

2020

October  
VOL: 5, NO.: 10,

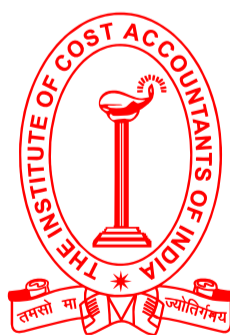
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# CMA Student E - Bulletin

# INTERMEDIATE

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**THE INSTITUTE OF COST ACCOUNTANTS OF INDIA**

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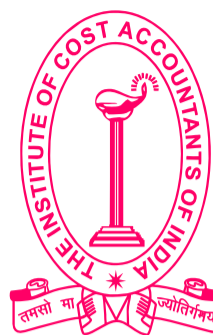
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Behind every successful business decision, there is always a **CMA**

# Message from The President

CMA Biswarup Basu

President,  
The Institute of Cost Accountants of India



## MESSAGE FROM THE PRESIDENT

Dear Students,

Greetings!!!

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

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

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

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

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

With Best Wishes,

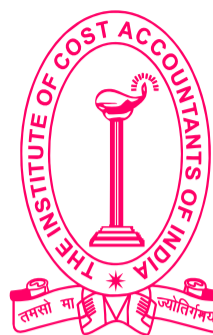
CMA Biswarup Basu  
President,  
The Institute of Cost Accountants of India

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

**Stay Home  
Stay Safe**

# Message from The Chairman

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



## MESSAGE FROM THE CHAIRMAN

Dear Students,

Greetings!!

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

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

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

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

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

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

Best wishes as always,

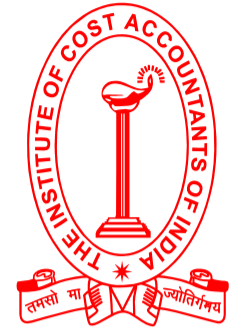
**CMA Balwinder Singh**  
Immediate Past President & Chairman,  
Training & Education Facilities and Placement Committee

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

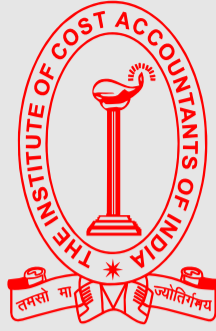
**Stay Home  
Stay Safe**



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# KNOWLEDGE Update



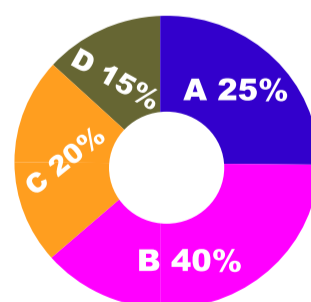
In this section of e-bulletin we shall have a series of discussion on each of these chapters to provide a meaningful assistance to the students in preparing themselves for the examination at the short end and equip them with sufficient knowledge to deal with real life complications at the long end.



**GROUP: I, 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 Objective:**

- 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.

**FINANCIAL ACCOUNTING**

Dear friends,

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

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

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

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

He jumped even harder and finally made it out. When he got out, the other frogs said, **"Did you not hear us?"**

The frog explained to them that he was deaf. He thought they were encouraging him the entire time.

**Moral of the story:**

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

**So motivate yourself and smile, come whatever may.**

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

**A. WRITE TRUE OR FALSE:**

The Cash Method (Basis) of accounting is considered to be in conformity with Generally Accepted Accounting Principles.  
False/True

Owner's Withdrawals are not used to figure the profit or loss for a business  
True/False

Expense Accounts normally have a debit balance  
True/false

Cash Method of accounting records income in the period earned and expenses in the period incurred  
False/True

A debit increases the balance of a liability and revenue account  
False/True

A wholesaler is a type of business that normally sells directly to the public  
False/True

Cash Method provides a better indicator of a business's profits or losses  
False/True

Accounting is the process of recording and classifying business financial transactions  
False/True

The Accrual Method (basis) of accounting records income in the period earned and expenses in the period incurred  
True/False

The only users of financial information are the owners of a business  
False/True

The Cash Accounting Method is the recommended method for a business to use for recording its business transactions  
False/True

A calendar year is the accounting period used by most businesses  
True/False

Debit/Credit Rule- enter an amount in the normal balance side of an account to increase the balance and in the opposite side to decrease the balance  
True/False

Profit is the amount that a business's expenses exceed revenues  
False/True

A debit is an entry made to the right side of an account and always increases an account balance  
False/true

Whether a debit or a credit to an account increases the account's balance or decreases the account's balance depends on the type of account  
True/False

The Double Entry method of accounting can be used with both the Cash and Accrual Methods (Basis) of accounting  
True/False

Asset Accounts normally have a credit balance  
False/True

**ANSWER: If true is written first True is the answer. If false is written first false is the answer.**

#### Question 1

Accounting furnishes data on

- A) Income and cost for the managers
- B) Financial conditions of the institutions
- C) Company's tax liability for a particular year
- D) All the above

**Answer: D**

#### Question 2

Long term assets having no physical existence but, possessing a value are called

- A) Intangible assets
- B) Fixed assets
- C) Current assets
- D) Investments

**Answer: A**

#### Question 3

The assets that can be easily converted into cash within a short period, i.e., 1 year or less are known as

- A) Current assets
- B) Fixed assets
- C) Intangible assets



D) Investments

**Answer: A**

**Question 4**

Copyrights, Patents and Trademarks are,

A) Current assets

B) Fixed assets

C) Intangible assets

D) Investments

**Answer: C**

**Question 5**

The debts which are to be repaid within a short period (a year or less) are referred to as,

A) Current Liabilities

B) Fixed liabilities

C) Contingent liabilities

D) All the above

**Answer: A**

**Question 6**

Gross profit is

A) Cost of goods sold + Opening stock

B) Excess of sales over cost of goods sold

C) Sales fewer Purchases

D) Net profit fewer expenses of the period

**Answer: B**

**Question 7**

Net profit is computed in the

A) Profit and loss account

B) Balance sheet

C) Trial balance

D) Trading account

**Answer: A**

**Question 8**

In order to find out the value of the closing stock during the end of the financial year we,

A) do this by stocktaking

B) deduct the cost of goods sold from sales

C) deduct opening stock from the cost of goods sold

D) look in the stock account

**Answer: A**

**Question 9**

Which of these best explains fixed assets?



- A) Are bought to be used in the business
- B) Are expensive items bought for the business
- C) Are items which will not wear out quickly
- D) Are of long life and are not purchased specifically for resale

**Answer: D**

**Question 10**

The charges of placing commodities into a saleable condition should be charged to

- A) Trading account
- B) P & L a/c
- C) Balance Sheet
- D) None of the above

**Answer: A**

**Question 11**

Suppliers personal a/c are seen in the

- A) Sales Ledger
- B) Nominal ledger
- C) Purchases Ledger
- D) General Ledger

**Answer: C**

**Question 12**

If you want to ensure that your money will be secured if cheques sent are wasted in the post, you should

- A) Always pay by cash
- B) Cross your Cheques 'Account Payee only, Not Negotiable.'
- C) Always get the money in person
- D) Not use the postal service in future

**Answer: B**

**Question 13**

Discounts received are

- A) Deducted by us when we pay our accounts
- B) Deducted when we receive cash
- C) Given by us when we sell goods on credit
- D) None of these

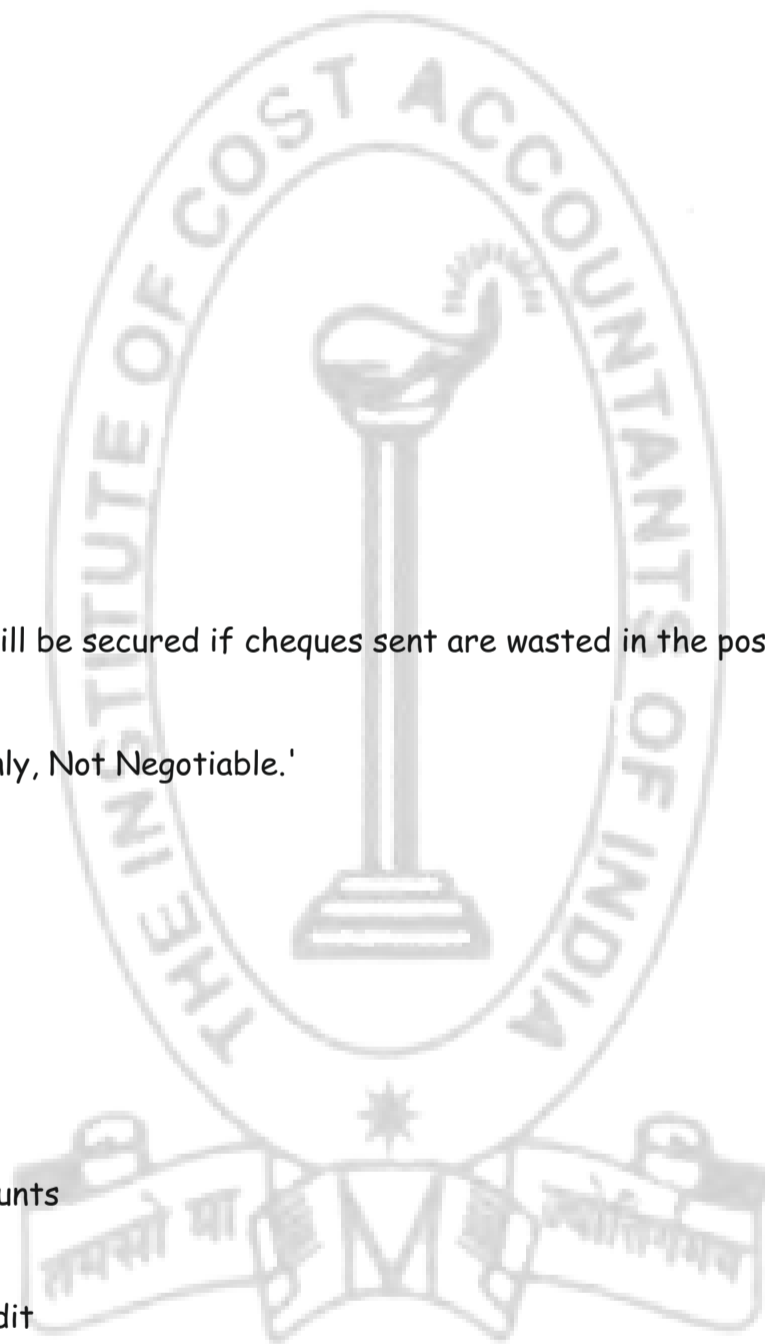
**Answer: A**

**Question 14**

Sales invoices are first entered in

- A) The Cash Book
- B) The Purchases Journal
- C) The Sales Journal
- D) The Sales Account

**Answer: C**



**Question 15**

Entered in the Purchases Journal are

- A) Discounts received
- B) Purchases invoices
- C) Payments to suppliers
- D) Trade discounts

**Answer: B**

**Question 16**

At the balance sheet date, the balance on the Accumulated Provision for Depreciation Account is

- A) Transferred to Depreciation Account
- B) Transferred to the Asset Account
- C) Transferred to Profit and Loss Account
- D) Simply deducted from the asset in the Balance Sheet

**Answer: D**

**Question 17**

If we take goods for own use we should

- A) Debit Drawings Account, Credit Purchases Account
- B) Debit Drawings Account: Credit Stock Account
- C) Debit Sales Account: Credit Stock Account
- D) Debit Purchases Account: Credit Drawings Account

**Answer: A**

**Question 18**

When a petty cash book is kept there will be

- A) No entries made at all in the general ledger for items paid by petty cash
- B) The same number of entries in the general ledger
- C) Fewer entries made in the general ledger
- D) More entries made in the general ledger

**Answer: C**

**Question 19**

If a trial balance totals do not agree, the difference must be entered in

- A) The Profit and Loss Account
- B) A Nominal Account
- C) The Capital Account
- D) A Suspense Account

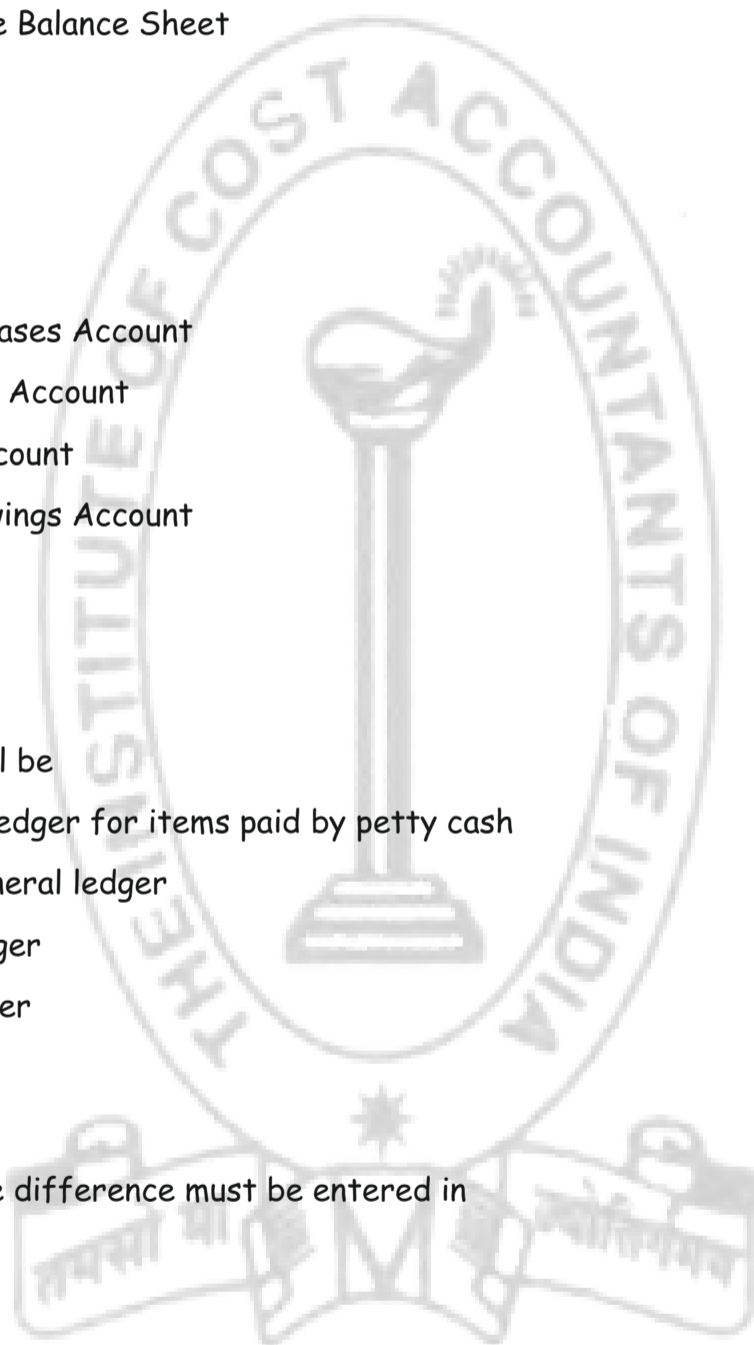
**Answer: D**

**Question 20**

If it is required to maintain fixed capitals then the partners' shares of profits must be

- A) Credited to capital accounts
- B) Debited to capital accounts
- C) Debited to partners' current accounts
- D) Credited to partners' current accounts

**Answer: D**

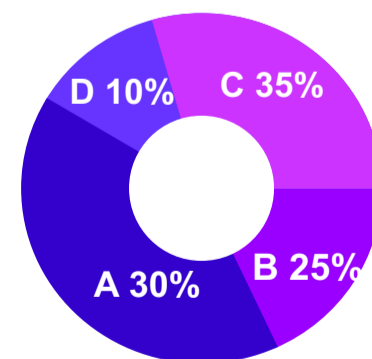




**GROUP: I, PAPER: 6**  
**LAWS & ETHICS**  
**(LNE)**

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# Your Preparation Quick Takes



**Syllabus Structure**  
A Commercial Laws **30%**  
B Industrial Laws **25%**  
C Corporate Laws **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.

**LAWS & ETHICS**

Under the MCQ Pattern Examinations being introduced keeping the Essay type system in abeyance. ***you may have to initiate a Special Method of Preparation totally different from the essay type examination pattern. MCQ exams contain many more questions than essay exams. You can no longer resort to selective study based on past questions. You are expected to be studying in greater depth and gather more range of knowledge with no more chance to bluff the examiner.***

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

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

In this issue we shall continue to deal with Corporate Laws - Companies Act,2013

**Preference Share****Preference Share Capital**

**Explanation (ii) to Section 43 of the Companies Act, 2013 defines the expression 'Preference Share Capital'. So, let us understand what is Preference Share in a simple way :**

Preference shares, are shares of a company which carries preferential rights. So, the question arises - **what are the preferential rights?**

The answer is - Preference shareholders are those shareholders have **the right to payment** of :

- dividends before the other shareholders.
- If the company goes bankrupt , and is wound up, the preferred shareholders have the right to be paid , the amount of paid-up share capital from company's assets before the other shareholders.
- a *fixed dividend*, while other shareholders generally do not have so.

It may be noted that Preferred stock shareholders *do not hold any voting rights*, but common shareholders usually do.

**Issue of Preference Shares**

**Rule 9 of Companies (Share Capital and Debentures) Rules, 2014 provides that -**

Rule 9(1) A company having a share capital may, *if so authorized by its articles*, issue preference shares subject to the following conditions, namely:-

- ✓ the issue of such shares has been authorized by *passing a special resolution in the general meeting* of the company
- ✓ *the company, at the time of such issue* of preference shares, has:
  - 1.No subsisting default in the redemption of preference shares issued either before or after the commencement

of this Act or

2. in payment of dividend due on any preference shares.

**Rule 9(2)** provides that - A company issuing preference shares shall set out in the resolution, particulars in respect of the following matters relating to such shares, namely:-

- a) the **priority** with respect to payment of dividend or repayment of capital as against the equity shareholders ;
- b) the participation in surplus fund;
- c) the participation in surplus assets and profits, on winding-up which may remain after the entire capital has been repaid;
- d) the payment of dividend on cumulative or non-cumulative basis.
- e) the conversion of preference shares into equity shares.
- f) the voting rights ;
- g) the redemption of preference shares.

**Rule 9(3)** The explanatory statement to be annexed to the notice of the general meeting pursuant to **section 102** shall, *inter-alia*, provide the complete material facts concerned with and relevant to the issue of such shares, including-

- a) the size of the issue and number of preference shares to be issued and nominal value of each share;
- b) the nature of such shares i.e. cumulative or non - cumulative, participating or non - participating , convertible or non - convertible
- c) the objectives of the issue;
- d) the manner of issue of shares;
- e) the price at which such shares are proposed to be issued;
- f) the basis on which the price has been arrived at;
- g) the terms of issue, including terms and rate of dividend on each share, etc.;
- h) the terms of redemption, including the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the terms of conversion;
- i) the manner and modes of redemption;
- j) the current shareholding pattern of the company;
- k) the expected dilution in equity share capital upon conversion of preference shares.

**Rule 9 (4)** Where a company issues preference shares, the **Register of Members** maintained under **section 88** shall contain the particulars in respect of such preference share holder(s).

**Rule 9(5)** A company intending to list its preference shares on a recognized stock exchange shall issue such shares in accordance with the regulations made by the Securities and Exchange Board of India (SEBI) in this behalf.

### Issue and Redemption of Preference Shares

#### Sec.55 of Companies Act,2013

**Sec.55(1)** provides that - no company limited by shares shall, after the commencement of this Act, issue any preference shares which are irredeemable.

**Sec.55(2)** provides that - A company limited by shares may, if so authorized by its articles, issue preference shares which are liable to be redeemed within a period not exceeding 20 (twenty years) from the date of their issue subject to such conditions as may be prescribed:

Provided that a company may issue preference shares for a period exceeding twenty years for infrastructure projects, subject to the redemption of such percentage of shares as may be prescribed on an annual basis at the option of such preferential shareholders:

It is further provided that—

- a) No such shares shall be redeemed :
  1. Except out of the profits of the company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purposes of such redemption;
  2. Unless they are fully paid;
- b) where such shares are proposed to be redeemed out of the profits of the company :
  1. There shall, out of such profits, be transferred, a sum equal to the nominal amount of the shares to be redeemed, to a reserve, to be called the Capital Redemption Reserve Account, and
  2. The provisions of this Act relating to reduction of share capital of a company shall, except as provided in this section, apply as if the Capital Redemption Reserve Account were paid-up share capital of the company; and

- c) (i) in case of such class of companies, as may be prescribed and whose financial statement comply with the accounting standards prescribed for such class of companies under section 133, the premium, if any, payable on redemption shall be provided for out of the profits of the company, before the shares are redeemed:

Provided also that premium, if any, payable on redemption of any preference shares issued on or before the commencement of this Act by any such company shall be provided for out of the profits of the company or out of the company's securities premium account, before such shares are redeemed.

- (ii) in a case not falling under sub-clause (i) above, the premium, if any, payable on redemption shall be provided for out of the profits of the company or out of the company's securities premium account, before such shares are redeemed.

**Rule 10 of Companies ( Share Capital and Debenture ) Rules, 2014 covers : Issue and redemption of preference shares by company in infrastructural projects. -**

A company engaged in the setting up and dealing with of infrastructural projects may issue preference shares for a period exceeding twenty years but not exceeding thirty years, subject to the redemption of a minimum ten percent of such preference shares per year from the twenty first year onwards or earlier, on proportionate basis, at the option of the preference shareholders.

**Sec. 55(3)** provides that - Where a company is not in a position to redeem any preference shares or to pay dividend, if any, on such shares in accordance with the terms of issue (such shares hereinafter referred to as unredeemed preference shares), it may, with the consent of the holders of three-fourths in value of such preference shares and with the approval of the Tribunal on a petition made by it in this behalf, issue further redeemable preference shares equal to the amount due, including the dividend thereon, in respect of the unredeemed preference shares, and on the issue of such further redeemable preference shares, the unredeemed preference shares shall be deemed to have been redeemed:

Provided that the Tribunal shall, while giving approval under this sub-section, order the redemption forthwith of preference shares held by such persons who have not consented to the issue of further redeemable preference shares.

#### **Increase or Reduction of Capital**

The Explanation to Sec. 55(3) clarifies that , the issue of further redeemable preference shares or the redemption of preference shares under this section shall not be deemed to be an increase or, as the case may be, a reduction, in the share capital of the company.

**Rule 9(6) of Companies (Share Capital and Debentures) Rules, 2014 provides that a company may redeem its preference shares only on the terms on which they were issued or as varied after due approval of preference shareholders under section 48 of the Act and the preference shares may be redeemed:-**

- a) at a fixed time or on the happening of a particular event;
- b) any time at the company's option; or
- c) any time at the shareholder's option.

**Sec. 55(4)** provides that the capital redemption reserve account may, notwithstanding anything in this section, be applied by the company, in paying up unissued shares of the company to be issued to members of the company as fully paid bonus shares.

#### **Buy Back of Shares**

##### **Sec. 68 of the Companies Act, 2013**

Sec. 68(1) provides that a company may purchase its own shares or other specified securities this is called "Buy-Back" out of —

- (a) its free reserves;
- (b) the securities premium account; or
- (c) the proceeds of the issue of any shares or other specified securities:

Provided that no buy-back of any kind of shares or other specified securities shall be made out of the proceeds of an earlier issue of the same kind of shares or same kind of other specified securities.

**Sec. 68(2)** provides that - No company shall purchase its own shares or other specified securities under sub-section (1), unless—

- (a) the buy-back is authorised by its articles;
- (b) a special resolution has been passed at a general meeting of the company authorizing the buy-back:

**Provided that** nothing contained in this clause shall apply to a case where—

- (i) the buy-back is, ten per cent. or less of the total paid-up equity capital and free reserves of the company; and
- (ii) such buy-back has been authorised by the Board by means of a resolution passed at its meeting;

(c) the buy-back is 25 % (twenty-five per cent.) or less of the aggregate of paid-up capital and free reserves of the company:

**Provided that** in respect of the buy-back of equity shares in any financial year, the reference to twenty-five per cent. in this clause shall be construed with respect to its total paid-up equity capital in that financial year:

- (d) the ratio of the aggregate of secured and unsecured debts owed by the company after buy-back is not more than twice the paid-up capital and its free reserves:

**Provided that** the Central Government may, by order, notify a higher ratio of the debt to capital and free reserves for a class or classes of companies:

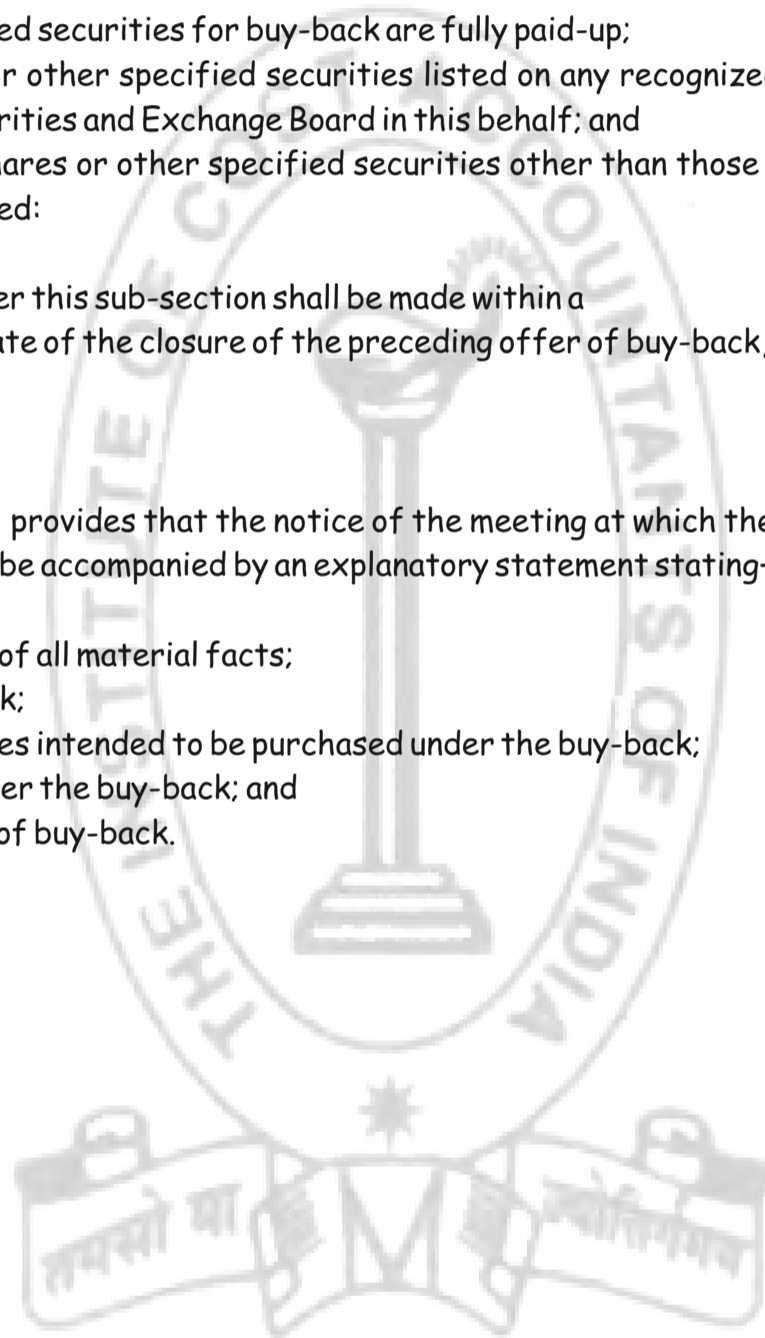
- (e) all the shares or other specified securities for buy-back are fully paid-up;
- (f) the buy-back of the shares or other specified securities listed on any recognized stock exchange is in accordance with the regulations made by the Securities and Exchange Board in this behalf; and
- (g) the buy-back in respect of shares or other specified securities other than those specified in clause (f) is in accordance with such rules as may be prescribed:

**Provided that** no offer of buy-back under this sub-section shall be made within a period of one year reckoned from the date of the closure of the preceding offer of buy-back, if any.

#### Special Resolution

**Sec. 68(3) of the Companies Act, 2013** provides that the notice of the meeting at which the special resolution is proposed to be passed under clause (b) of sub-section (2) shall be accompanied by an explanatory statement stating—

- (a) a full and complete disclosure of all material facts;
- (b) the necessity for the buy-back;
- (c) the class of shares or securities intended to be purchased under the buy-back;
- (d) the amount to be invested under the buy-back; and
- (e) the time-limit for completion of buy-back.





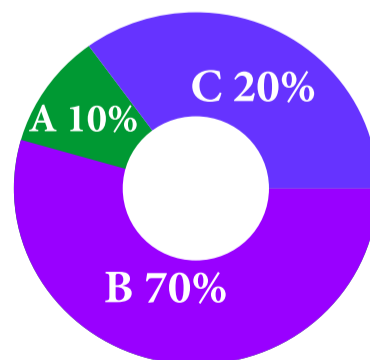


**GROUP: I, PAPER: 7**

# **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** Tax Management, Administrative Procedures and ICDS **20%**

**Learning Objectives:**

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

**Alternate Minimum Tax (AMT) [Sec. 115JC]**

The Finance Act, 2011 had introduced the concept of AMT in relation to LLPs and accordingly the LLPs were subject to AMT @ 18.5% of adjusted total income. Total income shall be increased by deductions claimed under Part C of Chapter VI-A and deductions claimed u/s 10AA to arrive at adjusted total income. The Finance Act, 2012 extended the levy of AMT to certain persons other than companies.

Subsequently, the investment linked deductions have been provided in place of profit linked deductions. With a view to include the investment linked deduction claimed u/s 35AD in computing adjusted total income for the purpose of calculating alternate minimum tax, it was amended so as to include deduction claimed u/s 35AD for the purpose of computation of adjusted total income.

At present the Act provides that where the regular income-tax payable by a person, other than a company, for a previous year computed as per the provisions of the Income-tax Act, 1961 (other than Chapter XII-BA) is less than the AMT payable for such previous year, the adjusted total income shall be deemed to be the total income of the person. Such person shall be liable to pay income-tax on the adjusted total income @ 18.5%.

**Applicable to**

All assessee (other than company) who has claimed any deduction under:

- Sec. 80H to Sec. 80RRB (other than sec. 80P); or
- Sec.10AA
- Sec.35AD

**Exception:**

The provisions shall not apply to an individual or a HUF or an AOP or a BOI, whether incorporated or not, or an artificial juridical person, if the adjusted total income of such person does not exceed ₹ 20 lakh.

**Taxpoint:** The exception is not applicable in case of Firm and Limited Liability Partnership. That means, AMT is applicable on LLP / Firm (claiming deduction under aforesaid section) even though adjusted total income does not exceed ₹ 20 lakh.

**Scheme of Alternate Minimum Tax (AMT)**

Step 1	Compute regular income tax liability (before Cess) of the assessee covered under these provisions		A	****
Step 2	Compute Adjusted Total income of the assessee i.e.			*****
	Total income of the assessee	****	B	
	Add:			
	• Deduction claimed u/s 80H to sec. 80RRB (other than sec. 80P)	***	C	
	• Deduction claimed u/s 35AD less Depreciation u/s 32	***	D	
	• Deduction u/s 10AA	***	E	
	<b>Adjusted Total Income</b>	<b>****</b>	<b>F</b>	
	<b>Note:</b> (i) If 'C', 'D' and 'E' is zero, then these provisions are not applicable to any assessee. (ii) if 'F' does not exceed Rs.20 lakh, then these provisions are not applicable in case of an Individual / HUF / AOP / BOI / Artificial juridical person. However, the provision is applicable on LLP / Firm.			

Step 3	Compute Alternate Minimum Tax (AMT) [Being 18.5% of Adjusted Total Income]	$G = F * 18.5\%$	****
Step 4	Income Tax liability	Higher of A & G	****
	Add: Health & Education Cess		**
	<b>Tax liability after Cess</b>		****

**Impact where AMT is applicable i.e., case where value of Step 3 is higher than value of Step 1**

- Adjusted total income (as computed in step 2) shall be deemed as total income of the assessee.
- Tax liability of the assessee shall be 18.5% (+ surcharge + cess) of adjusted total income of the assessee. However, in case of a unit located in an International Financial Services Centre and derives its income solely in convertible foreign exchange, AMT shall be computed considering 9% (instead of 18.5%) of adjusted total income.
- A report in Form 29C from a chartered accountant is required to be obtained on or before the due date of furnishing of return of income u/s 139(1).
- All other provisions of the Act, like advance tax, interest, etc. is applicable to such assessee.

**Provision Illustrated**

Compute tax of the following assessee:

Particulars	Mr. W	Mr. X	Mr. Y	A LLP	B LLP
Gross Total Income being Business Income	15,00,000	25,00,000	27,00,000	32,00,000	8,00,000
Deduction u/s 80C	1,00,000	1,00,000	1,00,000	Nil	Nil
Deduction u/s G	25,000	1,00,000	Nil	1,00,000	1,00,000
Deduction u/s 80IE	7,75,000	Nil	8,00,000	Nil	2,00,000
<b>Total Income</b>	<b>6,00,000</b>	<b>23,00,000</b>	<b>18,00,000</b>	<b>31,00,000</b>	<b>5,00,000</b>
Regular Tax	32,500	5,02,500	3,52,500	9,30,000	1,50,000
Adjusted Total Income	13,75,000	23,00,000	26,00,000	31,00,000	7,00,000
Whether sec. 115JC is applicable or not 1. As adjusted total income does not exceed Rs.20 lakh 2. As no deduction is claimed u/s 80H to 80RRB (other than sec. 80P) or u/s 10AA	No <sup>1</sup>	No <sup>2</sup>	Yes	No <sup>2</sup>	Yes
Alternate Minimum Tax (AMT) u/s 115JC [18.5% of adjusted total income]	NA	NA	4,81,000	NA	1,29,500
<b>Tax (Higher of Regular Tax and AMT)</b>	<b>32,500</b>	<b>5,02,500</b>	<b>4,81,000</b>	<b>9,30,000</b>	<b>1,50,000</b>
Add: Health & Education Cess	1,300	20,100	19,240	37,200	6,000
<b>Tax and Cess Liability (Rounded off)</b>	<b>33,800</b>	<b>5,22,600</b>	<b>5,00,240</b>	<b>9,67,200</b>	<b>1,56,000</b>

**Tax credit for alternate minimum tax [Sec. 115JD]**

- The excess of alternate minimum tax paid over the regular income-tax payable of that year shall be allowed as tax credit.  
*Mathematically, tax credit available = Tax paid u/s 115JC - Regular Tax payable*
- However, no interest shall be payable on the tax credit allowed.
- The amount of tax credit determined shall be carried forward and set off but such carry forward shall not be allowed beyond the 15<sup>th</sup> assessment year immediately succeeding the assessment year in which tax credit becomes allowable.
- The tax credit shall be allowed set-off in a year when regular tax becomes payable by the assessee.
- Set off in respect of brought forward tax credit shall be allowed for any assessment year to the extent of the difference between the alternate minimum tax payable u/s 115JC for that assessment year and the balance of the tax credit, if any, shall be carried

forward. In other words, after setting off of AMT credit, tax liability of the year cannot be less than AMT for that year.

- ✿ The amount of tax credit in respect of any income-tax paid in any country or specified territory outside India u/s 90 or 90A or 91, allowed against the alternate minimum tax payable, exceeds the amount of the tax credit admissible against the regular income-tax payable by the assessee, then, while computing the amount of credit u/s 115JD, such excess amount shall be ignored.
- ✿ If the amount of regular income-tax or the AMT is reduced or increased as a result of any order passed under this Act, the amount of tax credit allowed under this section shall also be varied accordingly.

### Examples

(a)	Tax liability u/s 115JC (AMT)	500	
	Regular Tax liability	1,000	
₹ 500 cannot be treated as credit because liability u/s 115JC (AMT) is not greater than regular tax liability.			
(b)	<u>Year 1</u>		
	Liability u/s 115JC (AMT)	2,000	
	Regular Tax Liability	1,000	
		1,000	It can be carried forward
	<u>Year 2</u>		
	Liability u/s 115JC (AMT)	2,500	
	Regular Tax Liability	5,000	
	Difference	2,500	
Now regular liability is more than liability u/s 115JC (AMT), the credit carried forward can be set off to the extent of the difference i.e., ₹ 2,500			
In year 2, tax payable shall be as under:			
	Regular Tax Liability		5,000
	Less : Set off of AMT credit		1,000
	Tax payable (before surcharge and cess)		4,000
In the above example, if the credit carried forward was ₹ 3,500, then tax payable in year 2 would be calculated as under:			
	Regular Tax Liability		5,000
	Less : Set off of AMT credit		2,500
	Tax payable (Credit available ₹ 3,500 but restricted to ₹ 2,500)		2,500

Here ₹ 1,000 (being balance credit left i.e., ₹ 3,500 - ₹ 2,500) is carried forward to the next year.

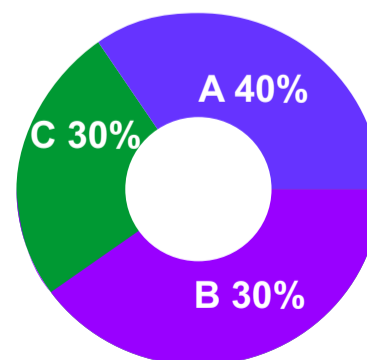
In other words, the excess of regular tax over AMT u/s 115JC is the amount of maximum set off permissible.



**GROUP: I, PAPER: 8**  
**COST ACCOUNTING**  
**(CAC)**

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# Your Preparation Quick Takes



**Syllabus Structure**

- A Introduction To Cost Accounting 40%**
- B Methods of Costing 30%**
- C Cost Accounting Techniques 30%**

**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**

The World of cost accounting is vast and varied. In order to facilitate ideal managerial decision an in-depth study of cost accounting principles and techniques for identification analysis and classification of cost components is very much urgently needed. The main purpose of studying the subject are :

- To understand the conceptual framework
- To determine the cost of product or services
- To understand the standards of cost accounting (CAS)
- To apply the concept of marginal costing and standard costing for internal managerial decision making
- To formulate business strategy, for controlling operations

The value and importance of Cost Accounting need hardly the over emphasized. So optimum utilization of resources is very much essential to meet need of the day. In this context Cost Accountant can play vital role. Hence, theory as well as solving the practical problems are very much essential for securing good marks in the exam. You please go through the theoretical part 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 considerably depends on style of preparation which should have perseverance, regularity of efforts, detailed practice, vision and objectivity.

The students should careful on following points:

1. The subject Cost Accounting (Paper 8) is divided into six main chapters
  - a. Introduction to cost accounting
  - b. Cost ascertainment
  - c. Cost accounting standards (CAS)
  - d. Cost book keeping
  - e. Methods of costing and finally
  - f. Cost Accounting techniques

I have suggested the following suggestion based on my long time teaching experiences.

1. Students are suggested to develop a plan for completing the syllabus within specified time.
2. You should go through your Study Note and know the

syllabus properly.

3. Analyze the trends of setting questions.
4. This paper is based on mainly solving the practical problems.
5. For successful result clarity of concepts and self expression is essential.
6. Try to improve your speed by practice and revision for able to attempt all questions in limited time.
7. Finally, try to develop a habit of reading the questions well, underlining and understanding the specific requirements.

Here this chapter describes the Elements of cost in details. The three major elements of costs are - Material, Labour and Overheads. The major elements of costs are discussed elaborately and analyzed element-wise with suitable number of examples. It is known that Material is the major part of total cost of a product, hence it is very much urgent to control cost of material. You should read the scope and objectives of different Cost Accounting Standards in details. It will help to understand the scope and grasp the concept of cost accounting easily. Try to solve the problems on earnings of workers under different schemes. Cost allocation, Cost apportionment and cost absorption should be understood very clearly.

The next chapter is Cost book-keeping; including Integrated Accounting System, is not at all difficult. In this system, different accounts are to be opened, but it is not necessary to give much effort to complete its solution. It's a lengthy process. Here, separate ledgers are maintained by the cost sections. A student can secure good marks by solving problems through this chapter.

The chapter Contract Costing is important for this type of examination. Students often experience difficulty in recommending the amount of profit to be taken into account during a period for long-term contract. There are some standard norms for completion and recognition of profit/ Loss of incomplete 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". Various Problems on escalation clause are also very important for this paper.

In Operating Costing we have to find out operating cost per unit of output. This chapter also includes 'Transport Costing', 'Hospital Costing', 'Power House Costing', 'Hotel/ Hostel Costing' etc. The finding out the 'Composite Unit' is very important for finding the solution of these type problems.

The chapter Marginal Costing aims to find out cost-volume-

profit relationships. And it is very important from the students' perspective. It aims to find out Cost-volume-profit relationships. Some times more than one problem may be expected from this chapter. The main objective should be to understand the wordings of the problem and to determine the desired impact on profitability. Break-even Analysis and finding the B.E.P. is the basis part for solving problem. You should also study the effect on profits due to various changes in Fixed Cost/ Variable Cost/ Selling Price / Sales Mix and the effect of the above on Brake-Even-Point as well as Margin of Safety.

The chapter relates to Standard Costing. Here 'Variance Analysis' is an analysis which relates to creating responsibilities and identifying the activities or 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. The main objective of this analysis is to improve the operation by effective utilization of resources for reducing its product cost.

The next chapter is related to 'Budget and Budgetary Control'. The term budget can be expressed as a predetermined plane of action in details. Budgetary control requires preparation of 'Flexible Budget', Functional Budget, and 'Cash Budget' for taking necessary actions. Both 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.

Here, I have suggested some questions (MCQ Pattern) based on 'Materials' for your easy practice.

### EXERCISES

1. State which of the following statements are wrong and which are correct :

- Original copy of the purchase order is retained by the purchasing department.
- Goods Received note is prepared by the goods receiving clerk.
- Purchase control is exercised by the storekeeper.
- Purchase requisition is sent by the purchasing department.
- Tender form is issued by the purchasing department.
- Purchase order is prepared by the purchasing department.
- Material turnover ratio is calculated by dividing the cost of material consumed by cost of average stock held.
- Under the ABC analysis of material control, 'A' stands for high value items.
- Bin card makes a record of the quantity and value of material kept in stores.
- The perpetual inventory system enables management to ascertain stock without physical verification.
- The perpetual inventory system means a continuous stock taking system.
- Orders should automatically be placed with the supplier quoting the lowest price.
- The purchase department is a service department.
- Centralization or decentralization of purchases is only a matter of managerial policy which need not be taken much cognizance of.
- Routing the purchase requisition through the purchase department entails unnecessary delay in receiving the required materials.
- The purchase manager is himself the controller of materials.
- Lack of an efficient material control system increases the material cost component of the end product.

(r) Material control is a term used to control the prices of scarce materials.

[Ans. Correct : (b), (e), (f), (h), (j), (k), (m), (q).  
Wrong : (a), (c), (d), (g), (i), (l), (n), (o), (p), (r).]

2. Which of the following is correct (C)/False (F) :

- Valuation of closing stock is same under FIFO and LIFO method.
- The cost of primary packing is a part of prime cost, whereas cost of secondary packing is a selling and distribution overhead.
- Loss in the value of returnable containers is treated as selling and distribution overhead.
- Defectives are that portion of production which can be rectified at some extra cost.
- Wastage can be realised; whereas scrap cannot be realised.
- Abnormal wastage should be a part of the cost of production.
- Normal wastage is avoidable.
- A bill of material gives a complete list of all materials required with quantities for a particular job.

[Ans. (a) F, (b) C, (c) C, (d) C, (e) F, (f) F, (g) F, (h) C.]

3. Which of the following is correct ?

A. Which of the following is the correct valuation base for finished goods stock for balance sheet valuation purpose ?

- Prime cost per unit
- Production cost per unit
- Production margin per unit.
- Total cost per unit.

B. A perpetual inventory system may be defined as :

- The checking of physical stock against the bin card information on a continuous basis
- The documentation system which records all stores transaction on a continuous basis
- The checking of stock on the same date in each accounting period.
- Ensuring that stock taking procedures conform to a previously agreed procedure.

C. Which of the following does not usually appear on GRN?

- Date received
- Price of goods
- Quantity received
- Description of goods.

D. A purchase requisition is raised :

- To intimate to the supplier the quantity and quality of new material required.
- When the stock of a raw material has fallen to the re-order level.
- When goods are received from a supplier.
- To let the accounts department know that an invoice should be expected from a supplier.

E. If the raw materials prices are suffering from inflation, which of the following methods of valuing stocks will give the lowest gross profit ?

- LIFO
- FIFO

- (iii) Replacement cost
- (iv) Simple average.

**F. Which of the following is disadvantage of the FIFO method of stock valuation?**

- (i) Physical issue must follow the same order as physical receipts.
- (ii) One issue may be split between two or more different deliveries for costing purpose.
- (iii) Jobs started on the same day must be issued with stock from the same delivery.
- (iv) It is necessary to analyse deliveries particular issues have been obtained from.

**G. Re-ordering quantity may be measured is. :**

- (i) Weighted average cost.
- (ii) FIFO (First-in-first-out)
- (iii) Standard cost
- (iv) LIFO (Last-in-First-out)

**H. Which of the following source documents in a cost accounting system is designed to exercise control over the delivery of and accurate recording of the receipts of goods?**

- (i) Goods received note
- (ii) Material requisition
- (iii) Order to the supplier
- (iv) Purchase requisition

**I. A written request to a supplier for specified goods at an agreed upon price is called a :**

- (i) Purchase order
- (ii) Receiving report
- (iii) Purchase requisition
- (iv) Materials requisition form

**J. The total of the materials subsidiary ledger inventory cards must be equal to the amount in the following account:**

- (i) Cost of goods sold
- (ii) Material inventory
- (iii) Purchase of raw materials
- (ii) Work-in-process inventory.

**K. Under a periodic inventory system, the purchase of materials is recorded in an account entitled**

- (i) Cost of goods sold
- (ii) Purchase of raw materials
- (iii) Material inventory
- (iv) Work-in-process inventory.

**L. Under a perpetual inventory system, the purchase of raw materials is recorded in an account entitled**

- (i) Cost of goods sold
- (ii) Purchase of raw materials
- (iii) Work-in-process inventory
- (iv) Material inventory.

**M. Which of the following forms must be filled out when an inventory is to be removed from the materials inventory to be placed into production?**

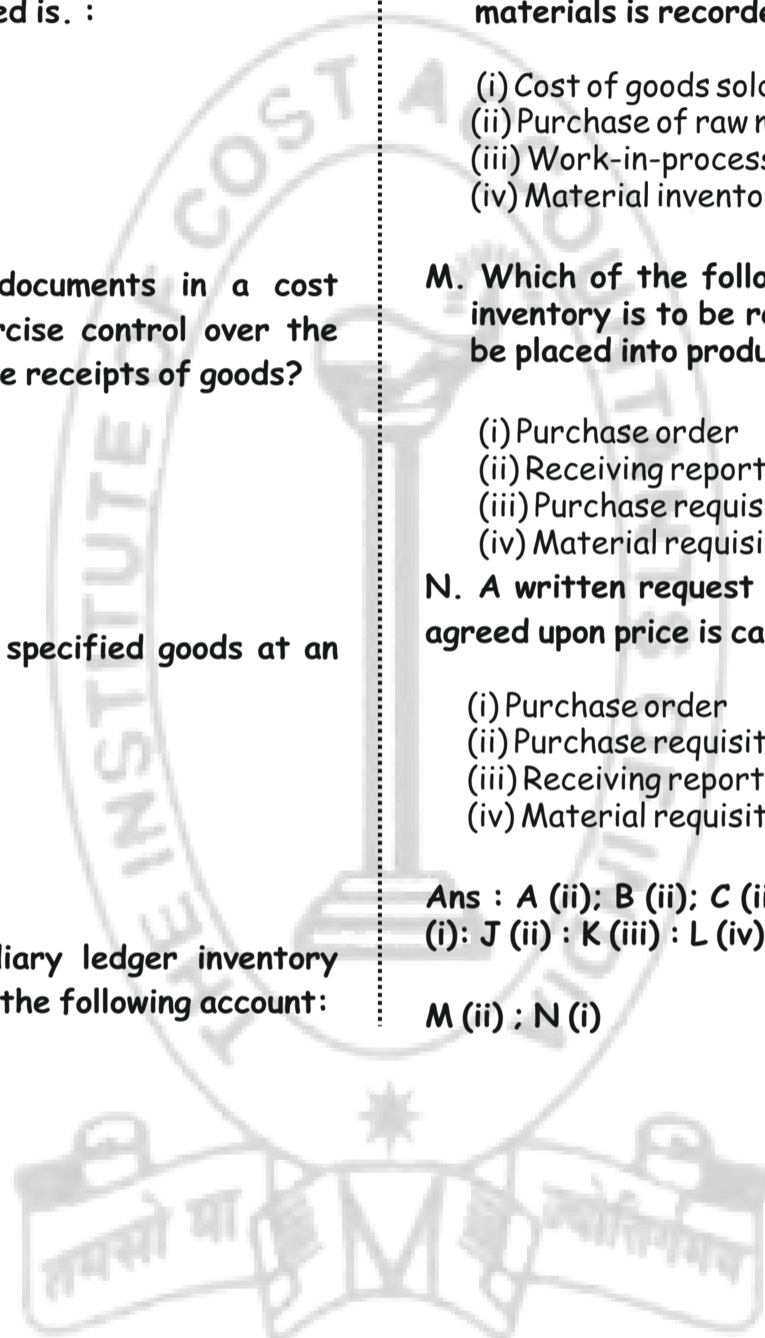
- (i) Purchase order
- (ii) Receiving report
- (iii) Purchase requisition
- (iv) Material requisition form

**N. A written request to a supplier for specified goods at an agreed upon price is called**

- (i) Purchase order
- (ii) Purchase requisition
- (iii) Receiving report
- (iv) Material requisition.

**Ans : A (ii); B (ii); C (ii) ; D (ii) ; (E) (i) ; F (ii) ; G (iv); H (i); I (i); J (ii) ; K (iii) ; L (iv);**

**M (ii) ; N (i)**



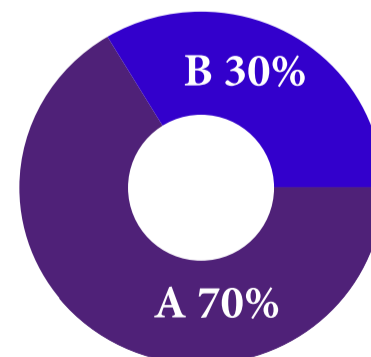




GROUP: II, PAPER: 9, Part- i  
**OPERATIONS**  
MANAGEMENT & STRATEGIC  
MANAGEMENT (OMSM)  
Operations Management

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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 this issue we will discuss some MCQ problems:

**Q1. Which one of the following is not correct?**

- Higher productivity provides the nation with a competitive advantage in the marketplace
- Productivity increases add value to the economy while controlling inflation
- Higher productivity provides the basis for a sustainable long-term growth in the economy.
- It allows companies to follow competitors' prices to improve their market share

**Q2. Business organizations compete with one another in a variety of ways. Which one of the following is not Key?**

- Price
- Quantity
- Product differentiation
- Flexibility

**Q3. The balanced scorecard is**

- A top-down management system that helps managers focus attention on strategic issues related to finance, internal processes, customers, and learning and growth
- A horizontal management system that helps managers focus attention on strategic issues related to procurement, production, stock building up and delivery schedule
- A part of economic resource planning that helps managers focus attention on strategic issues related to competition in the market place
- An operating system that helps managers focus attention on strategic issues related to improvement of productivity, sustainability & growth

**Q4. Strategy followed by an organisation is**

- The operational method
- The action taken to achieve productivity
- The tactics taken to accomplish the production schedule
- The basic approach used by an organization to achieve its goal

**Q5. This strategy is narrower in scope, dealing primarily with products, processes, methods, operating resources, quality, costs, lead times, scheduling and other similar aspects of an organisation. This strategy is called**

- Organisation strategy
- Operations strategy
- Management strategy
- Competitive strategy

**Q6. Time-based strategies are approaches**

- That focus on reducing the time needed to conduct the various activities in a process
- That focus on reducing the time needed to maintain the target production
- That focus on reducing the time needed to complete the preventive maintenance
- That focus on reducing the time needed to complete a project within critical time

**Q7. Which one of the following is the exact order of rationale behind time-based strategy?**

- Reduction of time-productivity higher-quality tend to be higher-improved customer service-costs tends to be lower-greater product innovations in market
- Reduction of time - quality tend to be higher- productivity higher -improved customer service-costs tends to be lower - greater product innovations in market
- Reduction of time - greater product innovations in market - productivity higher - improved customer service - quality tend to be higher-costs tends to be lower
- Reduction of time - costs tends to be lower - productivity higher - quality tends to be higher- greater product innovations in market - improved customer service

**Q8. Which one of the following is not correct?**

- (a) Productivity can be improved by changing work methods
- (b) Productivity relates to a fixed set of tools or conditions
- (c) For countries, high productivity rates can reduce the risk of inflation
- (d) Productivity measures are used to judge the effective use of resources

**Q9. Which one of the following is not a factor affecting productivity?**

- (a) Management
- (b) Technology
- (c) Quality
- (d) Quantity

**Q10. Design quality refers to**

- (a) The intention of designers to include or exclude certain features in a product or service
- (b) The preference of customers to include certain features in a product or service
- (c) The intention of designers to exclude certain features in a product or service following design of competitors
- (d) The intention of designers to include some more features in a product or service for bringing product innovations in market

**Q11. Quality of conformance refers to**

- (a) How easily a design can be incorporated in a product or service
- (b) Degree of difficulties in copying the design by competitors
- (c) Easiness of design feature towards future modification
- (d) How well a product or service matches design specifications

**Q12. With respect to Capacity planning for products and services judge the following sentences as true or false. In case of false write down the correct sentence**

- (a) Capacity planning can be classified into two planning horizons: Long-range & Medium-range
- (b) Capacity planning refers to the activities of the firm in determining the capacity of a plant or a facility in terms of equipment, machines, space, workers, and processes based on the resource utilisation by the facility
- (c) A major function of capacity planning is to match the capacity of the machine or facility with the demand for the products of the firm
- (d) Capacity is the effective bound on the load that a facility or a plant can serve or manufacture
- (e) The amount of time covered by each of the capacity planning horizons can vary from industry to industry

**Q13. Which one of the following is not within the purview of Long Range planning?**

- (a) Building a new facility
- (b) Expanding the existing facility
- (c) Moving to a new facility due to forecasted changes in demand
- (d) Acquisition of a major piece of machinery

**Q14. Which one of the following is not an example of building flexibility into system design?**

- (a) Buying more land than is currently needed
- (b) Building larger plants/offices/homes than currently needed
- (c) Acquisition of a major piece of machinery with capacity equal to current demand
- (d) Designing facilities in such a way that future expansion will require minimal cost

**Q15. Capacity in "chunks" refers to**

- (a) The building up of the capacity to a high level that are not currently required
- (b) The large stepwise increases that are frequently encountered in capacity decisions
- (c) The abrupt increases in capacity to meet sudden fluctuating demand
- (d) The unplanned building up of capacity to meet seasonal demand

**Q16. Increasing capacity utilisation depends on**

- (a) Ability to increase design capacity
- (b) Ability to increase effective capacity
- (c) Ability to increase capacity chunk
- (d) Ability to increase resource endowments

**Q17. Which one of the following is the external factor impacting effective capacity?**

- (a) Product standards
- (b) Scheduling
- (c) Motivation

(d) Product mix

**Q18. This strategy builds capacity in anticipation of future demand increases. This is**

- (a) Following capacity strategy
- (b) Leading capacity strategy
- (c) Tracking capacity strategy
- (d) Matching capacity strategy

**Q19. These reveal the bounds of random errors. They enable managers to judge if a forecasting technique is performing well or a technique needs to be reevaluated. These are**

- (a) Control coordinates
- (b) Control charts
- (c) Control limits
- (d) Control matrix

**Q20. In deciding whether to use wide or narrow control limits the factors that would be considered are**

- (a) The relative costs of not reevaluating a forecast when nothing is wrong versus reevaluating it when something is wrong
- (b) The relative costs of reevaluating a forecast when something is wrong versus not reevaluating it when something is wrong
- (c) The relative costs of reevaluating a forecast when something is wrong versus reevaluating it when nothing is wrong
- (d) The relative costs of reevaluating a forecast when nothing is wrong versus not reevaluating it when something is wrong

**Q21. Under people centric production and operations management function to maintain desired quality and productivity which of the following people centric decision is required most?**

- (a) HR decision
- (b) Supply decision
- (c) Spatial decision
- (d) Timing decision

**Q22. Which one of the following is not correct?**

- (a) MSE gives considerably more weight to large forecast errors
- (b) MAD focuses on average error
- (c) Exponential smoothing requires less data storage
- (d) The more the periods in a moving average, the greater the responsiveness

**Q23. Modern views classifies Production management decisions pertaining to**

- (a) People
- (b) People, supply, space
- (c) People, supply, space and time
- (d) People, supply, space, time and feelings

**Q24. Which one of the following is not an activity under productions and operations management?**

- (a) Location of facilities;
- (b) Plant layouts and Material Handling;
- (c) Product Design;
- (d) Market penetration;

**Q25. This method of forecasting is more appropriate where users of the product are numbered. The method is:**

- (a) Trend projection method;
- (b) Executive judgment method;
- (c) Sales force composite method;
- (d) Users' expectation method;

**Answer:**

Q1.	d	
Q2	b	
Q3	a	
Q4	d	
Q5	b	
Q6	a	

Q7	d	
Q8	b	
Q9	d	
Q10	a	
Q11	d	
Q12	(a) F (b) F (c) T (d) F (e) T	Capacity planning can be classified into three planning horizons: Long-range Medium-range & Short-range Capacity planning refers to the activities of the firm in determining the capacity of a plant or a facility in terms of equipment, machines, space, workers, and processes based on the resource constraints by the facility Capacity is the upper bound on the load that a facility or a plant can serve or manufacture
Q13	d	
Q14	c	
Q15	b	
Q16	b	
Q17	a	
Q18	b	
Q19	b	
Q20	d	
Q21	a	
Q22	d	
Q23	c	
Q24	d	
Q25	d	

**Suggestions:**

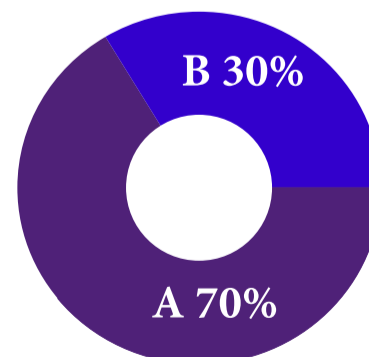
*This lesson is prepared purely from teachings imparted by the Guide book issued by Institute. The study guide on Operations Management issued by Institute is to be studied thoroughly to understand the preliminaries of Operations management For supplementary readings one can refer Operations Management by R.S. Russell & B.W. Taylor, Operations Management by J Stevenson.*



GROUP: II, 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**

1. Stability strategy is a -----strategy
  - A. Corporate level
  - B. Business level
  - C. Functional level
  - D. Strategic level
2. What are the means by which long term objectives will be achieved?
  - A. Strategies
  - B. Policies
  - C. Strength
  - D. Opportunities
3. Marketing strategy is a ----- type of strategy
  - A. Business level
  - B. Growth strategy
  - C. Corporate strategy
  - D. Functional strategy
4. A possible and desirable future state of an organization is called:
  - A. Mission
  - B. Vision
  - C. Strategy implementation
  - D. Strategy formulation
5. What is the starting point of strategic intent?
  - A. Objectives
  - B. Goals
  - C. Mission
  - D. Vision
6. From the following activity which does not comes under the primary activities of the Value Chain Analysis:
  - A. Operations
  - B. Technology development
  - C. Marketing and sales
  - D. Services
7. The primary benefit brought from Restructuring is:
  - A. Employee involvement
  - B. Cost reduction
  - C. Increased morale
  - D. Increased number and organizational hierarchy

8. In the sketch of the BCG matrix, what is the level of the horizontal axis?
- A. Industry growth rate
  - B. Market share**
  - C. Market growth rate
  - D. Business strength
9. A company offer unique products that are widely valued by customers, it is likely to follow a:
- A. Differentiation strategy**
  - B. Combination strategy
  - C. Focus strategy
  - D. Cost-leadership strategy
10. The following are considered grand strategies, except for:
- A. A retrenchment strategy
  - B. Strategic business units**
  - C. A growth strategy
  - D. Related diversification







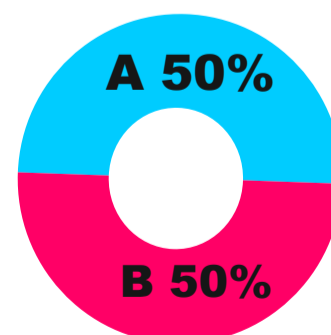
GROUP: II, PAPER:10

# 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.

**STANDARD COSTING****Question - 1 (Labour)**

The Standard Cost Card of a manufacturing Co. shows the following particulars:

• Actual Production (AP)	:	1000
• Standard Hour (SH) per Unit	:	5 Hrs.
• Actual Cost (AC)	:	Rs.130416
• Wage Rate Variance	:	Rs.5016 (A)
• Idle time Variance	:	Rs.650 (A)
• Cost Variance	:	Rs.5416 (A)

(A) stands for Adverse Variance.

What will be the:

- Standard Hour (SH) for Actual Production (AP)  
(a) 4000 (b) 4300 (c) 4800 (d) 5000
- Standard Cost of Actual Production (SCAP)  
(a) 1,24,000 (b) 1,25,000 (c) 1,26,000 (d) 1,30,000
- Standard Rate (SR) per Hour  
(a) Rs.23 (b) Rs.24 (c) Rs.25 (d) Rs.26
- Standard Cost (SC) per Unit  
(a) Rs.125 (b) Rs.126 (c) Rs.127 (d) Rs.128
- Actual Hour (AH)  
(a) 5010 (b) 5016 (c) 5020 (d) 5030
- Actual Rate (AR) of Wages  
(a) Rs.18 (b) Rs.21 (c) Rs.23 (d) Rs.26
- Idle time i.e. I.T.  
(a) 23 Hr. (b) 26 Hr. (c) 28 Hr. (d) 30 Hr.
- Productive Hours (PH) i.e. Effective Hours  
(a) 4990 Hr. (b) 5020 Hr. (c) 5030 Hr. (d) 5040 Hr.
- Efficiency Variance  
(a) Rs.250 A (b) Rs.250 F (c) Rs.305 F (d) 305 A

Answer:

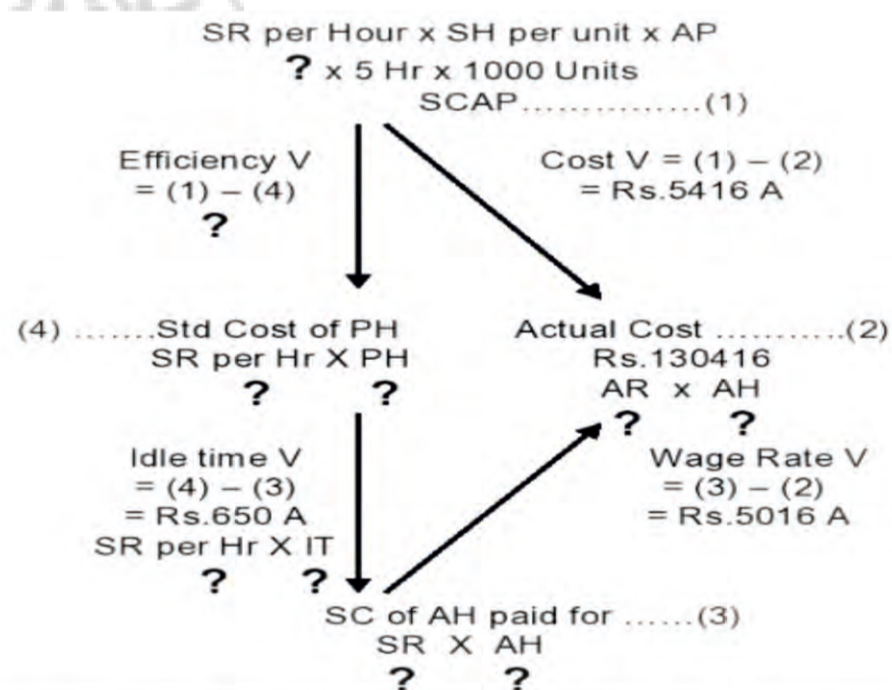
i) SH for AP	:	5000
ii) SCAP	:	Rs.1,25,000
iii) SR per Hour	:	Rs.25
iv) SC per Unit	:	Rs.125
v) AH	:	5016
vi) AR of Wages	:	Rs.26
vii) Idle time (IT)	:	26 Hours
viii) PH	:	4990
ix) Efficiency Variance	:	Rs.250(F) i.e.Favourable

**Solution**

The methodology of diagrammatic solution of Variance Analysis has been described in a number of e-bulletins uploaded earlier. It may be recalled that in every single case, a positive balance signifies a favourable variance marked (F), and in case of a negative balance, Unfavourable or Adverse Variance marked (A) emerges as demonstrated in different diagrams occupying this bulletin.

The diagram specified in the subject solution is designed for the situation where Labour Cost Variance = Wage Rate V + Efficiency V + Idle Time V.

However, putting the available data in the appropriate places of the diagram, we get the location of the answers as shown below.

**Working Note :**

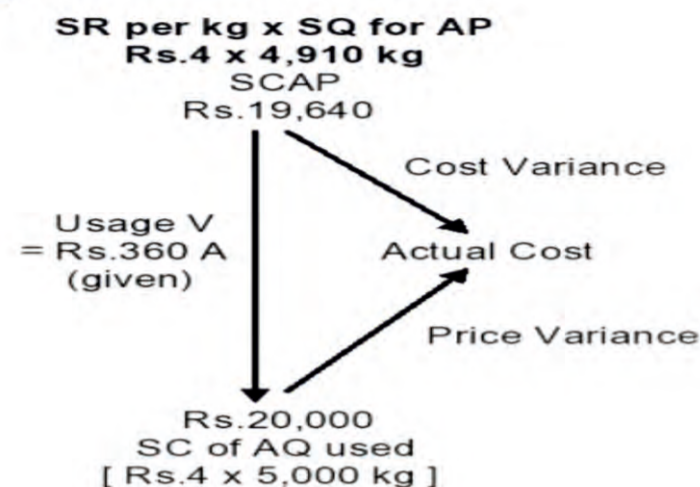
i)	SH for AP = SH per Unit x AP = 5 Hrs x 1000 Units = 5000 Hours.
ii)	SCAP - AC = Cost V Or SCAP = Cost V + AC = (-) Rs.5416 + Rs.130416 = Rs.1,25,000
iii)	SR per Hour = SCAP / SH for AP = Rs.1,25,000 / 5000 Hr = Rs.25
iv)	SC per Unit = SR per Hour x SH per Unit = Rs.25 x 5 Hr. = Rs.125

v)	$SC\ of\ AH - AC = Wage\ Rate\ V\ or\ SC\ of\ AH = Wage\ Rate\ V + AC$ $= (-) Rs.5016 + Rs.130416 = Rs.125400\ or\ SR\ per\ Hr\ \times\ AH$ $= Rs.125400$ $or\ AH = Rs.125400 / Rs.25 = 5016\ Hours$
vi)	$AR = AC / AH = Rs.130416 / 5016\ Hr = Rs.26$
vii)	$Idle\ time = Idle\ time\ V / SR\ per\ Hour = Rs.650 / Rs.25 = 26\ Hours$
viii)	$PH = AH\ paid\ for - Idle\ time = 5016\ Hrs. - 26\ Hrs. = 4990\ Hrs.$
ix)	Efficiency V can be worked out keeping in mind the Productive Hours. $SR\ per\ Hr. (SH\ for\ AP - PH) = Rs.25 (5000 - 4990)\ Hr.$ $= Rs.25 \times 10\ Hr. = Rs.250\ F$

materials at a total standard cost of Rs.20,000. The material usage variance was Rs.360 (adverse). The standard usage of material for the period is :

- a. 4,000 kgs
- b. 4,910 kgs
- c. 5,000 kgs
- d. 5,850 kgs
- e. 6,340 kgs

**Solution :**



**Notes:**

- Std Price per Kg =  $Rs.20,000 / 5000\ kg = Rs.4$
- Standard Usage of material means Standard Quantity of Actual Production.

$SCAP - SC\ of\ AQ\ used = Usage\ V$   
 So,  $SCAP = Usage\ V + SC\ of\ AQ\ used = Rs.360\ A + (Rs.4 \times 5000\ kg)$   
 $= (-) Rs.360 + 20000$   
 $= Rs.19640$

So,  $SQ\ for\ AP = SCAP / Std\ Price\ per\ kg = Rs.19640 / Rs.4 = 4910\ kg.$

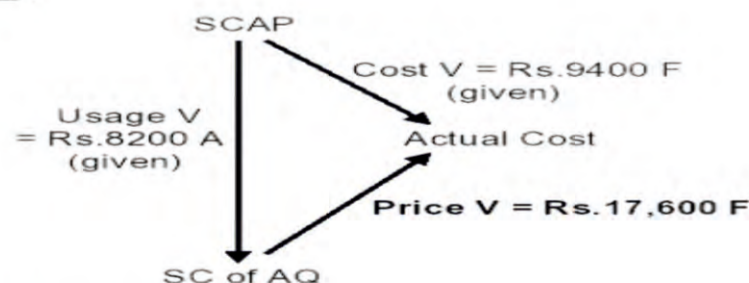
Hence (b) is correct.

**Question - 4 (Material)**

If material cost variance is Rs.9,400 (favorable) and material usage variance is Rs.8,200 (adverse), then material price variance is :

- a. Rs.5,600 (favorable)
- b. Rs.5,600 (adverse)
- c. Rs.6,400 (favorable)
- d. Rs.17,600 (adverse)
- e. Rs.17,600 (favorable)

**Solution :**



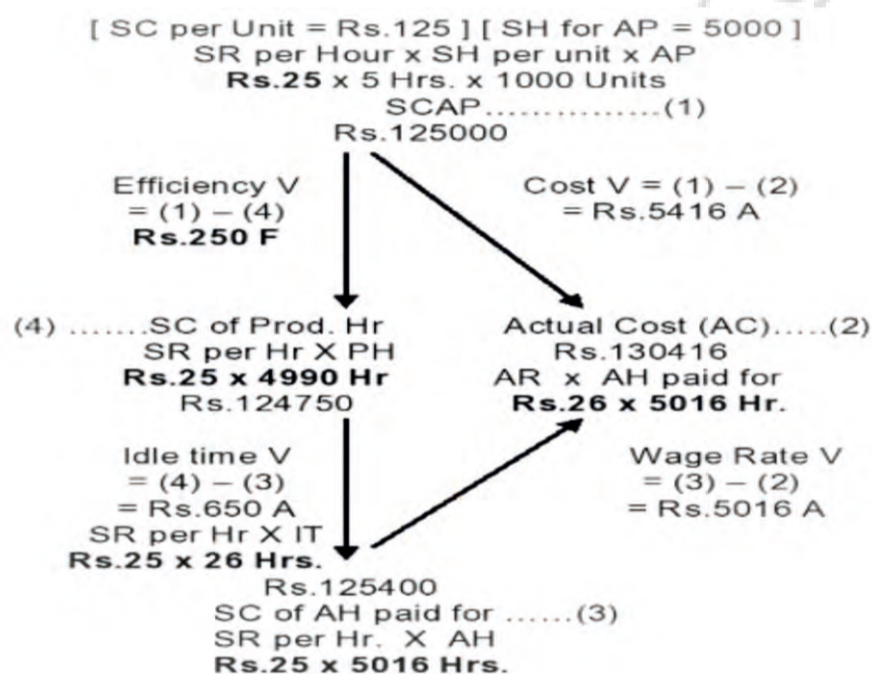
$Cost\ V = Usage\ V + Price\ V$   
 Therefore,  $Price\ V = Cost\ V - Usage\ V$   
 $= Rs.9,400 - (- Rs.8,200)$   
 $= Rs.17,600\ F$

Hence (e) is correct.

**Question - 5 (Overheads)**

Consider the following information pertaining to a company for the month of September, 2020

Depiction of the solution as a whole (with the derived figures) understandable at a glance



**Question - 2 (Material)**

Consider the following data of Sundarlal Ltd. For the month of September, 2020.

Particulars	Standard	Actual
Material usage per unit	2.0 kg	2.2 kg
Material cost per kg	Rs.14	Rs.15

The company has manufactured 100 units. The Material Cost Variance (MCV) is

- a. Rs.500 (unfavorable)
- b. Rs.400 (unfavorable)
- c. Rs.500 (favorable)
- d. Rs.400 (favorable)
- e. Rs.300 (favorable)

**Solution :**

$Cost\ Variance = Std\ Cost\ of\ Actual\ Production - Actual\ Cost$   
 $= Rs.14 \times 2\ kg \times 100\ units - Rs.15 \times 2.2\ Kg \times 100\ units$   
 $= Rs.2,800 - Rs.3,300 = (-) Rs.500 = Rs.500\ Unfavorable$

Hence (a) is correct.

**Question - 3 (Material)**

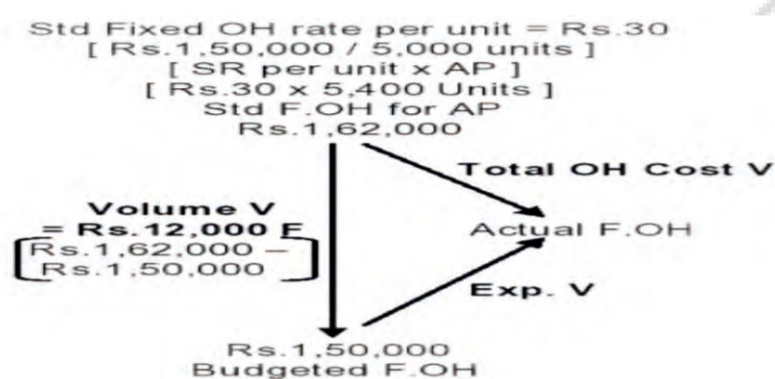
During the month September, 2020, Uprise Ltd. used 5,000 kgs of

Particulars	Budget	Actual
Output (Units)	5,000	5,400
Fixed overhead cost (Rs.)	1,50,000	1,70,000
Number of working days	23	22

The Fixed overhead volume variance is

- a. Rs.20,000 (Adverse)
- b. Rs.20,000 (Favorable)
- c. Rs.12,000 (Favorable)
- d. Rs.12,000 (Adverse)
- e. Rs.8,000 (Adverse)

**Solution :**



Hence (c) is correct.

**Question - 6 (Overheads)**

Consider the following data pertaining to department in XYZ Ltd. For the month of September, 2020.

Standard overhead rate per hour (Rs.)	18
Actual overhead costs	108000
Standard hours for actual work	5000
Actual hours during the month	5150

The Fixed overhead variance is

- a. Rs.18,000 (Favorable)
- b. Rs.18,000 (Adverse)
- c. Rs.15,300 (Favorable)
- d. Rs.15,300 (Adverse)
- e. Rs.2,700 (Favorable)

**Solution :**

$$\begin{aligned} \text{Overhead Variance} &= \text{Std OH of AP} - \text{Actual OH} \\ &= [ \text{Std OH Rate per Hr} \times \text{SH for AP} ] - \text{Actual OH} \\ &= \text{Rs.18} \times 5,000 \text{ Hour} - \text{Rs.1,08,000} \\ &= \text{Rs.90,000} - \text{Rs.1,08,000} \\ &= (-)\text{Rs.18,000} = \text{Rs.18,000 A} \end{aligned}$$

Hence (b) is correct.

**Question - 7 (Overheads)**

The following data are available in a manufacturing Company

Particulars	Budget	Actual
Fixed Overhead (Rs.)	60,000	62,000
Machine Hours	6,000	6,050

Production Units	1,200	1,300
------------------	-------	-------

(i) Efficiency Variance is :

- a. Rs.5000 F
- b. Rs.4500 F
- c. Rs.5000 A
- d. Rs.4500 A

(ii) Capacity Variance is :

- a. Rs.500 A
- b. Rs.450 A
- c. Rs.450 F
- d. Rs.500 F

Answer : Efficiency V : (b) is correct

Capacity V : (d) is correct

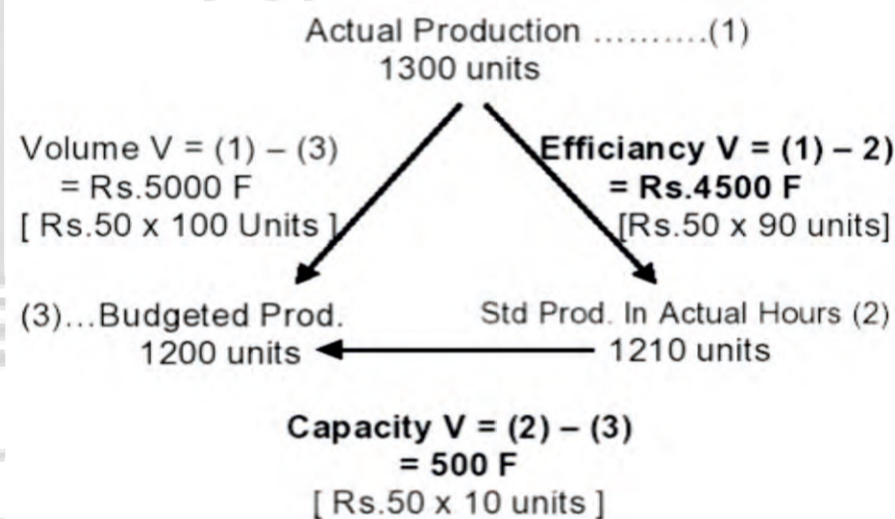
**Solution :** Basic data : Actual Production (AP) = 1300 Units

**Output basis**

Std F.OH rate per unit = Rs.50  
[ Rs.60000 / 1200 Units ]

Std Production in AH = 1210 units

	Hour	Unit
Std	6000	1200
	6050	1210



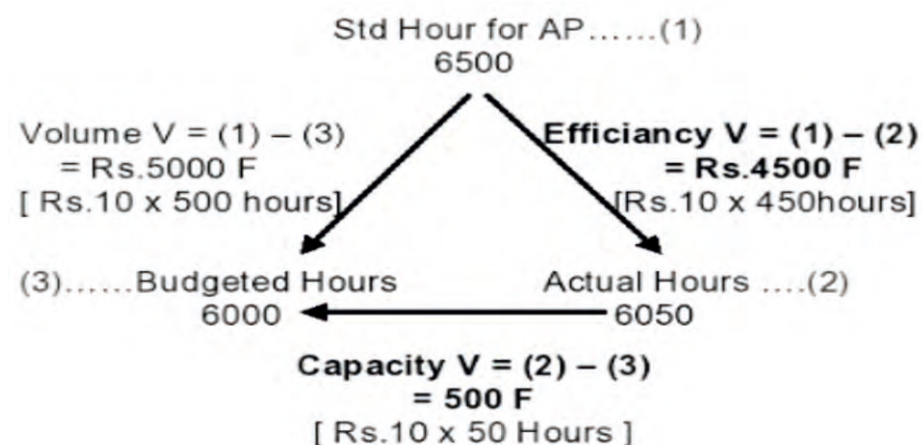
Note: Volume V = Efficiency V + Capacity V

**Alternatively, Hour basis**

Std F.OH rate per hour = Rs.10  
[ Rs.60000 / 6000 Hrs ]

Std Hour for AP = 6500

	Output	Hour
Std	1200	6000
	1300	6500



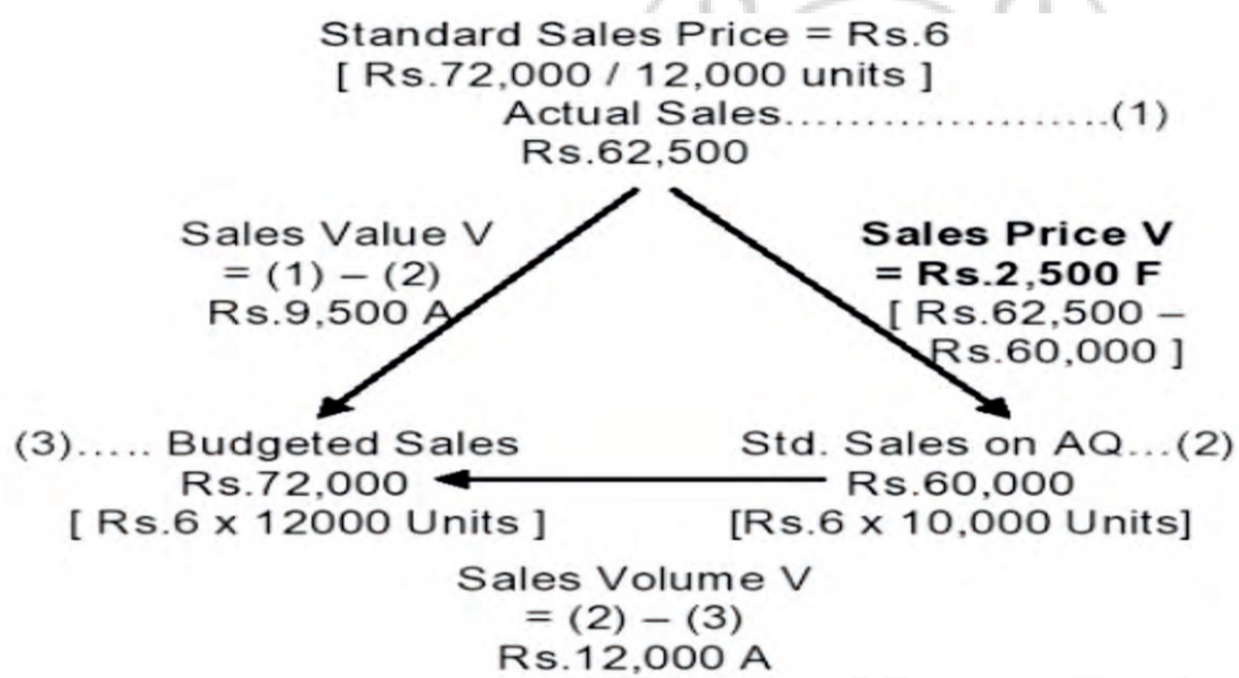
**Question - 8 (Sales)**

Consider the following information pertaining to S.V. Raman Ltd. For the month of September, 2020.

Particulars	Actual	Budget
Sales (Units)	10,000	12,000
Revenue (Rs.)	62,500	72,000

The Sales price variance for the month is

- a. Rs.2,500 (Adverse)
- b. Rs.2,500 (Favorable)
- c. Rs.3,000 (Favorable)
- d. Rs.3,000 (Adverse)
- e. NIL

**Solution**

Hence (b) is correct.

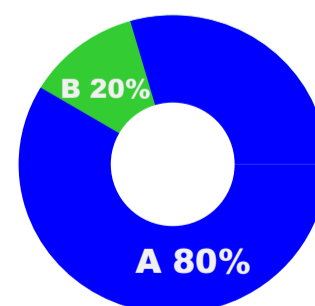


GROUP: II, PAPER:11

# INDIRECT TAXATION (ITX)

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## Your Preparation Quick Takes



### Syllabus Structure

A Canons of Taxations -  
Indirect Tax 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

## Important MCQ of GST

1. Compensation to states under GST (Compensation to States) Act , 2017 is paid by
  - a) Central Government from consolidated fund of India
  - b) Central Government from GST compensation fund of India**
  - c) Central Government directly from the collection of compensation cess
  - d) GST Council under Constitution of India.
2. While computing compensation to states, tax revenue of this tax/ these taxes is excluded
  - a) petroleum crude, diesel, petrol, ATF and natural gas
  - b) Alcohol for human consumption
  - c) entertainment tax collected by local authorities
  - d) All of the above**
3. Input tax credit on compensation cess paid under GST (Compensation to States) Act, 2017
  - a) is not available
  - b) is available but not fully
  - c) is available**
  - d) is available after one year
4. Maximum rate of CGST prescribed by law for intrastate supply made is----
  - a) 18%
  - b) 40%.
  - c) 20%**
  - d) 28%+cess
5. Input tax credit on Compensation cess paid under GST (Compensation to States) Act, 2017 is available for payment of
  - a) IGST only
  - b) IGST and CGST only
  - c) compensation under GST (Compensation to States) Act**
  - d) None of the above
6. IGST is payable when the supply is ---
  - a) Interstate**
  - b) Intra- UT.
  - c) Intra-state
  - d) All of the above
7. Zero rated supply includes supplies made-
  - a) By SEZ unit in India
  - b) Both (a) & (b) above
  - c) to SEZ unit in India**
  - d) None of the above
8. With the introduction of GST, imports will be—
  - a) more expensive.**
  - b) neutral with no change
  - c) cheaper
  - d) None of the above
9. The first committee to design GST model was headed
  - a) Vijay Kelkar
  - b) Dr. Chidambaram
  - c) Asim Das Gupta**
  - d) None of the above
10. First discussion paper (FDP) which formed the basis for GST in 2009 was released by
  - a) Union Finance Ministry

- b) GST Council  
c) Dr. Manmohan Singh  
d) **Empowered Committee**
11. Roll out of GST requires constitutional amendment because—  
a) existing laws were cascading  
b) **the powers to levy were exclusive i.e. the state had power to tax the goods but not services and centre had power to tax services and levy on goods**  
c) there are separate laws for goods and services  
d) All of the above
12. Works contract under GST is goods used in work relating to-  
a) Immovable property  
b) Both movable and immovable property  
c) **Immovable property treated as supply of service**  
d) Immovable property treated as supply of goods
13. IGST deals with  
a) Composition scheme  
b) Time of supply  
c) **Service tax on imported services**  
d) All of the above
14. The turnover limit of Rs. 50 Lakh for composition scheme is not applicable to the state of  
a) Himachal Pradesh  
b) **Uttarakhand**  
c) Assam  
d) None of the above
15. A supplier is liable to get registered under GST if his aggregate turnover in a financial year crosses Rs. 20 lakh in a state or UT other than special category states if he is-  
a) an interstate supplier  
b) **an intra-state supplier**  
c) Electronic commerce operator



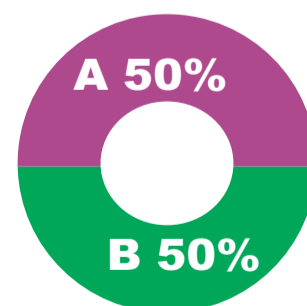




**GROUP: II, PAPER:12**  
**COMPANY**  
**ACCOUNTS & AUDIT (CAA)**

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# Your Preparation Quick Takes



## Syllabus Structure

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

**Learning Objectives:**

- Apply appropriate judgment derived from knowledge of accounting theory, to financial analysis and decision making
- 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.

**CASH FLOW STATEMENT****What is CASH FLOW STATEMENT?**

CFS is the 3<sup>rd</sup> important FINANCIAL STATEMENT which shows inflows and outflows of cash and cash equivalents.

**What is legal requirement of CFS?**

FINANCIAL STATEMENTS are defined in COMPANIES ACT 2013 -SEC 2(40) and includes CFS prepared in accordance with AS3-CASH FLOW STATEMENT.

**What sorts of information CFS gives?**

A CFS provides information about the historical changes in cash/cash equivalents of an enterprise by classifying cash flows into operating, investing and financing activities.

**What are the objectives of CFSs?**

The main objective of CFS is providing users with a basis to assess the ability of enterprise to generate cash/cash equivalents and the needs of the enterprise to utilize those cash flows.

**State the benefits of CFSs?**

- 1) Assessing ability of enterprise to adapt changing circumstances and opportunities
- 2) Assessing PV of future cash flows
- 3) Enhancing comparability among firms in industry
- 4) Balancing cash inflows and outflows-establishing the relationship between profitability and NET CASH FLOWS.

**What are cash equivalents?**

Cash equivalents are highly liquid investments convertible into known amount of cash.

**Why activities of enterprise are classified in three groups?**

Classification of three broad groups i.e. operating activities, investment activities and financial activities are made to get the impact of these activities separately on the financial position of an enterprise.

**What is the special treatment for interest and dividend in CFSs?**

Payment of interest and dividend is treated as Financing Activities where as Receipt of interest and dividend is treated as Investment Activities.

**What is special treatment of Tax in CFSs?**

Tax on operating profit is treated as Operating activities; Dividend Tax is treated as Financing Activities, Capital Gain Tax is treated as Investing Activities

**State the difference between Cash Flow Statement and Fund Flow Statement?**

Cash Flow Statement signify the changes in cash/cash equivalents of the business due to the business operation in one time period whereas Fund Flow Statement report changes in working capital from its operations in a single time period.

**What is CASH BUDGET?**

Cash Budget is a projected Cash Flow Statement.

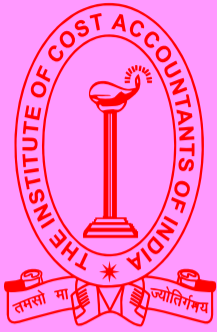
Students are to clear about the needs of cash flow statement for getting financial statements to satisfy statutory requirements

but also for managerial decision making. They are to learn framing of CFS as per standards.

Get FLOW of study.

Keep yourself safe and secured.





# 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, Attend Webinar sessions**

**Solve Exercises given in Study Note**

02

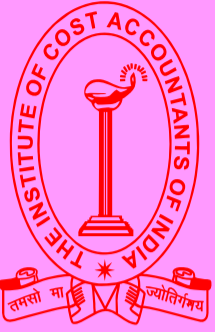
03

**Assess Yourself**

**Appear For Examination**

04

FINISHED



# SUBMISSIONS



## 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,

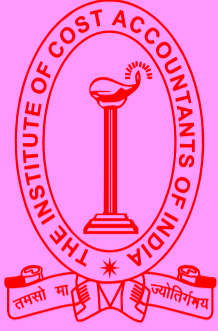
We are very much delighted to receive responses from all of you; for whom our effort is!

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,

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

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

**"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 link mentioned below :**

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

- Don't give up
- Don't give in
- Don't give out
- You can win!

**GOOD LUCK**

**Be Prepared and Get Success;**

**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



## Headquarters:

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## Delhi Office:

CMA Bhawan, 3 Institutional Area, Lodhi Road, New Delhi - 110003

[www.icmai.in](http://www.icmai.in)

# CMA LEADS

**Last Date for Admission**  
June Exam  
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  
Chapters

9  
Overseas  
Centres

Largest  
CMA body  
in Asia

2nd  
Largest  
CMA body  
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 2020-2021

✉ [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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- Our Motto - Student friendly Syllabus and Industry friendly Students

Excellent Campus Placement Record  
in renowned Public and Private Sector Companies

Highest Salary Offered **Rs.18 Lakh p.a.** | Average Salary **Rs.7.5 Lakh p.a.**

*Few of Our Proud Recruiters*



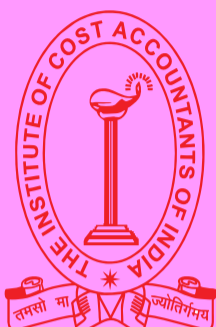
✉ [placement@icmai.in](mailto:placement@icmai.in) / [cpt@icmai.in](mailto:cpt@icmai.in)

☎ **+ 91 33 40364770**

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



# Few Snapshots



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



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



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

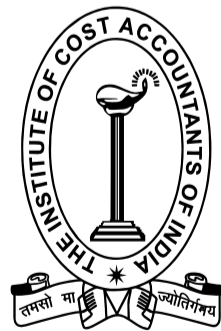


CMA Biswarup Basu, President, CMA P.Raju Iyer, Vice-President of the Institute extending greetings to Shri Manoj Pandey, Joint Secretary to the Government of India, Ministry of Corporate Affairs on 21st September 2020.



Dubai Overseas Center organised WEBINT on 'Challenging Time Need People, who can Challenge Themselves' by CMA Radhakrishnan, on 11th SEP 2020. Along with MCM and Members of Overseas Center CMA H Padmanabhan Council Member participated





# THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(Statutory body under an Act of Parliament)

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