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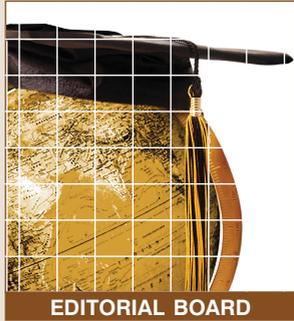
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Initiating Change... Influencing the World



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President's Communication

Dear Students,

With May 2014 examinations ahead, I wish to extend my heartiest wishes to all the students who are preparing for the Inter (IPC) and Final course examinations. I am sure that you will cover the syllabus in a holistic and systematic manner. You are well aware that CA examinations are aimed not only to test theoretical skills but application skills as well for final students. I am quite sure that our students will outshine in both these facets and accomplish triumph with soaring heights. I understand and acknowledge the seriousness and hard work that you all have to put in to attain success in the professional examination of high quality like ours.

I would like to advice you to take up your examinations earnestly and take out the optimum benefits of the available educational inputs such as study material, revision test papers, suggested answers, supplementary study materials etc. that are exclusively designed and developed and provided by the Institute to cater to your academic needs. It is not only how much you study but also what you study and how well you study, that determines your success in the examinations. The Chartered Accountancy course is very challenging and demands your complete dedication, focus and hard work. However, with proper time management, sincere efforts, hard work, positive attitude and a burning desire for success, you will be able to emerge victorious. Once you decide and determine to reach the acme, nothing can divert you to accomplish your goals. Do not struggle with insignificant issues rather focus on your set objectives. Make your resolutions loud and clear.

I feel that the youngsters of our profession should imbibe all the professional qualities that a Chartered Accountant is expected to possess. At the global level, the expectation graph from the accounting professionals is scaling new heights. We can live up to those expectations and deliver our best, only when we are supported with high level of competencies and skills. The CA

profession is marching towards a glorious future. Numerous opportunities are opening up. I wish you a very best in your examinations and look forward to your becoming a member of this noble and exciting profession.

In order to make use of the modern technology for its students, the Institute of Chartered Accountants of India (ICAI), has in the past been using all possible ICT modes, including delivery of audio video lectures extensively through Gyan Darshan etc. The Board of Studies of ICAI intends to use the upcoming DTH platform of MHRD i.e. ICAI TV Channel for the benefit of more than eight lakh students pursuing Chartered Accountancy Course across the country. The ICAI is the first professional educational body in the country to sign the MOU (on sharing the MHRD DTH Platform) with the Ministry of Human Resource Development. The contents that shall be beamed through ICAI TV channel can be of tremendous help not only to CA students but to commerce students as well. With this facility, we can reach out to the remotest corners of the country.

Now the time has come for all of us to discharge our most onerous responsibility to our nation. Time has come to rise above petty politics and public apathy and cast our vote- not in favour of any party- but in favour of the most deserving candidates. It will be true festival of democracy. It is very disheartening to note that in our country, which is the largest Democracy in the World, qualified and learned people abstain from voting in large numbers. Not this year. I want that this year, each and every CA student, who are eligible to exercise their franchise, should exercise their democratic right. Not only this, you have to impress others as well to cast their vote. Let us not lose this opportunity to change the destiny of our nation. Let the Nation wake up to the collective influence that our CA Community can exert on Society.

Best Wishes

K. Raghu

**CA. K. Raghu
President,
The Institute of Chartered Accountants of India**



Vice President's Communication

My Dear Students,

India, the largest democracy of the world, is in election mode. To quote Nobel laureate George Bernard

Shaw '*democracy is a device that ensures we shall be governed no better than we deserve*'. To deserve better we must exercise our franchise and choose right candidates. I wish that all the members and the students of chartered accountancy cast their vote and help the country to find a stable government that is able to deliver and steer the Indian growth to still higher levels. As educated class we should not only prudently exercise our franchise, but also motivate others to cast their votes. Franklin D. Roosevelt, former American president said '*democracy cannot succeed unless those who express their choice are prepared to choose wisely. The real safeguard of democracy, therefore, is education.*'

A blessing in disguise for the students who are intending to appear in the ensuing chartered accountancy examinations is that they have got extra time to study. The examinations are starting at the end May, 2014 on account of general elections. Use your available time wisely and learn the subjects comprehensively. Some of the students falter when they make lopsided or selective studies. Remember, all subjects are equally important and you must devote enough time to each one of them. An indispensable component of your preparation should be practising questions using pen and paper. Attempt different types of questions that you can find in study materials, suggested answers, revision test papers and so on. Write without referring to any material in a time-bound manner as if you are in actual examination. Later, gauge your performance by comparing with suggested answers or study material. Prepare for descriptive questions as much as you prepare for numerical questions. Make your own plans and stick to them. I am sure with a proper approach you will

pass the examinations and soon join the realms of profession with highly coveted designation – Chartered Accountant.

You should also take advantage of the Mock Tests Papers created for Intermediate (IPC) and Final Course students to assess their preparation for the May, 2014 examinations. The Board of Studies has prepared a set of question papers and various Regional Councils and Branches have been advised to conduct mock tests under examination conditions in the months of March and April this year. You may contact respective offices for details.

You can also improve your knowledge by learning made while undergoing training. The three year practical training prepares you well to take challenges of real world. You are able to intricately understand the warp and weft of different domains, viz., accounting, auditing, finance, taxation, strategic management and so on. The knowledge so gained is also helpful in your examinations. Accordingly, while undergoing training keep your eyes and ear open extra wide and learn from various systems and procedures being followed within organisations.

We are also providing optional articles placement facility for selection of Articled Assistants by CA Firms through a well structured portal. The eligible candidates who have passed Group-I or both Groups of the Intermediate (Integrated Professional Competence) Course or have been admitted under the Direct Entry Scheme can register on the portal <http://bosapp.icai.org>. The facility available on pan India basis creates a bridge between the interested students and firms with vacancies for trainees. It is also free of any charge.

Wishing you all the best.

Yours sincerely,

CA. Manoj Fadnis

Vice President

The Institute of Chartered Accountants of India



Chairman's Communication

Dear Students,

This edition will reach you, when you all would be busy preparing for the May 2014 examinations. The present moment is very precious; I would advise you to put your heart in to your studies and studies in your heart. As we all are aware that a clock moves in the clockwise direction, it can't take an anti-clock direction. A moment gone is, therefore, gone forever. Just focus and with full dedication and concentration on what you wish to achieve. At the same time, stay calm and focused as taking too much stress can also have a negative impact. Remember the words of **Swami Vivekananda** that **all the power is within you and you can do anything and everything**.

The fast developments in information technology have revolutionized the whole world including the education system. In order to make use of the modern technology for its registered students, the Institute of Chartered Accountants of India (ICAI) has in the past been using all possible Information Technology (ICT) modes, including delivery of audio video lectures extensively through Gyan Darshan etc. Recently, the ICAI has taken a historic step in this direction. It has signed a **Memorandum of Understanding (MOU) with the Ministry of Human Resource Development (MHRD)**. As per the MOU, the ICAI would be allowed to share the MHRD's Direct to Home (DTH) Platform i.e. **ICAI Television**. I would like to inform you that the ICAI is the first professional education body in the country to sign an MOU on sharing the MHRD DTH Platform. It's really a remarkable achievement of the Institute as it can use this facility i.e. ICAI T. V. Channel for airing educational programmes (lectures, presentations etc). for the benefit of more than 8 lakh students pursuing Chartered Accountancy Course across the country. With this facility we will be able to deliver education in the most cost effective way to the remotest corners of the country. This will to a greater extent compensate for the handicaps of distant learning mode of education being followed by the ICAI.

The Board of Studies took various initiatives in 2013 and had set various benchmarks. I wish to constructively add-on to the recent benchmarks and come out with changes for your overall development. I would suggest all of you to focus on the Study Material and other publications of the BOS like RTP, Select Cases etc. provided to you rather than being

dependent on tutorial notes and guides. If you have gone through the Study Material thoroughly and sincerely then nothing can stop you to get through the examinations.

The Board of Studies takes special steps to ensure that students face the examinations with confidence and courage. For that, it is organizing **Mock tests** at various branches and regional offices. It is my advice to you to take these tests seriously as they would help you in testing your level of preparation for the examination. They will also help you in identifying the areas where you are lacking and where you need to put in more efforts and refine your knowledge. These tests will also improve your time management. In effect, the mock tests help you to face the examinations more confidently.

Once the examinations are over, the Board of Studies will be organizing **National Conventions** for CA students at various places. I request all of you to actively participate in these conventions. They will not only enhance your knowledge but will also give you an inner confidence to face the world with aplomb and poise. They will provide you with an excellent platform to interact with the keynote speakers, subject experts and other students participating from different areas. Besides these conventions, various Seminars, Elocution contests, Quiz contests and Sports festivals will also be conducted at different regions and areas. I wish that you participate in more numbers than too. They will surely help in your overall development.

ICAI cares not only for development of your professional skills but also for your soft skills. For this, it has developed two courses on **General Management and Communication Skills** a part of the ICAI's curriculum. These courses enhance your communication skills and provide you the confidence to stand and speak and make yourself presentable to the society. Because, even if you have great thoughts and knowledge, the ability to communicate them clearly and effectively is required. We have been approached by some students who have been facing certain issues, relating to registration etc. I assure you that we are taking all the necessary steps to resolve these issues.

Before signing off let me wish you all the very best for your exams.

Yours Sincerely

CA. M. Devaraja Reddy
Chairman, BOS

Examiners' Comments on the Performance of Candidates - Final Examination

PAPER – 1 : FINANCIAL REPORTING

Specific Comments

Question 1.

- (a) This question is based on provisions of AS 15. Many candidates could not give the correct calculations of gain from curtailment of obligations and revised liability after curtailment. Only few among them showed the liability to be recognized in the balance sheet after the curtailment in the required manner.
- (b) Most of the candidates arrived at the correct amount of estimated tax liability for the full year but did not calculate the estimated weighted average annual income tax rate which resulted in wrong computations for the tax expense reported in each quarter.
- (c) Large number of candidates considered the transaction given in the question as 'sale and lease back transaction' instead of 'financing transaction' and gave wrong journal entries. Most of them failed to draft the notes on account regarding disclosures required in the annual accounts.
- (d) Majority of the candidates failed to examine the correctness of the contentions of the accountant considering the provisions of relevant Accounting Standards and Revised Schedule VI of the Companies Act, 1956.

Question 2.

Few candidates erred in computations of intrinsic value of shares and purchase consideration for both amalgamating companies. Many among them failed to prepare the balance sheet of the amalgamated company as per Revised Schedule VI of the Companies Act, 1956. Some candidates did not give the necessary adjustment in their answers for dividend declared but not paid.

Question 3.

- (a) Most of the candidates could not arrive at the correct amounts of expense to be recognized each year in respect of equity and liability components as they considered 6,000 shares as the base instead of 5,000 shares. Consequently, they failed to draw the required accounts under both options of equity settlement and cash settlement in the correct manner.

- (b) Large number of candidates erred in computation of securitized component of loan and apportionment of carrying amount in ratio of fair value. Required Journal Entries to record derecognition of the Loan were also missing in their answers.

Question 4.

Many candidates had made mistakes in working out the percentage of holding of Cat Limited in Rat Limited as the bonus shares were left in computing the % holding. Most of them did not give correct working notes for calculation of capital and revenue profits, minority interest, cost of control and profit and loss account of the consolidated company and necessary notes to accounts in their answers. Few candidates failed to prepare the consolidated balance sheet of the company as per Revised Schedule VI of the Companies Act, 1956.

Question 5.

The figures of goodwill, furniture and fixtures and trade investments were wrong in computation of amount of average capital employed in many answers. Few candidates did not consider adjustment for Exchange loss on Secured loans and exchange loss on interest on secured loans in working out Future Maintainable Profit. Thus they could not calculate the correct value of goodwill.

Question 6.

- (a) Wrong calculations of target index, incentive and actual contributions were considered by many candidates for computation of amount of incentive payable to the employees. Consequently, they could not prepare Statement of Application of Value Added after payment of the incentive.
- (b) Few candidates wrongly deducted the interest before tax instead of deducting the same after tax in calculation of cost of borrowed fund. While working Earnings before Interest and Tax from sale of Unbranded Products, spread was not applied by some candidates. Most of them fail to arrive at the correct value of the brand.

Question 7.

- (a) Few candidates failed to separate the debt and equity components at the time of the issue of

debentures and show the accounting entry in the company's books at initial recognition.

- (b) Many candidates computed the wrong amounts of the annual lease payments and the unearned finance income.
- (c) Most of the answers exhibited lack of understanding of provisions of AS 24 'Discontinuing Operations'.
- (d) Many candidates failed to show the depreciation and the grant amount to be recognized in the Profit and Loss account for the period commencing from year 2010-11 onwards and consequently they gave the wrong journal entry for return of the Grant.
- (e) Majority candidates did not refer Guidance Note on 'Accounting for Depreciation in Companies' in their answers. Some among them commented on the situation given in the question as if it was change in accounting policy.

PAPER – 2 : STRATEGIC FINANCIAL MANAGEMENT

Specific Comments

Question 1.

- (a) In this question on Bond Valuation, performance was not satisfactory as error was committed by most of candidates in computation of discounting factor with reduction in forward rates.
- (b) In this question involving the calculation of current portfolio beta and beta after 3 months, the overall performance was found poor as majority of candidates correctly calculated current portfolio beta but could not calculate beta after 3 months correctly.
- (c) In this question on the hedging of foreign exchange risk, the overall performance was of average level.
- (d) In this question on Mutual Fund, the overall performance has been found satisfactory. However some candidates had exhibited poor knowledge of the concept of NAV and also made errors in other calculations.

Question 2.

- (a) This question based on CAPM was well answered by many candidates and overall performance has been found satisfactory.
- (b) In this question, based on hedging of Foreign Exchange Risk, overall performance was found below average as majority of candidates were not clear in the concept of hedging through option contracts.

Question 3.

- (a) Generally speaking, majority of candidates correctly answered the question based on Leasing and Capital Budgeting Decisions. However, some candidates did not calculate equated installment of loan correctly.
- (b) Though the question based on the concept of Factoring (Financial Services) was attempted properly by many candidates but some candidates could not properly link the 'Recourse Risk' with 'Saving in Bad Debts'.

Question 4.

- (a) Many candidates did not understand the concept of 'Free Float Market Capitalisation' and some candidates could not calculate correct bonus ratio while attempting this question.
- (b) In this question, based on the concept of 'Sensitivity Analysis', the overall performance of candidates was very poor as out of five parts only first part of the question has been correctly answered in most of the cases.

Question 5.

- (b) This question was based on the concept of hedging of market risk using future contract. The overall performance has been found poor as mistakes have been found in the calculation of number of contracts required to hedge. In some cases candidates have failed to calculate cash inflow at close out.

Question 6.

- (a) In this question requiring calculation of market value of shares the overall performance has been found good.
- (b) This was a question based on the concept of International Financial Management. The overall performance in this question has been found poor as most of candidates committed mistakes in taking correct exchange rates.

Question 7.

- (a) The concept of 'Zero Date of a Project' has not been properly answered by majority of candidates.
- (b) This question based on the concept of cross rate of foreign exchange had been well answered by majority of candidates.
- (c) Many candidates confused the concept of 'Exchange Traded Funds' with 'Foreign Exchange'.
- (d) In this question based on the concept of 'Equity Curve Out' the overall performance has been found poor.

- (e) In this question candidates have exhibited poor knowledge of the concept of Money Market.

PAPER – 3 : ADVANCED AUDITING AND PROFESSIONAL ETHICS

Specific Comments

Question 1.

- (a) Many candidates did not have clear perception and failed to explain the alternative treatment of the situation mentioned in the question as per Para 46A(l) of the AS and explained only any one of the situations and the need for qualification by the auditor. Some candidates indulged in finding out the correctness of the calculation of Foreign Exchange loss.
- (b) Candidates gave only basic idea of gathering knowledge of the outsourced agency but failed to answer specifically as to when obtaining an understanding of the user entity in accordance with SA 315, the user auditor shall obtain an understanding of how a user entity uses the services of a service organization in the user entity's operations. Some candidates have written general audit procedure instead of explaining in terms of SA 402. A few candidates mentioned irrelevant points like visiting the Service Provider's premises and then do the audit/enquiry.
- (c) Many Candidates did not have idea of the deficiencies in the opinion para and failed to redraft the same as per SA 706. Also, Cash flow statement in the opinion para and the other matter paragraph were not reported by some candidates.
- (d) Most of the candidates failed to identify the suspected fraud in the financial statement in accordance with SA 240 and many related it to wrong accounting and creation of provision as per AS-29. Also, some candidates confined themselves to the audit procedures to verify/vouch the transaction and looking for evidence, whereas the question makes it very clear that no evidence is available.

Question 2.

- (b) Candidates, in general, discussed the relevant clause correctly but some of them failed to mention the exceptions to the clause and gave wrong conclusion. Some candidates referred clause 5 instead of clause 6 of Part I of the First Schedule.
- (c) Many candidates drafted the whole engagement letter without highlighting the management's responsibility. Most of them mentioned only few of the important responsibilities of the

management. A few candidates explained Auditor's responsibilities instead of management's responsibilities.

- (d) Most of the candidates have no idea of the relevant standard and tried to answer the question based on post audit situation rather than pre-audit planning as required in the question. Instead of discussing the factors affecting the identification of appropriate benchmark to apply the concept of materiality, candidates discussed about the concept of materiality, its uses and importance of this concept for audit.

Question 3.

- (a) Many candidates failed to understand the requirement of the AS 15 and the question in estimating and making provision for the obligation of the settlement allowance and other post retirement benefits. Also, some candidates wrongly discussed about how to vouch/verify the payments made/to be made to the retiring employees.
- (b) Candidates, in general, failed to mention the important aspects needed to be looked into and most of them related it to general EDP control rather they discussed about CAAT and its application in audit.
- (c) Most of the candidates have very little idea of the requirement of the question and mainly discussed the vouching and verification procedure. Some candidates described the Analytical procedures as comparison between the actual figures of the last year and current year in respect of room rent and payroll cost.

Question 4.

- (a) Many candidates failed to mention the correct treatment based on AS-23 and rather answered the same based on AS-9. Instead of discussing about accounting for investments in associates, they wrote about consolidation of financial statements as a whole.
- (b) Candidates in general lacked understanding of the requirement of the question and mentioned only few important aspects to be checked and vouched in such cases.
- (c) Most of the candidates did not have the idea of the requirements of Sec. 7 and wrongly discussed about the solvency margin.
- (d) Some candidates related it with internal control and internal audit instead of mentioning about the considerations to ensure the effectiveness of a system of internal check.

Question 5.

- (a) Candidates in general have only basic idea of the AS-26 only and suggested wrong treatment that the expenditure can be amortized over a period of time treating it as an intangible asset.
- (b) Candidates explained the types of due-diligence rather than examining and mentioning the important items of investigation related to hidden liabilities and overvalued assets.
- (c) Most of the candidates showed lack of knowledge of the topic and related it with professional misconduct under CA Regulation Act instead of mentioning about criminal liabilities under the Companies Act, 1956
- (d) Candidates failed to understand the question requiring drafting of audit para and mainly restricted themselves to highlighting the transaction/event of the case.

Question 6.

- (a) Many candidates related the advertisement expenses to increase in sales. Some candidates wrote the answers based on Proprietary aspect of the advertisement expenditure rather than looking for evidence to justify the expenditure on advertisement.
- (c) Candidates were able to give correct treatment of various elements. But some of them gave wrong treatment of sales return on the ground that it pertains to earlier period.
- (d) Most of the candidates were able to correctly mention violation of the clause in respect of number of meetings but failed to mention the review of monthly information system by the audit committee. Some candidates wrongly mentioned the role of Audit committee.

Question 7.

- (a) Candidates in general discussed only few points of the scope. Also, some candidates mixed up their answer with general process of peer review.
- (b) Many candidates discussed the costing of by-product instead of mentioning the records to be maintained. Some candidates answered about cost audit of by products which, was not required.
- (c) Not attempted by many candidates. Those who attempted, wrongly answered as to what an auditor should discuss with the management regarding his findings during an audit
- (d) Candidates could mention only few aspects to be covered in the books of accounts of Multi-state

Co-operative Society. Also, some candidates wrote about all the records required to be kept by a Multi-state Co-operative Society.

- (e) Candidates discussed more about the environment audit rather than the assessment of the environment on starting an industry. Their answer was mainly post starting rather than pre-requisite to start an industry.

PAPER – 4 : CORPORATE AND ALLIED LAWS**Specific Comments****Question 1.**

- (a) The performance of the students was average. Most of the students did not state the correct rate of interest and the directors' liability in case of failure to post the dividend warrant under section 207 of the Companies Act, 1956.
- (b) Performance of the students was quite satisfactory in this question. Though drafting of Board resolution for purchase of equity shares by some students was not upto the mark.
- (c) Performance of the students was highly satisfactory. Though most of them were aware of Director Identification Number (DIN) but documents to be attached with DIN-1 were not given completely by some of the students.
- (d) Most of the students were not able to explain the provisions under Securities Contracts (Regulation) Act, 1956, regarding power of Stock exchange to make bye-laws and power of the SEBI to amend bye-laws. The performance of the students was below average in this question.

Question 2.

- (a) Many students fairly attempted this question. They were able to answer properly with regards to appointment of Mr. Raman as Chief Accounts Officer in VMR Limited under section 314(1B) of the Companies Act, 1956. But many of them were unaware about the consequences in case the company fails to do the necessary legal formalities for the said appointment.
- (b) Students' performance in this part was found average. The answer of most of the students was of general nature. Few students could not mention the provisions regarding oral resignation and withdrawal of resignation by director.

Question 3.

- (a) Almost all the students attempted this question properly. They answered correctly the provisions related to appointment of auditor under section 224A (1) of the Companies Act, 1956.

- (b) Most of the students were unaware of the conditions for Institutional Placement Programme, minimum number of allottees, restrictions on size of the offer and transferability of eligible securities of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. They were lacking the knowledge of the SEBI Regulations.

Question 4.

- (a) Barring a few exceptions, performance of the students was below average. First part of the question was correctly answered by most of the students but second part of question was largely ignored. The holding of substantial interest by Ram Marketing Ltd. was not taken into account into second part of the question, thus resulting in erroneous conclusion.
- (b) Most of the students were not able to explain the provisions related to audit of accounts of banking company, appointment of auditor and the auditor's report under the Banking Regulation Act, 1949. Their answers were general. The performance of the students was below average in this question.

Question 5.

- (a) Most of the students did not attempt this question properly. Concept of "Fraudulent Preference" under section 531 of the Companies Act, 1956, and creation of legal mortgage by the company in favour of the bank amounting to fraudulent preference or not was not explained by most of the students.
- (b) Performance of the students was average. Most of the students were unable to examine the merits of the petitions made under section 397 and 398 of the Companies Act, 1956 under the given circumstances.

Question 6.

- (a) Barring a few exceptions, performance of the students was below average. They did not know the procedure of conversion of a producer company into a Inter-State Co-Operative Society under the provisions of section 581ZS of the Companies Act, 1956.
- (b) The performance of the students was unsatisfactory in this part. All the points regarding the takeover process by acquisition of shares under section 395 of the Companies Act, 1956 were not written by them.

Question 7.

- (a) The performance of the students was highly satisfactory. Most of them answered the question

correctly applying the relevant provisions of the FEMA, 1999.

- (b) The Performance of the students was quite satisfactory. Some of the students did not know the provisions of section 3 of the Competition Act, 2002 related to anti-competitive agreements.
- (c) The performance of the students was upto the mark though lack of knowledge of the concept of obligation of banking companies under section 12 of the Prevention of Money Laundering Act, 2002 was noticed in the answer given by few students.
- (d) Performance of most of the students was satisfactory. Most of them answered the question correctly applying the relevant provisions of the Insurance Act, 1938.
- (e) The Performance of the students was below average. Most of the students did not explain the concept of "restrictive" and "extensive" provisions.

PAPER – 5 : ADVANCED MANAGEMENT ACCOUNTING

General Comments

"The performance of the examinees in both theory and practical questions has not been satisfactory and it showed lack of conceptual clarity and comprehension. It is important that the examinees undertake intensive study of various concepts included in the subject 'Advanced Management Accounting'. Students can improve their analytical ability by practicing more to solve such problems involving multiple inputs. Conceptual Clarity along with Continuous Practice under examination condition will help examinees to approach examination with greater degree of confidence."

Specific Comments

Question 1.

- (a) This was a problem on the concept of 'Relevant Costing'. Question was generally well answered by the examinees. However, some candidates showed inadequate knowledge to judge the items of cost, which are not relevant for decision in the given circumstances.
- (b) This was a conceptual question from the topic 'Assignment'. Majority of the examinees could not answer the second part correctly indicating poor conceptual knowledge of the topic.
- (c) This was a practical question from the topic 'Budget and Budgetary Control'. Performance of the examinees was reasonable in this question. Candidates failed to appreciate the behavior of

Variable and Fixed Overheads at various levels of activities. Some examinees lacked in conceptual understanding of the basics of marginal costing.

- (d) This was a problem on 'Cost Concepts' in decision making and it was required to calculate the 'Opportunity Cost'. Many candidates could only work out correctly up to calculating possible contribution of the Products, but failed to proceed further to work out the opportunity cost. This showed a clear lack of conceptual knowledge of opportunity cost.

Question 2.

- (a) Very few candidates could produce all correct answer indicating poor knowledge of the topic of 'Pricing Policy'.
- (b) This was a numerical problem from the topic 'Simulation'. It was required to simulate the demand and find out the profit / loss. Most of the candidates could work out correct allocation of Random Nos. but failed to simulate daily demand and total loss due to their lack of practice to tackle such type of problems. Performance of the most of the examinees was reasonably good in this question.

Question 3.

- (a) This was a numerical problem from the topic 'Costing of Service Sector'. The question had three parts- the first two parts dealing with profit per flight and Break-even number of passengers per flight were answered correctly by most. But hardly a few examinees could answer correctly the part requiring evaluating of alternative situation. Although not very complicated, the examinees failed to tackle this part of the problem because of the various data to be used to evaluate. Performance of the examinees was below average in this question.
- (b) This was a theory question relating to limitations of 'Uniform Costing'. Question was generally well answered by the examinees.

Question 4.

- (a) This question was a practical problem on the topic 'Transfer Pricing'. Almost all the candidates failed to tackle the problem and were at a loss about how to proceed to solve the problem. Performance of the examinees was poor in this question.
- (b) This was a concept based theoretical question on the topic 'Learning Curve'. Examinees having

knowledge of learning curve theory and its applicability on practical situations could answer the question satisfactorily. Performance of the examinees was reasonable in this question.

Question 5.

- (a) This was a problem from the topic 'Standard Costing' and below average performance of the examinees was observed. Not many examinees attempted this question. Those who attempted failed to work out fully correct answer.
- (b) This question was from the topic 'Linear Programming'. Performance of the examinees was poor in this question.

Question 6.

- (a) This was a straight forward problem from the topic 'Activity Based Costing'. Question was generally well answered by the examinees.
- (b) This question was from 'Program Evaluation & Review Technique'. Question was generally well answered by the examinees. However, only a few candidates could answer part (ii) of the question regarding "probability of meeting target in 22 days" correctly.

Question 7.

Limited number of examinees with knowledge of the subject matter answered well. But majority of the examinees failed to provide correct answers showing that they had not studied the subject in proper way.

- (a) This theory question was required to specify methods of costing in service sector. Performance of the examinees in this question was average.
- (b) This question required to classify the business activities into primary and support activities. Examinees could not differentiate business activities between primary and support activity. Performance was average.
- (c) This question required to define Degeneracy and Prohibited Routes in relation to transportation problem. Performance of the examinees was average.
- (d) The performance of the examinees in this question has not been satisfactory and it showed lack of conceptual clarity and comprehension.
- (e) The performance of the examinees in this question has not been satisfactory and it showed lack of conceptual clarity and comprehension of topic 'Zero Base Budgeting' / 'Traditional Budgeting'.

PAPER – 6 : INFORMATION SYSTEMS CONTROL AND AUDIT

Question 1.

This was a case study based question comprising four sub parts.

- (a) In the first part, many candidates did not focus on the issues to be raised during the technical feasibility of new proposed system rather they discussed the weaknesses of the existing system. Accordingly, performance was poor for this part.
- (b) Most of the candidates answered well this part by describing the provisions for authentication of electronic records correctly; however, a few of them wrote the authentication procedures. Overall performance was satisfactory for this part.
- (c) The controls that need to be in place at the time of application software acquisition or selection process, were written correctly by some of the candidates. However, many students elaborated the vendor selection procedures and hence, an average performance was observed for this part.
- (d) Five major types of information security policy, which the company must maintain to meet the security objectives, were written correctly by most of the candidates; hence, the performance was good for this part.

Question 2.

- (a) Many candidates answered well this part by defining the Transaction Processing System (TPS) and describing its salient features correctly. However, some candidates presented only a general idea about TPS and accordingly, an above average performance was observed for this part.
- (b) Many candidates attempted well this part by describing the Agile Methodology and its strengths. However, several candidates could not write the strengths of Agile Methodology, hence, the performance was average for this part.
- (c) The ground on which a certifying authority may revoke a digital certificate issued by it under Section 38 of Information Technology (Amendment) Act, 2008 were correctly discussed by a few candidates only and hence, the performance was below average for this part.

Question 3.

- (a) The question based on the six categories of controls classified on the basis of nature of IS resources was answered correctly by many candidates but some of the candidates could not mention all six categories. Overall performance was average for this part.

- (b) Most of the candidates were able to write the elements to determine whether the disaster recovery plan was developed using a sound and robust methodology or not. Instead of writing the same, some of them explained types of disaster and therefore, overall performance was average.
- (c) In this part, 'three modules of Enterprise Controlling with reference to ERP Package (SAP)' were explained well by most of the candidates. Good performance was observed for this part.

Question 4.

- (a) Many candidates could correctly mention the criterion to determine whether the control is cost effective or not. But some of them could not describe the five types of costs, which are required to be considered while implementing the operating controls in a system. Overall performance was average for this question.
- (b) In this part, many candidates confused Integrated Test Facility (ITF) with other real time audit techniques. Accordingly, the performance was below average for this part.
- (c) The first part of this question was attempted well by the candidates by defining Sys Trust and Web Trust but in the second part, only a few candidates could correctly describe the principles used by these services. Overall performance was average.

Question 5.

- (a) Most of the candidates described six business processes, which can be integrated using ERP, correctly. Hence, the performance was very good for this part.
- (b) Most of the candidates attempted well this part by explaining the components of a security policy to protect information systems of an organization but a few candidates wrote the generalized answer. Overall performance was good for this part.
- (c) Most of the candidates could define the term 'Risk Mitigation' and explained the common risk mitigation techniques in the desired manner. Accordingly, the performance was very good for this part.

Question 6.

- (a) Many candidates explained CoCo Model well but only a few of them wrote the four important concepts about 'Control' in CoCo Model correctly. Hence, performance was average for this part.
- (b) In this part, candidates were required to write any six characteristics of an effective management information system, which was answered

correctly by most of the candidates. Accordingly, performance was good.

- (c) In this part, many candidates presented general ideas about Incident Handling and Business Continuity Management but they could not present the same with reference to Information Security Policy as required in the question. Hence, the performance was average for this part.

Question 7.

This question was based on the short notes comprising five sub parts.

- (a) Many candidates attempted well this part by describing the functions of Certifying Authority under Section 18 of Information Technology (Amendment) Act, 2008. Hence, the performance was good for this part.
- (b) 'Systematic and Unsystematic risk' were explained correctly by most of the candidates; therefore, the performance was good for this part also.
- (c) Many candidates attempted well this part by discussing the goals of a business continuity plan. Accordingly, good performance was observed for this part.
- (d) This part was based on the five levels of software process maturity, which was attempted well by most of the candidates. Performance was very good for this part exclusively.
- (e) In this part, types of system testing were explained very well by most of the candidates; therefore, the performance was good for this part too.

PAPER – 7 : DIRECT TAX LAWS

Question 1.

- (a) Most of the candidates have not applied Explanations 3 and 4 to section 43(1), which is essential for computing depreciation allowable in case of Mr. Ganesham and Mr. Rameshwarm, respectively. Consequently, due to non-application of the above Explanations to section 43(1), their answers were incorrect.
- (b) Very few candidates were able to understand the requirement of the question and relate the same with the provisions of section 175. Majority of them wrongly answered that clubbing provisions and search and seizure provisions were the methods under the Income-tax Act, 1961 for dealing with such a situation.
- (c) Many candidates exhibited lack of knowledge of section 4(1)(a) of the Wealth-tax Act, 1957 providing for inclusion in the net-wealth of the

assessee, the value of assets acquired by his spouse out of funds gifted to her. Further, some candidates were not aware that such inclusion should be only of the value of those assets which fall within the scope of section 2(ea). Some others were confused as to the time period within which assets should be acquired out of money standing to the credit of NRE account, to be eligible for exemption under section 5(v).

Question 2.

- (a) Most of the candidates have not understood the requirement of the question and have proceeded to discuss the exceptions for clubbing minor's income.
- (c) The answers given by most of the candidates were vague and exhibited lack of knowledge of the amended provisions of sections 147 and 149. Even candidates who were aware of the provisions, simply concluded that reassessment proceedings could be made upto 16 years, without considering that the Assessing Officer cannot issue notice under section 148 for A.Y. 2001-02 and A.Y. 2002-03, since Ms. Nargis did not have an asset located outside India in those two years.

Question 3.

- (a) In the answer to sub-part (i), many candidates have failed to explain that the deemed income under section 68 is subject to tax at maximum marginal rate. In respect of sub part (ii), candidates have not mentioned the conditions for claiming exemption under section 10(48). For sub-part (iii), the candidates omitted to state that provisions of AMT would be applicable to individuals, HUFs, AOPs, BOIs and artificial juridical persons only when the adjusted total income exceeds ₹ 20 lakhs.
- (c) Many candidates have wrongly answered that prior period items has to be adjusted while computing book profit.

Question 4.

- (i) Some candidates have wrongly answered that liquidated damages received have to be treated as revenue receipt, without considering that the same was on account of failure to supply a capital asset, namely, plant and machinery.
- (iv) Most candidates could not answer this question correctly. They were not aware that the provisions of section 234B and 234C would be attracted where there is a shortfall in payment of advance tax liability computed on the basis of book profits.
- (v) Very few candidates attempted this question. The answers to the second part of the question

revealed that most candidates were not aware that liability to capital gains tax will not arise since the cost of self generated goodwill of a profession cannot be determined.

Question 5.

- (a) Many candidates wrongly allowed family planning expenses in five equal installments, without considering that such deduction is not allowable in this case, since the assessee is a firm. The compensation paid for breach of contract for supply of capital asset is in the nature of capital expenditure, but majority of the candidates treated it as a revenue expense.
- (b) Some candidates have not understood the issue raised in the question and simply concluded that the assessee cannot claim any deduction which was omitted to be claimed in the original return. The candidates have not explained that an additional claim can be raised before the appellate authority even if a revised return is not filed.

Question 6.

- (a) Most of the candidates were not aware of the penal provisions under new section 271AAB for search cases initiated on or after 01.07.2012, and hence could not answer the question correctly.
- (c) Only a few candidates correctly ascertained the residential status of the assessee as resident but not ordinarily resident. The candidates were also not clear about scope of total income contained in section 5(1), due to which they could not answer the question correctly.

Question 7.

- (b) In the answer to sub-part (i), most candidates omitted to state that the buyback of own shares by a company would not constitute dividend. Neither were they able to state that it will attract capital gains tax liability in the hands of the shareholders. For sub-part (iii), candidates have simply stated that ' 2 lakhs should be disallowed under section 43B instead of explaining that the entire excise duty of ' 6 lakhs has to be included in the valuation of closing stock and ' 4 lakhs, paid on or before the due date of filing of return, can be claimed as deduction as per section 43B.

PAPER – 8 : INDIRECT TAX LAWS

General comments

Overall performance of the candidates was not up to the mark. In spite of the clear instructions in the question paper, most of the candidates did not provide notes in the computational problems. It needs to be

understood that notes carry marks as they spell out the reason for treating a particular item in a specific manner. Candidates should ensure that their solutions are supported with appropriate notes, wherever necessary. It has also been observed that candidates lack writing skills. Thus, they have not been able to present their views coherently even though they might have known the provisions. Candidates are advised to start a new question from a fresh page.

As regards candidates' grasp on the subject, it has been observed that they possess only superficial knowledge of the various provisions and thus write very general answers based on guess work. They are also ignorant of the latest amendments in the relevant laws. It is suggested that candidates should take up in-depth study of the subject and keep themselves updated so as to fare well in the examination.

Specific Comments

Question 1.

- (a) Candidates exhibited poor knowledge of the provisions of section 4A of the Central Excise Act, 1944. Most of them were not aware that free samples have to be valued in terms of rule 4 of the Central Excise Valuation (Determination of Price of Excisable Goods) Rules, 2000. Further, the correct treatment of quantity discount and multi-packs was also not known to many of them.
- (b) A significantly large number of candidates failed to correctly compute the amount payable under rule 6(3)(i) of the CENVAT Credit Rules, 2004. They did not know that where common inputs are used for manufacture of both dutiable and exempted final products and separate accounts for the same are not maintained, rule 6(3)(i) of the CENVAT Credit Rules, 2004 provides an option to the manufacturer to avail full credit on common inputs by paying an amount of 6% of value of the exempted goods. Further, they were also not aware that CENVAT credit cannot be utilized for discharging the excise duty liability on goods cleared under *Notification No. 1/2011-C.E. dated 01.03.2011*. Consequently, they also wrongly computed the duty payable by GAR-7 challan.
- (c) Most of the candidates were unable to compute the correct service tax liability. They were not aware that service tax is payable on the services of goods transport agency under reverse charge and that abatement of 75% is available on the same. A few candidates erroneously provided the exemption available to small service providers against freight paid to the goods transport agency also.

- (e) The question required the students to compute the export duty which is charged as a percentage of FOB value. However, many students were not aware of the same and thus, tried to wrongly derive the CIF value (value used for computing the duty payable on imported goods) for computing the export duty.

Question 2.

- (a) (i) A few candidates were ignorant of the amended position in relation to period for computation of interest on refund under rule 7(5) of the Central Excise Rules, 2002.
- (ii) Instead of discussing the provisions relating to punishment that can be imposed under section 9(1)(i) of the Central Excise Act, 1944, some candidates wrongly enlisted the various offences punishable under section 9(1) of the Act.
- (b) Most of the candidates wrongly mentioned services covered under negative list and mega exemption notification instead of citing specific exclusions provided under definition of 'service', which was the requirement of the question.
- (c) The dedicated payment gateway set up by the Board was wrongly mentioned as 'ACES' instead of 'ICEGATAE' by a large number of candidates.

Question 3.

- (a) (i) Candidates were required to give specific provisions relating to manufacture as contained in section 2(f)(i) and (ii) of the Central Excise Act, 1944. However, many candidates wrote general and sketchy answers.
- (b) In most of the cases, candidates wrongly concluded that the transaction was a deemed sale and not liable to service tax. Even the candidates who could correctly answer part (i) of the question failed to correctly classify the service as declared service. Many of them also quoted the wrong case law.

Question 4.

- (a) Though a large number of candidates attempted this question and correctly concluded that manufacture and sale of specified goods, not physically bearing a brand name, from branded sale outlets would disentitle an assessee to claim SSI exemption; they failed to bring out the specific observations made by the Supreme Court. Also, a few candidates got confused with the word 'disentitle' and erroneously concluded that the assessee would '**not be disentitled**' to claim SSI

exemption, though they had discussed the case law on the correct lines.

- (b) Candidates were not familiar with the provisions relating to orders appealable to High Court and/or Supreme Court. They got confused between question of law and question of facts. Most of them were also not aware of the Volvo case. Some candidates wrongly explained the procedure for filing appeal before CESTAT/High Court.

Question 5.

- (a) (i) The provision relating to addition of notional interest on advance payment as provided by Explanation 2 to rule 6 of the Central Excise Valuation (Determination of Price of Excisable Goods) Rules, 2000 was not written by many candidates.
- (ii) Candidates performed poorly in this question. They lacked knowledge of rule 16 of the Central Excise Rules, 2002.
- (b) (i) (1) A few candidates could not correctly apply rule 5, 8 and 14 of the Place of Provision of Service Rules, 2012. They wrongly determined the place of provision of service to be Afghanistan resulting in nil tax liability. However, as per rule 14 of the Place of Provision of Service Rules, 2012, the place of provision in this case was Gujarat and the service was taxable.
- (c) Though the question required the candidates to answer as to when the safeguard duty shall not be imposed, many candidates mistook the word 'WHEN' as 'WHY' and explained the reasons for imposition of such duty.

Question 6.

- (a) (ii) Quite a large number of candidates were not aware that central excise law does not provide for any sort of revision in the return filed with the Department.

Question 7.

- (a) (i) Majority of the candidates failed to bring out the difference between the powers of 'rectification' and 'review' and treated them as one and the same.
- (c) While a few candidates could not understand the meaning of cognizable and bailable offences under section 104 of the Customs Act, 1962 and wrongly wrote about crime against women and minors, some of them simply enlisted the various offences without highlighting as to which of them were cognizable and bailable. ■

"You, who are accounting for everybody and also auditing the accounts, can do a great deal to improve standards. But to do that, you have got to be vigilant all the time..and very humble – Morarji Desai"

Examiners' Comments on the Performance of the Candidates - Intermediate (IPC) Examination

PAPER – 1 : ACCOUNTING

Specific Comments

Question 1.

- (a) Majority of candidates could not ascertain the correct amount at which the assets should be capitalized under AS 10.
- (b) Answers of the candidates reflected their poor knowledge of provisions of AS 6. Most of them described 'Change in method of depreciation' and reasons thereof without understanding the requirements of the question.
- (c) Many candidates gave wrong answers and did not understand the provisions of AS 9. They mentioned the conditions for revenue recognition correctly but could not arrive at conclusion for the treatment of the balance advance amount in the books of A Ltd.
- (d) Instead of giving advise to the management regarding selection of method of accounting to be adopted by the company in line with provisions of AS 14, most of the candidates explained both methods of amalgamation. Few among them gave details for the methods of calculation of purchase consideration.

Question 2.

Majority candidates failed to give correct journal entry for goodwill at the time of retirement and admission of partner. Many candidates ignored that different dates were given for retirement and admission of partner and gave the combined goodwill entry for retirement and admission. Few erred in calculation of gaining, sacrificing ratios and provision of bad debts. Many of them prepared balance sheet of the reconstituted firm and revaluation account also which was not required in the question.

Question 3.

- (a) Few candidates failed to give correct figures of closing capital as on 31st March, 2013 and profit earned by Mr. A in the year ended 31st March, 2013. Some of them made mistake in computation of depreciation charged on assets.
- (b) Cash flow statement was not prepared as per format given under AS 3 by many candidates. Adjustment of tax refund was not considered by

most of them for determination of amount of tax paid. Majority of the candidates wrongly treated prepaid expenses as non operating expenses and failed to calculate operating profit before working capital changes. Few candidates calculated cash flows from finance and investment activities which was not required in the question.

Question 4.

Many candidates could not correctly ascertain the figures of subscription received and accrued and also closing balance of Capital fund. Opening balance sheet was wrongly prepared by most of candidates. Adjustment of outstanding printing and stationery expenses and electricity charges was wrongly made in receipts and payments account by few candidates.

Question 5.

Most of the candidates could not prepare the balance sheet of the company as per Revised Schedule VI of the Companies Act, 1956. Also notes on accounts were clubbed with balance sheet by few candidates.

Question 6.

Very few candidates could solve the problem correctly. Many of them correctly ascertained gross profit ratio but failed to compute correct ratio of upward trend in sales and sales figures for respective periods. Thus they could not work out the amount of insurance claim for loss of profits.

Question 7.

- (a) Some candidates erred in calculation of nominal value and cost of shares correctly. They also could not compute the value of closing stock of investment correctly.
- (b) Few candidates were not able to give the required journal entries. Some of them did not give narrations along with journal entries.
- (c) Ascertainment of days and respective product calculation was not correctly calculated by majority of the candidates. Many candidates got confused in Deposit (Cr.) and Withdrawal (Dr.) balances also.
- (d) Some candidates erred in calculation of number of days and consequently, they failed to compute the correct amount paid to or received by Thick.

- (e) Few candidates discussed only about computerized accounting system and its advantages without mentioning the reasons for replacement of manual accounting system.

PAPER – 2 : BUSINESS LAWS, ETHICS AND COMMUNICATION

Specific Comments

Question 1.

- (a) With respect to the question based on the determining of the validity of the restrained of trade as per section 27 of the Indian Contract Act, 1872, most of the candidates could not explain properly the provision relating to restraint of trade. Many of the students were confused between breach of contract and provisions of section 27. Few applied the rules of agency in the answers.
- (b) Pertaining to the question related to meaning, refunding and depositing of the minimum subscription, most of the students were lacking the conceptual clarity. The students were not well versed with the whole provision of the minimum subscription. Their answers were not covering the provision related to the refunding of the minimum subscription.
- (c) With respect to question relating to the stating of the correct/ incorrect statement, the justification with the explanation/ reasons was not up to the mark.
- (d) With respect to the question relating to the qualities which a sustainable innovation organization should possess, majority of the students gave answer in general. Some students confused the question with sustainable development instead of sustainable innovation.

Question 2.

- (b) In reference to the question related to Corporate Social Responsibility (CSR), most of the students gave the meaning of the CSR but not defined the role of CSR in enhancing the brand image and reputation of a business organization.

Question 3.

- (b) Pertaining to question relating to fundamental principle of ethics for all the accounting and finance professionals, answer given by the majority of students were general in nature. Many of the students had not given proper answer and explanation covering the principle of integrity which is a fundamental principle to ethics for all accounting and finance professionals which forms the main part of the question.

- (c) In relation to question mentioning the characteristics of groups in a business organization, many students gave answer in general and some students instead of giving the characteristics gave the importance of the group in the answer.

Question 4.

- (c) Performance of the students with respect to the question relating to the drafting of minutes of statutory meeting of the shareholders was not meeting up the expectations. Majority of the students instead of writing the minutes of statutory meeting of the company, gave draft of notice calling the meeting. Even the general format of the minutes is not known which is expected by the student of this level.

Question 5.

- (a) With respect to the question dealing with the circumstances under which the banker can dishonor a cheque under the provisions of Negotiable Instruments Acts, 1881, most of the students had given the answer in a very generalized manner.
- (b) The question related to shelf prospectus have been exceptionally attempted by the students. Relevant provisions of the Companies Act, 1956 is not known to the students. Students were quite confused between prospectus and the shelf prospectus.
- (c) With respect to the question describing the parameters of competition law as per the provisions contained in the Competition Act, 2002, very few students attempted this question. Even the students failed to explain the relevant provisions of the Companies Act, 1956.

Question 6.

- (a) With respect to the question dealing with the importance of registered office and the procedure for shifting the registered office of a company from one state to another state as per the provision of the Companies Act, 1956, many of the students failed to write the procedure of shifting of the company correctly.
- (b) Pertaining to the question relating to the drafting of the press release, most of the students failed to give the correct performa of the press release. Students gave the answer in the form of the paragraph and in the general manner and not in the format of the press release incorporating the particulars given in the question.

Question 7.

- (a) With respect to the question related to the establishments which are exempted from the

operations of the Employees Provident Funds and Miscellaneous Provisions Act, 1952, very few students attempted this question as they were lacking the knowledge of the provision being covered under section 16 of the Employees Provident Funds and Miscellaneous Provisions Act, 1952.

- (c) Question relating to the proxy as per the Companies Act, 1956 were attempted by most of the students, in general. Only few students cited that shareholder need to intimate the company in writing for revocation of proxy.
- (d) With respect to the question dealing with the factors that have increased the importance of communication, the answer given by majority of the students was too brief. Some students confused between the feature and the importance of the communication.
- (e) With respect to the question enumerating the benefits that may be obtained by following the business ethics, answer given by the most of the students was too brief.

PAPER – 3 : COST ACCOUNTING AND FINANCIAL MANAGEMENT

Specific Comments

Question 1.

- (a) This practical question is based on Economic Order Quantity and various level of inventory. Most of the examinees attempted this question, but some of the examinees calculated only Economic Order Quantity correctly and failed to calculate various levels of inventory.
- (b) This practical question requires the examinees to pass Journal entries in Integrated Accounting System. Answer to this question was average in case of most of examinees. Performance to this question part indicates lack of understanding of examinees about integrated system of accounts.
- (c) Majority of the candidates were able to compute Operating Leverage, Financial Leverage and Combined Leverages on correct lines and in proper format. However, few candidates lacked the concept of combined leverage.
- (d) Majority of the candidates were not able to calculate correct figures of dividend and rate of dividend on Preference Shares.

Question 2.

- (a) This practical question related to 'Operating Costing' requires calculation of fare for passenger-km. Most of the examinees have done reasonably

well in answering this question. However, some of them have committed mistakes in calculating cost of Engine oil, Lubricants, and Commission to driver and conductor.

- (b) Majority of the candidates prepared the Balance Sheet with proper working notes. However, they failed to compute correctly figures of debtors, sales, bank and cash and reserves and surplus. Some even confused cost of goods sold with sales while using the debtors' turnover ratio and stock turnover ratio.

Question 3.

- (a) Performance of the examinees to this practical question related to 'Labour Turnover' is average. Though many of them have calculated average number of workers on role and number of workers replaced during the year correctly, but could not calculate number of workers at the beginning of the year accurately.
- (b) Many of the candidates were able to solve the question and make recommendation on correct lines. However, some candidates failed to calculate cash outflow of machines and equivalent present value of annual cash flow.

Question 4.

- (a) This practical question related to standard costing was attempted by most of examinees. Majority of them were able to calculate the correct amount of Actual quantity and Actual price of material used, so they could derive correct figure of Material Usage Variance, Material rate variance and Material cost variance. But some of them could not calculate variances related with labour and overhead correctly.
- (b) Majority of the candidates have solved this question correctly and with proper working note. However some candidates failed to arrive at correct amount of funds from operations and treatment of provision for tax.

Question 5.

- (a) This theoretical question related to 'Process Costing' was attempted by majority of examinees; however their performance was average in this question part.
- (b) Most of the examinees couldn't mention and elaborate the practical application of Marginal costing. Average performance of examinees was observed in this question.
- (c) A large percentage of candidates could not write about virtual banking on correct lines. They related the concept of virtual banking to loans and advances.

- (d) Most of the candidates have properly defined overcapitalization, its causes and consequences. However, few of them gave vague answers regarding causes and consequences of overcapitalization.

Question 6.

- (a) This practical question form 'Overhead' requires calculation of Machine Hour Rate. Majority of examinees have attempted this question but failed to calculate Machine Hour Rate correctly and also failed to present the solution in a proper format. Performances of examinees were below average in this question.
- (b) Majority of the candidates attempted this question but failed to calculate cost of investment in debtors leading to wrong figures of net incremental benefit/loss.

Question 7.

- (a) Average performances of examinees were observed in this question. Most of them could not establish the relationship between 'Operating Leverage' and Margin of Safety Ratio.
- (b) Many of the examinees could not describe the steps involved in the Budgetary Control Techniques and their performance was average.
- (c) Majority of the candidates explained management of marketable securities correctly; however, few could not clearly bring out its importance as an investment tool.
- (d) A large percentage of the candidates have written about the concept of capital structure and its significance in financing decision. However, some of them could not bring out clearly the importance of capital structure in financing decisions.
- (e) (i) Majority of the candidates wrote about leverages instead of the concept of leveraged lease.
- (ii) Performance of the examinees to this question part was average. Many of them could not state the escalation clause of Contract Costing accurately.

PAPER – 4 : TAXATION

Specific Comments

Question 1.

- (a) Most of the candidates exhibited lack of knowledge of the provisions for computing income under the head "Profits and gains of business or profession". Many candidates omitted to add back rent of ₹ 35,000 paid in cash, in respect of which disallowance under section 40A(3) is

attracted. While computing income from house property, many candidates have wrongly provided deduction for municipal taxes, without considering that only municipal taxes actually paid by the owner is allowable as deduction and not municipal taxes which are due or which are paid by the tenant. Further, candidates have provided deduction under section 80DD to the extent of actually expense of ₹ 50,000, even though a flat deduction of ₹ 1,00,000 is available under section 80DD in case the dependent is a person with severe (80% or more) disability.

- (b) Most of the candidates could not compute amount of service tax payable correctly. They did not provide threshold exemption available to a small service provider and exhibited poor understanding of provisions of rule 5 of the Point of Taxation Rules, 2011 by wrongly treating receipts for "services performed before such service became taxable" as exempt. Further, many candidates did not provide the reasoning for treatment of various items. A few candidates were not aware that services provided by way of renting of residential dwelling for use as residence are covered under the negative list.
- (c) A few candidates wrongly considered VAT paid on locally purchased raw material as part of cost of production while few others wrongly excluded central sales tax paid on raw material purchased from neighbouring State from cost of production.

Question 2.

- (a) Majority of the candidates could not arrive at the gross annual value correctly, since they were not aware that in case the actual rent was lower than the annual letting value due to vacancy, the actual rent would be the gross annual value of the property. Further, while computing the income from house property, some candidates wrongly allowed separate deductions for light & water charges, insurance charges and painting expenses.
- (b) (i) Instead of discussing provisions of section 73A of the Finance Act, 1994, a few candidates mistakenly elucidated prosecution provisions for failure to pay any amount collected as service tax to the Central Government. Some candidates also wrongly mentioned that excess service tax collected should be refunded to service recipient or directly transferred to the Consumer Welfare Fund.
- (ii) Although most of the candidates correctly concluded that a multiple service provider can use single GAR-7 challan for payment of service tax on different services, they failed

to mention that amounts attributable to each such service along with concerned accounting codes need to be provided in the column given for this purpose in GAR-7 challan. Further, a few candidates got confused and wrongly discussed the provisions relating to filing of service tax return in case of provision of multiple services.

- (c) The question required the candidates to compute *total tax liability under the State VAT law*. Although most of the candidates correctly claimed the set off of input tax credit against the output VAT payable, they failed to conclude that net VAT liability under the State VAT law was 'Nil' (as input tax credit was more than output VAT payable).

Question 3.

- (a) Many candidates could not correctly compute the value of rent free accommodation provided to Anand. They were not aware of the components of salary to be included for perquisite valuation. Further, the computation of perquisite value of motor car was also incorrect in most cases, since the candidates have considered the perquisite value at ₹ 1,800 per month, whereas, in this case, since the car is owned and driven by Anand, the perquisite value would be the actual expenditure reimbursed by the employer less ₹ 1,800 per month.
- (b) The question required the candidates to enlist the documents to be submitted along with the first service tax return. However, many candidates got confused and wrongly mentioned the documents that are submitted at the time of registration under service tax.
- (c) Candidates were required to answer as to who are not eligible for composition scheme under the VAT regime. However, a few candidates did not read the question properly and mentioned the dealers who are eligible for composition scheme.

Question 4.

- (a) Some candidates were not aware of the provisions of section 50C and hence, could not arrive at the full value of consideration for transfer correctly. Further, many candidates have failed to segregate the capital gains into long-term and short-term capital gains, which is necessary since land was held for more than 36 months and building was held for less than 36 months. Consequently, candidates have wrongly deducted indexed cost of construction of building, even though the same was held for a period of less than 36 months.

- (b) Some candidates have not provided for deduction of 50% under section 57(iv) from interest on enhanced compensation.
- (c) Most of the candidates lacked conceptual clarity regarding service tax payable on advance received and provisions relating to self adjustment of service tax. They were not aware that self adjustment can be made only after refunding the excess tax to the recipient of services.
- (d) (i) A few candidates missed to mention that addition method of calculating VAT is mainly used with income variant of VAT.
- (ii) Most of the candidates were ignorant of the reason for providing threshold exemption limit for obtaining VAT registration.

Question 5.

- (a) Clause (48) was inserted in section 10 by the Finance Act, 2012 to provide for exemption of income received by certain foreign companies from sale of crude oil. However, most of the candidates were not aware of the exemption available under section 10(48), which indicated lack of awareness of the latest amendments.
- (b) Likewise, a large number of candidates were not aware of the amendment by the Finance Act, 2012 extending the benefit of additional depreciation to new plant and machinery acquired and installed in power sector undertakings. Consequently, many candidates have **not provided for** additional depreciation under section 32(1)(iia). Further, even candidates who have provided for additional depreciation in respect of new machinery, failed to provide additional depreciation on new computer installed in the generation wing of the unit.
- (c) Most of the candidates could not compute value of taxable services correctly as they lacked conceptual clarity relating to negative list provisions. They were not aware that broadcasting of advertisements on television is taxable as the same is out of the purview of negative list of services. Further, a few candidates considered accounting services rendered to charitable trusts as exempted services, although the same are neither covered in negative list of services nor exempted vide any exemption notification. Some candidates also wrongly provided the exemption for small service providers even though the same was not available in view of the information provided in the question.

Some candidates were not aware that e-filing of service tax returns has been made mandatory

irrespective of the quantum of service tax paid in the previous year. They wrongly answered on the basis of the old position of law wherein e-filing of service tax returns was mandatory for only those assesseees who had paid service tax of ₹ 10 lakh or more in the preceding financial year.

Question 6.

- (a) Some candidates have wrongly included dividend income under the head “Income from other sources”, even though the same are exempt under section 10(34). Further, a few candidates have wrongly set-off long-term capital loss on sale of shares through recognized stock exchange (STT paid) against long-term capital gains on sale of debentures, without considering that loss from an exempt source cannot be set off against gains from a taxable source.
- (b) In majority of the cases, candidates merely explained the meaning of the term “provided or agreed to be provided” and failed to elaborate its implications in the context of chargeability of service tax.

Question 7.

- (a) Very few candidates could define the term “assessee” correctly as per section 2(7) of the Income-tax Act, 1961. Some candidates have confused the same with the definition of person under section 2(31). Some others have given vague and general answers for this question.
- (b) As regards the First Alternative, some candidates were not aware of the exemption under section 10AA available in respect of a unit located in a SEZ. Further, even the candidates who were aware of the exemption under section 10AA, have failed to compute the same correctly by considering the profits of the SEZ unit (i.e., Unit A) in the proportion of the export turnover of Unit A to the total turnover of Unit A.

As regards the Second Alternative, many candidates were not aware of the conditions laid down under section 12A for availing the benefit of exemption provisions contained in sections 11 and 12.

- (c) A large number of candidates answered on the basis of old position of law and thus, erroneously applied rule 3 of the Service Tax (Determination of Value) Rules, 2006 (which prescribes the manner of determination of value of taxable services *if such value if not ascertainable*) for determination of the value of taxable service in the given case, i.e. where the consideration received is not wholly or partly consisting of money.

- (d) Many candidates provided general answers instead of mentioning specific deficiencies of the VAT system.

PAPER – 5 : ADVANCED ACCOUNTING

Specific Comments

Question 1.

- (a) Majority candidates did not give the treatment of the events occurring after the Balance Sheet date in the preparation of Financial Statements according to AS 4.
- (b) Few candidates failed to calculate impact of additional depreciation due to change in method of depreciation and estimated useful life on annual accounts of the company.
- (c) Most of the candidates did not understand the requirement of the question and could not calculate the effects of changes in Foreign Exchange Rates as per AS 11 with regard to (i) Loan acquired for purchase of fixed asset and (ii) Soft loan.
- (d) Few candidates could not comment correctly on treatment of work-in-progress in financial statements in line with Revised Schedule VI.

Question 2.

Some candidates could not calculate the amount of purchase consideration and net amount brought in or paid off to the partners of the new firm.

Question 3.

- (a) Most of the candidates could not work out the number of shares arising from partial conversion of debentures into equity shares and debenture interest payable in the months of September and March. Thus they were unable to give the necessary journal entries as required in the question.
- (b) Few candidates failed to arrive at the number of equity shares issued on partial conversion of debentures and did not prepare the balance sheet of the company as per Revised Schedule VI after giving effect of the redemption of debentures.

Question 4.

Few candidates had mixed up the Receiver’s receipts and payments account with the Liquidator’s final statement of account. Some among them prepared the statement of affairs and deficiency account instead of accounts to be submitted by Receiver and liquidator.

Question 5.

Nearly all candidates were not able to calculate the correct amounts of Return on Equity, Interest

EXAMINATION

on loans and Depreciation as per the Central Electricity Commission (Terms and Conditions of Tariff) Regulations, 2009.

Question 6.

- (a) Most of the candidates did not understand the concept of mark up and mark down sales and purchases and therefore they could not prepare Departmental Trading Account for Department, Memorandum Stock Account for the year and Memorandum Mark-up Account for the year.
- (b) Very few candidates failed to compute the correct amount of provision to be made in the profit and loss account on different assets of a banking company.

Question 7.

- (a) Most candidates correctly classified the given leases into either operating or finance lease but failed to substantiate their classification with adequate reasons.
- (b) Majority candidates were not able to give the required answer for treatment of research and development cost of the project in line with provisions of AS 26.
- (c) Most of the candidates were able to state the basis on which the common expenses were to be distributed among the departments.
- (d) Many candidates were not able to answer the question regarding treatment of borrowing cost as per AS 16 in the books of account.
- (e) Most of the candidates did not explain the principles and terms of insurance business.

PAPER – 6 : AUDITING AND ASSURANCE

Specific Comments

Question 1.

- (a) Many candidates wrote only disadvantages of audit programme instead of highlighting its importance.
- (b) Question was confused by many as to relationship of auditing with science or discipline. Candidates did not understand the meaning of behavioral science and therefore unable to link with auditing. Also, candidates wrongly mentioned about personal behavioral qualities of auditor and technological development. Basic principles governing an audit were discussed by some of the candidates.
- (c) Some candidates simply explained the meaning of various audit evidences, without explaining how the reliability of audit evidence is influenced

by its source, nature and circumstances under which it is obtained.

Question 2.

- (a) Although candidates concluded correctly yet they failed to explain the “fees on progressive basis” and wrongly understood it as “payment in advance”.
- (b) Many candidates mistook examination in depth as examination of all transactions. Also, some of the candidates misunderstood examination in depth for investigation and explained fraud angle for such an examination.
- (c) Candidates construed branch auditor as internal auditor and therefore wrote that working papers can be shared. Candidates wrongly answered that since it is the Company auditor taking the main responsibility, branch auditor should submit original copies of working papers to the statutory auditor.
- (d) Many candidates answered wrongly by stating that the auditors shall be appointed by President of India or Government of India.
- (e) Candidates in general have not mentioned about disclosure of interest in audit report but explained that appointment of Mr. R as a tax Consultant is valid and simply answered that Mr. R cannot be appointed as an auditor.
- (f) Instead of explaining the relationship between Inherent and control risk, and detection risk, some candidates wrote only the meaning of the Inherent risk, control risk and detection risk.
- (g) Most of the candidates have not understood the topic and have stated that all the deviations in accounting policies are to be included in the auditor’s report
- (h) Many candidates could not differentiate between “True and Correct” and “True and Fair” views.
- (i) Candidates wrote about adjusting and non adjusting events as per AS 4, which was not required. Many discussed materiality and mentioned that if the event is material in nature then it has to be disclosed or adjusted.
- (j) Most of the candidates were not aware of the ICAI guidelines.

Question 3.

- (a) Many candidates wrote only headings without any elaboration. Also, some candidates did not have an idea of the basic limitations of internal control system and discussed general constraints like time, cost and role of management.

- (b) Candidates in general did not have any knowledge in terms of SA-250 rather they attempted wrongly giving irrelevant points.

Question 4.

- (a) It was attempted in a general manner rather than mentioning the specific points in respect of remuneration paid to directors.
- (b) Most of the candidates focused only on hire purchase agreement, interest and installment payments only whereas other important points were left out while answering.
- (c) Candidates failed to understand the requirement of the question. Points regarding distribution of common charges, provision for the expenditure incurred on improvement of land were not covered by most of the candidates. Some candidates missed important point that plots are inventory for real estate dealers.

Question 5.

- (a) Many candidates attempted it wrong. Auditor's duties under section 227 of the Companies Act, 1956 were wrongly stated. Candidates in general did not have knowledge about legal decisions and auditor's duties, which was required.
- (b) Candidates could only state two/three circumstances under which retiring auditor could not be appointed.

Question 6.

- (a) Candidates in general failed to specifically write points pertaining to audit of leasing transactions. Important points such as lease proposal form, acceptance letter, ascertaining the credit worthiness of lessee etc. were not mentioned by most of the candidates. They instead wrote vague and general points.

Question 7.

- (b) Many candidates did not have idea of use of flow charts in evaluation of internal control rather they wrongly discussed the general aspects of internal control only.

PAPER – 7 : INFORMATION TECHNOLOGY AND STRATEGIC MANAGEMENT

SECTION – A : INFORMATION TECHNOLOGY

Specific Comments

Question 1.

Being compulsory question, almost all the examinees answered this question, in which they were required to describe briefly almost various terms used in Information Technology. Most of

the examinees could answer only about Data Dictionary, Hub, Web Casting and Intranet fairly well. Remaining answers were given in generalized or vague manner.

Question 2.

- (a) This is a question on 'Compilers and Interpreters'. Most of the examinees answered satisfactorily, but some examinees answered generally due to lack of conceptual understanding.
- (b) This question is on 'Benefits of an Expert System'. Most of the examinees gave generic response, and some of them provided components of Expert System instead.

Question 3.

- (a) This question is based on 'Stages in Data Mining'. Most of the examinees answered well.
- (b) This question is on 'Data Definition Language'. Most of the examinees either got confused and mentioned about Data Manipulation Language or explained SQL instead of the DDL.

Question 4.

- (a) This question on 'Star Network Topology' was attempted by almost all the examinees and their performances in general were good.
- (b) This question is on 'Value Added Services offered by Data Center'. Most of the examinees gave general answers.

Question 5.

- (a) Many examinees answered 'URL' satisfactorily but 'URN' wrongly.
- (b) Most of the examinees answered 'HTTP' and 'HTML' satisfactorily.
- (c) Most of the examinees answered 'Half Duplex and Full Duplex Connections' satisfactorily.

Question 6.

This is a question on 'Flow Chart'. Most of the examinees made mistakes in computing the discount and additional discount by ignoring the number of copies purchased and also in drawing the symbol boxes.

Question 7.

In this question, short notes on any four out of 'Smart Cards', 'Bluetooth', 'Collaborative CRM', 'Operational Data Store' and 'Telnet' were to be attempted. Most of the examinees could not explain about 'Collaborative CRM' and 'Operational Data Centre' properly because of their non-understanding of these topics.

SECTION – B : STRATEGIC MANAGEMENT

General Comments

- ◆ In general, the answers written by the candidates lacked desired knowledge and conceptual clarity. Some of the candidates have provided vague and irrelevant answers. They have also unsuccessfully tried to fill the spaces by repeating same sentences. It is suggested that the candidates should provide precise and relevant answers.
- ◆ In several cases, the candidates have not properly presented their answers or have written them in illegible handwriting.
- ◆ There were cases where candidates have not provided the question numbers correctly. The numbering of questions of section B started with number '8', instead some examinees started the numbering from '1' in the answer sheets.

Specific Comments

Question 8.

- (a) Performance, in general was good reflecting adequate knowledge of the characteristics of business environment. However, in some cases examinees, on account of lack of knowledge or misinterpretation of the question, explained elements of business environment.
- (b) Most of the candidates gave vague answers. They mentioned about the process of strategic management instead of responsibility of a strategic leader.
- (c) Majority of the examinees wrote the meaning of benchmarking correctly. However, they were not able to correctly identify the management functions that can be improved through benchmarking.
- (d) Performance, in general was poor as majority of the candidates have merely explained functional strategies instead of the reasons for functional strategies in business.
- (e) The candidates had little knowledge on the dimensions of strategic decisions. Large numbers of examinees have merely explained the process of strategic management. Accordingly, the performance was poor.

Question 9.

- (a) While majority of the candidates were able to state whether the statement is correct or incorrect, they were not able to substantiate their stand with

appropriate reasoning. Particularly, the answers were lacking in case of part (ii) – ‘culture promotes better execution of strategy’.

- (b) The performance of the candidates was average. Most of the candidates mentioned about the characteristics of a good company and have not discussed the characteristics of a global company.

Question 10.

The question was generally not attempted by the candidates. In a few cases, the answers of candidates revealed that they have not properly understood the question and they have superficially explained the mode of supply of goods from manufacturers to consumers.

Question 11.

In general, the candidates understood the concept of BCG Matrix and were able to provide good answers.

Question 12.

- (a) A few examinees have relied on guesswork and have merely mentioned other strategies or concepts such as expansion, stability, diversification, retrenchment, production and marketing.
- (b) The performance was average as the explanations related to the logistic strategy were found wanting in substance.

Question 13.

- (a) The difference between concentric and conglomerate diversification was not properly brought out by most of the examinees.
- (b) Poor answers were provided by several candidates reflecting lack of conceptual clarity in the area of operational and management control. Candidates gave vague and general answers.

Question 14.

- (a) The performance was average as the answers lacked precision. The stages of PLC were mentioned correctly but the exhibit and description were not up to the mark.
- (b) Majority of the candidates have preferred to choose second alternative on ‘six sigma’ over first alternative related to ‘components of value chain’. However, answers in both cases were found wanting as they did not contain proper explanations of concepts. ■

“The Chartered Accountants by virtue of their qualifications, experience and training can render valuable services in these difficult times in areas which are vital to economic and industrial growth – Fakruddin Ali Ahmed”

Corporate Laws

(i) Use of word 'National' in the names of Companies or LLPs

The Ministry of Corporate Affairs (MCA) vide Circular No. 2/2014 dated 11th February, 2014 has issued a clarification with regard to using the word "National", "Bank", "Stock Exchange" or "Exchange" in the names of Companies or Limited Liability Partnerships (LLPs). It is being intimated that no company should be allowed to be registered with the word 'National' as part of its title unless it is a government company and the Central/State government(s) has a stake in it. Similarly, the word 'Bank' may be allowed in the name of an entity only when such entity produces a 'No Objection Certificate' from the RBI in this regard. By the same analogy the word "Stock Exchange" or "Exchange" should be allowed in name of a company only where 'No Objection Certificate' from SEBI in this regard is produced by the promoters.

The link of the said notification

http://www.mca.gov.in/Ministry/pdf/General_Circular_2_2014.pdf

(ii) Clarification with regard to Section 185 of the Companies Act, 2013

The MCA vide General Circular No. 03/2014 dated 14th February, 2014 has issued a clarification on section 185 of the Companies Act 2013 to provide much needed relief to the corporate(s). It is clarified that in order to maintain harmony with regard to applicability of Section 372A of the Companies Act, 1956 till the same is repealed and Section 186 of the Companies Act, 2013 is notified, any guarantee given or security provided by a holding company in respect of loans made by a bank or financial institution to its wholly owned subsidiary company, exemption as provided in clause (d) of sub-section (8) of Section 372A of the Companies Act, 1956 shall be applicable. This clarification will, however, be applicable to cases where loans so obtained are exclusively utilized by the subsidiary for its principal business activities.

The link of the said notification:

http://www.mca.gov.in/Ministry/pdf/General_Circular_3_2014.pdf

(iii) Implementation of CSR provisions along with its Rules

The MCA vide its Notification dated 27th February, 2014 intimate that in exercise of the powers conferred by sub-section (3) of Section 1 of Companies Act, 2013, the Central Government hereby appoints the 1st April, 2014 as the date on which the provisions of Section 135 and Schedule VII to the said Act relating to Corporate Social Responsibility shall come into force.

The Ministry has also revised the Schedule VII to the Companies Act, 2013, which provides the list of activities which may be undertaken as Corporate Social Responsibility activities under section 135 of the Companies Act, 2013.

In exercise of the powers conferred under section 135 and sub-sections (1) and (2) of section 469 of the Companies Act, 2013, the Central Government makes the Companies (Corporate Social Responsibility) Rules, 2014 which shall come into force on 1st April, 2014.

The links of the said notification are:

http://www.mca.gov.in/Ministry/pdf/CompaniesActNotification1_2014.pdf (Section 135 effective w.e.f. April 01, 2014)

http://www.mca.gov.in/Ministry/pdf/CompaniesActNotification3_2014.pdf (Revised Schedule VII)

http://www.mca.gov.in/Ministry/pdf/CompaniesActNotification2_2014.pdf (CSR Rules)

(iv) SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2014

In exercise of the powers conferred by Section 30 of the Securities and Exchange Board of India Act, 1992, the Board vide Notification No. LAD-NRO/GN/2013-14/44/226 dated 4th February, 2014 has amended SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 and these regulations may be called the SEBI (Issue of Capital and Disclosure Requirements) (Amendment) Regulations, 2014 paving the way for issuer to make Initial Public Offer without any grading mandate. This amendment suggests the changes in Regulation 26(7), Schedule VIII and Schedule XIII of the SEBI (ICDR) Regulations, 2009.

The link of the said notification:

http://www.sebi.gov.in/cms/sebi_data/attachdocs/1391509221289.pdf

(Board of Studies)

Important Announcement

Attention: Intermediate (IPC) and Final Course students

Applicability of notified sections of the Companies Act, 2013 for November 2014, Examinations

As students may be aware that the Companies Act, 2013 has been notified in the Official Gazette on 30th August, 2013 stating that different dates may be appointed for enforcement of different provisions of this Act through notification of the Central Government in this regard.

Having regard to the above development, the Council at its 330th meeting revised the syllabus in a limited manner in the following papers of Intermediate (IPC) and Final Course(s).

Intermediate (IPC) Course	Final Course
Paper No. 2 - Business Laws, Ethics and Communication	Paper No. 4 - Corporate and Allied Laws
Paper No. 6 - Auditing and Assurance	Paper No. 3 - Advanced Auditing and Professional Ethics

The Central Government has notified 98 sections of the Companies Act, 2013 on 12th September, 2013. Accordingly, those 98 notified sections are applicable for November 2014 examinations corresponding to their bifurcation into the Intermediate (IPC) and Final Course(s), i.e. from

these 98 sections, 53 sections have been included in the Paper – 2, Business Laws, Ethics and Communication, Intermediate (IPC) Course, and 45 have been included in the Paper- 4, Corporate and Allied Laws, Final Course.

For reference and benefit of our students, the Board of Studies has released the following publications relevant for November, 2014 examinations for Paper- 2, Business Laws, Ethics and Communication, Intermediate (IPC) Course, and Paper- 4, Corporate and Allied Laws, Final Course:

Publication	Links for reference
Supplementary study material for Intermediate (IPC) Course	http://220.227.161.86/32794ssp-p2blec-ipcc.pdf
Supplementary study material for Final Course	http://220.227.161.86/32793ssp-p4final.pdf

Students may also note that the Study Material and Practice Manual of Corporate and Allied Laws, Final Course released in January, 2014 has been prepared keeping in view the amendments brought in by the Companies Act, 2013. The details of the revised syllabus have been hosted on the Institute website.

Director, Board of Studies

CROSSWORD

March, 2014

Solution

¹ P	² R	³ E	⁴ A	⁵ M	B	⁶ L	E			⁷ N	
	⁸ E	X	I	M		A		⁹ A	¹⁰ P	E	¹¹ S
	¹² A	T	M			N		¹³ M	U	T	E
¹⁴ A	L	E		¹⁵ N	O	D		¹⁶ I	B		V
C		¹⁷ R	P	O			¹⁸ I		¹⁹ L	²⁰ I	E
²¹ C	²² O	N	S	T	²³ R	²⁴ U	C	²⁵ T	I	O	N
²⁶ R	M	A		²⁷ A	O	P		²⁸ I	C	U	
²⁹ U	R	L		³⁰ R	E	A	L	M			
E				Y				³¹ I	T	³² R	
	³³ S	³⁴ A	³⁵ P		³⁶ O	³⁷ P	³⁸ E	N		³⁹ U	⁴⁰ V
⁴¹ S	E	A	R	C	H	E	N	G	⁴² I	N	E
	⁴³ T	A	N		⁴⁴ O	D	D		E		T

Significance of Practical Training

The compulsory provision of practical training is an integral feature of the scheme of education and training for the Chartered Accountancy course. Such a provision, indeed, goes much deeper to the roots of professional ethics and outlook and is the foundation of the Institute's high standing. The provision of practical training concurrently with theoretical education in professional subjects exposes students to diverse practical situations and enables them to acquire skills and expertise which this profession requires. A distinctive characteristic of a chartered accountant is his proven ability to apply his theoretical knowledge to practical situation – a skill which he acquires largely through the practical training which he receives before being admitted as a member of the Institute. Since the inception of the Institute, the provision of compulsory practical training has been central to the overall scheme of education and training.

Some of the obvious advantages of practical training are as under:-

- Builds on the academic qualifications by applying theoretical knowledge in practical situations.
- Exposes the candidates for the dynamic and demanding world of business and helps them to balance their study and work commitments.
- Helps in developing various skills like inter-personal skills in dealing with peers, seniors, clients, initiation, objectivity, communication skills, self-management skills, etc.
- Enhances understanding of different organizations, of how business work, and of work relationships.
- Helps to relate accounting work to other business functions and activities.
- Develops the appropriate professional values, ethics and attitudes in practical, real-life situations.
- Helps in understanding the practical issues faced by businesses.
- Helps in increasing the overall business knowledge.
- Provides broad exposure to variety of areas-accounting, taxation, auditing, finance etc.
- Helps in appreciating the problems in the examinations from a broader perspective.

As per IES 5, "Practical Experience Requirements", practical experience, gained by performing the work of professional accountants, in addition to the acquisition of knowledge through professional accounting education programmes, is considered necessary before candidates can present themselves to the public as professional accountants. Further, it specifies that, "the period of practical experience in performing the work of professional accountants should be a part of the pre-qualification programme. This period should be long enough and intensive enough to permit candidates to demonstrate they have gained the professional knowledge, professional skills, and professional values, ethics and attitudes required for performing their work with professional competence and for continuing to grow throughout their careers."

Deed of Articles

The training relationship between the Principal and the articulated assistant is embodied in the Deed of Articles executed by them. Form 102 is the main contract between the articulated assistant and the Principal. Under this contract, the trainee binds himself to serve his Principal diligently and faithfully and the Principal covenants to instruct the trainee in the best ways and means within his power and to the utmost of his skill and knowledge, and afford him reasonable opportunities and work as may be required to enable him to acquire the art, science and knowledge of Accountancy. The Principal has also to ensure that professional practice is his main occupation and is suitable for him to discharge his obligation. Registration of Articles by the Institute is designed to safeguard the interests of the Principal and the trainee and to ensure that the training is conducted under regulated conditions. A Deed of Articles being a contract envisages performance from both parties. In case any party fails to fulfill his / her obligations under the terms of contract, the same shall amount to breach of contract.

The provision of practical training exposes trainees to diverse practical situations and enables them to acquire skills and expertise which this profession requires. In order to successfully achieve this objective it is incumbent upon the trainee to develop a disciplined attitude, and to be prepared to work hard and acquire necessary skills in applying theoretical knowledge to practical situations. Above all, he should approach the practical training with an open mind and with the objective of achieving the most that he can out of the available opportunities. In fact, the relationship between principal and trainee should be that of Guru - Shishya in the true sense. The trainee should realise his role and discharge his obligations and responsibilities in such a manner as to achieve the objectives of the practical training. The minimum obligations which the trainee is required to accept and confirm as a part of training contract are spelt out in Form 102.

The Regulations of the Institute do not require any Deed between the employer and the audit trainee, since the latter is basically a paid employee of the former. For registering his training, Form No. 113 is required to be filled up and sent to the Institute for registration.

Under the scheme for industrial training, a tripartite agreement in Form No. 104 has to be executed by : (i) the chartered accountant employed by the concern with whom the trainee is to be attached for the purpose of industrial training; (ii) the industrial entity; and (iii) the trainee. This agreement is required to be properly stamped and registered with the Institute.

Secondment/Exchange

In order to expose the trainees at large to multi-disciplinary work and variety of business situations, the arrangement of secondment has been provided in the Regulation 54. The procedure relating to secondment enables an articled trainee to gain practical experience, in areas where the Principal may not be in a position to provide the same, in the office of another member in practice on the basis of a mutually agreed arrangement.

Secondment is allowed with the consent of the articled trainee from one employer to a member who is entitled to train articled trainees in his own right or to a member in industry who is entitled to train industrial trainees. The member to whom the trainee is seconded is not entitled to train more than two such trainees on secondment at a time. The aggregate period of secondment cannot exceed one year which may be served with a single eligible member. The Council may permit secondment with more than one such member provided the minimum period of secondment with any member may be four months and the aggregate period served on secondment with such member does not exceed one year. Where an articled trainee is seconded to a member in industry, the total period spent in industry including the period of industrial training should not exceed one year. During secondment the member with whom the articled trainee is seconded is required to pay the stipend. The member with whom the articled trainee is seconded is responsible for imparting training during the secondment and has to maintain records of practical training undergone by the articled trainee during the secondment and required to forward the same to the principal on completion of period of secondment and the Principal has to include its particulars in the report to the Council under Regulation 64. A statement in the approved form be sent to the Secretary for records within 30 days from the date of commencement of training on secondment.

Apart from the secondment of a trainee from one firm to another firm or to an industry, firms may exchange trainees on mutual basis for a limited period to the advantage of firms and trainees. Such an arrangement is also quite flexible like the scheme of secondment and enables the firms to overcome deficiency, if any, in practical training imparted to trainees.

Imparting Technical and Soft Skills

The Institute has always been conscious of the fact that all those potential students intending to join the Chartered Accountancy Course should be imparted formal training in Information Technology (IT) skills as well as communication skills so as to enhance the effectiveness of Practical Training. As a first step towards this, the Education and Training Scheme for the Chartered Accountancy Course envisages a 35 hours Orientation Programme and 100 hours IT Training before a student is eligible to commence the Practical Training. Having visualized the strength of both these schemes which have been imparted since about last so many years to all students joining the course, the Institute as a proactive measure has decided to give more emphasis on the Information Technology and Communication Skills. Accordingly, students joining articles on or after 1st May, 2012 shall be required to undergo two stage GMCS (GMCS-I and II) instead of only one GMCS as at present for students before enrolment as a member of the Institute. GMCS-I shall have to be undergone by students during first 12 months of Practical Training while GMCS-II can be completed during last 18 months of Practical Training. It is expected that with the introduction of these programmes concurrently with the practical training would sharpen their skills further and considerably enhance their personality development as well. Further, Regulation 51C provides that students shall be required to undergo an Advanced Course on Information Technology Training as per guidelines laid down by the Council of the Institute. It is in this context, a scheme of about 150 hours of Advanced ITT is being formulated for those students who are joining Practical Training on or after 1st August, 2012. They shall be required to undergo 150 hours of Advanced IT Training during their last year of Practical Training but before appearing in the Final Examination. The aim of such advanced training in Information Technology is to provide exposure to the latest updation in softwares like SAP, ERP, etc. Such exposure would not only enhance technical skills of CA students in their attestation work but is also likely to enhance their employability by the industry as well. Accordingly, members are expected to monitor their articled assistants closely so that they undergo GMCS- I & II and Advanced ITT well in time so that they can also reap benefit of the same.

ANNOUNCEMENT

THE S.VAIDYANATH AIYAR MEMORIAL FUND (SVAMF), ICAI - 2014

The Managing Committee of the S.Vaidyanath Aiyar Memorial Fund have decided to award scholarships to 100 students (who are currently undergoing articled training in accordance with The Chartered Accountants Regulations, 1988 and are poor, needy but meritorious) requiring scholarship to pursue the Chartered Accountancy course @ Rs. 1000/- p.m. for one year with effect from 1st April, 2013 to 31st March, 2014 to be paid in lump sum, subject to filing of application for the same.

The eligibility criteria for obtaining scholarship from SVAMF are as under:

- i) Passed 10 + 2 examination with a minimum of 70 percent marks and also have Passed Common Proficiency Test of ICAI in the first attempt
 OR
 Passed B.Com Examination of a recognized University with a minimum of 60% marks.
- ii) Currently undergoing articled training as per CA Regulations.
- iii) Annual income of parents from all sources must be less than Rs. 1.50 lakh.

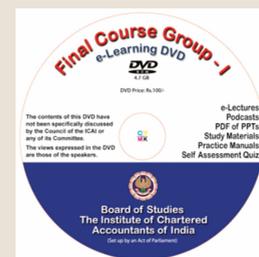
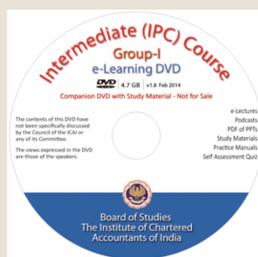
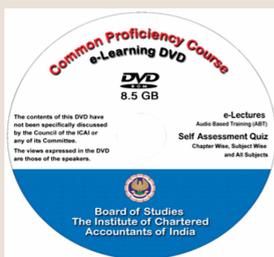
Students who are needy, poor but meritorious and are fulfilling the above criteria may apply for scholarship from the S.Vaidyanath Aiyar Memorial Fund. Students may send their request in the prescribed and duly filled Form to the Member Secretary, S.Vaidyanath Aiyar Memorial Fund at the following address so as to reach on or before 30th April, 2014. The form can be downloaded from website of the Institute www.icai.org.

The Managing Committee of the S.Vaidyanath Aiyar Memorial Fund will consider each of such cases on merit basis and decide at their discretion the amount to be granted from S.Vaidyanath Aiyar Memorial Fund

Member Secretary
S.Vaidyanath Aiyar Memorial Fund
C/ O The Institute of Chartered Accountants of India,
“ICAI Bhawan”,
Indraprastha Marg, New Delhi-110002
website www.icai.org email : cabf@icai.in

e-Learning DVDs for CPT, Intermediate (IPC) and Final Courses

The Board of Studies is pleased to inform availability of e-Learning DVDs, that aim to enable Students to learn at their convenience anytime and anywhere without the need for Internet, waiting for files to download and costs thereto:



These DVDs are a compilation of (1) e-Lectures, (2) Podcasts (MP3), (3) Study Material, (4) Practice Manual, (5) PDF of PowerPoint Presentations and (6) Self Assessment Quiz that have been organized Chapter Wise for the respective papers of CPT, Intermediate (IPC) Course (Group-I and Group-II) and Final Course (Group-I and Group-II), as available on Students LMS (<http://studentslms.icai.org>) at the time of creation of these DVDs. These e-Learning DVDs are available for sale @ Rs.100/- each at Institute Sale Counters in Regional/Branch Offices. Students are encouraged to make good use of these DVDs, to have a better understanding of the subjects and enhance their preparation for forthcoming Examination through the Study Materials issued to them and updated from time to time.

Director, Board of Studies

ANNOUNCEMENT

Empanelment of “Writers” for Chartered Accountants Examination

March 20, 2014

The concessions extended by the Institute of Chartered Accountants of India, to differently abled candidates, in CA examinations, inter alia include a) compensatory time and/or b) writer (scribe). Detailed guidelines in this regard are hosted in the students>examination section of www.icai.org

Institute is in the process of building a panel of writers (scribes), in various cities, who can act as “writers” for differently abled candidates in CA examinations and invites applications from eligible persons who are studying in recognized schools, colleges and other educational institutions for empanelment as “Writers” in the following cities:

Delhi, Mumbai, Chennai, Kolkata, Kanpur, Jaipur, Ahmedabad, Pune, Bangalore, Hyderabad, Chandigarh, Bhubaneswar, Guwahati, Indore and Ludhiana.

The eligibility for becoming a writer is given below:

Examination	Educational Qualification of writer
CPT	10 th class/Matriculation passed.
Final/Intermediate [IPC]	Under Graduate students. (Registered students of CA/CWA/CS course, passed Final examination and a member of the ICAI, ICWAI, and ICSI are not eligible to act as a writer).

A writer will be eligible for a honorarium of Rs. 500/- (Rupees five hundred only) per paper/two sessions of Common Proficiency Test (CPT)

Those who are desirous of empanelling themselves may send their handwritten application in the prescribed (available at the link mentioned above) at the following address, on or before 30th April 2014.

The Additional Secretary (Exams)
The Institute of Chartered Accountants of India
'ICAI Bhawan'
Indraprastha Marg,
New Delhi-110 002

(G. Somasekhar)
Additional Secretary (Exams.)

ANNOUNCEMENT

On Line Articles Placement Portal for selection of Articled Assistants by CA Firms

The Board of Studies of the ICAI has been providing Online Articles Placement facility for selection of Articled Assistants by CA Firms through its Articles Placement Portal on pan India basis. It provides a platform to the firms of Chartered Accountants having vacancies for Articled Assistants to shortlist eligible students for selection of articled assistants, and call them for Interview at their offices, as per date and time convenient to them. The eligible candidates who have passed Group-I or both Groups of the Intermediate (Integrated Professional Competence) Course or have been admitted under the Direct Entry Scheme and are willing to join articled training can register themselves on the portal. **The services to the Online Placement Portal are available free of charge for both CA Firms and students and they can register themselves online through the Portal at <http://bosapp.icai.org>.**

The services on the Portal would be available for two months, twice a year, from the date of registration by the firms. Similarly the bio data of a student will also be available on the portal for a maximum period of 2 months from student's registration. The candidates shortlisted by CA Firms would be informed by e-mails through the Portal, to appear for interview at their respective Offices, at the designated date and time.

Detailed guidelines are available at the institutes' website www.icai.org and on the Portal. In case of any further clarification, please contact the Board of Studies, ICAI Bhawan, A-29, Sector-62, Noida-201309, Tel. No. 0120-3045930/931; eMail: bosapp@icai.org.

Chairman, Board of Studies

Webcasts for Students of Intermediate (IPC) Course & Final Course

The Board of Studies of the Institute has organized Webcasts for the respective subjects of the Common Proficiency Course (CPC), Intermediate (IPC) Course and Final Course; and on “Accounting Standards” and on “How to Prepare for CA Exams” for the benefit of Students. The Subject specific webcasts by leading faculty members aim to mentor Students on the successful strategies to succeed in their forthcoming examinations.

The webcasts aim to take learning and development to the doorsteps of students through a uniform platform across the country. Specific queries/ questions from Students have also been answered to address students’ requirements. Details of the webcasts currently available are given at the end of this announcement.

The schedule of forthcoming webcasts and links to access available webcasts would be available on the Institute’s website at the link http://www.icai.org/new_post.html?post_id=9630&c_id=344 and updated from time to time.

Students of the CA Course are encouraged to make good use of this opportunity to learn from and interact with the eminent speakers on the topic. Students are also encouraged to view recorded webcasts and the Online e-Learning facility available on Students Learning Management System at <http://studentslms.icai.org> to learn anytime from anywhere.

Director, Board of Studies

Forthcoming Live Webcasts Schedule

Date	Time	Webcast Topic	Faculty	Link/ URL
April 5	1.00-3.00 p.m.	Amendments in Final Course Paper-7: Direct Tax Laws	CA. Vinod Gupta	http://icaitv.com/live/icai050414
	3.00-5.00 p.m.	Amendments in Final Course Paper-8: Indirect Tax Laws	CA. Bimal Jain	

ANNOUNCEMENT

Conducting of Mock Tests and Special Counselling Sessions – for Intermediate (IPC) and Final Course students for May, 2014 Examinations

With a view to further encourage the students to evaluate their preparation for the examination, the Board of Studies has prepared Mock Test Papers for Intermediate (IPC) and Final Course students to assess their preparation for the main examination to be held in May, 2014. All our Regional Councils and Branches have been advised to conduct Mock Tests under examination conditions and ‘Special Counselling Sessions’ for the benefit of Intermediate (IPC) and Final Course students in the months of March “ April, 2014.

Students are advised to contact the respective Regional Councils/Branch(es) to ascertain the exact date(s) and venue for the Mock Tests and ‘Special Counselling Sessions’ so as take advantage of the same which will help them to assess their preparation for the main examinations.

Director, Board of Studies

ANNOUNCEMENT

ICAI Four Weeks Residential Programme on Professional Skills Development at the Centre of Excellence, (COE), Hyderabad

The Board of Studies is pleased to announce two batches (24th and 25th Batch) of Four Weeks Residential Programme exclusively for Men, on Professional Skills Development at the Centre of Excellence, (COE), Hyderabad from June 13, 2014 to July 10, 2014.

The programme offers a unique opportunity and would focus on development of communication skills, leadership skills, personal traits for effective functioning in business organization and profession. More emphasis is given on soft skills, developing personality trait and communication skills of the participants.

For online registration and further details visit the Board of Studies Announcements under the Students Icon on the Home Page of ICAI website www.icai.org -<http://220.227.161.86/32838bos22622main.pdf>

Director, Board of Studies

Succeeding against the Odds...

Some are born great; some achieve greatness through firm dedication and single minded devotion. But they are rare who can triumph a tragedy – a serious physical disability and make a mark for themselves as a music maestro and a professional Chartered Accountant. Bhushan Toshniwal has faced his own obstacles and was able to achieve success as a result of his constant perseverance and ability to transform his mindset. A naturally gifted strong-willed Bhushan Toshniwal is one of those rare personalities, who has not only excelled as a noted singer but has also become a Chartered Accountant despite being blind. A resident of Pimpri Chinchwad in Maharashtra, 27 years old Bhushan passed his CA Final Examination in May 2011.

We spoke to Bhushan about his success against all the odds. The questions and their responses are included in these pages. Bhushan's success story is an inspiration for all those who pursue their professional careers.

Q. Now you have become a professional Chartered Accountant. Can you just elaborate on the perceptions you had about the CA course before joining it?

Ans. My Father Nandkishor Toshniwal is a practicing Chartered Accountant. I heard many things about the course from him; I was often told that it's a very tough course, requiring rigorous study, and the results are also pretty less percentage. So I was quite fearful of the course, and till my 12th standard. never thought of doing it.

Q. What and who motivated you to join the CA course despite your challenging situation?

Ans. I stood 11th in the merit list of Pune Board in my HSC commerce examination. I was considering various options available before me, like LLB, MBA, etc. I had scored 96 marks in **German** in the 12th examination and wanted to continue the study of that language.

One fine day, one of my MTS Guide Prof. G.C. Kulkarni called me and after congratulating me on my achievement, asked me about my future plans. I told him the above mentioned options. He said that these are ok, but why don't you go for CA course like your father? He further asked me, what you are going to do after studying German. I said, "I'll be a translator." As he knows me as MTS scholar, he said, "A person of your caliber shouldn't spend time translating, instead of that people should translate whatever you have written."

This encouraged me to go for this tough course. Also my father played important role in motivating me. He thought, in spite of various difficulties, I would be able to become a CA. in this way, my parents and

my teachers motivated me to try this course.

Q. Did your challenging situation ever come in the way of your completion of the CA course?

Ans. When I started doing this course, I had to face a lot of skepticism from people. Many doubted my chances of clearing this course. People also used to be curious about, how will I be able to work after becoming a CA. Questions were also raised, about what sort of work I was going to do.

Besides that, there were various difficulties like lack of any material in Braille/audio format. This means, that I had to depend on my reader's availability. The assistive technology, which I use now, was not as much developed at the time, as it is today. So I couldn't read from the internet.

The availability of the writers was also a huge problem, which I had to cope-up with for every examination. People were reluctant to write the examinations, as they thought that I may lose marks if they made mistakes. Also it was hard to find one scribe for writing all the papers of an examination. I and my parents had to devote a considerable amount of time to train the scribe to read the questions properly and to get our co-ordination in order.

Since I was unable to draw graphs/diagrams on my own, I lost some precious marks.

I had prepared Graduate writer for final examination. Who had written previous Examination as well. But a day before the examination, I got a letter from the Institute, informing me that, I would be allowed to have an under-graduate writer. I had to change my writer a few hours before the examination, which resulted in my failure in that attempt.

Q. If yes, how did you cross the hurdles?

Ans. My parents and friends played a very important role in my studies. My mother read for me. We used to do practical subjects like accounts, costing etc. orally. This meant that I visualized in my mind, how to tell my writer in a correct order, in correct words and formats the various things, so that my presentation should be proper.

At the time of my CA final examination, I used to read accounting standards, auditing standards from ICAI site. I used to read the other theory parts such as various laws, rules etc. from internet. I was lucky enough to get helping hands whenever I required them



"Whatever the mind of man can conceive and believe, it can achieve. – Napoleon Hill"

the most. My friends, a few neighbors read for me, whenever they could find time.

I did not join any class CA examinations, and relied on self-study. I used to refer our institute's modules for my studies. By solving problems from the modules, I used to understand concepts thoroughly.

Q. According to you, what difficulties you faced during your articleship?

Ans. As I mentioned above, because of the skepticism, people were reluctant to have me as their article. In my earlier years, I got very limited exposure. Since lack of necessary assistive technology, I had to rely on other articles' help.

Q. What and how are the facilities provided by the ICAI in terms of examinationinations, courses like ITT, orientation programme and the GMCS courses?

Ans. There is exemption for IT training for visually challenged students. For examinations there's extra 1/1.5 hrs time given. I also recommend the ITT as well to gain the computer Skill and Knowledge.

I feel that GMCS is a very important course in order to facilitate better management, communication and leadership skills. So every student should take advantage of the course.

Q. Do you feel that there is a difference between you and other Chartered Accountants on positive side?

Ans. Yes, since being visually impaired, we have fewer distractions. Our concentration, our grasping and memory powers are comparatively better used. Since we find jobs hard to come by, we try to make the most of the opportunities presented to us by working harder and continuously upgrading ourselves. With the available assistive technology, we give equal or at times even more output to our clients within the same time.

Q. Who are the key personalities to whom you would like to attribute your success?

Ans. My mother Vijaya. Who studied, read and explained 24/7. Her sincere and hard efforts paid the dues. Had she been appeared for the CA examination, she would have been cleared along with me.

As I mentioned above, my father Nandkishor, and my teachers motivated me to do this course. My friends and parents read and helped me thoroughly all the practical subjects.

My principal, CA. S.G. Mundada sir supported and imparted valuable training during the articleship. CA. S.B. Zaware sir, who supported and guided me from time to time regarding various difficulties, issues.

These are the people who stood by me through all the thick and thin, through all the hard and soft, they believed in my ability, in spite of various hindrances,

which occurred from time to time. They showed confidence in me.

I feel that my becoming CA is *their success* and not mine alone. I credit my success to all these people and my well wishers.

Q. Where do you see yourself and what are your aspirations and goals as a practicing Chartered Accountant?

Ans. Presently I am working with Videocon Company as a finance and accounts officer, as I want to have some corporate experience. Afterwards, I wish to continue my father's practice, and start my own consultancy firm as well.

Q. There are lots of awards and citations in your credit. How did you managed all those side by side?

Ans. Since my childhood, I was fond of singing. I started learning at the age of 4 and half years. I gave my first performance at a Renowned Programme the age of 5 in which I sang 5 ragas, highly appreciated by the legend. I sang in the prestigious **Sawai Gandharwa mahotsav** Kundagol at a tender age of 7 yrs. I won the reality show Tak dhina dhin at the age of 11. In this way, my musical journey started. When I decided to do CA, I had to manage time so as I could do justice to both i.e. CA course and Singing. I used to practice in the morning, which motivated me immensely for my CA studies. I reached semifinals of the reality shows like **IDEA SA RE GA MA PA, Maharashtra Sangeet Ratna on various channels and was praised by various legends** in the field of music.

I won many awards for best performances such as Swarabhushan award, Swami Vivekanand Puraskar, Swami Dayanand Saraswati Puraskar, Dnyanaratna Puraskar, [first recipient of this award.] YOVA GOURAV Award, RASTRA GOURAV Award, among others.

I got Govt. of India scholarship for Vocal classical. I had the privilege to perform at various prestigious programmes allover India. I sing both **Hindustani, and Carnatic classical and semi classical music**, and still continuing training in various branches of music from renowned singers like Bhajan Samrat Padmashree **Anup Jalota**, Padmashree **Padmaja Fenani Joglekar**, **Ustad Abdul Rashid khan**, **Dr. Kashyalkar**, **Pandit P. Kulkarni**, **Jailaxmi K.** etc.

As a Motivational Speaker, I delivered various speeches at Companies, CA Conferences and several Colleges across the country.

After coming back from work, I practice music, which becomes quite a tedious thing at times, but where there is a will there is a way: Where there is problem there is a solution.

(Contributed by Editorial Support Team)

"I attribute my success to this: I never gave or took any excuse. – Florence Nightingale"

CROSSWORD

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ACROSS

- Under the Companies Act, 2013, alternate director can only be appointed in case a director leaves India for not less than ___ months.
- Under customs law, vehicle means conveyance of any kind used on _____ and includes a railway vehicle.
- In _____ transmission, the data bits are transmitted serially one after another.
- An instrument in writing purporting to effect some legal disposition.
- _____ is a computational program designed to generate a sequence of numbers or symbols that lack any pattern, i.e. appear random.
- An internet slang.
- Desire
- If butter symbolizes consumer good, _____ symbolizes capital good.
- To fall into someone's _____ means to become caught in someone's scheme.
- Roman numeral for 200.
- _____ Rules have been notified by the CBDT in September 2013 and the determination of arm's length price shall be subject to such rules.
- An initiative by WHO dedicated to the study of eHealth—its evolution and impact on health in countries.
- Short form of permanent waves.
- A European research organization whose purpose is to operate the world's largest particle physics laboratory.
- One of the mobile operators in India.
- _____ chart: A circular chart divided into sectors, illustrating numerical proportion.
- A very long period.
- _____ media provide a conduit from one device to another.
- A Technology developed by NSA, America which is supposed to control human brain.
- A central spot or gathering place in ancient Greek city-states.
- A statutory body for regulating the profession of company secretaries.
- One of the factor payments.
- A measure for measuring a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested.

DOWN

- Something inherited from the past.
- The banking organizations being operated in different states of India created specifically to serve the rural areas.
- Under the Companies Act, 2013, the company shall be liable to pay simple interest at the rate of ___% p.a. during the period for which default of payment of dividend continues.
- The term _____ is Medieval Latin, translated as in the year of the Lord.
- Gross income minus depreciation is _____ income.
- One of keys on the keyboard.
- Roman numeral for 601.
- Under the SEBI Act, 1992, a person aggrieved by the order of the Securities Appellate Tribunal may file an appeal to the __ Court.
- A network security standard that attempts to allow users to easily secure a wireless home network.
- Common set of accounting principles and standards.
- CSTs are collected by the State Governments from which the movements of the goods _____.
- The power to levy _____ duty is conferred by Entry 83 of Union List of Seventh Schedule to the Constitution.
- While attaching documents with DIN 1 application, copy of passport is mandatory as an id proof in the case of _____ nationals.
- An authority who audits all receipts and expenditure of the Government of India and the state governments.
- When we divide total income by the number of people we get _____ capita income.
- An international financial institution which grants loans at concessional rates to the poorest of poor nations.
- One of the major trade partners of India.
- _____ symbolizes full stop.
- Spanish word for river.
- That is in Latin.



ICAI President, CA. K. Raghu handing over the MoU for launching ICAI TV to Shri Praveen Prakash, JS(TEL) Ministry of Human Resource Development in the presence of Dr. M. M. Pallam Raju, Hon'ble Minister of HRD and Shri Ashok Thakur, Secretary Higher Education, MHRD, while Central Council Members, CA. Sanjiv Kumar Chaudhary and CA. Naveen N.D. Gupta share the moment.



Union Minister, CA. K. Rahman Khan Lights the Lamp to inaugurate the 64th Annual Function of ICAI in the presence of CA. K. Raghu, President, ICAI, immediate past President, CA. Subodh Kumar Agrawal and Shri T. Karthikeyan, Secretary, ICAI.



ICAI President, CA. K. Raghu at the Seminar on "How to Write CA Examination" held in Hyderabad. CA. Devaraja Reddy, M, Chairman, Board of Studies also seen in picture.



ICAI President, CA. K. Raghu addressing the Orientation Programme organized by CMII in New Delhi. ICAI Vice President, CA. Manoj Fadnis and Central Council Member, CA. Tarun J. Ghia also seen in picture.



ICAI President, CA. K. Raghu addresses the students during his visit to Udupi Branch of SIRC of ICAI. ICAI Vice President, CA. Manoj Fadnis among others seen in picture.



ICAI President, CA. K. Raghu launches the mobile app ICAI Now. ICAI Vice President, CA. Manoj Fadnis, Central Council Members, CA. V. Murali and CA. Tarun J. Ghia also seen in picture.



ICAI President, CA. K. Raghu launches ICAI Knowledge Gateway. ICAI Vice President, CA. Manoj Fadnis, immediate past President, CA. Subodh Kumar Agrawal and Central Council Members, CA. Babu Abraham Kallivayalil, CA. Tarun J. Ghia, CA. V. Murali, CA. Abhijit Bandyopadhyay, CA. Shrinivas Y. Joshi, Board of Studies Chairman, CA. M. Devaraja Reddy and Vice Chairman, CA. Prafulla P. Chhajed among others seen in picture.



ICAI President, CA. K. Raghu with the newly qualified Chartered Accountants at the Orientation Programme organized by CMII in New Delhi.



ICAI President, CA. K. Raghu and Vice President, CA. Manoj Fadnis with the students of Belgaum branch in Karnataka. CA. Devaraja Reddy, M, Chairman, Board of Studies and Central Council Member, CA. Babu Abraham Kallivayalil among others seen in picture.



ICAI President, CA. K. Raghu and Vice President, CA. Manoj Fadnis with the students of Hubli branch in Karnataka. CA. Devaraja Reddy, M, Chairman, Board of Studies and Central Council Member, CA. Babu Abraham Kallivayalil among others seen in picture.