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Tips to handle Costing subject in Professional Exams

Dear Students,

I am sure you all are eagerly waiting for your May 2014 CA attempt result. So first of all I would like to convey my best wishes to you.

Further it is also a fact that November 2014 exams are approaching and it is high time for us to start preparation for November 2014 exams. Indeed costing is a very important subject and it is quite difficult to get away with costing subject with proper preparation and conceptual knowledge. You will find this subject in graduation as well as in every stage of professional examination like CA, CS or CMA. So it is very important to ensure strong grip on costing subject. Through this brief write up I would like to share some exam suggestion to handle costing subject.

Links for some useful Exam Article for November 2014 Exam

Few Days back I had shared some Exam oriented Suggestions and tips for November 2014 Exam. You may find that article at the link given below:

Exam Oriented Suggestions and Tips for November 2014 Exam

There is another article through which I have compiled some useful information with relevant links for the use of CA and CS Aspirants. This article will also guide CA Aspirants about the applicability of Companies Act, 2013 for November 2014 and May 2015 attempt. This Article contains relevant links for exam files and institute notifications for download purpose. You may find that article at the link given below:

Important Information and links for Student of CA and CS

Most of the students consider costing as a difficult subject to score; but honestly this is not the case. If we study the subject properly with right approach and conceptual clarity, we can earn marks like anything. During my graduation days I also used to get scared with costing subject and then with proper direction I stared working on my costing related weakness and you won’t believe after that I never look back. Please find below some of my suggestions to handle Costing subject:

1. **Objective behind the term costing:** Before starting costing subject, it is important to understand the objective and purpose of the costing required or what is asked in the given problem. Try to understand what is to be handled in given practical problem. Whether it is to fix product price or to make management decision like, comparison,

Budgeting etc. using different type of materials, labour methods etc. So understanding of the objective of costing is very important.

2. **Refer ICAI Study Material:** Referring ICAI Study Material for Numerical subjects like costing, FM is very important and necessary. So keep using ICAI Study Material for costing as in previous examination practical questions were asked from study material itself. It is tuff to deny the importance of study material provided by the Institute so use it along with other reference books. One can say that it is hard to study from the study material. So please find below some tips and tricks regarding how to use study material:

    a. Underline whatever is important in study material. It is better to have a dirty study material with lot of underlining than an untouched study material. By underlining and referring from the notebook you have prepared, it helps during revision time.
    b. If you don't understand a line or two underline it and ask someone who can understand. There is no need to feel shy. Put a question mark next to it, and then sqash the question mark with your newfound understanding.
    c. Use colours in the "black and white' study material to underline important points or write something. Use your colour scheme. It aids memory.
    d. Repeat the study material again and again to keep it in memory and never fear the study material as it is your friend so learn to play with it.

3. Importance of costing theory: In costing subject it is equally important to prepare theory part. As per my suggestion you should prepare your own notes from study material. There will be two way benefit of this exercise. First you'll be able to understand concept is a better way when you study the topic for preparation of notes. Second you'll have to the point and crisp exam oriented notes from exam point of view. Prepare notes of topics which are important and frequently asked in previous exam questions.

4. **Conceptual Understanding is must:** As mentioned above in numerical subject like costing Conceptual study and understanding is must. With Conceptual clarity it would be tuff for you to perform well in costing subject. With Conceptual understanding one can easily understand the practical questions and solve them easily. Personally I feel in costing basic concepts are same. For Example in Standard costing calculation and type of variances will be based on type of given problem, but the concept for calculating the variance is same. Further conceptual understanding is a habit good for all subjects.

5. Super Suggestion: When you give first reading to a lengthy numerical question, Note down all the amount/figures given in the question separately. Two benefit of this exercise are:
    a. When you solve the question you don't have to search the amount/figure in the lengthy question again and lot of time saved.
    b. Chances of missing any point or amount/figure minimize.

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6. **Understanding of Costing Formulas:** As mentioned above to perform well in costing, conceptual understanding is must. You may find and study various formulas in costing subject and understanding of those formulas is also must. We need to understand the practical application of costing formulas along with right method of their use. If you successfully understand the formula and its practical application, then there will be no need to remember the formulas..

7. **Practicing number of problems:** We had discussed about the need, techniques and importance of conceptual understanding in costing subject. To ensure proper grip on costing subject, its formulas etc, it is important and necessary to practice maximum number of practical questions. I would suggest you to solve numerical questions given in ICAI study material, Questions asked in previous exams, revision test papers, practice manuals. As we all know practice makes a man perfect. Practicing good number of questions will give you the good knowledge in costing and help you to maintain good speed during examination time.

8. **Few General Points to handle costing subject:** Please find below few General Points to remember while attempting costing paper in examination hall:

    a. After receiving the paper in your hand give it a <u>quick look</u> and decide the question you are going to attempt first. Also decide the question you are going to attempt last. I urge you to consider this point very important for a good start of your exam.
    b. In the beginning don't read all the questions carefully as in the beginning you have enough time to read it twice or thrice. As per my suggestion read the second question carefully only after solving the first question. as decided by you in accordance with point No. 8(a) above.
    c. This point helps you to deal with lengthy subject like costing and improve your revision strategy. Select easy chapters in cost as per your strength and <u>gain tremendous confidence by practicing more & more questions</u>. After gaining enough confidence remove such chapter from your final revision list. Now no need to revise that chapter during final revision and be confident about that chapter.
    d. You may always find a base practical question which contains application of all the formulas and techniques. So select some landmark question from that chapter which covers almost all technicalities and adjustments of that chapter. Revise this selected question during final revision to recall whole chapter and related formulas.
    e. **<u>Compulsory Question:</u>** Prepare special strategy for **C.Q.** Give a quick reading to **C.Q.** if you are comfortable with the adjustments given in **C.Q.** then only attempt **C.Q.** otherwise attempt other small questions. If you attempt **C.Q.** without any

strategy and lost in the middle of question then this will adversely affect your speed. So be careful.

f. Try and make an effort to complete your paper 100%. In other words attempt full paper of 100 marks to fetch some extra marks. If any numerical question is completely out of your reach or in case you fail to understand the adjustments given in the question then leave that question immediately and move ahead. Attempt this question in the end.
g. **Query Notebook:** Keep a query diary with you during study time and note your queries in this diary and resolve them same day or next day. Do not keep your query unresolved. Don't forget to mention answer of your query in the query diary.
h. **Reference Books:** For CA Final Costing I would suggest you to refer Saxena and vashist or Ravi M Kishore with ICAI module. For IPCC my suggestion would be to use S.N. Maheshwari or Padhuka with ICAI module.
i. Prior understanding of Question paper pattern is very important. So before going to exam refer last attempt question paper to understand exam pattern properly. Further the presentation is very important in costing subject so you should avoid unnecessary cuttings and corrections.
j. Before answering any question you need to make a rough solution in your mind and then go accordingly. No need to make hurry in costing as one mistake may spoil your entire efforts. In costing you won't get amendments very frequently, so no need to worry about amendments etc.
k. Also make proper planning for revision. Do revise all formulas in costing few hours before exam. Revision has to be done by keeping the outline of the chapters. This will make you go through them quick and easy.

I sincerely believe that the suggestions mentioned above would be of some help in your costing preparation. Remember Costing is a different subject and with right approach you can fetch great marks in costing as it is a high scoring subject.

Thanks
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