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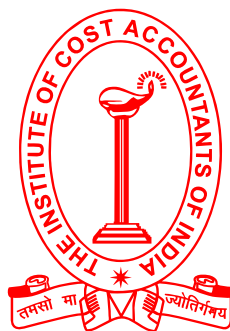
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# CMA Student E - Bulletin

# INTERMEDIATE

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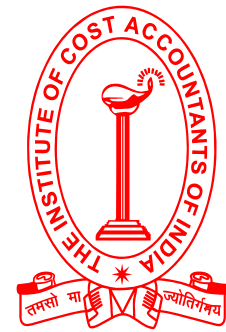
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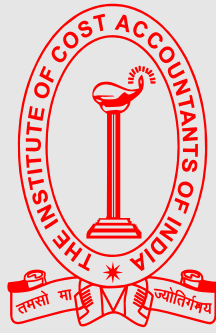
Behind every successful business decision, there is always a **CMA**



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# KNOWLEDGE Update



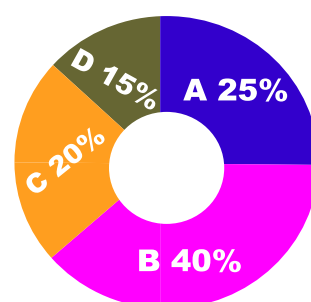
In this section of e-bulletin we shall have a series of discussion on each of these chapters to provide a meaningful assistance to the students in preparing themselves for the examination at the short end and equip them with sufficient knowledge to deal with real life complications at the long end.



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

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# Your Preparation Quick Takes



### Syllabus Structure

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



**Learning Objective:**

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

**FINANCIAL ACCOUNTING**

**Life sometimes opportune for a better alternative only when you are in trouble.**

A teenage boy from a village moved to the city in pursuit of a job to support his family. He then applied for a job in a big firm. After some days, he was called for an Interview. He successfully cleared all the tests and cleared the interview. Hiring manager, "You are hired, give me all your details for further processing. Also make sure that your bike is in good condition, as you have to do a lot of traveling to meet the Customers". The boy replied, "Sir, but I don't have a bike with me!". Hiring Manager, "Without a bike, you will not get this job. You can leave now!. The boy left the place thinking about what to do next. He was left with little money that can feed him only for the next few days. But he doesn't want to return to his village without a job and he was confident and hoping that he will definitely find a better job. While he was thinking, he came across a big vegetable market. Then an Idea sparked and he decided to buy vegetables from the market with the available money and went on to sell those vegetable door to door by walk. By the end of the evening, he was able to sell all those vegetables and had a good profit. This gave him confidence that he can earn from this. Then everyday morning he will go to the vegetable market to buy fresh vegetables and sell them door to door till he finishes his stock. He continued his hard work every day and within years he developed his business. Soon he becomes one of the biggest food chain retailers. After some years, one of his new friends visited his big house, where multiple cars were parked in a garage. Seeing this, his friend asked, "You have a good collection of cars, and do you have any bike collections". The man replied, "I never bought any bike for myself". The friend in surprise, asked him "Why you didn't buy a bike?"

**The man replied, " If I had a bike with me, I wouldn't have had these cars?"**

- BANK OVERDRAFT IS A .....ACCOUNT**
  - NOMINAL
  - REAL
  - PERSONAL**
  - NONE OF THESE
- AVERAGE CLAUSE IS APPLIED WHEN**
  - WHEN POLICY VALUE IS MORE THAN VALUE OF STOCK
  - WHEN POLICY VALUE IS EQUAL TO VALUE OF STOCK
  - WHEN POLICY VALUE IS LESS THAN VALUE OF STOCK
  - BOTH B AND C**
- STANDING CHARGES ARE :**
  - VARIABLE COST
  - FIXED OVERHEADS**
  - STANDARD COSTS
  - ALL OF THESE
- A, B & C WERE PARTNERS SHARING PROFITS/LOSES AS 3 : 2: 1. THEY ADMITTED D AS A NEW PARTNER GIVING HIM 1/6TH SHARE OF FUTURE PROFITS. D ACQUIRED 3/24 TH SHARE FROM A AND 1/24 SHARE FROM B. CALCULATE THE NEW PROFIT SHARING RATIO.**
  - 7 : 9 : 4 : 3
  - 9 : 7 : 4 : 4.**
  - 7 : 4 : 9 : 3
  - 7 : 3 : 4 : 9
- BANK BALANCE AS PER CASH BOOK(OVERDRAFT) RUPEES 120000 AS ON 31ST MARCH 2018  
CHEQUE DEPOSITED IN BANK FOR RUPEES 85000 BUT NOT CLEARED WITHIN 31ST MARCH  
CHEQUES ISSUED FOR RUPEES 70000 NOT CLEARED WITHIN 31ST MARCH  
INTEREST ON OVERDRAFT CHARGED BY BANK FOR RUPEES 500  
AMOUNT TRANSFERRED FROM FIXED DEPOSIT ACCOUNT TWO CURRENT ACCOUNT FOR RUPEES 200000 BUT NO INTIMATION HAD BEEN SENT BY THE BANK.  
CORPORATION TAX OF RUPEES 2,000 PAID BY THE BANK AS PER STANDING INSTRUCTION.  
DIRECT DEPOSIT BY A CUSTOMER OF RUPEES 4000 NOT ENTERED IN THE CASH BOOK.  
PREPARE BANK RECONCILIATION STATEMENT AND SAY WHAT WILL BE THE BALANCE AS PER PASS BOOK**

- a. 66500 OVERDRAFT
- b. 66500**
- c. 55600
- d. 266500

6. SUDESHNA AND SOHINI ENTERED INTO A JOINT VENTURE TO BUY AND SELL SARIS. THEY OPENED A JOINT BANK ACCOUNT. SUDESHNA DEPOSITED RS.20000 AND SOHINI RS. 15000. SUDESHNA SUPPLIED SARIS WORTH RS.2500 AND SOHINI SUPPLIED FOR RS.1500. THE FOLLOWING PAYMENTS WERE MADE BY THE VENTURE:  
COST OF SARI PURCHASED RS. 25000, TRANSPORTATION CHARGES RS. 1200, ADVERTISEMENT RS.750, OTHER EXPENSES RS.250.  
THEY SOLD SARIS FOR RS.40000 IN CASH. SUDESHNA TOOK OVER SOME SARIS FOR RS.3000 AND SOHINI TOOK OVER SOME SARIS FOR RS. 1000  
THEY AGREED TO SHARE PROFITS AND LOSSES IN THE RATIO 1:1.  
CALCULATE THE AMOUNT PROFIT.

- a. 12800**
- b. 12000
- c. 13000
- d. 13400

7. PQR LTD. HELD AN AVERAGE INVENTORY OF FINISHED GOODS OF RS.40,000 (CP) WITH AN INVENTORY TURNOVER RATIO OF 5. IF THE GROSS PROFIT IS 25% ON THE COST OF GOODS SOLD. WHAT IS THE TOTAL SALES DURING THE YEAR?

- a. 240000
- b. 250000**
- c. 200000
- d. 220000

8. MGS CO. PURCHASED A MACHINE COSTING RS 1,25,000 FOR ITS MANUFACTURING OPERATIONS AND PAID SHIPPING COSTS OF RS 30,000. MGS SPENT AN ADDITIONAL RS 12,000 TESTING AND PREPARING THE MACHINE FOR USE. WHAT AMOUNT SHOULD MGS RECORD AS THE COST OF MACHINE? (AS-10)

- a. 125000
- b. 137000
- c. 155000
- d. 167000**

9. IN CASE OF HIRE-PURCHASE THE TOTAL SUM PAYABLE BY THE HIRE-PURCHASER AS PER TERMS IN ORDER TO COMPLETE THE TRANSACTIONS IS

- a. CASH PRICE
- b. NET CASH PRICE
- c. HIGHER PURCHASE PRICE**
- d. NONE OF THESE

10. KARTHIK WHO WAS CLOSING HIS BOOKS ON 31.03.2012 FAILED TO TAKE THE ACTUAL STOCK WHICH HE DID ONLY ON 09.04.2012, WHEN IT WAS ASCERTAINED BY HIS TO BE WORTH RS 27,000.

IT WAS FOUND THAT SALES ARE ENTERED IN THE SALES BOOK ON THE SAME DAY OF DISPATCH AND RETURN INWARDS IN THE RETURNS BOOK AS AND WHEN THE GOODS ARE RECEIVED BACK. PURCHASES ARE ENTERED IN THE PURCHASES DAY BOOK ONCE THE INVOICES ARE RECEIVED. IT WAS FOUND THAT SALES BETWEEN 31.03.2012 AND 09.04.2012 AS PER SALES DAY BOOK ARE RS 2,720. PURCHASES BETWEEN 31.03.2012 AND 09.04.2012 AS PER PURCHASES DAY BOOK ARE ` 170, OUT OF THESE GOODS AMOUNTING TO RS 80 WERE NOT RECEIVED UNTIL AFTER THE STOCK WAS TAKEN. GOODS INVOICED DURING THE MONTH OF MARCH, 2012 BUT GOODS RECEIVED ONLY ON 4<sup>TH</sup> APRIL, 2012 AMOUNTED TO RS 200 RATE OF GROSS PROFIT IS 33.33 % ON COST.

ASCERTAIN THE VALUE OF PHYSICAL STOCK AS ON 31.03.2012.

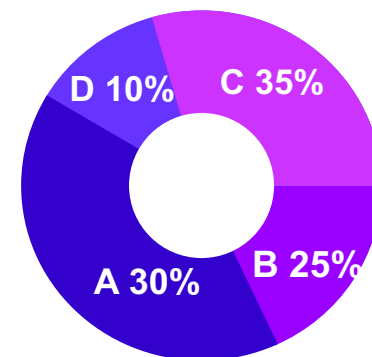
- a. 24870
- b. 28470
- c. 24670**
- d. 26470



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

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## Your Preparation Quick Takes



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



**Learning Objectives:**

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

- Read the Act carefully and try to know the meaning of the contents in it,
  - All the Acts are having practical implications in the real life world and it will help you to solve the problems in your real life situations once you join in the industry and / or practicing field,
  - Answers should be specific and to the point,
  - Please don't try to elaborate your answers adding irrelevant terms and items ; it may penalise you
- With the Tips given here, please follow the Suggested Answers and Mock Test Papers of the Institute to have a fair idea about writing the paper in the examination.

**LAWS & ETHICS**

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

**In this issue we shall continue to deal with Corporate Laws - Companies Act, 2013 and Rules**

**Demand for poll**

**Sec 109.** (1) Before or on the declaration of the result of the voting on any resolution on show of hands, a poll may be ordered to be taken by the Chairman of the meeting on his own motion, and shall be ordered to be taken by him on a demand made in that behalf,—

- (a) in the case a company having a share capital, by the members present in person or by proxy, where allowed, and having not less than one-tenth of the total voting power or holding shares on which an aggregate sum of not less than five lakh rupees or such higher amount as may be prescribed has been paid-up; and
- (b) in the case of any other company, by any member or members present in person or by proxy, where allowed, and having not less than one-tenth of the total voting power.

**Sec 109.** (2) The demand for a poll may be withdrawn at any time by the persons who made the demand.

It may be note that : **In case of private company - Section 109 shall apply unless otherwise specified in respective sections or the articles of the company provide otherwise.; and**

**In case of Specified IFSC Public Company - Section 109 shall apply in case of a Specified IFSC public company, unless otherwise specified in the articles of the company.**

**Procedure for poll at General Meeting**

Documents required :

- A. Polling Paper (**MGT-12**) [Pursuant to **section 109(5)** of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]
  - B. Register of Members, Attendance register (including attendance slip) and proxy forms received (**MGT-11**) Pursuant to **Section 105(6)** of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014
  - C. Board Resolution under section 113 (representative of Body corporate)
  - D. E-voting scrutinizer's report and ballot papers received in pursuance of clause 35B (2) of listed agreement
- Procedure:-
- A. The scrutinizer shall distribute the polling paper to the member and proxies and lock an empty box in their presence.
  - B. After voting, he will open the box in the presence of at least 2 witnesses.

C. He shall count the votes and checks the following things while doing so:

- a. The person voting is member in the register of member during book closure.
- b. The person is present at the meeting, from attendance register.
- c. Validity of signature of person signing, form the specimen signatures.
- d. In case, person voting is a proxy then proxy register and form.
- e. In case member a body corporate, authorization through Board resolution.
- f. In case where e-voting option is also provided technical support should be provided to the scrutinizer for orderly conduct of poll. It should be ensured that member who have voted electronically or who have casted their vote through ballot paper be exercising their right under 35 B(2) of listing agreement, are not exercising their vote again at the general meeting, this can be conformed from e voting
- g. Incomplete polling paper to be taken as invalid.

**Voting through electronic means -Procedure**

In compliance with the provisions of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (Listing Regulations), **Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), and the Secretarial Standard on General Meetings**, the Corporation is providing a facility to all its Members to enable them to cast their vote on the resolutions listed in the Notice by electronic means i.e. remote e-voting prior to the AGM and also during the AGM (for those Members who had not exercised their vote through remote e-voting)

**Remote e-voting**

- The facility for remote e-voting shall remain open for not less than three days and shall close at 5.00 p.m. on the date Preceding the date of the General Meeting.
- During the period when facility for remote e-voting is provided, the members of the company, holding shares either in physical form or in dematerialized form, as on the cut-off date, may opt for remote e-voting.
- Members who have cast their vote electronically may participate at the AGM but shall not be entitled to vote again.

**Postal Ballot**

[**Section 110 and Rule 22 of the Companies (Management and Administration) Rules, 2014**]

**According to section 2(65) of Companies Act, 2013,** "postal ballot means voting by post through any electronic mode. It includes



voting by shareholders by postal or electronic mode instead of voting personally for transacting business in a general meeting. Each item proposed to be passed shall be in the form of a Resolution.

Each item proposed to be passed shall be accompanied by an explanatory statement.

A company shall send notice and draft resolution by register post to all shareholders explaining the reasons and requesting them to send their assent or dissent in writing on a postal ballot.

#### Rule 22 Procedure to be Followed for Conducting Business Through Postal Ballot

As per rule 22(2), the notice shall be sent through - either

- a. Registered post or Speed Post, or
- b. Registered e-mail id or
- c. Courier Service

As per rule 22(3), advertisement shall be published at least once in a vernacular newspaper in the principal language of the district in which the registered office of the company is situated and at least once in English newspaper having wide circulation in the district.

As per rule 22(4), notice of the postal ballot shall also be placed on company website after the notice is sent and shall remain on the website till the last date for receipt of postal ballots.

As per rule 22(6), postal ballot received from the shareholders shall be kept in the custody of scrutiner and after the receipt of assent or dissent of the shareholders in writing in a postal ballot, no person shall deface or destroy the ballot paper or declare the identity of the shareholder.

As per rule 22(10), the scrutiner shall maintain a register either manually or electronically of postal ballot and details of shareholders along with receipt of assent or dissent, however if received in defaced or mutilated form, it shall be considered invalid.

As per rule 22(13), the assent or dissent received after 30 days from the date of issue of notice shall be treated as if reply from the member is not received.

Rule 22(16) pursuant to Sec.110 (1)(a), the following items of business shall be transacted only by means of voting through a postal ballot-

- (a) alteration of the objects clause of the memorandum and in the case of the company in existence immediately before the commencement of the Act, alteration of the main objects of the memorandum;
- (b) alteration of articles of association in relation to insertion or removal of provisions which, under Section 2(68), are required to be included in the articles of a company in order to constitute it a private company;
- (c) change in place of registered office outside the local limits of any city, town or village as specified in Section 12(5);
- (d) change in objects for which a company has raised money from public through prospectus and still has any unutilized amount out of the money so raised under section 13(8);
- (e) issue of shares with differential rights as to voting or dividend or otherwise under Section 43(a)(ii);
- (f) variation in the rights attached to a class of shares or debentures or other securities as specified under section 48;
- (g) buy-back of shares by a company under Section 68(1);
- (h) election of a director under section 151 of the Act;
- (i) sale of the whole or substantially the whole of an undertaking of a company as specified under Section 180(1)(a);
- (j) giving loans or extending guarantee or providing security in excess of the limit specified under Section 186(3).

#### Postal Ballot

Sec. 110. (1) provides that notwithstanding anything contained in the Companies Act, 2013, a company—

- (a) shall, in respect of such items of business as the Central Government may, by notification, declare to be transacted

only by means of postal ballot; and

(b) may, in respect of any item of business, other than ordinary business and any business in respect of which directors or auditors have a right to be heard at any meeting, transact by means of postal ballot, in such manner as may be prescribed, instead of transacting such business at a general meeting.

**Provided that any item of business required to be transacted by means of postal ballot under clause (a), may be transacted at a general meeting by a company which is required to provide the facility to members to vote by electronic means under section 108, in the manner provided in that section. Please note the Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and rules made thereunder on account of the threat posed by Covid-19.**

If a resolution is assented to by the requisite majority of the shareholders by means of postal ballot, it shall be deemed to have been duly passed at a general meeting convened in that behalf.

#### Resolutions of meetings

At the very start let us make our concept clear about two things -

1. Motion; and 2. Resolution

**Motions** are actually proposals mooted in a meeting by member/s or director/s for the purpose of deliberating on them before taking a decision. Motions are not required to be put down in writing as minutes of the meeting.

Motions that are passed in a meeting by the majority of the directors / members are called **Resolution** and those are duly noted in the Minute Book. A Resolution records the general opinion of the Board.

#### Ordinary Resolution

Sec. 114(1) A resolution shall be an ordinary resolution if :

- a the notice required under this Act has been duly given; and
- b it is required to be passed by the votes cast, whether on a show of hands, or electronically or on a poll, as the case may be, in favour of the resolution, (including the casting vote, if any, of the Chairman), by members who are entitled to vote.

The members entitled to vote, may cast vote against the motion :

- in person, or where proxies are allowed,
- by proxy or
- by postal ballot.

#### Special Resolution

Sec 114(2) A resolution shall be a Special Resolution when—

- (a) the intention to propose the resolution as a special resolution has been **duly specified in the notice calling the general meeting** or other intimation given to the members of the resolution;
- (b) the **notice required** under this Act has been duly given; and
- (c) **the votes cast in favour of the resolution**, whether on a show of hands, or electronically or on a poll, as the case may be, by members who, being entitled so to do, vote in person or by proxy or by postal ballot, **are required to be not less than three times the number of the votes, if any, cast against the resolution** by members so entitled and voting.

#### Resolution requiring Special Notice

Sec 115 provides that where, if this Act provides, or if the Articles of a company requires, a resolution shall require a special notice.

1. In that case, **notice of the intention to move such resolution shall be given** to the company by such number of members holding not less than one per cent of total voting power or holding shares on which **such aggregate sum not more than five lakh rupees**, has been paid-up and the company shall give its members notice of the resolution.

The following procedures are also prescribed :

2. The notice referred to in Sec.115(1) shall be sent by members to the company not earlier than three months but at least fourteen days before the date of the meeting at which the resolution is to be moved, **exclusive of the day on which the notice** is given and the day of the meeting.

(3) The company shall immediately after receipt of the notice, **give its members notice of the resolution at least seven days before the meeting** , **exclusive of the day of dispatch of notice and day of the meeting** , in the same manner as it gives notice of any general meetings.

(4) Where it is not practicable to give the notice in the same manner as it gives notice of any general meetings, the notice shall be published in English language in English newspaper and in vernacular language in a vernacular newspaper, both having wide circulation in the State where the registered office of the Company is situated and such notice shall also be posted on the website, if any, of the Company.

(5) The notice shall be published at least seven days before the meeting, **exclusive of the day of publication of the notice and day of the meeting**.



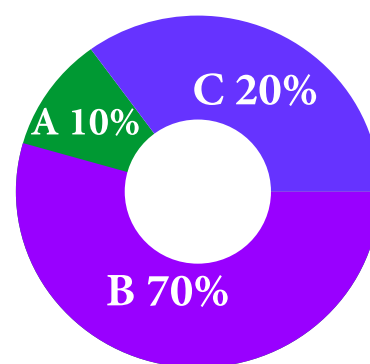


GROUP: I, PAPER: 7

# DIRECT TAXATION (DTX)

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## Your Preparation Quick Takes



### Syllabus Structure

- A** Income Tax Act Basics **10%**
- B** Heads of Income and Computation of Total Income and Tax Liability **70%**
- C** Tax Management, Administrative Procedures and ICDS **20%**



**Learning Objectives:**

- Identify the key concepts and functions of direct tax.
- Know how to calculate income tax provision's.
- Describe how uncertain tax positions are accounted for under the rules.
- Gradually you will come to know how to prepare and file tax returns.

**Capital Gains - Part 1**

1. **Capital Gain:** Profits or gains arising on transfer of a capital asset shall be treated as capital gain.
2. **Capital asset:** Capital asset means any kind of property held by an assessee except Stock in trade (except security held by FII), Personal effect (other than some specified articles), Agricultural land in rural area, 6.5% Gold Bond, 1977, 7% Gold Bonds, 1980, National Defence Gold Bond, 1980, Special Bearer Bond, 1991, Gold Deposit Bond, 1999 and deposit certificates issued under the Gold Monetisation Scheme, 2015.
3. **Short-term Capital Asset:** Capital asset held by an assessee for *not more than 36 months*.  
Exception
  - a. Listed equity or preference shares, any listed security, units of UTI, units of equity oriented mutual funds or Zero coupon bond, the asset will be termed as a short-term capital asset if it is held for *not more than 12 months*
  - b. Unlisted shares of a company and immovable property being land or building or both, will be termed as a short-term capital asset if it is held for *not more than 24 months*
4. **Long-term Capital Asset:** Capital asset, which is not a short-term capital asset, is long-term capital asset.
5. **Transfer:** Transfer in relation to a capital asset includes a) Sale b) Exchange c) Relinquishment of the asset d) Extinguishment of any right in an asset e) Compulsory acquisition of an asset under any law f) Conversion of asset into stock-in-trade by the owner g) Any transaction of immovable property u/s 53A of the Transfer of Property Act, 1882 h) Any transaction, which has the effect of transferring or enabling the enjoyment of any immovable property i) Maturity or redemption of zero coupon bond.
6. Transactions not regarded as transfer: **Certain transactions are not considered as transfer, most importantly:**
  - (a) Distribution on liquidation by a company to its shareholders shall not be treated as transfer in hands of company.
  - (b) Distribution on the total or partial partition of an HUF.
  - (c) Transfer under a gift or will or an irrevocable trust, except gift of shares acquired through ESOP.
  - (d) Transfer by a 100% holding company to its Indian subsidiary company, and vice versa.
  - (e) Transfer, in a scheme of amalgamation, by the amalgamating company to the amalgamated company if the amalgamated company is an Indian company.
  - (f) Transfer, in a scheme of amalgamation, of share held in an Indian company, by the amalgamating foreign company to the amalgamated foreign company, subject to certain conditions.
  - (g) Any transfer, in a scheme of amalgamation of a banking company with a banking institution sanctioned and brought into force by the Central Government of a capital asset by the banking company to the banking institution.
  - (h) Transfer, in a scheme of demerger, by the demerged company to the resulting Indian company.
  - (i) Transfer, in a scheme of demerger, of share held in an Indian company, by the demerged foreign company to the resulting foreign company, subject to certain conditions.
  - (j) Transfer or issue of shares by the resulting company to the shareholders of the demerged company in consideration of demerger of the undertaking.
  - (k) Transfer by a shareholder, in a scheme of amalgamation, of share(s) held by him in the amalgamating company, if it has been made in consideration of shares in the amalgamated company, and the amalgamated company is an Indian company.
  - (l) Transfer of foreign currency convertible bonds or GDR by a non-resident to another non-resident.
  - (m) Any transfer, made outside India, of a capital asset being rupee denominated bond of an Indian company issued outside India, by a non-resident to another non-resident
  - (n) Any transfer of a capital asset, being (a) bond or Global Depository Receipt referred to in sec. 115AC(1); or (b) rupee denominated bond of an Indian company; or (c) derivative; or (d) other notified securities, - made by a non-resident on a recognised stock exchange located in any International Financial Services Centre provided the consideration for such transaction is paid or payable in foreign currency
  - (o) Transfer of Government Security carrying a periodic payment of interest, made outside India through an intermediary dealing in settlement of securities, by a non-resident to another non-resident
  - (p) Redemption of Sovereign Gold Bond issued by the Reserve Bank of India under the Sovereign Gold Bond Scheme, 2015, by an individual
  - (q) Transfer of a work of scientific or art collection, manuscript, etc. to the Govt. or a University or National Museum, etc.
  - (r) Transfer by way of conversion of bonds or debentures into shares or debentures of that company.
  - (s) Any transfer by way of conversion of preference shares of a company into equity shares of that company
  - (t) Transfer by a firm to a company as a result of succession of the firm by a company subject to certain conditions.
  - (u) Transfer to a company in the course of corporatisation of a recognised stock exchange in India.



- (v) Transfer of a membership right of a recognised stock exchange in India for acquisition of shares and trading or clearing rights in accordance with a scheme for demutualisation.
- (w) Transfer by a sole proprietary concern / firm to a company as a result of succession of the proprietary concern / firm by a company subject to certain conditions.
- (x) Transfer by a private company or unlisted company to LLP as a result of succession subject to certain conditions.
- (y) Transfer of share of a special purpose vehicle (referred to in sec. 10(23FC)) to a business trust in exchange of units allotted by that trust to the transferor.
- (z) any transfer by a unit holder of a capital asset, being a unit or units, held by him in the consolidating plan of a mutual fund scheme, made in consideration of the allotment to him of a capital asset, being a unit or units, in the consolidated plan of that scheme of the mutual fund
7. **Deemed or Notional Cost of Acquisition (COA):** In the following cases, COA of the previous owner of the property shall be deemed to be the COA for the assessee: a) Assets received on partition of HUF b) Assets received under a gift or will c) Assets received by succession, inheritance d) Assets received on liquidation of a company e) Assets received under a trust f) Assets received by a 100% Indian subsidiary company from its holding company or vice versa g) Assets received by an amalgamated Indian company from the amalgamating company h) Asset received by an HUF from its member i) Assets acquired by a banking institution on amalgamation with banking company and brought into force by the Central Government, etc. Further, where capital gain arises from the transfer of a property covered u/s 56(2)(x), the cost of acquisition of such property shall be deemed to be the value which has been taken into account for the purposes of sec.56(2)(x)  
In case of capital gain arises from the transfer of an asset declared under the Income Declaration Scheme, 2016, and the tax, surcharge and penalty have been paid (as the Scheme) on the fair market value of the asset as on the date of commencement of the Scheme, the cost of acquisition of the asset shall be deemed to be the fair market value of the asset which has been taken into account for the purposes of the said Scheme.
8. Computation of Capital Gain: Computation of capital gain of \_\_\_\_\_ for the Assessment Year .....

Particulars	Details	Amount
Sale consideration (Full value of consideration)		****
Less: Expenses on transfer		****
Net sale consideration		****
Less: i) Cost of acquisition / Indexed cost of acquisition	****	
ii) Cost of improvement / Indexed cost of improvement	****	****
<b>Short / Long Term Capital Gain</b>		****
Less: Exemption u/s 54, 54B, 54D, 54EC, 54EE, 54F, 54G, 54GA & 54GB		(****)
<b>Taxable Short / Long Term Capital Gain</b>		****

9. **Computational Notes:**

- (a) If an asset is acquired before 1/4/2001 then its cost of acquisition will be higher of a) Actual cost of acquisition; or b) Fair market value of the asset as on 1/4/2001. In such case, indexation benefit shall be available from the year 2001-02. Further, it is to be noted that in case of a capital asset, being land or building or both, the fair market value of such an asset on 01-04-2001 shall not exceed the stamp duty value of such asset as on 01-04-2001 where such stamp duty value is available.
- (b) Cost of improvement incurred before 1/4/2001 is to be ignored.
- (c) Where an asset is acquired through any mode specified in sec. 49(1), then indexation benefit shall be available from the year when the current owner first held the property.
- (d) Where an asset is acquired through any mode specified in sec. 49(1), then indexation benefit shall be available from the year when the improvement expenditure incurred whether by current owner or by the previous owner.
- (e) In case of a) Debenture or Bonds (other than capital indexed bonds and Sovereign Gold Bond issued by the Reserve Bank of India under the Sovereign Gold Bond Scheme, 2015) b) Global Depository Receipt c) Slump sale indexation benefit is not available
- (f) If transferor commits default and transferee receives any compensation then compensation received shall be chargeable to capital gain in the hands of transferee.
- (g) Where capital asset, being share of a company other than a quoted share, is transferred for a consideration which is less than the fair market value of such share, the fair market value shall be deemed to be the full value of consideration [Sec. 50CA]



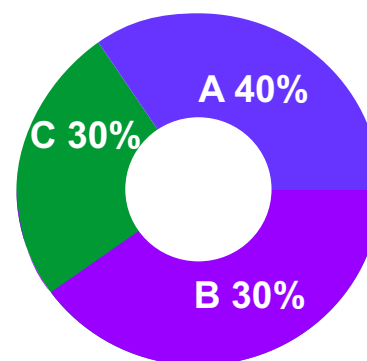
**GROUP: I, PAPER: 8**

# **COST ACCOUNTING**

**(CAC)**

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## Your Preparation Quick Takes



### Syllabus Structure

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

**Learning Objectives:**

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

**COST ACCOUNTING**

The topic Cost Accounting is very vast and varied. A manager cannot avoid decision making even if the decision is to be nothing in a particular situation. Every decision making is focused towards a target goal and without sufficient data decision will lack purpose. An effective decision consumes minimum amount of resources to achieve the desired target. During present days we are leaving in a competitive world where there is also scarcity of natural resources. The urgent need of the day is to utilize the resources efficiently. The roll of Cost Accountants in this regard plays a vital role all over the world. Starting as a branch of Financial Accounting, Cost Accountancy has made a remarkable progress during the last few decades.

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

Some important **suggestions** are given based on my long term experience -

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

The main purpose of our study, Paper - 8 are : --

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

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

The third chapter is concerned with Cost Book-keeping, which includes integrated accounting system also. This chapter is very easy to understand but the process is lengthy. In practice, different accounts are to be opened, but it is not necessary to give much effort to complete its solution.

The next chapter is associated with Contract Costing. This method of Costing viz., Job/Batch/Contract is very much essential and important for the purpose of Intermediate Examinations. Students often face difficulty in recommending the profits to be taken into account in case of incomplete contract. There are some standard norms for computation and recognition of profit /loss of incomplete contract. Students sometimes experience difficulty in recommending the amount of profit to be taken into account during a period for long-term contract. Make sure that you are familiar with various methods/formulas for different stage of completion and share of







(vii) C  
(xiii) F(viii) F  
(xiv) C(ix) F  
(xv) F(x) F  
(xvi) C(xi) C  
(xvii) F

(xii) F

Sometimes service costs are used for decision purpose. In such a case, the decision has to be taken on the basis of unit service cost, when the total units remain constant under different alternatives. But if units are subject to fluctuation from alternative to alternative, decision will be on the basis of total service costs, i.e. total service costs under each of the alternatives should be considered. And the alternative having least cost should be the profitable one.

**Problem**

Suresh has been promised a contract to run a tourist car on a 20 km. long route for the chief executive of a multinational firm. He buys a car costing Rs. 1,50,000. The annual cost of Insurance and taxes are Rs. 4500 and 900 respectively. He has to pay Rs. 500 per month for a garage where he keeps the car when it is not in use. The annual repair cost is estimated at Rs. 4000. The car is estimated to have a life of 10 years at the end of which scrap value is likely to be Rs. 50,000. He hires a driver who is to be paid Rs. 300 per month plus 10 % of taking as commission. Other incidental expenses are estimated at Rs. 200 per month.

Petrol and oil will cost Rs. 100 per 100 kms. The car will make four round trips each day. Assuming that a profit of 15 % on taking is desired and that the car will be on the road for 25 days on an average per month, what should he charge per round trip?

**Solution**

Statement showing Operating Cost of the Tourist car owned by Suresh per month.

	Amount	
	Rs.	Rs.
(A) Variable expenses :		
Petrol and oil cost @ Rs. 100 per 100 kms. ( <u>Rs. 100</u> × 4000 kms )		4000
	100 kms	
(B) Standing charges :		
Insurance ( Rs. 4500 / 12 months )		
Taxes ( Rs. 900/ 12 months )		
Garage rent		
Repair cost ( Rs. 4000/12 months )		
Depreciation ( Working - b )		
Driver fixed salary		
Incidental expenses		
Total standing charges of the month	375	
(C) Total operating cost excluding driver's commission		2617
Add : Driver commission @ 10 % of the taking ( Working -c)	75	6617
(D) Total operating cost of the tourist car	500	882
Add : Profit of Suresh @ 15% on taking ( Working - c )	334	7499
(E) Total taking of the month	833	1324
	300	8823
	200	100
(F) Total no. of round trips in a month ( 4 round trips each day ) 4 × 25 days		88.23
(G) Charge per trip ( E/F )		

Workings : (a) Total km run = 20 km × 2 times × 4 trips × 25 days = 4000 km.

(b) Depreciation of the car per month

= ( Cost price - Scrap value ) / Life of the car = ( Rs. 150000 - 50000 ) / 10 Years × 12 = Rs. 833

1. (c) Calculation of drivers' commission and profit are made in the following manner :

Gross taking	Commission	Profit	Net taking
Rs. 100	Rs. 10	Rs. 15	Rs. 75
Rs. X	Rs. Y	Rs. 6617	

$$X = (6617 \times 10) / 75 = \text{Rs. } 882$$

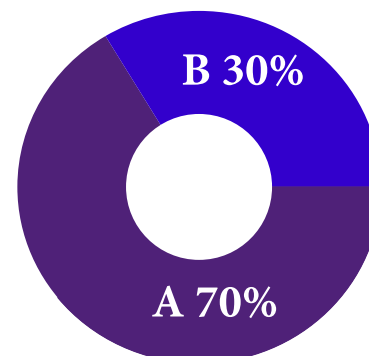
$$Y = (6617 \times 15) / 75 = \text{Rs. } 1323$$



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

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# Your Preparation Quick Takes



### Syllabus Structure

A Operations Management 70%  
B Strategic Management 30%

## Learning Objectives:

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

## Operations Management

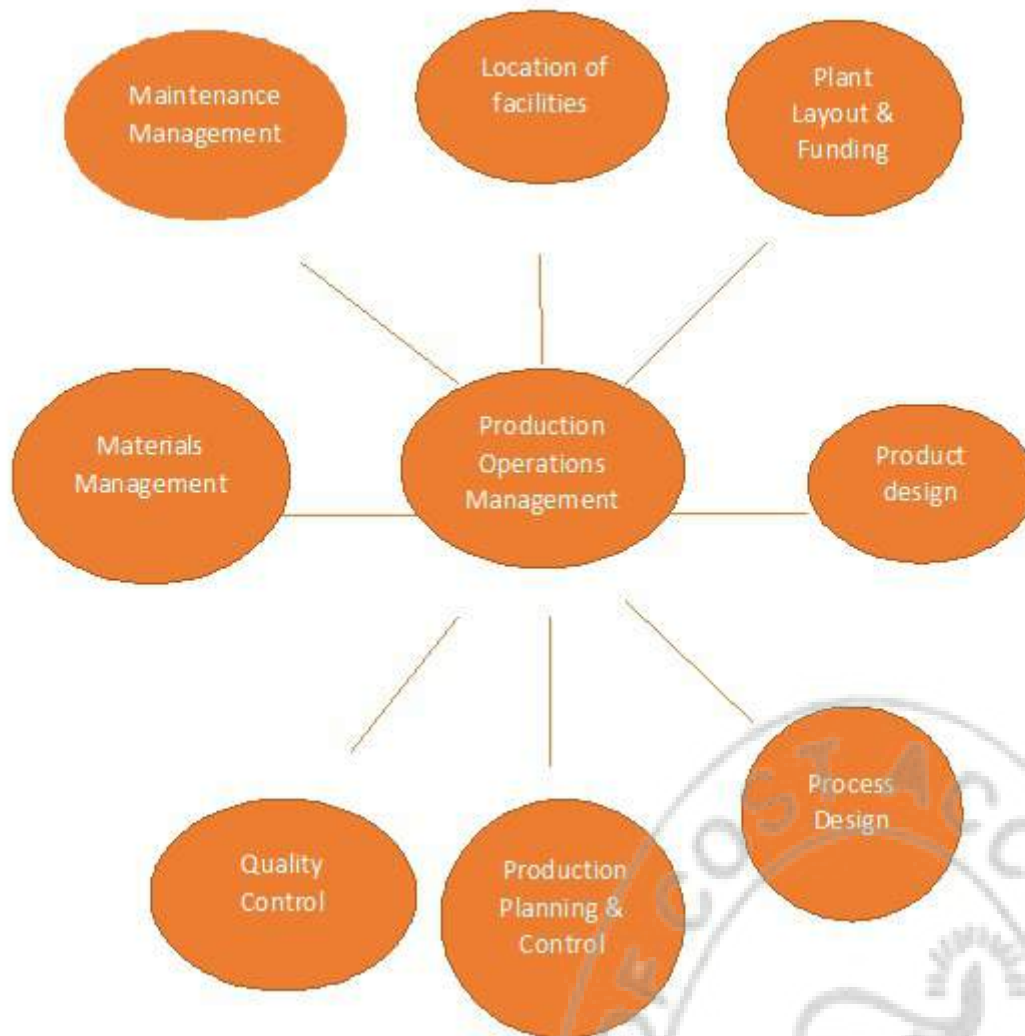
In this issue we will discuss MCQ, True/False, short answer type questions etc.

Choose Correct Answer:

- Q1.**  
Configuration of resources combined for the provision of goods or services is known as:
- Productive System;
  - Operating System;**
  - Service System;
  - Operations Management;
- Q2.**  
Decisions regarding the facility location and process technology selection are undertaken once:
- An organisation decided to increase its production;
  - An organisation decided to introduce new products into the market;
  - An organisation determine the need for new or expanded facilities;**
  - An organisation decided to increase the volume of production;
- Q3.**  
Processing time for 5 number of jobs A, B, C, D, E is 2hr, 7hr, 6hr, 11hr, and 4hr respectively. The SPT schedule is:
- (A,E,C,B,D);
  - (D,B,C,E,A);
  - (B,D,A,E,C);
  - (A,E,C,B,D);**
- Q4.**  
Under this technique a a given system is copied and the variables and constants associated with it are manipulated in that artificial environment to examine the behavior of the system. The technique is:
- Linear Programming;
  - Assignment;
  - Simulation;**
  - Transportation;
- Q5.**  
Large values of this operating characteristics of queuing system are indicative of the need to make adjustment in the capacity. This operating characteristic is:
- Total time in the system;**
  - Waiting time in the queue;
  - Length of system;
  - Length of queue;
- Q6.**  
Scheduling depends upon a number of factors. Which one is not a factor?
- The method of production;
  - Quantity of Production;
  - Quality of raw material**
  - Routing.
- Q7.**  
Processing Time to weight ratio of five jobs 1,2,3,4,5 is 41,14,20,24,15.31 respectively. Weighted mean flow time is minimized if the sequence is
- 1,2,3,4,5;
  - 1,4,3,5,2;
  - 2,3,4,5,1;
  - 2,5,3,4,1;**
- Q8.**  
The three aspects of Customer Service-an objective of Operations Management are
- Specification, Cost & Timing;**
  - Specification, Cost & Resources;
  - Capital, Cost, Resources;

d) Capital, Land & Information;

Q9.



The given figure above is showing the scope of Production & Operations Management. Which one is not the scope of production & operations management?

- a) Process Design;
- b) Materials Management;
- c) Quality control;
- d) Plant Layout & funding;**

Q10.

This is a technique companies are employing to gain competitive advantage. This involves drastic measures or break through improvements to improve the performance of a firm. It involves the concept clean slate approach. This is

- a) Corporate Downsizing;
- b) Total Quality management;
- c) Business process reengineering;**
- d) Flexible manufacturing system;

Q11.

Average sales of a company for the last 7 years from year 2001 to 2007 is 90000 units and rate of growth of sales is 2000 units. The trend sales values for year 2008 is

- a) 98000 units;**
- b) 100000 units;
- c) 102000 units;
- d) 104000 units;

Q12.

Capacity planning involves several activities. Which one of the following is not an activity in capacity planning-

- a) Forecasting the long range future capacity needs;
- b) Identifying sources of capacity for future needs;
- c) Assessing the capacity of competitors;**
- d) Evaluating the alternative sources of capacity;

Q13.

For a given production facility, there is an optimum volume of output per year that results in the least average unit cost. This level of output is called:

- a) The "best operating level" of the plant;**
- b) The "best production level" of the plant;
- c) The "best level capacity" of the plant;
- d) The "best matching capacity" of the plant;

Q14.

Say Yes or No on the following queries:



- a) Does lean production systems use minimal amounts of resources to produce a high volume of high quality goods with some variety?
- b) Is capacity of a firm, producing different products, expressed as the rate of output?
- c) Is Level Capacity plan based in "production -to-stock and sell" approaches?
- d) Are additional machines added to bottleneck work-centre to increase the capacity of the bottleneck work-centre?
- e) Does the change in output of an existing plant of certain installed capacity not affect the production costs?

Ans:

- a) Yes.
- b) No.
- c) Yes.
- d) Yes.
- e) No.

Q15.

Say true or false:

- a) Multiple Shift operation does not influence effective plant capacity.
- b) Plant and labour efficiency are very much essential to arrive at realistic capacity planning.
- c) The over capacity of plant is preferred when there is economic capacity size below which it is not economical to operate the plant.
- d) Selection of the locality or community is a step in choosing a plant location.
- e) An effective layout can help an organisation to achieve a strategic advantage that supports flexibility even with incurrence with high costs.
- f) The type of operations carried out in a firm has no role in determining plant layout requirements.
- g) Location of the plant determines mode of transportation from and into the plant.
- h) Network graph is a set of operations and activities describing the time orientation of a composite project.
- i) The problem with Critical Path Method is that the sequence of operations of a project or the earliest possible date for the completion of the project as a whole cannot be ascertained.
- j) CPM is a deterministic model that does take into account variation in the completion time, so only one number is used for an activity's time estimate.

Ans:

- a) False.
- b) True.
- c) True.
- d) True.
- e) False.
- f) False.
- g) True.
- h) True.
- i) False.
- j) False.

Choose Correct Answer:

Q16.

This system of maintenance locates weak parts in all equipment, provides them regular inspection and minor repairs thereby reducing the danger of unanticipated breakdowns. It is

- a) Breakdown maintenance;
- b) Preventive Maintenance;**
- c) Routine Maintenance;
- d) Spare maintenance.

Q17.

Under preventive maintenance  $(\text{Inspections incomplete} / \text{Inspections scheduled}) \times 100$  should be

- a) equal to 1;
- b) less than 1;
- c) less than 10%;**
- d) less than 5%;

Q18.

Say True or False

- a) Preventive maintenance policy is justified only when the average downtime and its cost is equal than the average time taken to carry out breakdown repairs.
- b) A machine is technically obsolete when it becomes unrepairable.
- c) Any function aimed at bringing back or restore an item to its original or acceptable position or to keep it and retain its healthy, workable position is known as Maintenance.
- d) Ensuring specified accuracy to products and time schedule of delivery to customers are one objectives of maintenance.

- e) Spare parts management system schedule forthcoming major maintenance services.  
 f) Preventive maintenance is very important as it eliminates breakdown failure 100%.  
 g) A spare held in inventory but expected not to use it in the normal life of the plant & equipment is known as buffer spare.

Ans:

- a) False.  
 b) False.  
 c) True.  
 d) True.  
 e) True.  
 f) False.  
 g) False.

Q19.

Match the item in Column I with that in Column II

Column I	Column II
a) Regular Spares	i) Spare parts which although acknowledged to have a long life or a small chance of failure would cause a long shutdown of equipment because of considerable delay to get replacement
b) Rotable Spares	ii) Spare parts required regularly and in substantial number
c) Capital Spares	iii) Spare parts that are held in inventory but is not expected to be used in the normal life of the plant and equipment but if not available when needed would result in significant losses.
d) Insurance Spares	iv) Generally thought of as items of plants or assets that periodically are changed out for repair or overhaul

Ans:

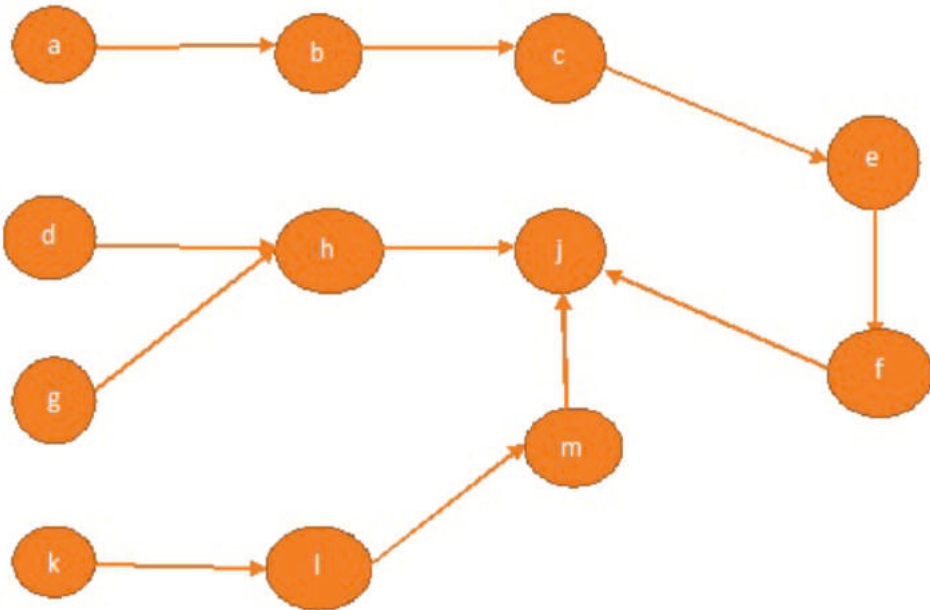
a)/ii), b)/iv), c)/i), d)/iii) Page 182

Q20.

The following table shows a list of assembly tasks with sequence restriction and performance times. Construct a precedence diagram for the assembly.

Task	Performance time, Minutes	Task must follow task listed below
a	5	-
b	2	a
c	5	b
d	3	-
e	4	c
f	5	e
g	2	-
h	3	dg
j	5	h,f,m
k	2	-
l	3	k
m	4	l

Ans



Q21. PDSA stands for

- (a) **Plan Do Study Act**
- (b) Produce Develop Sale Augment
- (c) Product Developers Scientific Association
- (d) Procure Develop Sourcing Administration

Q22. A device of expressing the ratio between outputs and the inputs of the resources in numerical terms is named

- (a) **Productivity Index**
- (b) Efficiency Index
- (c) Performance Index
- (d) Resource Index

Q23. Productions and Operations Management distinguishes itself from other functions such as personnel, marketing, finance, etc. mainly by its primary concern

- a) Conversion by using intellectual properties of a concern
- b) Conversion by using physical resources;**
- c) Conversion by using services provided by other functions;
- d) Conversion by using machineries;

Q24. Which one of the following is correct?

- (a) Capacity is the maximum amount of output a productive unit could produce within a stated limit
- (b) Capacity is the maximum amount of output a productive unit could produce within a stated factor
- (c) Capacity is the maximum amount of output a productive unit could produce within a stated time.**
- (d) Capacity is the maximum amount of output a productive unit could produce within a stated parameter.

Q25. This denotes the highest output established by the actual trial runs of the productive machines installed. This is

- (a) Design capacity
- (b) Rated capacity**
- (c) Effective capacity
- (d) Licensed capacity

**Suggestions:**

The study notes need to be read thoroughly. Supplementary readings could be made from other resources. One can refer Modern Production/Operations Management by Buffa and Sarin. Attempts here are made to show some examples on objective parts of the paper in Intermediate examination. Questions and solutions are made purely from guide book on the paper 9- Operations Management & Strategic Management written and issued by Institute on Syllabus -16. Students should attempt Numerical parts of the study note on their own instead of memorizing.  
Best Wishes

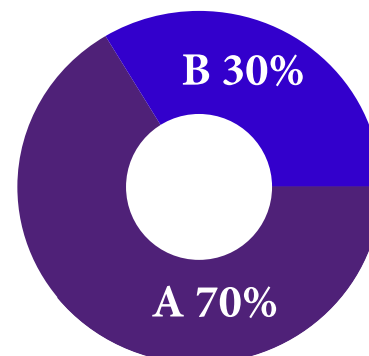




GROUP: II, PAPER: 9, Part- ii  
**OPERATIONS**  
MANAGEMENT & STRATEGIC  
MANAGEMENT (OMSM)  
Strategic Management

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# Your Preparation Quick Takes



### Syllabus Structure

A Operations Management 70%  
B Strategic Management 30%

**Learning Objectives:**

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

**STRATEGIC MANAGEMENT**

1. The origins of Strategic Management can be retraced to \_\_\_\_\_

- A. 1930
- B. 1911
- C. 1879
- D. 1938

**Answer: B-1911**

2. Strategic management is an important part of any business which helps with \_\_\_\_\_ formulation and business decisions

- A. Strategy
- B. Tactics
- C. Procedure
- D. Marketing

**Answer: A-Strategy**

3. Strategy is \_\_\_\_\_

- A. Completely Proactive & Completely Reactive
- B. Partly Proactive & Partly Reactive
- C. Neither Proactive nor Reactive
- D. Proactive Only

**Answer: B-Partly Proactive & Partly Reactive**

4. Which of the following is not part of the micro environment?

- A. Technology
- B. Shareholders
- C. Competitors
- D. Publics

**Answer: A-Technology**

5. What does Stars symbolize in BCG matrix?

- A. Introduction
- B. Growth
- C. Maturity
- D. Decline

**Answer: B-Growth**

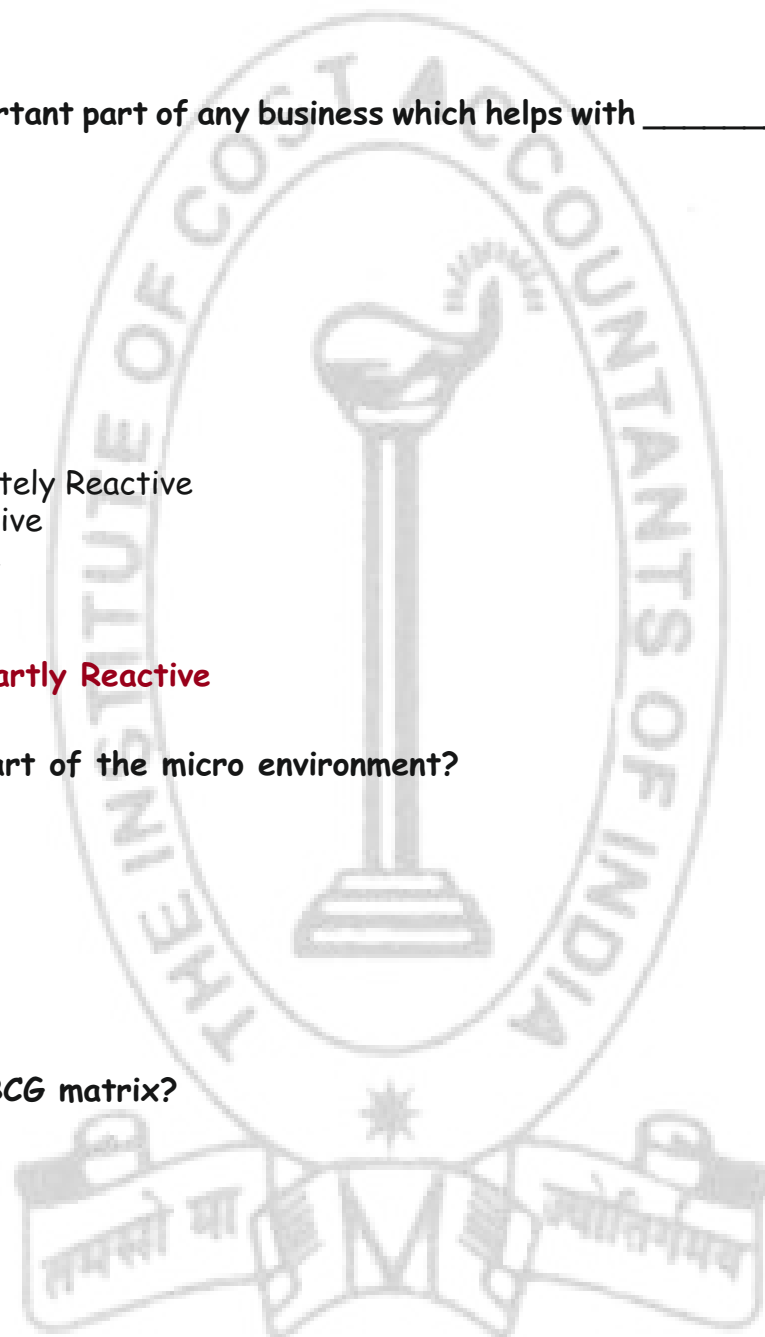
6. In strategic management, SWOT stands for \_\_\_\_\_

- A. Strength, Weakness, Opportunity, Thread
- B. Strength, Weakness, Opportunity, Threat
- C. Strong, Weak, Open, Transparent
- D. Strategic Weapons for Worldwide Tactics

**Answer: B. Strength, Weakness, Opportunity, Threat**

7. A typical dictionary will define the word \_\_\_\_\_ as something that has to do with war and ways to win over enemy.

- A. Business
- B. Policy
- C. Management
- D. Strategy



**Answer: D. Strategy**

8. The acquisition of a business that operates in the same industry is known as \_\_\_\_\_
- Internal Integration
  - Horizontal Integration
  - External Integration
  - Vertical Integration

**Answer: B. Horizontal Integration**

9. "V" in VUCA stands for \_\_\_\_\_
- Viability
  - Volatility
  - Violent
  - Vicinity

**Answer: B- Volatility**

10. Full form of VUCA is Volatility, Uncertainty, Complexity, and \_\_\_\_\_
- Ambition
  - Anxiety
  - Am bivalency
  - Ambiguity

**Answer: D-Ambiguity**

11. Market penetration strategy can be executed by \_\_\_\_\_
- Decreasing Prices
  - Increasing Prices
  - Increasing Margin
  - Producing at mass level

**Answer: A- Decreasing Prices**

12. The GE 9 cell model is based on \_\_\_\_\_
- Industry attractiveness & Business Strength
  - Industry Growth rate & Business strength
  - Industry Attractiveness & Relative market share
  - Industry Growth & Relative market share

**Answer: A- Industry attractiveness & Business Strength**

13. Low cost, Differentiation and Focus are examples of \_\_\_\_\_
- Corporate strategies
  - Operational Strategies
  - Business Strategies
  - Functional Strategies

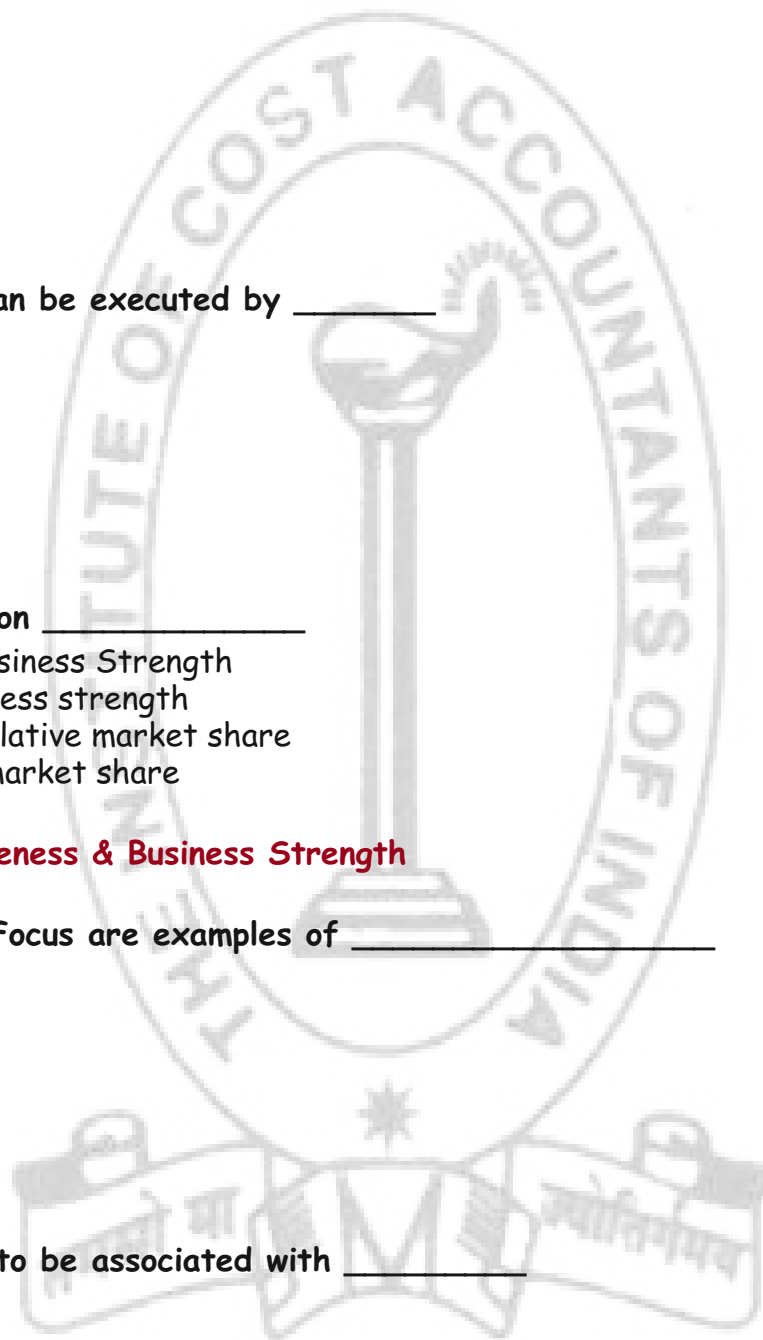
**Answer: C- Business Strategies**

14. The word tactic is most likely to be associated with \_\_\_\_\_
- Business Strategy
  - Corporate strategy
  - Operational Strategy
  - All of the above

**Answer: C- Operational Strategy**

15. The three organizational levels include \_\_\_\_\_
- Corporate level
  - Business level
  - Functional level
  - All of the above

**Answer: D- All of the above**







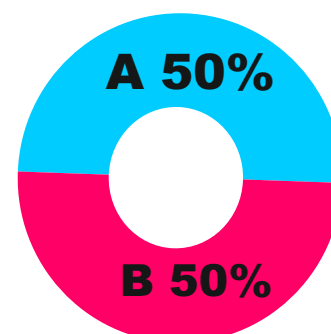
GROUP: II, PAPER:10

# COST & MANAGEMENT

ACCOUNTING AND FINANCIAL  
MANAGEMENT(CMFM)

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## Your Preparation Quick Takes



### Syllabus Structure

A Cost & Management Accounting 50%

B Financial Management 50%

**Learning Objectives:**

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

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

The following particulars are available from the cost records of a company :-

Material	Standard	Actual
A	90 units @ Rs.12	100 units @ Rs.12
B	60 units @ Rs.15	50 units @ Rs.16

What shall be the :-

- 1) Standard Cost of Production : (a) Rs.1970 (b) Rs.1980 (c) Rs.1990 (d) Rs.2000
- 2) Standard Cost of Std Mix : (a) Rs.2000 (b) Rs.1990 (c) Rs.1980 (d) Rs.1970
- 3) Standard Cost of Actual Quantity (SC of AQ) : (a) Rs.1920 (b) Rs.1930 (c) Rs.1940 (d) Rs.1950
- 4) Price Variance : (a) Rs.50 A (b) Rs.50 F (c) Rs.60 A (d) Rs.60 F
- 5) Usage Variance : (a) Rs.25 A (b) Rs.25 F (c) Rs.30 F (d) Rs.30 A
- 6) Mix Variance in respect of Material A : (a) Rs.120 F (b) Rs.120 A (c) Rs.130 A (d) Rs.130 F
- 7) Mix Variance in respect of Material B : (a) Rs.140 F (b) Rs.140 A (c) Rs.150 A (d) Rs.150 F
- 8) Yield Variance : (a) Rs.20 F (b) NIL (c) Rs.30 A (d) Rs.30 F

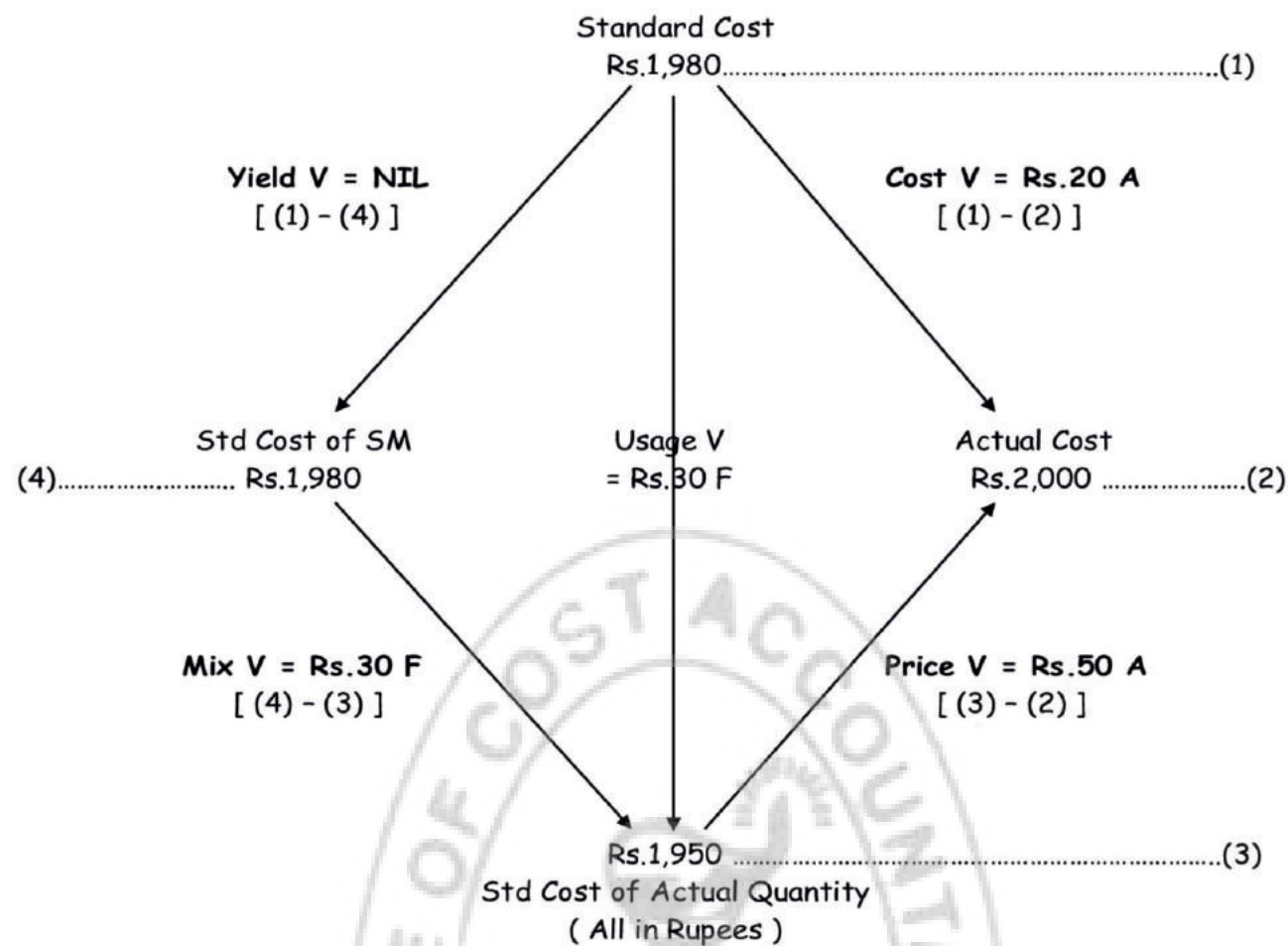
**Answer :**

- |                 |                |                 |
|-----------------|----------------|-----------------|
| 1) (b) Rs.1980  | 2) (c) Rs.1980 | 3) (d) Rs.1950  |
| 4) (a) Rs.50 A  | 5) (c) Rs.30 F | 6) (b) Rs.120 A |
| 7) (d) Rs.150 F | 8) (b) NIL     |                 |

**Steps for Solution through diagram :**

- 1) Draw diagrams as shown in respect of each Question.
- 2) Put the given data as well as data derived from the Working Notes in the appropriate places of the diagrams as specified.
- 3) Start connecting the same in the way embodied therein.
- 4) The requisite Variances will emerge automatically.
- 5) In case of any difficulty, please have a look to the **Solutions through diagrams** at the end of this e-bulletin.



Solution with Working Notes :

Material Mix Variance = Rs.30 F

$$\left. \begin{array}{l} = \text{Std Cost of Standard Mix (-) SC of AQ used} \\ A : 1,080 - 1,200 = 120 \text{ A} \\ B : 900 - 750 = 150 \text{ F} \end{array} \right\}$$

Working Notes :

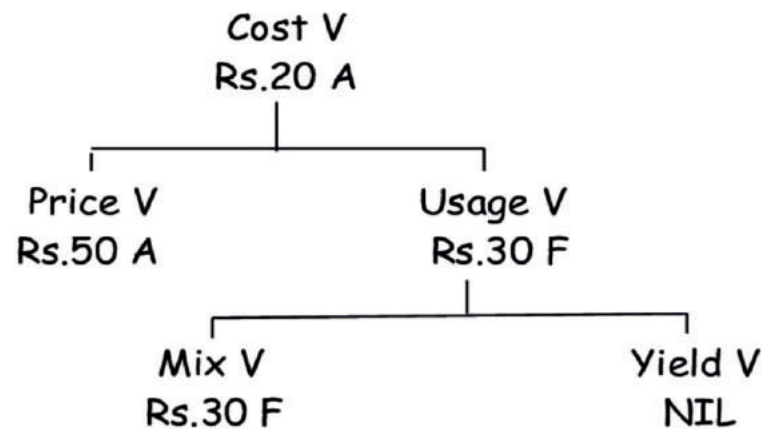
Standard Cost / Std Cost of Std Mix			
Material	Qty (Units)	Rate (Rs.)	Amount (Rs.)
A	90	12	1080
B	60	15	900
	150		1980
Actual Cost			
A	100	12	1200
B	50	16	800
	150		2000
Std Cost of AQ used			
A	100	12	1200
B	50	15	750
	150		1950

Note :

- Since Standard Input Mix (150 units) is same as Actual Input Mix (150 units), Std Cost of Revised Standard Quantity is not required to be computed.
- Std Cost of Std Mix is same as Std Cost.
- Output is not specified.
- Obviously, Yield Variance is NIL.

RECONCILIATION :





**Question No. - 2 (Material)**

The following information is given regarding a standard product.

	Standard			Actual		
	Qty. (Kg.)	Unit Price	Total Rs.	Qty. (Kg.)	Unit Price	Total Rs.
Material A	4	1.00	4.00	2	3.50	7.00
Material B	2	2.00	4.00	1	2.00	2.00
Material C	2	4.00	8.00	3	3.00	9.00
<b>Total</b>	<b>8</b>		<b>16.00</b>	<b>6</b>		<b>18.00</b>

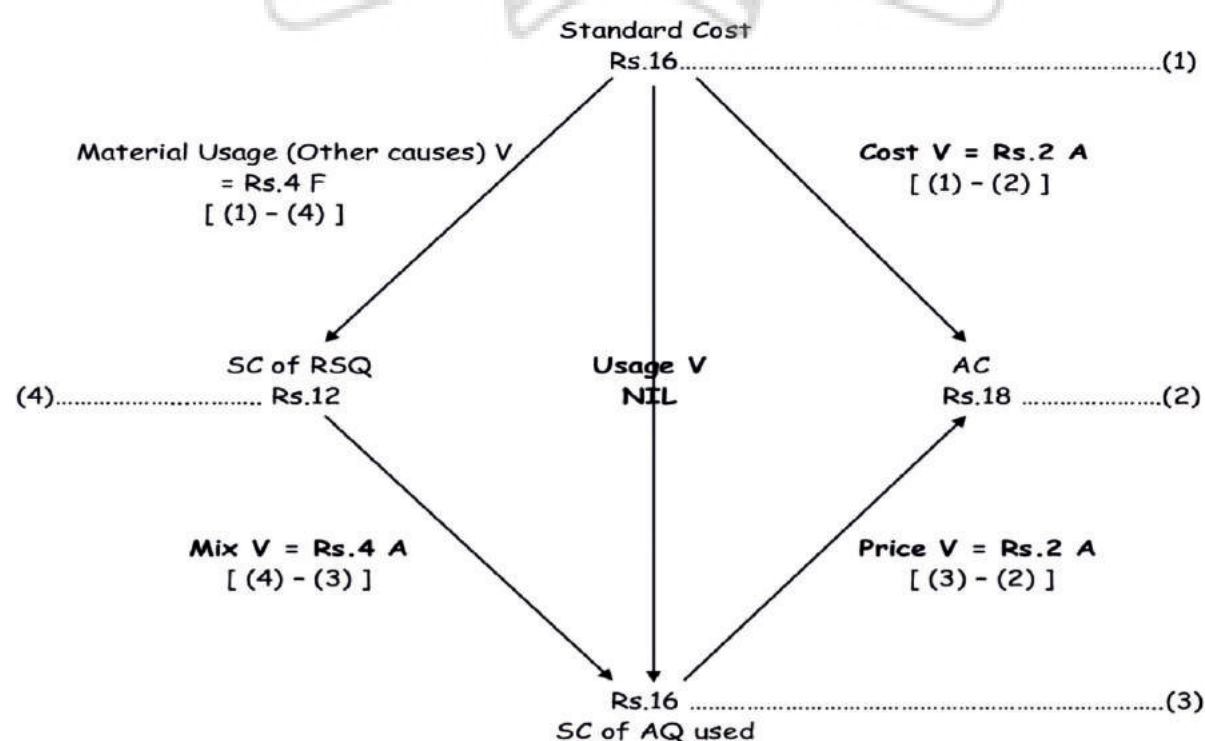
What shall be the :-

- Standard Cost (SC) of Actual Quantity (AQ) used : (a) Rs.13 (b) Rs.14 (c) Rs.15 (d) Rs.16
- Std. Cost (SC) of Revised Standard Quantity (RSQ) : (a) Rs.12 (b) Rs.13 (c) Rs.14 (d) Rs.15
- Material Price Variance : (a) Rs.3 F (b) Rs.3 A (c) Rs.2 F (d) Rs.2 A
- Material Mix Variance : (a) Rs.4 A (b) Rs.4 F (c) Rs.3 A (d) Rs.3 F
- Material Usage (Other causes) Variance : (a) Rs.5 A (b) Rs.5 F (c) Rs.4 F (d) Rs.4 A
- Material Usage Variance : (a) Rs.4 A (b) Rs.4 F (c) Rs.3 F (d) Rs.NIL

**Answer :**

- (d) Rs.16
- (a) Rs.12
- (d) Rs.2 A
- (a) Rs.4 A
- (c) Rs.4 F
- (d) Rs.NIL

**Solution with Working Notes :**



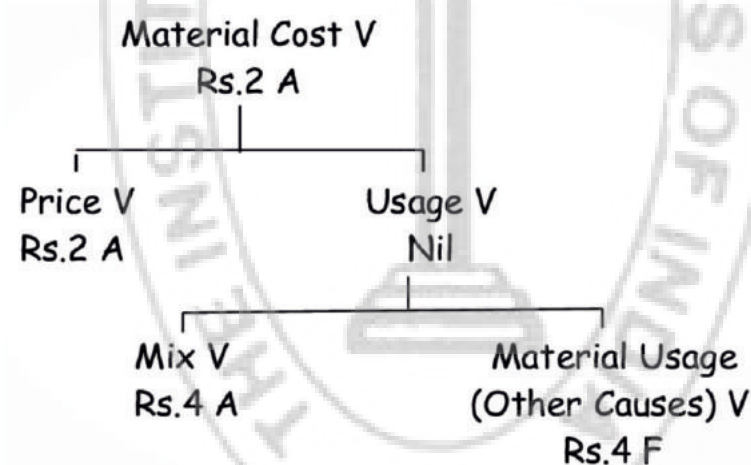
Working Notes :

Standard Cost of Actual Quantity used			
Material	Qty. (Kg.)	Rate (Rs.)	Amount (Rs.)
A	2	1	2
B	1	2	2
C	3	4	12
	6		16

Since Standard Input mix (8 Kg) and Actual Input Mix (6 Kg.) are not equal, Std Cost of Revised Standard Quantity is to be computed.

Std Cost of RSQ				
Mat.	Std proportion of Actual quantity	RSQ (Kg)	SR (Rs.)	Amount (Rs.)
A	6 x 4/8 i.e.	3	1	3
B	6 x 2/8 i.e.	1.5	2	3
C	6 x 2/8 i.e.	1.5	4	6
		6		12

Note : Std Cost ( - ) Std Cost of RSQ is assumed as material usage (Other causes) V instead of Yield Variance, since output is not specified in this problem.

RECONCILIATION :Tutorial Note :

Reason for the difference in treatment in respect of Question 1 and Question 2 needs to be understood. In the solution to Q.No.1 at point No. (4) Standard Cost of Standard Mix is the appropriate component whereas in Q No. 2 Std Cost of Revised Std Qty (SC of RSQ) is pertinent as at point No. (4).

Question No. - 3 (Comprehensive)

TQM Ltd. has furnished the following information for the month ending 30<sup>th</sup> September, 2021 :

	Budget	Actual	Variance
Unit produced and sold	80,000	72,000	
Sales (Rs.)	3,20,000	2,80,000	40,000 (A)
Direct material (Rs.)	80,000	73,600	6,400 (F)
Direct Wages (Rs.)	1,20,000	1,04,800	15,200 (F)
Variable overheads (Rs.)	40,000	37,600	2,400 (F)
Fixed overhead (Rs.)	40,000	39,200	800 (F)
<b>Total Cost</b>	<b>2,80,000</b>	<b>2,55,200</b>	



The standard cost of the products are as follows :

Direct material (1 kg. at the rate of Re.1 per kg.)	Rs.1.00
Direct wages (1 hour at the rate of Rs.1.50)	1.50
Variable overheads (1 hour at the rate of Re.0.50)	0.50

Actual result for the month showed that 78,400 kg. of material were used and 70,400 labour hours were recorded.

What shall be the :-

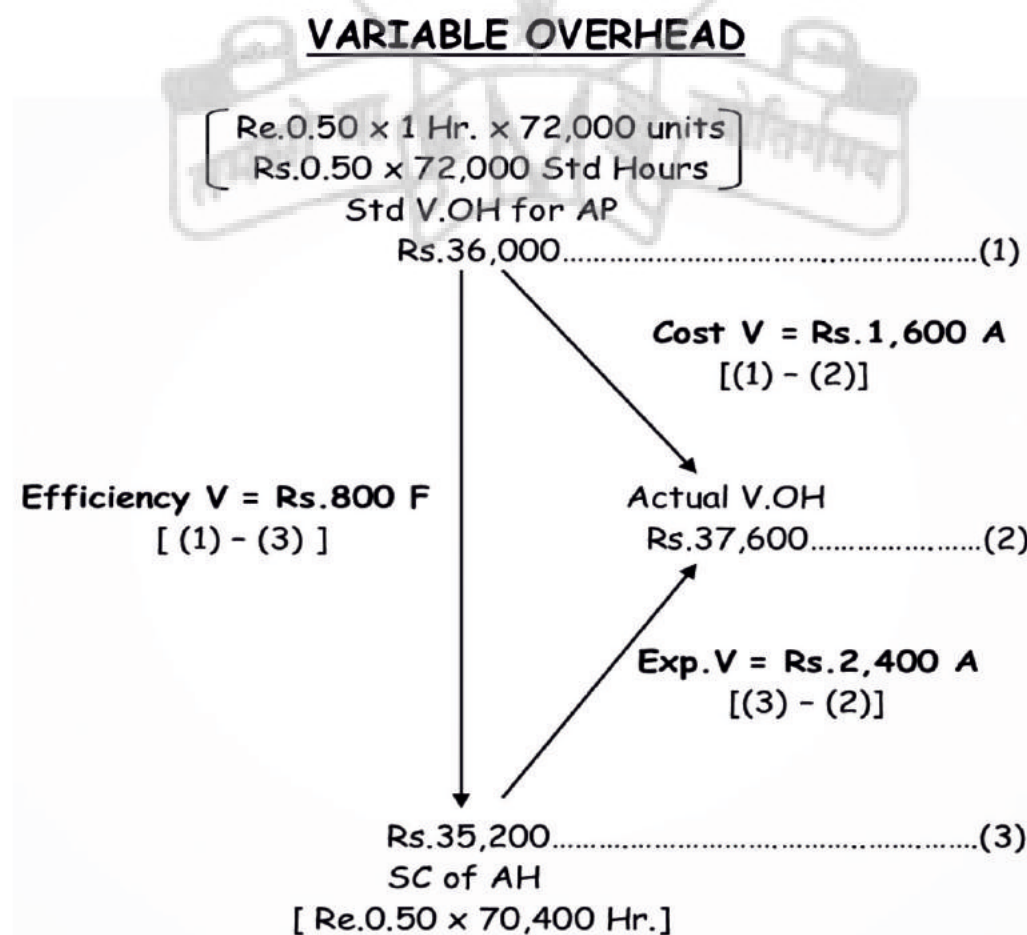
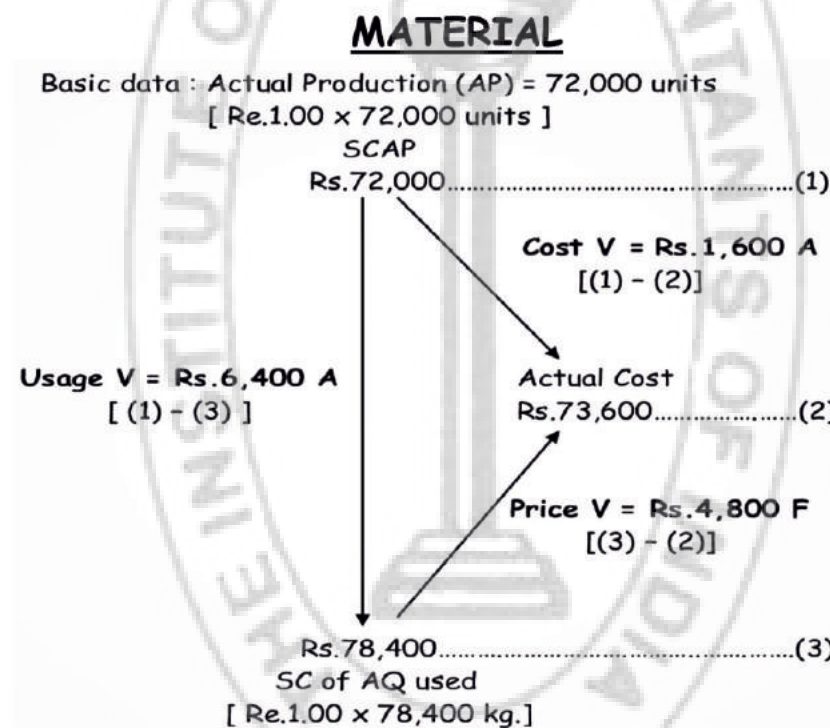
- 1) Std Qty. (SQ) for Actual Production (AP) in respect of Material : (a) 71,000 Kg. (b) 72,000 Kg. (c) 73,000 Kg. (d) 74,000 Kg.
- 2) Std Cost (SC) of Actual Quantity (AQ) used for AP : (a) Rs.78,100 (b) Rs.78,200 (c) Rs.78,300 (d) Rs.78,400
- 3) Usage Variance in respect of Material : (a) Rs.6,400 A (b) Rs.6,400 F (c) Rs.6,500 A (d) Rs.6,500 F
- 4) Price Variance in respect of Material : (a) Rs.4,600 F (b) Rs.4,600 A (c) Rs.4,800 F (d) Rs.4,800 A
- 5) Std Cost of Actual Production (SCAP) in respect of Material : (a) Rs.71,000 (b) Rs.72,000 (c) Rs.73,000 (d) Rs.74,000
- 6) Cost Variance in respect of Material : (a) Rs.1600 F (b) Rs.1600 A (c) Rs.1800 F (d) Rs.1800 A
- 7) Standard Hour (SH) in respect of Labour : (a) 72000 Hrs. (b) 73000 Hrs. (c) 74000 Hrs. (d) 75000 Hrs.
- 8) Std Cost (SC) of Actual Hour (AH) in respect of Labour : (a) Rs.105300 (b) Rs.105400 (c) Rs.105500 (d) Rs.105600
- 9) Efficiency Variance in respect of Labour : (a) Rs.2400 A (b) Rs.2400 F (c) Rs.2500 F (d) Rs.2500 A
- 10) Wages Rate Variance : (a) Rs.800 F (b) Rs.800 A (c) Rs.900 F (d) Rs.900 A
- 11) Std Cost of Actual Production (SCAP) in respect of Labour : (a) Rs.107000 (b) Rs.108000 (c) Rs.109000 (d) Rs.110000
- 12) Cost Variance in respect of Labour : (a) Rs.3000 A (b) Rs.3000 F (c) Rs.3200 A (d) Rs.3200 F
- 13) Std Hour (SH) for Actual Production (AP) in respect of Variable Overhead (V.OH) : (a) 70000 Hrs. (b) 71000 Hrs. (c) 72000 Hrs. (d) 73000 Hrs.
- 14) Std Cost (SC) of Actual Hour (AH) in respect of V.OH : (a) Rs.35200 (b) Rs.35300 (c) 35400 (d) 35500
- 15) Efficiency Variance in respect of V.OH : (a) Rs.800 A (b) Rs.800 F (c) Rs.9020 A (d) Rs.900 F
- 16) Expenditure Variance in respect of V.OH : (a) Rs.2300 F (b) Rs.2300 A (c) Rs.2400 F (d) Rs.2400 A
- 17) Std V.OH for Actual Production (AP) : (a) Rs.36000 (b) Rs.37000 (c) Rs.38000 (d) Rs.39000
- 18) V.OH Cost Variance : (a) Rs.1500 A (b) Rs.1500 F (c) Rs.1600 A (d) Rs.1600 F
- 19) Fixed Overhead Expenditure Variance : (a) Rs.700 A (b) Rs.700 F (c) Rs.800 A (d) Rs.800 F
- 20) Sales Price Variance : (a) Rs.8000 A (b) Rs.8000 F (c) Rs.9000 A (d) Rs.9000 F

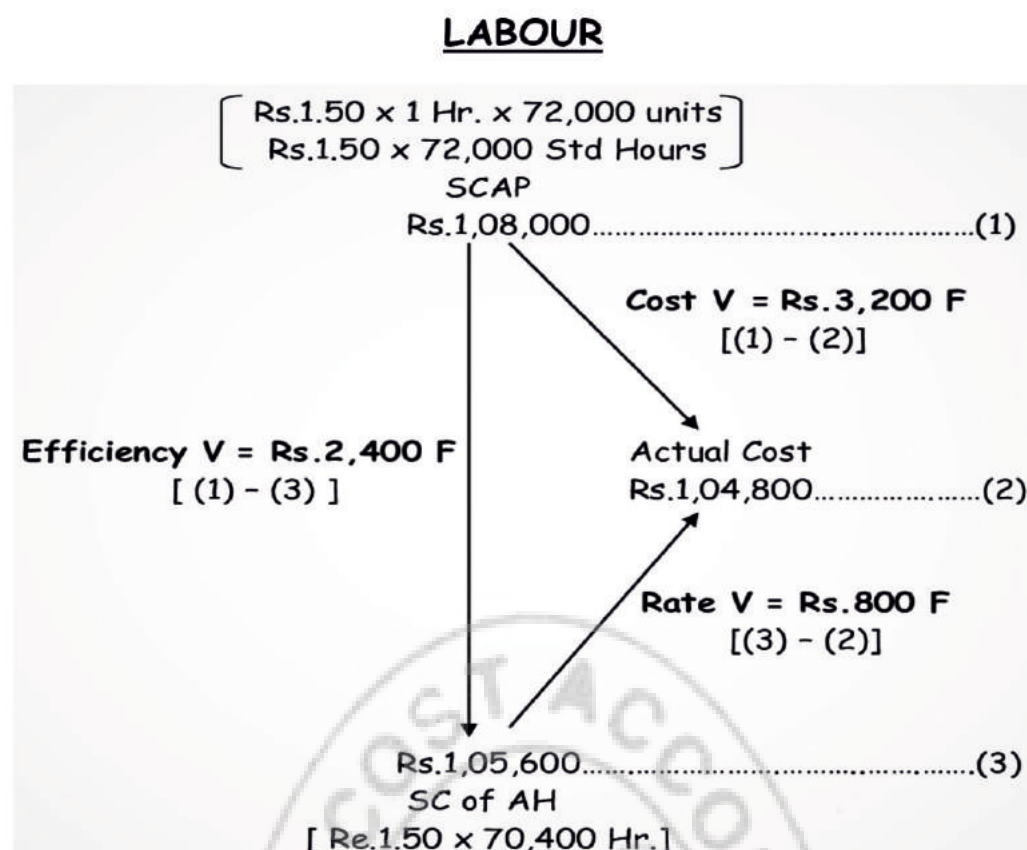


- 21) Sales Volume Margin or Profit Variance : (a) Rs.4000 F (b) Rs.4000 A (c) Rs.5000 F (d) Rs.5000 A
- 22) Standard Margin / Profit per Unit : (a) Re.0.40 (b) Re.0.45 (c) Re.0.50 (d) Re.0.55

**Answer :**

- |  |                     |                   |
|--|---------------------|-------------------|
| 1) (b) 72000 Kg<br>[1 kg x 72000 units]    | 2) (d) Rs.78400     | 3) (a) Rs.6400 A  |
| 4) (c) Rs.4800 F                           | 5) (b) Rs.72000     | 6) (b) Rs.1600 A  |
| 7) (a) Rs.72000 Hrs.                       | 8) (c) Rs.1,05,500  | 9) (b) Rs.2400 F  |
| 10) (a) Rs.800 F                           | 11) (b) Rs.1,08,000 | 12) (d) Rs.3200 F |
| 13) (c) 72000 Hrs.<br>[1 Hr x 72000 units] | 14) (a) Rs.35,200   | 15) (b) Rs.800 F  |
| 16) (d) Rs.2400 A                          | 17) (a) Rs.36,000   | 18) (c) Rs.1600 A |
| 19) (d) Rs.800 F                           | 20) (a) Rs.8000 A   | 21) (b) Rs.4000 A |
| 22) (c) Re.0.50                            |                     |                   |



**Note :**

- A) \*Sales Price Variance  
 = Actual Quantity Sold (Actual Price - Standard Price)  
 = Actual Qty  $\times$  Actual Price - Actual Quantity  $\times$  Std Price  
 = Rs.2,80,000 - Rs.2,88,000 = **Rs.8,000 A**
- B) \*Sales Volume (Margin or Profit) Variance  
 = Std Profit per unit (Actual Quantity - Budgeted Quantity)  
 = Re.0.50  $\times$  (72,000 - 80,000) Unit  
 = Re.0.50  $\times$  (- 8000) units = **Rs.4,000 A**

Standard Margin / Profit per Unit = **Re.0.50**

$$\left[ \begin{array}{l} \text{Sales Units / Sales amount (-) Total Cost} \\ = 80,000 \text{ unit / Rs.3,20,000 - Rs.2,80,000} \\ = \text{Re.0.50} \end{array} \right]$$

- C) \* Fixed Overhead Expenditure Variance  
 = Budgeted F.OH - Actual F.OH  
 = Rs.40,000 - Rs.39,200 = **Rs.800 F**

**Solution through diagrams**

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

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

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



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

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





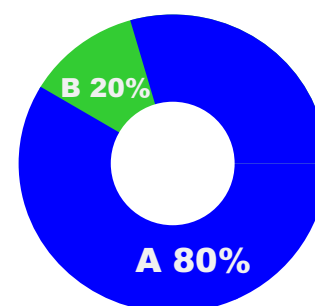


GROUP: II, PAPER:11

# INDIRECT TAXATION (ITX)

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## Your Preparation Quick Takes



### Syllabus Structure

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

**Learning objectives:**

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

**GST for 2021****Important Changes in GST for 2021**

The Central Board of Indirect Taxes and Customs have made some amendments to the existing Goods and Services Tax, which has been effective from Jan 1, 2020.

The GST Act was implemented in July, 2017 which had replaced the existing taxes by State and Central government.

Some of the major changes in this amendment are as follows:

**1. ITC claims restriction to a particular rate**

GST is a value added tax on goods and services. ITC which stands for Input Tax Credit offers deduction in the tax on output by subtracting the taxes on inputs paid earlier. What happened earlier was that many frauds have claimed credit for supplies which in reality had never been made. Also, another case of discrepancy is when a supplier forgets to include the details of supplies in the return. In that case, the recipient will not be able to claim credit. To address this, the government has introduced a rate, 10% of total ITC eligible, when supplier has not mentioned details.

**2. Blocking ITC according to rule 86 A**

The Commissioner can block ITC if he believes that the recipient has done some fraudulent activities like:

- Taking supplies from a person who does not exist/ a person who does not have any business in the registered place.
- For people who include GST tax in their dealings but do not pay the tax to the government, penalty and interest would be levied.
- ITC has been claimed but not paid to the government.

When there is any unutilized value available in the tax registers or tax, liabilities are to be discharged, generally the commissioner makes use of an electronic credit register. So now, when the commissioner believes any fraudulent activities as detailed above has happened, he can prohibit the ITC in question by making a debit in the electronic credit register.

**3. E-Wall bill generation**

In the event of GSTR1 not filed for a quarter or 2 months on a case to case basis, the provision to generate E-Wall bill will be disabled for the recipient unless he pays the complete amount including interest which he owes the government. This has been in effect from 11<sup>th</sup> January of this year.

**4. E-invoice generation**

In all instances of net turnover exceeding 100 crores in a financial year for a registered member, the recipient should mandatorily generate e-invoices. This needs to be done in case of B2B supplies, and is applicable all over India. This is with effect from April 2020.

**5. QR code generation**

In all instances of net turnover exceeding 500 crores in a financial year for a registered member, the recipient should mandatorily generate QR code to a B2C invoice. This is also in effect from April 2020.

**6. Simplified GST return filing**

Taking, the feedback from recipients who have commented on the complexity of GST returns filing into account, a new simplified system has been introduced. This is anticipated to reduce evasions to a great extent and also increase statutory compliance. A plan for enabling the transition between the old and new systems easier was released and approved by the Council and the same was released in June 2019.

**7. Mandatory DIN**

DIN stands for Document Identification Number. The Central Board of Indirect Taxes and Customs has used information technology and automation to implement a system for electronic generation of DIN. Whenever any communication needs to be sent by any office to the taxpayer, DIN has been made mandatory, from Dec 2019. Non conformant communications will be considered invalid.

**8. GST Return Non-filers Guidelines**

The amendment can be explained as below:

- Three days prior to the due date, an automated SMS will be sent to the registered members reminding them about the amount due.
- On defaulting, another automated SMS will be sent.
- Notice will be issued 5 days post the due date providing grace period of 15 days.
- If defaulted again, concerned officer should file a summary of liabilities.
- If paid within 30 days, the report will be withdrawn. However if not paid for 6 months, due recovery methods will be employed by the department officer.
- On a case to case basis, the officer can even cancel the registration.

**9. Registration of motor vehicles- RCN**

The reverse charge mechanism is applicable in the following cases:

- Motor vehicle rented to carry passengers
- Recipient is a body corporate
- Supplier is not a body corporate
- Supplier issued invoice doesn't charge GST 12%

If supplier is charging 12%, then he is liable to pay tax

**10. TRAN 1 and TRAN 2**

The due date for filing TRAN 1 has been extended to March 31, 2020 while for TRAN 2, it is extended to April 30, 2020.

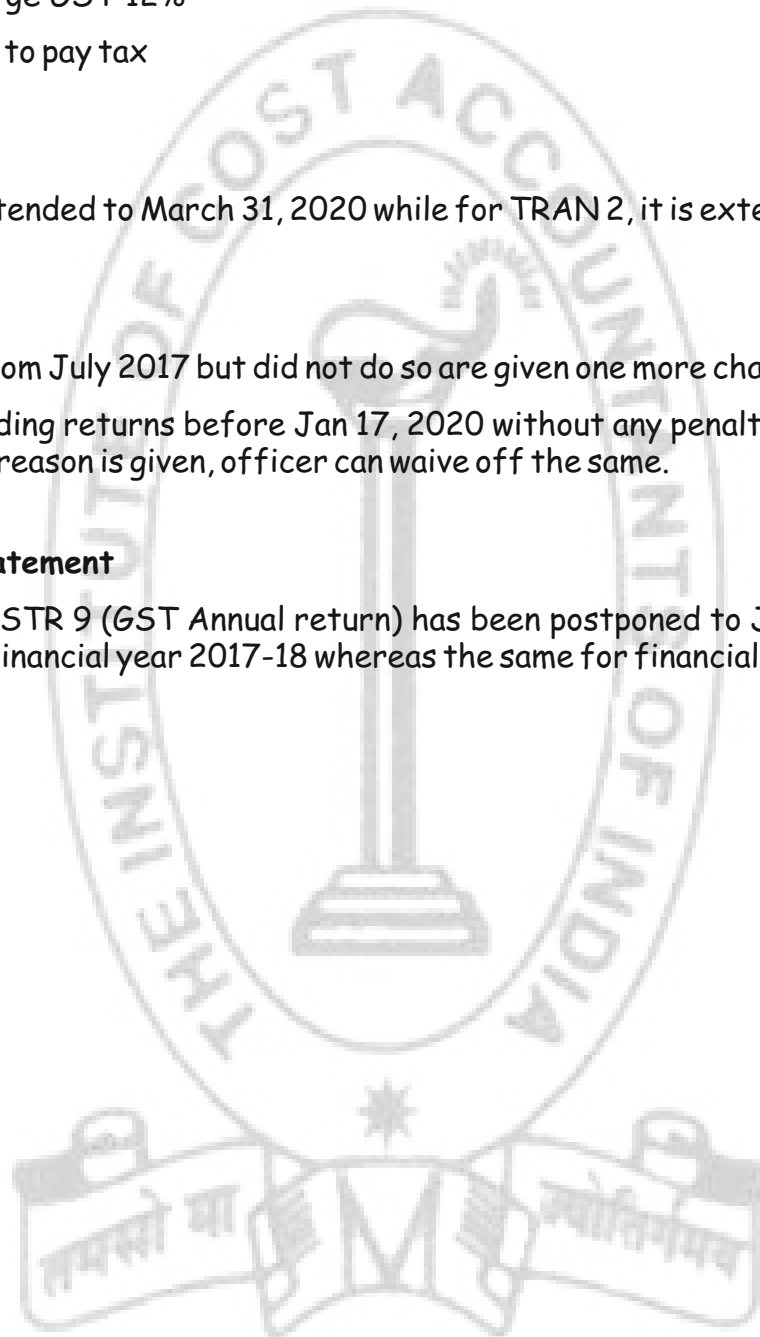
**11. Non filing GSTR 1**

People who were supposed to file returns from July 2017 but did not do so are given one more chance to do the same.

They can avail the benefit and file the pending returns before Jan 17, 2020 without any penalty. However, late fees are still applicable under the provision that if any appropriate reason is given, officer can waive off the same.

**12. GSTR 9, Audit and Reconciliation statement**

The due date for filing Audit report and GSTR 9 (GST Annual return) has been postponed to January 31, 2020. Same date applies for filing reconciliation report. This is for the financial year 2017-18 whereas the same for financial year 2018-19 is March 31, 2020.



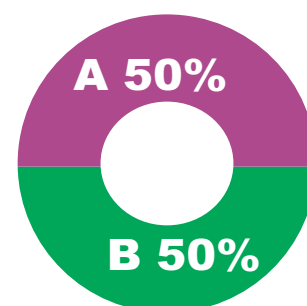




GROUP: II, PAPER:12  
**COMPANY**  
ACCOUNTS & AUDIT (CAA)

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# Your Preparation Quick Takes



## Syllabus Structure

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

**Learning Objectives:**

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

**Company Accounts & Audit****1 What do you mean by schedule III?**

The Ministry of Corporate Affairs (MCA) has issued Schedule III which lays down a format for preparation and presentation of financial statements by Indian companies for financial years commencing on or after 1st April, 2014. This Schedule III has some significant Conceptual changes such as Current/Non-current distinction, primacy to the requirements of the Accounting Standards, etc.

**2 Give the highlight of financial reporting under companies Act 2013**

1. Companies to follow uniform accounting period i.e. from 1st April to 31st March of next year, with exception of subsidiaries who with approval of Tribunal may opt for different accounting period.
2. Financial Statements to include cash flow statement and statement of changes in equity which has made the components of financial statements at par with those under International Financial Reporting Standards.

**3 What is the new provision under sec 2(40) of companies ACT 2013**

Financial Statement in relation to a company, includes-

- (I) a balance sheet as at the end of the financial year;
- (II) A profit and loss account, or in case of company carrying out activity Not for profit, an income and expenditure account for the financial year;
- (III) cash flow statement for the financial year;
- (IV) Statement of changes in equity, if applicable

**4 What is the provision sec 129 under companies Act 2013?**

Section 129 "Financial Statement" of the Companies Act, 2013 which Corresponds to Section 210, 211 and 212 of the Companies Act, 2012 is

Financial Statements under Companies Act, 2013 - An Introduction

**Reproduced as under:-**

Section 129(1) the financial statements shall give a true and fair view of the state of affairs of the company or companies, comply with the accounting standards notified under section 133 and shall be in the form or forms as may be provided for different class or classes of companies in Schedule III:

Provided that the items contained in such financial statements shall be in accordance with the accounting standards:

**5 State the salient features of form of and contains of balance sheet and profit and loss account**

Section 129 "Financial Statement" of the Companies Act, 2013 which corresponds to Section 210, 211 and 212 of the Companies Act, 2012 is

Financial Statements under Companies Act, 2013 - An Introduction

**Reproduced as under:-**

Section 129(1) The financial statements shall give a true and fair view of the state of affairs of the company or companies, comply with the accounting standards notified under section 133 and shall be in the form or forms as may be provided for different class or classes of companies in Schedule III:

Provided that the items contained in such financial statements shall be in accordance with the accounting standards:

**6 Give the major highlight of statements of profit and loss**

The major highlights of Statement of Profit and Loss are:-

- (a) Revenue from operations and other income to be separately shown.
- (b) In the format there is no mention for any appropriation item like transfers to reserves etc., which need to be presented under "Reserves & Surplus" in the Balance Sheet. Accordingly it ends with Profit after Tax and disclosure of Earning per share. The disclosure regarding the appropriations like transfers to reserves, proposed dividend, tax on dividend etc is shown under subhead "Surplus" in head "Reserves and Surplus" in the Balance Sheet.
- (c) The expenses are to be classified by nature. Earlier; even function based classification was permissible.
- (d) Requires separate presentation of extraordinary and exceptional items.
- (e) Requires separate disclosure of profit before tax, tax expense and profit after tax from discontinuing operations.
- (f) Disclosure of Basic and Diluted Earnings per equity share required to be provided on the face.

#### 7 Give the specific format of balance sheet

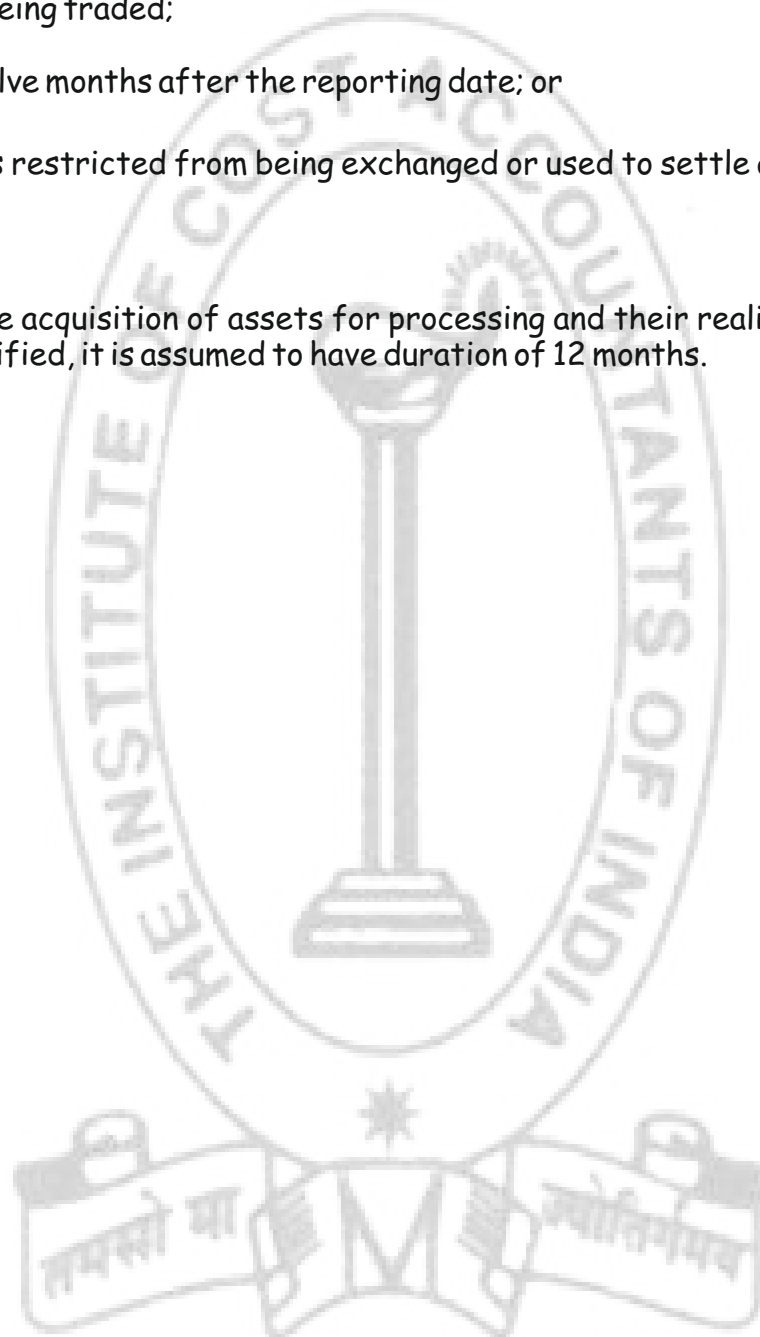
Horizontal format of Balance Sheet known as conventional or customary form (T-shaped) of Balance Sheet was deleted in Revised Schedule VI (now Schedule III). Accordingly now a day's only vertical format is being used. Under Old Schedule VI, the Companies had an option to use either of Horizontal or vertical format for presentation of Balance Sheet.

#### 8 Give General instruction for preparation of balance sheet

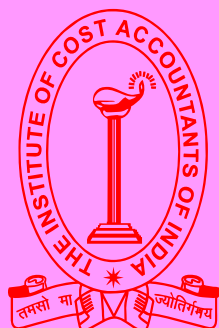
- (a) It is expected to be realized in, or is intended for sale or consumption in, the company's normal operating cycle;
- (b) It is held primarily for the purpose of being traded;
- (c) It is expected to be realized within twelve months after the reporting date; or
- (d) It is Cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

#### 9 What operating cycle.

An operating cycle is the time between the acquisition of assets for processing and their realization in Cash or cash equivalents. Where the normal operating cycle cannot be identified, it is assumed to have duration of 12 months.







# PRACTICAL Advice

## ABOUT YOUR STUDIES - INTERMEDIATE COURSE

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

START

01

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

**Solve Exercises  
given in Study Note**

02

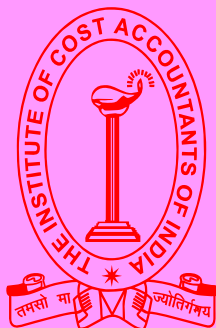
03

**Assess Yourself**

**Appear For Examination**

04

FINISHED



# SUBMISSIONS



## Update of E-Mail Address/Mobile:

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

Dear Students,

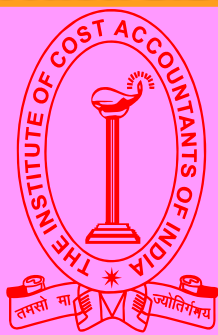
We are very much delighted to receive responses from all of you; for whom our effort is!

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

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

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



## Message from Directorate of Studies

Dear Students,

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

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

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

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

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

Let us observe his memory by following his message.

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

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

**Please refer the link mentioned below :**

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

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

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

**GOOD LUCK**

**Be Prepared and Get Success;**

**Disclaimer:**

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





# THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

Statutory Body under an Act of Parliament

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



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# CMA LEADS

**Last Date for Admission**  
June Exam  
31<sup>st</sup> January  
of the same Calendar Year

December Exam  
31<sup>st</sup> July  
of the same Calendar Year

5,00,000<sup>+</sup>  
Students

75,000<sup>+</sup>  
Members

4 Regional  
Councils

98  
Chapters

9  
Overseas  
Centres

Largest  
CMA body  
in Asia

2nd  
Largest  
CMA body  
in the  
Globe

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

## ADMISSIONS OPEN

✉ [studies@icmai.in](mailto:studies@icmai.in)

☎ 1800 345 0092/1800 110 910

**For Online Admission**

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

### Cultivating and Enhancing Skills of Success

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

Excellent Campus Placement Record  
in renowned Public and Private Sector Companies

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

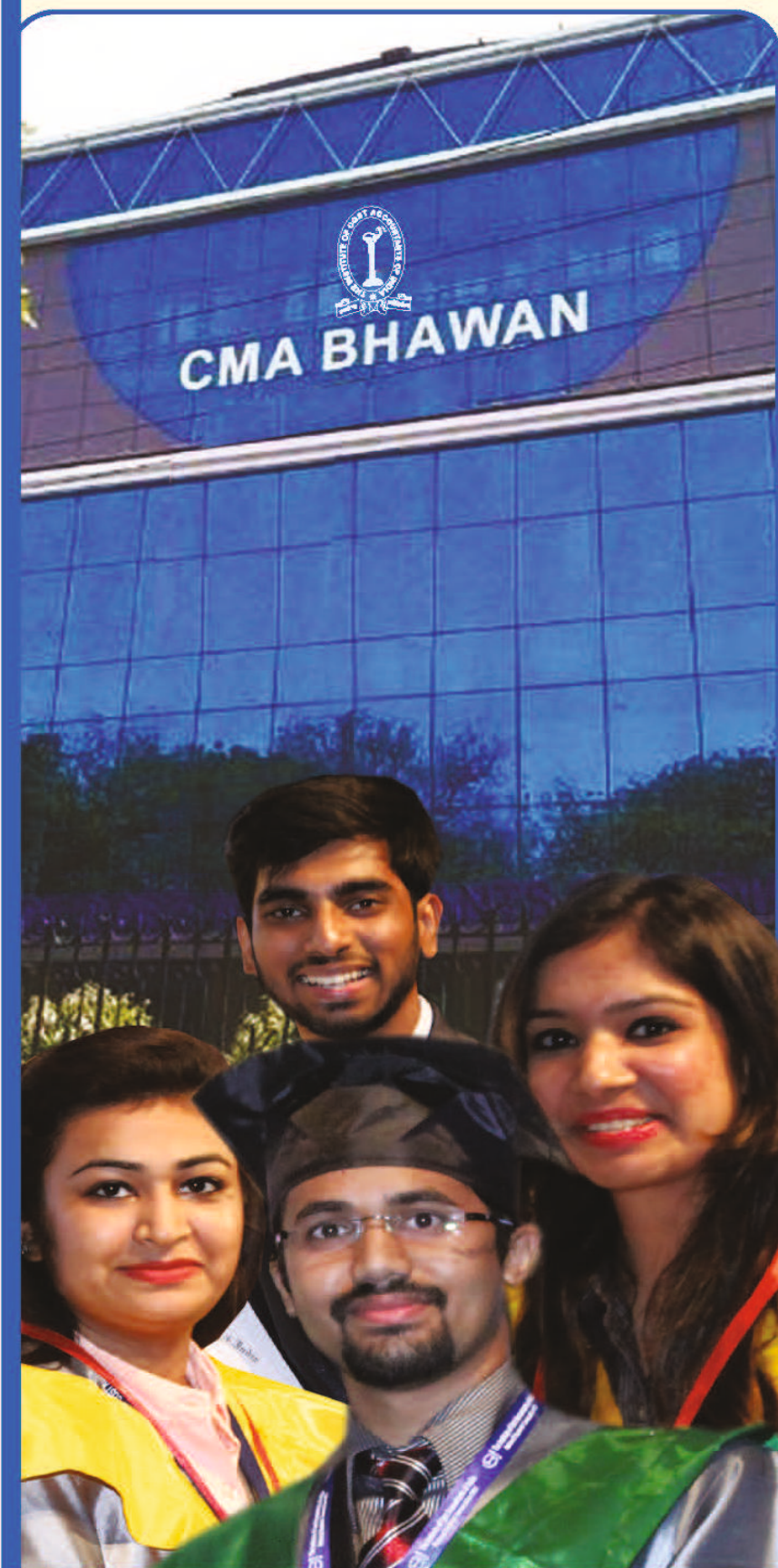
### Few of Our Proud Recruiters



✉ [placement@icmai.in](mailto:placement@icmai.in) / [cpt@icmai.in](mailto:cpt@icmai.in)

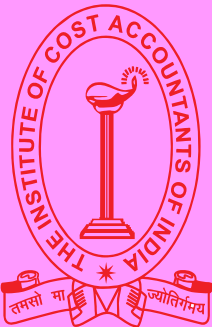
☎ + 91 33 40364770

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





# Few Snapshots



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



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



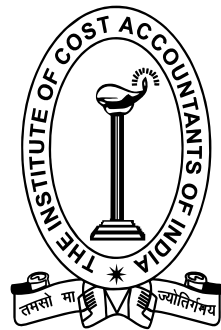
CMA P. Raju Iyer, Vice-President along with CMA Neeraj Joshi, Council Member of the Institute and CMA B.B. Goyal, Former Addl. Chief Adviser (Cost), Ministry of Finance, GoI, extending greetings to Shri Arun Goel, IAS, Secretary to the Government of India, Ministry for Heavy Industries during a meeting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



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



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



# THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory body under an Act of Parliament)

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