month (units)	5,000	8,000	6,000
(b) Maximum Production per Hour (units) (X ÷ 200 Hrs)	25	40	30
(c) Hours required for maximum demand	2000 units	4000 units	2400 units
	25 units = 80 Hrs	40 = 100 Hrs	30 = 80 hrs
	<u>Rs.</u>	<u>Rs.</u>	<u>Rs.</u>
(d) Selling price per unit	200	160	100
(e) variable cost per unit	120	120	40
(f) Contribution per unit (d - e)	80	40	60
(g) Contribution per hour (f × b)	2000	1600	1800
(h) Ranking	1	3	2

Statement of Profitable Product mix

X = 2000 units, Hours required = 2000 units / 25 units per Hr	=	<u>Hrs.</u> 80
Z = 2400 units, Hours required = 2400/30	=	80
Y = *1600 units, Hours required = 1600 / 40	=	40
		<u>200</u>
	Total	200

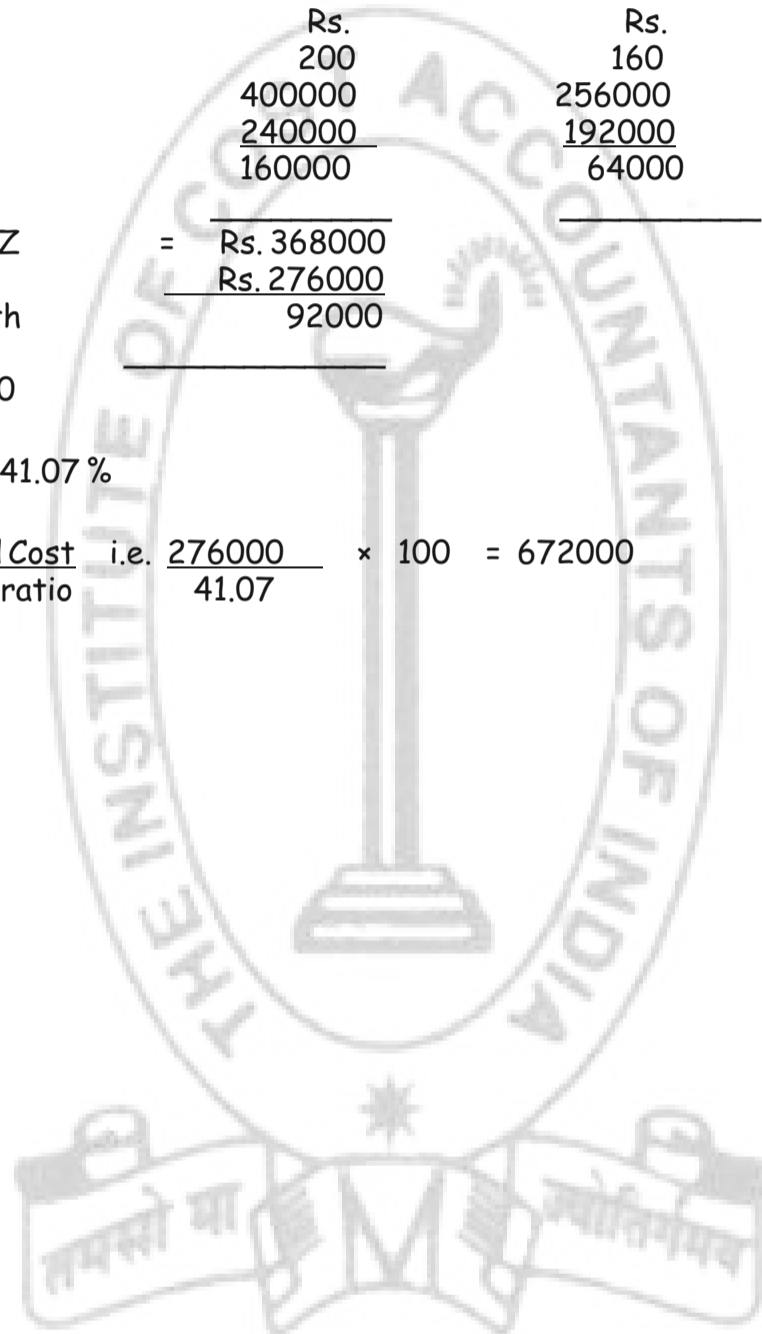
* Hours available for Y was 200 - 80 - 80 = 40 hrs. By utilizing 40 hrs Y can be produced 1600 units. (40 Hrs × 40 units per Hour as per "Y" above.)

	X	y	Z
Units	2000	1600	2400
	Rs.	Rs.	Rs.
Sales price per unit	200	160	100
Sales value	400000	256000	240000
Less: Variable cost	<u>240000</u>	<u>192000</u>	<u>96000</u>
Contribution	160000	64000	144000
	<u>Rs. 368000</u>		
Less: Fixed Expenses	<u>Rs. 276000</u>		
Profit per month	92000		

(b) P/V ratio = Contribution / Sales × 100

i.e. 368000 / 896000 × 100 = 41.07%

Overall break-even sales = $\frac{\text{Fixed Cost}}{\text{P/V ratio}}$ i.e. $\frac{276000}{41.07} \times 100 = 672000$

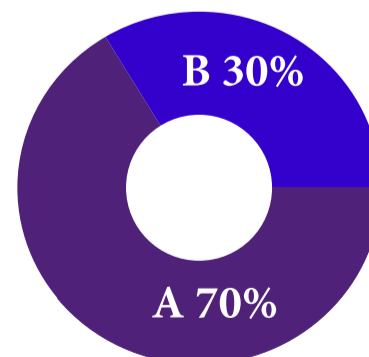




GROUP: II, PAPER: 9, Part- i
OPERATIONS
MANAGEMENT & STRATEGIC
MANAGEMENT (OMSM)
Operations Management

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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 different topics:

- Q1. A configuration of resources combined for the provision of goods or services is called as**
- Operation & Production system
 - Operative system
 - Operating system
 - Operation Management system
- Q2. A device of expressing the ratio between outputs and the inputs of the resources in numerical terms is named**
- Productivity Index
 - Efficiency Index
 - Performance Index
 - Resource Index
- Q3. Determination of the basic long-term goals and objectives of an enterprise and adoption of course of action and allocation of resources necessary to carry out these goals is**
- Facility Management
 - Production Management
 - Operations Management
 - Strategic Management
- Q4. Boston Consulting Group (BCG)'s matrix analyses**
- Products and businesses by resource allocation and resource utilisation
 - Products and businesses by market share and market growth.
 - Products and businesses by productivity & efficiency
 - Products and businesses by market capitalisation
- Q5. Which one of the following is correct?**
- In Strategic planning the future is forecasted through extrapolation of the historical growth and the course of action for achievement of organisational goals is drawn on the basis of these forecast
 - In case of long range planning a number of alternatives are generated for several situations for the future and a suitable course of action is taken
 - In case of long-range planning current knowledge about future conditions is known but not with certainty and therefore reliance on these by executives is minimal
 - Strategic planning assumes that an organisation must be ready to respond to a dynamic environment and future environmental conditions are not known with perfect certainty
- Q6. Contingency plans can be defined**
- As alternative plans that can be put into effect if certain key events do not occur as expected
 - As alternative plans that can be put into effect as insurance in all the areas of the organisation
 - As alternative plans that can be put into effect if uncertainties in long range planning become more prevalent
 - As alternative plans that can be put into effect to meet a surge in market demand with economic development
- Q7. Which one of the following is not a step involved in the formulation of Production Strategy?**
- Review Sales forecast and marketing
 - Analyse the future production prospects
 - Study the overall corporate plan and define the objectives
 - Make strategic decisions for production
- Q8. A number of factors influence managerial decision regarding extent of manufacturing activity. Which one of the following is not a factor?**
- Captive source of supply of vital raw materials and ingredients
 - Investment involved in developing production facilities
 - Availability of managerial expertise with high competency
 - Availability of perfectly competitive market for manufactured products
- Q9. The marketing concept rests on four main pillars. Which one of the following is not a pillar?**
- Producer needs
 - Coordinated marketing

- (c) Profitability
- (d) Target market

Q10. In order to implement BPR to an enterprise which one of the following key actions is needed to take place?

- (a) Organize a team of employees for each process and assign a role for process coordinator
- (b) Maintain flexibility of arrangement and operation
- (c) Identify what strategy is needed to maintain a strong position or improve a weak one.
- (d) Create favourable public image which will result in contributions from the environment

Q11. Which one of the following is not a guideline for forming Mission Statement?

- (a) It should follow the long term strategy principles
- (b) It should be stated in a form that it becomes the motivating force to every member of organisation
- (c) It should inform about both internal and external factors that affect a firm's success and/or failure
- (d) It should be logical extension of business existing capabilities

Q12. In a queuing system, the speed with which service is provided can be expressed in either of two ways—

- (a) Service start time and Service finish time
- (b) Service rate and Service time
- (c) Arrival rate and Service rate
- (d) Service Inflow rate and Service outflow rate

Q13. Which one of the following is correct?

- (a) The firm whose productivity is higher can only beat the competition and can exist in the market for long
- (b) Project management is the discipline of organizing and managing project to complete projects within defined scope, quality, time and cost constraints
- (c) Non-availability of vital spare parts when required to meet an emergency like breakdown, may lead to excessive shutdown of the plant and equipment
- (d) Strategy provides a vision of the future, confirms the purpose and values of an organization, sets objectives, clarifies threats and opportunities

Q14. Which one of the following is not a benefit of Contingency Planning?

- (a) It will make the future through their proactive planning and advanced preparation
- (b) It will introduce original action by removing present difficulties
- (c) It enables organisation to get rid of past problems
- (d) It will change the goals to suit internal and external changes

Q15. This structure is one of the most common organizational structures found in firms pursuing strategy of concentration or very high relatedness. This is

- (a) Hybrid Structure
- (b) Functional Structure
- (c) Matrix Structure
- (d) Geographic Structure

Q16. Which one of the following form the key components of BPR?

- (a) Redesign, Retooling and Reorchestrating
- (b) Redesign, Rerouting and Reorchestrating
- (c) Redesign, Rerouting and Rebuilding
- (d) Rebuilding, Retooling and Reclassifying

Q17. Which one of the following is correct with respect to long range forecast?

- (a) It is used to determine budgetary control over expenses
- (b) It is used to determine dividend policy
- (c) It is used to plan for capacity adjustments
- (d) It is used to plan for material requirement

Q18. Selection of a locality in the process of plant location is influenced by few factors. Which one of the following is not a factor?

- (a) Existence of Complementary Industries
- (b) Availability of Labour
- (c) Civic Amenities for Workers
- (d) Government Policy

Q19. Which one of the following is not a characteristics of Aggregate Production Planning?

- (a) Both output and sales should be expressed in a logical overall unit of measuring
- (b) Acceptable forecast for the period covering the whole planning horizon
- (c) A method of identification and fixing the relevant costs associated with the plant.
- (d) Availability of alternatives for meeting the objective of the organization

Q20. MRP identifies materials and component quantities, timings when they are needed, availabilities and procurements and actions required to meet delivery deadlines. This brings

- (a) Inventory Reduction
- (b) Realistic delivery commitments

- (c) Reduction in the manufacturing and delivery lead times
- (d) Increased efficiency

- Q21. In respect of sequencing it is the difference between the time remaining to due date and the remaining processing time. It is**
- (a) STR
 - (b) SOT
 - (c) SPT
 - (d) DDATE
- Q22. Annual Demand 2000 units Purchase price p.u. Rs.10 p.u. Holding Cost Rs.2.40 p.u. Ordering cost Rs.150 per order. Total working days in the year is 250 days and lead time (time from the date placing the order to date of receipt of order) is 15 days. EOQ and Reorder point are**
- (a) 400, 180
 - (b) 600, 200
 - (c) 500, 120
 - (d) 300, 80
- Q23. It is an operation in a sequence of operations whose capacity is lower than the capacities of other operation in the sequence. It is**
- (a) Non-economic operation
 - (b) Flexible operation
 - (c) Rigid operation
 - (d) Bottleneck operation
- Q24. The four step systematic approach to plan for long term capacity decisions does not involve**
- (a) Estimate future demand requirement
 - (b) Estimate future capacity requirements
 - (c) Identify gaps by comparing requirements with available capacity
 - (d) Develop alternative plans for reducing the gaps
- Q25. Aggregate Resource Planning becomes a challenge when demand fluctuates over the planning horizon. Under this case which one of the following is correct?**
- (a) Demand forecasts are converted to resource requirements
 - (b) Producing at a constant rate and using inventory to absorb fluctuations in demand
 - (c) Resources necessary to meet demand over the time horizon are acquired
 - (d) Minor variations in demand are handled with overtime or under time
- Q26. Four dimensions of competitiveness that measure the effectiveness of the operations function are**
- (a) Cost, Quality, Dependability as a supplier, Flexibility
 - (b) Price, worth, Dependability as a supplier, Productivity
 - (c) Quantity, Quality, Price, Worth
 - (d) Cost, Quality, Quantity, Price
- Q27. Productions and Operations Management distinguishes itself from other functions such as personnel, marketing, finance, etc. mainly by its primary concern:**
- (a) Conversion by using intellectual properties of a concern;
 - (b) Conversion by using physical resources;
 - (c) Conversion by using services provided by other functions;
 - (d) Conversion by using machineries;
- Q28. Simulation is the representation of a real life situation by different means. It is popular because---**
- (a) It may be the only method available as it is difficult to observe the actual environment
 - (b) It may not be possible to develop a mathematical model
 - (c) Actual observation of a system may be too expensive or too disruptive
 - (d) All the above
- Q29. Which one of the following is the result of excess capacity?**
- (a) Loss of customers
 - (b) Restricts growth
 - (c) Drain company's resources
 - (d) All the above
- Q30. Out of Balance Capacity occurs**
- (a) When there is a gap between supply and demand
 - (b) When there is a gap between long term supply and long term demand
 - (c) When there is a gap between current and desire capacity
 - (d) When there is a gap between actual supply and EOQ supply

Answer:

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

Suggestions:

These MCQs are made from study guide on the paper 9- Operations Management & Strategic Management written and issued by Institute. This study guide needs to be read thoroughly. For supplementary readings one can refer Modern Production/Operations Management by Buffa and Sarin, Operations Management by R.S Russell & BW Taylor, Operations Management by Lee J Krajewski, Comprehensive productions and Operations management by Dr KC Arora. Students should also attempt to gain further knowledge from the referred books with their own efforts.

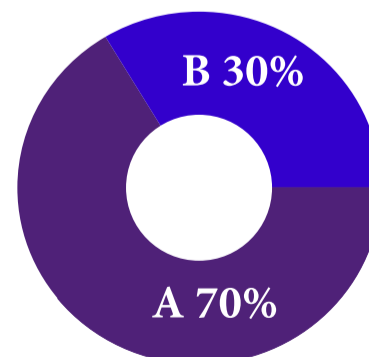
Best Wishes



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%

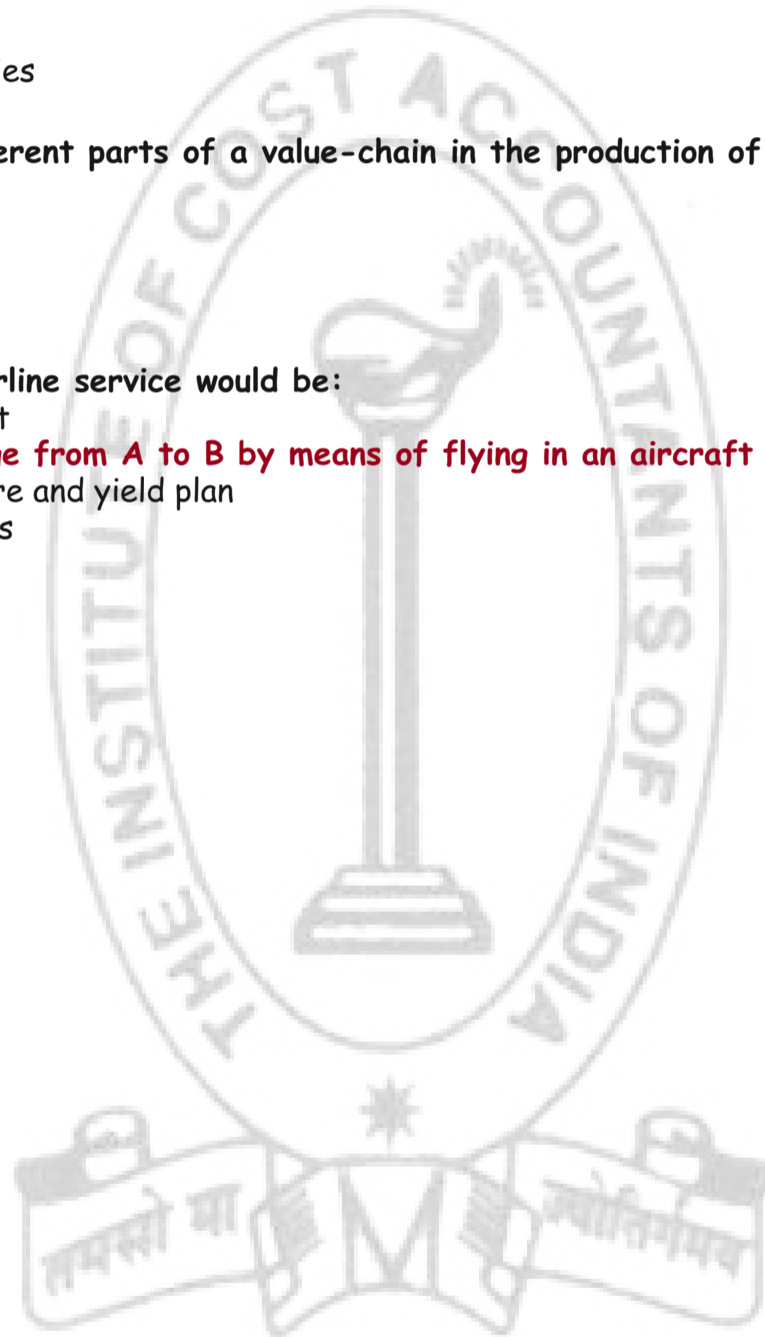
Learning Objectives:

- 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. Reputation in the context of an organization's resources can provide competitive advantage because:
 - a) **It is difficult to copy**
 - b) It is based on word-of-mouth
 - c) It is a threshold resource
 - d) It is explicit
2. Knowledge which is difficult to define and codify is known as:
 - a) Explicit
 - b) Tangible
 - c) **Tacit**
 - d) Random
3. In the case where an organization acquires its supplier, this is an example of:
 - a) Horizontal integration
 - b) Forwards vertical integration
 - c) **Backwards vertical integration**
 - d) Downstream vertical integration
4. Which of the following statements is not true when describing a successful strategy?
 - a) It provides some property that is unique or distinctive
 - b) **It provides the means for renewing competitive advantage**
 - c) It addresses changes in the external environment
 - d) It guarantees long term survival
5. In the context of strategic management resources can be defined as:
 - a) The knowledge and skills within the organization
 - b) Something that an organization owns or controls that cannot be copied
 - c) **Something that an organization owns, controls or has access to on a semi-permanent basis**
 - d) The physical assets of the organization
6. To find out what an organization's strategy is, you should:
 - a) Read the mission statement
 - b) **Look at what the organization actually does**
 - c) Read the strategic plan
 - d) Ask the CEO
7. A strategic manager that seeks to reach acceptable profit targets as opposed to making as much profit as possible is making decisions of which type?
 - a) Satisfactory
 - b) **Satisfying**
 - c) Irrational
 - d) Optimal
8. The VIRUS acronym in relation to strategic resources stands for:
 - a) Valuable, Intimate, Rare, Un-Substitutable
 - b) Valuable, Inimitable, Robust, Un-Substitutable
 - c) Variable, Inimitable, Robust, Un-Substitutable
 - d) **Value, Inimitable, Rare, Un-Substitutable**
9. An organization has competitive advantage in the markets in which it competes but its culture is rather inwards looking and complacent. In this situation it is unlikely that competitive advantage will be:
 - a) Copied
 - b) Eroded
 - c) **Sustainable**
 - d) Threshold

10. In the value chain, primary activities are:
- Directly involved in the production, marketing and delivery of the product or service
 - Those activities those are all undertaken in-house
 - Those activities that support the production, marketing and delivery of the product or service
 - Directly involved in the production and delivery of the product or service
11. One of the strategic decisions relating to the value chain concerns vertical integration. This would involve:
- Deciding whether to locate operations in the home country or in a foreign location
 - Deciding whether the activity should be performed within the organization or by a different firm
 - Deciding to link all activities using Enterprise Resource Planning
 - Deciding whether to share certain activities across different products and markets
12. When a firm promises more than it can actually deliver to win a contract, this is known as:
- Adverse selection
 - Inverse selection
 - Moral hazard
 - Trust hazard
13. Which of the following outcomes is a potential benefit of outsourcing?
- Higher flexibility
 - Higher control
 - Lower transaction costs
 - Better linkages between activities
14. A network of firms providing different parts of a value-chain in the production of a product or service is known as:
- Franchising
 - Nearshoring
 - Orchestrating
 - Co-specialization
15. The 'operations' in a passenger airline service would be:
- The manufacture of the aircraft
 - Getting passengers and baggage from A to B by means of flying in an aircraft
 - The design of the price structure and yield plan
 - Selling the tickets to passengers





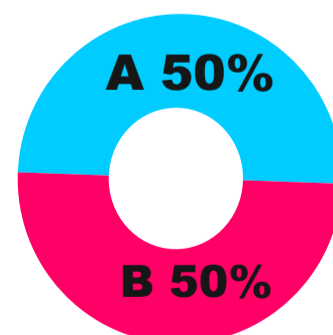
GROUP: II, PAPER:10

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 (Comprehensive)**

C Ltd. produced a popular consumer durable. The details of standards fixed for this product and the actual performance details for May 2021 are given below :

Standards fixed		Actual performance for May 2021	
Direct materials	4 kg @ Rs.12/kg	Production/sales	9,600 units
Direct Labour	2 hrs @ Rs.15/hr	Sales Value	Rs.14,00,000
Variable overheads	2 hrs @ Rs.10/hr	Direct materials	42,000 kg - Rs.4.80.000
		Direct labour	18,000 hrs - Rs.2,75,000
Budgeted fixed overhead p.m.		Variable overheads	Rs.2,10,000
For a monthly output of		Fixed overheads	Rs.1,20,000
10,000 units	Rs.1,00,000		
Profit margin	25% on sales		

What shall be the :-

- i) Standard Cost (SC) per unit : (a) Rs.107 (b) Rs.108 (c) Rs.109 (d) Rs.110
- ii) Standard Profit per unit : (a) Rs.142 (b) Rs.143 (c) Rs.144 (d) Rs.145
- iii) Actual Total Cost : (a) Rs.10,85,000 (b) Rs.10,90,000 (c) Rs.10,95,000 (d) Rs.11,00,000
- iv) Actual Total Profit : (a) Rs.3,15,000 (b) Rs.3,20,000 (c) Rs.3,25,000 (d) Rs.3,30,000
- v) Actual Sales Margin : (a) Rs.3,63,100 (b) Rs.3,63,200 (c) Rs.3,63,300 (d) Rs.3,63,400
- vi) Direct Material Price Variance : (a) Rs.25000 A (b) Rs.25000 F (c) Rs.24000 F (d) Rs.24000 A
- vii) Direct Material Usage Variance : (a) Rs.43000 F (b) Rs.43000 A (c) Rs.43200 F (d) Rs.43200 A
- viii) Direct Labour Wages Rate Variance : (a) Rs.5000 F (b) Rs.5000 A (c) Rs.6000 A (d) Rs.6000 F
- ix) Direct Labour Efficiency Variance : (a) Rs.17000 F (b) Rs.17000 A (c) Rs.18000 A (d) Rs.18000 F
- x) Variable Overhead (V.OH) Expenditure V : (a) Rs.30000 A (b) Rs.30000 F (c) Rs.30500 A (d) Rs.30500 F
- xi) V.OH Efficiency V : (a) Rs.11000 F (b) Rs.11000 A (c) Rs.12000 F (d) Rs.12000 A

- xii) Fixed Overhead (F.OH) : (a) Rs.20000 F (b) Rs.20000 A (c) Rs.21000 F (d) Expenditure V Rs.21000 A
- xiii) F.OH Volume V : (a) Rs.4000 A (b) Rs.4000 F (c) Rs.8000 F (d) Rs.8000 A
- xiv) Sales Margin Price : (a) Rs.17000 F (b) Rs.17000 A (c) Rs.17600 A (d) Variance Rs.17600 F
- xv) Sales Margin Volume : (a) Rs.14400 F (b) Rs.14400 A (c) Rs.15000 A (d) Variance Rs.15000 F

Answer :

- | | | |
|----------------------|----------------------|-----------------------|
| i) (b) Rs.108 | ii) (c) Rs.144 | iii) (a) Rs.10,85,000 |
| iv) (a) Rs.3,15,000 | v) (b) Rs.3,63,200 | vi) (c) Rs.24,000 F |
| vii) (d) Rs.43,200 A | viii) (b) Rs.5,000 A | ix) (d) Rs.18,000 F |
| x) (a) Rs.30,000 A | xi) (c) Rs.12,000 F | xii) (b) Rs.20,000 A |
| xiii) (a) Rs.4000 A | xiv) (d) Rs.17,600 F | xv) (b) Rs.14,400 A |

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

- 1) Draw separate diagrams for each item (i.e. Material, F.OH, V.OH and Sales) as shown below.
- 2) Put the data given as well as derived through working Notes / Tables, in the appropriate places of the diagrams as specified.
- 3) Start connecting the same as embodied therein.
- 4) In case of any difficulty please have a look to the **Solution through diagram** at the end of this e-bulletin.

SOLUTION :**Working Note 1 :**

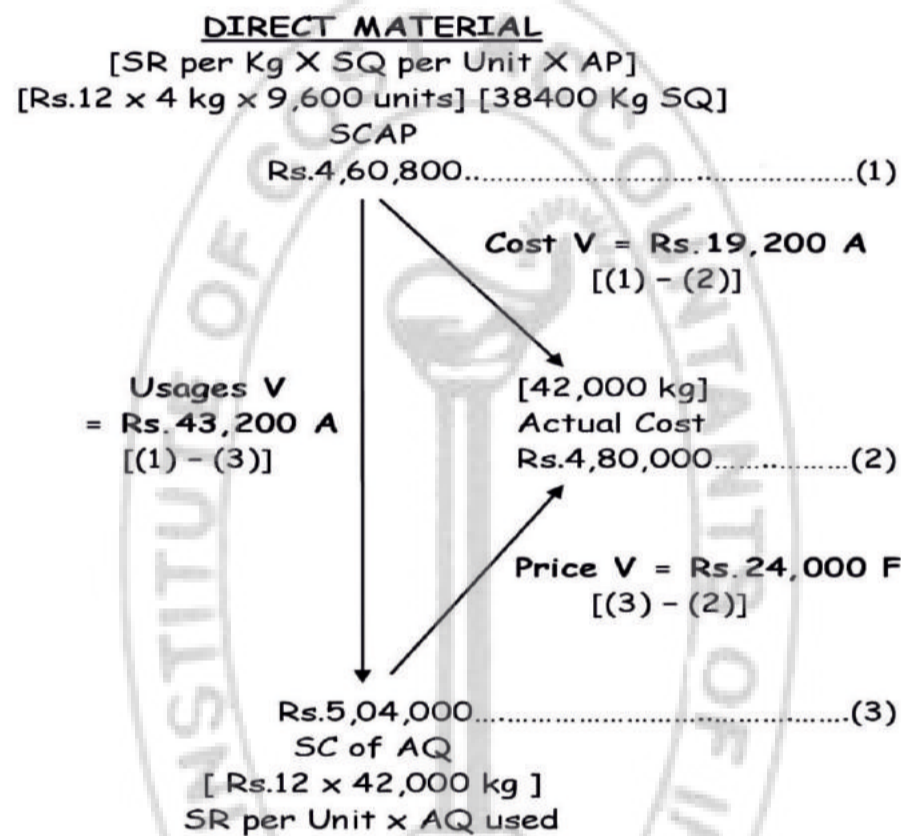
Computation of Standard Cost and Selling Price per Unit (Rs.)	
Direct Materials 4 kg @ Rs.12	48
Direct Labour 2 hr @ Rs.15	30
Variable OH 2 Hr @ Rs.10	20
Fixed OH	10
Standard Cost per unit	108
*Profit 33% on Cost	36
Standard Selling Price	Rs.144

* 25% profit margin on Sales means 33% on cost.

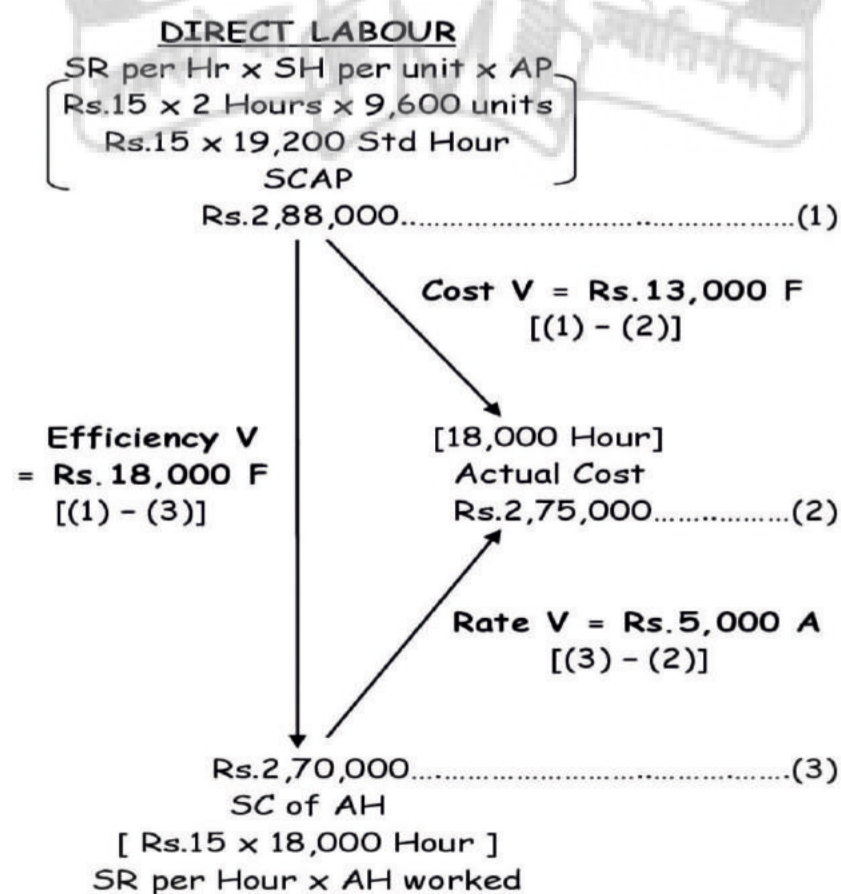
Working Note 2 :

Computation of Actual Cost and Profit (Rs.) (for 9,600 units)	
Direct Materials	4,80,000
Direct Labour	2,75,000
Variable OH	2,10,000
Fixed OH	1,20,000

Total Cost	10,85,000
Sales	14,00,000
Profit	3,15,000
Actual Sales	Rs.14,00,000
Less : Standard Cost [Rs.108 x 9,600 units]	Rs.10,36,800
Actual Sales Margin	Rs.3,63,200

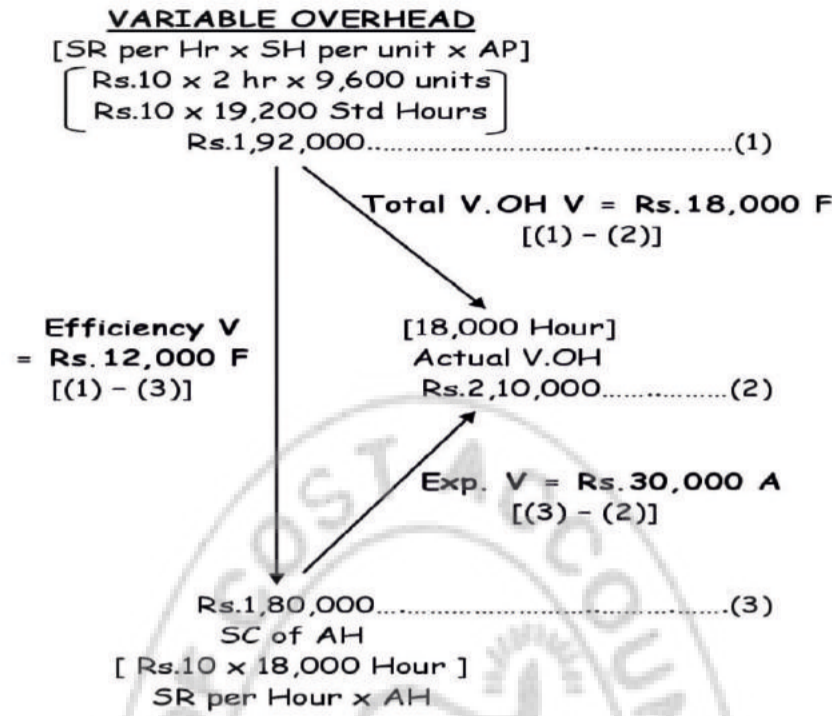
Working Note 3 :

Note: Cost V = Price V + Usage V

Working Note 4:

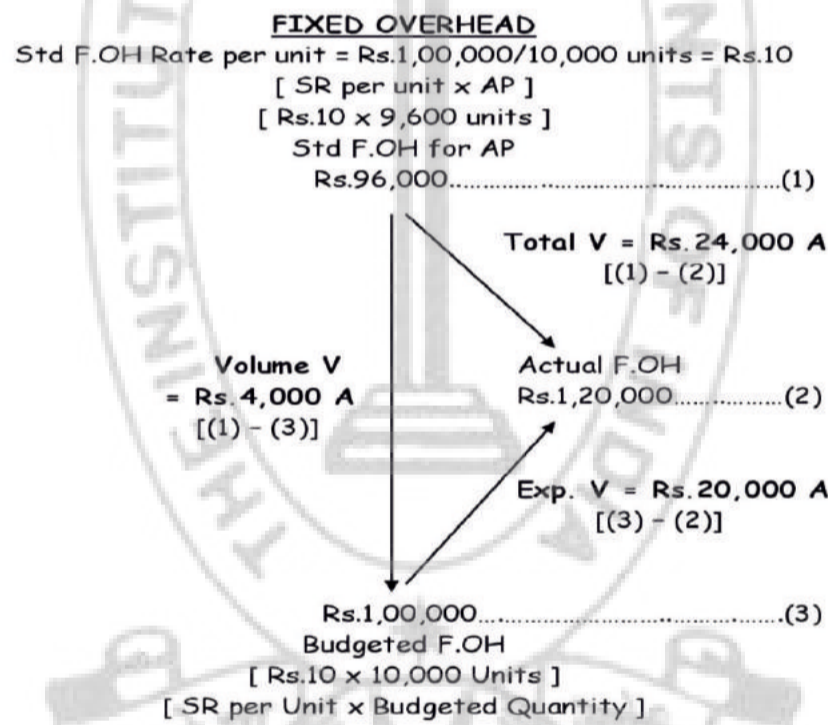
Note: $Cost V = W. Rate V + Efficiency V$

Working Note 5:



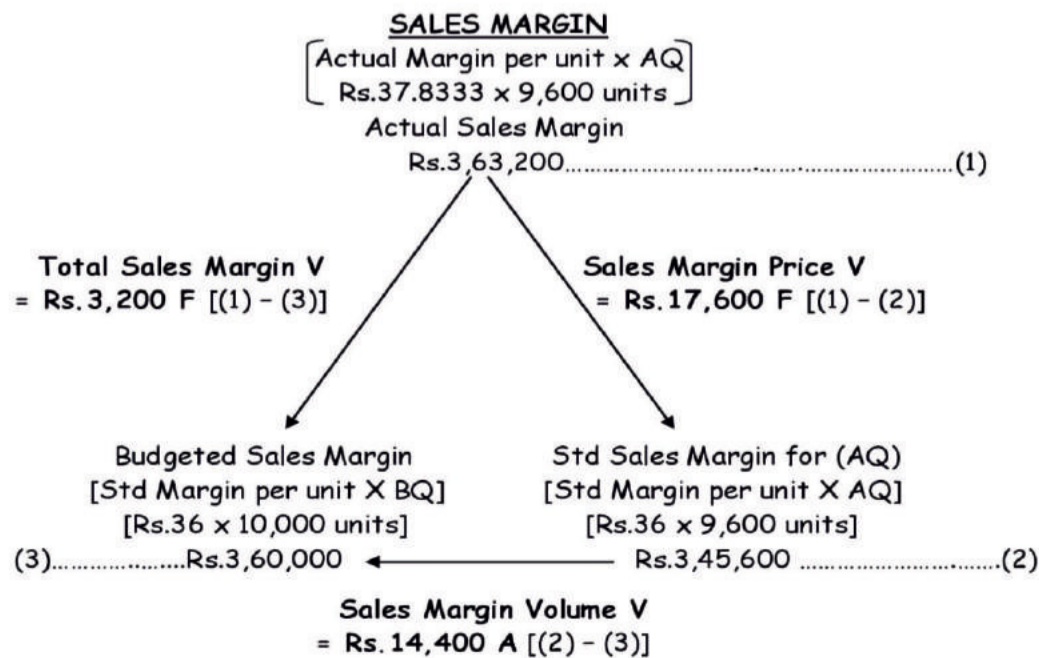
Note : $Total V.OH V = Exp V + Efficiency V$

Working Note 6 :



Note : $Total F.OH V = Exp. V + Volume V$

Working Note 7 :



Note: Total Sales Margin V = Sales Margin Price V + Sales Margin Volume V

TUTORIAL NOTES:

The diagram shows the inter relationship of Actual Sales Margin, Budgeted Sales Margin, Standard Sales Margin for AQ and the resulting Variances. The manner in which such Variances have featured in the Reconciliation Statement, may also be grasped. The Reconciliation Statement of Budgeted Margin and Actual Margin (through Standard Margin) is also given hereunder for understanding.

Reconciliation of Budgeted Profit and Actual Profit

(Amount in Rupees)

Budgeted Profit (Margin)	[10,000 units @ Rs.36]	3,60,000
Less Sales Margin Volume V		(-) 14,400 A
Standard Profit (Margin)		3,45,600
Add : Sales Margin Price V		(+) 17,600 F
Actual Sales Margin		3,63,200
Adjustment of Cost Variances		
Material		19,200 A
[Price V 24,000 F		
Usage V 43,200 A]		
Labour		13,000 F
[Rate V 5,000 A		
Efficiency V 18,000 F]		
Variable Overhead		18,000 A
[Expenditure V 30,000 A		
Efficiency V 12,000 F]		
Fixed Overhead		24,000 A
[Expenditure V 30,000 A		
Volume V 4,000 F]		
Actual Profit		3,15,000

Question No. - 2 (Material)

Modern Tiles Ltd. makes plastic tiles of standard size of 6" x 6" x 1/8"

A standard mix of the compound required to produce an output of 20000 square feet of tiles of 1/8" thickness is as follows :

Direct Materials	Qty (Kg.)	Price (Rs. per Kg)
A	600	0.90
B	400	0.65

C	500	0.40
---	-----	------

During May 21, eight mixes were processed and actual materials consumed were.

Direct Materials	Qty (Kg.)	Price (Rs. per Kg)
A	5000	0.85
B	2900	0.60
C	4400	0.45

What shall be the :-

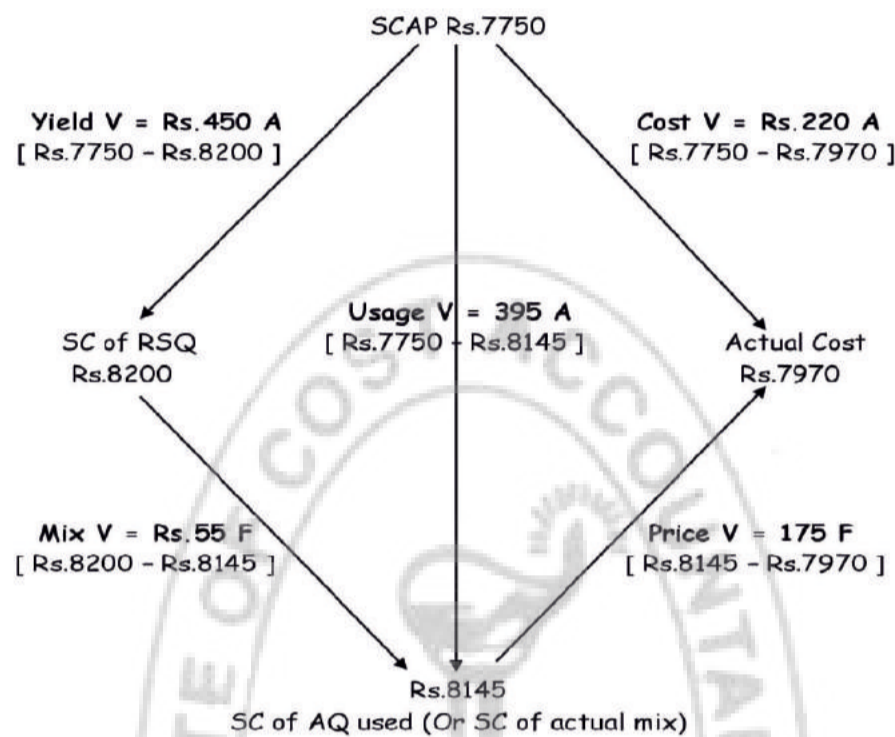
- i) Relevant Standard size of tiles in sq. inches (exclude thickness) : (a) 25 sq.inch (b) 36 sq.inch (c) 49 sq.inch (d) 64 sq.inch
- ii) Relevant Standard size of such tiles in sq.feet (exclude thickness) : (a) 0.25 sq.feet (b) 0.36 sq.feet (c) 0.49 sq.feet (d) 0.64 sq.feet
- iii) Standard number of tiles that can be produced from one standard mix of 20,000 sq.feet : (a) 60,000 tiles (b) 70,000 tiles (c) 80,000 tiles (d) 90,000 tiles
- iv) Number of tiles that can be produced from 8 standard mixes as stated above : (a) 6,40,000 tiles (b) 6,50,000 tiles (c) 6,60,000 tiles (d) 6,80,000 tiles
- v) Number of mixes required for actual production (AP) of 6,20,000 tiles : (a) 6 mixes (b) 6.5 mixes (c) 7 mixes (d) 7.5 mixes
- vi) Standard Cost of Actual Production (SCAP) : (a) Rs.7,750 (b) Rs.7,800 (c) Rs.7,850 (d) Rs.7,900
- vii) Standard Rate (SR) per Kg of Input : (a) Rs.0.4444 (b) Rs.0.5555 (c) Rs.0.6666 (d) Rs.0.7777
- viii) Standard Cost per tile : (a) Rs.0.0015 (b) Rs.0.0105 (c) Rs.0.0115 (d) Rs.0.0125
- ix) Standard Quantity of material for actual production : (a) Rs.10600 kg (b) Rs.10625 kg (c) Rs.11625 kg (d) Rs.11700 kg
- x) Actual Cost of Production (AP) : (a) Rs.7970 (b) Rs.7980 (c) Rs.7990 (d) Rs.8000
- xi) Standard Cost of Actual Quantity used (SC of AQ) : (a) Rs.8000 (b) Rs.8100 (c) Rs.8145 (d) Rs.8245
- xii) Standard Cost of Revised Standard Quantity (SC of RSQ) : (a) Rs.8200 (b) Rs.8300 (c) Rs.8400 (d) Rs.8500
- xiii) Material Price Variance : (a) Rs.150 A (b) Rs.150 F (c) Rs.175 F (d) Rs.175 A
- xiv) Material Usage Variance : (a) Rs.395 A (b) Rs.395 F (c) Rs.400 A (d) Rs.400 F
- xv) Material Mix Variance : (a) Rs.50 F (b) Rs.50 A (c) Rs.55 A (d) Rs.55 F
- xvi) Material Yield Variance : (a) Rs.440 F (b) Rs.450 A (c) Rs.450 F (d) Rs.460 F
- xvii) Material Cost Variance : (a) Rs.220 A (b) Rs.220 F (c) Rs.280 A (d) Rs.280 F

Answer :

- i) (b) 36 sq.inches ii) (a) 0.25 sq.feet iii) (c) 80,000 tiles
iv) (a) 6,40,000 tiles v) (d) 7.5 mixes vi) (a) Rs.7,750

- vii) (c) Re.0.6666
- x) (a) Rs.7,970
- xiii) (c) Rs.175 F
- xvi) (b) Rs.450 A
- viii) (d) Re.0.0125
- xi) (c) Rs.8,145
- xiv) (a) Rs.395 A
- xvii) (a) Rs.220 A
- ix) (c) Rs.11625
- xii) (a) Rs.8,200
- xv) (d) Rs.55 F

SOLUTION :



Working Notes :

Basic data : Actual Prod (AP) = 620000 tiles.

Standard size of Plastic tiles is 6" x 6" = 36 sq.inches.

36 sq.inches = 0.25 sq.feet [36/144]

One Std. Mix of 20000 sq.feet produced 80000 tiles [20000/0.25]

Accordingly 8 Std Mixes should have produced 640000 tiles [8x80000], but the Actual Production is 620000 tiles. Std. Material required for 620000 tiles is 7.75 mixes [620000/80000].

Std Cost of Actual Production (SCAP)

Material	No. of Mixes	Qty.(Kg) per Mix	Total Qty (Kg)	SR (Rs.)	Amount (Rs.)	SR (Rs.)
A	7.75	600	4650	0.90	4185	
B	7.75	400	3100	0.65	2015	
C	7.75	500	3875	0.40	1550	
			11625 Kg		Rs.7750	Rs.0.6666 per kg of input
			or 620000 tiles			Rs.0.0125 per tile

Actual Cost (AC)

Material	Qty (Units)	Rate (Rs.)	Amount (Rs.)
A	5000	0.85	4250

B	2900	0.60	1740
C	4400	0.45	1980
	12300		Rs.7970

Std. Cost of AQ used

Material	Qty (Units)	S.Rate (Rs.)	Amount (Rs.)
A	5000	0.90	4500
B	2950	0.65	1885
C	4400	0.40	1760
	12300		Rs.8145

Std. Cost of RSQ

Material	AQ in Std. prop.	RSQ (kg)	SR (Rs.)	Amount (Rs.)
A	12300X4650/11625 i.e.	4920	0.90	4428
B	12300x3100/11625 i.e.	3280	0.65	2132
C	12300x3875/11625 i.e.	4100	0.40	1640
		12300		Rs.8200

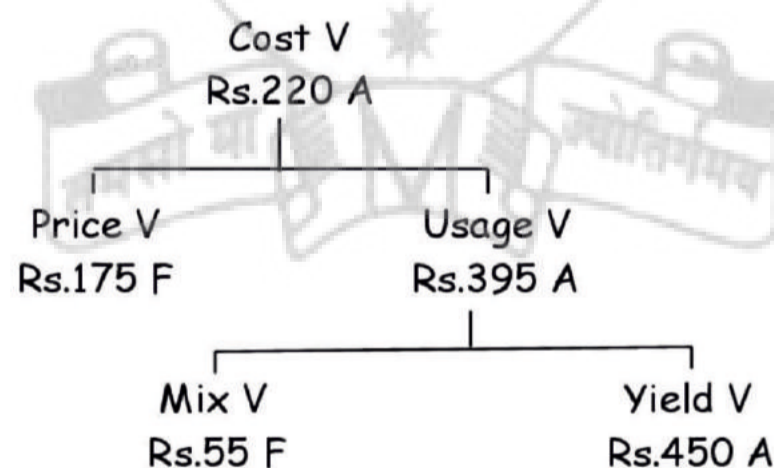
*Check: SR per Kg of Input \times RSQ = Rs.0.6666 \times 12300 Kg = Rs.8,200

Check : Yield V = Std Cost per tile (Actual Prod - Std Production from Actual Input)

= Rs.0.0125 X (620000 tiles - 656000 tiles)

= Rs.0.0125 X (- 36000) tiles = Rs.450 A

	Input (Kg)	Production
Std	11,625	620000
	12,300	656000

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

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.



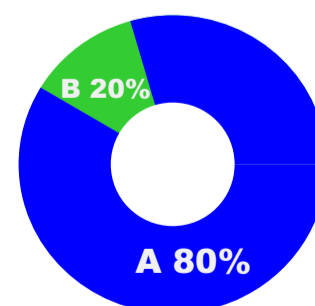


GROUP: II, PAPER:11

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

Compensation cess in GST**Introduction:**

Goods and Services Tax (Compensation to States) Act, 2017 was enacted to levy Compensation cess for providing compensation to the States for the loss of revenue arising on account of implementation of the goods and services tax with effect from the date from which the provisions of the Central Goods and Services Tax Act is brought into force (01/07/2017), for a period of five years or for such period as may be prescribed on the recommendations of the GST Council.

The compensation cess on goods imported into India shall be levied and collected in accordance with the provisions of section 3 of the Customs Tariff Act, 1975, at the point when duties of customs are levied on the said goods under section 12 of the Customs Act, 1962, on a value determined under the Customs Tariff Act, 1975.

Compensation Cess will not be charged on goods exported by an exporter under bond and the exporter will be eligible for refund of input tax credit of Compensation Cess relating to goods exported. In case goods have been exported on the payment of Compensation Cess the exporter will be eligible for refund of Compensation Cess paid on goods exported by him. Compensation cess shall not be leviable on supplies made by a taxable person who has decided to opt for composition levy.

Input Tax Credit:

The input tax credit in respect of compensation cess on supply of goods or services can be utilised only towards payment of the compensation cess on supply of goods or services.

Valuation if Cess to be levied on value:

In case the compensation cess is chargeable on any supply of goods or services or both with reference to their value, then for each such supply, the value has to be determined under section 15 of the Central Goods and Services Tax Act, 2017.

Laws and Rules applicable:

The provisions of the Central Goods and Services Tax Act, 2017 and the rules made thereunder, including those relating to assessment, input tax credit, non-levy, short-levy, interest, appeals, offences and penalties, shall apply in relation to the levy and collection of the cess on the intra-State supply of goods and services. Similarly, in case of inter-State supplies the provisions of the Integrated Goods and Services Tax Act, and the rules made thereunder will apply.

Conclusion:

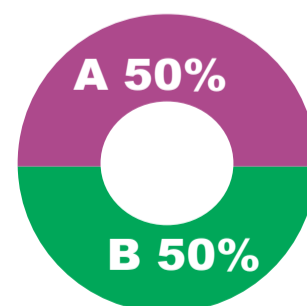
The compensation cess is a cess that will be collected on the supply of select goods and or services or both till 1st July 2022. The cess will compensate the states for any revenue loss on account of implementation of GST. This cess will not be payable by exporters and those persons who have opted for compensation levy. The input tax credit of this cess can be only used to pay compensation cess and not the other taxes like CGST, SGCT or IGST.



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

Students we are running a very patch. But we believe that good days will come. In these days we are to continue our study. The next examination may be organized in July or August 2021.

In lucid way, we are to discuss something relating to issue of shares.

Question - What is limited liability?

Answer - The liability of the members of a company is usually limited. For the satisfaction of the debts of the company, the personal property of the members cannot be attached. A member's liability is limited to the amount unpaid on his shares.

Question - What do you mean by shares of a company?

Answer - The capital of a company is divided into parts, called shares.

Question - What do you mean by transferability of shares?

Answer - The shares of a public company are freely transferable. A member can transfer the shares held by him to anyone else without the consent of the other member.

Question - What do you mean by preliminary Expenses?

Answer - The expenses incidental to the formation of a company. The amount thereof must appear in the prospectus.

Question - How do you show preliminary Expenses in balance sheet?

Answer - preliminary Expenses strictly of capital nature, but as they do not represent any realisable asset, it is usual to write them off either by charging to profit and loss account over a period or alternatively against securities premium account. The balance, not show written off at any given time, must be shown separately in the balance sheet of the company.

Question - What do you mean by share capital?

Answer - Share capital is the money subscribed by the shareholders for the purpose of the company.

Question - What is authorised capital?

Answer - This is the sum stated in the memorandum as the maximum amount which the company has power to raise. It may or may not be issued to shareholders at once, and it has really nothing to do with the value of the assets.

Question - What is issued capital?

Answer - This represent that part of the nominal capital which the company offers to the public for subscription.

Question - What is subscribed capital?

Answer - This represents the part of the issued capital which is subscribed and subsequently allotted in shares to the public or to the vendors as fully or partly paid up. Each person is to apply for shares and must subscribe form promising to pay the full value of the shares issued to him.

Question - What is reserve capital?

Answer - Sometimes a company, by a special resolution, determines that a portion of its uncalled capital shall not be capable of being called up, except in the event of and for the purpose of the company being wound up. The called capital so earmarked is known as reserve capital. It serves the purpose of reserve to pay the creditors in the event of liquidation.

Question - Distinguish between preference shares and equity shares**Preference shares****Equity shares**

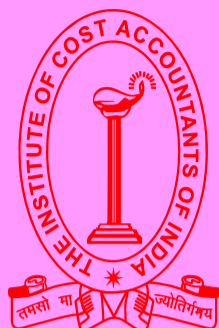
1) These shares have a preferential right to get dividend before any dividend is paid on equity shares.	1) Dividend on equity shares is paid only if a surplus remains after dividend on preference shares has been paid.
2) The rate of dividend is fixed except in the case of participating preference share where an additional share in the residual profits is given	2) The rate of dividend varies with the earning of the company

3) Preference shareholders enjoy no voting rights at general meeting except when their dividends are in arrear, or the meeting is called to consider a variation of their rights. They have no say in the management of the company	3) Equity shareholders have voting rights at general meeting. Control of the company rests with the holders of the equity shares, each share carrying one vote at meetings.
4) Preference shares are to be redeemed after a certain period.	4) Equity shares are not redeemable during the lifetime of the company. A company may however, buy-back its shares subject to some limitation.
5) On a liquidation, have, preference shareholders have preferential rights over equity shareholders, in the same way that creditors have over both preference and equity shareholders.	5) The turn of equity shareholders come only after the preference share capital has been refunded.

Question - What is stock?

Answer - Stock is simply a set of shares put together in a bundle. It is expressed in money instead of as so many shares. It is, so to say, the aggregate of fully paid-up shares, consolidated for the purpose of convenient holding into different part. It may be transferred or split up into fraction of any amounts without regard to the original face value of the shares.





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

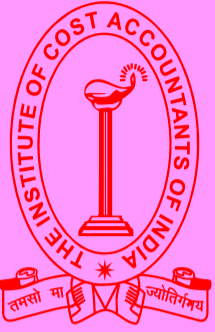
03

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,

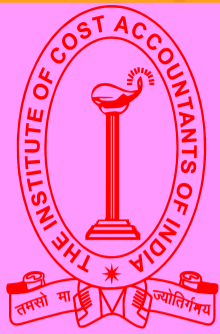
We are very much delighted to receive responses from all of you; for whom our effort is!

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.

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

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



Message from Directorate of Studies

Dear Students,

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



सत्यमेव जयते

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

Statutory Body under an Act of Parliament

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



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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.**

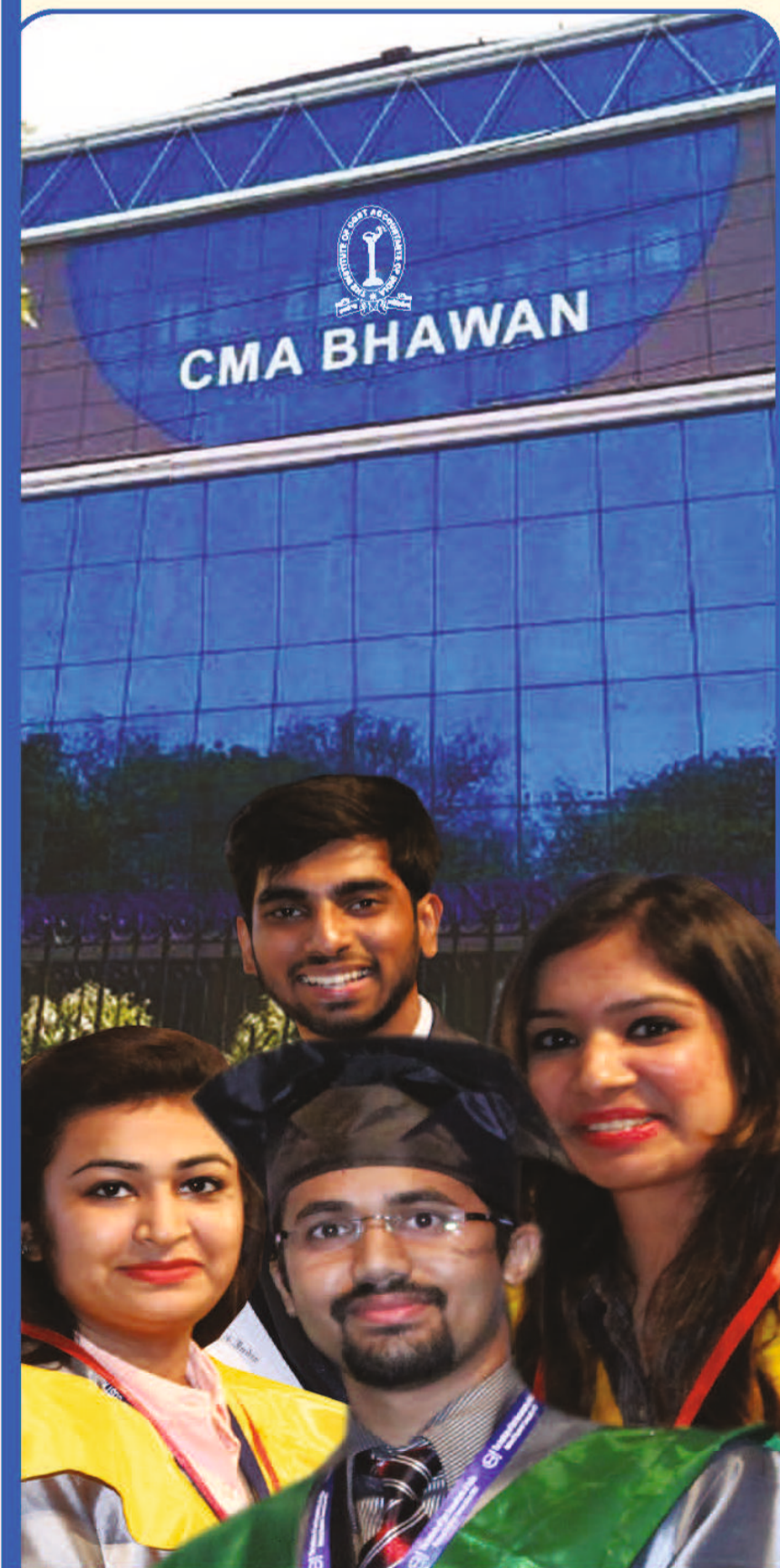
Few of Our Proud Recruiters



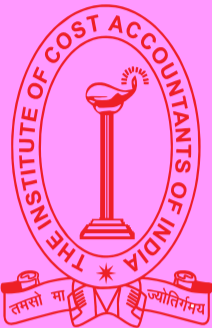
✉ placement@icmai.in / cpt@icmai.in

☎ **+ 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.



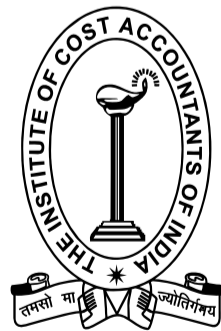
CMA Biswarup Basu, President facilitating Shri Debarshi Duttgupta, MD, East India Pharmaceuticals Works Limited on the occasion of National Corporate Laws Summit organised at Kolkata on 26th February 2021. Sharing the dias is CMA Dr. Ashish P. Thatte, Chairman Corporate Laws Committee and CMA Neeraj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