

HEAD EXAMINERS COMMENTS – DECEMBER 2013 – SYLLABUS 2008

IP - 5 : FINANCIAL ACCOUNTING

QUESTION WISE PERFORMANCE:

Question No. 1 (Compulsory-objective type question)

Overall performance was very good and the majority of the candidates scored good marks in this question. In fact, this good scoring of marks in this question helped them to ultimately do well in this paper.

Question No. 2:

- (a) Performance of the candidates was average. Many students distributed director's fee and debenture interest either on time ratio or sales ratio instead of showing as post incorporation expenses.
- (b) Answers were mostly incorrect. Many students did not operate "Suspense Account" and could not find out the amount of salary.

Question No. 3:

- (a) Most of the answers were satisfactory. However, some students were not aware of the types of accounts & hence, could not classify the items correctly.
- (b) Average Performance – Most of the students have not shown "Delhi Branch Fixed Asset A/C" in journal no.(ii) and some have presented journal no. (iv) as "No Entry". There is lack of conceptual understanding of Branch Accounting among the students.
- (c) Good Performance – But, some students could not find out Profit u/s 349 due to misconception on depreciation which is to be added to/deducted from the base figure. Some have poor idea about the effective % of Managerial Remuneration.
- (d) Satisfactory Performance – But, few students have calculated new ratio only. They did not work out sacrificing ratio.

Question No. 4:

- (a) Poor Performance – Quite a few students did not calculate goodwill, Tikku's share in profit & profit on revaluation. Practically, no student could correctly work out the net amount payable to Tikku's executors.
- (b) Overall performance was average. Quite a few students made mistakes in calculations of subscription received & salary paid in 2012. Hence, the closing balance in Receipts & Payment Account was derived wrongly.

Question No. 5:

- (a) Unsatisfactory Performance mainly on account of lack of understanding of the question & principals of AS-22.
- (b) Satisfactory Performance.
- (c) Average Performance – However, presentation was not good due to poor knowledge about the requirements of AS-9.

Question No. 6:

- (a) Good Performance – But, few students could not present the limitations in detail.
- (b) Average Performance – Some students could not find out only current asset and quick asset.
- (c) Poor Performance – Some students could not find out cash price of taxi. Also entries were wrongly posted in Sayan Ltd. a/c and taxi a/c.

Question No. 7:

- (a) Average Performance – though many students have calculated correctly the amount of unrealized profit, they could not calculate the correct amount of departmental profit.
- (b) Poor Performance – Lack of proper understanding of AS-7.
- (c) Average Performance – Many students have passed wrong journal entries for the given transactions.

Question No. 8:**Short Notes :**

Answers were not brief and to the point. Most of the answers were descriptive in nature. The students lack ability to express answers to theory questions. Majority of the students did not have clear knowledge about recoupment of Short working, Debt service coverage Ratio, etc.

Suggestions to improve performance :

Students must appreciate that this is a paper where high marks can be secured provided they prepare well. However, it appeared that many of them were not well prepared. It must be understood that there is no alternative to acquiring knowledge of the subject. For that purpose, more intensive study of the institute Study Material and prescribed texts is a must. The students must also practice to solve problems from past question papers of the Institute and those of other professional bodies covering the various matters covered in the syllabus, so that they can face the examination more confidently.

They must also improve their skill of presentation of their answers in a neat and well-arranged manner. This will help them to score higher marks.

GENERAL :

From the performance evaluation, ranking report submitted by examiners it is observed that about 50% of the candidates' performance was very poor.

From this it is revealed that students are taking casual approach in appearing in such professional examination.

It is advised that in-depth study of Institutes Study Materials, reading of good text books followed by regular repeat, regular practice of problems on various chapters can only help the candidates to clear such professional examination.

No short-cut method will help the students to bring success in their career.

IP - 6 : COMMERCIAL AND INDUSTRIAL LAW & AUDITING

QUESTION WISE PERFORMANCE:

1.

(a) **Good** : Majority of the students answered that revocation was not valid but the reason was incorrect.

(b) **Average** : Examinees have failed to take into account the fact that 2012 is a leap year and make calculation mistake.

(c) **Average** : A great no. of students could not correctly mentioned the no. of employees for requirement of cold drinking water facility.

(d) **Below Average** : Examinees have failed to distinguish between workman and employee. Very few students are aware of the provisions of Industrial Dispute Act regarding who can submit disputes ?

(e) **Average** : Students were confused in LLP and Partnership firm.

(f) **Good** : Most of the students have managed to answer the question correctly reg. the provision of Bonus Act.

(g) **Good** : Students have written correct position reg. cost of delivery under Sale of Goods Act.
2.

(a) **Good** : This question was answered well. Mostly students scored in this question.

(b) **Poor** : Very few examinees have quoted the provisions when condition can be treated as warranty.

(c) **Average** : Though students gave correct answer however concept of bailor and bailee was not explained.

(d) **Average** : Occupier deemed manager was not explained by examinees majority explained correct answer in d (ii).

(e) **Average** : The rule of work place was not very clear to the students.

(f) **Good** : Many candidates explained Part bonus perfectly.

(g) **Good** : Very simple to answer & performance was good.

(h) **Poor** : Most of the students not attempted this question as they were not aware of the provisions of Competition Act.
3.

(a) **Poor** : Students were unable to distinguish between delivery and title of goods.

(b) **Average** : It looks the examinees have not studied the provisions of Payment of Bonus Act.

(c) **Poor** : Most of the students could not state the validity of contract.

(d) **Good** : Few students show knowledge of Contract Act. Reg. breach of contract and answered well.

(e) **Average** : It looks the examinees have not studied the provisions of Payment of Bonus Act.

(f.g.h.) **Very good** : Majority of the students answered very well, performance was outstanding.

(i) **Average** : few candidates explained the relevant provisions for approaching consumer forum.

4. (a) **Good** : Though this question was attempted by many students they answered it in good manner.
(b) **Average** : Most of the students addressed the position without proper reasoning.
5. (a) **Average** : A generalized answer, clarity of application of test check was missing.
(b) **Below Average** : Students performed badly, it shows the lacking of knowledge of computer related questions.
(c) **Good** : Many of the students deciphered about concerns of management audit in another spheres also.
(d) **Poor** : Majority of students have not understood the question itself. They were highlighting on material cost only.
(e) **Satisfactory** : Students could not write correct justification for given problem.
(f) **Average** : The threshold limit of 50 lakh & 5 crore was not properly answered for CARO applicability on private companies.
(g) **Average** : students do not have knowledge of Disclosures under GAAP/GAAS.
6. (a) **Average** : Majority of candidates unable to response shareholder's right reg. Audit report.
(b) **Good** : Performance was upto the mark in explaining audit reports focusing on loan.
(c) **Good** : This question was answered well and was the most simple question in the entire paper but effect of rise and fall in G P Ratio was not given correctly.
(d) **Average** : In both sub sections' students are not well acquainted with the provisions of CARO.
(e) **Good** : Students given proper answer.
(f) **Good** : Mostly explain the meaning of I.T. Audit.
(g) **Average** : Majority of the students could not explain the rules of appointment of Mgt. Audit.
7. (a) **Poor** : Least attempted by the candidates. Knowledge about GAAP and IFRS found missing.
(b, c) **Average** : The answers given by the students are irrelevant not related with the question.
(d) **Below Average** : Most students found difficult to explain the appropriate provision reg. holding company.
(e,f,g) **Satisfactory** : The answers were irrelevant, & based on idea and guessing.
8. (a) **Good** : Focus on verification of knowhow by the students was extremely proper.
(b) **Average** : Circumstances of materiality was not provided, definition of materiality was provided instead.
(c) **Average** : Some examinees gave improper answers, which shows the absence of fundamental knowledge of company well.
(d) **Below Average** : Even in these two simple questions, performance was below average.
(e) **Poor** : Examinees could not answer CARO applicability on Sec.25.
(f,h) **Good** : Most of the students explained voucher audit & need of management audit well.
(g) **Average** : Data processing through computer service centre was confused with I.T. audit.

KEYNOTE AMELIORATIONS

- Examinees should be very much particular in their approach. Generalised answers should be restrained and proper justifications should be applied for every answer.
- Proper reading of the question is highly essential so that strictly correct answer can be deciphered.
- Examinees should devote adequate time to understand provisions and concepts during their studies.
- Examinees are not aware of Cost Accounting Standards. Examinees have superficial understanding of Commercial Laws and do not well up with the provisions of Bare Acts. Law being a technical subject, needs ample attention and time.
- Very few candidates apply skills in presenting correct meaning, explanation, clause, sections reg. Commercial Laws and Auditing.
- Moreover poor expression in English language was a common problem. To overcome this problem, students should read the study material thoroughly, logically and carefully.

IP - 7 : APPLIED DIRECT TAXATION

General Observations :

- Examinees / students are not sufficiently prepared to face the examinations in terms of coverage, nature of questions and type of answers expected. An initial reading, followed by regular solving of practical problems, followed by a revision and mock test will enable the students to face the examination better.
- Examinees would give an improved performance if they understood, noted and clearly grasped what is asked for in the question and if they covered the required the required points in their answers.

Suggestions to students :

- Read the questions carefully and understand what is required to be stated.
- Answers written should have relevance to the marks allotted, and the question asked.
- Candidates should learn to manage their time, so that they can complete the paper in the given time.

Q-1a and b : Overall performance was satisfactory except 1(b) where answers to some of the 'fill up the blanks' were not correct.

Q-2 and b : Although most of the students gave the right "residential status". But the reason is not up to the mark – being incorrect or inappropriate.

Q- 2c : Student's performance in respect of first part of the question is good but the portion of "deductibility of the interest paid" is not upto the mark.

Q-3a,b,c : Very few students have attempted this question . Some students correctly computed the "Income from house property" which is related to Q-3b.

Q-4a : Student's performance is very poor on the question of taxability of HRA.

Q-4b : Student's performance is good except the 2nd point related to calculation part.

Q-4c : Overall satisfactory.

Q-5a : Overall good but only a few student's correctly computed the income from business as computation of depreciation was not done systematically.

Q-5b : Very poor. Most students failed to discuss the relevant point applicable for losses of closely held companies concerning shares carrying 51% of voting power.

Q-5c : Overall satisfactory.

Q-6a : Overall good.

Q-6b : Overall good.

Q-6c : Not upto the mark as majority students discussed only about legal aspect but failed to explain the chargeability to tax.

Q-7a,b,c : Very few students have attempted this question. Overall very poor performance.

Q-8a : Very few students have attempted this question. Overall very poor performance.

Q-8b : Overall performance is good in the question of taxable wealth.

IP - 8 : COST AND MANAGEMENT ACCOUNTING

General Comments :

The question paper was of good standard and it contained the correct proportion of objective, practical and theory questions. The overall performance of the candidates was average. However, the deficiencies as observed in answering the questions and which the candidates. However, the deficiencies as observed in answering the questions and which the candidates are required to make note for improvement, are as under :

- (i) Performance revealed a lack of proper knowledge of concepts in the areas of cost and management accounting while answering the questions, specially in theoretical part questions.
- (ii) Working notes to practical questions were either not properly exhibited or absent by a large percentage of candidates.
- (iii) In many cases, candidates not answered the questions completely in one sequence. Answers to sub-parts of each question were scattered over different pages of the answer script instead of writing them consecutively.
- (iv) Some other deficiencies observed and commented by the examiners are poor presentation, poor handwriting, spelling and grammatical mistakes.

Question wise Specific Comments :

Question No. 1: This was the compulsory and objective-type question. Being the easiest question the performance of the majority of candidates was good.

Question No. 2 (a): The numerical part related to 'Flexible Budget' was well attempted by most of the students. However, a few students calculated 'estimate of profit' on the basis of marginal costing instead of preparing flexible budget.

Question No. 2 (b): This theoretical part concerned with 'List out ten functional budgets' was attempt well by majority of the candidates.

Question No. 3 (a): A large percentage of the candidates attempted this part on differences between differential costing and marginal costing. However, only a small percentage could answer it on correct lines.

Question No. 3 (b): A large number of candidates attempted this practical problem related with the evaluation of 'effect of alternative sale prices'. Most of the candidates attempted the answer well.

Question No. 4 (a): In this part of this question, only a few of the candidates were able to discuss correctly the accounting treatment for spoilage and defectives in cost accounting.

Question No. 4 (b): This numerical part was based on 'Labour hours as limiting factor'. The performance of candidates was found quite satisfactory in this question.

Question No. 5 (a): The practical question was based on 'Computation of Variances'. The performance of candidates was not satisfactory in this question. Most of the candidates were not able to reconcile the standard cost and actual cost with the help of such variances.

Question No. 5 (b): This theoretical part concerned with 'Uniform Costing'. A large number of candidates discussed the advantages instead of writing the essential requirements to install a uniform costing system.

Question No. 6 (a): This numerical part required conceptual understanding of 'Sale at split off point or further processing'. Most of the candidates attempted this part satisfactory. A few of the candidates bifurcated joint cost on the basis of output in place of sale value.

Question No. 6 (b): This theoretical part was to define 'capacity costs' and 'Relevant Cost'. Generally the answer given by the candidates was not satisfactory.

Question No. 7 (a): This numerical question related to 'Calculation of overhead absorption rate' using traditional costing method and ABC method was attempted by less number of candidates. The overall performance of candidates who attempted this question was not satisfactory.

Question No. 7 (b): This theoretical part required accounting treatment of idle time wages and overtime wages in cost accounts. Only a small percentage of candidates could answer it on correct lines.

Question No. 8: This question was based on short notes and any three out of the five given required to be attempted.

(a) **Inter-process Profits** : This part was well attempted by most of the candidates.

(b) **Cost Ledger (maintained in a costing department)** : Performance of the candidates in this part was not satisfactory.

(c) **Benefits of integrated accounting system** : This part was well attempted by majority of the candidates.

(d) **Business performances measurement systems** : The performance of candidates in this part was average.

(e) **Budget Manual** : A large percentage of candidates were not able to explain properly the answer of this part.

IP - 9 : OPERATION MANAGEMENT AND INFORMATION SYSTEMS

Question wise Comments :

| Question No. | Comments |
|---|---|
| Q.1 - (a), (b) & (c) | As it was objective question, in general performance was satisfactory. |
| Q. 2 – (a) (b) (c) (d) | Performance was average. Performance was poor. Performance was average. Performance was poor. |
| Q. 3 – (a) (b) (c) (d) | Performance was satisfactory. Performance was Poor. Performance was very Poor. Performance was average. |
| Q. 4 – (a) (b) (c) (d) | Performance was satisfactory. Performance was satisfactory. Performance was very poor. Performance was very poor. |
| Q. 5 – (a), (b), (c) & (d) | As it was objective question, in general performance was satisfactory. |
| Q. 6 – (a) (b) (c) (d) | Performance was unsatisfactory. Performance was average. Performance was satisfactory. Performance was unsatisfactory. |
| Q. 7 – (a) (b) (c) (d) | Performance was unsatisfactory. Performance was very poor. Performance was average. Performance was average. |
| Q. 8 – (a) (b) (c) (d) (e) (f) (g) (h) | Performance was unsatisfactory. Performance was average. Performance was satisfactory. Performance was unsatisfactory. Performance was satisfactory. Performance was satisfactory. Performance was poor. Performance was unsatisfactory. |

General Comments :

- i) Examinees were Poor in communication & Presentation.
- ii) Lack of Knowledge in information System.
- iii) Lack of conceptual clarity.

- iv) Examinee did not address the specific issues raised in Questions.
- v) Lack of analytical skill was revealed.
- vi) Lack of in-depth knowledge was revealed.
- vii) Lack of comprehensive preparations.
- viii) Lack of Professional approach was observed.
- ix) Lack of practice particularly in numerical problem was noticed.

Suggestions :

- (i) Questions are set within the syllabus & study notes, students are advised to read it properly.
- (ii) Students are advised to avoid Selective Study.
- (iii) Students are advised to practice to write precise answers.
- (iv) Students are advised to avoid unnecessary and irrelevant details in the answer.
- (v) To fetch high scores students should labour hard for objectives & numerical sections of the question paper. They should consult reference books of this subject.
- (vi) Avoid repetitions of same points in the answer.
- (vii) Students must not be bookish and should apply logic and practical aspect while answering the descriptive questions.
- (viii) Students are advised to avoid selective studies.
- (ix) Comprehensive preparation and in-depth knowledge is required for both parts.
- (x) Students are advised to avoid selective studies.
- (xi) Students should consult the past questions and suggested answers of the Institute to know the suggested pattern/standard of the questions & presentation of answers.
- (xii) This paper is high scoring paper; regular practice will make them perfect.
- (xiii) This paper is a technical paper and students need to balance in both parts Operation management & information system.

P – 10 : APPLIED INDIRECT TAXATION

COMMENTS ON STANDARD OF QUESTIONS:

The standard of the questions asked was upto the mark. The questions were well set to check the candidates' analytical ability. Conceptual skill and theoretical knowledge in practical situation. It was duly balanced covering 100% of the syllabus.

COMMENTS ON THE PERFORMANCE OF THE EXAMINEES AND GUIDELINES TO THEM:

- **The overall performance** has not been upto the level which may be expected from the student desirous of entering into the profession of high expertise and knowledge.
- **Their answers** exhibited lack of systematic and logical approach, clear presentation, proper and adequate conceptual and analytical explanation.
- **They had poor knowledge** of concepts and also lacked in adequate practice to solve diverse range of practical problems.

- **The quality of most of the answers** reflected examinees' lack of analytical ability and in-depth knowledge in the concerned subject.
- **Their answers** exhibited poor concept/knowledge about the different provisions of the Central Excise Act, the Customs Act, the Central Sales Tax Act and State VAT etc.
- **Certain candidates** did not start answer to each question on a FRESH PAGE as instructed by the institute.
- **More questions** having different parts were answered by some of the examinees at different places of their Answer Books.

SPECIFIC COMMENTS

Question No. 1 (a):

Most of the candidates failed to answer correctly due to lack of knowledge of the concerned provisions of the subject. The overall performance was not upto the mark.

Question No. 1 (b):

Most of the candidates got answer of few parts correctly. Some of them performed good. The overall performance was above the average level.

Question No. 2 (a):

Most of the examinees could get few points correct. Some of them performed well. The overall performance was below the average level.

Question No. 2 (b) & (c):

These are the theory questions. The answers of most of the examinees were more or less partly correct. The overall performance was of average level.

Question No. 2 (d):

Most of the examinees got answer of few parts correctly. Some of them performed well. The overall performance was of average level.

Question No. 3 (a):

Most of the candidates lacking knowledge regarding the provisions of the Finance Act, 1944, did not answer correctly to the concerned category.

The overall performance was below the average level.

Question No. 3 (b):

Most of the examinees could get few parts correct. Some of them performed well. The overall performance was of average level.

Question No. 3 (c):

Most of the examinees failed to answer to the question correctly. The overall performance was below the average level.

Question No. 4 (a):

Most of the examinees failed to answer to question properly due to lack of understanding of the provisions of the Customs Act. The overall performance was not upto the mark.

Question No. 4 (b) & (c):

Most of the examinees could get few steps/points correct. Some of them performed well. The overall performance was of average level.

Question No. 5 (a) & (b):

Most of the examinees could get few steps/points correct. Some of them performed well. The overall performance was of average level.

Question No. 5 (c):

This question was answered by and large good by most of the candidates. The overall performance was well.

Question No. 5 (d):

Most of the candidates failed to answer to question properly due to lack of knowledge of the provisions of the Customs Act.

The overall performance was below the average level.

Question No. 6 (a):

Most of the examinees failed to calculate the cost of production correctly, but could get few steps/points correct. The overall performance of average level.

Question No. 6 (b) & (c):

Most of the candidates failed to answer to the questions correctly due to lack of knowledge of Provisions under the Customs Act as well as the Central Excise Act.

The overall performance was not up to the mark.

Question No. 7 (a), (b) & (c):

Most of the candidates did not understand the questions relating to (a) the SATE VAT, (b) the Central Excise Act and (c) The Customs Act. Some of them performed well. The overall performance was below the average level.

Question No. 7 (d):

Most of the examinee could get few steps/points correct. Some of them performed well. The overall performance was well.

Question No. 8 (a) & (b):

Most of the candidates were able to answer to questions partly correct. Their performance was of average level.

Question No. 8 (c) & (d):

Most of the examinees could get few steps/points correct in both case. Some of them performed well. Some of them were beating about the bush writing, unnecessary, irrelevant details in their answers. The overall performance was of average level.

Question No. 8 (e):

Most of the candidates failed to answer to question correctly/properly. The overall performance was not upto the mark.

GENERAL GUIDANCE I SUGGESSTIONS TO THE EXAMINEES:

- **The examinees/students** are advised to read and understand the questions thoroughly and carefully before writing answers.
- **The examinees should** consult/read standard reference books of concern subject (latest editions)/study notes thoroughly and analytically for understanding the provisions of the Central Excise Act, the Customs Act, the Service Tax, the Central Sales Tax act, and State VAT etc.
- **Read the theoretical** portions before attempting the theoretical/practical problems. Only theoretical knowledge will help you to develop the conceptual and computation skills.
- **Adequate practice** of theoretical/practical model problems is essential to acquire command over the fundamentals of the subject matters.

- **Due attention** must be given towards orderly presentation of solutions of practical problems in suitable FORMAT along with sufficient working notes in order to secure good marks,.
- **Comprehensive** preparation and acquiring in depth knowledge of the subject matters is extremely required.
- **Avoid beat** about the bush writing, unnecessary and irrelevant details in the answers to the questions.
- **Visit the Institute** website to get awareness regarding the answering to the questions.
- **Never** tend to indulge in selective studies.
- **Consult the past** questions and suggested answers of the Institute to know the pattern / standard of the questions and presentation of answers to the questions.

F – 11 : CAPITAL MARKET ANALYSIS & CORPORATE LAWS

| QUESTION NO. | REMARKS |
|---------------|---|
| 1 – (a) – (i) | Students attended but in some cases working not shown properly. Very few candidates got full marks. |
| (a) – (ii) | Performance of students is good. |
| (a) – (iii) | Performance of students is good. |
| (a) – (iv) | Performance of students is good. |
| (a) – (v) | Students attended but in some cases working not shown properly. Very few candidates got full marks. |
| (a) – (vi) | Performance of students is good. |
| (a) – (vii) | Performance of students is good. |
| (a) – (viii) | Students attended but in some cases working not shown properly. Very few candidates got full marks. |
| (b) | Students attended well except (iii) & (iv) |

| | |
|---------|--|
| 2 – (a) | Unsatisfactory performance. Students not write with conceptual clarity. |
| (b) | Poor performance, students not answered well. |
| 3 – (a) | Average performance. Dif. Of Future & Options not elaborates properly. |
| (b) | Good performance but students not mentioned Sections of the Act. |
| (c) | Reasonably well attended but some students made calculation error. |
| 4 – (a) | Concept & definition of Venture Capital not shown properly. |
| (b) | Majority students attended this question. Performance is OK. |
| (c) | Good performance of students. But few students made calculation error. |
| 5 – (a) | Performance of students is good except (i) and (iii) |
| (b) | Performance of students not satisfactory. |
| 6 – (a) | Question is not understood by students properly, hence not attended well. |
| (b) | Very poor performance. |
| (c) | Poor performance. |
| 7 – (a) | Very few students attended with mentioning section of the Act. Poor performance. |
| (b) | Very poor performance. Majority students made mistakes. |
| (c) | Very poor performance. |
| 8 – (a) | Very poor performance. |
| (b) | Majority students not performed well. Section of the Act not mentioned. |
| (c) | Performance is not up to the mark. |

F – 12 : FINANCIAL MANAGEMENT & INTERNATIONAL FINANCE

Questionwise Performance of the Candidates

Question – 1a: Satisfactory performance. Examinees have attempted and answered mostly up to the mark.

Question – 1b: Performance is good except in answering Part (i) and (vi).

Question – 2a: Generally well answered. Some forgot to mention the decision despite answering the question correctly.

Question – 2b: Performance is poor. Few answered with thorough understanding of “CML & SML”.

Question – 3a: Average performance since examinees could generally get part of the of the answer correct (upto profit) but failed to calculate implication of additional investment in Debtors.

Question – 3b: Performance is moderate. Role played by sensitivity analysis in decision on viability of project was not explained.

Question – 4a: Answers are mostly incorrect. Correct formulas were not applied to determine value of Firm/Equity Capitalisation Rate.

Question – 4b: Majority of the examinees could not find out other items of Balance Sheet beyond Equity Shareholders fund.

Question – 4c: Average performance. Could not elaborate the perspectives.

Question – 5a: Poor performance. Except optimal transaction size, other requirements in the question could not be answered correctly.

Question – 5b: Poor performance. Only a few could compute correct Market Risk.

Question – 5c: Poor performance. Knowledge about Debt Securitisation Process was missing.

Question – 6a: Performance is good. Most of those who attempted the question answered correctly.

Question – 6b: Average performance seen. Many have confused with Bid and Ask to apply in computing quantum of French Francs.

Question – 6c: Poor knowledge displayed in answering this question.

Question – 7a: Generally the performance is average.

Question – 7b: Many of the examinees have have erred in identifying the need for calculating the Bid rate.

Question – 7c: Relevant points not discussed upon. Average performance observed.

Question – 8a: Mostly vague answers. Very few have answered to the point.

Question – 8b: Poor performance observed. Instead of focusing on the required content, meaning of working capital explained.

Question – 8c: Poor performance. No clear idea about Greenfield Privatisation.

Question – 8d: Performance is average. Measures have been explained to some extent.

Overall performance of the candidates:

Overall performance of the candidates may be considered average in general.

In theory questions very few reasonably sensible answers were seen. Lack of conceptual clarity is eminent in presentation of the answers.

F – 13 : MANAGEMENT ACCOUNTING-STRATEGIC MANAGEMENT

Question No. 1. a & b : It is a MCQ and compulsory to all. Maximum students get full credit. Performance is Good.

Question No. 1. c : Short note question, needed to write in brief. Performance is Average because of lack of proper words.

Question No. 2. a : Performance is good.

Question No. 2. b : Poor performance. Could not understand what they have to answer and how?

Question No. 2. c : A scoring question. Good performance.

Question No. 2. d : Few attempted but in wrong direction. Poor performance.

Question No. 3. a : Students could not get the right words to write. Satisfactory performance.

Question No. 3. b : Scoring one. Performance is good.

Question No. 3. c : Average.

Question No. 3. d : Performance is good.

Question No. 3. e : Attempted but failed to deliver the actual one. Poor performance.

Question No. 4. a : A very good question and scoring one. Very good performance.

Question No. 4. b : Performance is Good.

Question No. 4. c : Satisfactory.

Question No. 5. a & b : MCQ and compulsory question. Attempted and performance is Good.

Question No. 6. a : Failed to give the proper response. Average performance.

Question No. 6. b : Average performance.

Question No. 6. c : Few attempted and could not explain. Poor performance.

Question No. 7. a : Poor performance. Lack of knowledge.

Question No. 7. b : Scoring one. Performance is Good.

Question No. 7. c : Standard question. Average performance.

Question No. 8. a : Very few attempted. Lack of proper justification. Average performance.

Question No. 8. b : Maximum attempted but average performance.

Question No. 8. c : Less scoring because of lack of inputs. Average performance.

Question no. 8. d : Attempted but without real inputs. Average performance.

F – 14 : INDIRECT & DIRECT - TAX MANAGEMENT

Performance of students:

The performance of the students perceptible from the review of the samples projects an unsatisfactory picture. Leaving aside the fact that the communication skill of the students was poor, their ability to solve problems was also poor. The students were not aware of the recent amendments, which is absolutely essential for a taxation paper.

F – 15 : MANAGEMENT ACCOUNTING – ENTERPRISE PERFORMANCE
MANAGEMENT

Report on the Performance of Students

| Question Nos. | Performance of Students | Suggestions for Improvement |
|--|---|--|
| 1. (a) 'True' of 'False' | Overall good performance. Scored significantly. Some students did not give the reason against the "false" answer. It was required as per question. | Students could have saved time by writing only the reason of "false" . Few students wasted time by writing unnecessary details and/or examples. |
| 1. (b) Multiple Matching | Very good performance. The majority of the candidates performed better. Some got full marks also. | Students should have read the whole syllabus sincerely. This is a scoring question. They should not miss out on this question. Only matching of two columns is sufficient. |
| 1. (c) Definitions and/or meaning | Overall good performance. The majority of the candidates performed better. But some students not able to give the meaning and definition of 'Cybernetics' and 'Generic Benchmarking'. | Students need to study the text book and study materials meticulously. A conceptual knowledge is required for this type of question. No need of explanation. |
| 1. (d) Abbreviations. | Good performance. But a few students did not answer all. | Students are suggested to go through the all parts of the syllabus of the respective subject. Students need not waste time by giving examples / details. |
| 1. (e) Fill in the blanks. | Easy and marks scoring question. Students have performed well. | Students need to study all the parts of the syllabus and study materials meticulously. |
| 2. It is based on Contract Costing and Cost Sheet. | Most of the students have attempted second part of the question with good command. But in the case of first part of the question students attempted | Most of the students are not aware regarding the concept of contract costing. More practice is necessary for solving the problems. |

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| | average and very poor performance. | |
| 3. It is based on Simulation and Linear Programming. | Students attempted fairly well the first part of the question. Average performance is observed in the second part, problem orientation question | Students are not able to answer the simulation problem question well. It requires thorough knowledge and more practice is necessary in problem based questions. |
| 4. It is based on BSC, TQM theory and Standard Costing problems. | Very good performance as these are the theory based common question. Majority of the students answered well and solved the problem correctly. But few students are not able to write the actual shortcomings of BSC. | Students should require the fundamental and in-depth knowledge of standard costing. |
| 5. It is based on Aggregate Planning and Performance Costing problem. | Students did well in first part theory question. Some also gave only the general meaning of 'Aggregate Planning' without stating its techniques. Only very few completed the problem. | It is practical based problem and students are not generally familiar with this type of problems. It requires more practice and studies the reference books as well as study materials. |
| 6. It is based on 5-S, EFQM and ERM theory based. | Most of the students did fairly well and got high marks. | More and more learning required for improvement of conceptual skill. |
| 7. It is based on ABC analysis and theory. | Students performed better in the first part as theory question. Only few students attempted the second part and solved correctly the problem and scored average marks. | For improvement the conceptual idea fundamental knowledge the students should require hard study and more practice in the related area. |
| 8. Short notes on ERP, Budget process, Intranet and Benchmarking. | All are the theory questions and most of the students performed better and scored high. | Student should require detailed study from the study materials and text books also. |

Overall Performance of the Students: The performance of the students is good.

General Observations and Suggestions:

- (a) Superficial knowledge and ideas of some students are varying. A few candidates have given irrelevant and vague answers. They are not serious to follow the institute's study materials. The students are advised to study seriously and go through the all levels of the syllabus with in-depth study and more practice in problems.
- (b) After analyzing and scrutiny the examiner's general comments regarding setting the questions and its standards, it may be concluded that this paper is standard one in considering with the final level examinations.
- (c) On the basis of the answer of the students, it is observed that the majority of them did not go through the study materials more seriously. Preparation is lacking for them and observed the lack of conceptual knowledge and idea in the respective subject. The presentation of answers contains a lot of irrelevant, inappropriate and incorrect reasons. Final level students in professional courses cannot be excused in serious in study materials and quality reference books accordingly. Then they would have profound knowledge of the subject and may be able to answer the questions fairly well.
- (d) According to the examiners 'observations the questions are set in good standard and almost all the chapters have been covered. Whole paper is set in such a way that examinees with average knowledge can obtain the certain percentage of questions may obtain the pass marks. Students should read all the areas of the syllabus to answer all the questions.
- (e) Sufficient attention has to be paid for spelling as well as neatness and legible handwriting.

F – 16 : ADVANCED FINANCIAL ACCOUNTING & REPORTING

Overall Performance:

Performance of the students was of average standard. There were only a very few students scoring above 60% marks. The students must realize there is a scope to score reasonable high marks in this paper and boost their average total marks. However, it was clear that they were not fully prepared to sit for the examination. The students did not have acquire adequate knowledge of the subject by thorough study of the Study Materials and text Books prescribed. It also appeared that they did not have clear understanding of the revised Schedule VI format, which resulted in inadequate presentation of the Balance Sheet, whenever required in the answers.

Question wise comment on the performance of the students:

Question No. 1 : Generally well answered. Students scored reasonably good marks in this question.

Question No. 2 (a) : Poor performance – Many candidates did not have clear knowledge of provisioning for option bought and sold.

Question No. 2 (b) : Average performance. Very few candidates could work out the amount of Excise Duty correctly.

Question No. 3 (a) : Answers were not fully correct in most cases due to wrong calculation of Profits, Minority Interest and Cost of control.

Question No. 3 (b) : Average answers – some candidates did not have proper knowledge of AS-18, and consequently answered poorly.

Question No. 4 : Average Performance – However, it appeared that many students did not have a clear concept of preparing Cash Flow statement following As-3 and as a result presentation was incorrect.

Question No. 5 : Fair Performance – In many cases partially correct answers were provided as the candidates could not work out future maintainable Profit.

Question No. 6 : Performance was poor as the candidates due to failure to take into account the impact of profit, depreciation, dividend payment to calculate Net current Asset. Many also failed to calculate the purchase consideration.

Question No. 7 : Average Performance – many students could not make proper calculation and treatment for surrender of shares. In some cases Journal entries did not show narration.

Question No. 8 : Theory questions – Average Performance. Many confused Committee on Public Undertaking with Public Accounts Committee.

Suggestion for Improvement:

- It is essential to study the Institute study materials of this Paper and other prescribed Text Books more intensively, as it was evident that the Students lacked knowledge of the subject. Selective study is to be avoided.
- The students should practice more vigorously to solve more problems from the past question papers of this Institute and other professional Institutes on similar subject.

- Improve presentation skill. Proper presentation of Balance Sheet as per revised Format should be practiced to avoid losing marks. Moreover, in many cases Balance Sheets were presented without mentioning the Name of Entity, date of Balance Sheet on the top. Journal entries must be supported by proper narration.
- Answers must be presented clearly in proper sequence so that final answer can be tied up easily. Avoid using abbreviated forms like CL, CA, FA, FG etc, as far as possible. Always mention Rs, Rs in Lakhs, Rs (000), as applicable.
- While answering Short Notes type questions and Theory questions, the answers should be brief and to the point.

F – 17 : COST AUDIT & OPERATIONAL AUDIT

General Observations :

1. The paper set was examinee friendly. As many as 66% of the examinees could score 40% and more marks. As much as 10.3% of the examinees could score 60% and more. The suggested Answer provided were top-class.
2. The languages used were of poor quality, necessitating the examinees to improve upon their knowledge of English. Many had poor hand-writing. These examinees are required to improve upon their hand-writing to far better in the next examination.

Comments on the Question-wise performance and guide-lines to the examinees:

1. Question No.1 & Question No. 5 were objective – type Questions. Majority of the examinees fared well. Those who could not do well, are advised to go with the Study Material & past Suggested Answers thoroughly, so that the examinees could do far better in the next exams.
2. Question no. 2(b), 3(a) & 4(c) were numerical problems. Majority could not do well in these Questions. Hardly anybody had correctly solved these problems. Examinees, are advised, to practice such problems from the past Suggested Answers and from the recommended books.
3. Students are advised to pay more attention to Cost Audit Report Rules & Cost Audit Record Rules.
4. The answers should be attempted in a systematic way with a logical approach. The presentation should be neat and clear, with analytical explanations, wherever felt necessary.

F – 18 : BUSINESS VALUATION MANAGEMENT

The standard of the questions asked was up to the mark covering almost the full syllabus. The questions were set to check the candidates' conceptual skill, knowledge and analytical ability in practical situations.

General observations and suggestions to students:

1. Examinees/Students are advised to study the materials provided by the Institute carefully.
2. Thorough and repeated reading of the books prescribed will enhance the depth of knowledge.
3. Students should regularly practice solving questions from past examination papers and books.

Specific comments on the performance of the examinees:

Question Nos. 1(a), (b) and (c) : Answers, in general, were satisfactory.

Question Nos. 2(a) : Answers in many cases, were not satisfactory. Large numbers of examinees have correctly calculated the cost of equity but could not calculate the net worth, PAT and the retention ratio correctly. Deferred tax liability (net) has not been considered as a part of the net worth in many cases.

Question Nos. 2(b) : Answers, in general, were satisfactory.

Question No. 3(a) : Answers were not satisfactory except for a few. Most of the examinees have correctly calculated the free cash flows but could not calculate the terminal value and the total value of shares correctly. Correct and orderly presentation of the answer will be improved by regular practice of similar problems.

Question No. 3(b) : Answers, in general, were satisfactory.

Question No. 4(a) : Answers were not satisfactory. Few examinees have attempted this question and most of the answers were not correct.

Question No. 4(b) : Answers were not satisfactory. Only a few examinees could satisfactorily answer this question.

Question No. 5(a) : Answers were fair. Certain examinees have calculated purchase tax (10%) on cost (net of trade discount) instead of on cost plus import duty.

Question No. 5(b) : Answers were not up to the mark. Only a few examinees could satisfactorily answer this question.

Question Nos. 6(a) and 6(b) : Answers were satisfactory.

Question No. 7(a) : Answers were fair. Some of the examinees have wrongly treated investment as trade investment instead of non-trade investment.

Question No. 7(b) : Answers were not satisfactory. Only a few examinees could satisfactorily answer this question.

Question No. 8 : Answers were not up to the mark. Many examinees could not correctly compute the cash flows.