

SUMMARY OF EXAMINERS' COMMENTS ON THE PERFORMANCE OF CANDIDATES

PAPER – 5 : ADVANCED ACCOUNTING

General Comments

The performance of the candidates was not satisfactory. Questions based on practical application of Accounting Standards have not been answered well. It is also observed that the candidates neglect the theoretical aspects of the subject; they should go through the study material carefully. Adequate practice of solving practical problems is essential to acquire command over the fundamentals of the subject. The candidates must present their answers in organized manner and solutions to practical problems should be given in prescribed formats along with suitable working notes. Answer to the same question were scattered at many places in answer sheets of the candidates. It is advised that all parts of a particular question should be attempted at one place. It is suggested that the question paper should be gone through carefully before writing the answers.

Specific Comments

Question 1 Satisfactory performance was observed in the question except for parts (i),(ii), (iii), (iv), (vi), (ix). Majority of the candidates did not substantiate their answers with the relevant provisions of the accounting standards.

Question 2 Few candidates erred in computation of purchase consideration and goodwill and consequently, were not able to give the correct balance sheet of the amalgamated company.

Question 3 Majority of the candidates failed to compute the correct amounts of general reserve, securities premium and cash balance of Dee Ltd. as at 31st march, 09 after giving effect to right issue and redemption of debentures. They could not calculate the number of shares issued and cash paid and therefore, the correct balance sheet was not prepared.

Question 4 Many candidates did not understand conversion process of UK pound into Indian rupees for trial balance of a foreign branch. Some candidates also converted H.O. balance and goods from H.O. at the year end exchange rates instead of considering their balances from H.O. books. Because of these errors, they could not prepare trading and profit and loss account and balance sheet of branch in H.O. books.

Question 5.(a) Most of the candidates were not aware of the format of profit and loss account prescribed for banking companies. They did not classify incomes and expenses under schedules 13, 14, 15 and 16. Few among them erred in computation of provision for non-performing assets, tax provision and transfer to statutory reserve.

(b) Majority of candidates failed to give the required journal entries related to premium on buyback and creation of capital redemption reserve. Consequently, they could not prepare the balance sheet of Dee Ltd. as on 1st April, 08 after buy back of shares.

INTEGRATED PROFESSIONAL COMPETENCE EXAMINATION: NOVEMBER, 2009

Question 6.(a) Few candidates erred in calculation of profit on realization and the final settlement amount paid to the partners.

(b) The answers of the candidates exhibited lack of knowledge of the provisions of AS 16 "Borrowing costs" and AS 20 "Earnings per Share". In sub-part (i), only few candidates computed the correct amount of interest amount capitalized. For sub-part (ii), most of the candidates were confused regarding treatment of buy back of shares. They were not able to compute the weighted average number of shares and thus failed to arrive at the correct amount of basis earnings per share.

PAPER – 6 : AUDITING AND ASSURANCE

General Comments

Many of the candidates failed to understand the question carefully and so, the answers were not in tune with the questions. Answers to the practical problems in many cases were neither concise nor logical. Many of the candidates lack a command of English language and presentation skill. Handwriting of many of the students appeared illegible. Many of the candidates who answered all the questions within the main answer book have secured better marks than those who used many additional sheets. Some candidates tend to indulge in selective studies instead of paying attention to on the entire syllabus; hence, the students answered some questions extremely well but were left perplexed by other questions, forcing them into guess work instead of answering to the point.

Specific Comments

Question 1. Most of the students have done this part of the question well.

Question 2.(a) Many students have not answered this question correctly and their answers were in general.

(b)(i) Many students have been confused over this part of the question and have answered wrongly referring to AS 10 instead of AS 26.

(ii) Many students' answers were correct. However a few students have given vague answers.

(c) Most of the candidates have performed this part of the question well.

Question 3. Many students have answered well this part of the question, while a few students have given just the main points and did not elaborate their answers. A few students were confused, wrongly referring to AS 1.

Question 4(a) Poor performance of the students could be witnessed in this part of the question.

(b) Majority of the students' answers were irrelevant.

SUMMARY OF EXAMINERS' COMMENTS

Question 4.(a) Many students have discussed income, expenses, assets and liabilities instead of discussing the audit procedure to be followed while auditing Hotel accounts.

(b) Majority of the students were confused and discussed the method of calculating depreciation instead of mentioning the disclosure procedure as given in AS 6.

Question 5.(a) The performance of the students was found satisfactory.

(b) Many students have answered well. However, a few students failed to give relevant provisions and explanations.

Question 7.(a) Many students did not understand the filling up of vacancy in case of joint auditor, hence their answers were wrong.

(b) Only a few students have answered this part of the question correctly., while majority of the students have given wrong answers.

(b) Alternative: Many students' answers were general while some students wrongly referred to the method of vouching regular sales.

(c) Majority of the students have performed this question well. A few students have discussed the routine bank vouching and no specific details relating to overdraft were given.

Question 8.(a) Poor performance of the students could be witnessed in this part of the question.

(b) Performance of the students was found satisfactory. A few students did not understand the cut off arrangement.

(b) Alternative: Many students have attempted this question. However a few students' answers were found irrelevant.

(c) Most of the students have wrongly gone on discussing appointment, remuneration and removal instead of duties and powers of C&AG.

PAPER – 7 : INFORMATION TECHNOLOGY AND STRATEGIC MANAGEMENT

SECTION – A : INFORMATION TECHNOLOGY

General Comments

The examinees of IPCC are lacking in conceptual understanding was comparatively low and there is a scope for further improvement of the subject hence, most of the candidates attempted the paper without adequate preparation. Examinees have to improve the subject knowledge as well as language skills for better performance. Examinees are advised to study the prescribed study material in depth. For giving appropriate answer, understanding of the technical terms with relation to information technology is required.

INTEGRATED PROFESSIONAL COMPETENCE EXAMINATION: NOVEMBER, 2009

Specific Comments

Question 1.(a) Almost all the examinees answered this question but not given satisfactory explanation, especially to touch screen, Layer 3 (Network Layer), Data Dictionary. Data Dictionary was referred as Literary Dictionary and USB (Universal Serial Bus) was misinterpreted as UPS (Uninterrupted Power Supply).

(b) Most of the examinees answered this question but not up to the expected level. Specially, in case of transaction log, the explanation was not satisfactory. Random Access was misinterpreted as RAM (Read Only Memory).

Question 2.(a) The performance of the examinee was not satisfactory. Examinees neglected the study materials and gave general answer. In some cases, image processing was misinterpreted as photo printing.

(b) Performance was satisfactory, except that, many of the examinees explained components of DSS instead of characteristics of DSS.

Question 3.(a) Performance of the examinees was found to be moderate. In most of the cases the factors to be considered for best file organization were not either listed or explained properly by the examinees.

(b) Some of the candidates failed to properly explain the meaning of Electronic Data Interchange.

Question 4.(a) Lack of conceptual clarity and proper presentation was noticed while writing the output sequence of the given flowchart.

(b) Most of the examinees answered this question, but examinees made mistakes in calculations within the loop.

Question 5.(a) Majority of the examinees answered this question on ring network quite fairly.

(b) Most of the examinees misunderstood the concept of Caching Server and Proxy Server and have given vague answers.

SECTION – B : STRATEGIC MANAGEMENT

General Comments

- ◆ In few cases, it was brought to notice that the examinees have not provided proper question numbers.
- ◆ Some candidates gave vague answers. It is advisable to be specific and not write irrelevant answers.
- ◆ Handwriting of many examinees was illegible.
- ◆ Analytical and planned presentation was missing in most cases.

SUMMARY OF EXAMINERS' COMMENTS

Special Comments

Question 6. Although majority of the candidates were able to provide answers in terms of correctness or incorrectness of the statements, they were not able to substantiate their answers with adequate and valid reasoning. Problems were more in part (b) related to corporate culture and part (c) related to opportunity and challenge in "change".

Question 7. The answer of the examinees reflected that most of them were not aware about the relevance of TOWS matrix in strategic planning process. Part (b) was not well attempted by the examinees which was related to the framing of the mission statement of a company.

Question 8. Majority of the candidates attempted this question but only few of them were able to explain Porters five forces correctly. The overall performance of the examinees in this question was average.

Question 9. This question was divided into three parts. Most of the examinees were able to explain six sigma but for part (b) which was related to differentiate six sigma with other quality programs and part (c) which was related to six sigma themes were either not attempted by the candidates or they gave vague answer for them.

Question 10. Being a case study, the answers varied. There were five Questions asked to the candidates in the case study. The conceptual part was alright but application part was found wanting. The candidates secured good marks in conceptual part of each question but they could not obtain good marks in application part. There was a general leave of articulation on the part of students hence students could obtain average marks. However, some students attempted this question extremely well and obtained as high as 17-18 marks.