ANALYSIS OF CA FINAL EXAMS

Class of 2010 November

......A Prime Academy
Research Report

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Source:
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How did "Class of 2010N (CA Final-Old)" Fare

Like most examinations, the chartered accountancy examination is also shrouded in secrecy. While the Institute of Chartered Accountants of India (ICAI) does provide some inputs on the examination results, by and large, some of the finer details are not available for public consumption. The comparables are with November 2009 exam.

This Analysis of the November 2010 CA Final examination is intended to provide answers to a few pointed questions. Like:

- what the pass percentages are;
- how many failed courtesy "aggregate",
- what was the quality of the candidates explained in terms of the marks scored;
- where did the candidates fail;
- did they fail marginally or spectacularly;
- which were the success subjects.

How did we do the Analysis?

We began by ascertaining how many took the exam. In statistics, this is called the "population". To ascertain this we looked into the ICAI's exam result website which says "Enter your five digit roll number". So we tested out for a candidate with a Roll No 00001; got a response and then in random checked out to find that there were no numbers beyond 33598. Hence our ball park estimate is that about 33,600 candidates took the examination.

Random Sampling

"4% error estimate and 99% confidence level" means that if the check is repeated, then 99 out of 100 times the results would be this way or that by a maximum of 4% in relation to the results that we get out of using this sample.

The next step was to decide the sample size. Surely it would not make sense to tap data of all the 30,000 odd candidates. The solution lay in applying the principles of sampling which auditors, psephologists and other analysts swear by. A software that we use suggested that for a 4% error estimate and a 99% confidence level the sample size should be 1007. To us that was fine.

For simplicity we rounded off the number to 1,000. We then used the random number table generated by the software to decide on the candidates whose marks we would tap. Interestingly, 163 of the numbers selected did not appear in the ICAI exam result list. This could perhaps mean that 16.3% of the candidates did not elect to take the exams that they were supposed to take. We substituted this with a fresh set of 163 numbers, again using the Random Number Table generator.

Success Rate

Success rate is 27.3% over all, in the sense that of every 1000 candidates who took the exam, 273 found success in one group or the other.

What are the Findings?

We break the findings into 5 parts

PART 1: Passes-Good and Pathetic

The first critical number is the pass percentage. It is easy to define "pass percent" in respect of candidates who took both Groups of CA final, the definition of "pass percent" of a Group can be tricky. We have chosen to look at it in two ways. One, to show the pass percent of those who take "one Group" only. And two, to show the pass percent of those who "Appeared in the Group" a k a composite results.

Table 1: Pass Percentage

Appeared	November 2010			November 2009		
	Total	Passed	Percent	Total	Passed	Percent
Group 1 and passed Group 1	235	49	20.85%	163	24	14.7%
Group 2 and passed Group 2	448	110	24.55%	349	42	12.0%
Both Groups	317			488		
Passed Group 1 only		59			77	15.8%
Passed Group 2 only		10			9	1.8%
Passed Both Groups		45			37	7.6%
Total	**1000**	**273**	**27.3%**	**1000**	**189**	**18.9%**
Composite Result						
Group 1*	552	153	27.71	651	138	21.2%
Group 2*	765	165	21.56	837	88	10.5%
Total	**1317**	**318**	**24.14%**	**1,488**	**226**	**15.2%**

* Including those who wrote both groups

"Took Group 1 only" would mean that the candidate wrote that Group only and did not take the other group. "Took Group 2 only" would mean that he wrote that Group only and did not take the other group.

"Appeared in Group 1" (a k a composite result) would include those who took both groups. "Appeared in Group 2" (a k a composite result) would include those who took both groups. Ditto when it comes to number of people who passed that group.

For example, if 100 candidates took Group 1 only, 150 took Group 2 only and 75 took both groups, the number of candidates who "Appeared in Group 1" would be 100 + 75 = 175 while the number who "Appeared in Group 2" would be 150 + 75 = 225. And if 30 passed Group 1 only, 20 passed Group 2 only and 15 passed both Groups,

Which attempt?

Unfortunately there is no way that we could find how many qualified during the current exam. For, there would be some who had passed one Group earlier and now were passing the other Group.

the number passing Group 1 would be 30+15 = 45, the number passing Group 2 would be 20 + 15 = 35.

This we believe is the appropriate way of assessing pass percent of a Group.

A few quick conclusions follow from Table 1:

- The results are comparitively better compared to November 09. To understand this we need to understand the number 1317 in our table. If one candidate took both groups he is counted as 2 candidates. From that stand point there are 1317 candidates. If a candidate passes both groups, it's counted as 2 passes. This gives a result of 24.14% which is a second indicator of success rate.
- At 27.71%, the Group 1 result (including those who wrote both groups) is good while at 21.56%, the Group 2 result is slightly lower.

PART 2: Success delayed, not denied

Table 2:

% of Failure	GROUP 1			GROUP 2		
Failed in	**Nov 10**	**Nov 10**	**Nov 09**	**Nov 10**	**Nov 10**	**Nov 09**
One subject	126	22.8	22.9%	142	18.6	18.4
Two subjects	108	19.6	21.8	140	18.3	21.6
Three subjects	63	11.4	16.4	163	21.3	22.1
Four subjects	45	8.2	12.9	112	14.6	25.0
Aggregate	57	10.3	4.8	43	5.6	2.4
Passed	153	27.7	21.2	165	21.6	10.5
TOTAL	**552**	**100%**	**100%**	**765**	**100%**	**100%**

"How can the candidate be said to have passed in all the subjects of a Group and then said to have failed the Group" is the refrain. "You can't say that the candidate has done well in all the subjects and then say he has not done well!" In other words, these men look at the passing requirement as having two thresholds; first a 40 and then a 50. Is that view necessarily right?

Table 3:

% of Failure	GROUP 1			GROUP 2		
Failed in	**Nov 10**	**Nov 10**	**Nov 09**	**Nov 10**	**Nov 10**	**Nov 09**
One subject	126	31.6%	29.0%	142	23.7	20.6
Two subjects	108	27.1%	27.7%	140	23.3	24.2
Three subjects	63	15.8%	20.9%	163	27.2	24.7
Four subjects	45	11.3%	16.4%	112	18.7	27.9
Aggregate	57	14.3%	6.0%	43	7.2	2.7
TOTAL	**399**	**100%**	**100.0%**	**600**	**100%**	**100.0%**

Some argue that a candidate cannot be said to have failed a group when he has passed each subject in the group. Our view is that this is a faulty way of looking at things. The pass mark

Per subject should be looked at as being 50 instead of 40 with the rider that the ICAI offers him a concession if he goes down by as much as 10 marks in any or many subjects so long as he compensates for the shortfall by scoring in other subjects! In other words, we look at the passing requirement as having only one threshold; namely 50 followed by a safety net of 40.

Arguments notwithstanding, a look at how many didn't win because they didn't win in a subject or because they didn't cross the threshold aggregate is worth looking.

Aggregate Clause

Why did a candidate fail the exam? Was it because he failed in a subject or was it because he failed to crack the "aggregate" code? The "aggregate" clause has historically drawn a lot of flak amongst people; not just amongst the student community but amongst the academia as well.

There is a very simple but very powerful message in this for ICAI. Market the examination this way, and there will be no “aggregate” complaint. In-fact, it would receive a compliment.

Arguments notwithstanding, a look at how many didn’t win because they didn’t win in a subject or because they didn’t cross the aggregate is worth looking.

Here are a few observations:

- In Group 1, 10.3% of the total candidates who failed, failed because they did not get the overall total of 200 in that Group, In other words they got their 40 in each subject but not the overall total of 200. In Group 2, 5.6% of the total candidates who failed, failed because they did not get a total 200 in that Group. We believe these percentages are too small for anyone to cry foul over the aggregate clause.

- The extent of failure in Group 2 is a lot more alarming than that in Group 1 with more than 69% of the failed students failing in 2 or more papers. The corresponding number in Group 1 is 53%.

The debate

The pass percent for Group I when a candidate sits for both Groups is remarkably better than that if he sits for Group I only. (27.71%vs. 21.2%). The pass percent for Group 2 when a candidate sits for both Groups is marginally lower this time than that if he sits for Group 2 only. (21.56% vs. 24.55%). Whether this means that those writing both Groups sit a better chance of passing a Group or whether they are inherently better students is a matter of debate.

PART 3: The Marks Story

To understand the quality of performance it is instructive to look at the class interval of marks. This tells a very revealing story.

The range of marks scored in each subject is captured in Table 4.

Table 4: Range of Marks

Nov 2010	GROUP 1				GROUP 2			
Range	**ACCTS**	**MAFA**	**AUDIT**	**LAW**	**COST**	**MICS**	**DTAX**	**IND TAX**
0-9	0	5	0	4	0	9	1	4
10-19	11	14	23	14	12	53	23	29
20-29	39	41	61	56	85	97	98	96
30-39	87	87	150	114	233	156	245	185
40-49	179	149	245	220	258	188	274	251
50-59	161	101	59	103	146	150	94	133
60-69	68	132	8	33	27	94	17	49
70-79	7	20	0	1	2	10	0	2
80-89	0	0	0	0	1	0	0	0
90-99	0	0	0	0	0	0	0	0
Absentee	0	3	6	7	1	8	13	16
Total	**552**	**552**	**552**	**552**	**765**	**765**	**765**	**765**

Nov 2009	GROUP 1				GROUP 2			
Range	**ACCTS**	**MAFA**	**AUDIT**	**LAW**	**COST**	**MICS**	**DTAX**	**IND TAX**
0-9	0	6	0	2	7	21	3	7
10-19	6	21	11	13	88	61	33	53
20-29	95	65	80	51	279	111	140	134
30-39	229	82	210	153	273	185	257	195
40-49	227	108	231	301	151	227	249	248
50-59	77	130	77	93	31	123	112	123
60-69	15	156	19	14	4	89	24	49
70-79	0	58	0	0	2	5	1	3
80-89	0	8	0	0	0	0	0	0
90-99	0	0	0	0	0	0	0	0
Absentee	2	17	23	24	2	15	18	25
Total	**651**	**651**	**651**	**651**	**837**	**837**	**837**	**837**

The performance is clearly best in Accounts and MAFA not only in terms of the pass percent in that subject but also in the scoring rate (60 and above) though it has decreased in comparison to the Nov 2009 exam. The next best overall performance is in Law followed by Audit.

Pass Percentage and Scoring Rate

Table 5: Group 1

Subject	Accounts	MAFA	Audit	Law
Nov 10				
Pass percent	74.81%	72.46%	56.34%	64.67%
Above 60%	13.58%	27.53%	1.44%	6.15%
Nov 09				
Pass percent	49.0%	70.7%	50.2%	62.7%
Above 60%	2.3%	34.1%	2.9%	2.2%

When you compare the above tables you see that the percentage of students scoring past 60 remains consistent for Auditing. There has been a significant increase in pass percent for all the subjects.

Table 6: Group 2

Subject	Cost	MICS	D Tax	Ind Tax
Nov 10				
Pass percent	56.2%	57.64%	50.06%	56.60%
Above 60%	3.92%	13.60%	2.22%	6.67
Nov 09				
Pass percent	22.5%	53.0%	46.1%	50.5%
Above 60%	0.7%	11.2%	3.0%	6.2%

In Group 2, the results, have been stable over all the subjects with MICS a shade better. Direct Tax and Indirect Tax managing to climb the pass ladder. MICS always plays the safe zone kid where students score good marks to raise their total. The number of people scoring over 60 is negligible except in MICS similar to the previous exam. If the performance in the three core subjects of CA namely Direct Tax, Auditing and Accounts are border-line there is something for the ICAI to sit up and take notice.

A slew of numbers in respect of each subject is computed to understand the quality of performance.

- The mean or the average marks gives a general idea of the performance of the student. This average is just short of 50 in the case of MAFA where last time it was exactly 50. In the case of Audit, Direct Tax it is less than 40. Cost Management raises to 41 this time around. The average in Indirect Tax, Law and Accounts is reasonable better this time when compared to Nov09 where it was below 42.

- The average marks can be misleading. It can hide the overall performance on account of extremes at either end; big daddies and poor performers. The median mark is far more interesting because it tells you what was the mark which 50% of the candidates got. Very interestingly there is no material difference subject wise in the mean and the mode. Indicating that the performance of the class was generally uniform. The CA collegium is homogeneous.

- There have been zeroes scored in some subjects. Sad but true.

- It can be disappointing to get 39 in a subject. 21 candidates got just that in Costing and MICS; while 14 of them in Direct tax. It is another matter that none of these candidates did really well in other subjects to generate a sympathy factor.

Best in class

The best marks in each subject from our sample

Table 7: High, Med, Low:

Nov 2010	Mean	High	Low	Med	Mode	Subject 39
Accounts	46	77	11	47	52	12
MAFA	48	76	4	48	43	3
Audit	39	66	10	40	40	2
Law	42	71	0	42	40	0
Total Group 1						
Cost	41	80	11	41	41	21
MICS	42	78	6	43	43	21
Direct Tax	39	65	0	40	45	14
Indirect Tax	41	75	0	43	43	0
Total Group 2						
Grand Total	**257**	**512**	**34**	**344**	**400**	**NA**

Nov 2009	Mean	High	Low	Med	Mode	Subject 39
Accounts	43	78	15	42	50	16
MAFA	55	91	8	56	66	4
Audit	39	64	2	40	40	5
Law	42	67	0	43	40	5
Total Group 1						
Cost	36	71	5	36	43	29
MICS	48	82	0	49	51	17
Direct Tax	34	67	0	34	40	25
Indirect Tax	40	73	4	40	40	3
Total Group 2						
Grand Total	**334**	**527**	**118**	**342**	**342**	**NA**

PART 4: Super Sixty

Sixty is considered to be an important number in professional examinations. In fact if you managed 61% this November 10, you would have landed yourself in the Merit List. So a look at how many got 60 in one subject, in two subjects can be instructive. Of-course the other importance of 60 is that, if you get sixty in a paper and yet fail the Group you are exempt from writing the paper the next time around.

This could be split in terms of all candidates and in terms of candidates who passed the exam. Getting a 60 and passing an exam is more creditable than getting a 60 and tanking an exam.

Table 8: 60 counts

60s	Nov 10 Group 1	Nov 09 Group 1	Nov 10 Group 2	Nov 09 Group 2
None	336	410	581	686
In One sub	156	215	150	128
In Two Subs	52	23	34	20
In Three Subs	8	3	0	3
In Four Subs	0	0	0	0
Total	**552**	**651**	**765**	**837**

A quick study from sixty

- No candidate has scored 60 in all four subjects of a Group
- Only a handful of students have managed to score past 60 in three subjects in Group 1.
- A fairly large number of students have scored more than 60 in one subject
- The number of students managing 60 plus in one subject is infact same in Group 2.
- Candidates appearing for both groups have done better than those who have appeared for only one Group in scoring past 60.

PART 5: The non-serious player

Drop Outs: There is the propensity amongst students to apply for the exams, pay the fees for it, receive the hall ticket and then not take the exams for a variety of reasons. While we have not taken these numbers in the computation of pass percents it would be instructive to find the dropout percents. Our definition of a drop out would be someone who has not turned up for all the subjects of the Group.

No student is marked as absent in all the four subjects of the group. The fact that some numbers in the sequence are missing could mean that these numbers are withdrawn possibly because the candidates did not take up the exam. As indicated earlier this is 16.3%.

Half way drop outs: There is also a propensity amongst candidates to take a paper or two in a group and then drop out either because they had done the paper poorly or in their judgment there performance was sub-par and that they felt that they had no prospects of clearing the group. There would of-course be the legitimate reason of falling sick. Whether the sickness was because of lack of performance or otherwise is debatable.

Computing the proportion of such dropouts gives one an indication of non-serious candidates or candidates lacking in self-confidence.

Non-serious: Anyone who applies for but doesn't take the exam in full or in part; anyone who gets less than 20 marks in a subject is in our definition a Non-serious player.

The Merit List

To our dismay there was not even one rank-holder in the sample population of 1000 as against one in November 2009.

Table 9: Half way drop outs

Half way drop outs	Group 1		Group 2	
	Nov 10	Nov 09	Nov 10	Nov 09
Appeared	552	651	765	837
Wrote and Dropped Out				
After 1 paper	2	14	7	10
After 2 papers	4	8	5	7
After 3 papers	1	1	3	3

IN RETROSPECT

A quick summary of the findings would be

- The course has clearly moved away from being a 2% to being a 25% course. Whether this can improve further depends on the quality of the intake.
- The results are handsome by CA standards, but performance in Group 2 compared to group 1 is is marginally better compared to earlier CA Exam.
- The cause for failure is not the inability to get an aggregate but the inability to score 40 in each subject
- People scoring more than 60 in 2 subjects appears to be the exception
- Non-serious candidates, if you leave out those who did not take any paper, are negligible and MICS is extremely low
- People scoring more than 60 in 2 subjects appears to be the exception.
- By far the results are much better compared to the earlier exam which saw a dramatic dip in the pass percentages.

Drop outs

Students who have paid the fees and did not take up the exams for a variety of reasons stood at 163 out of the 1000. We then replaced those numbers with a fresh set using the software.