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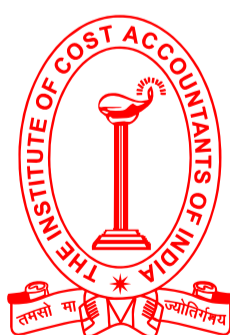
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CMA Student E - Bulletin

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Behind every successful business decision, there is always a CMA

Message from The President

CMA Biswarup Basu

President,
The Institute of Cost Accountants of India



MESSAGE FROM THE PRESIDENT

Dear Students,

Greetings!!!

"We want that education by which character is formed, strength of mind is increased, the intellect is expanded, and by which one can stand on one's own feet" - Swami Vivekananda.

Learning is the major factor which is related to education if you learn new things, then you will educate more and more. Without education you will not explore the new ideas it means you will not be able to develop the world because without ideas there is no creativity and without creativity, there is no development.

Education is the tool which provides people required knowledge, skill, technique, and information and enables them to know their rights and duties toward their family, society, and obviously nation. Education expands the vision, outlook to see the world. Education develops the capabilities to fight the injustice, violence, corruption and other factors. Just as a face is the mirror of the heart, level of education develops the status of the nation.

Getting a professional education is important for shaping your career and to move towards a right direction. Towards this end, CMA Course is integrated to impart and educate students in line with the growing demand for career-oriented education. Practical training can help students to become more organized and industry ready.

During this pandemic situation you should take more care about yourselves and people around you. **"The highest education is that which does not merely give us information, but makes our life in harmony with all existence"** - as said by Rabindranath Tagore.

With Best Wishes,

CMA Biswarup Basu
President,
The Institute of Cost Accountants of India

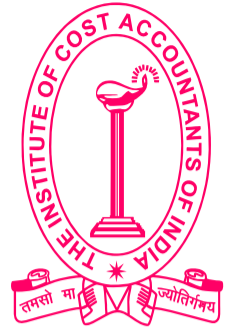
Be a CMA, be a Proud Indian

**Stay Home
Stay Safe**

Message from The Chairman

CMA Balwinder Singh

Immediate President & Chairman,
Training & Education Facilities
and Placement Committee



MESSAGE FROM THE CHAIRMAN

Dear Students,

Greetings!!

"The aim of education is the knowledge, not of facts but of values".

Enriching our brains with new and valuable information improves our ability to think, analyze, and process the world around us. Education is important because it broadens our knowledge, and this knowledge then opens up our minds to new perspectives, ideas, beliefs, and cultures.

The Directorate of Studies (D.O.S.) is working relentlessly to provide the students with all possible supports and guidance. Live Webinars are being conducted, recorded webinars are also there in the e-library. Answers to the Mock Test Papers (MTPs), updated Work Books, and monthly E-bulletins are uploaded on our website as per the pre-scheduled manner. An online Mock Test Platform platform has been developed to equip the students to answer smoothly in the forthcoming on-line examination.

Initiatives towards the further development for the students taken by the D.O.S. includes SAP Certification, Microsoft Certification, Cambridge University Certification etc. and which, I personally believe, will give mileage to our coveted students to compete Globally and hence CMA Course is now truly going Global.

Learned academicians and professionals are contributing in their own way towards the development of our students despite the odd situation faced by everybody during the pandemic Covid-19. Being the Chairman of the Training & Educational Facilities and Placement Committee, I am really thankful to all of them. So, don't give up hope, carry on with your exercises, and try to utilize the facilities and opportunities being offered by the Directorate of Studies to a maximum extent. **"Education's purpose is to replace an empty mind with an open one"**.

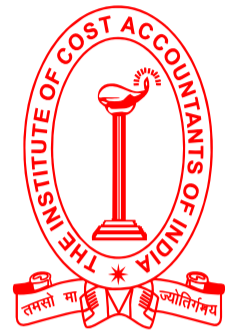
My advice to all of you is to "Stay safe & Stay home" which is the need of the hour.

Best wishes as always,

CMA Balwinder Singh
Immediate Past President & Chairman,
Training & Education Facilities and Placement Committee

Be a CMA, be a Proud Indian

**Stay Home
Stay Safe**



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KNOWLEDGE Update



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



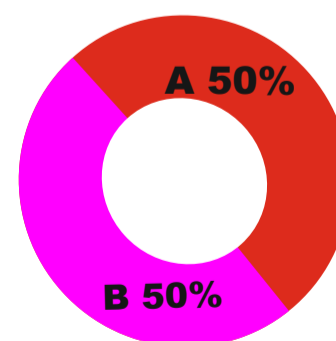
PAPER: 1, PART: I

FUNDAMENTALS

OF ECONOMICS & MANAGEMENT
(FEM) - ECONOMICS

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Your Preparation Quick Takes



Syllabus Structure

A Fundamentals of Economics 50%
B Fundamentals of Management 50%

Learning Objectives:

- Studying economics, one will be able to develop the analytical skills needed to work successfully in the field, including the study of logical analysis.
- Students will be able to identify and explain economic concepts and theories related to the behaviour of economic agents, markets, industry and firm structures, legal institutions, social norms, and government policies.
- Students will be able to integrate theoretical knowledge with quantitative and qualitative evidence in order to explain past economic events and to formulate predictions on future ones.
- Students will be able to evaluate the consequences of economic activities and institutions for individual and social welfare.

Economics

Friends, we have great news for you. From Oct 1, in all probability, the cinema and theatre, opera house, open-air theatres all will be opened after a period of seven months. After a gruelling fight with corona virus, which is still continuing, at least we will have a breathing space in the entertainment for a few hours. With the Metro rail operating and the visual entertainments are on, we will enjoy the much needed respite from the ongoing pandemic. Now you will be able to study more vigorously with a fresh mind. We continue with our mock test!

I. Choose the correct answer:

- The unitary elastic demand curve is**
 - Parallel to the x-axis
 - Parallel to the y-axis
 - Rectangular hyperbola
 - None of the above
- The perfectly elastic supply curve is**
 - Straight line passing through the origin
 - Parallel to the x-axis
 - Parallel to the y-axis
 - None of the above
- The production possibility curve is**
 - Convex to the origin
 - Concave to the origin
 - Parallel to the x-axis
 - None of the above
- If the supply curve shifts to the right**
 - Both equilibrium price and quantity will rise
 - Equilibrium Price will rise and quantity will fall
 - Both equilibrium price and quantity will remain the same
 - Equilibrium price will fall and quantity will rise
- Law of diminishing marginal productivity and the law of constant returns to scale are**
 - Compatible
 - Not compatible
 - Unrelated
 - None of the above
- Firm under perfect competition will earn only normal profit because**
 - There are many buyers and many sellers
 - Product is homogeneous
 - Of perfect knowledge
 - There is Free entry and free exit
- The supply curve of monopoly is**
 - Upward rising
 - Downward falling

- C. Parallel to x-axis
D. Non-existent
8. Product differentiation is related to
A. Monopoly
B. Monopolistic competition
C. Discriminating monopoly
D. None of the above
9. The short run supply curve of the firm under perfect competition will be the MC curve which lies above
A. AC curve
B. AFC curve
C. AVC curve
D. None of the above
10. If Rs. 1000 is the initial deposit and CRR is 10%, what will be the total credit creation?
A. 90,000
B. 1,00,000
C. 10,000
D. None of the above

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

II. Fill in the blanks:

- definition includes welfare definition and scarcity definition
- In case of inferior goods, when income rises, demand will
- Price rigidity is the feature of Market
- $AC - AVC =$
- Commercial bills are drawn for days

KEY: 1. Growth , 2. Fall , 3. Oligopoly , 4. AFC, 5. 90

III. True or False:

- Classical economists followed deductive method
- According to Marshall economics is a positive science
- Income and demand are inversely related
- Excess demand will cause demand pull inflation
- Note issue is the prerogative of RBI

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

IV. Matching:

| | |
|-------------------------------|---------------------|
| 1. Agricultural credit | A. Money lender |
| 2. Scarcity definition | B. Diamond |
| 3. Point elasticity of demand | C. NABARD |
| 4. Conspicuous goods | D. Robbins |
| 5. Unorganised sector | E. $-(dQ/dP).(P/Q)$ |

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

Friends, I hope you have enjoyed solving this test paper. It is a combination of easy and twisted questions. You will come across such interesting questions in your final exam. Best wishes !!!



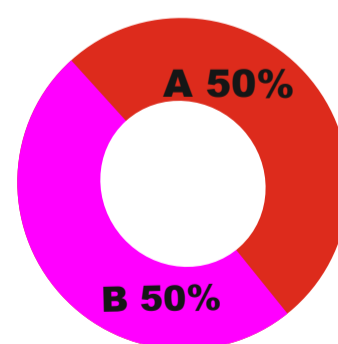
PAPER: 1, PART: II

FUNDAMENTALS

OF ECONOMICS & MANAGEMENT
(FEM) - MANAGEMENT

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Your Preparation Quick Takes



Syllabus Structure

A Fundamentals of Economics 50%
B Fundamentals of Management 50%

Learning Objectives:

- Students will demonstrate their knowledge of business and management principles
- Students will reveal effective written and oral communication
- Students will exhibit an awareness of the global environment in which businesses operate
- Students will display the ability to recognize when change is needed, adapt to change as it occurs, and lead

MANAGEMENT

1. Which theory assumes that people are naturally lazy and will avoid work and responsibilities if possible?

- (A) Theory X
- (B) Theory Y
- (C) Theory Z
- (D) None of the above.

2. The word _____ denotes a function, a task, a discipline.

- (A) Management
- (B) Leadership
- (C) Motivation
- (D) None of the above.

3. Management as a discipline is the function of _____.

- (A) Science
- (B) Art
- (C) Creativity
- (D) All of the above.

4. Under mechanism of scientific management, scientific task setting includes:

- (A) Time study
- (B) Motion study
- (C) Method study
- (D) All of the above.

5. The higher the _____ level of the employee, the lower the job satisfaction.

- (A) Managerial
- (B) Educational
- (C) Satisfaction
- (D) None of the above

6. Management is a creative and _____ process.

- (A) Systematic
- (B) Continuous
- (C) Long
- (D) None of the above.

7. _____ is the result of human limitation to the span of management.

- (A) Delegation
- (B) Satisfaction
- (C) Motivation
- (D) Development.

8. What does a mission statement specify that the organization will achieve?

- (A) Goals
- (B) Profit

- (C) Both (A) and (B)
- (D) None of the above

9. Communication barrier(s) in the international environment is (are)

- (A) Loss by transmission
- (B) Loss by poor retention
- (C) Poor listening
- (D) All of the above.

10. The following is (are) the element(s) of control

- (A) Authority and knowledge
- (B) Guidance and direction
- (C) Constraint and restraint
- (D) All of the above.

11. Limitation(s) of business planning is (are)

- (A) Time Consuming
- (B) Expensive device
- (C) Heavy cost of planning
- (D) All of the above.

12. The factors coming under philosophy of scientific management are:

- (A) Co-operation
- (B) Maximum output
- (C) Harmony
- (D) All of the above.

13. The non-financial type of motivators would be

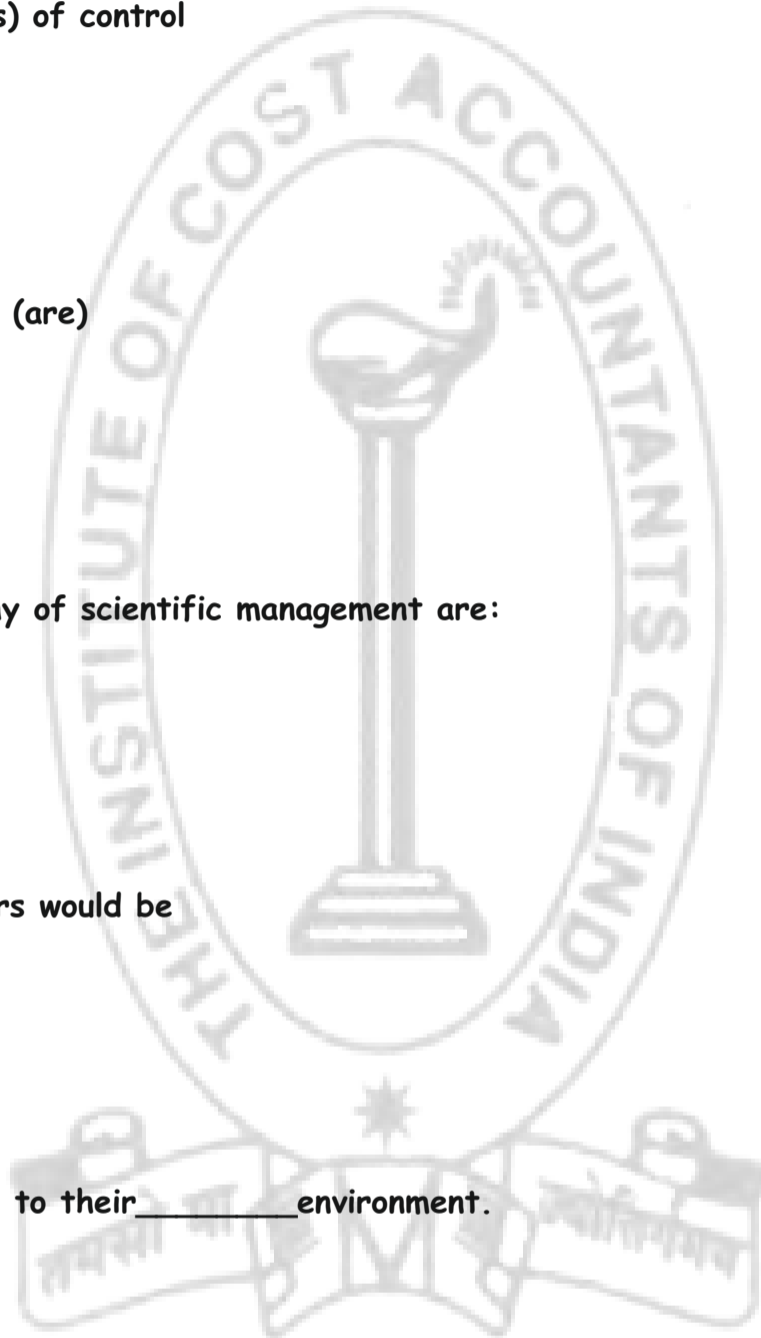
- (A) Encouragement
- (B) Freedom
- (C) Recognition
- (D) All of the above.

14. Learning organizations are adaptive to their _____ environment.

- (A) Internal
- (B) External
- (C) Work
- (D) None of the above.

15. Costliness of the _____ is the overriding factor determining the extent of decentralization.

- (A) Decision
- (B) Staffing
- (C) Controlling
- (D) Managing.



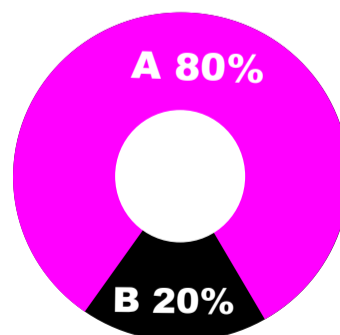


PAPER: 2

FUNDAMENTALS OF ACCOUNTING (FOA)

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Your Preparation Quick Takes



Syllabus Structure

- A Fundamentals of Financial Accounting 80%
- B Fundamental of Cost Accounting 20%

Learning Objectives:

In order to internalize the concepts of subjects like accountancy one has to have an understanding of the learning objectives of the chapters. Try to go through the Statement of Objects and Reasons issued for every topics as it would give you a background to your study.

FINANCIAL ACCOUNTING

Dear friends,

As a group of frogs was traveling through the woods, two of them fell into a deep pit. When the other frogs crowded around the pit and saw how deep it was, they told the two frogs that there was no hope left for them.

However, the two frogs decided to ignore what the others were saying and they proceeded to **try and jump out of the pit.**

Despite their efforts, the group of frogs at the top of the pit were still saying that they should just give up. That they would never make it out.

Eventually, one of the frogs took heed to what the others were saying and he gave up, falling down to his death. The other frog continued to jump as hard as he could. Again, the crowd of frogs yelled at him to stop the pain and just die.

He jumped even harder and finally made it out. When he got out, the other frogs said, "**Did you not hear us?**" The frog explained to them that he was deaf. He thought they were encouraging him the entire time.

Moral of the story:

People's words can have a big effect on other's lives. Think about what you say before it comes out of your mouth. It might just be the difference between life and death.

So motivate yourself and smile, come whatever may.

Here is a very small assignment for you all. Hope you will enjoy solving this. Make a self assessment today, and see your score.

1. **Match list I with list II and select correct answer using the codes given below:**

List I

- Transactions relating to persons
- Transactions relating to property
- Transactions relating to incomes and expenses

list II

- Nominal
- Real
- Personal Accounts

2. **Which of the following branches of accounting primarily deals with processing and presenting of accounting data for internal use?**

- Financial accounting
- Tax accounting
- Management accounting
- Inflation accounting

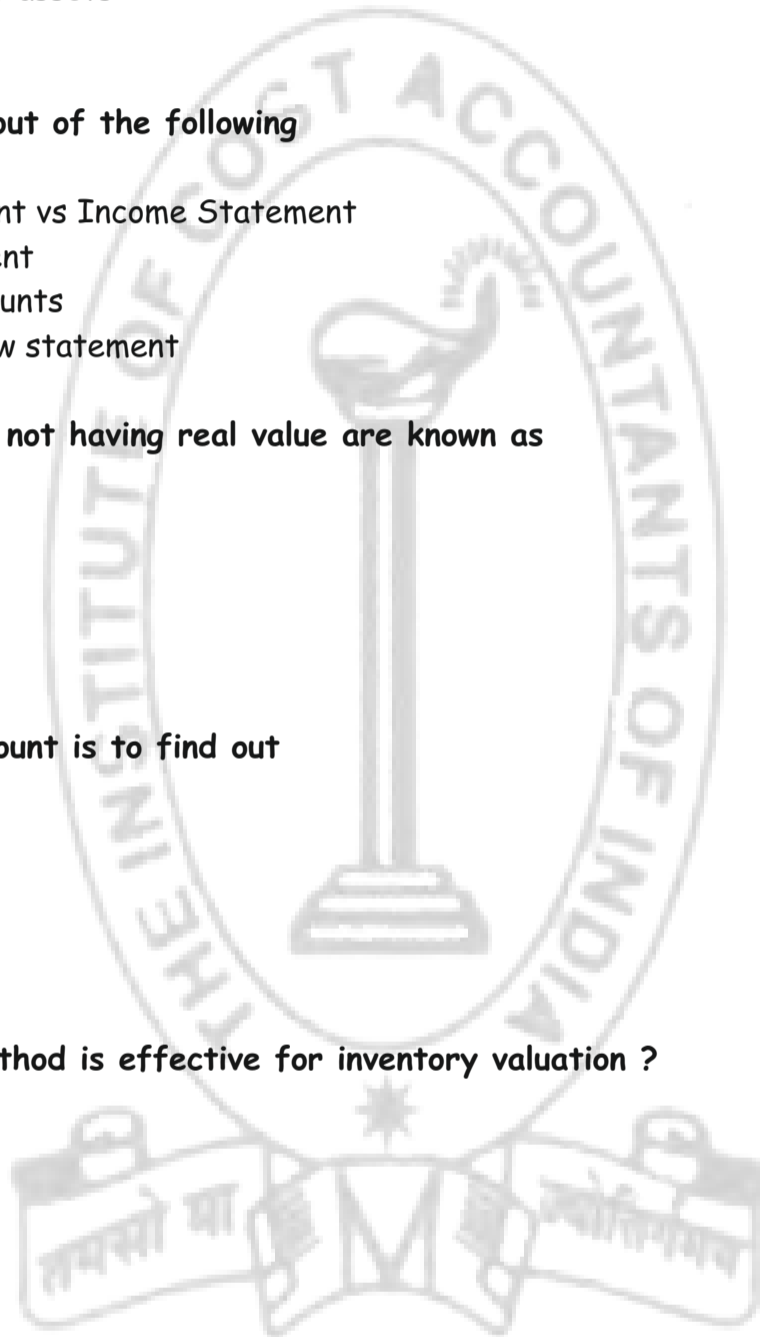
3. **All capital expenditure and receipts are recorded in**

- Trading and profit and Loss account
- Balance sheet
- Trial Balance
- None of the above

4. **Which of the following is not a capital expenditure?**

- Heavy advertisement expenditure
- Expenses incurred in removing business to more convenient place
- Preliminary expenses

- d. Depreciation of fixed assets
5. Accounting standard on inventory valuation is not applicable to
- Construction contracts
 - Inventories of live stock, agricultural and forest products
 - Stocks of mineral oils, ores and gases
 - All of the above
6. Which of the following factor to be considered while estimating the useful life of depreciable asset?
- Expected physical wear and tear
 - Obsolescence
 - Legal or other limits on the use of assets
 - All of the above
7. Choose the wrongly matched pair out of the following
- Trading and profit and loss account vs Income Statement
 - Balance sheet vs Position statement
 - Financial statements vs final accounts
 - Funds flow statement vs Cash flow statement
8. Assets appearing in the books but not having real value are known as
- Wasting assets
 - Fictitious assets
 - Intangible assets
 - All of the above
9. The aim of preparing trading account is to find out
- Gross profit or loss
 - Net profit or loss
 - Financial position of the business
 - None of the above
10. In a period of inflation which method is effective for inventory valuation ?
- LIFO
 - FIFO
 - Average cost
 - Standard cost
11. What is the correct sequence of liquidity?
- STOCK IN TRADE
 - CASH IN HAND
 - BILLS RECEIVABLE
 - DEBTORS
 - INVESTMENTS
 - ACCRUED INTEREST
 - ADVERTISEMENT PREPAID
 - CASH AT BANK
- II,VIII,V,IV,III,I,VI,VII
 - I,II,III,IV,V,VI,VII,VIII
 - II,VII,IV,V,I,III,VI,VIII
 - IV,III,II,I,VIII,VII,VI,V
12. The correct sequence of preparing the documents of a manufacturing concern is :



- I. BALANCE SHEET
 - II. MANUFACTURING ACCOUNT
 - III. PROFIT AND LOSS ACCOUNT
 - IV. TRADING ACCOUNT
 - V. PROFIT AND LOSS APPROPRIATION ACCOUNT
- A. I,IV,III,II,V
 - B. II,IV,III, V,I
 - C. I,II,IV,III,V
 - D. II,IV,V,III,I

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



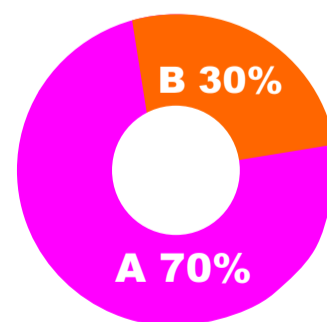


PAPER: 3

FUNDAMENTALS OF LAWS AND ETHICS (FLE)

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Your Preparation Quick Takes



Syllabus Structure

- A Fundamentals of Commercial Laws 70%
- B Fundamentals of Ethics 30%

Learning Objectives:

- Read the Study Material minutely.
- For details or if you don't understand Study Material or the section is important to identify the topic, then refer to Bare Act, otherwise reference to Bare Act is not necessary. For Company Law, book by Avtar Singh is recommended. For other laws Institute Study Material is sufficient.
- The words used in any of the texts as mentioned above should be understood by immediate reference to the Dictionary.
- The main points coming out in any of the provisions should be either underlined or written in separate copy which has to be repeated again and again.
- Theoretical knowledge should be adequate and clear before solving practical problems.
- Don't write wrong English. It changes the meaning and therefore answer may be wrong even when the student's conception is clear. Also don't make spelling mistakes.

LAW & ETHICS

Under the changed environment, where life is becoming unpredictable due to the COVID-19 pandemic, the future is uncertain but still life must go on. The examinations must be conducted while ensuring that the quality and standard of the professional examination is not compromised. **Exams have to be switched over to the Multiple Choice Question (MCQ) System and therefore, dear students, you have to initiate a Special Method of Preparation totally different from the essay type examination pattern. MCQ exams contain many more questions than essay exams. You can no longer resort to selective study based on past questions. You are expected to be studying in greater depth and gather more range of knowledge with no more chance to bluff the examiner.**

Under the MCQ pattern, you will be given several questions first and then asked to answer among a set of options where there may be one or more wrong answers. You must try to lay **emphasis on details** and therefore **keep studying regularly every day and make short notes and keep revising repeatedly until your brain can retain it for a long term. You must pay particular emphasis on getting your concept clear with sound fundamentals.** You must learn to think logically in normal sequence and develop the knack to distinguish between similarities and differences which might be confusing, yet be the basis used to distinguish correct choices from among the choices given with each question. **Always remember that MCQ tests are designed to test your knowledge and ability.**

Now, you will realize the importance of reading the Sections and definitions so that you understand what the Sections lays and/or what the definition means. **You will notice that the question-setter will actually be rephrasing the words in the Section and/or definition and placing them before you as MCQs. Therefore, please study carefully because under the MCQ pattern you can fall prey to misleading options that will distract you as the options will look similar to the correct answer.**

So, now please note the few suggestive Rules to be kept in mind for taking MCQ type exams :

1. Start a few deep breathing exercise before starting to read the entire question. **Never read the answers before reading the question.**
2. After reading the question, repeat the question mentally and find the correct answer. **Now check whether your**

answer matches with any of the options given. Select the best answer.

3. In this manner keep answering the questions you know confidently. **If you have doubts, simply mark (CROSS OUT) that question with a PENCIL and continue with the next question. DO NOT WASTE ANY TIME. Attempt to any these Crossed Out questions at the end.**
4. In case you have confusion with words, in the options given, try to find your own logic. Answers that seem logical are generally ultimately incorrect. If your mind prompts you with a logical alternative, that means that, that word is just to misguide you. Therefore, that option is not correct.
5. Please remember that when you are given options such as "All the above" and "None of the above", never select "All the above" if you think that any one answer is incorrect. Similarly never select "None of the above" option, if you feel that at least one option is true. Interestingly, if you notice two correct options to a MCQ, you can choose "All the above".
6. A study of MCQ pattern reveals that **generally the correct answer gives out more information than the other options given with that question.**

Now, let us start revising part by part, what we have read in the previous issues.

Sale of Goods Act, 1930

Let us recapitulate - The difference between a Condition and a Warranty .

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.

Now, let us discuss about - Performance of the Contract of Sale

In any contract of sale, there has to be two parties - the **Buyer and the Seller**. Both are expected to perform as per agreed terms - The **Seller to deliver the goods and the buyer to accept the goods and pay the price.**

The seller is obliged to deliver the goods as per the terms of contract at the specified - time, place, quantity and quantity. The buyer is obliged to accept the goods and pay the agreed price. Depending on the terms of the contract, the payment can be taken in advance, or on stipulated period of credit and the delivery too can be off-the-shelf, ex-godown, free-on-board, staggered etc.

Performance of a contract depends on two criteria - **timely delivery by the supplier and agreed payment terms of the buyer.** The seller shall be ready to give possession of the goods in exchange for payment of the price and the buyer to be ready to take possession of the goods from the seller in exchange for price.

- 1) **Delivery can mean Physical or actual transfer of possession from one person to another**
- 2) **Delivery can be through different modes - viz.**
 - a) **Actual Delivery** - where the goods are physically delivered to the buyer by the seller - directly or through an agent.
 - b) **Symbolic** - just as we see in reality shows where the keys of a motor car is handed over to the winner
 - c) **Constructive** - where the delivery order is issued to a third party for making delivery - Example - A Company selling Potatoes, issuing Delivery Order to the Cold Storage in a different location asking

them to deliver certain Number of Potato Bags to the buyer on receipt of the Issue Slip.

Rules with regard to delivery of goods.

Sections 31 to 44 of the Sale of Goods Act, lays Rules with regard to delivery of goods. Those are explained briefly :

1. **Mode of Delivery** : Can be anything agreed between the parties to put the goods in the possession of the buy or any other person authorized by the buyer.
2. **Delivery and Payment of Price:** Both parties ,that is - the seller must be ready to deliver the goods and the buyer must be willing to take the delivery and pay the price for the goods .How the buyer will take possession of the goods or how the seller will send the goods to the buyer depends on the terms of the contract.
3. **Effect of part delivery** : Where the goods are delivered in part, it shall amount to passing on the possession of the goods but any part delivery will not be treated as delivery of the remainder if the intention of the seller is to sever the remaining part from the whole ordered quantity.
4. **Buyer to apply for delivery** : Unless agreed in writing, the seller is not bound to deliver goods until the buyer applies for delivery.
5. **Place of Delivery** : Unless agreed otherwise, between the buyer and the seller, goods must be delivered at the agreed time and place for the buyer to take possession of the goods or the seller to initiate dispatch of the goods to the buyer.
6. **Time of Delivery** : Unless specifically agreed between the seller and buyer, goods must be sent to the buyer within a reasonable period of time/ reasonable hour or else the delivery may be treated as ineffectual. Reasonableness has to be decided depending on various factors.
7. **Goods in the possession of a Third Party** : Suppose at the time of sale the goods being sold, are in the possession of a third party, there is no delivery by the seller to buyer , unless and until, such third party acknowledges to the buyer that, the goods are held by him on his behalf.
8. **Cost of Delivery** : Unless agreed between the buyer and seller, all expenses including incidental expenses incurred for putting the goods in a deliverable state is borne by the seller.
9. **Delivery of wrong quantity** : The can be three possibilities :
 - a) The seller may deliver to the buyer, a quantity which is **less than the quantity agreed** ; or
 - b) The seller may deliver to the buyer, a quantity which is **more** than the quantity agreed ; or

- c) The seller may deliver to the buyer, a quantity which comprises of **goods as per contract ,mixed with goods of other description** , not covered in the contract.

In such cases , the buyer may accept the lesser quantity actually received and pay for it at the contract rate , or in the second case, he may either accept only the ordered quantity and reject the excess quantity sent or accept the entire quantity sent and pay for it at the contract rate ; or in the third case, the buyer may accept the goods as per the contract and reject the rest , or he may even reject the whole quantity sent.

However, all decisions may be subject to usage of trade, special agreement and dealings between the seller and the buyer.

10. Installment Delivery :

- a) A buyer of goods is not bound to accept delivery in installments unless agreed otherwise ;
- b) There may be instances where the seller fails to make delivery or makes one or more defective deliveries or the buyer neglects or refuses to take delivery or pay or more installments, in such cases , the circumstances of each case shall decide whether there is a breach of contract calling for - repudiation of the whole contract or a case giving rise to claim for compensation but not to a right to treat the whole contract as repudiated.

11. Delivery to Carrier or Wharfinger :

- a) Where as per contract, the seller is authorized or is required to send the goods to the buyer, delivery of goods to the carrier or delivery of goods to the wharfinger for safe custody, is prima facie deemed to be a delivery of the goods to the buyer.
- b) The seller shall make a reasonable contract with the carrier or wharfinger on behalf of the buyer for transmission of the goods under the contract. If the seller omits to do so and the goods are lost or damaged , the buyer may decline to treat the delivery to the carrier or the wharfinger as a delivery to himself(the buyer) and /or may hold the seller responsible for any damage.
- c) Unless otherwise agreed, if the seller sends goods to the buyer via. Sea route, where it is usual to get the goods insured, the goods shall be deemed to be at risk during the sea transit.

12. Risk where goods are delivered at Distant Place :

Where the seller undertakes to deliver the goods at his **(the seller's) own risk** , at a place other than that where the goods were when sold, the buyer shall nevertheless, unless otherwise agreed, take any risk of deterioration in the goods necessarily incidental to the course of transit.

13. Buyer's right of examining the goods :

Where the goods were not examined by the buyer before hand, the delivered goods shall not be deemed to have been accepted unless and until the buyer has got a reasonable

opportunity of examining those goods for the sake of ascertaining that they are in conformity with the contract.

14. Acceptance :

Only after the Buyer intimates to the Seller that he has accepted the goods , the goods shall be deemed to have been accepted. Moreover, if after receiving delivery of the goods, the buyer does not act within a reasonable time and still retains those goods, without intimating about any rejection of the goods to the seller, the goods shall be deemed to have been accepted.

15. Buyer not bound to return rejected goods :

Unless otherwise agreed, where the buyer legally holding the right to reject any goods sent by the seller , rejects any goods after receiving delivery, he (the buyer) is not bound to return the goods to the seller. In such case, the buyer just has to intimate the seller that he refuses to accept the goods sent.

16. Liability of Buyer :

Where the seller intimates to the buyer that he (the seller) is ready and willing to deliver the goods and also requests the buyer to take delivery and the buyer fails to take delivery within a reasonable time, the buyer becomes liable to the seller for any loss incidental to negligence or refusal of the buyer to take delivery and is responsible to pay the seller for a reasonable charge for the care and custody of the goods in question.



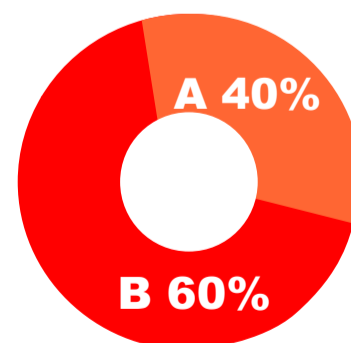


PAPER: 4

FUNDAMENTALS OF BUSINESS MATHEMATICS AND STATISTICS (FBMS)

CMA Ankan K Bandyopadhyaya
He can be reached at:
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Your Preparation Quick Takes



Syllabus Structure

A Fundamentals of Business Mathematics 40%

B Fundamentals of Business Statistic 60%

Learning Objectives:

- To understand the basic concepts and needs of Business Mathematics.
- To Know the reasonableness and explanation in calculation.
- To know the application of various mathematical techniques.

BUSINESS MATHEMATICS AND STATISTICS

In this issue we will discuss some MCQ problems on Business Mathematics

- Q1.** Sum to n terms of three AP's are s_1 , s_2 & s_3 . The first term of each of them is 1 and common difference are 1, 2 and 3 respectively. As a result if s_1 , s_2 & s_3 also forms an AP series then common difference of the series is
- (a) $n(n-2)(n-4)$
 (b) $n(n+1)$
 (c) $n(n-1)/2$
 (d) n
- Q2.** If $\frac{1}{b+c}$, $\frac{1}{c+a}$, $\frac{1}{a+b}$ are in AP then
- (a) $b^2 - a^2 = c^2 - b^2$
 (b) $2b = a + c$
 (c) $a + b + c = 0$
 (d) $b^2 = ac$
- Q3.** If a , b , c , d are in GP then
- (a) $a^2 + b^2$, $b^2 + c^2$, $c^2 + d^2$ are in GP
 (b) $a^2 - b^2$, $b^2 - c^2$, $c^2 - d^2$ are in GP
 (c) $a^2 b^2$, $b^2 c^2$, $c^2 d^2$ are in GP
 (d) $\frac{a^2}{b^2}$, $\frac{b^2}{c^2}$, $\frac{c^2}{d^2}$ are in GP
- Q4.** MR X arranges to pay off a debt of R9600 in 48 annual instalments which form an AP. When 40 of these instalments are paid, MR X becomes insolvent with R2400 still remains unpaid. Then value of second instalment is
- (a) R97.50
 (b) R92.50
 (c) R82.50
 (d) R87.50
- Q5.** If α , β are roots of $2x^2 + 3x + 7 = 0$ then value of $\alpha^4 + \beta^4$
- (a) $\frac{165}{16}$
 (b) $\frac{361}{16}$
 (c) $\frac{-196}{16}$
 (d) $\frac{1}{16}$
- Q6.** An enterprise produced 600 units in the 3rd year of its existence and 700 units in its 7th year. If production is maintained as an AP then initial production in the first year is
- (a) 580
 (b) 575
 (c) 550
 (d) 590
- Q7.** The sum of first 6 terms of a GP is 9 times the sum of first three terms. The common ratio is
- (a) 3
 (b) $\frac{1}{3}$
 (c) 1
 (d) 2
- Q8.** If the demand and supply laws are respectively given by the equation $4q + 9p = 48$ & $p = \frac{q}{9} + 2$ then the equilibrium price and quantity are

- (a) 1 & 5
- (b) 8/3 & 6
- (c) 2 & 10
- (d) 5/4 & 12

Q9. By selling a table for R56, gain is as much percent as its cost in rupees. Cost price is

- (a) Rs.40
- (b) Rs.140
- (c) Rs.50
- (d) Rs.25

Q10. A horse and a cow were sold for R3040 marking a profit of 25% on the horse and 10% on the cow. By selling them for R3070, the profit realised would have been 10% on the horse and 25% on the cow. Cost price of horse and cow is

- (a) R1000, R1100
- (b) R500, R900
- (c) R1200, R1400
- (d) R800, R600

Q11. A man's income from interest and wages is R500. He doubles his investment and also gets an increase of 50% in wages and his income increases to R800. His original income in terms of interest is

- (a) R100
- (b) R400
- (c) R300
- (d) R250

Q12. Find sum of all natural numbers from 100 to 300 which are divisible by 4

- (a) 10900
- (b) 10200
- (c) 10000
- (d) 11000

Q13. If you insert 9 arithmetic means between $\frac{1}{4}$ and $(-)\frac{39}{4}$, then 1st arithmetic mean is

- (a) -1/5
- (b) -1/8
- (c) 0
- (d) -3/4

Q14. A man saved R16500 in 10 years. In each year after the first he saved R100 more than he did in the preceding year. In the first year his savings was

- (a) R1000
- (b) R1000
- (c) R1200
- (d) R800

Q15. A moneylender lends R1000 and charges an overall interest of R140. He recovers the loan and interest by 12 monthly instalments each less by R10 than the preceding one. The amount of the first instalment is

- (a) R175
- (b) R300
- (c) R150
- (d) R400

Q16. If $\frac{a}{b}, \frac{b}{c}, \frac{c}{a}$ are in HP then which one of the following is correct?

- (a) a, b, c are in AP
- (b) a^2b, c^2a, b^2c are in AP
- (c) a^2, c^2, b^2 are in AP
- (d) $a^2 - b^2, b^2 - c^2, c^2 - a^2$ are in AP

Q17. Sum of the series $r^2 - 2r + 2, r^2 - 2r + 3, r^2 - 2r + 4$ up to $(2r-1)$ terms is

- (a) $4r^3 + 2r^2 + r + 3$
- (b) $r^3 + 5r^2 - 7r - 1$
- (c) 1
- (d) $2r^3 - 3r^2 + 3r - 1$

Q18. If $(1 + 1 + 3 + 5 + \text{upto } k \text{ terms}) - t_k = 0$, then t_k is equal to

- (a) $k^2 - 2k + 2$
- (b) k^2
- (c) $2k^2 - 5k + 3$
- (d) k

Q19. $(x-a)(x-b) = h^2$ has

- (a) One real root
- (b) Two distinct real roots
- (c) Two equal real roots
- (d) No real roots

Q20. Nine times a certain whole number is equal to five less than twice the square of the number. The number is

- (a) 6
- (b) 4
- (c) -1/2
- (d) 5

Q21. The equation $3x^2 + kx + 2 = 0$ has equal roots if k is

- (a) $\pm 2\sqrt{3}$
- (b) $\pm 2\sqrt{5}$
- (c) $\pm 2\sqrt{6}$
- (d) $\pm 2\sqrt{8}$

Q22. The compound ratio of $(x+y) : (x-y)$, $(x^2 + y^2) : (x+y)^2$ & $(x^2 - y^2)^2 : (x^4 - y^4)$ is

- (a) -1:1
- (b) 1:1
- (c) 1:0
- (d) 0:1

Q23. If a, b & c are in continued proportion then we could write

- (a) $a:c = a^2 : b^2$
- (b) $a = bc$
- (c) $ab = bc$
- (d) $a^2 + b^2 + c^2 = 1$

Q24. In the series (13, 28, 43, 58, 73.....), 203 is

- (a) nth term
- (b) Not a term
- (c) 15th term
- (d) 25th term

Q25. The sum of $\frac{3}{\sqrt{5}}, \frac{4}{\sqrt{5}}, \sqrt{5}$ to 25 terms is

- (a) $\frac{1}{\sqrt{5}}$
- (b) $\sqrt{5}$
- (c) $\frac{15}{\sqrt{15}}$
- (d) $75\sqrt{5}$

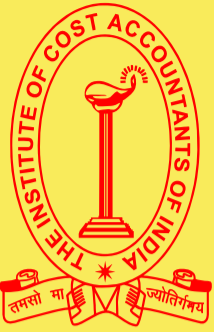
Answer :

| | | |
|----|---|--|
| Q1 | c | $S_n = \left(\frac{n}{2}\right) [2a + (n-1)d].$ So $s_1 = \left(\frac{n}{2}\right) [2 \times 1 + (n-1)1] = \frac{n(n+1)}{2}$, $s_2 = \frac{n}{2} [2 \times 1 + (n-1)2] = n$ & $s_3 = \frac{n}{2} [2 \times 1 + (n-1)3] = \frac{n}{2} (3n-1).$ $s_2 - s_1 = s_3 - s_2 = \frac{n}{2} (n-1)$ |
| Q2 | a | $\frac{1}{c+a} = \frac{1}{b+c} = \frac{1}{a+b} = \frac{1}{c+a}$ By simplifying we get $\frac{b-a}{b+c} = \frac{c-b}{b+a}$ Or, $b^2 - a^2 = c^2 - b^2$ Hence the result |
| Q3 | b | We have $b = ak, c = bk, d = ck$. i.e. $b = ak, c = ak^2$ & $d = ak^3$. Hence the result |
| Q4 | d | We can write $9600 = 48/2 [2a + (48-1)d]$ & $(9600 - 2400) = 40/2 [2a + (40-1)d]$ & hence the result |

| | | |
|-----|---|--|
| Q5 | a | $a + \beta = -\frac{3}{2}$ & $a\beta = \frac{7}{2}$ $a^4 + \beta^4 = \left[(a + \beta)^2 - 2a\beta \right]^2 - 2(a\beta)^2$ & hence the result |
| Q6 | c | By question $600 = a+2d$ & $700 = a+6d$ and hence the result |
| Q7 | d | $\frac{a(r^6 - 1)}{r - 1} = 9 \frac{a(r^3 - 1)}{r - 1}$. Hence the result |
| Q8 | b | Since under equilibrium Supply & demand are equal to each other solve for p & q from the two given equation by substitution method |
| Q9 | a | Let x is the cost and y is the gain. So $x + y = 56$ & $(y/x)*100 = x$. Solve this two & hence the result |
| Q10 | c | Let x and y are the costs of horse and cow respectively. So $1.25x + 1.10y = 3040$ & $1.10x + 1.25y = 3070$. Solve and hence the result |
| Q11 | a | Let x is the interest and y is the wage. Then $x + y = 500$ & $2x + 1.50y = 800$. Solve and hence the result |
| Q12 | b | Series is $100+104+108+\dots+300$. So $300 = 100 + (n-1)4$, Hence the result |
| Q13 | d | 9 th arithmetic means mean we have 11 terms as whole. So $-39/4 = \frac{1}{4} + (11-1)d$. Hence the result |
| Q14 | c | $16500 = 10/2[2*a+9*100]$, Hence the result |
| Q15 | c | $1000+140 = 12/2[2*a+11*(-)10]$, Find a |
| Q16 | b | Since $a/b, b/c, c/a$ are in HP so $b/a, c/b$ and a/c are in AP. So $c/b - b/a = a/c - c/b$ Hence the result |
| Q17 | d | The given series is AP with c.d. = 1 and hence the result |
| Q18 | a | $(1 + 1 + 3 + 5 + \text{upto } k \text{ terms}) - t_k = 0$. So $t_k = (1 + 1 + 3 + 5 + \text{upto } k \text{ terms})$ or, $t_k = 1 + (1 + 3 + 5 + \text{upto } k - 1 \text{ terms})$ and the bracketed portion is an AP |
| Q19 | b | $(x - a)(x - b) = h^2$ Or $x^2 - (a+b)x + ab - h^2 = 0$ & its $D > 0$ |
| Q20 | d | $9x = 2x^2 - 5$ where x is the whole no. Solving we get $x = 5$ or $-\frac{1}{2}$. Since we require whole no answer is 5 |
| Q21 | c | |
| Q22 | b | |
| Q23 | a | $\frac{a}{b} = \frac{b}{c}$ or $\frac{a}{c} = \frac{a}{b} \times \frac{b}{c}$ or $\frac{a}{c} = \frac{a}{b} \times \frac{a}{b}$ Or, $a:c = a^2:b^2$ |
| Q24 | b | n is coming fraction. Hence the result |
| Q25 | d | AP series where c.d. is $\frac{1}{\sqrt{5}}$ and hence result |

Suggestions:

The study guide needs to be read thoroughly. Supplementary readings could be made from other resources. This issue is based totally on study guide issued by the institute. Standard books could be referred for additional expertise to attend the MCQ questions. This lesson is an extension of discussion on the topic in guide book. Detailed discussions on different formulas are not done here to avoid repetition. This lesson is purely an aid to study guide on paper 4- Fundamental of Business mathematics and Statistics written and issued by Institute on Syllabus -16.



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,
MTPs, E-Bulletin,
Work Books, Attend
Webinar sessions**

**Solve Exercises
given in Study Note**

02

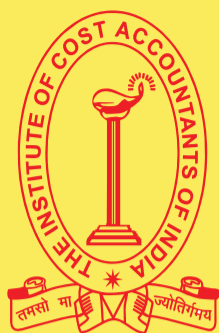
03

Assess Yourself

Appear For Examination

04

FINISHED



SUBMISSIONS

Dear Students,

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

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

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

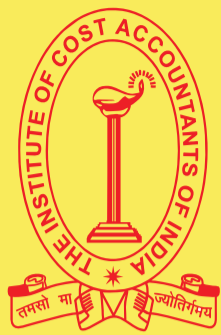
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Send your Feedback to:
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Updation of E-Mail Address/Mobile:

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





Message from Directorate of Studies

Dear Students,

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

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

"You must be the Change you wish to see in the World",

Let us observe his memory, following the above message.

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

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

Please refer the link mentioned below :

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

- Don't give up
- Don't give in
- Don't give out

You can win!

GOOD LUCK

Be Prepared and Get Success;

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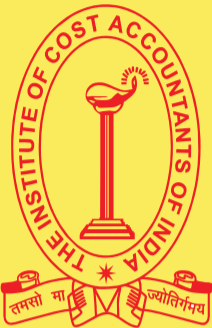
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Few Snapshots



CMA Biswarup Basu, President, CMA P.Raju Iyer, Vice-President of the Institute extending greetings to Smt. Anjali Bhawra, Additional Secretary to the Government of India, Ministry of Corporate Affairs on 21st September 2020.



CMA Biswarup Basu, President, CMA P.Raju Iyer, Vice-President, CMA Balwinder Singh, Immediate Past President of the Institute extending greetings to Shri Rajesh Verma, Secretary to the Government of India, Ministry of Corporate Affairs on 21st September 2020.



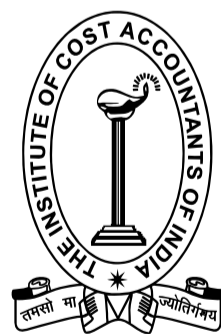
CMA Biswarup Basu, President along with CMA P. Raju Iyer, Vice-President, CMA Chandra Wadhwa, Past President and CMA B.B. Goyal, Former Addl. Chief Adviser, Ministry of Finance, GoI extending greetings to Shri Naresh Salecha, Member Finance, Railway Board on 14th October 2020.



CMA Biswarup Basu, President, CMA P.Raju Iyer, Vice-President of the Institute extending greetings to Shri Manoj Pandey, Joint Secretary to the Government of India, Ministry of Corporate Affairs on 21st September 2020.



Dubai Overseas Center organised WEBINT on 'Challenging Time Need People, who can Challenge Themselves' by CMA Radhakrishnan, on 11th SEP 2K20. Along with MCM and Members of Overseas Center CMA H Padmanabhan Council Member participated



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