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# **CMA Student E - Bulletin**

## **INTERMEDIATE**



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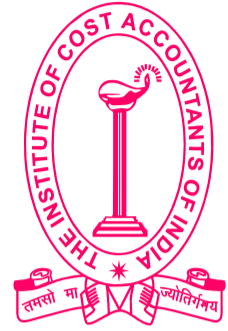
**Behind every successful business decision, there is always a CMA**



## Message from The Chairman

*CMA Biswarup Basu*

**Vice President & Chairman,  
Training & Education Facilities (T& EF) Committee**



**CMA BISWARUP BASU**  
Chairman, T & EF Committee  
Directorate of Studies



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### MESSAGE FROM THE CHAIRMAN

Dear Students,

Greetings,

"By Education, I mean an all-round drawing of the best in child and man in body, mind and spirit".

The December term of examination is approaching; stay positive, my friend and you can do this. No need to be nervous, no need to be scared, you're going to do well, you are prepared. You have silently studied for weeks, and now you will quietly take your exams. It's your success that's going to be loud and proud. You are strong, you are well prepared and you will succeed don't doubt yourself. All the sweat and all the tears are about to pay off in success and cheers. Invest in yourself. Study hard, and don't give up. I believe in you. Breathe in positivity. Exhale fear. Face that test with attitude. It's not about luck, but preparation. Eat, sleep, and study well. Keep the faith, and remember the goal. You can achieve this.

The Directorate of Studies (D.O.S.) has come out with revised work book in some papers where the amendments have taken place. As you are aware that study materials are continuously updated for incorporation of necessary amendments paper wise where those are extremely needed and also the up-dation is carried out in all the papers with the view of providing you the needed and relevant information. Answers to Mock Test Papers (MTPs) have been uploaded and please refer those for your steady professional development.

The Directorate of Studies is conducting live webinar sessions and those who are not been able to attend those sessions, please see the recorded versions for their knowledge up-dation. I am really thankful to all those academicians who are regularly updating your knowledge bank by extending their suggestions and input towards your all-round development. Please refer all those publications which will help in your preparation.

"I saw that bad handwriting should be regarded as a sign of an imperfect education" M.K. Gandhi

Testing is a celebration of knowledge. Go in there and show what you know. Good luck in your exams!

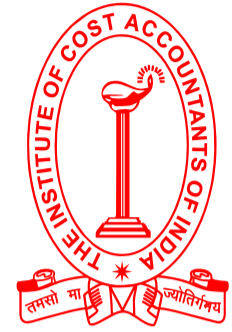
**CMA Biswarup Basu**

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

**Be a CMA, be a Proud Indian**

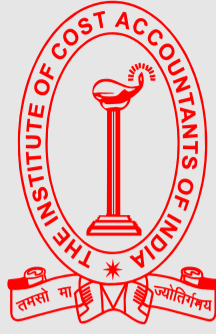


"Behind every successful business decision there is always a CMA"



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# KNOWLEDGE Update



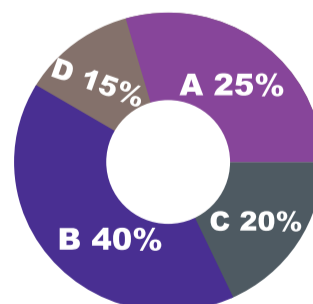
In this section of e-bulletin we shall have a series of discussion on each of these chapters to provide a meaningful assistance to the students in preparing themselves for the examination at the short end and equip them with sufficient knowledge to deal with real life complications at the long end.



**GROUP: 1, PAPER: 5**  
**FINANCIAL**  
**ACCOUNTING (FAC)**

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# Your Preparation Quick Takes



### Syllabus Structure

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

## Learning Objectives:

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

## BILL OF EXCHANGE

### INTRODUCTION:

Bill of exchange is a negotiable instrument and transactions are dealt with the provisions of Negotiable Instruments Act. Section 5 of this act defines Bill of exchange as "A bill of exchange is an instrument in writing containing an unconditional order signed by the maker directing a certain person to pay a certain sum of money only to or to the order of a certain person or to the bearer of the instrument"

In simple terms it is actually a written commitment by the buyer to the seller to pay the amount due at a particular due date. Therefore the features of Bills of exchange are:

1. It must be in writing
2. It must be signed by the maker(buyer)
3. It must be an unconditional order to pay
4. The maker must direct a certain person to pay a certain sum of money.

The parties involved to a bill of exchange are

1. The drawer - the seller
2. The drawee - the maker of the bill who commits payment by accepting (signing on bill)
3. The endorsee - to whom the bill is endorsed to settle his dues
4. The holder - any person who holds the bill for the time being with the entitlement of such possession (generally the drawer)
5. The payee - who finally receives the sum of money.(generally the drawer)

### PROCESS OF DRAWING THE BILL:

Say Mr A sold goods to Mr B. in credit for Rs. 50,000. Now A draws the bill on B and B accepts and signs on it to commit such obligation or liability to pay Rs. 50,000 on the due date. Now A is the holder of the bill till due date and he is the payee at the due date if the bill is honoured.

To A it is Bills Receivable and to B it is Bills Payable. Between the dates of drawing and maturity A may do the following things

1. May go to bank and get the bill discounted i.e exchange the bill in terms of cash before due date. In that case bank is the holder now and bank will be payee in due date.
2. May settle his dues to his creditor by giving this bill. Say A gives this bill to Mr C. In that case C is the holder now. He is called endorsee and C will be payee in due date.

### COMPUTATION OF DUE DATE:

Due date is the date when the bill is supposed to be paid on presentation for payment. It is customary to allow some days of grace (normally 3 days) to the drawee. Therefore while calculating the date of maturity three more days are added. For example if a bill is drawn on 1.1.2018 for 3 months the due date will be 4.4.2018. If the bill is 'after sight' bill the date of maturity will be calculated from the date of acceptance and if the bill is 'after date' the due date will be calculated from the date of drawing.

### ILLUSTRATION:

On 1.4.2017 A draws a bill on B for Rs. 1,00,000 3 months after date. B accepts the bills signs on it and returns to A. Pass necessary journal entries in the books of A and B in each of the following cases:

1. The bill is hold by A till maturity
2. The bill is discounted with bank on 4.4.2017 at a discount of 6 % p.a
3. The bill is endorsed to C to make a final settlement of a due of Rs. 1,05,000 on 1.4.2017

**SOLUTION :**

## Working notes :

- The bill is discounted with bank for 6% p.a . so the amount of discount will be  $1,00,000 \times 6/100 \times 3/12 = 6,000 \times 3/12 = 1,500$ . Calculation is made for 3 months because the bill is for three months and is discounted with the bank exactly before three months before maturity.
  - Amount due to C was for Rs. 1,05,000. However the bill is given for Rs. 1,00,000 to make full and final settlement. Therefore Mr. A has received Rs. 5,000 as discount.
- Important: Students must not confuse with discount received and discount on bills.

**JOURNAL**

BOOKS OF A				BOOKS OF B			
DATE	PARTICULARS	DEBIT	CREDIT	DATE	PARTICULARS	DEBIT	CREDIT
1.4.2017	Bills Receivable A/c Dr.	1,00,000		1.4.2017	A A/c Dr.	1,00,000	
	To B A/c		1,00,000		To Bills Payable A/c		1,00,000
	(for the bill drawn)				(for the bill drawn)		
<b>Situation 1</b>				<b>Situation 1</b>			
4.7.2017	Cash A/c Dr.	1,00,000		4.7.2017	Bills Payable A/c Dr.	1,00,000	
	To Bills Receivable		1,00,000		To Cash A/c		1,00,000
	(Amount received at maturity)				(Amount paid at maturity)		
<b>Situation 2</b>				<b>Situation 2</b>			
4.4.2017	Bank A/c Dr.	98,500		NO ENTRY IS REQUIRED			
	Discount on bill A/c Dr.	1,500					
	To Bills Receivable A/c		1,00,000				
	(Bill discounted with bank)			<b>Situation 3</b>			
<b>Situation 3</b>				<b>Situation 3</b>			
1.4.2017	C A/c Dr.	1,05,000		NO ENTRY IS REQUIRED			
	To Bills Receivable A/c		1,00,000				
	To Discount received A/c		5,000				
	(The bill is endorsed to C)			<b>Situation 3</b>			
<b>Situation 3</b>				<b>Situation 3</b>			
<b>AT MATURITY</b>							
<b>Situation 2</b>				<b>Situation 2</b>			
4.7.2017	NO ENTRY			4.7.2017	Bills Payable A/c Dr.	1,00,000	
					To bank A/c		1,00,000
					(Amount paid at maturity)		
<b>Situation 3</b>				<b>Situation 3</b>			
	NO ENTRY			4.7.2017	Bills Payable A/c Dr.	1,00,000	
					To bank A/c		1,00,000
					(Amount paid at maturity)		

**RENEWAL OF BILL (EXTENSION OF MATURITY PERIOD):**

At the time of maturity the drawee may approach the drawer for an extension of due date. This is called renewal of bill. For this the bill actually drawn is cancelled and a fresh bill is drawn along with the interest for the delayed period i.e from the date of cancellation of the bill to the new date of maturity.

$$\text{Interest} = X\% \times \text{bill value} \times (\text{no days between date of new maturity and date of old maturity})/12$$

**REBATE (EARLY MATURITY):**

Contrary to the above if the drawee approaches the drawer for early settlement of a bill the drawer allows him a rebate for such early settlement. The amount of rebate is calculated from the date of settlement to the actual date of maturity.

$$\text{Rebate} = X\% \times \text{bill value} \times (\text{no days between date of settlement and date of maturity})/12$$

**DISHONOUR OF BILL**

- Normally matured
- Discounted with bank
- Endorsed in favour of creditors

Dishonour of a bill means cancellation of a bill for nonpayment (due to any reason). The cancellation may happen at any of the above stages. Normally the accounting entry is passed for cancellation of the existing bill by passing a reverse entry of the existing entry before dishonor. However, the following entry may be kept in mind while such cancellation:

Drawee A/C ..... Dr.

- To Bills Receivable (for situation a)
- To Bank (for situation b)
- To Endorsee (for situation c)

**EXAMPLE:**

On 1.4.2017 A draws a bill on B for Rs. 1,00,000 3 months after date. B accepts the bills signs on it and returns to A. Pass necessary journal entries in the books of A and B in each of the following cases if the bill is dishonoured in the following cases:

- The bill is hold by A till maturity
- The bill is discounted with bank on 4.4.2017 at a discount of 6 % p.a
- The bill is endorsed to C to make a final settlement of a due of Rs. 1,05,000 on 1.4.2017

**SOLUTION:****JOURNAL**

BOOKS OF A				BOOKS OF B			
DATE	PARTICULARS	DEBIT	CREDIT	DATE	PARTICULARS	DEBIT	CREDIT
1.4.2017	Bills Receivable Dr.	100000		1.4.2017	A A/c Dr.	100000	
	To B A/c		100000		To Bills Payable A/c		100000
	(for the bill drawn)				(for the bill drawn)		
<b>Situation 1</b>				<b>Situation 1</b>			
4.7.2017	Cash A/c Dr.	100000		4.7.2017	Bills payable A/c Dr.	100000	
	To Bills Receivable A/c		100000		To Cash A/c		100000
	(Amount received at maturity)				(Amount paid at maturity)		
<b>Situation 2</b>				<b>Situation 2</b>			
4.4.2017	Bank A/c Dr.	98500		NO ENTRY IS REQUIRED			
	Discount on bill A/c Dr.	1500					
	To Bills receivable A/c		100000				
	(Bill discounted with bank)						
<b>Situation 3</b>				<b>Situation 3</b>			
1.4.2017	C A/c Dr.	105000		NO ENTRY IS REQUIRED			
	To Bills Receivable A/c		100000				
	To Discount received A/c		5000				
	(The bill is endorsed to C)						



## DISHONOURD AT MATURITY

Situation 1				Situation 1			
4.7.2017	B A/c	Dr.	1,00,000	4.7.2017	Bills Payable A/c	Dr.	1,00,000
	To Bills Receivable A/c		1,00,000		To A A/c		1,00,000
	(Dishonoured at maturity)				(Dishonoured at maturity)		
Situation 2				Situation 2			
4.7.2017	B A/c	Dr.	1,00,000	4.7.2017	Bills Payable A/c	Dr.	1,00,000
	To Bank A/c		1,00,000		To A A/c		1,00,000
	(Dishonoured at maturity)				Dishonoured at maturity		
Situation 3				Situation 3			
4.7.2017	B A/c	Dr.	1,00,000	4.7.2017	Bills Payable A/c	Dr.	1,00,000
	To C A/c		1,00,000		To A A/c		1,00,000
	(Dishonoured at maturity)				(Dishonoured at maturity)		

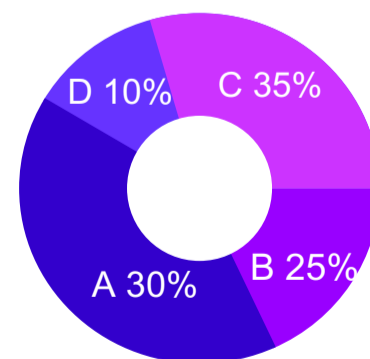




**GROUP: 1, PAPER: 6**  
**LAWS & ETHICS**  
**(LNE)**

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## Your Preparation Quick Takes



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

## Learning Objectives:

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

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

## LAW &amp; ETHICS

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

In this issue we shall continue to deal with Corporate Laws - Companies Act, 2013 which became law on 12<sup>th</sup> September, 2013 after the President of India gave his affirmation (to replace the Companies Act, 1956) on 29<sup>th</sup> August, 2013

Let us start with **SECTION 8 COMPANIES****Features:**

Section 8 of the Companies Act, 2013, pertains to a company established 'for :

- ❖ promoting commerce, art, science, sports, education, research, social welfare, religion, charity, protection of environment or any such other object'
- ❖ The profits, if any or other income of Sec.8 company, is applied for promoting only the objects of the company :and
- ❖ No dividend is paid to its members.

Therefore, Section 8 Company or Section 25 Company under old Companies Act, 1956 is a company registered under the Companies Act, 2013 for charitable or not-for-profit purposes.

**A Section 8 Company is similar to a Trust or Society with the exception that -**

A section 8 Company is registered under the Central Government's Ministry of Corporate Affairs, whereas Trusts and Societies are registered under State Government Regulations.

A Section 8 company has various advantages compared to Trust or Society. A Sec.8 company gets improved recognition and has stronger legal standing.

Section 8 company also has higher credibility amongst donors, Government departments and other stakeholders.

A firm may be a member of the company registered under this section.

A Sec.8 company registered under Companies Act 2013 may convert itself into a company of any kind only after complying with such conditions as may be prescribed.

**Licence under Sec.8 for new companies with charitable objects etc. :**

A proposed company under incorporation with Limited Liability, by A person or an AOP (Association of Persons), desiring to name the company without adding the word "Limited" or "Private Limited", shall make an application in Form INC-32 Simplified Proforma for Incorporating **Company** Electronically (SPICe) along with the requisite fee to the Registrar as provided in the Companies (Registration offices and fees) Rules, 2014, for obtaining a Licence under sub-section (1) of Sec.8.

Co-operative society can be regarded as Person and thus capable of becoming subscriber of a company including Section 8 Company.

**The application shall be accompanied by the following documents:**

1. The Memorandum of Association in **Form INC-13** and Articles of Association of the proposed company
2. **A declaration in Form INC 14** by an Advocate or a Chartered Accountant or a Cost Accountant or a Company Secretary in practice, that the Memorandum and Articles of Association have been drawn up in conformity with the provisions of Section 8 and rules made thereunder and that all the requirements of the Act and the rules thereunder relating to registration of the company under Sec.8 and matter incidental or supplemental thereto have been complied with.
3. **An estimate** of the future Annual Income and expenditure of the company for next 3 years, specifying the sources of the income and the objects of the expenditure ;
4. A declaration by each of the persons making the application in **Form No. INC 15**.

If the Central Government is satisfied that the proposed company has its objects enshrined in Sec.8, it may allow that person or AOP to be registered as a limited company without the addition to its name the word "Limited" or "Private Limited". Thereupon, the Registrar shall, on application in the prescribed form register such person or Association of Persons as a company under Section 8.

**Application for grant of License to an existing company under section 8**

The Ministry of Corporate Affairs (MCA) has notified new **Form No. INC-32 (SPICe form) Application for grant of License to an existing company under section 8 vide notification No. G.S.R. 411(E) dated 7th June, 2019.** pursuant to sections 4, 8(1), 7, 12, 152 and 153"

An application in Form No. INC 32 (SPICe) along with prescribed fee must be made accompanied by the following documents:

1. A declaration in **Form INC 14** by an Advocate or a Chartered Accountant or a Cost Accountant or a Company Secretary in practice, that the Memorandum and Articles of Association have been drawn up in conformity with the provisions of Section 8 and rules made thereunder and that all the requirements of the Act and the rules thereunder relating to registration of the company under Sec.8 and matter incidental or supplemental thereto have been complied with.
2. The financial statements of the previous 2 financial years
3. The Board's Report ;
4. Audit Reports ;
5. A Statement showing in details the assets with their values and the liabilities of the company as on the date of the application or within 30 days preceding that date ;
6. An **estimate** of the future Annual Income and expenditure of the company for next 3 years ,specifying the sources of the income and the objects of the expenditure ;
7. Certified copy of the Board's resolution or resolution passed in **General Meeting** approving registration of the company under Section 8 ; and
8. A declaration by each of the persons making the application in **Form No. INC 15**.

**Revocation of Licence**

**Under Sec.8(6)** the Central Government by an order revoke the licence granted to the company registered under Sec.8, if :

- The company contravenes any of the requirements of Sec.8; or
- The company contravenes any of the conditions subject to which the licence was issued ; or
- If the affairs of the company are conducted fraudulently or in a manner violative of the objects of the company.

**The Central Government shall direct the company to convert its status and change its name to add the words 'Limited' or 'Private Limited' to its name.** The Central Government shall pass such a revocation order only after giving an opportunity of being heard to the company. A copy of the Central Government order shall be given to the Registrar who shall register the company accordingly.

Upon revocation of the Licence by the Central Government and only after giving an opportunity of being heard to the company, may direct the company to **Wind Up** under the Companies Act,2013 or amalgamate with another company registered under Sec.8,if it is satisfied that it is essential to the public interest.

Upon revocation of the Licence by the Central Government and only after giving an opportunity of being heard to the company, may direct the company to amalgamate with another company

registered under Sec.8, having similar objects, if it is satisfied that it is essential to the public interest. The Central Government, by order, shall provide for such amalgamation to form a Single Company with such constitution, properties, powers, rights, interests, authorities and privileges and with such liabilities, duties and the obligations as may be specified in the order.

**Section 8 Company may convert itself into any other kind of company under****Section 8(4)(ii) of the companies act 2013**

- ❖ It may be remembered that a company registered under section 8 of the Companies Act 2013 cannot be converted into One Person Company under Rule 3 of the Companies (Incorporation) Rules,2014 .
- ❖ Procedure to convert a section 8 company into a company of any other kind according to **Rule 21, and 22**.

**The following are the conditions for conversion of section 8 company into any other kind of company as per Rule 21.**

1. A special resolution shall be passed in a general meeting of the members of the company for obtaining approval for the conversion of section 8 company into any other kind of company.
2. Notice of the general meeting of the company shall be dispatched along with the explanatory statement.
3. Give the date of incorporation of the company;
4. Give the main object of the company mentioned in the memorandum of association of the company;
5. State giving reasons why the activities of the company cannot be carried on to achieve the object of the company;
6. If the main object of the company is proposed to be altered, the reason for such alteration in the object of the company and what would be the altered object.
7. Indicate all Concessions enjoyed by the company, such as tax exemptions, approvals regarding receiving donations including foreign contribution, land and other immovable property. Details regarding the donations received by the company with conditions attached to their utilization;3
8. The Impact and the benefit of the conversion to the members.
9. File with the Registrar of Companies in Form No. MGT 14 along with the prescribed fees within 30 days of passing the resolution - A certified true copy of the special resolution with the copy of the notice of the general meeting of the members.
10. An application in Form INC 18 along with the requisite fees shall be filed with the regional director with the following documents:
  - ❖ A certified true copy of the resolution passed in the general meeting;
  - ❖ The copy of the notice of the general meeting with the explanatory statement;
  - ❖ Proof of serving the notice to all the authorities mentioned below:
    - a) Chief Commissioner of Income Tax Authority having jurisdiction over the company;

- b) Income Tax Officer;
- c) Charity Commissioner;
- d) Chief Secretary of the state where the registered office of the company is situated;
- e) To the authority under whose jurisdiction the company is operating.
- f) A copy of the application filed with the regional director is required to be filed with the registrar of companies.

Following are other conditions necessary for the **Conversion of Section 8 company** into any other kind of company as per **Rule 22**.

- ❖ Notice shall be published at its own cost within a week of submitting an application to the regional director;
- ❖ Copy of notice shall be sent to regional director inform INC 19;
- ❖ The notice shall be published in the newspaper of the district where the registered office of the company is situated in vernacular language and one in the English newspaper having a wide circulation and also on the website of the company if any;
- ❖ Authorities can make representation to the regional director within 60 days of the receipt of the notice. After giving an opportunity of being heard to the company;
- ❖ Proof of serving notice shall be attached to an application;
- ❖ A declaration shall be given by the board of directors that no income of the company has been paid directly or indirectly to the persons who are or have been the members of the company or to any one or more of them or to any persons claiming through any one or more of them.
- ❖ A company is required to file its financial statement and annual returns up to the financial year preceding the application are submitted to the regional director and other returns are required up to the date of submission of application.
- ❖ A Certificate shall be attached with the application, which shall be obtained from professional "practicing Chartered Accountant or Company Secretary or Cost Accountant" certifying the conditions and rules related to the conversion of section 8 company into any other kind of company.
- ❖ The Regional Director may require the approval of the authority for such conversion from the applicant and may also obtain the report from the registrar.

#### Condition Which can be Imposed by the Regional Director

As per **Rule 22(8)**, on the receipt of an application, after being satisfied the regional director shall issue an order for the conversion of the company subject to the terms & conditions that may be imposed under the following conditions:

1. With effect from the date of conversion, Company shall not claim any exemption & privileges which have been enjoyed by the company by virtue of registered under the provision of Section 8 of the Companies Act 2013.
2. In case the company has acquired any immovable property on concessional rates from the government or any other authority then the company has to pay the difference between the cost at which it was acquired and the market price of that property at the time of conversion in respect to that immovable property.
3. In case of any unutilised income or accumulated profits of the company brought forward from the previous year shall be utilized for the purpose of settle outstanding dues, or any amount due to creditors, suppliers or loans advanced by promoters or members or any amount due to them and in case of any balance it shall be transferred to the Investor Education & Protection Fund within 30 days of conversion.
4. The company shall be given an opportunity of being heard before rejecting the application or imposing any conditions.

#### Required Compliances

According to **Rule 22 (10)** :

1. On the receipt of the approval by the Regional Director of the company, the special resolution shall be passed in the general meeting of the members of the company for the purpose of amending the memorandum of association and article of association.
2. A certified copy of the approval of the regional director shall be filed within 30 days in Form INC 20 along with the fees;
3. An amended copy of the memorandum of association and article of association;
4. Declaration by the directors that in the case of any conditions imposed by the regional director must have been complied with.
5. After receiving the documents, the registrar shall issue the certificate of incorporation.
6. Whereas license granted under section 8 of the companies act 2013, shall be revoked.
7. Form INC 20 shall be filed with the registrar with the requisite fees to change the status and the name of the company.

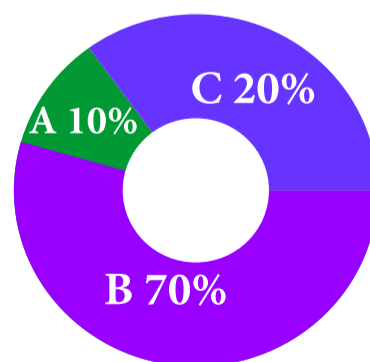


GROUP: 1, PAPER: 7

# DIRECT TAXATION (DTX)

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## Your Preparation Quick Takes



Syllabus Structure

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

## Learning Objectives:

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

## Choose the correct alternative

1. While computing capital gain, securities transaction tax paid by the seller of shares shall -
  - (a) not be allowed as deduction
  - (b) be allowed as deduction being part of cost of acquisition
  - (c) be allowed as deduction as expenses on transfer
  - (d) be allowed as deduction being part of cost of improvement
2. The maximum ceiling limit for claiming exemption under section 10(10C) is \_\_\_\_\_.
  - (a) ₹ 3,00,000
  - (b) ₹ 5,00,000
  - (c) ₹ 10,00,000
  - (d) ₹ 3,50,000
3. In which of the following cases the house property income is exempt from tax
  - (a) House property of Local authority
  - (b) House property of Professional institution
  - (c) House property of Housing board authority
  - (d) None of the above
4. If a new machinery is purchased on 15.4.2018 and put to use for the purpose of the business on 28.12.2018, effectively depreciation would be allowable at the rate of -
  - (a) 7.50%
  - (b) 15%
  - (c) 10%
  - (d) 20%
5. Manoj acquired 1,000 equity shares of ₹ 10 each in a listed company for ₹ 35,000 on 1st July, 2009. The company issued 1,000 rights shares in April, 2011 at ₹ 15 per share. The company issued 2,000 bonus shares on June, 2018. The market price was ₹ 50 per share before bonus issue and ₹ 25 after such issue. The cost of acquisition of bonus shares would be -
  - (a) ₹ 1,00,000
  - (b) ₹ 20,000
  - (c) ₹ 50,000
  - (d) Nil

6. Section 80RRB provides deduction in respect of -
- income of a political party
  - income of a co-operative society
  - royalty income of authors
  - None of the above
7. Maximum deduction u/s 80QQB is -
- ₹ 1,50,000
  - 25% of the Royalty
  - ₹ 3,00,000
  - ₹ 50,000
8. If Karta of HUF is resident and ordinarily resident during the relevant previous year then residential status of HUF for that previous year is -
- Resident and ordinarily resident
  - Resident but not ordinarily resident
  - Can't say
  - Non-resident
9. The amount of tax payable by the assessee and the amount of refund due, under the provision of the Income-tax Act, 1961 shall be rounded-off to the nearest \_\_\_\_\_.
- multiple of ₹ 10
  - multiple of ₹ 100
  - multiple of ₹ 1,000
  - None of these
10. A non-Indian company is said to be a resident in India, if \_\_\_\_\_ is in India during the relevant previous year.
- directors
  - place of effective management
  - always resident
  - control & management of its affairs
11. Interest on capital or loan from partner of a firm is allowed as deduction to the firm to the extent of -
- 12% p.a. or at the rate mentioned in partnership deed whichever is less
  - 18% p.a. or at the rate mentioned in partnership deed whichever is less
  - 12% p.a.
  - 18% p.a.
12. Due date of furnishing return of income for a working partner of a firm whose accounts are required to be audited is -
- 31st December of the assessment year
  - 31st July of the assessment year
  - 30th September of the assessment year
  - 31st March of the assessment year
13. ICDS II is not applicable in case of:
- Work-in-progress arising under 'construction contract'
  - Shares, debentures and other financial instruments held as stock-in-trade
  - Machinery spares, which can be used only in connection with a tangible fixed asset and their use is expected to be irregular
  - All of the above



14. Generally, dividend is exempt from tax. Exceptions to this rule is -
- Dividend from co-operative society
  - Dividend distributed by foreign company
  - Dividend in excess of ₹ 10 lakhs
  - All of the above
15. Tax on agricultural income is covered under -
- State List (i.e. List II)
  - Union List (i.e. List I)
  - Concurrent List (i.e. List III)
  - None of the above as tax is not levied on an agricultural income
16. Normal rates of income-tax are prescribed in the -
- Income-tax Act, 1961
  - Income-tax Rules, 1962
  - Finance Act of the current year
  - CBDT circulars
17. \_\_\_\_\_ means to discharge an obligation (which is gratuitous or self-imposed) after such income reaches the assessee.
- Application of income
  - Diversion of income
  - Exempted Income
  - Deductible Income
18. A foreign company means a company which is not a -
- Domestic company
  - Indian company
  - Public company
  - Private company
19. The Residential status of an assessee is determined for the relevant -
- Previous Year
  - Calendar Year
  - Assessment Year
  - Base Year
20. An individual is said to be resident in India if he satisfies -
- any one condition given in sec. 6(1)
  - all conditions given in sec. 6(1)
  - any one condition given in sec. 6(6)
  - all conditions given in sec. 6(6)

21. Interest on Gold Deposit Bonds issued under the Gold Deposit Scheme, 1999 is \_\_\_\_\_.
- exempt
  - taxable
  - exempt to the extent of ₹ 7,500
  - none of these
22. Receipts from TV serial shooting in farm house is -
- Agricultural income
  - Non agricultural income
  - Not an income
  - None of the above
23. Employer's contribution to unrecognised provident fund, in the year of contribution, -
- is exempt from tax
  - is exempt subject to maximum of 12% of salary
  - is taxable if it exceeds 12% of salary of employee
  - is fully taxable
24. Exemption under section 10(10C) is allowed \_\_\_\_\_ in the life of an assessee.
- once
  - twice
  - any number of times subject to gap of 5 years
  - none of these
25. Where an employee is transferred from one place to another and he is provided with an accommodation at new place also, the value of perquisite shall be taken for only one such house having lower value for a period not exceeding \_\_\_\_\_.
- 90 days
  - 120 days
  - 15 days
  - 30 days

Answer:

1.	(a)	6.	(d)	11.	(a)	16.	(c)	21.	(a)
2.	(b)	7.	(c)	12.	(c)	17.	(a)	22.	(b)
3.	(a)	8.	(a)	13.	(d)	18.	(a)	23.	(a)
4.	(a)	9.	(a)	14.	(d)	19.	(a)	24.	(a)
5.	(d)	10.	(b)	15.	(a)	20.	(a)	25.	(a)



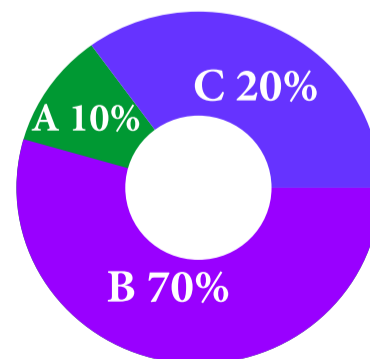
**GROUP: 1, PAPER: 8**

# **COST ACCOUNTING**

**(CAC)**

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## Your Preparation Quick Takes



### Syllabus Structure

A Income Tax Act Basics 10%

B Heads of Income and Computation of Total Income and Tax Liability 70%

C Administrative Procedures and ICDS 20%

## Learning Objectives:

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

### Cost Accounting (CAC)

Optimum utilization of available resources is the main object of every Cost Engineers as well as CMAs. Present days we are leaving in a competitive world where there is also scarcity of natural resources. The urgent need of the day is to utilize the resources efficiently. The roll of Cost Accountants in this regard plays a vital role all over the world. Starting as a branch of Financial Accounting, Cost Accountancy has made a remarkable progress during the last few decades.

Cost Accounting system is a quantitative method that accumulates, classifies, summarizes and interprets financial and nonfinancial information. A critical study of theory as well as solving the practical problems is very much essential for securing good marks in the exam. The students are requested to go through the theoretical part first for easy understanding the topic and then try to solve the problems that are in exercise. Start from Chapter one and try to complete the other chapters serially as this will enable you to understand better the succeeding chapters. Always try to remember that in professional examinations, emphasis is given on testing comprehension, self expression, understanding and ability to apply knowledge in divergent situation. Success of these examinations mainly depends on student's perseverance, seriousness of study, regularity of efforts and detailed practices.

The following **suggestions** are given based on my long term experience -

1. Try to go through your Study Note and know the syllabus properly.
2. A plane should be developed for completing the syllabus within stipulated time.
3. Try to analyze the trends of setting questions.
4. Time schedule with specified activities, which will help you to avoid procrastination.

5. Clarity of concepts and self expression is essential for successful result.
6. Improve your speed by practice and revision to be able to attempt all questions in limited time.
7. Try to write down all the important terms in your own words and practice it regularly.
8. The student should remember that all objective type questions should be answered as it will carry 100% marks.
9. Finally, try to develop a habit of reading the questions well, underlining and understanding the specific requirements.

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

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

The chapter Contract Costing is very important for this type of examination. There are some standard norms for computation and recognition of profit /loss of incomplete contract. Students sometimes experience difficulty in recommending the amount

of profit to be taken into account during a period for long-term contract. Make sure that you are familiar with various methods/formulas for different stage of completion and share of profit. Students are also advised to go through the topic "Profit on incomplete contracts based on SSAP-9". Problems on escalation clause are also very important for this chapter.

The next chapter is Operating Costing. Here we have to find out operating cost per unit of output. 'Transport Costing', 'Hospital Costing', 'Power House Costing', 'Hotel/ Hostel Costing' etc are also part of Operating Costing. Here it is very important to find out the "Composite Unit" in order to solved the problems.

The chapter Marginal Costing is not a particular method of Cost ascertainment but it is a technique which deals with the nature and behavior of Cost and there effects on the profitability. The main thrust should be to follow the wording and determine the desired impact of cost on profitability. The basic part of the problem is to solve Brake -even-point. Sometimes a question gives details of costs but not the split into fixed and variable elements. Students are advised to segregate total costs into fixed and variable elements using high-low method. For a product of different sales -mix, contribution per unit of key factor should be found out and then different options should be marked on the same basis, i.e. contribution per unit of key factor. For easy understanding you have to solve various types of problems.

The next chapter relates to 'Variance Analysis' which deals with creating responsibilities and identifying the areas of exceptions. The main purpose of variance analysis is to enable the management to improve the operation for effective utilization of resources

and to increase the efficiency by reducing costs. Some students are afraid of this important chapter only because of different formulae for different analysis. Only careful study and realization of the requirement in the problem can eliminate such difficulties. Finally the step should be taken based on the causes of variance.

'Budget and budgetary Control' which requires preparation of 'Flexible Budget', Functional Budget, and 'Cash Budget' for taking necessary actions. Theoretical and problem oriented questions may be set from this chapter. The students can easily understand the problems, if theory remains clear. The students are also suggested to go through the theoretical parts-like, concept of Zero-based budgeting, behavior and classification of Budgets etc very carefully. All functional budgets are summarized into master budget consisting of a Budgeted Profit and Loss Account, a Balance Sheet and Cash Flow Statement. a common mistake is to incorrectly deduct closing stocks and opening stocks when preparing Production and Material Purchased Budget. The students should also go through the theory - like, concepts of Zero-Based Budgeting, Behavior and Classifications of Budgets etc.

Charging the Overhead to cost centers and cost units is the most important consideration in the operation of the cost accounting system. Even though the cost cannot be identified directly with specific product, they are essentially part of cost of manufacturing products and must be included with prime cost for product pricing, performance evaluation and decision making . The following problem will show how the distribution of overhead expenses is possible.

### Problem :

Bharat Engineering Works has three production departments A, B, & C and one service department S. From the under mentioned particulars calculate labour hour rate for each of production departments . Expenses for the period of 12 months are :

	Rs.
Rent	36,000
Power	8250
Indirect wages	5200
Depreciation on machinery	22,000
Electricity	5600
Canteen Expenses	6500

### Additional information :

	A	B	C	S
Light Points (Nos.)	7	7	9	5
Floor Space (Sq. m.)	300	250	450	200
Horse Power of machine (H.P.)	65	30	30	40
No. of workers (Nos.)	2	3	6	2
Direct Wages (Rs.)	12,000	14,000	18,000	8,000
Cost of Machine (Rs.)	50,000	60,000	80,000	10,000

**Working days:** 200 days of 8 hours each.

Service rendered by service department S to production departments A, B, C is 30%, 20% and 50%, respectively.

Statement Showing the Overhead Distribution

Basis of Expenses	Basis of Appointment	Total Rs.	Production Departments			Service Department S Rs.
			A Rs.	B Rs.	C Rs.	
Rent	Floor Space ( 6:5:9:4)	36,000	9,000	7,500	13,500	6,000
Power	H.P. (13:6:6:8)	8,250	3,250	1,500	1,500	2,000
Indirect Wages	Direct Wages (6:7:9:4)	5,200	1,200	1,400	1,800	800
Depreciation	Cost of Machine (5:6:8:1)	22,000	5,500	6,600	8,800	1,100
Electricity	Light Points (7:7:9:5)	5,600	1,400	1,400	1,800	1,000
Canteen Expenses	No. of Workers (2:3:6:2)	6,500	1,000	1,500	3,000	1,000
Direct Wages	Allocated	8,000	-----	-----	-----	8,000
		91,550	21,350	19,900	30,400	19,900
			5,970	3,980	9,950	--19,900
Appointment of Service department expenses	% of service rendered (3:2:5)	91,550	27,320	23,880	40,350	Nil
Total Cost	Total cost		3,200	4,800	9,600	
Labour hours Worked	Labour hours worked		8.54	4.98	4.20	
Labour hour rates						

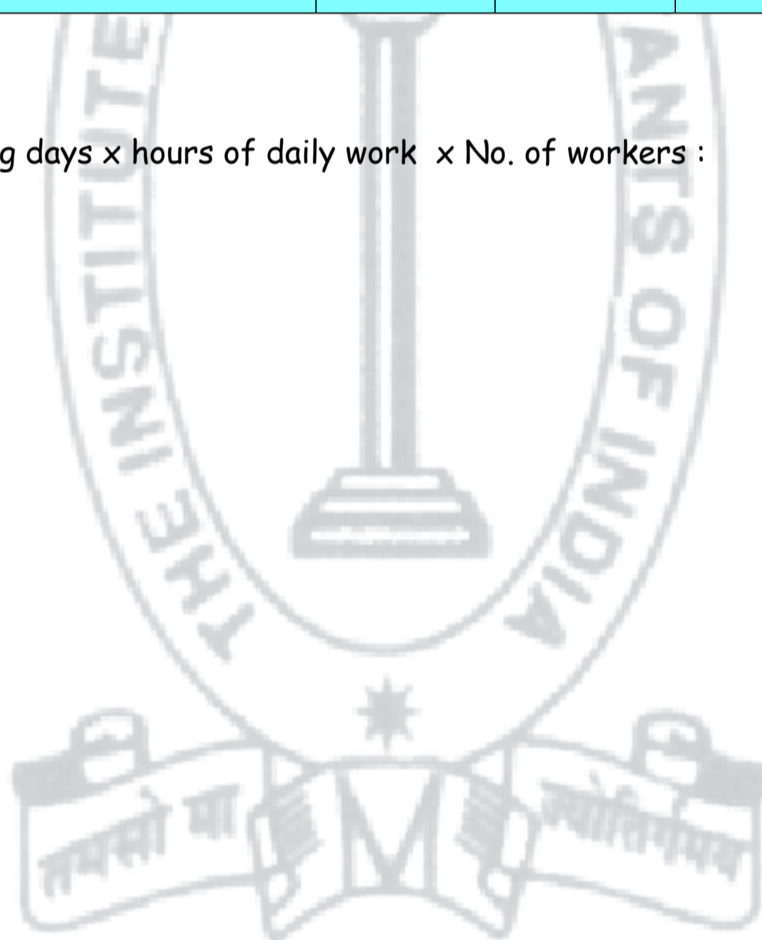
**Working Notes :**

1. Labour hours worked = No. of working days x hours of daily work x No. of workers :

$$A : 200 \times 8 \times 2 = 3200$$

$$B : 200 \times 8 \times 3 = 4800$$

$$C : 200 \times 8 \times 6 = 9600$$





GROUP: 2, PAPER: 9, Part- i

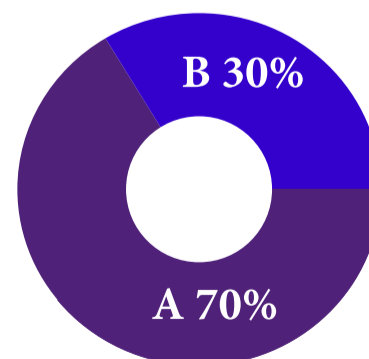
# OPERATIONS

MANAGEMENT & STRATEGIC  
MANAGEMENT (OMSM)

Operations Management

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## Your Preparation Quick Takes



### Syllabus Structure

A Operations Management 70%

B Strategic Management 30%

## Learning Objectives:

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

## Operations Management

In continuation to our discussion in October issue, in this also we will study on important terms/abbreviation which may be required to answer various short type questions.

1	JIT	Just in Time	
Just-in-time manufacturing, also known as just-in-time production or the Toyota Production System, is a methodology aimed primarily at reducing times within production system as well as response times from suppliers and to customers.			

2	LCFS	Last Come First Served	
If jobs are stacked on arrival to a machine, it might be easier to process the job first that arrived last and is now on top of the stack.			

3	LCL	Lower Control Limits	
Control charts have two limits that separate random variation and non-random variation. The larger value is the upper control limit and the smaller value is the lower control limit. $LCL = \bar{x} - z\sqrt{MSE}$ , where $z = \text{number of standard deviation} \& \text{MSE} = \text{mean squared error}$			

4	LCM	Least Cost Method	
The Least Cost Method is another method used to obtain the initial feasible solution for the transportation problem. Here, the allocation begins with the cell which has the minimum cost. The lower cost cells are chosen over the higher-cost cell with the objective to have the least cost of transportation.			

5	LDR	Linear Decision Rule	
LDR is an optimizing technique originally developed for aggregate planning. It solves a set of four quadratic equations that describe the major capacity related costs in the factory: payroll costs, hiring and firing, overtime and undertime and inventory costs. The results yield optimal workforce level and production rate.			



6	LFT	Latest Finish Time	
It is the latest time an activity can be completed and still maintain the project critical path time.			
7	LPT	Longest Processing Time	
LPT assumes long jobs are important jobs and is analogous to the strategy of doing larger tasks first to get them out of the way.			
8	LS	Least Slack	
Least slack time (LST) scheduling is a scheduling algorithm. It assigns priority based on the slack time of a process. Slack time is the amount of time left after a job if the job was started now.			
9	LTPD	Lot Tolerance Percent Defective	
There will be instances in which a sample does not accurately reflect the quality of a lot and a lot that does not meet the acceptable quality level but pass on to the consumer. Although the customer expects to receive some of these lots, there is a limit to the number of defective items the customer could accept. This upper limit is known as the LTPD.			
10	MAD	Mean Absolute Deviation	The mean absolute deviation of a data set is the average distance between each data point and the mean. It gives us an idea about the variability in a dataset.
$MAD = \frac{\sum  Actual_t - Forecast_t }{n}$			
11	MAPD	Mean Absolute Percentage Deviation	
MAPD measures the absolute error as a percentage of demand rather than per period. As a result it eliminates the problem of interpreting the measure of accuracy relative to the magnitude of the demand and forecast values as MAD does.			
$MAPD = \frac{\sum  D_t - F_t }{\sum D_t}$			
Where $D_t$ = Demand in period $t$ & $F_t$ = Forecast for period $t$			
12	MAPE	Mean Absolute Percent Error	The mean absolute percentage error (MAPE), also known as mean absolute percentage deviation (MAPD), is a measure of prediction accuracy of a forecasting method in statistics, for example in trend estimation,
$MAPE = \frac{\sum  Actual_t - Forecast_t }{Actual_t} \times 100$			

13	MDD	Minimum Due Date	
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14	MES	Manufacturing Execution System	
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MES is a software that monitors operations, collects data and controls process on the shop floor

15	MIS	Management Information System	
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16	MIRS	Modular Integrated Robotized System	
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A system developed by an Italian tire and cable manufacturer, Pirella, which produces tires entirely by machines

17	MPS	Master Production Schedule	MPS indicates the quantity and timing of planned completed production.
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MPS shows the quantity and timing of specific end items for a scheduled horizon which often covers about six to eight weeks ahead. It shows the planned output for individual products rather than an entire product group along with the timing of production

18	MRO	Maintenance Repair and Operation	
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19	MRP	Manufacturing Resource Planning	Manufacturing resource planning (MRP II) is defined as a method for the effective planning of all resources of a manufacturing company.
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It expanded the scope of materials planning to include capacity requirement planning and to involve other functional areas of the organization such as marketing and finance in the planning process.

20	MRP	Materials Requirement Planning	MRP is a methodology used for planning the production of assembled products such as smart phones, automobiles etc.
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With master schedule in hand MRP generates a production plan for the end item that indicates the quantities and timing of the subassemblies, component parts and raw materials required for assembly of that end item.

21	MSE	Mean Squared Error	Mean squared error (MSE) or mean squared deviation (MSD) of an estimator (of a procedure for estimating an unobserved quantity) measures the average of the squares of the errors—that is, the average squared difference between the estimated values and what is estimated.
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$$MSE = \frac{\sum (Actual_t - Forecast_t)^2}{n-1}$$

22	MTBF	Mean Time Between Failures	MTBF measures the average length of time between failures of a product or component.
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MTBF can be calculated as the arithmetic mean (average) time between failures of a system.

$$MTBF = \frac{\Sigma (\text{Start of downtime} - \text{Start of uptime})}{\text{Number of failures}}$$

23	MTM	Method Time Measurement	MTM is a predetermined motion time system that is used primarily in industrial settings to analyze the methods used to perform any manual operation or task and, as a product of that analysis, set the standard time in which a worker should complete that task.
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MTM analyses an industrial job or any manual operation or method into the basic motions or human movements required to perform it and assigns to each motion a predetermined time standard which is determined by the nature of the motion and the conditions under which it is made. When all such times are added up it provides normal time for the job. Standard time can be determined by adding suitable allowances.

24	MTO	Make To Order	
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With this approach product design is made as per a standard. But final production is carried out as per customers' specification. This approach is used by aircraft manufacturers such as Boeing

25	MTTR	Mean Time to Repair	Mean time to repair (MTTR) is the average time required to troubleshoot and repair failed equipment and return it to normal operating conditions.
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$$MTTR = \frac{\text{total maintenance time}}{\text{number of repairs}}$$

26	MTS	Make To Stock	
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With this approach production is based on a forecast and products are sold to the customer from finished goods stock. This approach is used in department stores and supermarkets.

27	NWCM	North West Corner Method	Refer Study Material
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28	OEM	Original Equipment Manufacturer	
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29	OPT	Optimised Production Technology	
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30	PDSA cycle	Plan Do Study Act Cycle	PDSA cycle is the conceptual basis for problem solving activities.
PDSA cycles enables to test out changes on a small scale, building on the learning from these test cycles in a structured way before wholesale implementation. This gives stakeholders the opportunity to see if the proposed change will succeed and is a powerful tool for learning from ideas that do and don't work. This way, the process of change is safer and less disruptive for staff. Also known as Deming wheel or Shewhart wheel.			
31	PIMS	Profit Impact of Market Strategy	
It is a database- a useful resource on successful business strategies -www.pimsonline.com			
32	PERT	Programme Evaluation & Review Technique	Refer Study Material
33	PFA	Production Flow Analysis	
PFA is a group technology technique that reorders part routing matrices to identify families of parts with similar processing requirements			
34	POS	Point Of Sale	
The point of sale or point of purchase is the time and place where a retail transaction is completed. At the point of sale, the merchant calculates the amount owed by the customer, indicates that amount, may prepare an invoice for the customer, and indicates the options for the customer to make payment.			
35	POMS	Production and Operations Management Society	
36	PMT	Process Management Team	
37	QFD	Quality Function Deployment	QFD is a structured approach for integrating the voice of the customer into both the product and service development process.
In QFD, quality is a measure of customer satisfaction with a product or a service. QFD methodology focuses on the most important product or service attributes or qualities. These are composed of customer wows, wants, and musts. QFD is the deployment of customer-driven qualities to the responsible functions of an organization.			
38	RFID	Radio Frequency Identification	
A technology that uses radio waves to identify objects such as goods in supply chains			
39	RFQ	Request for Quote	
A company usually develop a RFQ and send it along with engineering drawings and other documents to a select group of companies who have the capability to supply the needed part.			

40	ROP	Re Order Point	
<p>In inventory management there order point occurs when the quantity on hand drops to a predetermined amount. When the quantity on hand drops below this amount, the item is reordered.</p> $ROP = \text{Expected demand during lead time} + \text{Safety Stock}$			
41	SFC	Shop Floor Control	
<p>SFC is the scheduling and monitoring of day to day production in a job shop. It is usually performed by the production control department</p>			
42	SIRO	Service In Random Order	
<p>Service-in-random-order (SIRO): Under this type of queue structure, the customer is chosen for service randomly and hence all the customers are equally likely to be selected. Therefore, the time of arrival of the customer has no consequence on the selection of the customer</p>			
43	SLIM	Store Labour and Inventory Management	
<p>A computerised version which consider shelf space, demand rates, profitability and stock out probabilities in layout design</p>			
44	SMED	Single Minute Exchange of Die	SMED enables an organization to quickly convert a machine or process a different but similar product type.
<p>SMED (Single-Minute Exchange of Die) is a system for dramatically reducing the time it takes to complete equipment changeovers. The essence of the SMED system is to convert as many changeover steps as possible to "external" (performed while the equipment is running), and to simplify and streamline the remaining steps. The name Single-Minute Exchange of Dies comes from the goal of reducing changeover times to the "single" digits (i.e. less than 10 minutes).</p>			
45	SPC	Statistical Process Control	SPC is used to assess process output to decide if a process is in control or if corrective action is needed.
<p>SPC is an industry-standard methodology for measuring and controlling quality during the manufacturing process. Quality data in the form of Product or Process measurements are obtained in real-time during manufacturing. This data is then plotted on a graph with pre-determined control limits. Control limits are determined by the capability of the process, whereas specification limits are determined by the client's needs.</p>			
46	SPT	Shortest Processing Time	
<p>Jobs are processed according to processing time at a machine or work center, shortest job first</p>			

47	S/RO	Slack per Remaining Operation	
<p>Slack per Remaining Operations. Slack is the difference between the time remaining until a job's due date and the total shop time remaining, including that of the operation being scheduled. A job's priority is determined by dividing the slack by the number of operations that remain, including the one being scheduled, to arrive at the slack per remaining operations (S/RO).</p> $S/RO = \frac{(Due\ date - Today's\ date) - Total\ shop\ time\ remaining}{Number\ of\ operations\ remaining}$			
48	SSRO	Static Slack for remaining operation	Refer Study Material
49	SWOT analysis	Strengths Weakness Operations & Threat analysis	
50	TAF	Trend Adjusted Forecast	TAF is composed of two elements: a smoothed error and a trend factor
$TAF_{t+1} = S_t + T_t$ , where $S_t$ previous forecast plus smoothed error & $T_t$ Current trend estimate			
51	TEI	Total Employee Involvement	
TEI is a system for encouraging participation by every employee at every level. The success of JIT needs TEI			
52	TQM	Total Quality Management	
53	UCL	Upper Control Limit	
<p>Control charts have two limits that separate random variation and non-random variation. The larger value is the upper control limit and the smaller value is the lower control limit.</p> $UCL = \bar{O} + z\sqrt{MSE}$ <p>where <math>z</math> = number of standard deviation &amp; <math>MSE</math> = mean square error</p>			
54	UPC	Universal product Code	
Bar code printed on a label that has information about the item to which it is attached.			
55	VAM	Vogel's Approximation Method	Refer Study Material

56	VMI	Vendor Managed Inventory	Vendor Managed Inventory is a streamlined approach to inventory management and order fulfillment. VMI involves collaboration between suppliers and their customers (e.g. distributor, retailer, OEM, or product end user) which changes the traditional ordering process
----	-----	--------------------------	--

VMI process starts with the customer sending a Product Activity Report. VMI software analyses the data and creates recommended replenishment orders. The suppliers' planner reviews the recommended orders and any exception conditions before approving appropriate orders. VMI then sends a purchase order to the supplier and a purchase order acknowledgement to the customer.

57	WBS	Work Breakdown Structure	WBS is a hierarchical listing of what must be done during a project.
----	-----	--------------------------	--

58	WMS	Warehouse Management System	
----	-----	-----------------------------	--

In order to handle the new trends and demands of distribution management companies employ sophisticated highly automated WMS to run day to day operation of a distribution center and keep track of inventories. The WMS places an item in storage at a specific location, locates and takes an item out of storage, packs the item and ships it via a carrier. WMS acknowledges that a product is available to ship and if it is not available the system will determine from suppliers in real time when it will be available.

#### Suggestions:

These abbreviations are taken purely from teachings imparted by the Study Material issued by Institute and some reference books covering the syllabus. The study material on Operations Management issued by Institute is to be studied thoroughly and many of these sort of abbreviations are to be noted carefully. In this month discussions are held in alphabetical order beginning from alphabet J as a continuation from previous month. Attempts are made here to explain all the abbreviated words in some detail and very very common words are not considered again and referred to study material. For supplementary readings one can refer Operations Management by R.S. Russell & B.W. Taylor, Operations Management by J Stevenson.





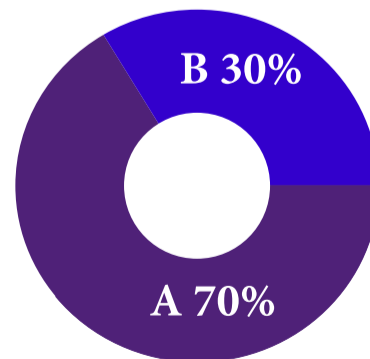
GROUP: 2, PAPER: 9, Part- ii

# OPERATIONS

MANAGEMENT & STRATEGIC  
MANAGEMENT (OMSM)  
Strategic Management

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## Your Preparation Quick Takes



### Syllabus Structure

A Operations Management 70%

B Strategic Management 30%



## Learning Objectives:

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

## STRATEGIC MANAGEMENT NOVEMBER ISSUE

## Objective Questions and Answers:

1. A strategic business unit (SUB) is defined as a division of an organisation :

- That help in the marketing operation;
- That enable managers to have better control over the resources;
- That help in the choice of technology;
- That help in the allocation of scarce resources;
- That help in identifying talents and potentials of people.

2. Board of directors has certain basic tasks as follows:

- To define the corporate mission and stop irregular practice;
- To design the course of strategic options and appointment of top management;
- To set the ROI and other business performance targets;
- To monitor plan and keep abreast of external threats;
- both (a) and (b)

3. Strategic choice makes a statement about the corporate strategy as well as business strategy:

- They are one and the same;
- One is an external planning and another resource planning statement;
- Corporate strategy is a general statement and business strategy defines how a SBU shall operate;
- Both states certain course of action - one for the total unit and another for a particular business unit;
- One refers to the whole business and another helps in the formulation of marketing decisions

4. Directional Policy Matrix is the same as:

- the BCG model;
- the 9-cell GE matrix;
- the Life cycle portfolio analysis;
- the PIMS matrix;
- the 3 X 3 competitive positioning matrix.

5. For an entrepreneur:

- Vision is before the mission
- Mission is before the vision
- Both are developed simultaneously
- Vision or mission are un-important issue
- Profitability is most crucial

6. The Product Market matrix comprising of Strategies of Penetration, Market Development, Product Development and Diversification was first formulated by:

- Ansoff
- Drucker
- Porter
- Andrews
- Prahalad

7. Outsourcing is the:

- Spinning off of a value-creating activity to create a new firm
- Selling of a value-creating activity to other firms
- Purchase of a value-creating activity from an external supplier
- Use of computers to obtain value-creating data from the Internet

8. Price fixation for the first time takes place when:

- (a) a company develops or acquires a new product;
- (b) introducing existing product into a new geographic area or a new distribution channel;
- (c) a service, the company bids for a new contract work;
- (d) all of the above.

9. 'Corporation vision' is the same as:

- (a) Corporate dream
- (b) Corporate mission
- (c) Corporate goal
- (d) Corporate strategy

10. 'Niche' is similar to the:

- (a) Growth strategy
- (b) Milking strategy
- (c) Flanking strategy
- (d) Survival strategy

11. Successful differentiation strategy allows the company to:

- (a) gain buyer loyalty to its brands
- (b) charge too high a price premium
- (c) depend only on intrinsic product attributes
- (d) have product quality that exceeds buyers' needs
- (e) segment a market into distinct group of buyers

12. Innovation strategy is:

- (a) defensive strategy
- (b) offensive strategy

(c) responding to or anticipating customer and market demands

- (d) guerrilla strategy
- (e) harvesting strategy

13. Intensity of competition is ——— in low return industries.

- (a) low;
- (b) non-existent;
- (c) high;
- (d) not important;
- (e) dependant on industry nature.

14. Benchmarking is:

- (a) The analytical tool to identify high cost activities based on the 'Pareto Analysis'.
- (b) The search for industries best practices that lead to superior performance;
- (c) The simulation of cost reduction schemes that help to build commitment and improvement of actions;
- (d) The process of marketing and redesigning the way a typical company works;
- (e) The framework that earmarks a linkage with suppliers and customers

15. Successful differentiation strategy allows the company to:

- (a) gain buyer loyalty to its brands
- (b) charge too high a price premium
- (c) depend only on intrinsic product attributes
- (d) have product quality that exceeds buyers' needs
- (e) segment a market into distinct group of buyers

Answer :

1.	(b)	6.	(a)	11.	(a)
2.	(e)	7.	(c)	12.	(c)
3.	(a)	8.	(d)	13.	(c)
4.	(b)	9.	(a)	14.	(b)
5.	(a)	10.	(c)	15.	(a)



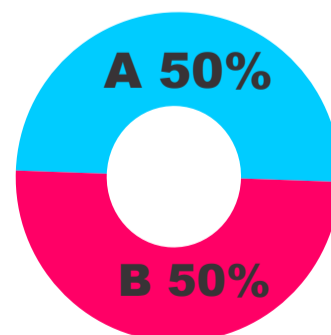
**GROUP: 2, PAPER:10**

# **COST & MANAGEMENT**

**ACCOUNTING AND FINANCIAL  
MANAGEMENT(CMFM)**

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## Your Preparation Quick Takes



**Syllabus Structure**

A Cost & Management Accounting 50%

B Financial Management 50%

**Learning Objectives:**

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

**Cost & Management Accounting and Financial Management**  
**Chapter 2: Decision Making Tools**

- **Decision Type: Diversification**

**Situation 2: When surplus capacity is not available**

In this situation, as no additional capacity is available, adding a new product will require to reduce the production of an existing product in the product line. Such a decision will lead to certain loss of contribution from the existing product. This contribution should be compared against the contribution brought in by the new product. If the contribution from the new product is more than the contribution lost (also known as opportunity loss) on the existing product, the diversification decision may be tenable.

Consider the following example.

**Illustration 1:**

A company is presently operating at its full capacity and producing 10,000 units of a product in 20,000 machine hours. The cost structure and selling price of the product is as follows:

Particulars	Rs.
Direct materials	30,000
Direct labour	20,000
Variable overhead	10,000
Selling Price per unit	10.00

The fixed overhead of the company is Rs. 15,000. Calculate the current profit of the company.

The company is thinking to diversify its product offering and therefore it wants to launch a new product which requires 3 machine hours per unit. The variable cost associated with the new product is Rs. 6 per unit and it can be sold in the market at Rs. 11 per unit. If the company wants to produce 2,000 units of the new product, will the decision be viable?

**Solution:**

Calculation of profit from the existing product

Particulars	Rs.
Sales (10,000 × 10)	1,00,000
Less. Variable cost (30,000 + 20,000 + 10,000)	60,000
Contribution	40,000
Less. Fixed cost	15,000
Profit	25,000

If the company wants to produce 2,000 units of the new product, it will require  $2,000 \times 3 = 6,000$  machine hours. Thus, in order to produce the same, production of existing product should be curtailed by  $6,000/2 = 3,000$  units (existing product requires  $20,000/10,000 = 2$  hours p.u.)

So, loss of contribution from the existing product =  $40,000/10,000 \times 3,000 = \text{Rs. } 12,000$ .

Now, contribution from the new product =  $(11 - 6) \times 2,000 = \text{Rs. } 10,000$

Since, contribution from the new product is lower than the contribution lost from the existing product sacrificed, the diversification decision is not recommended.

#### Decision Type: Acceptance of Special Order

Decision on acceptance or rejection of a special order requires evaluation of the contribution that will be available from the special order. A positive additional contribution from the order will lead to an acceptance decision. As regards to the cost, special order does not require any marketing cost to be incurred on it, however, it may sometimes require a special packaging at an extra cost. Thus, while calculating the additional contribution such variable cost must be carefully dealt with. In case there is any increase in fixed cost, additional profit rather than additional contribution will be the basis of the decision.

Consider the following example.

#### Illustration 2:

A manufacturing company makes a single product which sells for Rs. 210 per unit and there is great demand for the product. The variable cost of the product per unit is as follows:

Direct Material     Rs. 56  
Direct Labour (4 hours)   Rs. 28  
Variable Overhead Rs. 28  
(100% of Direct Labour)

The labour force is currently working at full capacity. A customer has approached the company with a request for the manufacture special order at Rs. 40,000.

The cost of the order would be Rs. 12,000 for direct material and 800 labour hours will be required. Should the order be accepted?

#### Solution:

Selling price per unit = Rs. 210

Variable cost per unit =  $(56+28+28) = \text{Rs. } 112$

Contribution per unit =  $(210-112) = \text{Rs. } 98$

Since currently there is no excess labour supply, to produce the special order additional 800 hours has to be arranged by reducing existing sales.

Existing sales to be reduced =  $800/4 = 200$  units

Loss of contribution =  $98 \times 200 = \text{Rs. } 19,600$

So, while accepting the special order, the price should be such that it recovers all variable cost and this loss of contribution.

Calculation of acceptable price of special order

Particulars	Rs.
Direct Material	12,000
Direct Labour $(28/4) \times 800$	5,600
Variable O/H (100% of direct labour cost)	5,600
Total variable cost	23,200
Loss of contribution [calculated before]	19,600
Acceptable price	42,800

Since the customer offered to pay Rs. 40,000 for the special order, which is lower than the acceptable price, the order should not be accepted.

#### Decision Type: Most Profitable Product Mix:

In this case, the company needs to evaluate the alternative product mix options and the option with the highest profit will be selected as the optimal one.

Consider the following example:

**Illustration 3:**

Present the following information to show to the management:

- The marginal product cost and the contribution per unit.
- The total contribution and profits resulting from each of the following sales mixtures.
- The proposed sales mixes to earn a profit of Rs. 250 and Rs. 300 with total sales of A and B being 300 units.

	Product A Rs.	Product B Rs.
Direct materials (per unit)	10	9
Direct wages (per unit)	3	2
Sales price (per unit)	20	15
Fixed expenses Rs. 800		
Variable expenses are allocated to products as 100% of direct wages		

Sales mixtures:

- 100 units of Product A and 200 of B
- 150 units of product A and 150 of B
- 200 units of product A and 100 of B

Recommend which of the sales mixtures should be adopted.

**Solution:**

- Calculation of marginal cost and contribution p.u

	A	B
Direct materials (per unit)	10	9
Direct wages (per unit)	3	2
Variable overhead (100% of wages)	3	2
Total marginal cost or variable cost	16	13
Sales price (per unit)	20	15
Contribution per unit	4	2

- Total Contribution and Profit of different product mix.

	Mix (a)			Mix (b)			Mix (c)		
	A	B	Total	A	B	Total	A	B	Total
Sales (units)	100	200	300	150	150	300	200	100	300
Contribution p.u	4	2		4	2		4	2	
Total Contribution	400	400	800	600	300	900	800	200	1,000
Less: Fixed Cost			800			800			800
Profit			Nil			100			200

So, sales mix (c) with highest profit is the best.

- Let x units of product A and (300-x) units of product B are to be sold.

Earning profits of Rs.250	Earning profits of Rs.300
$[x*4 + (300-x)*2] - 800 = 250$	$[x*4 + (300-x)*2] - 800 = 300$
So x = 225	So x = 250
And 300-x = 75	And 300-x = 50
Proposed mix:	Proposed mix:
Product A= 225 units	Product A= 250 units
Product B = 75units	Product B = 50 units

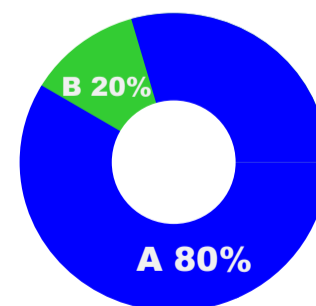


GROUP: 2, PAPER:11

# INDIRECT TAXATION (ITX)

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## Your Preparation Quick Takes



Syllabus Structure  
A GST 80%  
B Customs Laws 20%

## Learning Objectives:

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

**Educational Institutions whether actually exempt from GST?  
Or is just a myth !!**

**Background:**

GST Council in its 37<sup>th</sup> Council meeting held on 20 September 2019 approved the standard of E-Invoice and it has been published on GST portal along with scheme.

**What is E-Invoice?**

E-Invoicing is a process in which all the B2B invoices created by accounting software will be authenticated electronically by GSTN for further use (like return preparation, E-way bill creation).

There are lot of myth or misconception about e-invoice. E-Invoice does not mean generation/creation of invoices from central portal or tax department because practically it is not possible it will create unnecessary restrictions on trade and industry and different industry have different business requirement, which cannot be met out by one software.

E-Invoice is a submission of already generated Invoices from accounting softwares to GST Portal and we all are aware that there are hundreds of accounting & billing softwares, which generate invoices, but they all use their own formats to store information electronically and data in such different-different formats cannot understand by the GST System, hence it was not possible to submit the data from accounting softwares (Like ERP/Tally/SAP) to GST System.

So, need was felt to issue a standard format (Schema) in which data will be shared with other systems, although from user prospective it's same as earlier, there would not any change in print or electronically creation of invoice.

Only standard schema needs to be implemented by all the accounting and billing software so that it can generate JSON of each invoice in such format which can be uploaded on GST Portal for further authentication and approval.

In short, E-Invoice is mechanism only specify invoice schema and standard for each data exchange among all accounting/billing software and all businesses.

E-invoice format issued by GSTN have some mandatory fields and some non-mandatory fields.

**Benefits on E-Invoicing System**

1. One time reporting of B2B invoices and further authentication from GST Portal will auto prepare ANX-1, ANX-2 in new return format and GSTR-1 in current format up to B2B Supplies.
2. E-way Bill will also be created through E-Invoicing data only vehicles details needs to be updated.
3. Here once invoice which will be uploaded by supplier on GST system for authentication will be further shared with corresponding buyer on his mail id mentioned on e-invoice, hence buyer can do reconciliation with his purchase order and accept/reject on real time under New Return.
4. System level matching will be done for input credit and output tax.
5. E-Invoice will be created for Invoices, Debit Note, Credit Note and other document required by law.



**Process of creation of E-Invoicing:**

Generation of E-Invoicing will be the responsibility of the taxpayer who will be required to report the same to Invoice Registration Portal (IRP) for authentication, which in turn will generate a unique reference number (IRN) and digital sign the e-invoice and also generate a QR code and will return the invoice to the seller. IRP will also send the digital signed e-invoice to the recipient of the document on the e-mail provided in the e-invoice.

**Step-1:** Seller will create his invoice in his accounting or billing system, Invoice should be in conformity with e-invoice schema (standards) that is published and have the mandatory parameters

Supplier's software would generate a JSON against each B2B invoice that will be further uploaded on the IRP Portal. IRP(Invoice Registration Portal) will only take the JSON of the e-invoice.

**Step-2:** In next step is to generate Invoice Reference Number (IRN) (in technical term IRN number is hash of 3 parameters using a standard and well-known hash generation algorithm) it is an optional step; seller himself can generate IRN number based on defined algorithm.

**Step-3:** is to upload JSON of the e-invoice (along with Hash if generated by the seller) into the IRP by the seller. JSON may be uploaded directly on the IRP or through GSP's or through any other third party.

**Step-4:** IRP will generate the Hash or validate the hash of the uploaded JSON, if uploaded by the supplier. Upon authenticate the same with central registry of GST System IRP will add its signature on the invoice data and as well as QR code to the JSON.

Hash computed by the IRP will become the IRN (Invoice Reference Number) of the E-Invoice.

It shall be unique to each invoice and hence be the unique identity for each invoice for the entire financial year in the entire GST System for a taxpayer.

**Step-5:** it involves sharing of uploaded data with GST and E-Way bill system

**Step-6:** Here IRP will return the digitally signed JSON with IRN back to the seller along with a QR code. The Registered invoice will also be sent to the seller and buyer on their mail ids as mentioned in the invoice.

**Summary:**

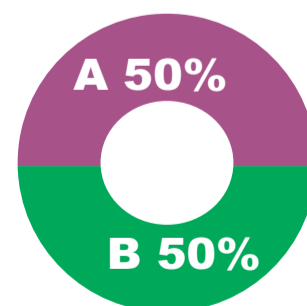
- E-invoices will not be generated by the GST Portal; it will be generated only on the internal accounting/billing system of taxpayer (ERP/SAP/Tally) or other application.
- It will be uploaded into the GST ANX-1 only once it has been validated and registered by the invoice registration system
- E-Invoice schema issued by GST System will be used by the all kind of businesses. The Schema has mandatory and non-mandatory fields, mandatory fields has to be filled by all the taxpayers. Non-mandatory field is for the business to choose.
- Maximum number of line item per invoice is 100.
- E-Invoice will be authenticated with the digital signature of the IRP.
- Each E-Invoice will be uploaded for registration on IRP within time line (will be notified by the Government) without registration of the e-invoice the same will not be valid (required changed will be made in the law).
- E-Invoice cannot be partially cancelled; it has to be fully cancelled.
- E-Invoice mechanism have an option to cancel the invoice within 24 hours of registration of IRP. Any cancellation after 24 hours could not be possible through IRN, taxpayer have to manually cancel the same on GST Portal before filing the return.
- E-Invoice mechanism expected to be rollout in phases from 1st January, 2020 on voluntary basis.
- Initially the e-invoice mechanism will be allowed for taxpayers above a certain turnover or above a certain invoice value or also to volunteers.
- Later on, it will be enabled for all taxpayers in a phased step-wise manner.



**GROUP: 2, PAPER:12**  
**COMPANY**  
**ACCOUNTS & AUDIT (CAA)**

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# Your Preparation Quick Takes



## Syllabus Structure

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

**Learning Objectives:**

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

Puja days have gone. Dipped into merriment we were in festive mood. But now we are to start our study in more thrusting mood. Let us discuss today **CASH FLOW STATEMENT**.

As per AS7, EVERY ENTERPRISE is to present cash flow statement as an integral part of its financial statements.

It provides information in assessing the ability of the entity to generate cash and cash equivalents and enables users to assess future cash flows of an enterprise.

The statement of cash flow shall report cash flows during the period classified by operating, investing and financial activities.

Cash flow from operating activities is a key indicator saying generation of cash of entity maintaining the operating capability of the company.

Cash flows from operations are primarily derived from the principal revenue producing activities of the entity.

The process of getting cash flow from operation is :

NET PROFIT BEFORE TAX AND EXTRA ORDINARY ITEMS .....

Add adjustments for non cash and on operating items:

Depreciation on fixed assets

Goodwill written off

Preliminary expenses, discount on issue of debentures written off

Add adjustment for gains and losses:

Deduct gains

Add losses

(On sale of fixed assets, investments)

ADJUSTMENT for changes in current operating assests:

Add decrease in accounts like debtors,bill receivables, stock etc

Deduct increase in above accounts

Add increase in current operating liabilities

Deduct decrease in above accounts

Deduct income tax paid

Make adjustment for extra ordinary items

The result will be **NET CASH FLOW FROM OPERATING ACTIVITIES**

**CASH FLOW FROM INVESTMENT ACTIVITIES:**

Only expenditures results in recognized assets in balance sheet are in such cash flow

eg, cash payments to acquire property, cash receipts from sale of property, cash payments to acquire debt or equity etc comes under this.

**CASH FLOW FROM FINANCING ACTIVITIES:**

Cash proceeds from issuing shares, debentures, cash payments for loan comes under this.

**IN THIS WAY STUDENTS ARE TO GO ON PRACTISING**

Mind that

Operating activities are the principal revenue producing activities ;

Investing activities are the acquisition and disposal of long term assests.

Financing activities are activities that result in changes in size and composition of equity and borrowings ;

Go on practicing expecting good results in exam.

**ENJOY**





# Examination TIME TABLE

**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA**  
(Statutory body under an Act of Parliament)

Day & Date	Intermediate Examination Syllabus-2016 Time 2.00 p.m. to 5.00 p.m.
10th December, 2019 (Tuesday)	Financial Accounting (Paper 05) (Group - I)
11th December, 2019 (Wednesday)	Operations Management & Strategic Management (Paper 09) (Group - II)
12th December, 2019 (Thursday)	Laws & Ethics (Paper 06) (Group - I)
13th December, 2019 (Friday)	Cost & Management Accounting and Financial Management (Paper 10) (Group - II)
14th December, 2019 (Saturday)	Direct Taxation (Paper 07) (Group - I)
15th December, 2019 (Sunday)	Indirect Taxation (Paper 11) (Group - II)
16th December, 2019 (Monday)	Cost Accounting (Paper 08) (Group - I)
17th December, 2019 (Tuesday)	Company Accounts & Audit (Paper 12) (Group - II)



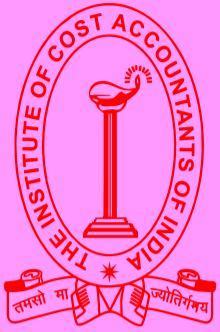
# Rescheduled Examination TIME TABLE

**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA**  
(Statutory body under an Act of Parliament)

**(FOR JHARKHAND STATE ONLY)**

**RESCHEDULED EXAMINATION TIME TABLE & PROGRAMME OF DECEMBER 2019 TERM FOR ASSEMBLY ELECTION ON 12/12/2019 FOR RANCHI (315) & HAZARIBAGH (328) AND 16/12/2019 FOR BOKARO (304) & DHANBAD (308) TO BE HELD ON 7TH JANUARY - 2020**

Day & Date	Foundation Examination Syllabus-2016 Time 2.00 p.m. to 5.00 p.m.	Intermediate Examination Syllabus-2016 Time 2.00 p.m. to 5.00 p.m.	Final Examination Syllabus-2016 Time 2.00 p.m. to 5.00 p.m.
7th January, 2020 (Tuesday)	<b>PROGRAMME FOR RANCHI (315) &amp; HAZARIBAGH (328)</b>		
	Fundamentals of Laws & Ethics (Paper 3)	Laws & Ethics (Paper 6)	Strategic Financial Management (Paper 14)
	<b>PROGRAMME FOR BOKARO (304) &amp; DHANBAD (308)</b>		
	-----	Cost Accounting (Paper 8)	Direct Tax Laws and International Taxation (Paper 16)



# PRACTICAL

## Advice

### ABOUT YOUR STUDIES - INTERMEDIATE COURSE

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

START

01

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

**Solve Exercises  
given in Study Note**

02

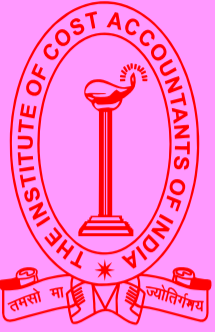
03

**Assess Yourself**

**Appear For Examination**

04

FINISHED



# SUBMISSION



## 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](http://www.icmai.in) at request option.

Dear Students,

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

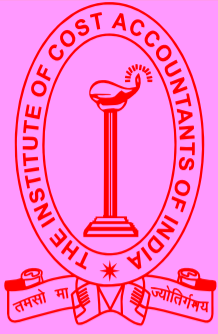
We have noted your queries and your requests will definitely be carried out. Further, requesting you to go through the current edition of the bulletin. All the areas will be covered gradually. Expecting your responses further to serve you better as we believe that there is no end of excellence! One of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

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

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





## Message from Directorate of Studies

Dear Students,

Greetings from the D.O.S.,

We from the Directorate of studies know your expectations from us and accordingly we are trying to delivery 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 Book, and we have conducted Webinar sessions. Before stepping in to the examination hall, please go through the PPTs on "Achieve your GOAL"; Uploaded by the Directorate of Studies and which will help you to know about certain Do's and Don'ts in the examination.

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

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

Let us observe his memory by following his message.

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

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

**Please refer the links mentioned below :**

For Mock Test Papers (MTP) : [https://icmai.in/studentswebsite/mtp2016\\_j19\\_Final.php](https://icmai.in/studentswebsite/mtp2016_j19_Final.php)

For PPT on "Achieve your GOAL" : <http://icmai.in/studentswebsite>

For Work Book Link : <https://icmai.in/studentswebsite/Workbook-Syl-2016-Final-March2019.php>

Live/Recorded Webinar Link : [https://eicmai.in/Webinar\\_Portal/Students/StudentLogin.aspx](https://eicmai.in/Webinar_Portal/Students/StudentLogin.aspx)

Ebulletin Link : <https://icmai.in/studentswebsite/E-Bulletin.php>

• Don't give up

• Don't give in

• Don't give out

You can win !

We are sure that you will be motivated after looking into the placement news of our students' appeared in the Times of India, newspaper.

**Anticipate Victory, Prepare for triumph.  
GOOD LUCK in your exams!**

Disclaimer:

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



# THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

Statutory Body under an Act of Parliament

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



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# CMA LEADS

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

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

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

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

4 Regional  
Councils

98  
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9  
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Largest  
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in the  
Globe

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

## ADMISSIONS OPEN 2018-2019

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

☎ **1800 345 0092/1800 110 910**

**For Online Admission**

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

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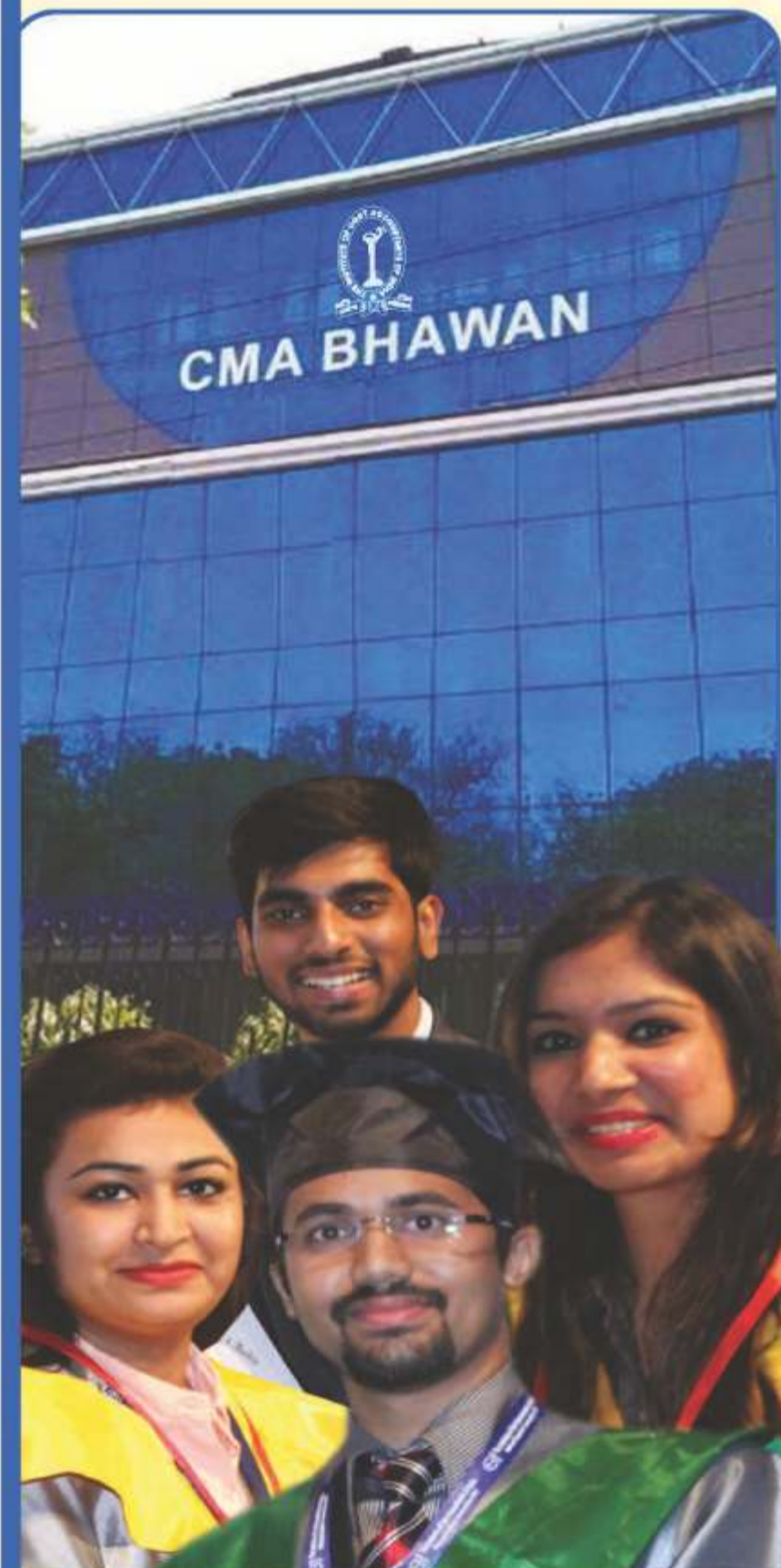
### Few of Our Proud Recruiters



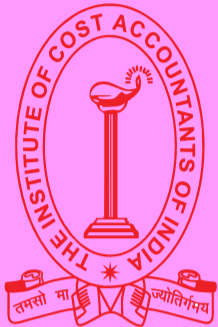
✉ [placement@icmai.in](mailto:placement@icmai.in) / [cpt@icmai.in](mailto:cpt@icmai.in)

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



# Few Snapshots



CMA Balwinder Singh President ICAI and Shri. K Sankaranarayanan Ex-Governor of the Indian state of Maharashtra, Nagaland & Jharkhand inaugurating Thrissur Chapter events by lighting the lamp. With them are CMA H Padmanabhan Council Member ICAI, CMA Dr PVS Jaganmohan Rao President SAFA, CMA Jyothi Satish Chairperson and CMA Sankar Panicker VC ICAI SIRC and CMA T G Sugunan Chairman & MCMs Thrissur Chapter



16th National Awards for Excellence in Cost Management 2018 on October 25, 2019



Seminar on Sabka Viswas (Legacy Dispute Resolution Scheme) 2019 organised by the Tax Research department of the Institute in association with PD Committee of EIRC on 24th October 2019 at CMA Bhawan, Kolkata. Shri Rupam Kapoor, IRS, Principal Commissioner CGST and Shri Suryateja, Joint Commissioner CGST graced the occasion as Chief Guests.



Seminar on Direct and Indirect Tax organised by the Tax Research department of the Institute in association with Bengaluru Chapter on 20th October 2019. Shri Ajaya Saxena, IRS, Principal Commissioner CGST and Shri S V S S Prasad, IRS, Principal Commissioner Income Tax graced the occasion as Chief Guests.



CMA Balwinder Singh, President of the Institute welcomes Mr. Benrodgers M. Milaih, Board Member of Kenya Accountants and Secretaries National Examination Board (KASNEB) on 5th November 2019 at CMA Bhawan, New Delhi.



# THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

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