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Syllabus2022

CMA Student E - Bulletin

INTERMEDIATE

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Behind every successful business decision, there is always a CMA

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Message from the CHAIRMAN

Dear Students,

Greetings!!!

"The future depends on what you do today." -Mahatma Gandhi

A spectacular achievement! Your determination, hard work, and skill have paid off with a new career as a profession! Heartfelt thoughts are sent your way. I want to congratulate those students who have cleared their Intermediate examinations of the Institute. Congratulations on your well-deserved success! Hope, you have already enrolled yourselves for the Final course. Those could not clear it; I suggest to pay more attention towards their studies because I believe that hard work never becomes unrewarded.

I want to draw your attention that you may please contribute write up on the topics or subject of your choice in the Students Monthly E-bulletin from November 2023 issue. Part informational, part query should summarize your manuscript which may offer an important opportunity to make an impact among the readers. Please forward your contributions in: studies@icmai.in

The Directorate of Studies is providing you all the meaningful tips for your success, try to accomplish by utilizing those and march forward for giving shape to a meaningful career ahead! We are so proud of you! May God continue to bless you and guide you on your life journey.

Best wishes for you all and as the country is passing through celebrations, I wish you too celebrate in your own ways,

CMA Vinayranjan P.
Chairman, Training & Education Facilities Committee
The Institute of Cost Accountants of India

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KNOWLEDGE Update

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

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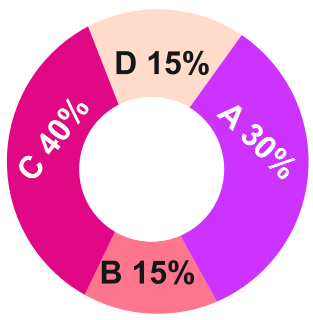
GROUP: I, PAPER: 5

Business Laws and Ethics (BLE)

Your Preparation Quick Takes



Syllabus Structure

Section A: Commercial Laws **30%**

Section B: Industrial Laws **15%**

Section C: Corporate Laws **40%**

Section D: Business Ethics **15%**

Laws & Ethics

It is expected 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 important point is that you must read the *Bare Act* and the *Sections* and start asking questions to yourself and find your own answers.

In this issue we shall deal with Companies Act, mainly various duties of an auditor as per Companies Act, 2013

The Duties of an Auditor

The duties of an auditor have been laid down by the Companies Act, 2013, provided in Section 143. The Act explains the duties in a simplified manner, although the list given is not exhaustive.

1. Every auditor of a company shall have a right of access at all times to the books of account and vouchers of the company, whether kept at the registered office of the company or at any other place and shall be entitled to require from the officers of the company such information and explanation as he may consider necessary for the performance of his duties as auditor and amongst other matters inquire into the following matters, namely: –

a) whether loans and advances made by the company on the basis of security have been properly secured and whether the terms on which they have been made are prejudicial to the interests of the company or its member;

b) whether transactions of the company which are represented merely by book entries are prejudicial to the interests of the company;

c) where the company not being an investment company or a banking company, whether so much of the assets of the company as consist of shares , debenture and other securities have been sold at a price less than that at which they were purchased by the company;

d) whether loans and advances made by the company have been shown as deposits;

e) whether personal expenses have been charged to revenue account;

f) where it is stated in the books and documents of the company that any shares have been allotted for cash, whether cash has actually been received in respect of such allotment, and if no cash has actually been so received, whether the position as stated in the account books and the balance sheet is correct, regular and not misleading:

Provided that the auditor of a company which is a holding company shall also have the right of access to the records of all its subsidiaries and associate companies insofar as it relates to the consolidation of its financial statement with that of its subsidiaries and associate companies .

2. The auditor shall make a report to the members of the company on the accounts examined by him and on every financial statement or other document which are required by or under this Act to be laid before the company in general meeting and the report shall after taking into account the provisions of this Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of this Act or any rules made there under or under any order made under sub-section (11) and to the best of his information and knowledge, the said accounts, financial statement or other document give a true and fair view of the state of the company's affairs as at the end of its financial year and such other matters as may be prescribed.

3. The auditor's report shall also state–

a) whether he has sought and obtained all the information and explanations which to the best of his knowledge and belief were necessary for the purpose of his audit;

b) whether, in his opinion, proper books of account as required by law have been kept by the company so far as appears from his examination of those books and proper returns adequate for the purposes of his audit have been received from branches not visited by him;

c) whether the report on the accounts of any branch office of the company audited under sub-section (8) by a person other than the company auditor has been sent to him under the proviso to that sub-section and the manner in which he has dealt with it in preparing his report;

d) whether the company's balance sheet and profit and loss account dealt with in the report are in agreement with the books of account and returns;

e) whether, in his opinion, the financial statements comply with the accounting standards;
f) the observations or comments of the auditors on financial transactions or matters which have any adverse effect on the functioning of the company;
g) whether any director is disqualified from being appointed as a director under sub-section (2) of section 164;
h) any qualification, reservation or adverse remark relating to the maintenance of accounts and other matters connected therewith;
i) whether the company has adequate internal financial controls system internal financial controls with reference to financial statements in place and the operating effectiveness of such controls;
j) such other matters as may be prescribed.

4. Where any of the matters required to be included in the audit report under this section is answered in the negative or with a qualification, the report shall state the reasons there for.

5. In the case of a Government company, the Comptroller and Auditor-General of India shall appoint the auditor under sub-section (5) or sub-section (7) of section 139 and direct such auditor the manner in which the accounts of the Government company are required to be audited and In the case of a Government company or any other company owned or controlled, directly or indirectly, by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments, the Comptroller and Auditor-General of India shall appoint the auditor under sub-section (5) or sub-section (7) of section 139 and direct such auditor the manner in which the accounts of the company are required to be audited an thereupon the auditor so appointed shall submit a copy of the audit report to the Comptroller and Auditor-General of India which, among other things, include the directions, if any, issued by the Comptroller and Auditor-General of India, the action taken thereon and its impact on the accounts and financial statement of the company.

6. The Comptroller and Auditor-General of India shall within sixty days from the date of receipt of the audit report under sub-section (5) have a right to—
a) comment upon or supplement such audit report, and
b) conduct any supplementary audit of the company's accounts by himself or by such person or persons as he may authorise in this behalf and such person or persons shall have the same rights and obligations as the auditor who has submitted the report :
Provided that any comments given by the Comptroller and Auditor-General on the report of the supplementary audit conducted by him shall be placed before the annual general meeting of the company at the same time and in the same manner as the audit report.

7. Without prejudice to the provisions of this Chapter, the Comptroller and Auditor-General of India may, in case of any company covered under sub-section (2) of section 123, if he so deems necessary, by an order, cause test audit to be conducted of the accounts of such company. The provisions of section 19A of the Comptroller and Auditor-General's (Duties, Powers and Conditions of Service) Act, 1971 (56 of 1971), shall apply to the report of such test audit.

8. Where a company has a branch office, the accounts of that office shall be audited either by the auditor appointed for the company (hereafter in this section referred to as the company's auditor) under this Act or by any other person qualified for appointment as an auditor of the company under this Act and appointed as such under section 139, or where the branch office is situated in a country outside India, the accounts of the branch office shall be audited either by the company's auditor or by an accountant or by other person duly qualified to act as an auditor of the accounts of the branch office in accordance with the laws of that country and the duties and powers of the company's auditor with reference to the audit of the branch and the branch auditor, if any, shall be such as may be prescribed.
Provided that the branch auditor shall prepare a report on the accounts of the branch examined by him and send it to the auditor of the company who shall deal with it in his report in such manner as he considers necessary.

9. Every auditor shall comply with the auditing standards.

10. The Central Government may, after consultation with the National Advisory Committee on Accounting and

Auditing Standards, by notification, lay down auditing standards:

Provided that until any auditing standards are notified, any standard or standards of auditing specified by the Institute of Chartered Accountants of India shall be deemed to be the auditing standards.

11. The Central Government may, after consultation with the Advisory Committee, by general or special order, direct, in respect of such class or description of companies, as may be specified in the order, that the auditor's report shall also include a statement on such matters as may be specified therein.

Provided that until the National Financial Reporting Authority is constituted under section 132, the Central Government may hold consultation required under this sub-section with the Committee chaired by an officer of the rank of Joint Secretary or equivalent in the Ministry of corporate Affairs and the committee shall have the representatives from the Institute of Chartered Accountants of India and Industry Chambers and also special invitees from the National Advisory Committee on Accounting Standards and the office of the Comptroller and Auditor General. (Effective from 10th April, 2015)

12. Notwithstanding anything contained in this section, if an auditor of a company, in the course of the performance of his duties as auditor, has reason to believe that an offence involving fraud is being or has been committed against the company by officers or employees of the company, he shall immediately report the matter to the Central Government within such time and in such manner as may be prescribed.

13. Notwithstanding anything contained in this section, if an auditor of a company in the course of the performance of his duties as auditor, has reason to believe that an offence of fraud involving such amount or amounts as may be prescribed, is being or has been committed in the company by its officers or employees, the auditor shall report the matter to the Central Government within such time and in such manner as may be prescribed:

Provided that in case of a fraud involving lesser than the specified amount, the auditor shall report the matter to the audit committee constituted under section 177 or to the Board in other cases within such time and in such manner as may be prescribed:

Provided further that the companies, whose auditors have reported frauds under this subsection to the audit committee or the Board but not reported to the Central Government, shall disclose the details about such frauds in the Board's report in such manner as may be prescribed.

14. No duty to which an auditor of a company may be subject to shall be regarded as having been contravened by reason of his reporting the matter referred to in sub-section

15. if it is done in good faith.

16. The provisions of this section shall mutatis mutandis apply to—

a) the cost accountant in practice cost accountant conducting cost audit under section 148; or
b) the conducting secretarial audit under section 204.

17. If any auditor, cost accountant, or company secretary in practice does not comply with the provisions of sub-section (12), he shall,–
a) in case of a listed company, be liable to a penalty of five lakh rupees; and
b) in case of any other company, be liable to a penalty of one lakh rupees.

Prepare an Audit Report
An audit report, in simple terms, is an appraisal of a business's financial position. The auditor is responsible for preparing an audit report based on the financial statements of the company. The books of accounts so examined by him should be maintained in accordance with the relevant laws.

He must ensure that the financial statements comply with the relevant provisions of the Companies Act 2013, relevant Accounting Standards etc. In addition to this, it is imperative that he ensures that the entity's financial statements depict a true and fair view of the company's financial position. Auditor is allowed to form a negative opinion, wherever necessary.

The auditor's report has a high degree of assurance and reliability because it contains the auditor's opinion on the financial statements. Where the auditor feels that the statements do not depict a true and fair view of the financial position of the business, he is also entitled to form an adverse opinion on the same.

Additionally, where he finds that he is dissatisfied with the information provided and finds that he cannot express a proper opinion on the statements, he will issue a disclaimer of opinion. A disclaimer of opinion basically indicates that due to the lack of information available, the financial status of the entity cannot be determined. However, it is to be noted that the reasons for such negative opinion is also to be specified in the report.

Make inquiries

One of the auditor's important duties is to make inquiries, as and when he finds it necessary. A few of the inquiries include: loans and advances made on the basis of security which are properly secured and the terms relating to the same, any personal expenses charged to the Revenue Account, loans and advances made, shown as deposits, compliance of financial statements with the relevant accounting standards .

Lend assistance in case of a branch audit

Where the auditor is the branch auditor and not the auditor of the company, he will lend assistance in the completion of the branch audit. He shall prepare a report based on the accounts of the branch as examined by him and then send it across to the company auditor. The company auditor will then incorporate this report into the main audit report of the company. In addition to this, on request, if he wishes to, he may provide excerpts of his working papers to the company auditor to aid in the audit.

Comply with Auditing Standards

The Auditing Standards are issued by the Central Government in consultation with the National Financial Reporting Authority. These standards aid the auditor in performing his audit duties with relevant ease and accuracy. It is the duty of the auditor to comply with the standards while performing his duties as this increases his efficiency comparatively.

Reporting of fraud

Generally, in the course of performing his duties, the auditor may have certain suspicions with regard to fraud that's taking place within the company, certain situations where the financial statements and the figures contained therein don't quite add up. When he finds himself to be in such situations, he will have to report the matter to the Central Government immediately and in the manner prescribed by the Act.

Adhere to the Code of Ethics and Code of Professional Conduct

The auditor, being a professional, must adhere to the Code of Ethics and the Code of Professional Conduct. Part of this involves confidentiality and due care in the performance of his duties. Another important requisite is professional skepticism. In simple words, the auditor must have a questioning mind, must be alert to possible mishaps, errors and frauds in the financial statements

Assistance in an investigation

In the case where the company is under the scope of an investigation, it is the duty of the auditor to provide assistance to the officers as required for the same. Hence, it can be seen that the duties of the auditor are pretty diverse, it has an all-round and far-reaching impact. The level of assurance provided by a set of audited financial statements is comparatively far higher as compared to regular unaudited financial statements.

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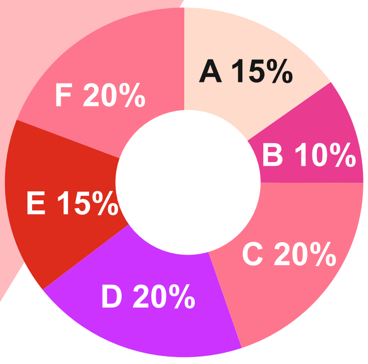
GROUP: I, PAPER: 6

Financial Accounting (FA)

Your Preparation Quick Takes



Syllabus Structure

Section A: Accounting Fundamentals **15%**
Section B: Accounting for Special Transactions **10%**
Section C: Preparation of Financial Statements **20%**
Section D: Partnership Accounting **20%**
Section E: Lease, Branch and Departmental Accounts etc.**15%**
Section F: Accounting Standards **20%**

Accounting Fundamentals

Accounting is a system meant for measuring business activities, processing of information into reports and making the findings available to decision-makers. The documents, which communicate these findings about the performance of an organisation in monetary terms, are called financial statements.

Accounting Definition:
The art of recording, classifying, summarising in a significant manner and in terms of money, transactions and events which are, in part at least of financial character, and interpreting the results thereof.

Objectives of the Accounting Concept:

- The primary aim of accounting is to maintain uniformity and regularity in the preparation of accounting statements.
- Accounting concepts act as an underlying principle that helps accountants in the preparation and maintenance of business records.
- It aims to understand the business rules and regulations that are required to be followed by all types of business entities, and hence simplifying the detailed and comparable financial information.

Accounting Principles, Concepts and Conventions

Accounting Principles

Accounting principles are the rules and procedures that businesses and other entities must adhere to when reporting financial data and information. Typically, accounting principles are based on underlying concepts and assumptions and provide a framework for classifying and interpreting financial data based on GAAP.

Accounting principles decrease the chances of inconsistencies and help create error-free financial statements and reports. Below are a few basic accounting principles:

Accrual principle
This principle states that accounting transactions should be recorded in the periods in which they occurred rather than the periods in which the cash flows were earned. This helps create accurate financial statements and accounts rightfully for expenses and revenue.

Matching principle
This principle states that if a corporation recognises and records revenue, it should document all associated expenditures and expenses. For instance, if goods are sold in a certain period, their associated costs will also have to be recorded in the same period.

Full disclosure principle
According to this principle, financial records and statements must disclose all relevant and vital financial information without any concealment. Essentially, this principle views financial statements as conveying information, not concealing it.

Consistency principle
According to this principle, companies should continue to use a particular method of accounting until a better method of recording data is available. This helps maintain consistency in accounting data.

Objectivity principle
According to this principle, all financial statements and data presented should be verifiable and free from personal biases. In other words, every single transaction recorded should be backed by appropriate claims and proof.

Advantages of accounting principles

1. Accounting principles help provide a standard framework for preparing and reporting financial data. This

can help investors, creditors, and other stakeholders compare the financial performance of different companies and businesses.

2. Accounting principles ensure that the financial reporting of data is clear, reliable and accurate. This can aid decision-making.
3. Accounting principles can help stakeholders make company growth projections by analysing trends and patterns observed in presented data.
4. Accounting principles can help prevent fraud and data discrepancies. As these principles work on set standards, they minimise irregularities and data mismanagement.
5. As accounting principles are set in line with international standards, they can aid the comparison of companies with international standards and businesses and can be used to identify cross-border investment opportunities.

Accounting Concepts

Accounting Concepts can be taken as the basic accounting statement, which acts as a base for the preparation of a financial statement of an enterprise. This forms a foundation for framing the accounting principles, methods, and procedures, to record and present the financial dealings of a business. These concepts provide an integrated building and rational method of the accounting process. Every financial transaction that arises is understood taking into attention the accounting concepts, which guide the methods of accounting.

Various accounting concepts help to frame financial statements accurately. Some of the accounting concepts are as follows:

Business entity concept: This concept implies that a business and its proprietor should be treated distinctly for the financial transactions of the business.

Money measurement concept: This concept shows that only business dealings that can be expressed in monetary terms are documented in accounting, and the records of other types of events may be disclosed separately in the books.

Dual aspect concept: This concept implies that for every account credit, a matching account shall be debited. Therefore, the dual aspect concept completes the recording of the transactions.

Going concern concept: This concept means that a business is anticipated to last for a reasonably long time and carry out its activities and obligations. This predicts that the business will not be required to rest working and discharge its assets at unreasonable prices.

Cost concept: This concept requires that the fixed assets of a business are documented based on their initial cost in the first year of accounting. Eventually, these assets are recorded deducting the amount of depreciation. A rise or fall in the market price of the assets is not considered. This concept is only applicable to fixed assets.

Accounting year concept: This concept implies that each business indicates a particular period to complete an accounting cycle process, for example, monthly, quarterly, or annually as per a fiscal or a calendar year.

Matching concept: This concept implies that for every transaction of revenue recorded in a particular accounting period, a corresponding expense transaction has to be recorded for accurately calculating profit or loss in a given accounting period.

Realization concept: As per this concept, profit is identified in the books only when it is earned. An advance or fee paid is not identified as a profit till the goods or services have been transported to the buyer.

Accounting Conventions

Accounting conventions are guidelines used to help companies determine how to record certain business transactions that have not yet been fully addressed by accounting standards. These procedures and principles are not legally binding but are generally accepted by accounting bodies.

There are four main accounting conventions designed to assist accountants:
Conservatism: Playing it safe is both an accounting principle and convention. It tells accountants to err on the side of caution when providing estimates for assets and liabilities. That means that when two values of a transaction are available, the lower one should be favored. The general concept is to factor in the worst-case scenario of a firm's financial future.

Consistency: A company should apply the same accounting principles across different accounting cycles. Once it chooses a method it is urged to stick with it in the future, unless it has a good reason to do otherwise. Without this convention, investors' ability to compare and assess how the company performs from one period to the next is made much more challenging.

Full disclosure: Information considered potentially important and relevant must be revealed, regardless of whether it is detrimental to the company.

Materiality: Like full disclosure, this convention urges companies to lay all their cards on the table. If an item or event is material, in other words important, it should be disclosed. The idea here is that any information that could influence the decision of a person looking at the financial statement must be included.

Questions

1. GAAP stands for______
(a) Generally Accepted Accounting Provisions
(b) Generally Accepted Accounting Policies
(c) Generally Accepted Accounting Principles
(d) Generally Accepted Accounting Practices

2. Which accounting principle states that companies and owners should be treated as separate entities.
(a) Monetary Unit Assumption
(b) Business Entity Concept
(c) Periodicity Assumption
(d) Going Concern Concept

3. Which concept states that "for every debit, there is a credit"?
(a) Money Measurement Concept
(b) Accounting Period Concept
(c) Separate Entity Concept
(d) Dual Aspect Concept

4. Due to which concept, accounting does not record non-financial transactions?
(a) Going concern concept
(b) Money measurement concept
(c) Accrual concept
(d) Cost concept

5. The owner of the business is treated as a creditor of the business according to which of the following concept?
(a) Entity concept
(b) Materiality concept
(c) Consistency concept
(d) Periodicity concept

6. As per the accrual concept of accounting, any financial or business transaction should be recorded:
(a) when profit is computed
(b) when balance sheet is prepared
(c) when cash is received or paid
(d) when transaction occurs

7. What is Objectivity Principle?
(a) The concept that the financial statements of an organization
(b) The underlying accounting principle that the dollar will remain constant across fiscal periods

(c) Every business transaction requires recordation in two different accounts
(d) Accounting principle for recording revenues and expenses

8.The accounting conventions do not include:
(a) Consistency convention
(b) Conservatism convention
(c) Depreciation convention
(d) Full disclosure convention

9.According to consistency convention, accounting principles should be:
(a) Variable
(b) Consistent
(c) Flexible
(d) Factual

10.The disclosure convention requires:
(a) Full disclosure of all material facts that can affect the financial statement.
(b) That profit should be realized.
(c) Matching of incomes and expenses for a particular period.
(d) The business to avoid being dissolved in the near future.

Question No	Answer
1	c
2	b
3	d
4	b
5	a
6	d
7	a
8	c
9	b
10	a

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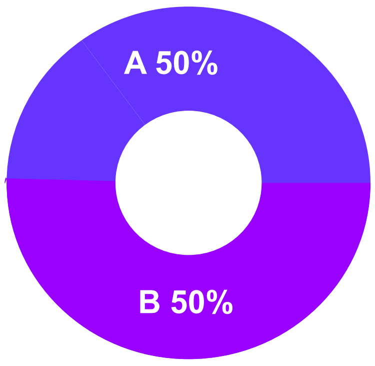
GROUP: I, PAPER: 7

Direct and Indirect Taxation (DITX)

Your Preparation Quick Takes



Syllabus Structure

Section A: Direct Taxation **50%**
Section B: Indirect Taxation **50%**

Case let

Case let 1

The parents of Mr. D, Mr. & Mrs. A started to live in Kolkata, after the partition took place. Mr. A is a very good scholar so in the year 1970, he got a high profile Government job at that time. Employment facilities like accommodation, car, domestic servants etc. have been provided to him. After a few years D was born in Kolkata in the year 1975. He started studying in Saraswati Vidya Mandir, later in Presidency College. As the time passes, the Mr. A retired from the Government job in 2000 as a result, they left their accommodation which had been provided to them. In the year, 2001 Mr. D got a job in Pune and due to that they all shifted to Pune.

In the year 2005, he bought a residential house for their accommodation.

In 2022, Mr. D come to know that he might get transferred to Ranchi. So, he started planning to get shifted over there.

In December 2022, Mr. D sold a residential building at Pune for ₹ 60 lakhs. The stamp valuation authority determined the value at ₹ 80 lakhs which was not contested by Mr. D. The property was acquired in April, 2005 for ₹ 6 lakhs. He acquired a residential flat at Ranchi for ₹ 65 lakhs before March, 2023.

From the given information you are required to choose the correct option.

1. What would be considered as full value of consideration in respect of transfer of Pune house

a. ₹ 80,00,000
b. ₹ 60,00,000
c. ₹ 20,00,000
d. None of the above

2. What would be considered as indexed cost of acquisition of Pune house at the time of transfer

a. ₹ 16,97,436
b. ₹ 17,05,982
c. ₹ 16,54,336
d. None of the above

3. What would be taxable capital gains in hands of Mr. D

a. Nil
b. ₹ 62,94,018
c. ₹ 63,02,564
d. None of the above

Case let 2

Kirti Coolers, a wholesaler of refrigerators items, registered in Pune, Maharashtra, received order for supply of refrigerators worth ₹ 3,00,000 on 12th December, 2023 from a registered dealer in Surat, Gujarat. The tax invoice was issued on 14/12/2023. Kiriti Coolers charged the following additional expenses from the buyer:-

	Particulars	Amount (₹)
(I)	Packing charges	15,000
(ii)	Freight & Cartage	12,000
(iii)	Transit insurance for transportation	11,500
(iv)	Extra designing charges	16,000
(v)	Taxes by Municipal Authority	1,500

The goods were delivered to the buyer on 15th December, 2023. The buyer paid the amount on 21/12/2023. GST Rate is 18%.

On the basis of aforesaid information, you are requested to choose correct options for the following:

1. What will be value of taxable supply?

a. ₹ 3,56,000
b. ₹ 3,54,500
c. ₹ 3,43,000
d. None of the above

2. What will be GST liability?

a. IGST ₹ 64,080
b. CGST ₹ 32,040 & SGST ₹ 32,040
c. IGST ₹ 61,740
d. None of the above

3. What will be value of taxable supply if the customer placed another order with Kirti Coolers of refrigerator items amounting to ₹ 8,00,000 to be delivered in the next month and on receipt of second order, Kirti Coolers allowed a discount of ₹ 30,000 on the first order placed by the buyer.

a. ₹ 3,56,000
b. ₹ 3,26,000
c. ₹ 3,13,000
d. None of the above

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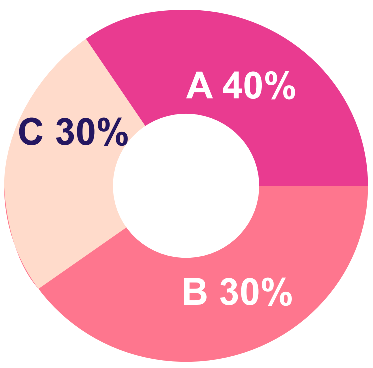
GROUP: I, PAPER: 8

Cost Accounting (CA)

Your Preparation Quick Takes



Syllabus Structure

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

COST ACCOUNTING

The Costing technique not only enable a business to find out what various jobs or processes have cost but also what the cost should be .It also indicate where loses and waste are occurring before the work is finished, and therefore immediate action may be taken, if possible to avoid such losses or waste. Business policy may require the consideration of alternative methods and procedures, and this is facilitated by cost information presented correctly. At present 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 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.

So far my experience Paper Eight is a scoring subject out of all papers. It is observed from the past experience that 70% to 80% of the total questions are set from practical problems and the balance is theoretical part. Although only 20% questions are set from theoretical part, but a greater emphasis should be given on theoretical part, as most of the students are very much weak in theory. For easy understanding the topic you should go through the theory in details and then try to solve the exercise problems. Starting from the first chapter we should go through all other chapter serially to understand the succeeding chapters in a better way.

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

I have suggested some valuable guidelines based on my long time experience–

1. A time bound plan should be there for completing the whole syllabus as well as revision within the target periods.

2. Try to go through your Study Note and know the complete syllabus. Remember all chapters are interlinked.

3. Analyze the trends of setting questions by taking at least ten to fifteen terms.

4. Please try to write all the important terms in your own words and read them regularly.

5. Improve your speed by regular practice and revision.

6. Always try to answer all objective type questions as practice, which carries 100% marks.

7. Try to develop a habit of reading the questions well, underlining and understanding the specific demands.

The main purpose of Paper-8 to understand the fundamental concept of Cost and Costing under regulation of cost of Cost Accounting Standards, determining the cost of product or services by attaining sufficient knowledge regarding application of different costing techniques viz. Standard Costing, Marginal Costing, Budget and Budgetary Control etc. in decision making, understanding the framework of cost record keeping and its integration with financial accounting by applying various methods of Job Costing, Batch Costing, Contract Costing, Process Costing and formulation of business strategy and operational planning.

As per study material, your entire syllabus is divided in to six main chapters. In First Module the basic concepts of cost, cost accounting and costing are discussed, besides its other two branches, viz., Financial Accounting and Management accounting.

The Second Module described the Elements of cost and its ascertainment thoroughly. Here a classification has to be made to arrive at the detailed cost of a department with special coverage of inventory management and control. The three major elements of costs are – Materials, Labour and Overheads. In this chapter cost concepts are discussed and analysed elementwise. Material consists of the major part of total cost of a product, hence it is necessary to control this cost. Employee costs also represents an important item of total cost of a product. As it relates to human behavior, most sensitive. Hence employees cost not only means wages but also includes cost of recruitment and training, cost of idle time, cost of labour turnover, overtime and shiftwork, cost of labour inefficiency, westage, spoilage, bonus etc. Try to solve the problems on earnings of workers under different schemes. Recognition of Direct Expense and Indirect Expenses is very much essential for computation of cost correctly. The meaning of Cost Collection, Cost Classification, Cost Apportionment and Cost Allocation and Absorption should be very clear. Reporting of Over and Under Absorption and its treatment is very much relevant to this chapter.

The Module 3 relates to 'Cost Accounting Standard which is very much essential to obtain a general understanding of the frame work suggested by cost Accounting Standards for ascertainment of cost, it's accounting and reporting. You must read the scope and objectives of different Cost Accounting Standards from CAS 1 to CAS 24, very carefully.

The main object of study this chapter to grasp the provisions of the CASs issued by the Council of the Institute as well as to know the provisions of the GAAPs issued by the Council of the Institute. At least a theoretical question is expected from this chapter.

The Module 4, Cost Book-Keeping, which includes integrated accounting system is not at all difficult. In this system, different accounts are to be opened, but it is not necessary to give much emphasis to complete its solution. Here, separate ledgers are maintained by the cost sections. Here the transactions are recorded on double entry principles. The chapter also include Reconciliation of Cost Accounting and Financial Accounting The chapter is very easy to understand but the process is lengthy.

The Module 5 relates to Contract Costing, which is used when orders or jobs are undertaken in the factory and when contracts are taken for building of a house, construction of roads, bridges or damps etc. The Job, Batch or Contract Costing is very important for the Intermediate Examinations. Most of the students often face difficulty in recommending the, amount of profit to be taken into account for an 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". Various problems on 'escalation clause' are used to be set at this level of examination also.

This Module also related 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, the Methods of Costing under Module 5 includes Process Costing also. Process Costing is suitable for those type of business where continuous and mass production of homogeneous products are produced. Here particular attention is given – (a) cost relating to process, (b) period for which cost for the process is collected, (c) complete and incomplete unit produced during the period and (d) unit cost of the process for the period. Normal loss, Abnormal loss and Abnormal gain during the process are to be adjusted. Again, in process industries, there are most likely the problem of work in progress in respect of each process and the degree of completion in respect of each elements of cost also varies. In such circumstances it is very difficult to find out the related cost of each unit of complete product. For that the incomplete units require to be converted into completed units to find out the cost per unit of completely processed units. Generally at least one (sometimes two) question either from Normal/Abnormal Loss/Abnormal Gain or from Equivalent Production or from Joint Product or By Product are expected from this chapter.

The next Module 6 relates to 'Marginal Costing' which aims to find out cost-volume- profit relationships of a product. It is not a system of costing, but is a especial technique concerned particularly with the effect which fixed overheads has on the running of the business. '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 find 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 'Standard Costing' uner Module 6 deals with creating responsibilities and identifying the activities or areas of exceptions. Here variances are analyzed in detail according to their originating causes. Any problem on standard cost for working out different variances can be worked out by using a standard format applicable to all variance analysis. This chapter helps to the management by fixing responsibility for each department and to identify the activities or areas of exceptions. 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.

The Module 6 is also 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 Budget' and 'Cash Budget' for taking necessary action. 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 Budget etc. very carefully.

It is very difficult to compare and find out the reasons of cost fluctuation through Historical Costing, as it ascertains costs after they have been incurred. The reasons for cost fluctuation apart from variations in output may be detected through introduction of Standard Costing . A problem based on Standard Costing is given below :–

Problem :–

The following standards have been set to manufacture a product : Direct material :

	Rs.
2 Units of A @ Rs. 4 per Unit	8.00
3 Units of B @ Rs. 3 per Unit	9.00
15 Units of C @ Rs. 1 per Unit	15.00
	....
	32.00
Direct Labour : 3 hrs. @ 8 per hour	24.00
	....
Total standard prime cost	56.00
	....
	....

The company manufactured and sold 6000 units of the product during the year. Direct material costs were as follows :

12500 Units of A at Rs. 4.40 per Unit

18000 Units of B at Rs. 2.80 per Unit

88500 Units of C at Rs. 1.20 per Unit

The company worked 17500 direct Labour hours during the year. For 2500 of these hours the company paid at Rs. 12 per hour while for the remaining, the wages were paid at standard rate.

Calculate material price variance and Usage variance and Labour rate and efficiency variances.

Solution

Material Variance Analysis

STANDARD COST	STANDARD COST OF ACTUAL RATE	ACTUAL COST
S.C. x Output Rs. 32 x 6000 Units	A 12500 @ 4.00 = 50000 B 18000 @ 3.00 = 54000 C 88500 @ 1.00 = 88500	Units Rs. Rs. A 12500 @ 4.40 = 55000 B 18000 @ 2.80 = 50400 C 88500 @ 1.20 = 106200
192000	192500	211600

M3 M2 Ml

|..| |..|

MUV = 500 (A) MRV = 19100 (A)

Labour Variance Analysis

STANDARD COST	STANDARD COST OF Actual Hours	ACTUAL COST
S.C. x Output Rs. 24 x 6000 Units	17500 hours @ 8 = 140000	2500 Hrs x 12 = 30000 15000 Hrs. x 8 = 120000
144000	140000	15000

L3 L2 L1

|..| |..|

LEV = 40000 (F) LRV = 10000 (A)

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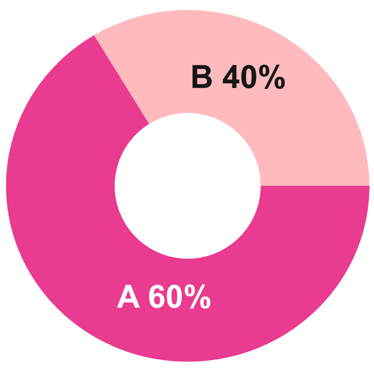
GROUP: II, PAPER: 9

Operations Management & Strategic Management (OMSM)

Your Preparation Quick Takes



Syllabus Structure

Section A: Operations Management **60%**

Section B: Strategic Management **40%**

Operations Management

In this issue let us discuss Critical Path Method & its application on project management.

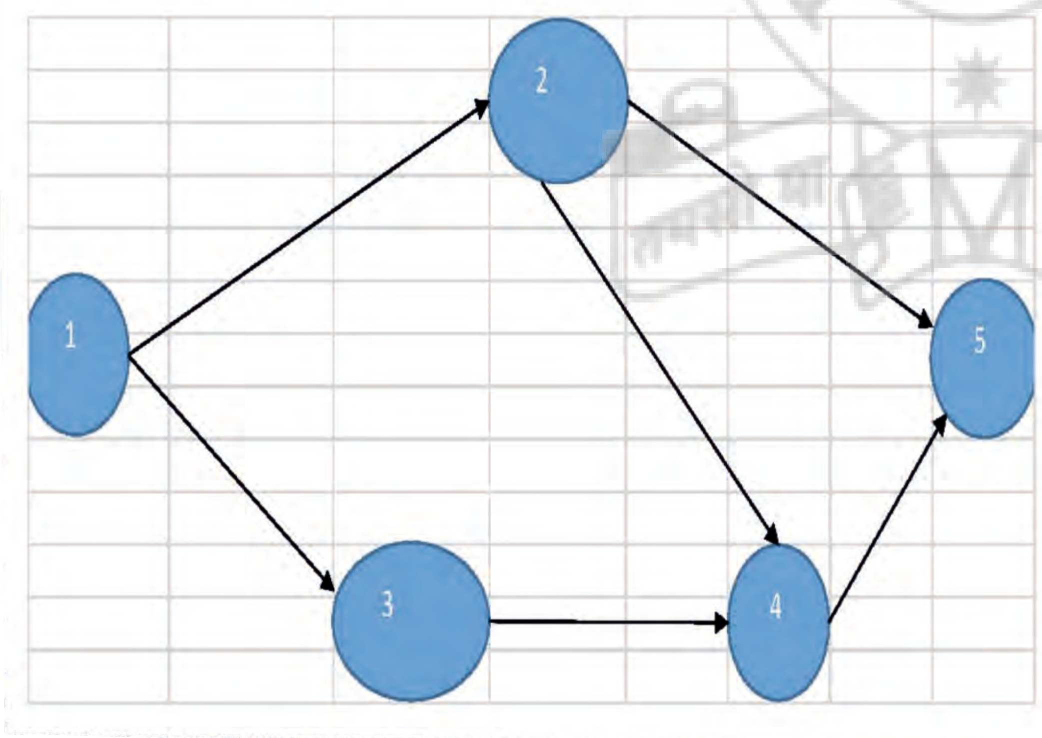
Network analysis plays an important role in project management and Critical path method (CPM) is one of the important network analysis techniques used to assist managers involved in project management.

CPM is most appropriately used in projects in which the activity duration are known with certainty. Not only the amount of time needed to complete the various factors of the project but also the amounts of resources required for performing each of the activities are assumed to be known. This technique is basically concerned with obtaining the tradeoffs between the project duration and cost.

Initial step in CPM project management process is the determination of all specific activities that comprise the project and their interdependence relationship.
Let us take a simple example

Activity	Time
1-2	23
1-3	22
2-4	12
3-4	18
2-5	25
4-5	12

The initial step for the above problem is to draw the network diagram.
Then we have to compute for each event:
EOT = Earliest Occurrence Time;
LOT = Latest Occurrence Time;
Then we have to compute for each activity:
EST, EFT= Earliest Starting Time/ Earliest Finishing Time;
LST, LFT= Latest Starting Time/Latest Finishing time;
The details now as follows:



Activity	Time		Event	EOT	LOT	Slack
1-2	23		1	0	0	0
1-3	22		2	23	27	4
2-4	12		3	22	22	0
3-4	18		4	40	40	0
2-5	25		5	52	52	0
4-5	12					

EOT of an event i = EOT (i) = Max [EOT (k) + d (k, i)]
Where EOT (k) = earliest occurrence time of event k, where k precedes i and there may be several k's;
d (k, i) = duration of activity (k, i);
LOT of an event i = LOT (i) = Min [LOT (k) – d (k, i)]
Where LOT (k) = latest occurrence time of event k, where k follows i and there may be several k's;
d (k, i) = duration of activity (k, i);
Slack of an event = LOT-EOT;
Events with 0 slack falls on the critical path.
Critical path starts with the beginning event, terminates with the end event and is marked by events which have a zero slack.
So in the above diagram there are following paths starting from first event 1 and ends up with last event 5:

A) Path 1-2-5;
B) Path 1-3-4-5;
C) Path 1-2-4-5;

Out of these three paths only path (B) has all the events with 0 slack. In path A event (2) has not zero slack. Similarly in path (C) also event (2) has nonzero slack.
So path (B) is the critical path.

Now we could determine different floats of respective activities. To compute floats we require to calculate EST/LST and LST/LFT.
EST (i, j) = EOT (i);
EFT (i, j) = EOT (i) + d (i, j);
LFT (i, j) = LOT (j);
LST (i, j) = LOT (j) - d (i, j);
With these formulas in hand the details of different activities for our sample problem are as follows:

Activity	EST	EFT	LST	LFT
1-2	0	23	4	27
1-3	0	22	0	22
2-4	23	35	28	40
3-4	22	40	22	40
2-5	23	48	27	52
4-5	40	52	40	52

From here we could calculate floats of different activities. Different floats are
Total float of activity (i, j) = LOT of (j) – EOT of (i) – d (i, j);
Free float of activity (i, j) = EOT of (j) – EOT of (i) – d (i, j);
Independent float of activity (i, j) = EOT of (j) – LOT of (i) – d (i, j);
Details of float for our sample example:

Activity	Total Floa	Free Float	Independent Float
1-2	4	0	0
1-3	0	0	0
2-4	5	5	1
3-4	0	0	0
2-5	4	4	0
4-5	0	0	0

Total float of an activity is the extra time available to complete the activity if it is started as early as possible and finished as late as possible. Activities which do not have a float under these conditions, the most favourable one, are critical to the project and hence lie on the critical path.

The free float of an activity is the extra time available to complete the activity if all activities commence as early as possible.

The independent float of an activity is the extra time available to complete the activity when the activity is started at the LOT of its preceding event and completed by the EOT of the succeeding event. This is the most adverse condition and when an activity has a positive independent float it means that the activity has cushion irrespective of what happens elsewhere.

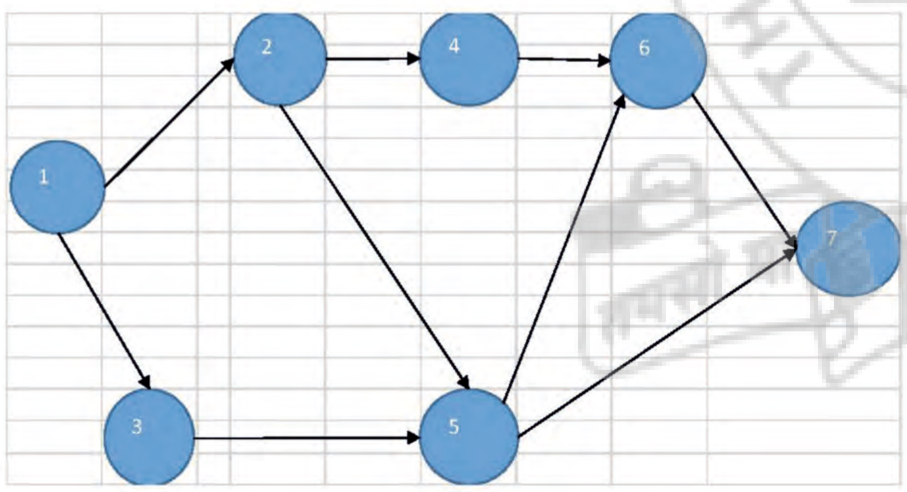
Independent float of an activity may be negative but the total float and free float can never be negative.

It is already told that the principal focus of CPM is on time-cost relationships and it seeks to determine the project schedule which minimizes cost.

With these initial knowledge we do one project management applying CPM with Crashing of activities. The project details are:

Activity	Normal Time	Crash Time	Normal Cost	Crash Cost
1-2	8	4	4000	7000
1-3	5	3	8000	12000
2-4	9	6	5500	7000
3-5	7	5	3000	4200
2-5	5	1	9000	13000
4-6	3	2-1/2	10000	11200
5-6	6	2	6000	8800
6-7	10	7	5000	7700
5-7	9	5	10000	14800
Total			60500	85700

The indirect cost is R3000 / week. Objective here is to i) minimize total cost of the project ii) minimize the project duration.
With the given data the network diagram of the project is as below:



And other solution is

Activity	Time	Event	EOT	LOT	EST	EFT	LST	LFT	Slack	Total Float	Free Float	Indpndnt Float
1-2	8	1	0	0	0	8	0	8	0	0	0	0
1-3	5	2	8	8	0	5	2	7	0	2	0	0

2-4	9	3	5	7	8	17	8	17	2	0	0	0
3-5	7	4	17	17	5	12	7	14	0	2	1	-1
2-5	5	5	13	14	8	13	9	14	1	1	0	0
4-6	3	6	20	20	17	20	17	20	0	0	0	0
5-6	6	7	30	30	13	19	14	20	0	1	1	0
6-7	10				20	30	20	30		0	0	0
5-7	9				30	22	21	30		8	8	7

Fig: 1

The critical path in the all-normal network is (1-2-4-6-7). The project duration is 30 weeks and the total direct cost is B60500.

Examining the time cost slope of activities on the critical path we find that activity (2-4) has the lowest slope (as given below). Hence activity 2-4 is crashed.

Activity	Normal Time	Crash Time	Normal Cost	Crash Cost	Cost to expedite/wk
1-2	8	4	4000	7000	750
1-3	5	3	8000	12000	200
2-4	9	6	5500	7000	500
3-5	7	5	3000	4200	600
2-5	5	1	9000	13000	1000
4-6	3	2-1/2	10000	11200	2400
5-6	6	2	6000	8800	700
6-7	10	7	5000	7700	900
5-7	9	5	10000	14800	1200
Total				60500	85700

As a result of crashing the time table with modified EOT, LOT are as follows:

Activity	Time	Event	EOT	LOT	EST	EFT	LST	LFT	Slack	Total Float	Free Float	Indpn dnt Float
1-2	8	1	0	0	0	8	0	8	0	0	0	0
1-3	5	2	8	8	0	5	1	6	0	1	0	0
2-4	6	3	5	6	8	14	10	16	1	2	0	0
3-5	7	4	14	16	5	12	6	13	2	1	1	0
2-5	5	5	13	13	8	13	8	13	0	0	0	0
4-6	3	6	19	19	14	17	16	19	0	2	2	0
5-6	6	7	29	29	13	19	13	19	0	0	0	0
6-7	10				19	29	19	29		0	0	0
5-7	9				29	22	20	29		7	7	7

Fig: 2

The new critical path is 1-2-5-6-7. The project duration is 29 weeks and the total direct cost is B60500+3*500 = B62000.
Looking at the time cost slope of the activities on the new critical path (1-2-5-6-7) we find that the activity (5-6)

has the lowest slope. Hence this activity is crashed and the resultant EOT/LOT table is as follows:

Activity	Time	Event	EOT	LOT	EST	EFT	LST	LFT	Slack	Total Float	Free Float	Indpn dnt Float
1-2	8	1	0	0	0	8	0	8	0	0	0	0
1-3	5	2	8	8	0	5	3	8	0	3	0	0
2-4	6	3	5	8	8	14	8	14	3	0	0	0
3-5	7	4	14	14	5	12	8	15	0	3	1	-2
2-5	5	5	13	15	8	13	10	15	2	2	0	0
4-6	3	6	17	17	14	17	14	17	0	0	0	0
5-6	2	7	27	27	13	15	15	17	0	2	2	0
6-7	10				17	27	17	27		0	0	0
5-7	9				27	22	18	27		5	5	3

Fig: 3

The new critical path is 1-2-4-6-7. The project duration is 27 weeks and the total direct cost is B62000 + 4*700 = B64800

Looking at the time cost slope of the activities on the new critical path (1-2-4-6-7) we find that the activity (1-2) has the lowest slope. Hence this activity is crashed and the resultant EOT/LOT table is as follows:

Activity	Time	Event	EOT	LOT	EST	EFT	LST	LFT	Slack	Total Float	Free Float	Indpn dnt Float
1-2	4	1	0	0	0	4	1	5	0	1	0	0
1-3	5	2	4	5	0	5	0	5	1	0	0	0
2-4	6	3	5	5	4	10	5	11	0	1	0	0
3-5	7	4	10	11	5	12	5	12	1	0	0	0
2-5	5	5	12	12	4	9	7	12	0	3	3	2
4-6	3	6	14	14	10	13	11	14	0	1	1	0
5-6	2	7	24	24	12	14	12	14	0	0	0	0
6-7	10				14	24	14	24		0	0	0
5-7	9				24	21	15	24		3	3	3

Fig: 4

The new critical path is 1-3-5-6-7. The project duration is 24 weeks and the total direct cost is B64800 + 4*750 = B67800

Looking at the time cost slope of the activities on the new critical path (1-3-5-6-7) we find that the activity (3-5) has the lowest slope. Hence this activity is crashed and the resultant EOT/LOT table is as follows:

Activity	Time	Event	EOT	LOT	EST	EFT	LST	LFT	Slack	Total Float	Free Float	Indpn dnt Float
1-2	4	1	0	0	0	4	0	4	0	0	0	0
1-3	5	2	4	4	0	5	1	6	0	1	0	0
2-4	6	3	5	6	4	10	4	10	1	0	0	0
3-5	5	4	10	10	5	10	6	11	0	1	0	-1
2-5	5	5	10	11	4	9	6	11	1	2	1	1
4-6	3	6	13	13	10	13	10	13	0	0	0	0
5-6	2	7	23	23	10	12	11	13	0	1	1	0
6-7	10				13	23	13	23		0	0	0
5-7	9				23	19	14	23		4	4	3

Fig: 5

The new critical path is 1-3-4-6-7. The project duration is 23 weeks and the total direct cost is B67800 + 2*600 = B69000

Looking at the time cost slope of the activities on the new critical path (1-2-4-6-7) we find that the activity (6-7) has the lowest slope. Hence this activity is crashed and the resultant EOT/LOT table is as follows:

Activity	Time	Event	EOT	LOT	EST	EFT	LST	LFT	Slack	Total Float	Free Float	Indpn dnt Float
1-2	4	1	0	0	0	4	0	4	0	0	0	0
1-3	5	2	4	4	0	5	1	6	0	1	0	0
2-4	6	3	5	6	4	10	4	10	1	0	0	0
3-5	5	4	10	10	5	10	6	11	0	1	0	-1
2-5	5	5	10	11	4	9	6	11	1	2	1	1
4-6	3	6	13	13	10	13	10	13	0	0	0	0
5-6	2	7	20	20	10	12	11	13	0	1	1	0
6-7	7				13	20	13	20		0	0	0
5-7	9				20	19	11	20		1	1	0

Fig: 6

The new critical path is 1-2-4-6-7. The project duration is 20 weeks and the total direct cost is B69000 + 3*900 = B71700

Looking at the time cost slope of the activities on the new critical path (1-2-4-6-7) we find that the only activity (4-6) remains un-crashed. Hence this activity is crashed and the resultant EOT/LOT table is as follows:

Activity	Time	Event	EOT	LOT	EST	EFT	LST	LFT	Slack	Total Float	Free Float	Indpn dnt Float
1-2	4	1	0	0	0	4	0	4	0	0	0	0
1-3	5	2	4	4	0	5	0.5	5.5	0	0.5	0	0
2-4	6	3	5	5.5	4	10	4	10	0.5	0	0	0
3-5	5	4	10	10	5	10	5.5	10.5	0	0.5	0	-0.5
2-5	5	5	10	10.5	4	9	5.5	10.5	0.5	1.5	1	1
4-6	2.5	6	12.5	12.5	10	12.5	10	12.5	0	0	0	0
5-6	2	7	19.5	19.5	10	12	10.5	12.5	0	0.5	0.5	0
6-7	7				12.5	19.5	12.5	19.5		0	0	0
5-7	9				19.5	19	10.5	19.5		0.5	0.5	0

Fig: 7

The new critical path is 1-2-4-6-7. The project duration is 19.5 weeks and the total direct cost is B71700 + 0.5*2400 = B72900. Since all the activities on the critical path (1-2-4-6-7) are crashed, there is no possibility of further time reduction.

The following table shows time cost relationship of the project:

Figure	Activities Crashed	Project Duration	Direct Cost	Indirect Cost (B)	Total Cost (B)
1	None	30 weeks	60500	90000	150500
2	2-4	29 weeks	62000	87000	149000
3	5-6	27 weeks	64800	81000	81000
4	1-2	24 weeks	67800	72000	139800
5	3-5	23 weeks	69000	69000	138000
6	6-7	20 weeks	71700	60000	131700
7	4-6	19.5 weeks	72900	58500	131400

If the objective is to minimize the total cost of the project the pattern of crashing suggested by fig 3 is optimal. If the objective is to minimize the project duration then the pattern of crashing suggested by 7 is optimal.

Strategic Management

1. What is the starting point of Strategic Intent?

A. Goal
B. Objective
C. Vision
D. Mission

Answer C

2. Which of the following is not a major element of the strategic management process?

A. Formulation strategy
B. Implementing strategy
C. Evaluating strategy
D. Assigning administrative tasks

Answer D

3. An organisation strategy ___

A. Remains set in place longer than the mission and objectives
B. Generally, forms over a period of time as events unfold
C. Trends to be formed at the same time the mission is developed
D. None

Answer B

4. Low cost, Differentiation and Focus are examples of:

A. Corporate strategies
B. Operational strategies
C. Business strategies
D. Functional strategies

Answer C

5. Strategic Management handles:

A. External issues
B. Administrative issues
C. Internal issues
D. Management issues

Answer A

6. The three organisational levels are

A. Corporate level, business level, functional level
B. Corporate level, business unit level, functional level
C. Corporate strategy level, business unit level, functional level
D. None

Answer A

7. SWOT stands for:

A. Services worldwide optimization and transport
B. Special weapons for operations for timeless
C. Strength weakness opportunities and threats
D. Strength worldwide overcome threats

Answer C

8. The corporate level is where top management directs

A. All employees for orientation

B. Its efforts to stabilise recruitment needs
C. Overall strategy for the entire organisation
D. Overall sales projections

Answer C

9 (a). What is meant by 'Strategy'?
(b). Discuss few characteristics of strategy!

Strategy

The term strategy is derived from the Greek word strategia, meaning “generalship'. Although the word is Greek, yet the concept has its origins from the classic, The Art of War, written by Sun Tzu written about 500 BC. This is regarded as the first methodical documentation on strategy. A strategy of an organisation provides the basic framework thorough which the organisation will achieve its mission and objectives. The sole objective of a strategy is to provide competitive advantage.

Strategy may be defined as the direction and scope of an organisation over the long term, which achieves advantage for the organisation through the configuration of resources within a changing environment and to fulfill stakeholder expectations.

The following are some of the characteristics of strategy or strategic decisions:

- Strategy is likely to be concerned with the long term direction of an organisation.
- Strategic decisions are normally about trying to achieve some advantage for the organisation over competition.
- Strategic decisions are concerned with the scope of the organisation's activities.
- Strategy can be seen as matching the resources and activities to the environment in which it operates.
- Strategy can be seen as stretching an organisation's resources and competences to create new opportunities or to capitalise on them.
- Strategies may require major resource changes for an organisation.
- Strategic decisions are likely to affect operational decisions.
- The strategy of an organisation is affected not only by environmental forces and resource availability but also by the values and expectations of those who have power in and around the organisation.

10. **(a). What do you mean by Vision of an organization?**
(b). State the benefits of having a Vision

(a). It is the desired future state of an organisation. It is an aspiration around which a strategist, perhaps a chief executive, might seek to focus the attention and energies of members of the organisation. It is a vividly descriptive image of what a company wants to become in the future. The critical point is that a vision articulates a view of a realistic, credible, attractive future for the organisation, a condition that is better in some important ways that what now exists. Well-conceived visions are distinctive and specific to a particular organisation; they avoid generic, feel-good statements.

(b). As mentioned by Azhar (2008) organisation's having a good vision enjoys the following benefits:

- Good visions are inspiring and exhilarating.
- Vision represents a discontinuity, a step function and a jump ahead so that the company knows what it is to be.
- Good vision helps in the creation of a common identity and a shared sense of purpose.
- Good visions are competitive, original and unique. The make sense in the market place as they are practical.
- Good visions foster risk taking and experimentation.
- Good visions foster long term thinking
- Good visions represent integrity: they are truly genuine and can be used to the benefit of the people.
- The visions are customer-oriented.
- Internal stakeholders are invested in defining the vision.
- Organisational structures such as compensation systems align with the firm's vision statement.

Suggestions:

The study notes need to be read thoroughly. Supplementary readings could be made from other resources. This issue is based on Modern Production/Operations Management by Buffa and Sarin. Production and projects Preparation Appraisal Budgeting and Implementation by Prasanna Chandra. The problem is just indicative type from which maximum benefits could be reached once Guide book on the paper 9- Operations Management & Strategic Management written and issued by Institute on New Syllabus along with reference books are thoroughly consulted.

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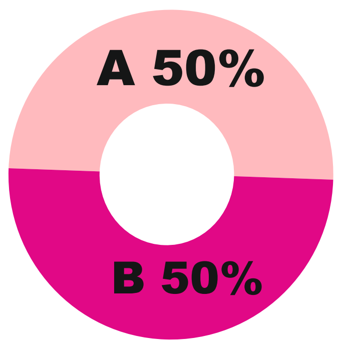
GROUP: II, PAPER:10

Corporate Accounting And Auditing (CAA)

Your Preparation Quick Takes



Syllabus Structure

Section A: Corporate Accounting **50%**

Section B: Auditing **50%**

Corporate Accounting

Module 1: Accounting of Shares and Debentures

➢ **Forfeiture and Reissue of Shares**

Where shares of an entity are issued in instalments, there may arises situations where one or more shareholders fail to pay instalments so called up. In such situations, if the Articles of Association of the company so permit, the company may confiscate/seize the shares from such defaulting shareholders on the ground of their non-payment of instalments. This process is known as *Forfeiture of Shares*. On forfeiture –

- The corresponding shareholder is ceased to be a member of share of the company.
- The shares so forfeited are known as *Forfeited Shares*.
- The amount received on shares till such date becomes a capital receipt for the company and transferred to Forfeited Shares A/c.

If the Articles so permit, the shares so forfeited may again be re-issued by the company to new shareholders. This process is known as Re-issue of Forfeited Shares. These shares are generally re-issued at a price lower than the face value of shares. For Reissue -

- The minimum re-issue price must be equal to called up value less amount collected (capital portion) on each share before forfeiture.
- The resulting loss is adjusted against the balance of the Forfeited Shares A/c,
- The net profit on forfeiture and re-issue of shares, is transferred to Capital Reserve A/c.
- In case the shares are re-issued at a price higher than the face value, the excess amount is not payable to the original shareholders. It is to be transferred to 'Securities Premium A/c'.

▪ **Accounting for Forfeiture and Reissue of Shares**

The accounting entries for forfeiture and re-issue are as follows:

(i) On forfeiture of shares
Share Capital A/c ....Dr. (Called-up value)
Securities Premium A/c ....Dr. (Premium due but not collected)
To Calls-in-Arrear A/c (Amount unpaid)
To Forfeited Shares A/c (Capital portion received on shares forfeited)

(ii) On re-issue of shares
Bank A/c .... Dr. (Proceeds from re-issue)
Forfeited Shares A/c .... Dr. (Discount on re-issue)
To Share Capital A/c (Paid-up value of shares re-issued)
To Securities Premium A/c (Premium on shares re-issued, if any)

(iii) On transfer of profit
Forfeited Shares A/c (Net profit on forfeiture and re-issue)
To Capital Reserve A/c

Illustration 1 (*Forfeiture of Shares*)

Pass journal entries for share forfeiture in the following independent cases (ignore narration).

(a) 1,000 equity shares of Rs.5 each issued at Rs.7 is forfeited for non-payment of call money of Rs.1 per share.

(b) 1,000 equity shares of Rs.10 each is forfeited for non-payment of allotment money Rs.5 (including premium Rs.1) per share and call Rs. 2 per share.

(c) 1,000 equity shares of Rs.10 each (Rs.7 called up) forfeited for non-payment of first call of Rs.3 per share.

(d) A company invited application for equity shares of Rs.4 each payable as follows:
On application Rs.3 (including premium)
On allotment Rs.2
On first and final call Rs.1
Mr. X, holding 5,000 equity shares, failed to pay allotment money and his shares were forfeited before the call was made.

Solution:

In the books of……………

Journal

Date	Particulars	Dr. Amount (Rs.)	Cr. Amount (Rs.)
(a)	Equity Share Capital A/c…………………Dr. (1000 x 5) To Calls in Arrear A/c (1000 x 1) To Forfeited Shares A/c (1000 x 4)	5,000	 1,000 4,000
(b)	Equity Share Capital A/c…(1000 x10)…….Dr. Securities Premium A/c …(1000 x 1)………Dr. To Calls in Arrear A/c (1000 x 5 + 1000 x 2) To Forfeited Shares A/c (1000 x 4)	10,000 1,000	 7,000 4,000
(c)	Equity Share Capital A/c…………………Dr. (1000 x 7) To Calls in Arrear A/c (1000 x 3) To Forfeited Shares A/c (1000 x 4)	7,000	 3,000 4,000
(d)	Equity Share Capital A/c…………………Dr. (5000 x 3) To Calls in Arrear A/c (5000 x 2) To Forfeited Shares A/c (5000 x (3-2)*)	15,000	 10,000 5,000

*Rs.2 is the premium per share included in the application money.

Illustration 2 (*Forfeiture and Re-issue of Shares*)

P Ltd. issued to public 44,000 shares of Rs.100 each at par, payable as follows:
On application Rs.25 per share; On allotment Rs.40 per share; On 1st call Rs.20 per share; and balance on Second and Final Call.

Applications were received for 40,000 shares. Mr. X holding 400 shares failed to pay first and final call money and Mr. Y holding 800 shares could not pay the final call money. All the shares were forfeited.

Pass journal entries for forfeiture and reissue of shares if –

(a) All forfeited shares were re-issued to Mr. M at Rs.80 each fully paid up.
(b) 1000 forfeited shares (including all shares of Mr. X) were re-issued to Mr. M at Rs.90 each fully paid up.
(c) All forfeited shares were re-issued to Mr. M at minimum re-issue price as fully called up and paid up.

Solution:

In the books of P Ltd.

Journal **Dr.** **Cr.**

Date	Particulars	Amount (Rs.)	Amount (Rs.)
	Equity Share Capital A/c...(400 x 100)....Dr. To Calls in Arrear A/c (400 x (20 + 15)) To Forfeited Shares A/c (400 x (25+40)	40,000	 14,000 26,000
	Equity Share Capital A/c...(800 x 100)....Dr. To Calls in Arrear A/c (800 x 15) To Forfeited Shares A/c (800 x (25+40+20)	80,000	 12,000 68,000
(a)	Bank A/c..........(1200 x 80)................Dr. Forfeited Shares A/c (1200 x 20) ....Dr. To Equity Share Capital A/c (1200 x 10)	96,000 24,000	 1,20,000
	Forfeited Shares A/c ....Dr. (26,000 + 68,000 – 24,000) To Capital Reserve A/c	70,000	 70,000
(b)	Bank A/c..........(1000 x 90)................Dr. Forfeited Shares A/c (1000 x 10) ....Dr. To Equity Share Capital A/c (1000 x 10)	90,000 10,000	 1,00,000
	Forfeited Shares A/c ....Dr. [400 x (25+40) – (400 x10)] + [(600 x (25+40+20) – (600 x10) To Capital Reserve A/c	67,000	 67,000
(c)	Bank A/c.......... (Note:1))................Dr. Forfeited Shares A/c ....Dr. To Equity Share Capital A/c (1200 x 10)	26,000 94,000	 1,20,000

Note 1: Calculation of minimum re-issue price.

The maximum discount that can be offered on re-issue = Rs. (26,000 + 68,000) = Rs.94,000.
So, minimum re-issue price = Paid up value of re-issued shares – maximum discount
= (1200 x 100) – 94,000
= 26,000

Corporate Auditing

1. What are the primary and secondary objectives of Auditing?

Primary Objective: The main objective of an audit is to determine whether the financial statements present a true & fair view" of the financial position and financial performance of a business during the period. The Balance Sheet shows the financial position on a particular date (say, the last day of the financial year), and the profit & loss Accounts shows the financial performance of the business over that period (income and expenditure during the whole financial year). Section 143 of the companies Act, 2013 requires the auditor of the company to state if in his opinion the financial statements present "true and fair view" of the state of the company's affairs at the end of its financial year, and of the profit and loss for its financial year. Such an opinion by the auditor increases the reliability of the Company's financial statements.

Secondary Objective: The auditor is also responsible for detecting frauds and errors in the books of accounts and financial records of the client's business. Such detection of frauds and errors is called the secondary objective of audit because the primary responsibility for safeguarding the business assets rests with the management. If the auditor suspects the presence of material misstatements or defalcations in the records of the business, he is expected to look into the matter with greater detail by applying various audit procedures to satisfy himself about their existence or non-existence. He is also to report on the existence of such misstatement and their magnitude through his audit report

2. What are the significance of Auditing from legal point of view and External Affairs point of view?

From Legal Point of View:

a) Filing of Income Tax Return - Income Tax authorities generally accept the profit and loss account that has been prepared by a qualified auditor and they do not go into details of the accounts.

b) Borrowing of Money from External Sources - Money can be borrowed easily on the basis of audited balance sheet from the external sources. Most of the financial institution sanctions various loans on the basis of audited financial statements.

c) Statement of Insurance Claim - In case of flood, fire, other natural calamities and the like unexpected happenings the insurance company may settle the claim for loss or damages on the basis of audited accounts of the previous year.

d) Sales Tax Payments - The audited books of accounts may generally be accepted by the sales tax authorities.

e) Action Against Bankruptcy - The audited accounts serve as a basis to determine action in bankruptcy and insolvency cases.

From External Affairs Point of View:

a) Settlement of accounts - The audited accounts would facilitate the settlement of accounts of a deceased partner.

b) Valuation of assets and goodwill - If the business is to be sold as a going concern basis, there may not be much difficulty regarding the valuation of assets and goodwill as the accounts have already been audited by an independent person.

c) Future trend of the business - From the audited books of accounts, the future trend of the business can be assessed easily with certainty. Mention in brief the advantages of Auditing

3. Mention in brief the advantages of Auditing

Advantages of Audit
The advantages of audit are as follows:

a) Audit is a tool, which different stakeholders can use to protect their interests in the enterprise,

b) Audit is not only a corrective measure but has a deterrent effect. It serves as a moral check on the employees from committing defalcations or embezzlements.

c) The employees of the organisation remain alert and vigilant as regards the updating of books of accounts and other records.

d) Audited accounts are considered more reliable by different cadres of Government. For example, the tax audit report filed with the taxation authorities.

e) It facilitates detection of wastages and losses and helps in instituting corrective actions.

f) Audited accounts are taken to be more reliable and useful during corporate restructuring exercises, valuations etc.

g) Banks, Financial Institutions and Government require audited accounts before granting any financial assistance to the enterprise.

h) Audited accounts are taken to be more helpful in the settlement of accounts between the partners and thus avoiding any dispute amongst them.

4. State the inherent limitations of Audit.

There are some inherent limitations of audit.

i) An audit does not guarantee that all the material misstatements will be detected because of the following inherent limitations of audit.
   a) Test nature of the audit.
   b) The audit evidence available to the auditor is persuasive rather than conclusive in nature.
   c) Inherent limitations of internal control, e.g., certain levels of management may be in a position to override controls.

ii) Professional scepticism - Professional scepticism means an approach that would ensure that if something is wrong it is detected. This behavior of auditor helps him in identifying and evaluating (a) matters that increase the risk of material misstatements resulting from fraud or error. (b) Circumstances that make the auditor to suspect material misstatements, (c) the question of reliability of management's representations. The auditor is entitled to accept the records and documents as genuine unless there is some evidence to the contrary.

iii) Materiality is one of basic fundamental concepts in process of Auditing as well as Accounting Auditor has to constantly & continuously judge whether transaction is material or not. It is used by him in his Audit Planning Materiality means important cost wise, profit wise, effect wise, value wise, which influences economic decision of user. What is material in one circumstance may not be material in other circumstances. Therefore, changes need to be done accordingly.

5. Why statutory audit is required for an organization special for companies?

The auditor expresses his independent opinion after following relevant audit procedures and checking the external and internal evidences necessary for the conduct of audit. He comments on the truthfulness and fairness of statement of affairs of the organization as on certain date and also about the fact that no misstatement or misrepresentation has been made in the Financial Statements under report.

Such an independent opinion by the auditor increases the reliability, authenticity and credibility of the Financial Statements which may further be used by different users for various purposes such as:

i) By the shareholders, for their economic decisions and for exercising their voting rights.
ii) For determining the purchase or sale consideration in case of ongoing concern.
iii) Settlement of partners' accounts in case of admission, retirement or death of partner on account of goodwill or otherwise.
iv) For timely tax assessments.
v) For ensuring of proper distribution of profits as dividends
vi) For ensuring that all legal requirements are fulfilled and statutory compliances are adhered.
vii) For settlement of insurance claims or other recoveries from government bodies or otherwise.
viii) Before the court, in case of settlement of disputes with employees, creditors or debtors.
ix) For determining the actual value of business or shares in case of merger, acquisition, etc.
x) For getting financial assistance from financial institutions, banks or investors.
xi) In case of non-profit organisations, for getting government grants and availing tax exemptions.
xii) Evaluation of the internal control systems and strengthening it by removing the inherent weaknesses, and checking the efficacy of the internal checks.
xiii) For checking the integrity of the management which manages the funds and affairs on behalf of the

real owners or shareholders.

xiv) For other users of financial statements like creditors, investors and government agencies, it ensures that any assertions in the Financial Statements are neither overstated/understated nor misrepresented.

xv) For the proper distribution of profits by way of payment of wages and other benefits.

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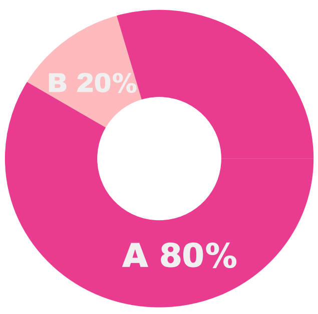
GROUP: II, PAPER:11

Financial Management And Business Data Analytics (FMDA)

Your Preparation Quick Takes



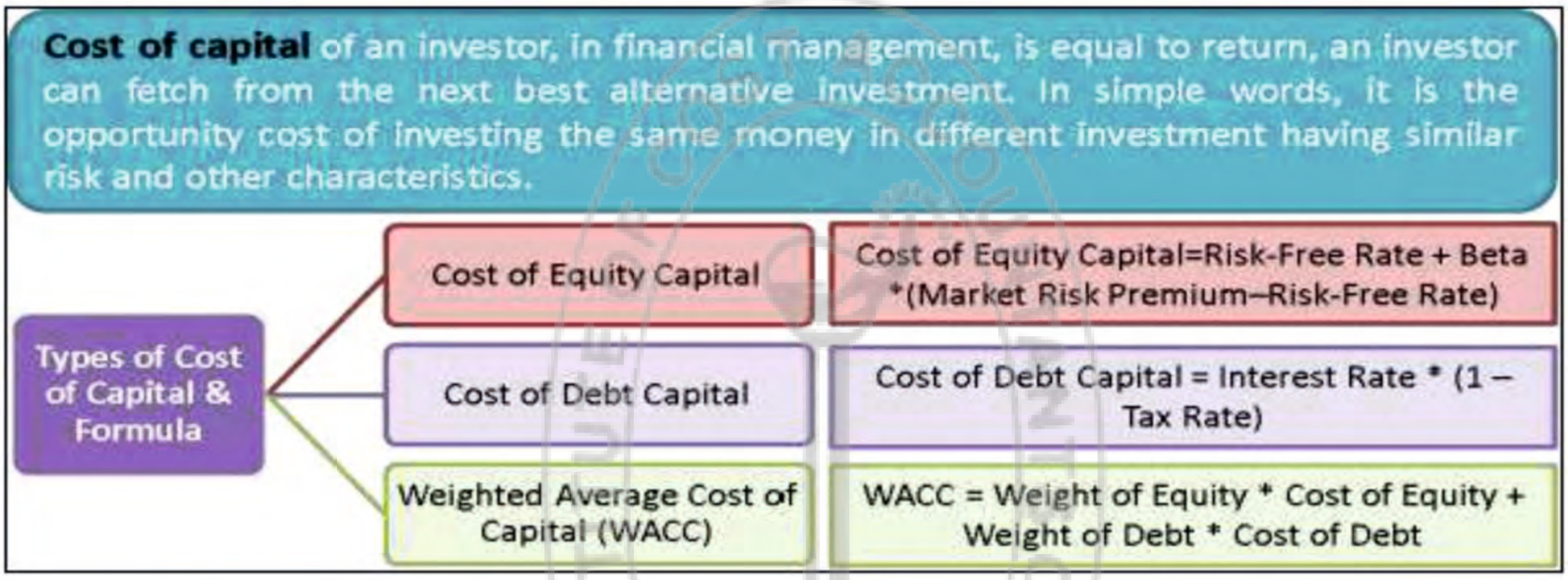
Syllabus Structure

Section A: Financial Management **80%**

Section B: Business Data Analytics **20%**

Financial Management

Cost of capital refers to the discount rate that is used in determining the present value of the estimated future cash proceeds and eventually deciding whether the project is worth undertaking or not. It is the minimum rate of return that a firm must earn on its investment for the market value of the firm to remain unchanged. It encompasses the cost of both equity and debt, weighted according to the company's preferred or existing capital structure. This is known as the weighted average cost of capital (WACC). A company's investment decisions for new projects should always generate a return that exceeds the firm's cost of the capital used to finance the project. Otherwise, the project will not generate a return for investors.



Source: https://efinancemanagement.com/investment-decisions/cost-of-capital

Example (Calculation of Cost of Debenture)

X Ltd. issued 10,000, 10% debentures of Rs. 100 each at a premium of 10% on 1.11.2018 to be matured on 1.11.2023. The debentures will be redeemed on maturity. Compute the cost of debentures assuming 35% as tax rate.

Answer:

Cost of debenture (Kd) = $\dfrac{I(1-t)+\frac{RV-NP}{n}}{\frac{RV+NP}{2}}$

Where,

I = Interest on debenture = 10% of Rs.100 = Rs.10

NP = Net Proceeds = 110% of Rs.100 = Rs.110

RV = Redemption value = Rs.100

n = Period of debenture = 5 years

t = Tax rate = 35% or 0.35

$$\text{Cost of debenture (Kd)} = \frac{Rs.10\,(1-0.35)+\frac{Rs.100-Rs.110}{5\ years}}{\frac{Rs.100+Rs.110}{2}}$$

So, Cost of Debenture (Kd) = 0.0428 or 4.28%

Indicate whether the following statements are true or false

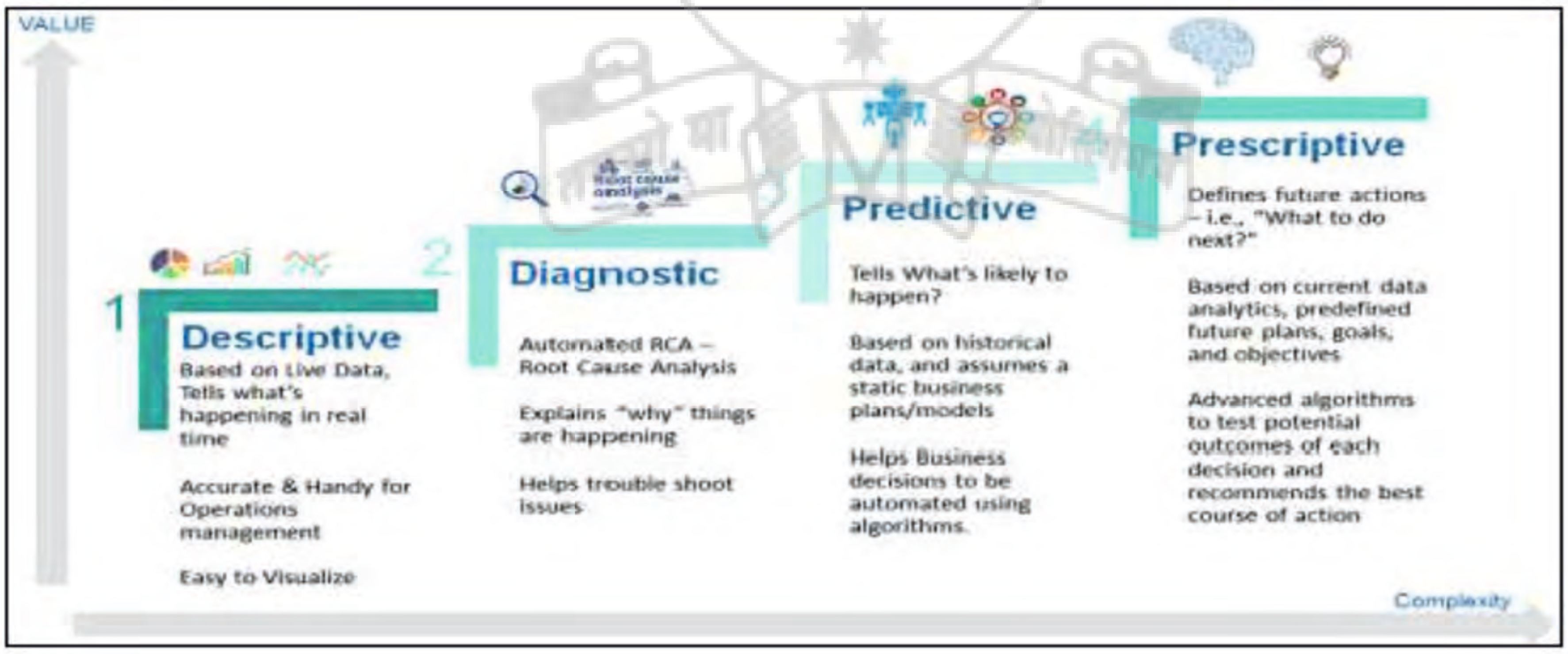
1. Equity capital does not carry any cost as a company is under no legal obligation to pay dividends.
2. Weighted average cost of capital takes into consideration cost of long-term sources of finance.
3. Beta is a measure of unsystematic risk.
4. Cost of debt is higher than cost of equity.

Answer: 1. False 2. True 3. False 4. False

Data Analytics

Data analytics is essentially the method of using data to identify patterns and trends and extract valuable business insights, which can further contribute towards decision-making and strategy formulation.

For business decision making, data analysis may be classified into four types. These are discussed below:



Source: https://medium.com/co-learning-lounge/types-of-data-analytics-descriptive-diagnostic-predictive-prescriptive-922654ce8f8f

1. **Descriptive analytics:** It describes what has happened over a given period of time. Have the number of views gone up? Are sales stronger this month than last?

   Descriptive analytics involves the use of large sets of data that are cleaned, transformed, and visualized in an understandable way, usually in the form of dashboards, bar graphs, pie charts, infographics, and others.

   Example: In a supermarket chain collects information per day. If you only look at the number of records that are produced daily, it is difficult to know how the business has operated with respect to certain attributes. With descriptive analysis tools, we will be able to know, for example, which products were the most sold ones, in which geographical areas certain items have sold the best, or if the marketing campaigns were successful compared to previous ones. Moreover, with that data, the organization can more effectively plan its inventories.

2. **Diagnostic analytics**: It focuses more on why something happened. This involves more diverse data inputs and a bit of hypothesizing. Did the weather affect beer sales? Did that latest marketing campaign impact sales?

   Diagnostic analysis can be performed using MS Excel, algorithms, or even manually.

3. **Predictive analytics**: This type of analysis moves to what is likely going to happen in the near term. What happened to sales the last time we had a hot summer? How many weather models predict a hot summer this year?

   Predictive analytics applies techniques such as statistical modeling, forecasting, and machine learning to the results of the descriptive and diagnostic analytics to make predictions about future outcomes.

4. **Prescriptive analytics: It** suggests a course of action. If the likelihood of a hot summer is measured as an average of these five weather models is above 58%, we

should add an evening shift to the brewery and rent an additional tank to increase output.

This analytical tool recommends courses of action that a company can take. In addition, it quantifies the effect of each of these actions to help make the best decisions in pursuit of the organization's business objectives, such as entering a new market, locating a product in specific areas of a warehouse with better probabilities of sale, or mitigating a risk you may face.

The analytics can apply in the following cases:

- Calculation of the sales forecast of a product to be able to calculate the replacement orders of the merchandise.
- A customer's buying propensity for certain items can be used to calculate which campaigns are best to launch on this customer.
- Using a customer's credit score when evaluating the granting of a loan.

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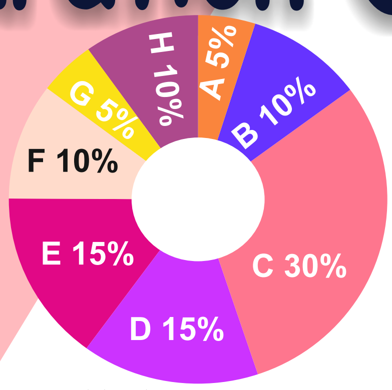
GROUP: II, PAPER:12

Management Accounting (MA)

Your Preparation Quick Takes



Syllabus Structure

Section A: Introduction to Management Accounting **5%**
Section B: Activity Based Costing **10%**
Section C: Decision Making Tools **30%**
Section D: Standard Costing and Variance Analysis **15%**
Section E: Forecasting, Budgeting and Budgetary Control **15%**
Section F: Divisional Performance Measurement **10%**
Section G: Responsibility Accounting **5%**
Section H: Decision Theory **10%**

Management Accounting

State True or False:

1. Marginal Costing is used to decide about sales mix.
2. The managerial accounting techniques that dominated the third stage (1965-1985) are: Activity-based Cost (ABC); Production just in time (JIT); Target cost; balanced scorecard; Value chain analysis and strategic management accounting.
3. Activity-Based Costing (ABC) is that costing in which costs begin with tracing of activities and then to producing the product.
4. Cost pools are commonly used for the allocation of total cost to units of production, as required by several accounting frameworks.
5. Angle of Incidence is an angle formed at the intersection point of total sales line and total cost line in a formal break even chart.

Answer:

1. True 2. False 3. True 4. False 5. True

Fill in the blanks:

1. Cost Driver is a factor that causes a ________in the cost of an activity.
2. ABC gives a meaningful analysis of costs which should provide a suitable basis for decisions about____________.
3. Break-even Analysis is also called_____________.

Answer:

1. Change 2. pricing, product mix, design and production 3. Cost-Volume-Profit Analysis (CVP analysis)

Multiple Choice Questions:

1. Management accounting techniques such as: Standard Costs and Profitability Analysis were introduced during

A. 1st stage
B. 2nd stage
C. 3rd stage
D. 4th stage

2. Which of the following is not a traditional accounting management technique?

A. Standard Costing Opportunity
B. Cost Budgeting
C. Activity based costing (ABC)
D. Balanced scorecard

3. The Marginal costing also can be called as

A. Direct Costing
B. Differential Costing
C. Out of Pocket Costing
D. All of the above

4. Which type of cost is considered for the product costing and inventory costing?

A. Variable Costing
B. Fixed Costing
C. Standard Costing
D. None of the above

5. When marginal costing is valued at variable cost the cost per unit will____

A. Increases with the increase in production
B. Decrease with the increase in production
C. Remain Same irrespective of the production
D. Increase with the decrease in production

6. The techniques of marginal costing cannot be applied to

A. Manufacturing Industry
B. Ship building industry
C. Both
D. None of the above

7. In marginal costing, the contribution margin is calculated as:

A. Total Sales - Total Variable Costs
B. Total Sales - Total Fixed Costs
C. Total Variable Costs - Total Fixed Costs
D. Total Variable Costs - Total Sales

8. A company produces and sells 1,000 units of a product. The variable cost per unit is Rs. 20, and the selling price per unit is Rs. 30. What is the contribution margin per unit?

A. Rs. 10
B. Rs. 20
C. Rs. 30
D. Rs. 50

9. In marginal costing, the break-even point is achieved when:

A. Total sales revenue equals total fixed costs.
B. Total sales revenue equals total costs (fixed and variable).
C. Total sales revenue exceeds total variable costs.
D. Total sales revenue exceeds total fixed costs.

10. According to CVP Analysis, sales volume to achieve a target profit is equal to

A. (Fixed Cost + Target Profit)÷Contribution per unit
B. Fixed Cost + (Target Profit ÷ Contribution per unit)
C. (Fixed Cost + Target Profit)÷Fixed Cost per unit
D. (Fixed Cost + Target Profit)÷Variable Cost per unit

11. Which of the following is not the assumption of Break-Even Analysis?

A. Fixed cost remains constant at all volumes of output.
B. Volume of production is the only factor that influences cost.
C. There will be no change in the general price-level.
D. Selling price per unit changes with the changes in levels of output.

12. While constructing the Break-even Chart, which of the following assumption is not considered:

A. Costs are classified into fixed and variable costs.
B. Fixed costs shall remain fixed during the relevant volume range of graph.
C. Variable cost per unit will remain constant during the relevant volume range of graph.
D. Production and sales volume are not equal.

Answer:

1	2	3	4	5	6	7	8	9	10	11	12
B	D	D	A	C	B	A	A	B	A	D	D

Examination TIME TABLE

Day & Date	Intermediate Examination Syllabus-2016 & 2022 Time 02.00 p.m. to 5.00 p.m.
10 th December, 2023 (Sunday)	(Group - I) (Paper 05) Financial Accounting (Syllabus 2016) Business Laws and Ethics (Syllabus 2022)
11 th December, 2023 (Monday)	(Group - II) (Paper 09) Operations Management & Strategic Management (Syllabus 2016) Operations Management and Strategic Management (Syllabus 2022)
12 th December, 2023 (Tuesday)	(Group - I) (Paper 06) Laws & Ethics (Syllabus 2016) Financial Accounting (Syllabus 2022)
13 th December, 2023 (Wednesday)	(Group - II) (Paper 10) Cost & Management Accounting and Financial Management (Syllabus 2016) Corporate Accounting and Auditing (Syllabus 2022)
14 th December, 2023 (Thursday)	(Group - I) (Paper 07) Direct Taxation (Syllabus 2016) Direct and Indirect Taxation (Syllabus 2022)
15 th December, 2023 (Friday)	(Group -II) (Paper 11) Indirect Taxation (Syllabus 2016) Financial Management and Business Data Analytics (Syllabus 2022)
16 th December, 2023 (Saterday)	(Group - I) (Paper 08) Cost Accounting (Syllabus 2016) Cost Accounting (Syllabus 2022)
17 th December, 2023 (Sunday)	(Group - II) (Paper 12) Company Accounts & Audit (Syllabus 2016) Management Accounting (Syllabus 2022)

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, MQPs, E-Bulletin Attend Online sessions**

02 **Solve Excercises given in Study Note**

03 **Assess Yourself**

04 **Appear For Examination**

FINISHED

Message from
Directorate of Studies

Dear Students,

Greetings from the D.O.S.!!!

We from the Directorate of Studies understand your expectations from us and accordingly we are trying to deliver some meaningful tips through various publications in soft versions like-E-bulletins, Mock Test Papers (MTPs), Model Question Papers (MQPs). Supplementary and Amendments are also uploaded from time to time to keep the students updated about the recent changes made in the papers; wherever applicable.

- Certain general guidelines are listed below and which will help you in preparing for the examinations:
- Conceptual understanding and overall understanding of the subjects should be clear,
- Students are advised to go through the study material provided by the Institute meticulously,
- Students should know and learn the basic understandings of the subjects with focus on core concepts,
- Students are expected to give to the point answer which is a pre-requisite for any professional examination,
- To strengthen the answers, students are advised to answer precisely and in the structured manner,
- Proper time management is also important while answering.

GOOD LUCK
Be prepared and be successful

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

Statutory Body under an Act of Parliament

www.icmai.in

Headquarters:
CMA Bhawan, 12 Sudder Street, Kolkata - 700016
Delhi Office:
CMA Bhawan, 3 Institutional Area, Lodhi Road, New Delhi - 110003

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of the same Calendar Year

December Exam
31st July
of the same Calendar Year

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

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Behind every successful business decision, there is always a CMA

Few Snapshots

CMA Manoj Kumar Anand, Council Member, ICMAI along with CMA Rajendra Singh Bhati, Council Member, ICMAI extending greetings to Shri Arjun Ram Meghwal, Hon'ble Union Minister of Law and Justice & MoS for Culture and Parliamentary Affairs on 22nd September, 2023.

CMA Baldev Kaur Sokhey, Director (Finance) at NBCC, and CMA Shri Hrishikesh Kumar, Executive Director (Finance) at NBCC, visited the Institute of Cost Accountants of India (ICMAI) and had a meeting with President CMA Ashwin Dalwadi and other Central Council Members, CMA TCA Sriniwas, CMA M K Anand & CMA Navneet Kumar Jain. They had discussions related to the overall development of the profession.

CMA Dr. V. Murali, Council Member, ICMAI, CMA Rajendra Singh Bhati, Council Member, ICMAI and CMA Dr. Kaushik Banerjee, Secretary, ICMAI along with the representatives of ICSB and ICSI during the International Training Programme jointly conducted by ICSB and ICSI on 15-16 September, 2023 in Dhaka, Bangladesh.

Meeting with Mr. Rajesh Jadhavar, Joint Registrar of the Co-Operative Department by CMA Harshad Deshpande: CCM & CMA Mahendra Bhombe, RCM- WIRC for discussions on the upcoming empanelment of CMA firms for the fiscal years 2023-26

CMA Navneet Kumar Jain CCM met with IMA's Board Chairs Mr Richard T Brady, Sunil Deshmukh ji & President Delhi Chapter of IMA-Sanjay Garg ji during Convocation Ceremony of IMA- Delhi Chapter and had discussions on reciprocal exemptions.

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

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