

HEAD EXAMINERS COMMENTS – DECEMBER 2013 – SYLLABUS 2012

IP – 05 : FINANCIAL ACCOUNTING

Question wise performance:

Question 1 (Compulsory-Objective type Question)

Overall performance was not good & very few Candidates have scored good marks. In fact this Question was meant to help them to ultimately do well in this paper.

Question 2

Performance of the Candidate were good for part (a) but few candidate have answered with wrong concept in Debtors and Creditors Account.

The Performance of part (b) was very good.

Unsatisfactory Performance mainly on account of lack of understanding of the question & Principles of AS-09. Very few candidates have answered this part.

Question 3

Most of the answer was of average Level for Part (a). Very few candidates could calculate the discount amount on Bill Discounted.

Satisfactory performance for part (b) but few candidates have not mentioned the reason behind allowing Del-Credere Commission properly.

The Performance of Candidates were good for part (c) but few candidates have no knowledge of basic principles for valuation of unsold stock.

Question 4

Many students could not work out Subscription received for part (a), few students have mentioned receipts on the payment side and vice versa.

Overall Performance was not satisfactory for part(b). Majority of the candidate have not attempt this Question.

Question 5

Overall Performance was very good for part (a).

Overall Performance was average for part (b). Few Candidates have answered Stock Debtors.

Method instead of Branch Account which is specially mentioned in the Question.

Performances of the Candidates were of average level for part (c).

Question 6

The performance of the students were very poor for part (a), most of the students have not attempted this Question.

Most of the answers for part (b) were not satisfactory. Students were not aware of the concept of Capital and Revenue Expenditure.

Some students were not given correct treatment for Bonus utilised in reduction of premium & hence the final balance of Life Assurance Fund was calculated wrongly in Part (c).

Question 7

The Performance is satisfactory since majority of the Candidate have answered this Question. But few Candidates have a lack of clarity of fundamental Concept of Minimum Rent and specially Recoupment of short working which has been directly reflected in the analytical Table.

Most of the answers were satisfactory for part (b).

Question 8

Unsatisfactory Performance mainly on account of lack of knowledge of preparing Debtors & Creditors Account & Cash, Bank Balance but most of the candidates have attempted this part (a).

The performance was very poor since the candidates have not gone through properly to the part (b) of Question.

SUGGESTIONS FOR IMPROVEMENT

Financial Accounting Paper is the main source of scoring high marks in the examination & it can be secured provided they prepare well. However, it appeared that many students were not well prepared. It is observed that students have appeared in the examination with a very casual approach and Calculation mistakes were also observed in answering few questions. It must be understood that there is no alternative to acquiring knowledge of the student. For that purpose, more intensive study of the Institute Study Material & 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 topics covered in the syllabus so that they can face the Examination more confidently.

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

GENERAL OBSERVATION

It is observed that about 55% of the candidates performance was very poor. From this it is revealed that students taking casual approach in such **Professional Examination**. It is advised that in depth study of Institutes Study Materials, reading of good textbooks followed by regular repeat, regular practice of the problems on various Chapters can only help the Candidate to clear such professional Examination. It is also advised that treat the Examination paper as Examination Copy rather practice copy e.g. Ledger, Journal, Balance Sheet Format not maintained, heading not properly mentioned & to avoid repetition of answer the same question. There is no short cut way for success in ones carrier.

IP - 6 : Laws, Ethics & Governance

Overall Performance of Examinees:

Based on the Examiner's views, my assessment are placed at Annexure – I. Unsatisfactory performance of some candidates are mainly on account of failure to understand the question, wrong/incomplete answers, bad hand writing, vague and common sense answers, absence of logical and systemic approach etc.

Instead of indicating the part wise / sage wise marks some examiners have allowed one consolidated mark specially against Q No. 1 (i to xx). Although the examiners were requested to indicate the mark on the right side but few Examiners indicted the marks on different places of the Answer papers.

Suggestion for improvement of Examinees performance :

It is suggested : - (i) to keep in touch with periodical amendments, to study the Institute's Study Notes and books of latest edition. (ii) thorough and in depth study is necessary, (iii) careful reading and understanding the meaning and basic requirement of question, (iv) to avoid repetition of same points, (v) to provide margin on both sides of the answer books, to provide adequate space in between two answers, to present in a legible manner, (vi) not to write vague answers, (vii) to improve handwriting, (viii) to improve communication skills etc.

QUESTION WISE PERFORMANCE

A. General – overall performance – based on samples – satisfactory.

B. Question wise performance

Compulsory

Q 1 (i to xx) - Satisfactory

But following answer to following questions were found incorrect.

- a) – vii
- b) – xvi
- c) – xvii
- d) – xviii

SECTION – A (Optional)

2. a (i), (b) Satisfactory – but logical approach was lacking.

2. a (ii) Satisfactory – but unsatisfactory presentation.

2. (C) Not Satisfactory.

3. a (i) Satisfactory - lacking satisfactory presentation & approach .

3. a (ii) Satisfactory.

3. (b)	Unsatisfactory presentation
3. c (i –iii)	Average
3. c (iv)	Poor – wrong answer by almost all.
4. a (i)	Lacking logical approach
4. a (ii)	Average – common sense answer without reference to provisions of P.F. Act/Rules.
4. b	Unsatisfactory
4. c	Satisfactory but mostly without giving reference to legal provision.
5. a (i)	Poor response
5. a (ii)	Not satisfactory – mostly without leading case reference.
5. b	poor response – not satisfactory
5. c	Unsatisfactory – could not understand the question.
6. a	Average
6. b	Satisfactory – presentation required improvement.
6. c	Not Satisfactory

SECTION – B

7. (a) – 7. (b)	Poor response – unsatisfactory
7. c	Satisfactory – majority attempted.
8. (a)	Satisfactory
8. (b)	Average. Wrong answer by many.
8. (c)	Unsatisfactory – wrong answer by many – logical presentation was lacking.
9. a,b,c,	Unsatisfactory, majority avoided.

SECTION – C

10. a & b	Not satisfactory – Average
11. a & b	Average – majority attempted
12. a & b	Majority attempted – Satisfactory.

IP – 7 : Direct Taxation

Comments on the performance of candidates

Question-wise performance :

Question no. 1 (a) : Students were asked to answer briefly the questions asked in eight sub-divisions. Many students did not state reasons in support of their answers. The question covered some latest amendments which many students were not aware of.

Question no. 1 (b) : This is a multiple choice question which was attempted well by most students.

Question no. 2 (a) : The question was attempted successfully by many students.

Question no. 2 (b) : Most Students were not aware of the conditions to be satisfied for claiming exemption under section 10 (10c) of the Income-Tax Act relating to voluntary retirement compensation.

Question no. 2 (c) : Most students stated one condition instead of two for claiming exemption in respect of accommodation provided in hotel by the employer.

Question no. 2 (d) : The question involves computation of income from house property which was attempted well by many students. Some students wrongly deducted unpaid municipal tax in determining net annual value. Some students did not consider standard deduction in respect of arrear rent received.

Question no. 3 (a) : Though computation of capital gain and business income in case of conversion of capital asset into stock-in-trade was correctly made by most students, they did not mention that exemption under section 10(38) of the Income-tax Act is not available where securities transaction tax is not paid. As a result most students lost '1/2' mark. Some students wrongly applied cost inflation index of the year of sale instead of the year of conversion.

Question no. 3 (b) : Following deficiencies were noticed:

- Weighted deduction at 200% for in-house scientific research capital expenditure approved by the prescribed authority was not considered by many students.
- Many students failed to state that the expenditure is allowable unless the payment is unreasonable / excessive having regard to the fair market value.
- Many students failed to state that interest for the period prior to the machine was put to use cannot be allowed, but the same should be added to the cost of the machine.

Question no. 4 (a) : Most of the students attempted the question correctly. However, for sub-part (iv) some students did not appreciate that only the difference between the fair market value and the actual consideration is liable to tax.

Question no. 4 (b) : Most students showed lack of awareness of the provision relating to deemed dividend under section 2(22)(e) of the Income-tax Act. Students did not state that exemption under section 10(34) is not available. TDS provision was not referred to by the students.

Question no. 4 (c) : Computation involving application of the provision relating to set-off and carry forward of loss was attempted well by most students. However, many students did not state that unabsorbed speculation loss can be carried forward for 4 assessment years.

Question no. 5 (a) : Mistakes were noticed in valuation of perquisites in many cases. Some students wrongly took basic salary and DA for 12 months though the assessee worked for 10 months.

Question no. 5 (b) : Many students lacked the concept of integration of agricultural income and non-agricultural income for rate purpose.

Question no. 6 (a) : Conditions for allowance of bad debts are not known to most students. Students answered in general manner without mentioning the provisions of law.

Question no. 6 (b) : Many students did not know the provision of Explanation 3 to section 64(1) of the Income-Tax Act relating to clubbing of income.

Question no. 6 (c) : The question on application of section 80C of the Income-tax Act was attempted well by majority of the students.

Question no. 6 (d) : The question on computation of depreciation was not attempted well by most students. In particular the adjustment of exchange loss with cost of asset was not shown by many students.

Question no. 7 : The question on wealth tax was answered fairly well by most students.

Question no. 8 : Either

- (a) Sketchy answer on the assessment procedure under the Wealth Tax Act was not found in most cases.
- (b) Most students were not aware of the provision of section 21AA of the Wealth Tax Act.

Question no. 8 : Or

- (a) Sketchy answer was found in most cases.
- (b) Students generally correctly stated that partnership firm is not liable to wealth tax and the partners are deemed owners of the assets of the firm.

Question no. 9 : This was a question transfer pricing provisions. Answers were generally found poor.

Question no. 10 : Either

This part on transfer pricing issues was not attempted by many students. Those who attempted could not answer all the parts properly.

Question no. 10 : Or

Most students gave vague answers to part (i) to (iv). The part (v) on computation of arm's **length price and consequential addition to income was attempted well by some students.**

General Observations :

Students were not found to be well prepared for the examination. In respect of transfer pricing provision the students were not found to be properly prepared, although the study material of the Institute deals with such provisions quite elaborately. In general students were not to answer with cogent reasons.

Suggestion to Students:

1. They should go through the Institute's study material thoroughly. They should also study the prescribed text book.
2. Adequate practice is required.
3. They should avoid writing irrelevant points.
4. They should decide the length of the answer depending upon the marks allotted.

IP – 8 : COST ACCOUNTING & FINANCIAL MANAGEMENT

Standard of question:

Keeping in view of the examiners' Report, it is observed that theoretical portions as well as portions as well as practical problem parts covered most of the topics of the syllabus. Further it is also observed that professional standard was maintained while setting question both on Cost Accounts and Financial Management subjects.

Question-wise observation and suggestions for improvement:

Question No. 1 : By and large this compulsory question's performance was more than average. Hence for improvement student s should carefully go through the study notes and solve practical problems seriously.

Question no. 2 (a) : Most of the examinees attempted this problem but could not complete correctly, specially valuation part revealed lacking of practical knowledge. For better performance indepth study of the topic coupled with regular practice is essential.

Question no. 2 (b) : Performance was quote satisfactory.

Question no. 3 (a) : Baring few candidates, performance was less than average.

Question no. 3 (b) : Regular practice and solving of such problem from good books & study material very much necessary for improving the standard of answer.

Question no. 4 (a) : Performance of these problems was much below average. Only a few candidates were able to solve this problem correctly.

Question no. 4 (b) : Answer was average. For improvement, basic knowledge of Cost Accounting is very much required. Clear conception of the topic will improve the performance.

Question no. 5 (a) & (b) : Poor performance was observed. Treatment of absorption of overhead could not be shown by most of the candidates who attempted this question.

Proper study of Institute's study material and good text book can only show improvement of the performance.

Question no. 5 (c) : Performance was by and large more than average.

Question no. 6 : This compulsory question was attempted by most of the examinees and performance was average.

Question no. 7 (a) : Attempted by most of the candidates but few were able to find out correct ratios properly.

For improvement, This Ratio analysis chapter must be read properly and regular practice will only bring improvement in the performance.

Question no. 7 (b) : Answer was very poor which has shown lacking of proper conception of the subject. To improve the performance reading of study material and regular practice is very much needed.

Question no. 8 (a) : Attempted by a few , But except a very few candidates, problem could not be solved properly.

Question no. 8 (b) : These theoretical portions also exhibit lacking of proper study and casual treatment was noticed.

Question no. 9 (a) : This was attempted by most of the students. But except few candidates none could solve the problem completely.

Here also proper study of Institutes study material and good text book is necessary followed by regular practice.

Question no. 9 (b) : (i) Poor theoretical knowledge was observed. Except a few students ignorance of the subject was observed very much.

(ii) & (iii) Performance was average. For better performance, students should avoid casual treatment and regular study of the subject is very much required.

General Observations :

From the performance of the examinees, it is observed that, most of the students appeared this type of price-professional examination without proper preparation.

Students must be suitably advised to avoid casual treatment and be serious about the study and for which proper study of Institutes study material and good text books to acquire in-depth knowledge of the subject is very much required. Further regular practice in solving practical problems from study materials, text books and previous question papers of the Institute will only be helpful to over come such professional examination. Once again it is reiterated that students must avoid casual treatment by all means and strictly adhere to serious study before appearing in the examination.

IP – 9 : Operation Management and Information Systems

Report on Question-wise Performance of students **As well as overall performance on the subject**

Question No.	Comment
1	There are 12 parts – 1 mark each. Weightage is not proportionate to efforts and time. Performance in general was not satisfactory.
2	Being on expected topic, performance was satisfactory.
3	Good students scored well.
4	Good students scored well.
5	Performance was not good.
6	It appears students are not familiar with the terms and could not perform well.
7	Performance was satisfactory,
8	Performance was satisfactory.

General comments and recommendations:

1. Overall performance of the students was not satisfactory. Only a few students could score above 50.
2. Lack of sufficient preparation to cover the new syllabus, which is elaborate, has been noticed.
3. One reason could be that no previous pattern is available to guide the students.
4. Objective type questions should be at least 25% of the total marks, considering both sections.
5. Revisionary Test paper with well-set model questions-answers should be made available to guide the students and improvement of overall performance.

IP – 10 : Cost And Management Accountancy

General Comments on the Performance of the Examinees:

Overall performance of the candidates as commented by the Examiners was not satisfactory and the same has not been upto the level which may be expected from the Students desirous of entering into the profession of High Expertise and knowledge. The Question paper is a standard one where questions were set within the syllabus covering concepts in depth. The deficiencies as observed in answering the questions and which candidates are required to take note for the improvement are as under:

1. Majority of Examinees did not take this course seriously.
2. The quality of answers reflected lack of conceptual knowledge and understanding of the candidates considering the expected standard level of the subject Cost and Management Accountancy.
3. The candidates lacked adequate practice to solve diverse range of questions on CMA and Economics for managerial decision making.
4. In many cases candidates not answered the questions completely in sequence. Answer were scattered over different pages of the answer book instead writing them consecutively.
5. Students do not clearly mention the units like ₹ , kgs, ltrs, etc. as applicable and also even the relevant Question No.
6. The other deficiencies observed were poor handwriting, poor presentation, spelling and grammatical mistakes.

QUESTIONWISE PERFORMANCE:

Question No. 1 : This was compulsory question involving various concepts on the subject Cost And Management Accountancy. Most of the candidates failed to answer in precise and to the point, due to lack of knowledge on the concepts.

Question No. 1 (a) : Through put Accounting concepts not clear and errors committed.

Question No. 1 (b) & (d) : Good performance.

Question No. 1 (c), (f), (g) & (i) : Average performance

Question No. 1 (e) & (h) : Irrelevant contribution found as answers.

SECTION – A

Question No. 2 (a) : Performance was below average – concepts not clear – comparison table on proposals covered in the question not properly conveyed which resulted false answers in many cases.

Question No. 2 (b) : variances – poor performance – standard costing concepts not clear – mistakes committed by many students on calculation of variances due to wrong understanding of concepts.

Question No. 3 (a) : Transfer price, concepts based on R.O.I. – not clear – very few have given correct answers.

Question No. 3 (b) : Uniform costing – irrelevant contributions found as answers.

Question No. 3 (c) : Average performance – Total cost per unit on variable, fixed and semi variable is not furnished in many cases.

Question No. 4 (a) : Poor performance. ABC costing linked to cost driver-not clear – mistakes committed at large. Even students have erred on calculation of overheads based on materials handling overhead rate and machine hour rate.

Question No. 4 (b) : Average performance.

Question No. 4 (c) : Theory part – Lack of knowledge on Performance Budgeting is exhibited in many cases.

SECTION – B

Question No. 5 (a) & (b) : Rare attempt done on this question by students with poor performance. Majority of the students do not know how to calculate capital employed. Lack of knowledge on Cost Auditor Appointment lead to wrong answers.

Question No. 6 : Most of students have attempted this question.

Question No. 6 (a) : Cost Auditor Duties – not clear – Poor performance.

Question No. 6 (b) : Only some students have exhibited impact on Costing Profit & Loss Account.

Question No. 6 (c) : Very few have answered correctly due to lack of depth on the subject.

SECTION – C

Question No. 7 : Poor performance observed.

Question No. 7 (a) : Not clear of factors involved in Demand Forecasting – Wrong contribution exhibited.

Question No. 7 (b) & (c) : Most of the Students do not furnish the correct Demand and Supply relationship and the related formula on this subject.

Question No. 8 (a) : Average performance.

Question No. 8 (b) & (c) : Lack of knowledge on Economic concepts viz. MC. MR & Monopoly Price etc. lead to false answers.

Question No. 9 (a) & (b) : Satisfactory performance.

Question No. 9 (c) : In most of the cases lack of knowledge exhibited on profit function resulting to wrong answers.

Guidelines and Suggestion:

It should be brought to the notice of all students that casual treatment will not bring any fruitful result. The following guidelines should strictly be adhered to by the students:

1. Students should focus on having in – depth knowledge and clarity of concept.
2. In-depth study of Institutes study material and good text books.
3. Regular solving of practical problems including past question and problems of institutes study materials. Due to lack of practice while solving practical problems examinees could not complete most of the problems set in the examination, hence regular practice is essential.
4. To avoid unnecessary, irrelevant details and repetitions of same points in the answers.
5. Students should avoid selective studies.

IP – 11 : INDIRECT TAXATION

GENERAL COMMENTS:

The overall performances of the students were not up to the mark. Knowledge of various provisions in the Indirect Taxation was not properly understood by the students.

Presentation was not in a proper manner. Many spelling mistakes and grammatical errors were also observed.

Many of the questions appeared on the question paper is very easy and able to score more marks, but unfortunately students not answered properly.

SPECIFIC COMMENTS:

Question No. 1 : VERY AVERAGE

Overall performance of the students is average. Students did not explain the answers with proper justification.

Question No. 2 : POOR

a) Most of the candidates were not aware of the Service Tax related to the Foreign Exchange of currencies by banks. The students simply applied the normal Service Tax for the Question No. 2(a).

b) (i) Few students attempted properly.

b) (ii) Most of the candidates failed to compute correct drawback provisions, it shows lack of understanding of drawback provisions.

Question No. 3 : VERY POOR

a) When compared to other questions in the paper, very few students attempted properly. Most of the students were confused with general Valuation Rules with 10A.

b) The answer was not attempted properly by majority of the students.

c) Only limited number of students have written the Sources of Powers of various taxes.

Question No. 4 : GOOD

Most of the students correctly solved the problem and few students not attempted the theory part properly. Very few students gave proper answer for Appropriate State Meaning as per Central Sales Tax Act, 1956.

Question No. 5 : GOOD

Except 5(a) students attempted properly for all parts of the question specifically. Very few students were not attempted (or) confused with short levy and short payments.

Question No. 6 : AVERAGE

Most of the answers exhibited lack of knowledge on case law, few students were not aware of presentation on case law based questions.

With regard to 6(b) and 6(c) students attempted properly.

Question No. 7 : AVERAGE

a) The answer was attempted fairly well by majority of the students.

b) The majority of the students performed reasonably.

Question No. 8 : GOOD

a) This part of the question was answered properly by large number of students.

b) Most of the candidates failed to differentiate between identical goods and similar goods.

c) Fairly attempted by most of the students.

Question No. 9 : GOOD

All the question were scoring questions. Majority of the students attempted very well on 9(b) part.

Question No. 10 : AVERAGE

The majority of the students performed reasonably well and gave satisfactory answer for 10(a), (b) and (c). Most of the students failed badly in part 10(d).

Question No. 11 : AVERAGE

Few students correctly answered part (b) and part (c). Very few students were able to solved the problem given in part (a).

IP – 12 : Company Accounts and Audit

Summary of Examiner's comment on the performance of the Candidates:

General Comments:

General performance of the candidates has not been upto the mark. Sufficient practice and through revision will enable the candidates to improve their fundamental skills on the practical problems. It is also advised that the question paper should be gone through carefully before writing the answers.

Specific Comments:

- 1) Theory questions based on AS12 and AS26 there was average performance of the candidates.
- 2) (a) Disclosure requirements as per AS11 regarding the amount of exchange difference included in the net profit or loss for the period and foreign currency risk management policy are not mentioned by most of the candidates.
(b) Only very few students able to give correct answer. Lease rent and lease liability accounts are not correctly prepared by most of the candidates.
(c) Overall performance of the students is average. Very few candidates could answer with specific reference of AS26 regarding accounting treatment of software acquired for internal use.
- 3) The performance of both sub-parts of the question (a) and (c) was answered satisfactory but the maximum limit of the Managerial Remuneration (part b) and calculation of ratio of sales for the period prior to and post incorporation (part d) were not answered properly.
- 4) (a) Overall performance of the students is average. However, most of the students did not understand the term 'firm' applications.
(b) The question requiring the candidates to record the journal entries and Ledger Accounts in the books of the vendor company was not well attempted by majority of the candidates. Further in (part b) the candidates could not answer the problem correctly and failed to calculate the amount of liquidator remuneration.
(c) The performance of the candidates was satisfactory. Although, in (part b) disclosure requirement of reportable segment was not correctly stated by majority of the candidates.
- 5) There was average performance of the candidates in this theory based question.
- 6) Theory question based on concept of continuous audit/operational audit/cost audit. There was average performance of the candidates in this question. Although in (part b) the limitation of internal control were answered properly only by the few candidates.
- 7) In general the answer was attempted fairly well by majority of the candidates, but most of the candidates were not familiar with the role of C&AG in the audit of Government Company (part a II) and AS4 (part b III)

FP – 13 : Corporate Laws & Compliance

Overall Performance of Examinees:

Unsatisfactory performance of some candidates are mainly on account of failure to understand the question, wrong/incomplete answers, vague and common sense answers, absence of logical and systemic approach etc.

Although the examiner's were requested to indicate the mark on the right side but few Examiners indicated the marks on different places of the Answer papers.

COMPULSORY QUESTION 1

- Q. 1a.** Not Satisfactory
- Q. 1b.** Satisfactory but lacking satisfactory presentation
- Q. 1c.** Average
- Q. 1d.** Not satisfactory – few candidates attempted.

OPTIONAL .

- Q. 2a.** Satisfactory
- Q. 2b.** - do – Limited number of candidates attempted.
- Q. 2c.** Not Satisfactory
- Q. 2d.** Average – majority failed to answer taking all relevant points.
- Q. 3a.** Not Satisfactory, very few candidates attempted
- Q. 3b.** Satisfactory – part answer by majority
- Q. 3c, d.** Satisfactory - few candidates attempted.
- Q. 4a, c.** Not satisfactory
- Q. 4b & d.** Average – few candidates attempted.
- Q. 5a.** Average
- Q. 5b & c.** Satisfactory
- Q. 5d.** To the point answer was lacking
- Q. 6a.** Few candidates attempted. More or less satisfactory
- Q. 6b, d.** Satisfactory
- Q. 6c.** Average

COMPULSORY

- Q. 7a.** Not Satisfactory – Few candidates attempted
- Q. 7b to f.** Majority attempted more or less satisfactory.

Suggestion for improvement of Examinees performance:

It is suggested :- (i) to keep in touch with periodical amendments, to study the Institute's Study Notes and books of latest edition, (ii) thorough and in depth study is necessary, (iii) careful reading and understanding the meaning and basic requirement of question, (iv) to avoid repetition of same points, (v) to provide margin on both sides of the answer books, to provide adequate space in between two answers, to present in a legible manner, (vi) not to write vague answers, (vii) to improve handwriting, (viii) to improve communication skills etc.

FP – 14 : ADVANCED FINANCIAL MANAGEMENT

Performance of examinees:

1. The performance of students discernible from the review of the samples is that the Students have not fared satisfactorily.
In the case of most of the examinees, the theory questions were answered in a poor fashion, exhibiting poor communication skills (due to weak in English) and lack of knowledge of the subject matter. In several samples, for many a theory question as well as problem based questions, answers of poor quality found.

QUESTION – WISE PERFORMANCE BY EXAMINEES.

QUESTION NO.	PERFORMANCE
1.	(a) V. Good (b) V.V.Poor (c)(i) Poor (ii) V.Good (d) Average to V. Good (e) Average (f) Poor (g) Poor to Average
2.	(a) V. Good (b) Average (c) Poor
3.	(a) Poor to Average (b) Poor (c) V.Poor
4.	(i) V.V. Poor (ii) V.V. Poor
5.	(a) Poor to Good (b) Poor (c) Average to good
6.	(a) 1 st part V. Poor to Average 2 nd Part Good (b)(i), (ii) & (iii) V.V. Poor
7.	A(i) Average (ii) Average to Good (b) Good
8.	(a) (i) V. Good-Rest V.V. Poor (b) Average to Good
9.	(a) Average to Good (b) V. Good (c) Decision Tree Satisfactory to Good Rest Average to Good
10.	(a) Good (b) V. Good (c) 1 st part V. Poor 2 nd Part Good.

FP – 15 : BUSINESS STRATEGY AND STRATEGIC COST MANAGEMENT

QUESTION WISE COMMENTS:

Question No. 1 (a): Overall performance is good. Students have tried to answer the question but have explained in general the concept of vision and mission rather than providing the proper statement.

Question No. 1 (b): The students have tried to answer the question based on their own perception.

Question No. 2 (a): Answers were on wrong concept as majority could not follow the question. End user products were not mentioned, major products were stated.

Question No. 2 (b): Majority of students could not to understand the case study.

Question No. 2 (c): More or less ok.

Question No. 3 : In case of (i) narrations were incomplete and in case of (ii) the answers were more or less satisfactory.

Question No. 4 (a): Unsatisfactory performance. Majority could not make logical and systematic analysis.

Question No. 4 (b): Average performance. Some gave wrong answers due to lack of knowledge.

Question No. 4 (c): Lack of the point answer and majority gave irrelevant explanations.

Question No. 5 (a): Performance was not up to the mark. Majority of the examinees could not arrive to relevant details.

Question No. 5 (b): Average performance.

Question No. 6 (a): Most of the students explained 'product life style' was explained instead of 'project life cycle'.

Question No. 6 (b): Majority of the examinees have committed arithmetical mistakes.

Question No. 7 (a): More or less satisfactory performance.

Question No. 7 (b): Average performance. Some gave wrong answers due to lack of knowledge.

Question No. 7 (c): Almost satisfactory performance.

Question No. 7 (d): A few examinees could calculate profit variance statement.

Question No. 8 (a): Generally answered well.

Question No. 8 (b): Negligible numbers of examinees could answer correctly.

Question No. 8 (c): Lack of knowledge on BEP is seen.

Question No. 8 (d): Average performance.

Question No. 9 (a): More or less satisfactory performance.

Question No. 9 (b): Answers were largely satisfactory.

GENERAL COMMENTS AND GUIDELINEES

- Go for in-depth knowledge of the subject.
- Thorough reading of study materials, journals, text books etc. for better understanding about case studies and practical problems is suggested.
- Students are advised to understand the question thoroughly before answering.

FP – 16 : Tax Management and Practice

General observation & suggestion to students:

- i) Examinee/Students are advised to extensively study the material provided by the Institute and refer to the solved problems given therein.
- ii) Reading the books prescribed in the syllabus will enhance understanding and depth of knowledge.
- iii) Students should regularly practice solving questions from past examination papers and from these books.

Question wise Performance :

Question No. 1. (a) to (d): Overall not satisfactory, candidates did not work out the 'duties' under the Rules correctly.

Question No. 2. (a) to (c): Generally satisfactory. Some students have given import procedure instead of giving the procedure for export free of taxes and duties, asked in the question.

Question No. 3. (a) to (c): Students committed errors in calculating VAT payable, Credit for taxes and interest under Customs Act .

Question No. 4. (a) to (c): Students made errors in calculating correct amount of taxable services.

Question No. 5. (a) to (d): Overall not satisfactory. Students did not mention case – law and their concepts do not appear to be clear. Presentation skills are lacking.

Question No. 6: Few students have attempted the question properly.

Question No. 7. (a) to (c), 7. (b) & (c): Overall unsatisfactory due to error in depreciation calculation and inadequate knowledge of carry forward and set off of losses.

Question No. 8. (a) to (b): Some what satisfactory. Many students did not attempt 8 (b).

Question No. 9. (a) to (c), (a) & (b): are generally satisfactorily answered. The transfer pricing problem shows poor performance due to lack of knowledge concerning applicability of transfer pricing provisions.

FP – 17 : Strategic Performance Management

Report on the Performance of Students

Question Nos.	Performance of Students	Suggestion for Improvement
1. The question is based on case studies	Most of the students are not familiar with case study type of question. Due to lack of understanding of subject matter most of the students applied their own idea and guessed and, therefore, the answers are not up to the standard.	Since it is a compulsory question the students should practice more and more the study materials of the Institute emphasizing case studies questions
2. The question is based on case studies	Most of the students have attempted at random without having clear understanding and knowledge in depth. Therefore, the logic and standard answers are not found.	Since it is a compulsory question the students should read more and more detail study from the text books as well as study materials of the institute emphasizing case studies questions
3. The question is based on operation management and matrix which is mathematical one.	The students are very much poor in mathematical questions and obviously their performance is not good. Very few students attempted this question and few only answered correctly.	Students are not able to answer the matrix question as they are not competent to solve this type of operation management and matrix question.
4. It is based on ABC related.	Very good performance by the majority of the students.	Students should require the fundamental and depth knowledge of Activity base Costing.
5. It is based on NPV-IRR.	Majority of the students attempted this question and have written fairly well answered and got better marks.	The students should have knowledge of NPV-IRR. They should study the study materials of the institute covering the topic as well as text books. Otherwise, their answers will not be in proper line and up to the standard for scoring the marks
6. It is on Target Costing .	Very good performance in both parts of the questions. Most of the students attempted very well and scored better.	Fundamental of the topic must be rigorously studied by the students for better performance.
7. It is on impact of Management Information System (MIS) and Total productivity Management (TPM).	Majority of the students have done outstanding in the both part of the questions. Most of them answered correctly significantly.	The concept and depth of knowledge of MIS and TPM theory is required to get good marks. They require more study to learn the related topic.

8. It is Decision Support System (DSS).	As it is a common question, majority of the students attempted did well and got good marks.	Students must need to study the text books and study materials seriously and in-depth knowledge is necessary to give good answer in these types of questions.
9. It is on Corporate Risk Management. Risk Strategy and Risk Pooling.	It is a common theory type question. Majority of the students well attempted and their performance is better. Only in few cases the risk polling term not properly understood and explained critically. They have written only general perception and common meaning.	Students must need to study the text books and study materials properly and in-depth knowledge is necessary to give good answer.
10. These are based GACAP, RBI guide lines, Gamblers' Ruin Theory and Risk Mapping	Since all are theory based questions the most of the students performed well and scored good.	Students must need to study the text books and study materials properly to give good answer in this type of theory questions.

Overall Performance of the Students: By considering the new syllabus 2012 in the first time the performance of the students is good.

General Observation and Suggestions:

- (a) Some candidates have given the answer based on superficial knowledge and ideas. A few candidates lack in basic and conceptual knowledge and sometimes they have given irrelevant and vague answers mainly relating to the case study type of questions which are compulsory ones (two questions). They are not serious to follow the institute's study materials. The students are advise to study hard and go through the all levels of the syllabus with in-depth study and more practice which are required for their improvement of the standard and good result.
- (b) After analyzing and scrutiny the examiner's general comments regarding questions it may be observed that this paper is standard one though it is based on new syllabus and first time also.
- (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 in the subject. Final level students in professional courses cannot be excused in serious in study materials and quality text books accordingly. Then they would have profound knowledge of the subject and may be able to answer the questions satisfactorily.
- (d) The questions are set in good standard. Almost all the chapters (areas) have been covered. Whole paper is set in such a way that examines with average knowledge can obtain the pass marks. Students should read all the areas of the syllabus to answers all the questions. In this way the question is set.

FP - 18 : Corporate Financial Reporting

Overall Performance of the students and suggestions of how they should improve themselves

Overall Performance:

Performance of the students was poor and it was evident that they were not fully prepared to sit for the examination. The students did not have enough knowledge of the subject and also showed poor analytical skill and did not have enough practice to solve the problems. 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(a): Poor answers as the students were not clear about the terminologies.

Question No. 1 (b): Generally well answered

Question No. 1 (c): The question needed application of AS – 22, which was not clear to many.

Question No. 2 (a): Poor performance – Most of the students could not find out intrinsic value per share. Balance Sheet schedules were not shown, resulting in loss of marks.

Question No. 2 (b): Generally well answered

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): Poor answers – due to failure calculate pre/post profits, Minority Interest, Cost of control, goodwill and consolidated profit/loss account.

Question No. 4 (a): Good Performance-However, some students could not provide the calculations for after Bonus issues.

Question No. 4 (b): Poor answers-it appeared that the Students lacked practice to solve such problems.

Question No. 5 (a): Average performance – Only partially correct answers were provided. Many could not work out unearned finance income.

Question No. 5 (b) (i): Generally well answered.

Question No. 5 (b) (ii): Poor answers – Most of the Students failed to work out the amounts correctly and also failed to show all the required entries.

Question No. 6: Generally well answered other than in Q 6(b) (i) where relevant entries were missing and many could not work out correctly the Net Cash flow from operation.

Question No. 7 (a): Poor Performance – the students failed to work out the correct amount of compensation.

Question No. 7 (b): Most students did not had clear knowledge about features of XBRL.

Question No. 8: Theory questions – Average Performance – However, students lacked knowledge on IGAS-5 and Report of CAG.

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.
- The Student should practice more vigorously to solve more problems from the past question papers of this Institute and other professional Institute on similar subject.
- Proper presentation of Balance Sheet as per revised Format should be practiced carefully to avoid losing marks.
- Answers must be presented clearly in proper sequence so that final answer can be tied up easily.

FP – 19 : COST & MANAGEMENT AUDIT

General Observations:

The overall performance of the examinees is not good. Only around 40% of the examinees could score 40 marks PLUS. Only 1.3% of examinees could score 60 marks PLUS. 60% of the examinees could not score 40 PLUS and have failed. This poor show could be attributed to following reasons:

- (i) This being the final paper, the examinees may not have been able to anticipate the pattern of the Question setting.
- (ii) Lack of in-depth study of the subject.
- (iii) Very low standard of proficiency in English.

The examinees are advised to study the subject thoroughly from the Study – Material & understand the basic concepts of the subject. They should practice solving numerical Questions.

Question – wise Comments on the performance of the examinees:

Question No. 1(a), 2(b), 4(b), 5(a), 9, 10(a), 10(b) & 12 were numerical Question (covering 70% marks). Very few could answer these Questions correctly. A few made partial attempt. Almost none could solve these numerical correct fully. Examinees are advised to practice as much as possible for solving numerical. All the numerical illustrated in the Study Material should be practiced. Students are also advised to put their hands on standard reference books containing numerical & try to solve such problems. This will help them to stand in good stead in facing the exam next time.

Question No. 2(a) : The overall performance is very poor. Examinees should study CAS 9 thoroughly.

Question No. 3(a), (b), (c), (d) : Almost none could answer these Question correctly.

Question No. 4(a), 5(b), 6(a), 7(a), (b), 8(a), 8(b) were all standard Questions. The performance shows that the examinees have not studied properly. Only hard and sincere study can help the examinees to face such examinations.

This paper is the last hurdle for the examinees before qualifying as a Cost and Management Accountant. The students are expected to have a fairly good knowledge of Cost and Management Accountancy and on passing this paper, they would be budding professionals & are expected to take quality decision in the field of management accounting and corporate management in particular. They should be in a position to prepare the cost audit report in compliance with statutory obligations. Hence the importance of this paper.

FP – 20 : FINANCIAL ANALYSIS & BUSINESS VALUATION

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.
- **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 examinees could get few steps right. Some of them performed well. The overall performance was of average level.

Question No. 1 (b):

Most of the examinees could get few steps/points right. Very few got answer correct. The overall performance was not up to the mark.

Question No.2 :

This question was answered by and large good by almost of the examinees. The overall performance was good.

Question No.3:

This question was answered correctly by most of the examinees. The overall performance was above the average level.

Question No.4 (a):

The answers of most of the examinees exhibited lack of conceptual knowledge of distress firm. The overall performance was below the average level.

Question No.4(b):

Most of the examinees could few steps/points right. Some of them performed good. The overall performance was above the average level.

Question No. 5 (a):

Most of the examinees could few steps right. Few examinees performed good. The overall performance was of average level.

Question No. 5 (b):

Most of the candidates failed to calculate the share of profit attributable to equity shareholders due to lack of concept of the subject matter. Their performances have been quite dismal.

Question No. 6:

Most of the examinees failed to answer to the question correctly. The overall performance has been quite dismal.

Question No. 7:

Most of the examinees could get few steps/points correct. Very few got the answer correct. The overall performance was very poor.

Question No. 8 (a):

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

Question No. 8 (b):

Most of the examinees failed to answer correctly due to lack of conceptual knowledge of uncertainties in business valuation. The overall performance was not up to the mark.

Question No. 9 (a):

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

Question No. 9 (b):

Almost of the examinees failed to answer correctly due to lack of conceptual knowledge of Option premium. The overall performance was not upto the mark.

Question No. 10 (a) & (b):

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

GENERAL GUIDANCE AND SUGGESTIONS 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.
- **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.