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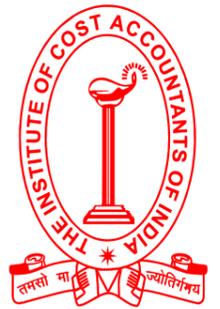
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Behind every successful business decision, there is always a CMA



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Message from the **CHAIRMAN**

Warm greetings!

In the words of Dr. A.P.J. Abdul Kalam, "Climbing to the top demands strength, whether it is to the top of Mount Everest or to the top of your career."

As stewards of the future, it is our responsibility to nurture not only the young minds of our nation but also contribute to the global landscape, much like tending to the greenery and the environment for the prospective well-being of human civilizations. Our commitment is still evolving and we aspire to cultivate individuals equipped not only with knowledge but also with compassion and humanity, qualities that are increasingly rare in today's world.

We are dedicated to fostering an environment where our students actively contribute to the development of a vibrant and positive ecosystem coupled with the attainment of essential knowledge. The Directorate of Studies takes pleasure in extending comprehensive support and guidance to our students. Live webinars are regularly organized for your benefit, and recorded sessions are archived in our e-library. Model Question Papers (MQPs) and monthly E-bulletins containing valuable insights are consistently updated on our website. Esteemed academicians and industry experts continually contribute to enriching the learning experience of our students.

As the Chairman of the Training & Educational Facilities Committee, I express sincere gratitude to all those who contribute to this noble cause.

Always bear in mind, "Education is the movement from darkness to light."

Wishing everyone a joyous and prosperous New Year ahead!

**Chairman, Training & Educational Facilities Committee
The Institute of Cost Accountants of India**

KNOWLEDGE Update



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

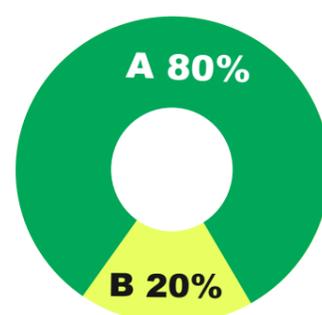
PAPER: 1

FUNDAMENTALS

OF BUSINESS LAWS AND
BUSINESS COMMUNICATION
(FBLC)

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Your Preparation Quick Takes



Syllabus Structure

Section A: Fundamentals of Business Laws **80%**

Section B: Business Communication **20%**

It is hoped that you keep on reading and recapitulating all that you have read for which you must prepare a time-table with time allotted for each subject - to read, write and revise .

Module 2 Indian Contracts Act, 1872

2.4 Capacity of Parties and Free Consent

Capacity - It must be remembered that the parties to an agreement must be legally capable of entering into an agreement. If that capacity is wanting/absent, the agreement in that case cannot be enforced by a Court of Law.

So the question naturally arises - **In what way Want of Capacity arises ?**

The simple answer is that want of capacity arises from - **Minority, Lunacy, Idiocy, Drunkenness etc.** In such cases the of disability, the agreement with such person cannot be enforced by law, *except in special cases.*

Free Consent - Unless an agreement is based on Free Consent of all the parties to an agreement, it is not enforceable.

So, here again the obvious question coming to mind is - **When can we say that there is absence of Free Consent ?**

The answer is - If an agreement is induced by **Coercion, Undue influence, Mistake, Misrepresentation and / or fraud in such circumstances it can be said that there is absence of Free Consent.** The party guilty of coercion, undue influence, fraud etc. cannot enforce the agreement as the essence of the agreement is vitiated by such factors. However, the other aggrieved party to the agreement can enforce it, subject to certain rules laid in the Act.

Module 3 Sale of Goods Act, 1939

3.4 Condition and a Warranty - The difference between the two

Sec. 12 of the Sale of Goods Act defines conditions and warranties.

In a Contract of Sale, the terms or the stipulations laid , with reference to purchase and sale of goods, can be conditions or warranties.

We must understand that, a **Condition** is a stipulation which is **Essential** to the main objective/purpose of the contract. Any breach/violation of such condition/s may call for repudiation of the contract.

On the other hand, a **Warranty** is also a stipulation but such stipulation is **Collateral** to the main objective/purpose of the contract. Any breach/violation of such warranty may call for **Claim for damages**, but the contract can neither be repudiated nor can the goods be rejected.

So, we understand that both Condition and Warranty are terms/stipulations laid in a Contract of Sale, but whether the terms/stipulations are conditions or stipulations, depends on how the terms are laid, meant and construed to be understood in the contract. In many cases it is seen that a term in a contract is called as warranty but is actually a condition laid and such interpretations are left for the courts to decide.

Sec. 11 of the Sale of Goods Act , lays that a stipulation as to time of payment, must not be deemed as conditions unless the terms of contract throws some indication to such intentions. Both conditions and warranties can be indicated in writing or may be implied on case to case basis, depending on the terms of the contract.

Suppose a contract of sale specifies a condition that goods sold shall be repaired at the premises of the buyer . This condition can be waived by the buyer who decides to carry the goods to the repair shop himself for repairs. In such a case the condition can be treated as a warranty. A buyer may even decide to treat a breach of condition as a breach of warranty and in such cases the buyer cannot repudiate or reject the goods but can accept the goods and sue for damages suffered .

That takes us to the question-**what are the implied conditions and warranties in a contract of sale of goods ?**

Please read Sections 14 to 17 of the Sale of Goods Act. The implied conditions and warranties in a contract of sale of goods are as follows :

Implied Conditions -

1. Title - that the seller has the right to sell the goods and that he shall have the right to sell the goods at the time when the property in the goods is to pass.
2. Description - that the goods shall correspond to the description - physical characteristics, mention of trade mark, brand, etc.

under which the sale agreement was made or those goods are normally sold. It is expected that the goods will be same as the goods described.

3. Sample - that goods shall be supplied as per the sample shown and agreed upon. That the buyer will get the opportunity of comparing the goods supplied with the earlier sample shown and the quality of the goods supplied matches with the quality of the sample shown and that the defects, if any, cannot be detected apparently on reasonable examination and inspection.
4. Sample and Description - where goods are sold by sample as well as by description, it is expected that the goods will correspond both - with the sample and the description.
5. Fitness or Quality - Where the buyer tells the seller about the purpose for which the goods are required, and relies on the seller's skill or judgment, it is implied that the seller agrees to the implied condition of fitness and description of the goods. Where the supplier deals in goods of such description laid by the buyer, it is implied that the goods shall be of desired quality and fit for sale - whether manufactured or traded by the supplier. However, if the goods are bought after inspection by the buyer, it will be implied that the inspection of the goods bought ought to have detected and revealed the defects.

Implied Warranties -

1. That the buyer shall have quiet possession of the goods, that is, the vendor has the right to transfer the goods,
2. That the goods are free from any charge or encumbrances in favour of any third party, not known to the buyer or not revealed to the buyer at the time of the contract.
3. That a warranty as to fitness for a particular purpose may be annexed to a contract of sale by normal practice in trade or a custom or usage.

Module 4 Negotiable Instruments Act, 1881

4.4 Crossing - Meaning, Definition and Type of Crossing .

Crossing - Is done on a cheque, by putting two parallel lines across the face of the cheque leaf. There can be two types of cheques - 1. Open Cheque; 2. Crossed Cheque.

An **Open cheque** is one which can be presented across the counter for encashment.

A **Crossed Cheque** is one which has to be presented to the bank through another banker. Here, there are two types of Crossing - **General Crossing** and **Special Crossing**.

In case of **General Crossing**, the cheque can be presented to the bank through any banker. However, in case of

Special Crossing, the name of the bank is written **between the parallel lines** and therefore that cheque has to be presented for encashment only through the bank named between the parallel lines.

A **Special Crossing** cheque is sometimes crossed - **Account Payee**. In such cases the words "Account Payee" is written in between the parallel lines drawn across the face of the cheque leaf. Here, the Drawer clearly directs the paying bank to pay to a particular person only and credit the amount to the bank account of the payee. In such cases, the cheques become non-transferable.

In a **Special Crossing Cheque**, the banker's name and payee's name is sometimes mentioned on the cheque. Since the bankers have full Know Your Customer (KYC) details of every customer's viz. name, verified address and signature, any forgery can now be detected.

Special Crossing helps in preventing fraudulent transactions and makes misappropriation difficult.

4.5 Dishonour of Cheques Sec.138

Section 138 of Act deals with dishonour of cheques. It may be pointed out that dishonour of any other negotiable instruments is not covered under Sec 138.

For Sec.138 to apply, the following points must be complied :

1. The cheque must have been drawn for discharge of existing debt or liability.
2. Cheque must be presented within 3 months or within validity period whichever is earlier.
3. Cheque must be returned unpaid due to insufficient funds or it exceeds the amount arranged.
4. The Fact of dishonour to be informed to the drawer by notice within 30 days.; and

5. Drawer of cheque must fail to make payment within 15 days of receipt of the notice.

We very important point to remember is that - A mere presentation of delivery of cheque by accused would not amount to acceptance of any debt or liability. Complainant has to show that cheque was issued for any existing debt or liability. Therefore, if cheque is issued by way of gift and it gets dishonoured, offence u/s. 138 of the Act will not be attracted.

Module 5 Business Communication

5.4 Types of Business Communication

5.4.3 Vertical, Horizontal and Diagonal Communication

Vertical Communication is a business communication that flows from Up to down or vice versa i.e. Top to Bottom or vice versa in the order of command within an organization. It can originate from Superiors to the sub-ordinates or vice versa in an organization and can be in the form of - Orders, requests, information, feedbacks and / or any other messages in the organizational hierarchy meant to make the concerned people aware.

Horizontal Communication is a business following freely between colleagues at the same level in an organization. Such horizontal communication helps in easy problem solving by sharing information between different working groups from right to left or vice versa. This a true collaboration between colleagues or team- members on any project.

Diagonal Communication here business communication moves from different departments where colleagues co-ordinate and co-operate across functional initiatives. This is a Hybrid System of communication, where there is direct dialogue between employees at any level and any working group and helps in better understanding and clearing of doubts and confusion. Here a Sales person can talk to the Project Manager or Production Head, to share feedback about a product collected from customers or end-users regardless of position or rank.

5.4.4 Upward and Downward Communication

Upward Communication is a flow of business communication that flows from bottom upwards in the order of command within an organization. It originates from the sub-ordinates to Superiors in an organization and can be in the form of - information, feedbacks and / or any other message in the organizational hierarchy meant to make the concerned people aware.

Benefits of upward communication are -

- A) Employees can provide feedback to their superiors and team-leaders.
- B) It helps to build good team spirit among workers and staff at the work place.
- C) It develops a feeling of Inclusiveness where the worker is heard and develops a feeling of belonging to the organization.
- D) It helps to build Trust and relationship within the group where one can adjust and adapt to situations.
- E) It helps in better co-ordination between colleagues and enables better functionality.
- F) It helps to reduce employee turnover, as the employee does not feel like leaving the organization as he shares good rapport in his team and enjoys work satisfaction.

Downward Communication is a business communication that flows from Up to down i.e. Top to Bottom in the order of command within an organization. It can originate from Superiors to the sub-ordinates in an organization and can be in the form of - Orders, requests, information, feedbacks and / or any other messages in the organizational hierarchy meant to make the concerned people aware.

Benefits of Downward communication are that -

- A. It helps the top management to share important developments and / or updates when needed with the employees regularly.
- B. It helps to maintain hierarchical structure.
- C. It is helps in delegation of work and responsibilities.
- D. It helps in improving efficiency
- E. It helps to simplify the communication system step by step and to solve problems amicably .
- F. It helps in employee development and co-ordination through better feedback and quicker response.

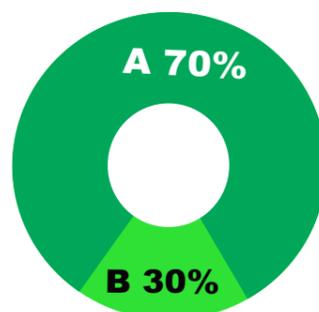
PAPER: 2

FUNDAMENTALS

OF FINANCIAL AND
COST ACCOUNTING (FFCA)

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Your Preparation Quick Takes



Syllabus Structure

Section A: Fundamentals of Financial Accounting **70%**

Section B: Fundamentals of Cost Accounting **30%**

Answer in 'Yes' or 'No'

1. Is Book-keeping a subset of Accountancy?
2. Cash Account always having a Debit balance?
3. Error of Duplication' can't be identified by Trial Balance.
4. A transaction not at all recorded in Journal. Will Trial Balance tally?
5. Depletion is associated with 'Wasting Assets'?
6. Under 'Double Entry System' every Debit must have an equal and corresponding credit.
7. Straight Line Method' of depreciation is always applied on Original Cost Of Assets.
8. Bad Debts' indicate irrecoverable sum from Debtors.
9. Bad Debts' when considered in Books, the same charged against Profit of the year.
10. In 'Joint Venture' relationship between the parties is 'ownership right'.
11. Bill of Exchange' having a validity period.
12. Manufacturing Organizations can prepare both 'Manufacturing Account' and 'Trading Account'.
13. Receipts and Payments' Account always indicate excess Receipts over Payments.
14. Account Sales' associated with Consignment business and 'Sales Account' is applicable for any business.
15. Sunk Costs' are irrecoverable cost.
16. Overheads are those indirect costs, which are not assignable directly to specific cost Units.
17. Work in Progress (WIP) and Semi Finished Goods (SFG) is same?
18. Cost Units for Hotel Business is 'Room -night'.
19. Notional Costs are called as 'Imputed Cost'.
20. Price determination' and 'Price discrimination' is not same.
21. Objective of 'Inventory Control' is to hold lesser volume of inventory.
22. Frequent breakdown and consequential losses are abnormal in nature.

Answers- 1 to 22 : all Yes

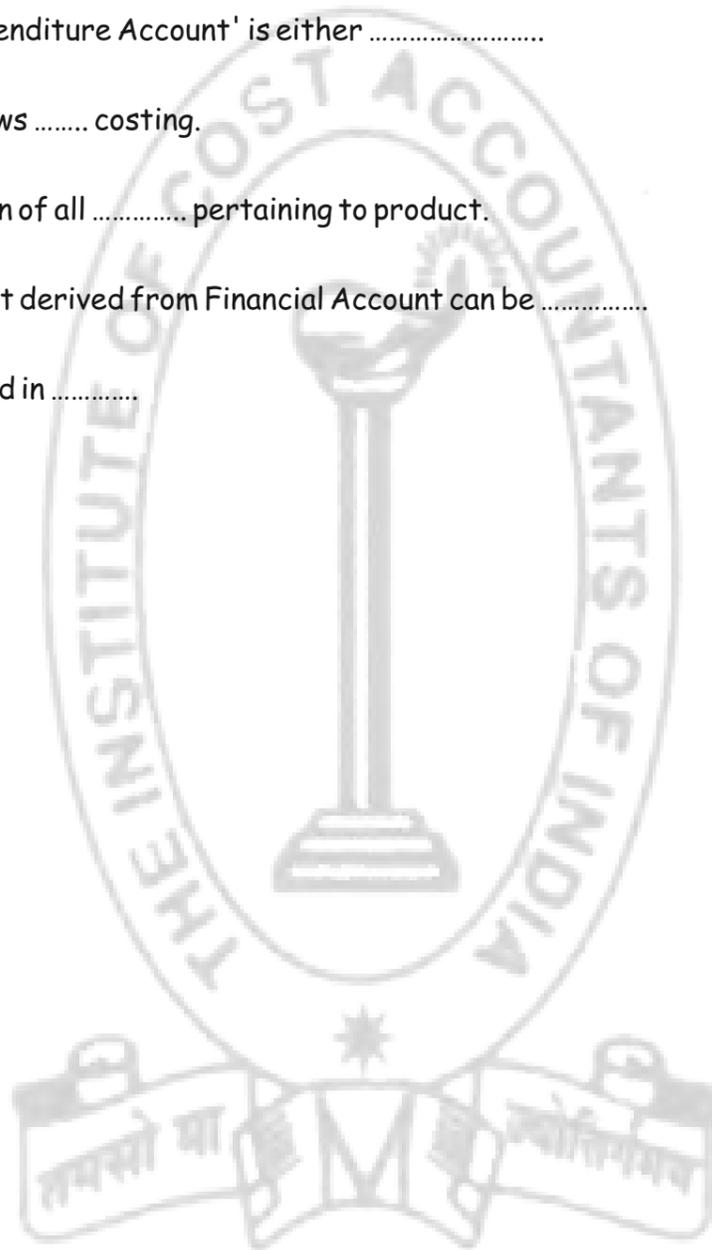
Fill in the gaps:

23. An expenditure, benefit of which enjoyed during the accounting period is called
24. Capital expenditure is reflected in
25. Depreciation is a expenditure.
26. Preliminary expenses incurred before commencement of business is a

27. A compound Journal entry impacts more than Accounts
28. While balancing a Ledger Account, heavier Credit side denotes Balance of the account.
29. Nominal Account balances at the end of accounting period are transferred to Account.
30. Imprest system is associated with
31. Pre-received incomes are shown as in Balance Sheet.
32. Debit and Credit aspects are recorded insystem of maintaining accounts.
33. Relationship between Consignor and Consignee is that of
34. Stock destroyed by fire debited in
35. Year end Bank Overdraft Balance is placed in side of Balance Sheets.
36. The outcome of 'Income and Expenditure Account' is either
37. Chemical industry generally follows costing.
38. Product Cost Sheet is aggregation of all pertaining to product.
39. Profit from Cost Account and that derived from Financial Account can be
40. Power generation can be measured in

Answers-

23. Revenue Expenditure
24. Balance Sheet
25. Non-cash
26. capital expenditure
27. two
28. credit
29. profit and loss
30. petty cash
31. liabilities
32. double entry
33. principal and agent
34. Profit and Loss account
35. liability
36. 'surplus' or 'deficit'
37. Process
38. cost
39. identical or different
- 40 KWH (Kilo Watt Hours)

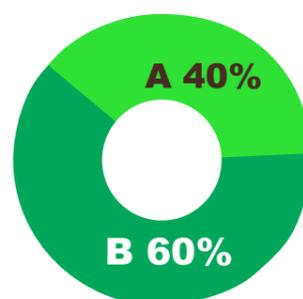


PAPER: 3

FUNDAMENTALS OF BUSINESS MATHEMATICS AND STATISTICS (FBMS)

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Your Preparation Quick Takes



Syllabus Structure

Section A: Fundamentals of Business Mathematics **40%**

Section B: Fundamentals of Business Statistics **60%**

In this issue we will carry out MCQs on

1. Given: $R(x) = 14x^2 - 1100x + 7000$, $C(x) = 7x^2 + 500x + 3000$: Find the profit function.
 - a) $14x^2 - 600x + 3000$
 - b) $7x^2 - 600x + 4000$
 - c) $14x^2 - 400x + 300$
 - d) $7x^2 - 200x + 1500$
2. Given: $R(x) = 9x^2 + 150x + 2100$, $C(x) = 13x^2 + 70x + 1400$., Find the value of x .
 - a) 20
 - b) 30
 - c) 10
 - d) 50
3. Given $P = 31$, $C(x) = 28x - 57$. Find the break-even quantity.
 - a) 17
 - b) 18
 - c) 19
 - d) 21
4. With reference to Q. 3 find the value of profit if the quantity changes from 19 to 30.
 - a) 20,543
 - b) 21,643
 - c) 22,543
 - d) 22,643
5. With reference to Q. 3 find the break-even quantity.
 - a) 599
 - b) 589
 - c) 569
 - d) 579
6. A firm produces a product at a fixed cost of R25000 and a production cost of R12.5 per piece. The product is sold at R20. Find the profit function.
 - a) $\Pi(x) = 7x - 25000$
 - b) $\Pi(x) = 5x - 25000$
 - c) $\Pi(x) = 7.5x - 25000$
 - d) $\Pi(x) = 5.5x - 25000$
7. A steel industry's quarterly fixed cost is R24000 and its monthly production cost is R24. It sells its product at a price of R30. Find the monthly profit function.
 - a) $\Pi(x) = 4x - 6000$
 - b) $\Pi(x) = 6x - 6000$
 - c) $\Pi(x) = 8x - 8000$
 - d) $\Pi(x) = 9x - 10000$
8. With reference to Q. 7 find the break-even quantity
 - a) 1200
 - b) 1000
 - c) 2400
 - d) 1800
9. An industry cost function is given by $C(x) = 7x^2 + 28x + 29$ and the revenue function is given by: $R(x) = 9x^2 + 12x + 4$. Find the profit function.
 - a) $\Pi(x) = 4x^2 - 11x - 22$
 - b) $\Pi(x) = 3x^2 - 17x - 25$
 - c) $\Pi(x) = 5x^2 - 13x - 25$
 - d) $\Pi(x) = 2x^2 - 14x - 25$
10. With reference to Q.9 find the value of x which maximizes profit
 - a) 1
 - b) 3

- c) 2
- d) 4

11. Given $\Pi(x) = 7x - 10000$ how many units should be produced in order to realise a profit of R25000
- a) 6000
 - b) 5000
 - c) 4000
 - d) 3000
12. Given $\Pi(x) = 17x - 28900$ how many units should be produced in order to realise a profit of R30600
- a) 3100
 - b) 3300
 - c) 3500
 - d) 4000
13. Given $C(x) = x - 37$ and $R(x) = x^2 - 3x + 1$. Find the value of x if the profit is R60
- a) 11
 - b) 12
 - c) 13
 - d) 14

Answer Q. 14 to Q. 16 based on the following paragraph

Assume that the fixed cost is R800, the variable cost is R45/unit and the selling price is R 65/unit.

14 Find the cost function

- a) $25x + 650$
- b) $45x + 800$
- c) $25x + 800$
- d) $45x + 650$

15 Find the revenue function

- a) $45x$
- b) $65x$
- c) $25x$
- d) $35x$

16 Find the break-even quantity

- a) 30
- b) 35
- c) 40
- d) 45

17. Given fixed cost = R840, the variable cost = R50 and selling price = R120. Find the profit function

- a) $50x - 840$
- b) $120x - 840$
- c) $70x - 840$
- d) None of the above

18. With reference to Q. 17 find the break-even quantity

- a) 11
- b) 12
- c) 10
- d) 9

19. Given: $R(x) = 18x^2 + 1000x$; $C(x) = 25x + 1300$. Find the profit function

- a) $9x^2 - 5x - 250$
- b) $18x^2 - 25x - 300$
- c) $12x^2 - 7x - 350$
- d) $11x^2 - 5x - 450$

20. Given fixed cost = R75; variable cost = R150 and the revenue function is given by: $R(x) = 250x - 225$. Find the cost function.

- a) $150x + 75$
- b) $15x + 73$

- c) $130x + 89$
- d) None of the above

21. With reference to Q.20 find the break-even quantity

- a) 1
- b) 3
- c) 5
- d) 7

22. Given $R(x) = 5x^2 - 30x$; $C(x) = 10x - 15$. Find the profit function

- a) $5x^2 - 40x - 80$
- b) $10x^2 - 40x - 80$
- c) $15x^2 - 15x - 80$
- d) $5x^2 - 30x - 80$

23. With reference to Q. 22 find the profit maximizing quantity

- a) 4
- b) 6
- c) 2
- d) 10

Answer Q.24 to Q. 26 based on the following paragraph

In a retail-store the fixed cost is R2000 while the variable cost is R240. The selling price of the product is R490.

24. Find the cost function.

- a) $490x + 2000$
- b) $20x + 2000$
- c) $240x + 2000$
- d) $24x + 2000$

25. Find the break-even quantity

- a) 10
- b) 8
- c) 6
- d) 4

26. Find the profit function

- a) $240x - 2000$
- b) $490x - 2000$
- c) $250x - 2000$
- d) $24x - 2000$

Answer Q.27 to Q. 30 based on the following paragraph

Given: $C(x) = 7x^2 + 20x + 6$; $R(x) = 10x^2 + 13x + 10$. Find the profit function

- a) $2x^2 + 6x + 5$
- b) $3x^2 + 7x + 4$
- c) $2x^2 + 6x + 5$
- d) $3x^2 + 7x + 4$

27. Find the break-even quantity

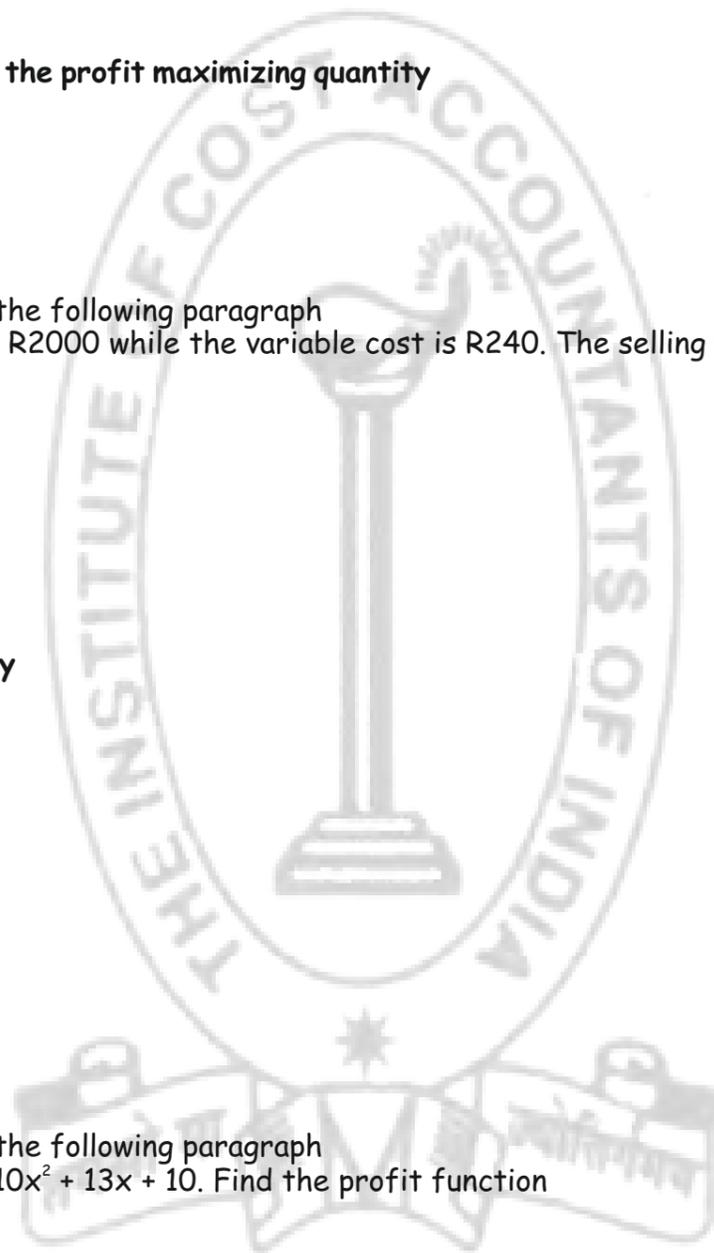
- a) $1, 4/3$
- b) $2, 4/3$
- c) $1, 2/3$
- d) $2, 2/3$

28. Find the profit maximizing quantity

- a) $5/6$
- b) $4/3$
- c) $7/6$
- d) $3/2$

29. Find the value of cost and revenue when $x = 2$

- a) 72, 74
- b) 74, 76



- c) 76, 74
d) 74, 72

Answer Keys:

Q1	(b)	Profit Function = Revenue Function - Cost Function
Q2	(c)	Put profit function = 0 Profit Function = Revenue Function - Cost Function
Q3	(c)	Put profit function = 0
Q4	(c)	Put $x = 30$ in the profit function
Q5	(b)	Put $x = 19$ in the revenue function
Q6	(c)	Profit Function = Revenue Function - Cost Function
Q7	(b)	Profit Function = Revenue Function - Cost Function
Q8	(b)	Put Profit Function = 0 Profit Function = Revenue Function - Cost Function
Q9	(d)	Put profit function = 0
Q10	(d)	Put $MR = MC$
Q11	(b)	Put Profit Function = 25,000
Q12	(c)	Put Profit Function = 30600
Q13	(b)	Put Profit Function = 60
Q14	(b)	Total Cost = Fixed Cost + Variable Cost (Production cost)
Q15	(b)	Revenue Function = Price X Quantity. So, $R(x) = P \times x$
Q16	(c)	Put Profit Function = 0
Q17	(c)	Profit Function = Revenue Function - Cost Function
Q18	(b)	Put Profit Function = 0
Q19	(b)	Profit Function = Revenue Function - Cost Function
Q20	(a)	Total Cost = Fixed Cost + Variable Cost (Production cost)

Suggestions:

The study guide needs to be read thoroughly. Supplementary readings could be made from other resources. In this issue MCQs are based on basic concepts of Revenue, Cost and Profit function under application of calculus module as discussed in the study guide. Students should try to understand the correct answer of each question. For development of clear concept detail discussions on answers are not made. All are covered in study guide.

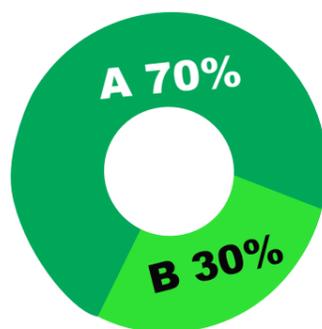
PAPER: 4

FUNDAMENTALS

OF BUSINESS ECONOMICS AND
MANAGEMENT (FBEM)

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Your Preparation Quick Takes



Syllabus Structure

Section A: Fundamentals of Business Economics **70%**

Section B: Fundamentals of Management **30%**

Hallow friends !! hope this finds you in fine spirits. Your exam is round the corner. You must be preparing your heart and soul to score very high marks in the exam. But at the same time you have to plan for the future. Accountant, auditor, valuer, cost manager are some of the traditional career options you may choose from. But there are lots of competition in these fields. Moreover, India has become digitalized in every sphere. You may think of new types of career options like computer programmer, data analyst etc. programming is a bit difficult, but data analysis is very simple. You may search excelr.in in google. You may learn R, Python, SQL, SAS, Tableau, Power BI etc. Data analytics converts raw data into actionable insights. It requires a range of simple tools like EXCEL and the above mentioned ones. Data analytics can shape business processes, improve decision making and help to achieve higher growth in business. You may try it out if you feel like. Now we move on to the Mock test.

I. Choose the correct answer:

1. **Who was the proponent of growth economics?**
 - A. Alfred Marshall
 - B. Paul A Samuelson
 - C. Peter Schumpeter
 - D. None of the above

2. **Total utility becomes maximum when**
 - A. MU increases
 - B. MU decreases
 - C. MU becomes zero
 - D. None of the above

3. **A man purchases 3 kg of tea at a price of Rs. 50 per kg. but he was willing to pay Rs. 100 for the first kg and Rs. 80 for the second kg. What will be the consumer's surplus?**
 - A. Rs. 100
 - B. Rs. 80
 - C. Rs. 60
 - D. None of the above

4. **The price effect is negative for a**
 - A. Giffen good
 - B. Inferior good
 - C. Normal good
 - D. None of the above

5. **When AC is falling**
 - A. MC will be falling also
 - B. MC will be rising
 - C. Can not be said whether MC will or fall
 - D. None of the above

6. **What will be the shape of the AFC curve?**
 - A. Downward sloping to the right
 - B. Upward sloping to the right
 - C. Parallel to the x-axis
 - D. Rectangular hyperbola

7. **EXIM Bank is authorized to take loan from**
 - A. RBI
 - B. Govt. of India
 - C. International market
 - D. Trading activities

8. **Market Economy is the other name of**
 - A. Perfect competition
 - B. Monopoly
 - C. Monopolistic competition
 - D. None of the above

9. **The term 'T' in PESTEL stands for**
 - A. Transaction

- B. Trade
C. Technology
D. None of the above
10. The term 'V' in the acronym VUCA stands for
A. Velocity
B. Volatility
C. Victory
D. None of the above

KEY: 1. B, 2. C, 3. B, 4. A, 5. C, 6. D, 7. B, 8. A, 9. C, 10. B

II. Fill in the blanks:

1. A firm that makes profit in excess of normal profit is earning
2. The other name of monopolistic competition is
3. The law of variable proportions explains the shape of Curve
4. The necessary condition for profit maximization of a competitive firm is
5. Kinked demand curve is related to the market
6. SWOT analysis stands for Weakness, and Threat

KEY: 1. Super-normal, profit 2. Product differentiation 3. SAC 4. $P=MC$ 5. Oligopoly 6. Strength, Opportunity

III. True or False:

1. The law of constant returns to scale is a short-run phenomenon
2. Firm under monopolistic competition earns super-normal profit in the long-run
3. Moral suasion is a qualitative technique of controlling credit
4. If the country is passing through recession, RBI would reduce CRR
5. Health and education are the components of socio-economic factors

KEY: 1. False, 2. False, 3. True, 4. True, 5. True

IV. Matching:

1. Demographics	A. Lionel Robbins
2. Swot analysis	B. EXIM bank
3. Scarcity	C. Business firm
4. Foreign trade	D. population
5. Monetary policy	E. liquidity preference
6. Keynes	F. RBI

KEY: 1. D, 2. C, 3. A, 4. B, 5. F, 6. E

So friends I hope you have enjoyed the mock test. Its purpose is to brush up your knowledge and to gear you up for the ensuing exam. This will also help you to gauge your preparedness. It will be helpful if you try a self-assessment by not consulting the key beforehand. Keep a record of your performance and you will find for yourself whether your preparation curve is ascending or descending. We are always there to help you out in case of any difficulty. Best of luck in the exam!!!



PRACTICAL Advice

ABOUT YOUR STUDIES - FOUNDATION COURSE

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

START

01

**Read Study Notes,
MQPs, E-Bulletin
Attend Online sessions**

**Solve Exercises
given in Study Note**

02

03

Assess Yourself

Appear For Examination

04

FINISHED



Message from Directorate of Studies

Dear Students,

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

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

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

GOOD LUCK

Be prepared and be successful

Disclaimer:

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Few Snapshots



CMA Navneet Kumar Jain CCM and NIRC RCMs CMA Manish Kandpal and CMA Jeewan Chandra, held a fruitful discussion with CBIC Board Member Ms. V. Rama Mathew to delve into the potential utility of cost records data



Signing of the Agreement with National Council for Vocational Education and Training (NCVET), Ministry of Skill Development & Entrepreneurship, Government of India. Institute has been recognised as an Awarding Body (Dual Category) by the NCVET.



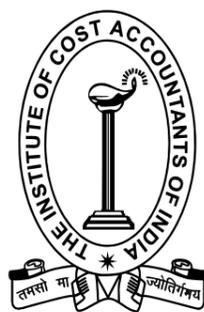
CMA Manoj Kumar Anand, Council Member, ICAI had a meeting Ms. Helen Brand OBE, Chief Executive, ACCA UK along with Md. Sajid Khan, Director - India, ACCA, and Mr. Sundeep Jakhar, Head of Public Affairs - India, ACCA at CMA Bhawan, New Delhi on 30th October 2023.



CMA Navneet Jain CCM, CMA Jeewan Chandra, RCM-NIRC & CMA Varun Sukhija, Chairman Faridabad Chapter alongwith other members visited PCIT Faridabad and Gurgaon, Mr. Anand Kedia Ji and discussed about empanelment of CMAs for Inventory Valuation u/s 142 (2A) of Income Tax Act, 1961.



CMA Chittaranjan Chattopadhyay, Chairman, BFSIB, ICAI felicitating Smt. Rajeshwari Singh Muni, CMD of National Insurance Company Limited.



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