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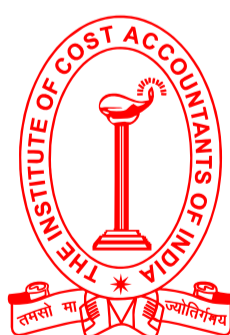
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CMA Student E - Bulletin

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Headquarters: CMA Bhawan, 12 Sudder Street, Kolkata - 700016

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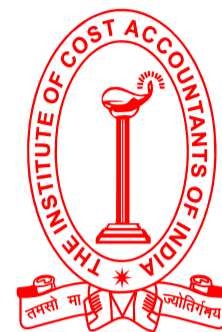
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Ph: 091-11-24666100

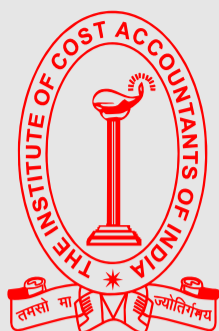
Behind every successful business decision, there is always a **CMA**



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KNOWLEDGE Update



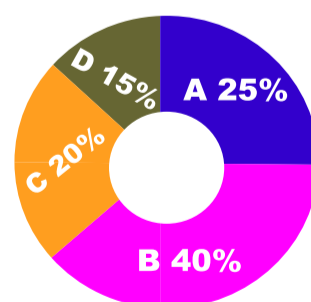
In this section of e-bulletin we shall have a series of discussion on each of these chapters to provide a meaningful assistance to the students in preparing themselves for the examination at the short end and equip them with sufficient knowledge to deal with real life complications at the long end.



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

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

Your Preparation Quick Takes



Syllabus Structure

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

Learning Objective:

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

FINANCIAL ACCOUNTING

"Desire is the starting point of all achievement, not a hope, not a wish, but a keen pulsating desire which transcends everything." - Napoleon Hill

If you want something bad enough, you'll make it happen. However, if you don't want something that much, even the best of strategies won't serve you.

The right strategy will show itself when you are clear on what you want. So how do you know what you want?

Most people are waiting for an epiphany. They're waiting for someone or something outside of them to rattle or shake them. Or they just want a quick fix. Hence the focus on strategy and not on vision and values.

If you're waiting for something to "wake you up" so you finally have the passion, motivation, or desire to put your whole soul into life, you'll be waiting a long time.

Rather than waiting, your only chance at fully living is to proactively do something yourself.

When was the last time you did a workout where you honestly put everything into it?

When was the last time you really tried, I mean *REALLY* tried, at anything?

If you're like most people, you're probably putting half-thought and half-effort into most of what you're doing.

Paul Arden, the famed designer and author, once said, *"Too many people spend too much time trying to perfect something before they actually do it. Instead of waiting for perfection, run with what you got, and fix it along the way."*

Not into tomorrow's workout, but today's workout.

Not into tomorrow's work, but today's work.

Not into tomorrow's people, but today's people.

Nothing feels better than trying your best. Nothing.

T: Today

I: Is

M: My

E: Everything

"There is no tomorrow to remember if we don't do something today."

"No more tomorrows. Today is the day."

After a long waiting Government is permitting to open up : so let us again be socially close but safely close.

Do it now

1,000 toys consigned by Roy & Co. of Calcutta to T. Nu of Rangoon at an invoice cost of Rs 150 each. Roy & Co. paid freight Rs 10,000 and insurance Rs 1,500. During the voyage 100 toys were totally damaged by fire and had to be thrown overboard. T. Nu took delivery of the remaining toys and paid Rs 14,400 as customs duty.

T. Nu sent a bank draft to Roy & Co. for Rs 50,000 as advance payment and later sent an account sales showing that 800 toys had been sold at Rs 220 each. Expenses incurred by T. Nu on godown rent and advertisement, etc., amounted to Rs 2,000. T. Nu was entitled to commission of 5 per cent. One of the credit customers could not pay for 5 toys. Prepare the Consignment Account, assuming that nothing has been recovered from the insurers due to a defect in the policy. T. Nu settled his account immediately.

1. What is the profit / loss on consignment ?

- 11000
- 22100**
- 11200
- 21200

2. What is value of consignment stock ?

- 17750**
- 15750
- 17550
- 15550

3. What is the amount of bad debt ?

- 1200
- 1000
- 550
- 1100**

4. What will be the value of abnormal loss ?

- a. 15750
- b. 16150**
- c. 17650
- d. 15550

Depreciation has been charged for the years 2017 to 2020 at 10 % on Reducing Balance Method on opening balance of each item of plant and machinery in use. The balance of plant and machinery account on December 31, 2020 was Rs. 54000. there was no sales during the year but purchases were made for Rs. 16800 On September 2017 and for Rs. 11400 on December 2019

The management has decided to charge depreciation @ 20 % on the same method but calculated on the closing balance of each year with retrospective effect from 2017.

You are required to answer the following questions :

5. What will be the opening balance of plant and machinery on 1.1.2020 ? (when 10 % depreciation is charged on opening balance)
 - a. 70000
 - b. 60000**
 - c. 54000
 - d. 58400

6. What will be the opening balance as on 1.1.2017 ? (when 10 % depreciation is charged on opening balance)
 - a. 46000
 - b. 47000
 - c. 45000
 - d. 48000**

7. What will be the amount of depreciation on 31.12.2017 ?(when 20 % depreciation is charged on closing balance)
 - a. 12960**
 - b. 6480
 - c. 12690
 - d. 6840

8. What will be the prior period item that to be adjusted with profit and loss account ?
 - a. 2460
 - b. 12960
 - c. 17702**
 - d. 20612

Sundry debtors as on 31.3.2020: Rs. 50000
 Provision for bad debt as on April , 1 2019 : Rs. 4000
 Bad debts written off during 2019-20 : Rs. 1000
 Bad debts recovered earlier written off : Rs. 1000
 Provision for bad debt is maintained @ 5 %

9. Profit and loss account will be credited by :
 - a. By Rs.1000 for bad debt recovery
 - b. Cash account will be debited by Rs.1000
 - c. Both a and b**
 - d. None of these

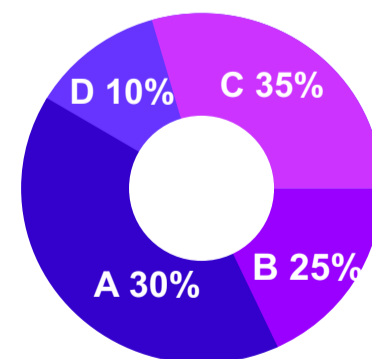
10. Profit and loss account will be :
 - a. Credited by Rs. 1000 as provision for bad debt
 - b. Debited by Rs. 1000 as provision for bad debt
 - c. Credited by Rs. 500 as provision for bad debt**
 - d. None of these



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

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

Your Preparation Quick Takes



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

Resolution passed at adjourned meeting

Sec116 Where a resolution is passed at an adjourned meeting of -

- a company; or
- the holders of any class of shares in a company; or
- the Board of Directors of a company,

the resolution shall, be treated as having been passed on the date on which it was in fact passed, and shall not be deemed to have been passed on any earlier date.

Resolutions and agreements to be filed

Sec117

117. (1) A copy of every resolution or any agreement, in respect of matters specified in sub-section (3) together with the explanatory statement annexed to notice under Section 102, if any, annexed to the notice calling the meeting in which the resolution is proposed, shall be filed with the Registrar within 30 days of the passing or making thereof and a copy of every resolution or any agreement required to be filed, together with the explanatory statement under Section 102, if any, shall be filed with the Registrar in Form No. MGT.14 along with the fee or additional fee, as applicable.

The copy of every resolution which has the effect of altering the articles and the copy of every agreement referred to in Sec.117(3) shall be embodied in or annexed to every copy of the articles issued after passing of the resolution or making of the agreement. Effective from 21st December, 2020, **Sec. 117(2)** provides that, if any company fails to file the resolution or the agreement under Sec.117(1) before the expiry of the period specified therein, such company shall be liable to:

- a penalty of ten thousand rupees and
- in case of continuing failure, with a further penalty of Rs.100 (one hundred) for each day after the first during which such failure continues, subject to a maximum of Rs.2,00,000 (two lakh) and every officer of the company who is in default including liquidator of the company, if any, shall be liable to a penalty of Rs.10,000 (ten thousand) and in case of continuing failure, with a further penalty of Rs.100 (one hundred) for each day after the first during which such failure continues, subject to a maximum of fifty thousand rupees.

Sec.117(3) shall apply to—

(a) special resolutions;

(b) resolutions which have been agreed to by all the members of a company, but which, if not so agreed to, would not have been effective for their purpose unless they had been passed as special resolutions;

(c) any resolution of the Board of Directors of a company or agreement executed by a company, relating to the appointment, re-appointment or renewal of the appointment, or variation of the terms of appointment, of a managing director;

(d) resolutions or agreements which have been agreed to by any class of members but which, if not so agreed to, would not have been effective for their purpose unless they had been passed by a specified majority or otherwise in some particular manner; and all resolutions or agreements which effectively bind such class of members though not agreed to by all those members;

(e) resolutions requiring a company to be wound up voluntarily passed in pursuance of Section 59 of the Insolvency and Bankruptcy Code, 2016

(f) resolutions passed in pursuance of sub-section (3) of Section 179

(g) any other resolution or agreement as may be prescribed and placed in the public domain.

Provided that no person shall be entitled under section 399 to inspect or obtain copies of such resolutions.

Effective from 22nd January, 2021 nothing contained in this clause shall apply in respect of a resolution passed to grant loans, or give guarantee or provide security in respect of loans under clause (f) of sub-section (3) of section 179 in the ordinary course of its business by,—

(a) a banking company;

(b) any class of non-banking financial company registered under Chapter IIIB of the Reserve Bank of India Act, 1934, as may be prescribed in consultation with the Reserve Bank of India;

(c) any class of housing finance company registered under the National Housing Bank Act, 1987, as may be prescribed in consultation with the National Housing Bank; and

Minutes**Rule 25(1)(a) Companies (Management & Administration)**

Rules, 2014 lays that -

A distinct minute book shall be maintained for each type of meeting namely:-

- General Meetings of the members;

- (ii) Meetings of the creditors
- (iii) Meetings of the Board; and
- (iv) Meetings of each of the committees of the Board.

Explanation.- For the purposes of this Rule 25(1)(a), resolutions passed by postal ballot shall be recorded in the minute book of general meetings as if it has been deemed to be passed in the general meeting.

Procedure of each meeting

As laid in Rule 25 (1)(b) Companies (Management & Administration) Rules, 2014

(i) **The minutes of proceedings of each meeting** shall be entered in the books maintained for that purpose along with the date of such entry within thirty days of the conclusion of the meeting.

(ii) In case of **every resolution passed by postal ballot**, a brief report on the postal ballot conducted including the resolution proposed, the result of the voting thereon and the summary of the scrutinizer's report shall be entered in the minutes book of general meetings along with the date of such entry within 30 days (thirty) from the date of passing of resolution.

Penalty for default in complying with the provisions of Sec.118(11) and Sec.118(12)

Sec.118(11) provides that if any default is made in complying with the provisions of this section in respect of any meeting, the company shall be liable to a penalty of Rs.25,000 (twentyfive thousand) and every officer of the company who is in default shall be liable to a penalty of Rs.5000 (five thousand).

Sec.118(12) provides that if a person is found guilty of tampering with the minutes of the proceedings of meeting, he shall be punishable with imprisonment for a term which may extend to 2(two) years and with fine which shall not be less than Rs.25,000 (twentyfive thousand) but which may extend to Rs.1,00,000 (one lakh).

Inspection of Minute Book of General Meeting

Sec.119(1) provides that the books containing the minutes of the proceedings of any general meeting of a company or of a resolution passed by postal ballot, shall -

- (a) be kept at the registered office of the company; and
- (b) be open, during business hours, to the inspection by any member without charge, subject to such reasonable restrictions as the company may, by its articles or in general meeting, impose, so, however, that not less than two hours in each business day are allowed for inspection.

Sec.119(2) provides that any member shall be entitled to be furnished, within seven working days after he has made a request in that behalf to the company, and on payment of such fees, not exceeding a sum of ten rupees for each page or part of any page, provided that a member who has made a request for provision of soft copy in respect of minutes of any previous general meetings held during a period immediately preceding three financial years shall be entitled to be furnished, with the same free of cost with a copy of any minutes referred to in Section 119(1).

Sec.119(3) provides that if any inspection under Section 119(1) is refused, or if any copy required under Section 119(2) is not furnished within the time specified therein, the company shall be liable to a penalty of Rs.25,000 (twenty-five thousand) and every officer of the company who is in

default shall be liable to a penalty of Rs.5,000 (five thousand) for each such refusal or default, as the case may be.

Sec.119(4) w.e.f. 01/06/2016 provides that in the case of any refusal or default of any inspection, the Tribunal may, without prejudice to any action being taken under Section 119(3), by order, direct an immediate inspection of the minute-books or direct that the copy required shall forthwith be sent to the person requiring it.

Annual General Meeting (AGM)

Section 96(1) provides that -

Every company other than a One Person Company shall in each year hold in addition to any other meetings, a general meeting as its annual general meeting and shall specify the meeting as such in the notices calling it, and not more than 15 (fifteen) months shall elapse between the date of one annual general meeting of a company and that of the next:

Provided that in case of the first annual general meeting, it shall be held within a period of nine months from the date of closing of the first financial year of the company and in any other case, within a period of six months, from the date of closing of the financial year:

Provided further that if a company holds its first annual general meeting as aforesaid, it shall not be necessary for the company to hold any annual general meeting in the year of its incorporation:

Provided also that the Registrar may, for any special reason, extend the time within which any annual general meeting, other than the first annual general meeting, shall be held, by a period not exceeding three months.

The First AGM

In case of the first annual general meeting, it shall be held within a period of 9 (nine) months from the date of closing of the first financial year of the company and in any other case, within a period of 6 (six) months, from the date of closing of the financial year

If a company holds its first annual general meeting as aforesaid, it shall not be necessary for the company to hold any annual general meeting in the year of its incorporation.

Conduct of AGM

Section 96(2) provides that every annual general meeting shall be called:

- ❖ during business hours, that is, between 9 a.m. and 6 p.m.
- ❖ on any day that is not a National Holiday and
- ❖ shall be held either at the registered office of the company or at some other place within the city, town or village in which the registered office of the company is situated

Provided that the Central Government may exempt any company from the provisions of Section 96(2) subject to such conditions as it may impose.

It is clarified that a "National Holiday" means and includes a day declared as National Holiday by the Central Government.

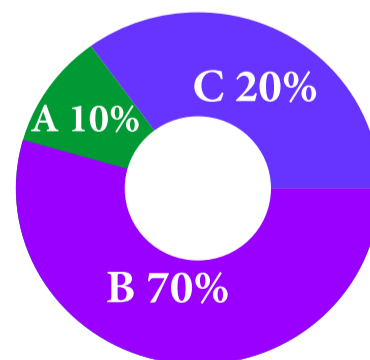


GROUP: I, PAPER: 7

DIRECT TAXATION (DTX)

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

Your Preparation Quick Takes



Syllabus Structure

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

Income from other sources

1. A receipt shall be taxable under this head if such income does not specifically fall under any one of the other four heads of income.
2. **Basis of chargeability:** Income under this head shall be chargeable on 'accrual' or 'cash' basis depending on the method of accounting regularly followed by the assessee.
3. **Casual Income:** Winning from lotteries, crossword puzzles, etc. are taxable under this head. Tax is charged on such income at a flat rate of 30% plus surcharge (if any) plus cess.
4. **Income from letting of machinery, plant or furniture** is charged to tax under this head, if such income is not chargeable under the head "Profits and gains of business or profession".
5. **Composite rent:** If letting of building is inseparable from letting of machinery, furniture, etc. then income from such letting is charged to tax under the head "Income from other sources" otherwise Income from house property.
6. **Family pension:** It is taxable under the head "Income from other sources" after allowing standard deduction to the minimum of a) $\frac{1}{3}^{\text{rd}}$ of such pension; or b) ₹ 15,000.
7. **Gift:** Following receipts by any person shall be considered as his income:
 - a) If any sum is received without consideration in excess of ₹ 50,000 during the previous year;
 - b) If an immovable property is received without consideration and the stamp duty value exceeds ₹ 50,000, the stamp duty value of such property;
 - c) If an immovable property is received with consideration and the stamp duty value of such property exceeds such consideration by higher of the following:
 - (i) ₹ 50,000; and
 - (ii) An amount equal to 10% of the consideration
 - the difference between the stamp duty value and the consideration;
 - d) If movable properties is received without consideration and the aggregate fair market value of such properties exceeds ₹ 50,000, the whole of aggregate fair market value of such properties;

¹20% for the period from 12-11-2020 to 30-06-2021 provided the value of residential unit does not exceed ₹ 2 crore

- e) If movable properties is received for consideration which is less than the aggregate fair market value of properties by an amount exceeding ₹ 50,000, the difference between the aggregate fair market value and the consideration

Exceptions:

- (a) Gift received from any relative.
 - (b) Gift received on the occasion of the marriage of the individual.
 - (c) Any sum of money which is received under a will or by way of inheritance.
 - (d) Any sum of money which is received in contemplation of death of the payer
 - (e) Any sum of money which is received from - local authority, any fund or foundation or university or other educational institutions or hospital or other medical institutions or any trust or institution referred u/s 10(23C) or a registered trust or institution;
 - (f) Receipts from an individual by a trust created or established solely for the benefit of relative of the individual.
 - (g) Receipts by way of distribution at the time of total or partial partition of HUF;
 - (h) shares received in a consequence of demerger or amalgamation of a company or business reorganization of a co-operative society
8. **Share premium received by a company**, not being a company in which public is substantially interested, in excess of fair market value of issued shares shall be considered as income of the issuing company.
 9. **Interest on securities** is charged to tax u/s 56. However, if such securities are held as stock, then taxed u/s 28.
 10. **Interest on delayed receipt of compensation or enhanced compensation** shall be taxable in the year of receipt after deducting standard deduction @ 50% of such income.
 11. **Bond Washing Transactions:** Where an assessee transfers the securities before the due date of interest and reacquires the same, then the interest received by the transferee will be deemed to be the income of the transferor.
 12. **Sale at cum interest price:** Where a person has had at any time during the previous year any beneficial interest in securities & on the sale of such security income received by him is less than the income from such securities on day to day basis, then the income from such securities for such year shall be deemed to be the income of such person.
 13. **Dividend Stripping:** Where any person acquires any securities within 3 months prior to record date and transfers such securities within a period of 3 months (9 months in case of unit) after such date and income on such securities is exempted then any loss on

transfer of such security to the extent of such income receivable, shall be ignored.

14. **Bonus Stripping:** Where any person acquires any unit (original unit) within a period of 3 months prior to the record date and is allotted bonus unit on such date and such person transfers original unit within a period of 9 months after such date, then any loss arising to him shall be ignored and the amount of loss so ignored shall be deemed to be the cost of acquisition of such bonus unit held by him on the date of such sale or transfer.

15. **Income on Deep Discount Bond**

A) Income on Deep discount bond (issued before 15/2/2002):	
Bond is redeemed	<ul style="list-style-type: none"> Interest income = Redemption price - Issue Price Taxable: In the year of redemption
Bond is transferred before maturity	<ul style="list-style-type: none"> Capital gain = Sale Price - Issue Price Taxable: In the year of such transfer
B) Income on Deep discount bond (issued on or after 15/2/2002):	
Bond is neither transferred nor matured	<p><u>Interest income in the year in which assessee acquired such bond</u> Income = MV at the end of the 1st year - Original cost.</p> <p><u>Interest income in subsequent years</u> Income = MV at the end of the year - MV at the beginning of the year.</p>
Bond is redeemed	Interest income = Redemption price - Value as on the last valuation date immediately preceding the maturity date
Bond is transferred before maturity	Capital gains: Sale price - Cost of the bond (including income, if any, already offered to tax by such transferor up to the date of transfer)

16. **Dividend:** As per sec. 2(22),

- Any distribution of accumulated profits, which results in the release of assets of the company.
- Any distribution of Debenture, debenture-stock, deposit certificates in any form whether with or without interest to its shareholders (equity as well as preference); and Shares to preference shareholders by way of bonus, to the extent to which company possess accumulated profit.
- Distribution made on liquidation to the extent to which company possess accumulated profit immediately before liquidation.
- Distribution made on reduction of capital of the company to the extent it possess accumulated profit.
- Any loan or advance by a company (in which public are not substantially interested) to the extent of accumulated profit (excluding capitalized profit) to its equity shareholder holding not less than 10% of voting power in the company or to a concern of which such shareholder is a member and has substantial interest in such concern or to any person on behalf of or for the benefit of such specified shareholder.

Tax treatment:

Dividend or income from units shall be taxable in the hands of shareholders or unit holders at the applicable rate and the domestic company or specified company or mutual funds are not required to pay any Dividend Distribution Tax. Further, it is also provided that the deduction for expense u/s 57 shall be maximum 20% of the dividend or income from units. Therefore, following amendments has been made:

- Dividend distribution tax has been abolished.
- Exemption u/s 10(34) or 10(35) is not applicable to any income, by way of dividend, received.
- Sec. 57 has been amended to provide that no deduction shall be allowed from dividend income, or income in respect of units of mutual fund or specified company, other than deduction on account of interest expense and in any previous year. Further, such deduction shall not exceed 20% of the dividend income or income from units included in the total income for that year without this deduction

17. **Specific disallowance: Following expenditures shall not be deducted from any income under this head**

- Any personal expenses of the assessee.
- Any interest which is payable outside India on which tax has not been deducted at source.
- Any salary payable outside India on which tax has not been deducted at source.
- 30% of any payment made to a resident on which TDS provision is applicable without deducting TDS as referred u/s 40(a)(ia)
- Any amount paid as Wealth tax or Income tax.
- Any amount specified u/s 40A e.g. payment to relative in excess of requirement; or cash payment in excess of ₹ 10,000.
- No deduction in respect of any expenditure shall be allowed in computing the income by way of any winnings from lotteries, etc.

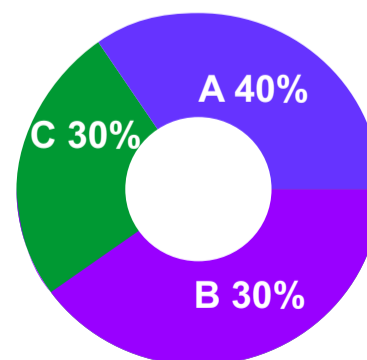
18. **Deemed Profits:** Where an allowance or deduction has been allowed for any year in respect of loss, expenditure or trading liability incurred by the assessee; and subsequently, any amount is obtained, as revocation of such loss, expenditure or remission of liability, whether in cash or in any other manner, during any previous year, then such amount received or amount remitted shall be charged to tax.



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

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

Your Preparation Quick Takes



Syllabus Structure

- A Introduction To Cost Accounting 40%**
- B Methods of Costing 30%**
- C Cost Accounting Techniques 30%**

Learning Objectives:

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

COST ACCOUNTING

Cost accounting provides the measurement of the degree to which this objective is attained, and thus has a definite place in the organization of the business. All expense is localized, and thereby controlled, in the light of information provided by the cost records. An efficient system of costing is an essential factor for industrial control under modern conditions of business, and as such may be regarded as an important part in the efforts of any management to secure business stability. The organization of an undertaking has to be so control that the desired volume of production is secured at the least possible cost in relation to the scheduled quantity of the product.

In the present era the value and importance of cost accounting need hardly be overemphasized. Cost accounting, by exercising control over the entire business operations, enables management to eliminate wastages, leakages, increase efficiency and productivity, achieve economies and helps decision making by suitably fixing prices in case of competition, trade depression, and idle capacity with a view to maximizing the gains or minimizing the losses. This paper is a scoring paper out of the eight papers in the intermediate course. From my past experience it is observed that 65% to 75% of the total questions are set from practical problems and the balance is theoretical part. Although only 25% questions are set from theoretical part, but a great emphasis should be given on theoretical part as most of the students are very much weak in theory. Hence, go through the theory very carefully for easy understanding the topic and then try to solve the exercise problems. Start from 1st Chapter and try to understand the other chapters serially as this will enable you to understand the succeeding chapters in a better way.

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

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

1. A well organized plan for completing the whole syllabus as well as revision within a time frame.
2. Please go through your Study Note in order to know your complete syllabus. Remember all chapters are interlinked and equally important.
3. Analyze the trends of setting questions by taking into consideration at least ten terms question papers.
4. The fixing of time with specified activities is very much essential for time-management.
5. Clarity or concepts is different from cramming which exerts avoidable strain on the students.
6. Try to write down all the important terms in your own words and read them regularly.
7. Improve your speed by regular practice and revision of problems.
8. Try to develop a habit of reading the questions thoroughly to understand the specific requirements of the problem.
9. Always try to answer all objective type questions which carries 100% marks.

As per your study material, your entire syllabus is divided into six main chapters. In first chapter the basic concept of cost accounting are discussed, besides its other two branches viz, Financial accounting and Management accounting. This chapter also includes the objectives, importance, limitation of installation of Costing system. Different methods and techniques of Cost Accounting are also discusses in this chapters. The second chapter described the Elements of cost thoroughly. The three major elements of costs are - Material, Labour and Overheads. Thorough this chapter cost concepts are discussed and analyzed element-wise. Material consists of the major part of total cost of a product, hence it is very much essentials to control this cost. You should also read the scope and objectives of different Cost Accounting Standards. It will help to grasp the concept of cost accounting easily. Try to solve the problems on earnings of workers under different incentive schemes. The meaning of Cost allocation, Cost apportionment and cost absorption should be very clear by studying this chapter.

The next chapter, Cost Book-Keeping, including integrated accounting system is not at all difficult. Students need to have a clear conception about the integrated and non-integrated system of Accounts. Questions are sometimes set to journalize the transactions. In this system, different accounts are to be opened, but it is not necessary to give much effort to complete its solution. It's a lengthy process. Here, separate ledgers are maintained by the cost sections.

This chapter deals with Contract Costing. Job/Batch/Contract Costing is very important for the Intermediate Examinations. Students

often face difficulty in recommending the amount of profit to be taken into account in case of incomplete contract. You should make sure that you are familiar with various methods/formulae for different stages of completion and share of profit. Students are also advised to go through the topic "Profit on incomplete contracts based on SSAP - 9". They should remember that for Escalation Clause both changed quantity and price is to be considered.

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

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

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

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.

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.

Now I have mentioned some objective type question relating to Cost Book Keeping as well as reconciliation of Cost and Financial Accounts :

1. Which of the suggested solutions is the correct one?

(a) A main use of the financial ledger control account in the cost ledger is

- (i) It makes the cost ledger self-balancing.
- (ii) It summarizes the financial ledger entries .
- (iii) It records the financial profit for the period.
- (iv) Its balance is the profit reported in the cost ledger.

[Ans : (i)]

(b) Production overhead absorbed will be recorded in the cost ledger as :

- (i) Debit-Work-in-Progress A/c ; Credit-Production Overhead A/c.
- (ii) Debit-Production Overhead A/c. ; Credit - Financial Ledger A/c.
- (iii) Debit-Profit and Loss A/c ; Credit-Production Overhead A/c.
- (iv) Debit-Finished Goods A/c ; Credit-Production Overhead A/c .

[Ans: (iii)]

(c) In an integrated Ledger system the entry for gross direct wages earned is :

- (i) Debit-Work-in-Progress ; Credit-Wages-Control A/c.
- (ii) Debit-Bank A/c; Credit-Wages-Control A/c.
- (iii) Debit-Work-in-Progress; Credit-Bank A/c.
- (iv) Debit-Wages Control A/c ; Credit-Bank A/c.

[Ans: (i)]

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

- (a) Costing profit and loss account includes all items of financial nature which are not included in cost ascertainment.
- (b) Dividend received but not included in cost accounts is to be added back to costing profit in reconciling profit with financial profit.
- (c) Cost and financial accounts are reconciled under non-integral accounting.
- (d) Rent on owned building is not included in cost accounts.
- (e) Income Tax is provided in cost accounts only.
- (f) Over-absorption of production overheads in cost accounts is decided is costing profit to reconcile it with profit as per financial book.

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

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

- (a) The need of reconciliation arises only under integrated accounting system.
 (b) There is only one figure of profit under integral accounting system.
 (c) No accounts for debtors and creditors are opened in integrated accounts.
 (d) Integrated accounts eliminate the necessity of operating General Ledger Control accounts.
 (e) Loss on the sale of capital assets is not included in accounts under integral system.

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

Selection of the method of remuneration to the workers is the most complex problem now a days from the viewpoint of both the workers as well as employers . Hence, prosperity of a concern depends on the joint and coordinated efforts of both employers and employees . There are various incentive schemes , which are helpful for both ways that increases the wages on the one hand , again they have a lowest labour cost on the others. Here we have discussed the above situation by solving a problem.

Problem :

Wage negotiation are going on in a company with the Recognized Labour Union and the Management requests you, as the Cost Accountant of the Company, to formulate an incentive wages scheme with a view to increasing productivity.

The case of three representatives X, Y and Z - who produce, respectively, 1500, 1200 and 900 units in a normal week of 40 hrs is taken up for study.

Assume that day wages would be guaranteed at Rs. 6 per hour and the piece rate would be based on a standard hourly output of 25 units.

Calculate the earnings and labour cost per 100 pieces of each of the above three workers under :

- (i) Piece-work with a guaranteed weekly wages, (ii) Halsey-Premium Plan and (iii) Rowan Premium Plan.

Also calculate the average wages cost for the company to produce 100 piece under each of the above methods .

Solution

Workings Notes :

Hourly Rate = Rs. 6
 Per hour production = 25 units

Piece Rate = Rs. 6/25 = 0.24

Statement showing Weekly Wages of Workers

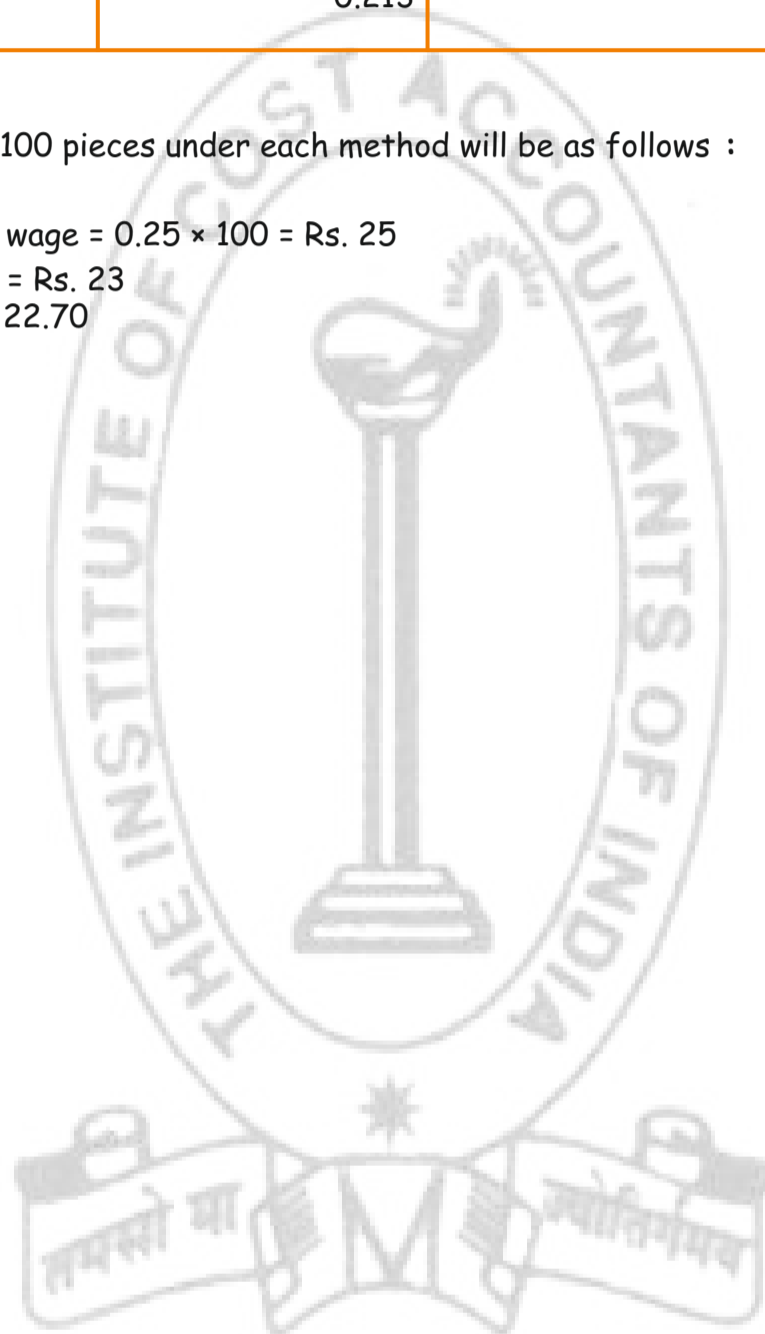
Particulars	X	Y	Z
Units Produced (Actual Production)	1500	1200	900
St. hours for production = ----- 25	60	48	36
Actual Time Taken	40	40	40
Time Saved (hrs) (St. hrs - Time Taken)	20	8
Hourly Rate (Rs.)	6	6	6
Piece Rate (Rs.)	0.24	0.24	0.24
Wages under Time Rate (Actual Time × Hourly Rate (Rs.)	240	240	240
Wages under Piece Rate (Rs.) (Piece Rate × Production units)	360	288	216
(i) Wages under piece work with guaranteed wage	360	288	240
(ii) Wages under Halsey Premium Plan : Time wages (Rs.)	240	240	240
Add : Bonus ($\frac{1}{2} \times$ Time saved × Hourly Rate)	($\frac{1}{2} \times 20 \times 6$) = 60	($\frac{1}{2} \times 8 \times 6$) = 24	
Total Wages under Halsey Plan :	300	264	240
(ii) Wages under Rowan Plan Time Wages (Rs.)	240	240	240
Add : Bonus [$\frac{\text{Time Saved}}{\text{Time allowed}} \times \text{Time Taken} \times \text{Hourly Rate}$]	$\frac{20}{60} \times 40 \times 6$ = 80	$\frac{8}{48} \times 40 \times 6$ = 40	-----
Total Wages under Rowan Plan	320	280	240

Statement showing Average Wages Cost for 100 Piece under each of the above methods

Methods	X	Y	Z	Average
No. of units produced	1500	1200	900	
Wages under piece work with a guaranteed weekly wage (Rs.)	360	288	240	
∴ Per unit wage	Rs. 360/1500 = 0.24	Rs. 288/1200 = 0.24	Rs.288/900 =0.267	0.25
Wages under Halsey Plan (Rs.)	300	364	240	
∴ Per unit wage	0.20	0.22	0.267	0.23
Wages under Rowan Plan (Rs.)	320	280	240	
∴ Per unit wage	Rs.320/1500 = 0.213	Rs.280/1200 = 0.20	Rs.240/1200 = 0.267	0.227

∴ Average wage cost for 100 pieces under each method will be as follows :

- (i) Under piece work with guaranteed wage = $0.25 \times 100 = \text{Rs. } 25$
(ii) Under Halsey Plan = $\text{Rs. } 0.23 \times 100 = \text{Rs. } 23$
Under Rowan Plan = $\text{Rs. } 0.227 \times 100 = \text{Rs. } 22.70$

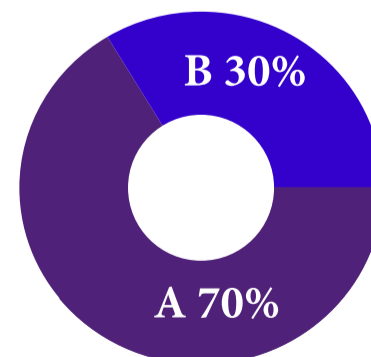




GROUP: II, PAPER: 9, Part- i
OPERATIONS
MANAGEMENT & STRATEGIC
MANAGEMENT (OMSM)
Operations Management

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

Your Preparation Quick Takes



Syllabus Structure

A Operations Management 70%
B Strategic Management 30%

Learning Objectives:

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

Operations Management

In this issue let us discuss the concept of Linear Programming

This is a technique which is useful in solving decision problem which involve maximising a linear objective function subject to a set of linear constraints.

What is linear function?

Say a variable (y) is related with another variable (x) and the relationship is indicated as $y = f(x)$

This relationship between y and x is defined as linear if for all possible values of x and y, a given change in the value of x produces a constant change in the value of y

The general expression of a linear function is: $y = a + bx$

- x is the independent variable
- y is the dependent variable
- a is called the y intercept means value of y at $x = 0$
- b is the slope i.e. for a given change in the value of x produces a constant change (b) in the value of y

In linear programming we come across expressions of the type $y - bx \leq a \dots (1)$

i.e. we will be interested in the values of x and y for which the left hand side value of (1) is less than or equal to the right hand side value a

A straight line on a X-Y plane divides the plane into two parts.

- In one part the value of $y - bx$ for all points on this part will be strictly less than a
- In another part the value of $y - bx$ for all points on this part will be strictly more than a
- For all points on the line itself the value of $y - bx$ will be equal to a

Illustration:

Let the linear equation is: $y - 3x = 4$.

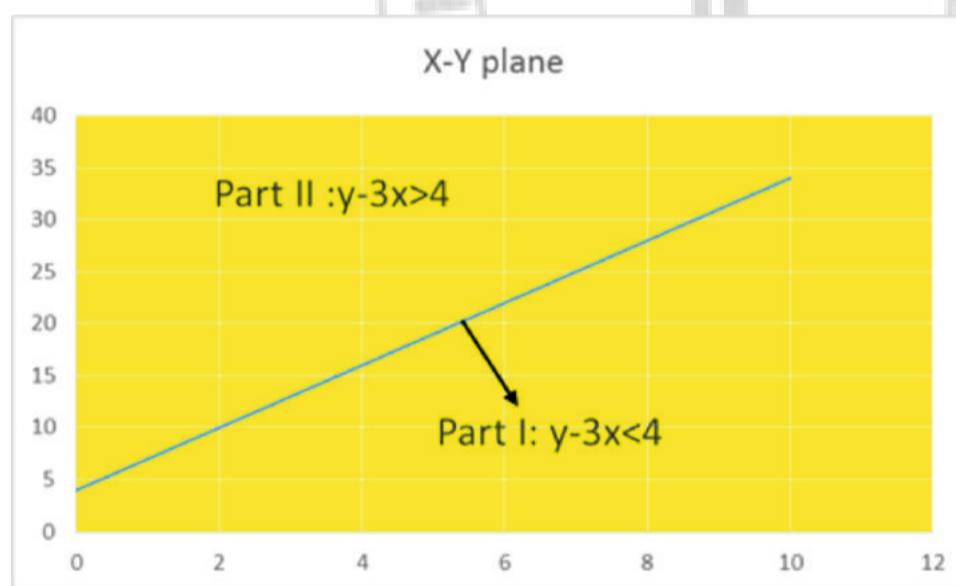
The line is graphically represented as below:

Observe

For any point below the line $y - 3x < 4$

For any point above the line $y - 3x > 4$

For any point on the line $y - 3x = 4$



This concept is very useful in Linear Programming problems (LPP)

Graphical Method of LPP:

In managerial economics we have studied that

- Producers produce for maximising the profit.
- They produce with combination of resources
- Resources in this world are limited
- So producers try to maximise profit under limited availability of resources i.e. under constraints

Say one producer produces product A and product B. Profit per unit are R70 for A and R40 respectively.

Let our producer produces q_1 & q_2 quantities respectively for A and B

So Total profit $TP = 70q_1 + 40q_2 \dots (2)$

Like all producers, our producer also tries to maximise (2).

So (2) is called the objective function in LPP (refer the definition of LPP at the very beginning of this note)

Now as already mentioned our producer produces q_1 quantities of A and q_2 quantities of B with utilisation of different resources. In this

world resources are not unlimited. So all producer faces restrictions on availability of resources. Let resource requirement per unit of A and B and total availability of each resources to our producer are given in the following table:

Resources	Per unit requirement for A	Per unit requirement for B	Availability
Raw material - I	2kg	1kg	120 kg
Raw material - II	0.8kg	none	40kg
Labour	3 man days	2 man days	200 man days
Machine Hour	4 hours	3 hours	360hrs

From the above table we can write

Total requirement for raw material-I for producing q_1 quantities of A and q_2 quantities of B is $2q_1 + 1q_2$

But this total requirement should never exceed the available amount i.e.120kg.

Therefore we can write

$$2q_1 + 1q_2 \leq 120 \dots\dots\dots (3)$$

This sort of inequality is called linear constraints. So for our producer linear constraints are

$$2q_1 + 1q_2 \leq 120 \dots\dots\dots (3)$$

$$0.8q_1 + 0q_2 \leq 40 \dots\dots\dots (4)$$

$$3q_1 + 2q_2 \leq 200 \dots\dots\dots (5)$$

$$4q_1 + 3q_2 \leq 360 \dots\dots\dots (6)$$

$q_1 \geq 0, q_2 \geq 0$ as no one can produce negative quantities (7)

Now you see again the definition of LPP at the start of this note. A LPP should contain

- A linear objective function----- we have it in (2)
- Set of linear constraints-----we have it in (3) to (7)

Putting all these together our producer's Linear Programming Problem is

Maximizes $70q_1 + 40q_2$ objective function

Subject to constraints : linear constraints

$$2q_1 + 1q_2 \leq 120$$

$$0.8q_1 + 1q_2 \leq 40$$

$$3q_1 + 2q_2 \leq 200$$

$$4q_1 + 3q_2 \leq 360$$

$q_1 \geq 0, q_2 \geq 0$ Nonnegative restriction

Step 1: On X-Y plane first we draw the straight lines which show the region indicated by the linear constraints

Since constraints are linear we draw the straight line by finding out two coordinates.

1st constraint is written as an equation:

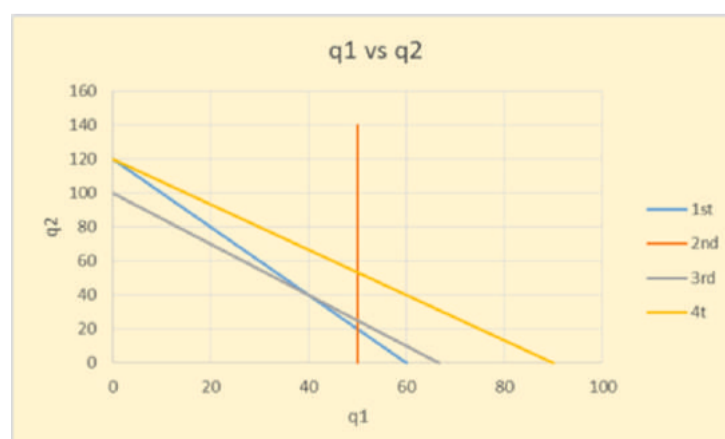
$$2q_1 + 1q_2 = 120$$

Now if $q_1 = 0$, we get $q_2 = 120$. & put $q_2 = 0$ we get $q_1 = 60$. So to draw the above straight line on X-Y plane we have two coordinates i.e. (0,120) & (60,0)

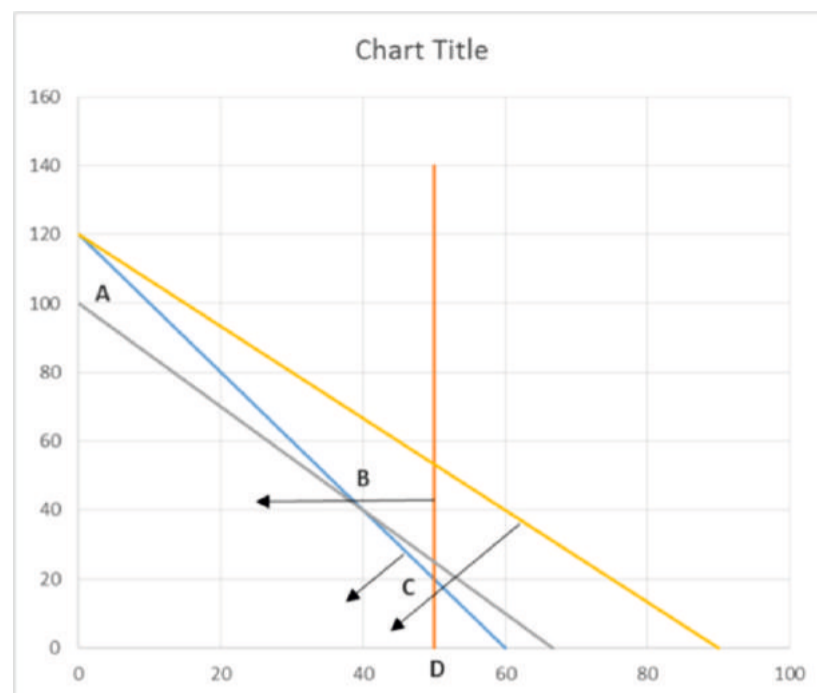
For all other constraints we could arrive at respective coordinates to have the corresponding linear equations on the X-Y plane. The result is:

	q1	q2
	0	120
1st Constraint	60	0
	0	0
2nd Constraint	50	0
	0	100
3rd Constraint	66.67	0
	0	120
4th Constraint	90	0

And the respective X-Y diagram is as follows:



Now on the above diagram find out the part of the plane for each straight line which fulfils the constraints and mark the region which satisfy all the constraints together. The resultant diagram is as follows:



Arrows show the region fulfilling the constraint corresponding to each straight line. (From our knowledge of Part I and Part II at the initial pages of this note)

Taking all the constraints taken together we are getting the region marked ABCD. This is the region where if producer produce then he or she could produce within the available resources.

Now let us search the optimal solution.

Our objective is to maximise profit. So from origin as we move North East we will get different combination of (q_1, q_2) and more and more profit we will get. So corner points of the region will give maximum profits than points of operation inside the region.

We have four corner points. They are, corresponding production and profit are:

Point A: $q_1 = 0, q_2 = 100$, Profit $70 \times 0 + 40 \times 100 = 4000$

Point B: $q_1 = 40, q_2 = 40$, Profit $70 \times 40 + 40 \times 40 = 4400$

Point C: $q_1 = 50, q_2 = 20$, Profit $70 \times 50 + 40 \times 20 = 4300$

Point D: $q_1 = 50, q_2 = 0$, Profit $70 \times 50 + 40 \times 0 = 3500$

So to maximise profit producer will produce 40 units of A and 40 units of B.

Q1. For which decision environment is linear programming most suited?

Answer: Linear programming is well-suited to constrained optimization problems that satisfy the following assumptions:

- Linearity: The impact of decision variables is linear in constraints and the objective function.
- Divisibility: Non-integer values of decision variables are acceptable.
- Certainty: Values of parameters are known and constant.
- Non-negativity: Negative values of decision variables are unacceptable.

Q2. What is meant by the term feasible solution space? What determines this region?

Answer: The "area of feasibility," or *feasible solution space* is the set of all combinations of values of the decision variables that satisfy all constraints. Hence, this area is determined by the constraints.

Q3. Explain the term Redundant Constraint

Answer: Redundant constraints do not affect the feasible region for a linear programming problem. Therefore, they can be dropped from a linear programming problem without affecting the feasible solution space or the optimal solution.

Q4. What does sliding an objective function line toward the origin represent? Away from the origin?

Answer: Sliding an objective function line towards the origin represents a decrease in its value (i.e., lower cost, profit, etc.). Sliding an objective function line away from the origin represents an *increase* in its value.

Suggestions:

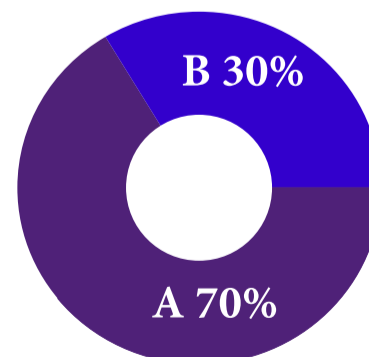
The study notes need to be read thoroughly. Supplementary readings could be made from other resources. One can refer *Modern Production/Operations Management* by Buffa and Sarin. Attempts here are made to clear the understanding of linear programming. Detail problem solving can be done with the help of guide book on paper 9- *Operations Management & Strategic Management* written and issued by Institute. Students should attempt Numerical parts of the study note on their own instead of memorizing.



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

CMA (Dr.) Sumita Chakraborty
Additional Director,
Studies & RC & CC Committee
She can be reached at:
studies.addldir1@icmai.in

Your Preparation Quick Takes



Syllabus Structure

A Operations Management 70%
B Strategic Management 30%

Learning Objectives:

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

STRATEGIC MANAGEMENT**1. What are the means by which long term objectives will be achieved?**

- Strategies
- Policies
- Strength
- Opportunities

Answer: A

Strategies are the means by which long term objectives will be achieved. Business strategies may include geographic expansion, diversification, acquisition, product development, market penetration, retrenchment, divestiture, liquidation, and joint venture.

2. Which of the following is not a recognized element of corporate strategy?

- Competitive advantage
- Closure
- Acquisition
- Divestment

Answer: A

Competitive advantage is not a recognized element of corporate strategy. Competitive advantage refers a company's ability to outperform rivals due to unique, high demand, or superior quality products or services.

3. ----- refers to the purposes an organization strives to achieve

- Strategic Intent
- Strategic Formulation
- Strategic Implementation
- Strategic Control

Answer: A

Strategic Intent refers to the purposes an organization strives to achieve. Strategic Intent can be understood as the philosophical base of the strategic management process. It implies the purpose, which an organization endeavor of achieving. It is a statement, that provides a perspective of the means, which will lead the organization to reach the vision in the long run.

4. Which of the following statements is false with respect to Strategic Planning?

- It implies determined actions for achieving objectives
- It is a time consuming process
- It should develop clear and rigid plans for the organization to implement
- It is most applicable in stable environments

Answer: C

Formal strategic planning should develop clear and rigid plans for the organization. Formal strategic planning is the most sophisticated form of planning. It implies that a firm's strategic planning process involves explicit systematic procedures, used to gain the involvement and commitment of the stakeholders.

5. In the sketch of the BCG Matrix, what is the level of the vertical axis?

- Market growth rate
- Business strength
- Market share
- Industry growth rate

Answer: D

The sketch of the BCG matrix, Industry growth rate is the label of the vertical axis. BCG matrix (or growth-share matrix) is a corporate planning tool, which is used to portray firm's brand portfolio or SBUs on a quadrant along relative market share axis (horizontal axis) and speed of market growth (vertical axis) axis.

6. Industry/ Sector benchmarking compares:

- Organizational performance between firms/public sector organizations in different industries or sectors
- Organizational performance between firms/public sector organizations in the same industry or sector
- Organizational performance between firms/public sector organizations in different countries
- Organizational performance between different divisions of the firm.

Answer: B

Industry/sector benchmarking compares Organizational performance between firms/public sector organizations in the same industry or sector. Competitive or Industry/sector benchmarking enables an organization to compare its performance with competitors trading in

the same industry or sector whereas, functional or external benchmarking involves comparing the business activities of a specific organization with those of companies from other industries/sectors with similar processes.

7. Corporate level strategy deals with?

- A. Objectives of specific functions
- B. Objective of Single Strategic Business Unit
- C. Objectives of the corporate
- D. Objectives of specific operations

Answer: C

Corporate level strategy deals with objectives of the corporate. We can simply say that corporate level strategies are concerned with questions about what business to compete in. Corporate Strategy involves the careful analysis of the selection of businesses the company can successfully compete in. Corporate level strategies affect the entire organization and are considered delicate in the strategic planning process.

8. What is the starting point of Strategic intent?

- A. Objectives
- B. Goals
- C. Mission
- D. Vision

Answer: D

Vision is the starting point of strategic intent. The fundamental purpose of strategic planning is to align a company's mission with its vision. Without mission and vision, the plan exists in a vacuum, as the mission is the starting point for planning, the vision is the destination, and the strategic plan is the roadmap that helps you navigate from one to the other.

9. When does Horizontal Integration occur?

- A. When a firm acquires or merges with a major competitor
- B. When a firm acquires or merges with an unrelated business
- C. When a firm acquires or merges with a distributor
- D. When a firm acquires or merges with a supplier firm

Answer: A

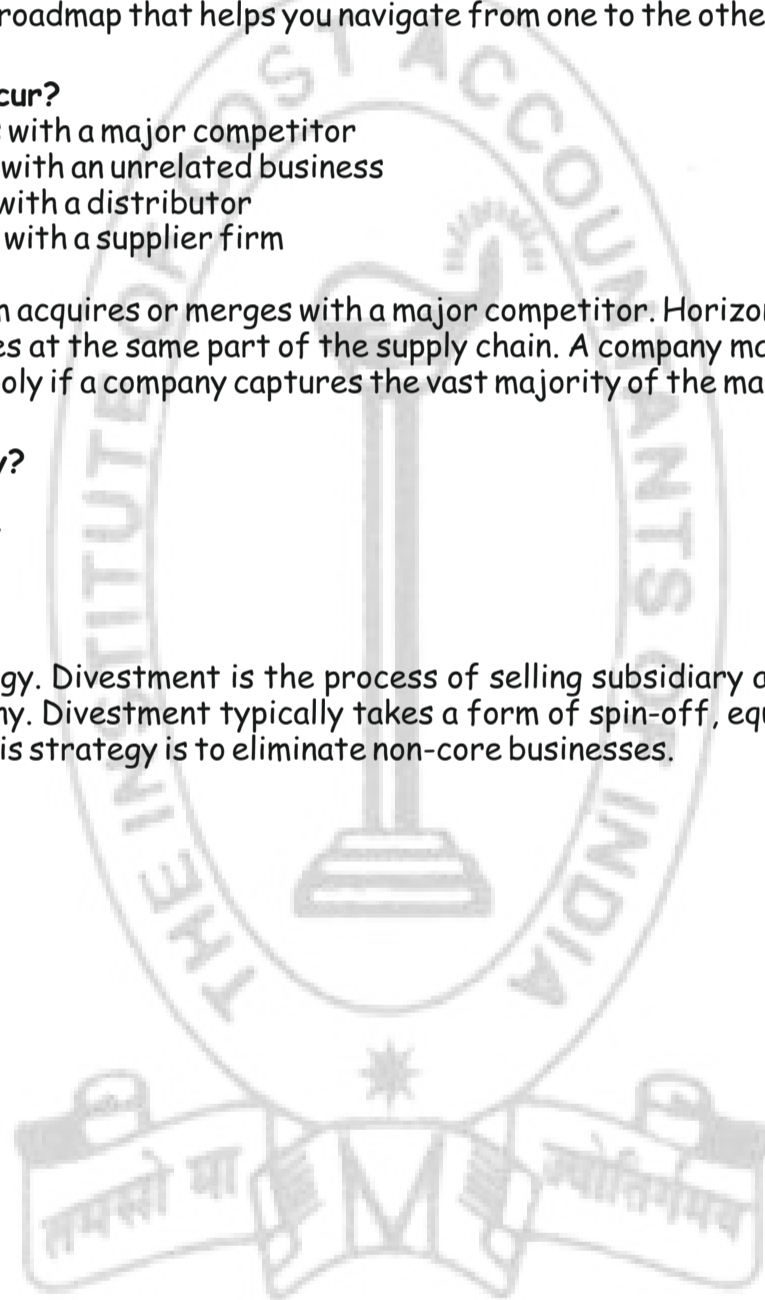
Horizontal integration occurs when a firm acquires or merges with a major competitor. Horizontal integration is the process of a company increasing production of goods or services at the same part of the supply chain. A company may do this via internal expansion, acquisition or merger. The process can lead to monopoly if a company captures the vast majority of the market for that product or service.

10. Divestment is what kind of Strategy?

- A. An asset-reduction strategy
- B. A weakness-reduction strategy
- C. A product-reduction strategy
- D. A cost-reduction strategy

Answer: A

Divestment is an asset-reduction strategy. Divestment is the process of selling subsidiary assets, investments or divisions in order to maximize the value of the parent company. Divestment typically takes a form of spin-off, equity carve-out or direct sale of assets, and the most common reason for deploying this strategy is to eliminate non-core businesses.





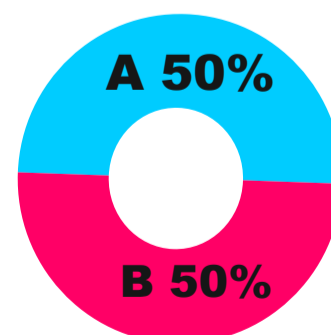
GROUP: II, PAPER:10

COST & MANAGEMENT

ACCOUNTING AND FINANCIAL
MANAGEMENT(CMFM)

CMA Bimalendu Banerjee
He can be reached at:
bbanerjee2050@gmail.com

Your Preparation Quick Takes



Syllabus Structure

A Cost & Management Accounting 50%

B Financial Management 50%

Learning Objectives:

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

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

A Company actually sold 8000 units of A and 10000 units of B at Rs.12 and Rs.16 per unit respectively against a budgeted sale of 6000 units of A at Rs.14 per unit and 9000 units of B at Rs.13 per unit.

The standard cost of A & B are Rs.8 and Rs.10 per unit respectively and the corresponding actual costs are Rs.5.5 and Rs.14.5 per unit.

What shall be the :-

- 1) Budgeted Margin of Sales : (a) Rs.60,000 (b) Rs.61,000 (c) Rs.62,000 (d) Rs.63,000
- 2) Actual Margin of Sales : (a) Rs.90,000 (b) Rs.91,000 (c) Rs.92,000 (d) Rs.93,000
- 3) Standard Margin on Sales : (a) Rs.78,000 (b) Rs.79,000 (c) Rs.80,000 (d) Rs.81,000
- 4) Standard Margin on Revised Std Qty of Sales : (a) Rs.75,400 (b) Rs.75,500 (c) Rs.75,600 (d) Rs.75,700
- 5) Sales Margin Price Variance in respect of Product A : (a) Rs.16,000 F (b) Rs.16,000 A (c) Rs.15,000 F (d) Rs.15,000 A
- 6) Sales Margin Mix Variance in respect of Product B : (a) Rs.2300 F (b) Rs.2300 A (c) Rs.2400 F (d) Rs.2400 A
- 7) Sales Margin Quantity Variance : (a) Rs.12,600 F (b) Rs.12,600 A (c) Rs.13,000 F (d) Rs.13,000 A
- 8) Sales Margin Volume V : (a) Rs.14,000 F (b) Rs.14,000 A (c) Rs.15,000 F (d) Rs.15,000 A
- 9) Sales Margin Value Variance : (a) Rs.29,000 A (b) Rs.29,000 F (c) Rs.30,000 A (d) Rs.30,000 F

Answer :

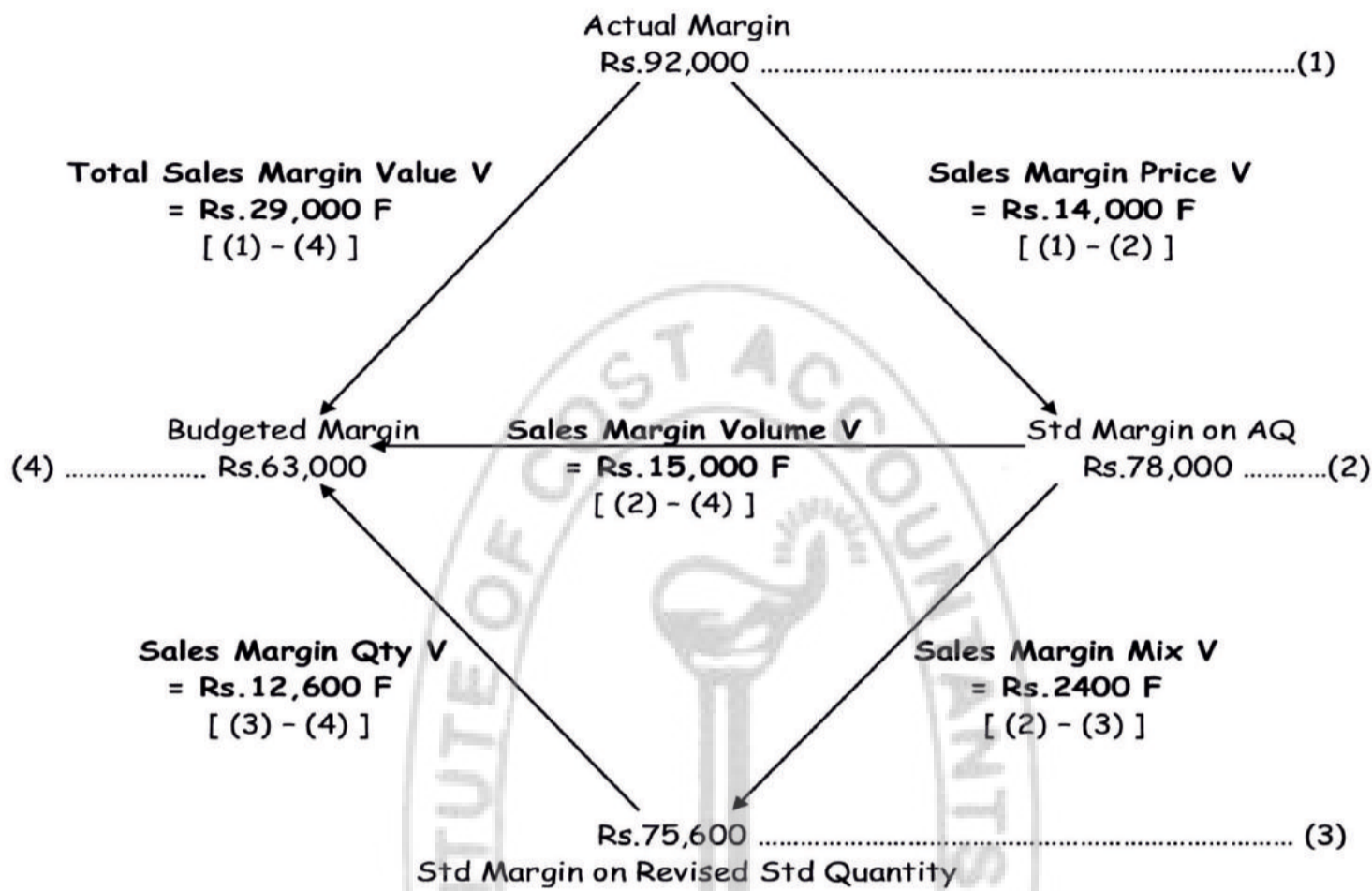
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|--------------------|--------------------|--------------------|
| 1) (d) Rs.63,000 | 2) (c) Rs.92,000 | 3) (a) Rs.78,000 |
| 4) (c) Rs.75,600 | 5) (b) Rs.16,000 A | 6) (d) Rs.2400 A |
| 7) (a) Rs.12,600 F | 8) (c) Rs.15,000 F | 9) (b) Rs.29,000 F |

Steps for Solution for both Question 1 and 2 :

- 1) Draw diagrams as shown in respect of each Question.
- 2) Put the given data as well as data derived from the Working Notes in the appropriate places of the diagrams as specified.
- 3) Start connecting the same in the way embodied therein.

- 4) The requisite Variances will emerge automatically.
- 5) In case of any difficulty, please have a look to the **Solutions through diagrams** at the end of this e-bulletin.

Solution with Working Notes :



Product	Budgeted Margin			Actual Margin			Std Margin On AQ		
	Qty (units)	Margin Per unit (Rs.)	Amount (Rs.)	Qty (units)	Margin Per unit (Rs.)	Amount (Rs.)	Qty (units)	Margin Per unit (Rs.)	Amount (Rs.)
A	6000	(14-8)	36000	8000	(12-8)	32000	8000	6	48000
B	9000	(13-10)	27000	10000	(16-10)	60000	10000	3	30000
	15000		63000	18000		92000	18000		78000

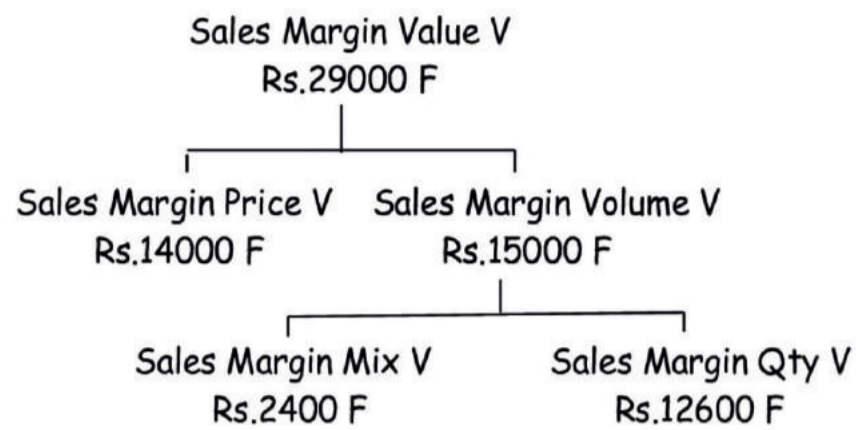
Std Margin on revised Std Quantity				
Product	AQ in Std proportion	RSQ	Std Margin (Rs.)	Amount (Rs.)
A	18000 X 6/15 i.e.	7200	6	43200
B	18000 X 9/15 i.e.	10800	3	32400
		18000		75600

Sales Margin Price V = Actual Margin on AQ - Std Margin on AQ

A:	Rs.32000	-	Rs.48000	=	Rs.16000 (A)
B:	Rs.60000	-	Rs.30000	=	Rs.30000 (F)
					Rs.14000 (F)

Sales Margin Mix V = Std Margin on AQ - Std Margin on RSQ

A:	Rs.48000	-	Rs.43200	=	Rs.4800 (F)
B:	Rs.30000	-	Rs.32400	=	Rs.2400 (A)
					Rs.2400 (F)

RECONCILIATION :**Question No. - 2 (Comprehensive)**

KPR Limited operates a system of standard costing in respect of one of its product which is manufactured within a single cost centre. The Standard Cost card of a product as under:

Standard		Unit Cost (Rs.)
Direct Material	5 Kgs. @ Rs.4.20	21.00
Direct labour	3 hours @ Rs.3.00	9.00
Factory Overhead	Rs.1.20 per labour hour	3.60
Total Manufacturing Cost		33.60

The production schedule for the month of October 2021 required completion of 40,000 units. However, 40,960 units were completed during the month without opening and closing work - in - process inventories.

Purchases during the month of October 2021, 2,25,000 kgs. of material at the rate of Rs.4.50 per kg. Production and Sales records for the month showed the following actual results.

Material used 2,05,600 kgs.

Direct labour 1,21,200 hours: cost incurred Rs.3,87,840

Total factory overhead cost incurred Rs.1,00,000

Sales 40,000 units

Selling price to be so fixed as to allow a mark - up of 20 percent on selling price.

An incentive Scheme is in operation in the company whereby employees are paid a bonus of 50% of direct labour hour saved at standard direct labour hour rate.

What shall be the :-

- 1) Std Cost of material per unit of Production : (a) Rs.20 (b) Rs.21 (c) Rs.22 (d) Rs.23
- 2) Std Cost of Labour per unit of Production : (a) Rs.9 (b) Rs.10 (c) Rs.11 (d) Rs.12
- 3) Std Cost of Fy OH per unit of Production : (a) Rs.3.30 (b) Rs.3.40 (c) Rs.3.50 (d) Rs.3.60
- 4) Std Qty of Material for Actual Production : (a) 2,04,700 Kg (b) 2,04,800 Kg (c) 2,04,900 Kg (d) 2,04,950 Kg

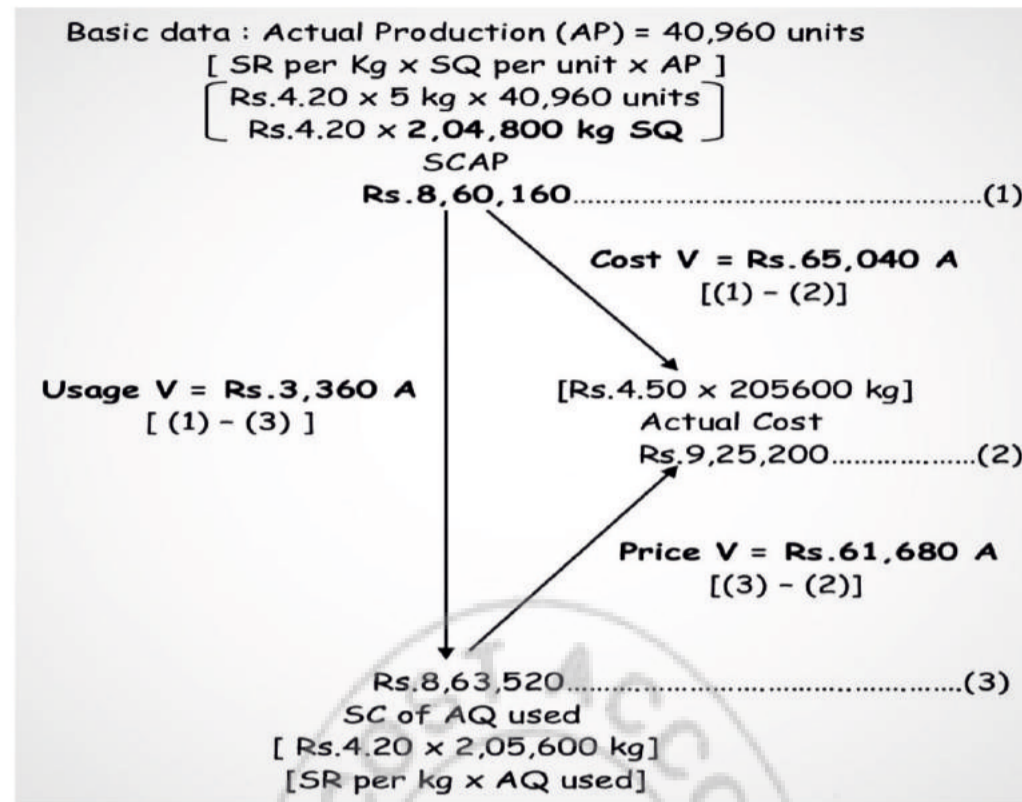
- 5) Std Hour of Labour for Actual Production : (a) 1,22,880 Hrs. (b) 1,22,890 Hrs. (c) 1,22,900 Hrs. (d) 1,22,950 Hrs.
- 6) Std Hour of Fy. OH for Actual Production : (a) 1,22,850 Hrs. (b) 1,22,860 Hrs. (c) 1,22,870 Hrs. (d) 1,22,880 Hrs.
- 7) Std Cost of Actual Production (SCAP) in respect of Material : (a) Rs.8,60,140 (b) Rs.8,60,160 (c) Rs.8,60,180 (d) Rs.8,60,200
- 8) Std Cost of Material actually used : (a) Rs.8,63,500 (b) Rs.8,63,510 (c) Rs.8,63,520 (d) Rs.8,63,530
- 9) Material Price Variance : (a) Rs.61,680 A (b) Rs.61,680 F (c) Rs.61,700 F (d) Rs.61,700 A
- 10) Material Usage Variance : (a) Rs.3,350 F (b) Rs.3,350 A (c) Rs.3,360 F (d) Rs.3,360 A
- 11) Material Cost Variance : (a) Rs.65,040 F (b) Rs.65,040 A (c) Rs.65,000 F (d) Rs.65,000 A
- 12) Std Cost of Actual Production (SCAP) in respect of Labour : (a) Rs.3,68,640 (b) Rs.3,68,630 (c) Rs.3,68,620 (d) Rs.3,68,610
- 13) Std Cost of Actual Hour in respect of Labour : (a) Rs.3,63,400 (b) Rs.3,63,500 (c) Rs.3,63,600 (d) Rs.3,63,700
- 14) Wage Rate Variance : (a) Rs.24,230 A (b) Rs.24,230 F (c) Rs.24,240 F (d) Rs.24,240 A
- 15) Labour Efficiency Variance : (a) Rs.5,040 A (b) Rs.5,040 F (c) Rs.5,030 A (d) Rs.5,030 F
- 16) Labour Cost Variance : (a) Rs.19,200 A (b) Rs.19,200 F (c) Rs.19,000 A (d) Rs.19,000 F
- 17) Std Fy. OH for Actual Production : (a) Rs.1,47,156 (b) Rs.1,47,256 (c) Rs.1,47,356 (d) Rs.1,47,456
- 18) Std Cost of Actual Hour in respect of Fy. OH : (a) Rs.1,45,340 (b) Rs.1,45,440 (c) Rs.1,45,540 (d) Rs.1,45,560
- 19) Expenditure Variance in respect of Fy. OH : (a) Rs.45,440 F (b) Rs.45,440 A (c) Rs.45,540 F (d) Rs.45,540 A
- 20) Efficiency Variance in respect of Fy. OH : (a) Rs.2,010 F (b) Rs.2,010 A (c) Rs.2,016 F (d) Rs.2,016 A
- 21) Selling Price : (a) Rs.40 (b) Rs.41 (c) Rs.42 (d) Rs.43
- 22) Actual Gross Margin : (a) Rs.2,99,116 (b) Rs.2,99,216 (c) Rs.2,99,316 (d) Rs.2,99,416
- 23) Labour Hour Saved : (a) 1680 Hr. (b) 1690 Hr (c) 1700 Hr. (d) 1710 Hr.
- 24) Amount of Bonus payable : (a) Rs.2,490 (b) Rs.2,500 (c) Rs.2,510 (d) Rs.2,520

Answer :

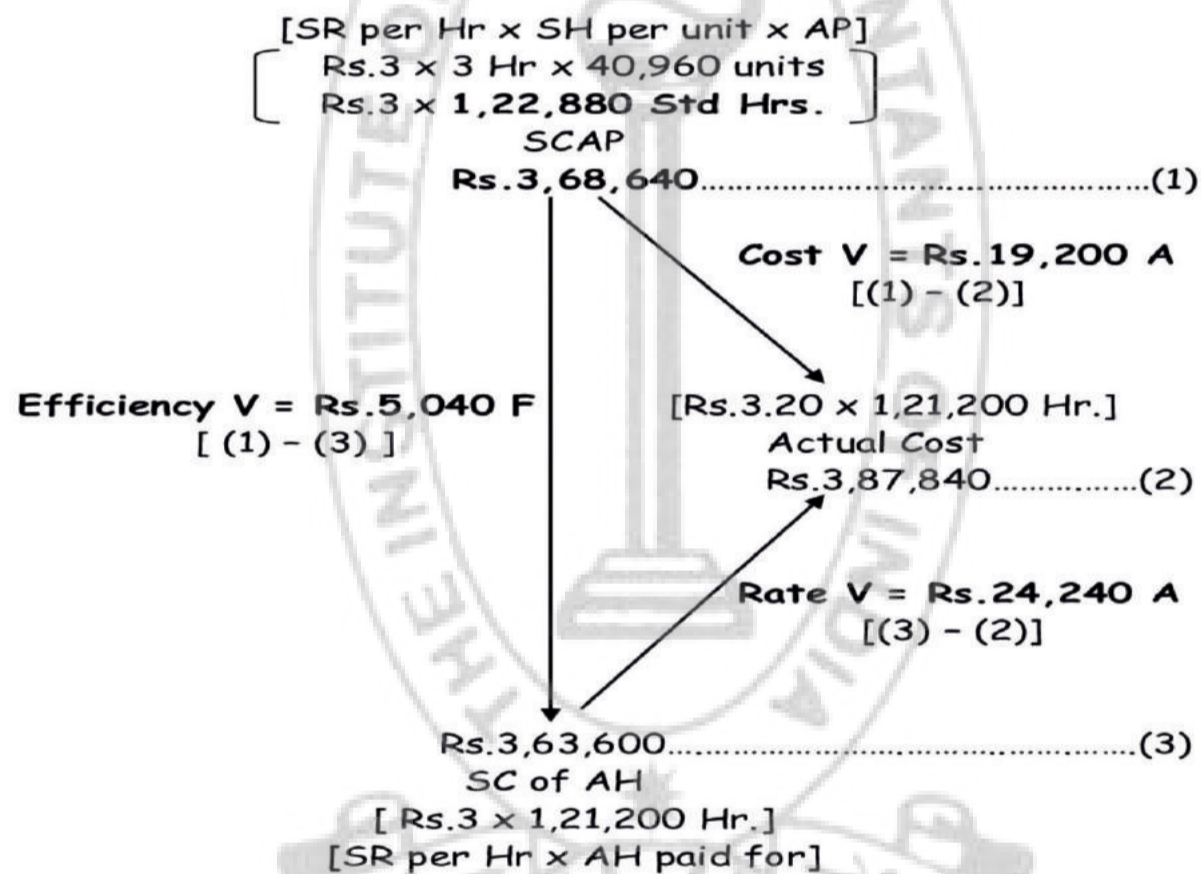
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|---------------------------|-----------------------------|-----------------------------------|
| 1) (b) Rs.21[Rs.4.20x5Kg] | 2) (a) Rs.9 [Rs.3 x 3 Hrs.] | 3) (d) Rs.3.60 [Rs.1.20 x 3 Hrs.] |
| 4) (b) Rs.2,04,800 Kg | 5) (a) 1,22,880 Hrs. | 6) (d) 1,22,880 Hrs. |
| 7) (b) Rs.8,60,160 | 8) (c) Rs.8,63,520 | 9) (a) Rs.61,680 A |
| 10) (d) Rs.3,360 A | 11) (b) Rs.65,040 A | 12) (a) Rs.3,68,640 |
| 13) (c) Rs.3,63,600 | 14) (d) Rs.24,240 A | 15) (b) Rs.5,040 F |
| 16) (a) Rs.19,200 A | 17) (d) Rs.1,47,456 | 18) (b) Rs.1,45,440 |
| 19) (a) Rs.45,440 F | 20) (c) Rs.2,016 F | 21) (c) Rs.42 |
| 22) (b) Rs.2,99,216 | 23) (a) 1,680 Hrs. | 24) (d) Rs.2,520 |

Solution with Working Notes :

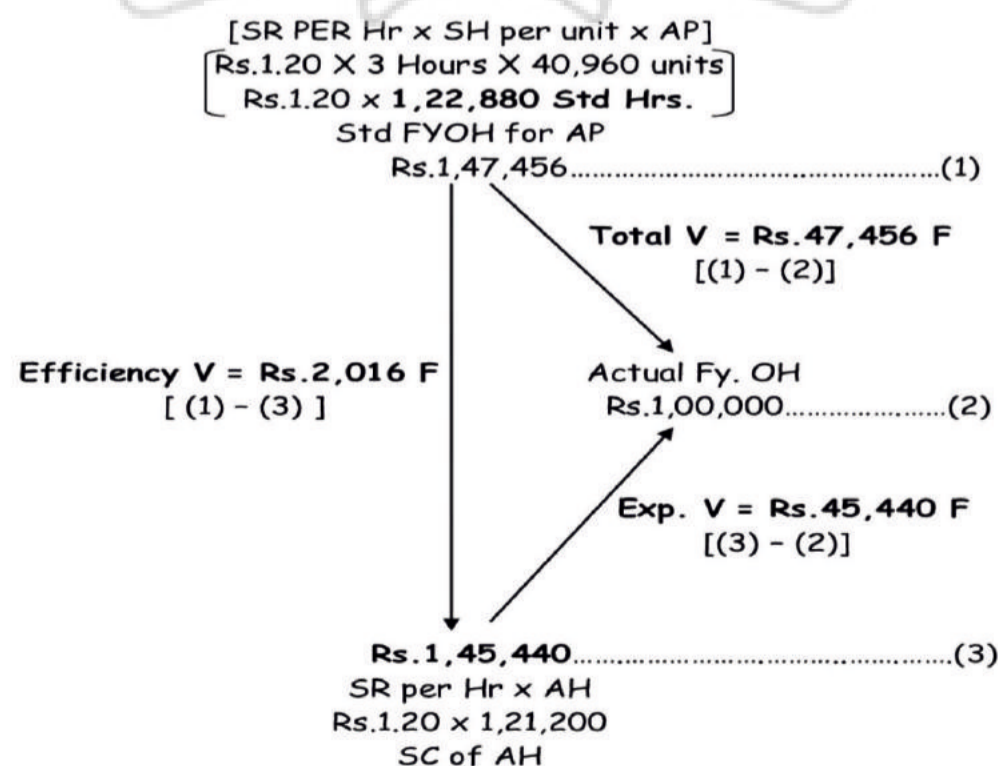
MATERIAL



LABOUR



FACTORY OVERHEAD (ASSUMING VARIABLE)



SELLING PRICE

Mark up of 20% on selling price means 25% on cost

Accordingly **selling price**

= Rs.33.60 + 25% = **Rs.42**

Income Statement for October 2021

	Sales 40,000 units @ Rs.42	Rs.16,80,000
Less :	Standard Cost of Units sold 40,000 units @ Rs.33.60	Rs.13,44,000
		Rs. 3,36,000
Less :	Material Cost Variances Rs.65,040 A [Price V Rs.61,680 A Usage V Rs.3,360 A]	
Less :	Labour cost Variance Rs.19,200 A [Rate V Rs.24,240 A Efficiency V Rs.5,040 F]	
Add :	Factory Overhead Variance Rs.47,456 F [Expenditure V Rs.45,440 F Efficiency V Rs.2,016 F]	Rs. 36,784 A
	Actual Gross Margin	Rs.2,99,216
	Labour hour saved = 1,680 Hours	

$$\left[\begin{array}{l} \text{Standard Hour - Actual Hour} \\ 1,22,880 \quad - \quad 1,21,200 \end{array} \right]$$

Amount of Bonus = 50% of time saved x Std Rate per Hour
 = 50% of 1,680 Hr x Rs.3
 = 840 Hr. x Rs.3
 = **Rs.2,520**

Solution through diagrams

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

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

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

- 1) Diagram works as a road map which leads one to reach destination in the easiest way.
- 2) Diagrams are simple, easy to understand and use.

- 3) Solution can be arrived at within the shortest possible time.
- 4) Nature of Variance (Favourable or Adverse) emerges automatically due to in-built system.
- 5) Inter-relationship of related Variances are clearly visible and understood.
- 6) Inconsistency in on-going computation is promptly detected for correction.
- 7) It is easier to memorize the diagrams than a bunch of confusion-raising formulae.

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

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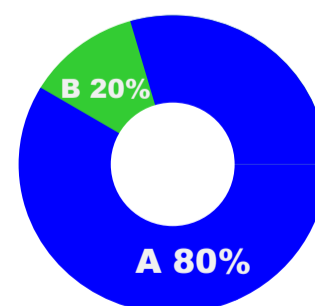


GROUP: II, PAPER:11

INDIRECT TAXATION (ITX)

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

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

CREDIT NOTE IN GST.**Introduction:**

A supplier of goods or services or both is mandatorily required to issue a tax invoice. However, during the course of trade or commerce, after the invoice has been issued there could be situations like:

The supplier has erroneously declared a value which is more than the actual value of the goods or services provided.
The supplier has erroneously declared a higher tax rate than what is applicable for the kind of the goods or services or both supplied.
The quantity received by the recipient is less than what has been declared in the tax invoice.
The quality of the goods or services or both supplied is not to the satisfaction of the recipient thereby necessitating a partial or total reimbursement on the invoice value.

Any other similar reasons.

In order to regularize these kinds of situations the supplier is allowed to issue what is called as credit note to the recipient. Once the credit note has been issued, the tax liability of the supplier will reduce.

Meaning

Where a tax invoice has been issued for supply of any goods or services or both and the taxable value or tax charged in that tax invoice is found to exceed the taxable value or tax payable in respect of such supply, or where the goods supplied are returned by the recipient, or where goods or services or both supplied are found to be deficient, the registered person, who has supplied such goods or services or both, may issue to the recipient what is called as a credit note containing the prescribed particulars.

Format

There is no prescribed format but credit note issued by a supplier must contain the following particulars, namely:

- (a) name, address and Goods and Services Tax Identification Number of the supplier;
- (b) nature of the document;
- (c) a consecutive serial number not exceeding sixteen characters, in one or multiple series, containing alphabets or numerals or special characters hyphen or dash and slash symbolised as "-" and "/" respectively, and any combination thereof, unique for a financial year;
- (d) date of issue;
- (e) name, address and Goods and Services Tax Identification Number or Unique Identity Number, if registered, of the recipient;
- (f) name and address of the recipient and the address of delivery, along with the name of State and its code, if such recipient is un-registered;
- (g) serial number and date of the corresponding tax invoice or, as the case may be, bill of supply;
- (h) value of taxable supply of goods or services, rate of tax and the amount of the tax credited to the recipient; and
- (i) signature or digital signature of the supplier or his authorised representative.

Adjustment of tax liability

The person who issues a credit note in relation to a supply of goods or services or both must declare the details of such credit note in the return for the month during which such credit note has been issued but not later than September following the end of the financial year in which such supply was made, or the date of furnishing of the relevant annual return, whichever is earlier. In other words, the output tax liability cannot be reduced in cases where credit note has been issued after September.

The output tax liability of the supplier gets reduced once the credit note is issued and it is matched. The details of the credit note relating to outward supply furnished by the supplier for a tax period shall, be matched:

- (a) with the corresponding reduction in the claim for input tax credit by the recipient in his valid return for the same tax period or any subsequent tax period; and
- (b) for duplication of claims for reduction in output tax liability.

The claim for reduction in output tax liability by the supplier that matches with the corresponding reduction in the claim for input tax credit by the recipient shall be finally accepted and communicated to the supplier. The reduction in output tax liability of the supplier shall not be permitted, if the incidence of tax and interest on such supply has been passed on to any other person.

Where the reduction of output tax liability in respect of outward supplies exceeds the corresponding reduction in the claim for input tax credit or the corresponding credit note is not declared by the recipient in his valid returns, the discrepancy shall be communicated to both such persons. Whereas, the duplication of claims for reduction in output tax liability shall be communicated to the supplier.

The amount in respect of which any discrepancy is communicated and which is not rectified by the recipient in his valid return for the month in which discrepancy is communicated shall be added to the output tax liability of the supplier in his return for the month succeeding the month in which the discrepancy is communicated.

The amount in respect of any reduction in output tax liability that is found to be on account of duplication of claims shall be added to the output tax liability of the supplier in his return for the month in which such duplication is communicated.

Records

The records of the credit have to be retained until the expiry of seventy-two months from the due date of furnishing of annual return for the year pertaining to such accounts and records. Where such accounts and documents are maintained manually, it should be kept at every related place of business mentioned in the certificate of registration and shall be accessible at every related place of business where such accounts and documents are maintained digitally.

Conclusion

The credit note is therefore a convenient and legal method by which the value of the goods or services in the original tax invoice can be amended or revised. The issuance of the credit note will easily allow the supplier to decrease his tax liability in his returns without requiring him to undertake any tedious process of refunds.

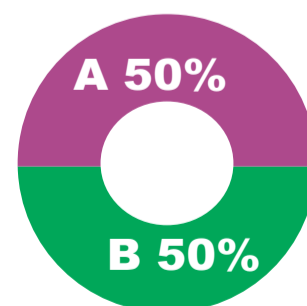




GROUP: II, PAPER:12
COMPANY
ACCOUNTS & AUDIT (CAA)

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

Your Preparation Quick Takes



Syllabus 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**What is cash flow statement?**

A cash flow statement is a regular financial statement telling how much cash is in hand for a specific period.

While income statements are excellent for showing you how much money we spent and earned, they don't necessarily tell you how much cash you have on hand for a specific period of time.

If we use accrual basis accounting, income and expenses are recorded when they are earned or incurred-not when the money actually leaves or enters our bank accounts. (The cash accounting method only records money once you have it on hand. Learn more about the cash vs. accrual basis systems of accounting.)

So, even if you see income reported on our income statement, we may not have the cash from that income on hand. The cash flow statement makes adjustments to the information recorded on our income statement, so we see our net cash flow-the precise amount of cash you have on hand for that time period.

Why do you need cash flow statements?

So long as you use accrual accounting, cash flow statements are an essential part of financial analysis for three reasons:

1. **They show your liquidity.** That means you know exactly how much operating cash flow we have in case we need to use it. So we know what we can afford, and what we can't.
2. **They show we changes in assets, liabilities, and equity** in the forms of cash outflows, cash inflows, and cash being held. Those three categories are the core of your business accounting. Together, they form the accounting equation that lets we measure our performance.
3. **They let we predict future cash flows.** We can use cash flow statements to create cash flow projections, so we can plan for how much liquidity your business will have in the future. That's important for making long-term business plans.

What is the direct method of calculating cash flow?

Using the direct method, we keep a record of cash as it enters and leaves your business, then use that information at the end of the month to prepare a statement of cash flow.

The direct method takes more legwork and organization than the indirect method - we need to produce and track cash receipts for every cash transaction. For that reason, smaller businesses typically prefer the indirect method.

Also worth mentioning: Even if we record cash flows in real time with the direct method, we'll also need to use the indirect method to reconcile our statement of cash flows with your income statement. So, we can usually expect the direct method to take longer than the indirect method.

What is the indirect method of calculating cash flow?

With the indirect method, we look at the transactions recorded on our income statement, and then reverse some of them in order to see our working capital. We're selectively back tracking our income statement in order to eliminate transactions that don't show the movement of cash.

Since it's simpler than the direct method, many small businesses prefer this approach. Also, when using the indirect method, we do not have to go back and reconcile your statements with the direct method. In our examples below, we'll use the indirect method of calculating cash flow.

What are the three sections of a cash flow statement?

- **Cash Flow from Operating Activities** is cash earned or spent in the course of regular business activity - the main way our business makes money, by selling products or services.
- **Cash Flow from Investing Activities** is cash earned or spent from investments our company makes, such as purchasing equipment or investing in other companies.
- **Cash Flow from Financing Activities** is cash earned or spent in the course of financing our company with loans, lines of credit, or [owners equity](#).

What do you mean by Cash Flow from Operating Activities?

Net income - total income after expenses available from the income statement

Add - Depreciation

Add - Increase in Accounts Payable

Deducted - Increase in Accounts Receivable

Deducted - Increase in Inventory

----Net cash from operating Activities

How do we get Cash Flow from Investing Activities

Easily liquidated financial products referred to as "cash equivalents." When we spend cash on an investment that this section covers investments our company has made - by purchasing equipment, real estate, land, or cash gets converted to an asset of equal value.

How do we get Cash Flow from Financing Activities

This section covers revenue earned or assets spent on Financing Activities. When we pay off part of our loan or line of credit, money leaves our bank accounts. When we tap your line of credit, get a loan, or bring on a new investor, we receive cash in your accounts.

How to track cash flow using the indirect method

Four simple rules to remember as you create your cash flow statement:

1. Transactions that show an increase in assets result in a decrease in cash flow.
2. Transactions that show a decrease in assets result in an increase in cash flow.
3. Transactions that show an increase in liabilities result in an increase in cash flow.
4. Transactions that show a decrease in liabilities result in a decrease in cash flow.

Creating a cash flow statement from income statement and balance sheet

XYZ Ltd
Income Statement
For the Month Ending July 31, 2020

Sales Revenue	Rs 10,000
Cost of Goods Sold	Rs 3,000
Gross Profit	Rs 7,000
General Expenses	Rs 3,000
Rent	Rs 2,500
Depreciation	Rs 500
Utilities	Rs 500
Operating Earning	Rs 4,000
Net Profit	3,500

XYZ Ltd
Balance Sheet
As of July 31, 2020

Assets	
Cash in Bank Accounts	Rs 6,000
Accounts Receivable	Rs 4,000
Equipments	Rs 5,000
Accumulated Depreciation	Rs 500
Raw Materials	Rs 1,000
Total Assets	Rs 16,500

Liabilities	
Accounts Payable	Rs 5,500
Total Liabilities	Rs 5,500
OWNER'S EQUITY	
Retained Earning	Rs 10,000
Total Equity	Rs 10,000

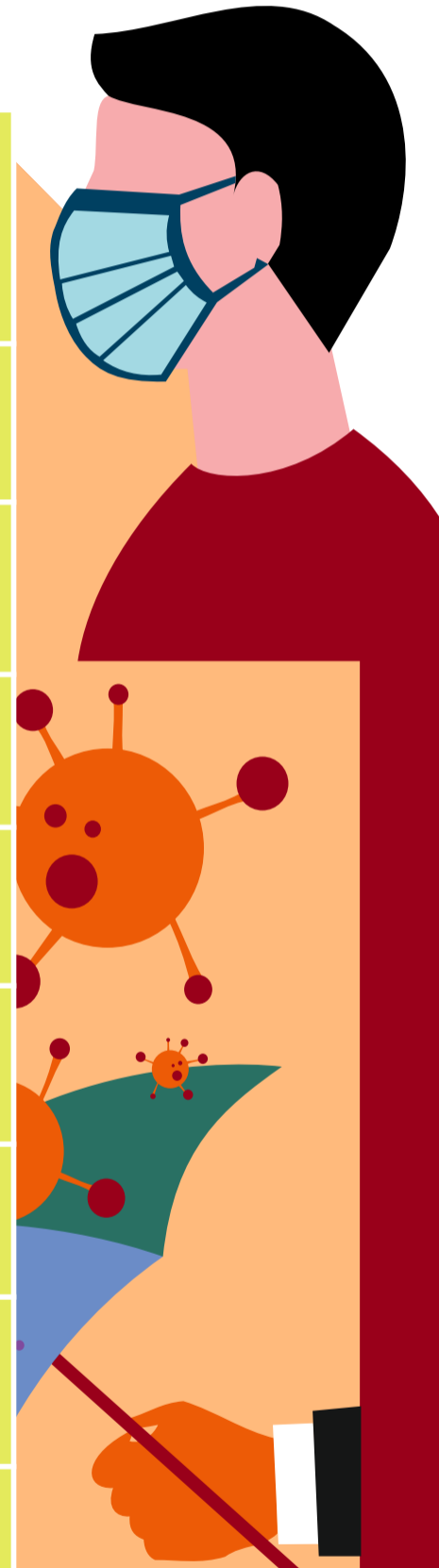
XYZ Ltd
Cash Flow Statement
For the Month Ending July 31, 2020

Cash, Beginning of Period	Rs 5,500
Cash Flow from Operating Activities	
Net Income	Rs 3,500
Additional Cash	
Depreciation	Rs 500
Increase in Accounts Payable	Rs 5,500
Subtraction from Cash	
Increase in Accounts Receivable	(Rs 4,000)
Net Cash from Operating Activities	Rs 5,500
Cash Flow from Investing Activities	
Purchase of Equipment	(Rs 5,000)
Cash Flow from Financing Activities	
n/a	
Cash Flow For the Month Ending July 31, 2020	Rs 500
Cash, End of Period	Rs 6,000

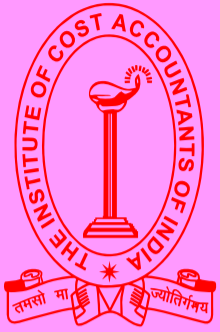


Examination TIME TABLE

Day & Date	Intermediate Examination Syllabus-2016 Time 10.00 a.m. to 1.00 p.m.
08th December, 2021 (Wednesday)	Financial Accounting (Paper 05) (Group - I)
09th December, 2021 (Thursday)	Operations Management & Strategic Management (Paper 09) (Group - II)
10th December, 2021 (Friday)	Laws & Ethics (Paper 06) (Group - I)
11th December, 2021 (Saturday)	Cost & Management Accounting and Financial Management (Paper 10) (Group - II)
12th December, 2021 (Sunday)	Direct Taxation (Paper 07) (Group - I)
13th December, 2021 (Mondayday)	Indirect Taxation (Paper 11) (Group -II)
14th December, 2021 (Tuesday)	Cost Accounting (Paper 08) (Group - I)
15th December, 2021 (Wednesday)	Company Accounts & Audit (Paper 12) (Group - II)



STAY HOME STAY SAFE



PRACTICAL Advice

ABOUT YOUR STUDIES - INTERMEDIATE COURSE

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

START

01

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

**Solve Exercises
given in Study Note**

02

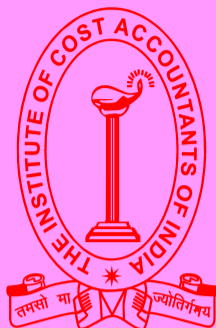
03

Assess Yourself

Appear For Examination

04

FINISHED



SUBMISSIONS



Update of E-Mail Address/Mobile:

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

Dear Students,

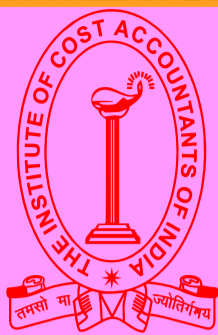
We are very much delighted to receive responses from all of you; for whom our effort is!

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

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

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



Message from Directorate of Studies

Dear Students,

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

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

We from the Directorate of studies know your expectations from us and accordingly we are trying to deliver some meaningful tips through the publications of monthly E-bulletins. Other than this we are trying to help you through, Mock Test Papers (MTPs), Work Books, MCQs and we have conducted Webinar sessions.

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

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

Let us observe his memory by following his message.

Certain general guidelines are listed below and which will help you in preparing yourselves:

- Conceptual understanding & Overall understanding of the subject should be clear.
- Candidates are advised to go through the study material provided by the Institute in an analytical manner.
- Students should improve basic understanding of the subject with focus on core concepts.
- The Candidates are expected to give to the point answer, which is a basic pre-requisite for any professional examination.
- To strengthen the answers candidates are advised to give answer precisely and in a structured manner.
- In-depth knowledge about specific terms is required.
- Write question numbers correctly and prominently.
- Proper time management is also important while answering.

Please refer the link mentioned below :

<https://icmai.in/studentswebsite/>

- Don't give up
- Don't give in
- Don't give out
- You can win!

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

GOOD LUCK

Be Prepared and Get Success;

Disclaimer:

Although due care and diligence have been taken in preparation and uploading this E-bulletin, the Institute shall not be responsible for any loss or damage, resulting from any action taken on the basis of the contents of this E-bulletin.



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



Headquarters:

CMA Bhawan, 12 Sudder Street, Kolkata - 700016

Delhi Office:

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

www.icmai.in

CMA LEADS

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

December Exam
31st July
of the same Calendar Year

5,00,000⁺
Students

75,000⁺
Members

4 Regional
Councils

98
Chapters

9
Overseas
Centres

Largest
CMA body
in Asia

2nd
Largest
CMA body
in the
Globe

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

ADMISSIONS OPEN

✉ studies@icmai.in

☎ 1800 345 0092/1800 110 910

For Online Admission

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

Cultivating and Enhancing Skills of Success

- CMA Course Curriculum is designed to meet Industry requirements and challenges in Global Economic Scenario
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- Industry oriented practical training programme
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- Four Knowledge Pillars - Management, Strategy, Regulatory Function and Financial Reporting
- Our Motto - Student friendly Syllabus and Industry friendly Students

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

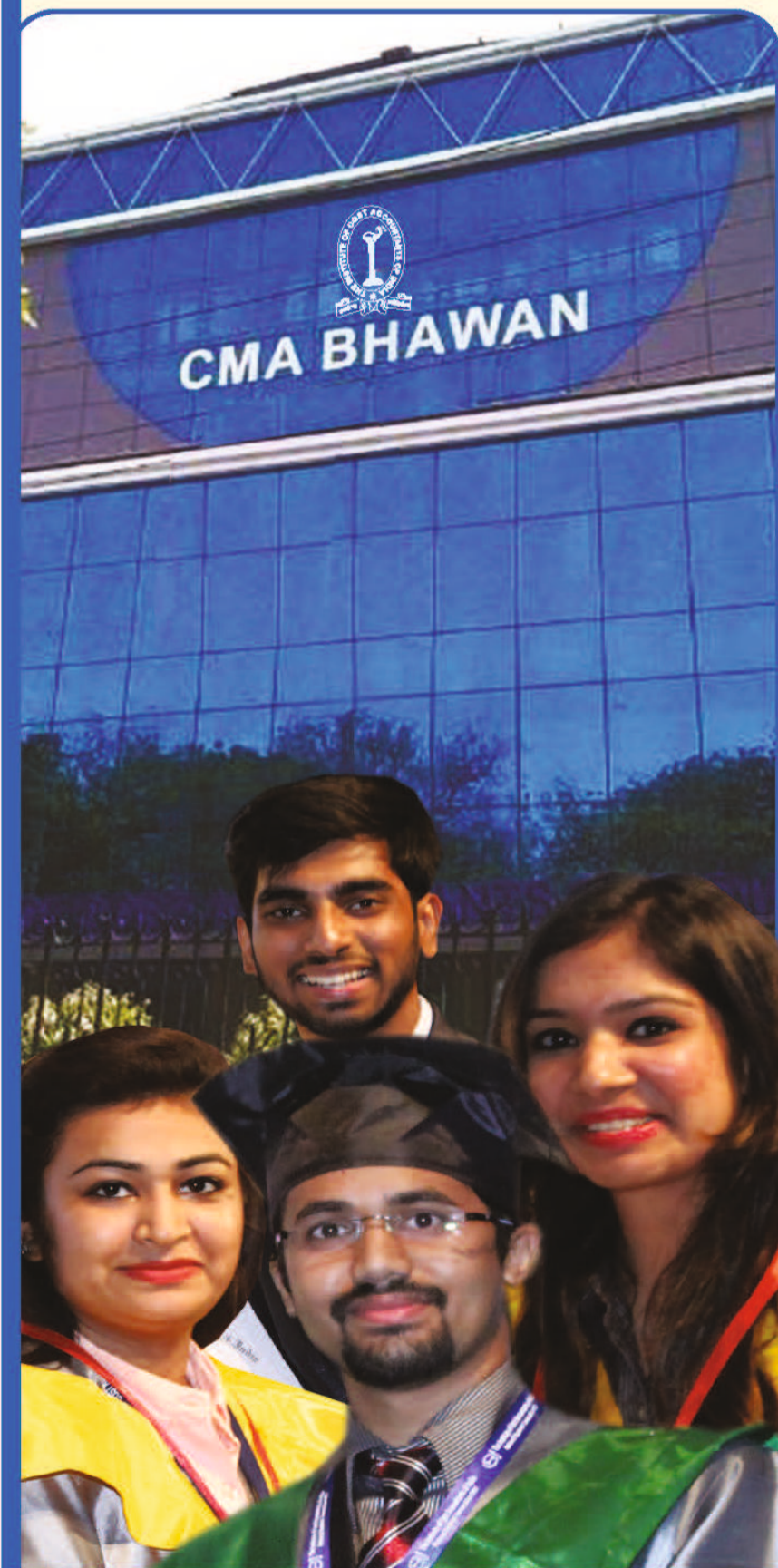
Few of Our Proud Recruiters



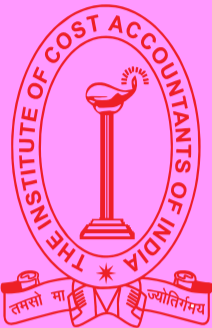
✉ placement@icmai.in / cpt@icmai.in

☎ + 91 33 40364770

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



Few Snapshots



Glimpses of the Child Literacy Program organised by the Institute to commemorate Azadi Ka Amrit Mahotsav on 24.09.2021 at CMA Bhawan, New Delhi.



Glimpses of Swachhta Abhiyan program organised by the Institute to commemorate Azadi Ka Amrit Mahotsav on 01.10.2021 at CMA Bhawan, New Delhi.



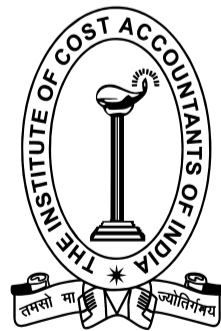
CMA P. Raju Iyer, Vice-President along with CMA Neeraj Joshi, Council Member of the Institute and CMA B.B. Goyal, Former Addl. Chief Adviser (Cost), Ministry of Finance, GoI, extending greetings to Shri Arun Goel, IAS, Secretary to the Government of India, Ministry for Heavy Industries during a meeting on 1st October, 2021 to submit a detailed representation relating to Cost Audit in the notified PLI Scheme for Automotives and Auto Components.



CMA (Dr.) Ashish P. Thatte, Chairman, Corporate Laws Committee along with CMA Neeraj D. Joshi, Chairman, Management Accounting Committee extending greetings to Shri Narayan Tatu Rane, Hon'ble Union Minister for Micro, Small and Medium Enterprises on 2nd August, 2021



CMA P. Raju Iyer, Vice President along with CMA Chittaranjan Chattopadhyay, Chairman BFSI Board & Indirect Taxation Committee of the Institute and CMA B.B. Goyal, Advisor, ICWAI MARF & Former Addl. Chief Adviser (Cost), Ministry of Finance, GoI extending greetings to CMA (Dr.) Manoj Anand, Whole Time Member (Finance), Pension Fund Regulatory and Development Authority (PFRDA) on 25.08.2021.



THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory body under an Act of Parliament)

Headquarters: CMA Bhawan, 12, Sudder Street, Kolkata - 700 016

Phone: +91-33-2252-1031/34/35/1602/1492/1619/7373/7143

Delhi office: CMA Bhawan, 3, Institutional Area, Lodhi Road, New Delhi - 110 003

Phone: +91-11-2462-2156/2157/2158

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