

Editorial✍

Dear Readers,

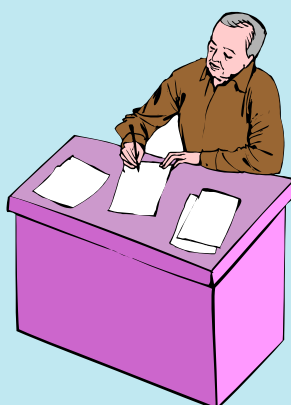
History was made in America when Barak Hussein Obama took over as the President of United States of America. People in this world have made history when they advocated people to think.

Humans became civilised because they thought.

Think! Think! You can make history in this world. Think! Think! The world will follow you. When world follows you you become a leader. Like e-senze "Be a leader:

**L. Muralidharan
& Editorial Team of e-senze**

Designed by: Mr. G. Natarajan



Index

CA - Final Page.....	2
CA - CPT Page.....	3
Mera Bharat Mahaan	4
Prof: Kamal Garg Class details for CA PCC/Final - Advanced Auditing at Bangalore	5 & 6
Novelty	7
CA - PCC page.....	8
Dart Board	9
I do(n't) have ...!!!	10

**Prof: Kamal Garg
Classes for
CA - PCC/Final**

**at
Bangalore**

**Advanced Auditing
Details in Page 5 and 6**

For Details Contact

Mr. C.K. Bhalaji,
Address: No. 7, Sree Flats, 4/3,
Krishnaswamy Street,
Next to Jain Car Shoppe,
North Usman Road,
T. Nagar, Chennai - 600 017.
**Phone: 98409 54207/
044-28142616**
visit:

www.sreeramcoachingpoint.com

Do you have articles
for sharing?
Do send to
joinsreeram@gmail.com
Best articles will be
published.

Multiple IRR

**Modified IRR**

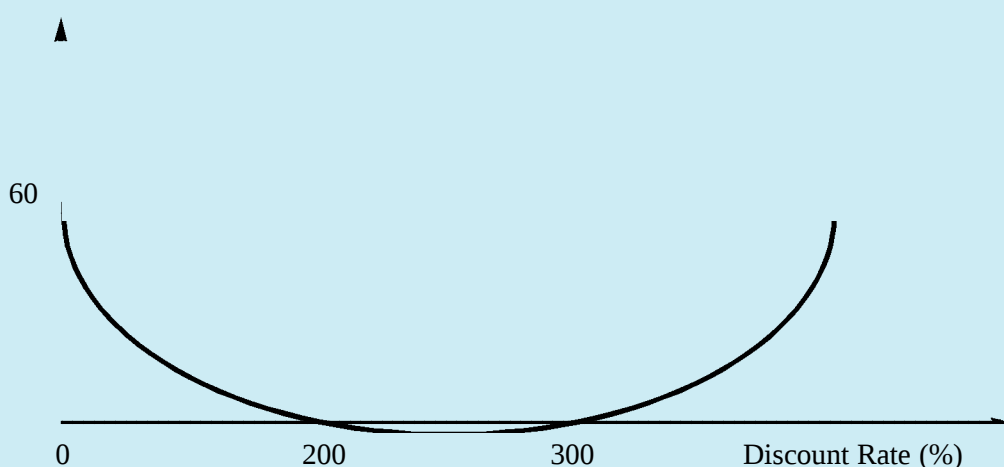
✓ The IRR rule's technical drawback, multiple IRRs, is quite different from other drawbacks. In a conventional project a cash outflow is followed by cash

inflows. Such projects will have a unique IRR. When there is more than one change in the sign of cash flows, there will more than one IRR.

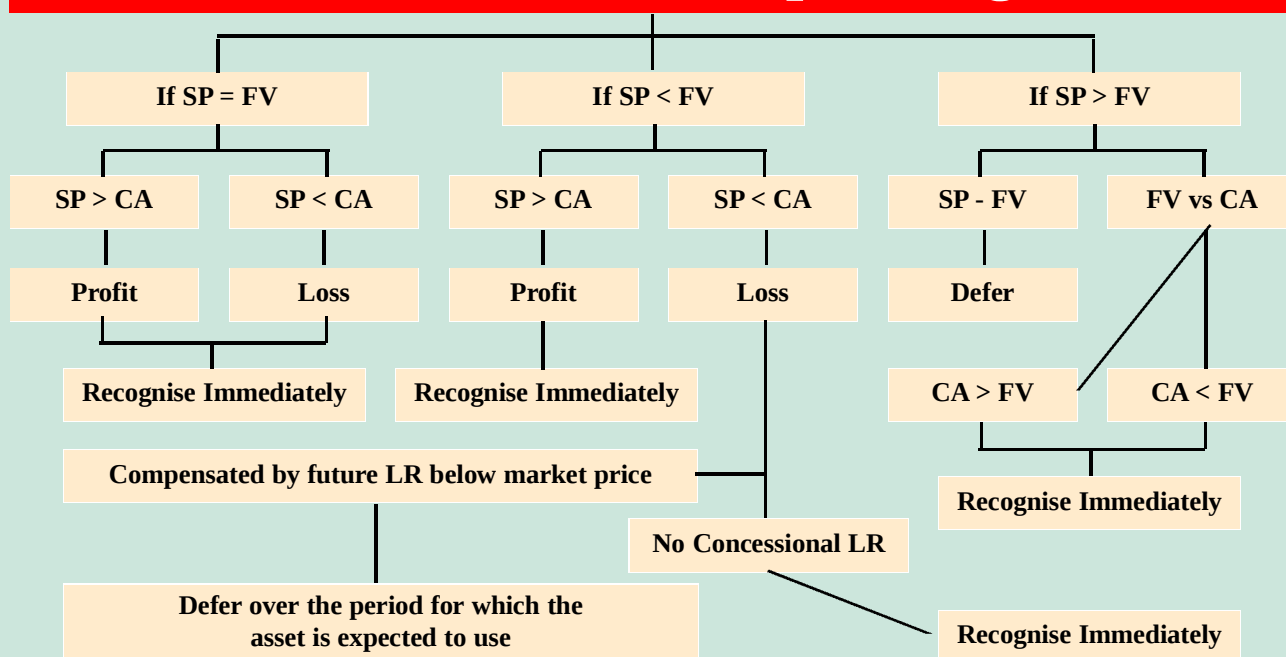
✓ During the currency of a project, negative cash flow may result. The remaining period of the cash flow is

put to greater strain to match with the expectation of zero NPV at the end.

- ✓ The number of IRRs equal the number of sign changes.
- ✓ The NPV curve of a Project with Multiple Internal Rates of Return.



Sale and Lease Back - Operating Lease



ARITHMETIC AND GEOMETRIC PROGRESSION

by Mr. S. Ramasubramanian



Arithmetic Progression

Sequences of special types $\rightarrow$ Progressions

A special type of sequence is a Arithmetic Progression which either $\downarrow$

Increases or Decreases by a same number

A sequence $a_1, a_2, a_3, a_4, \dots, a_n$ is said to be in Arithmetic Progression when
 $a_2 - a_1 = a_3 - a_2 = \dots = a_n - a_{n-1}$

Nth term of an Arithmetic progression

a - First Term

l - Last Term

d - Common Difference

n - Number of terms

$$l = a + (n - 1) d$$

Sum of the first n terms of an A. P

Let us understand the formula with an example.
Find the sum of first hundred natural numbers (i.e. from 1 to 100).

First count the number of terms in the series (100), of which 50 is the middle term. You will realize that adding the first and last numbers, 1 and 100, gives, 101; and adding the second and second last numbers, 2 and 99, gives 101, as well as $3 + 98 = 101$ and so on. Thus we can conclude that there are 50 sets of 101 and the middle term is 50.

Now we can look at the formula for finding the sum of n terms in an Arithmetic Progression

a - First Term

l - Last Term

d - Common Difference

n - Number of terms

$$S_n = n/2 \{2a + (n - 1) d\} / \frac{(a+l)}{2}$$

Geometric Progression

Sequences of special types $\rightarrow$ Progressions

A special type of sequence is a Geometric Progression in which $\downarrow$

Each term after the first term is found by multiplying the previous one by a fixed non-zero number (Common Ratio).

A sequence $a_1, a_2, a_3, a_4, \dots, a_n$ is said to be in Geometric Progression when
 $a_2/a_1 = a_3/a_2 = \dots = a_n/a_{n-1}$

Nth term of an Geometric progression

When the first term and common Ratio is known, it is possible to write any term in the G. P series. The formula for finding the nth term:

a - First Term

l - Last Term

r - Common Ratio

n - Number of terms

$$l = a \cdot r^{n-1}$$

Sum of the first n terms of an G. P

The formula for finding the sum of n terms in a Geometric Progression

$$\text{When } r > 1 \quad S_n = a \left[\frac{r^n - 1}{r - 1} \right]$$

$$\text{When } r < 1 \quad S_n = a \left[\frac{1 - r^n}{1 - r} \right]$$

Product of the Positive n terms of an Geometric Progression

The formula for finding the sum of n terms in a Geometric Progression

$$P = \{a_1 \times a_{n+1}\}^{\frac{(a+l)}{2}}$$

Are we Indians truthful & trustful first ????

Are we true & dedicated nationalists???

Are we a matured Nation???

Are we Sincere & Honest in whatever we do???

Lastly is our Nation worth living for sincere, honest, dedicated, freedom loving, caring citizens The answer is a BIG NO

Part - I

Now let us get down to basics before getting too emotional to my above OPINION cum Judgment which is based on various facts over the years and not something which has sprung up just now .

The only good and positive happening in the last 50 odd years since our Independence is the introduction of R T I (not right hand thumb impression just like in the case of illiterate people who affix their left hand thumb impression for executing legal documents) which means the Right To Information whereby individuals could apply and get information about any programme / individual or any organization .

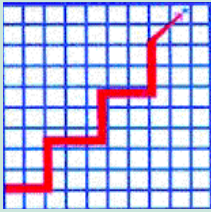
Let us do some wild and loud thinking on the following topics which gave birth to the above judgments:

The following subjects have systematically and meticulously have degraded the nation since the days of independence; unfortunately the wise men did not unite to bring about the desired change for the well being of our nation and its citizens. The subjects are Politics, Business, Auditors under Part I and in Part II the subjects of Lawyers / Educationists / Media / Citizens will be covered . The irony is despite lakhs of crores of rupees have been spent on various programmes since 1950's no threadbare / analytical / logical audit on such expenditure spent has been prepared & informed to the

nation's citizens who are the share holders namely the contributors thru tax and other state/centre levies. Unlike in other fields where one is accountable for any wrong doing are for things that go wrong and has to own responsibility for the same. Never in the history of Indian Politics a Politician has been dismissed/sent to prison or charge sheeted for any programme/scheme that has gone wrong or was unsuccessful . Who has to bear the several lakhs of crores of rupees that has gone into the drain and why many grand programmes which were launched / inaugurated at a very huge expense have not seen the light of the day. Why many developmental programmes are non starters. Who has to pay for the non-starter and who are the Ministers under whom such schemes have been kept in the back burner ? why then they are being given Lok sabha / MLA position repeatedly ? Let us ponder over them now !!!

Politics: Ever since the Nehru Patel Era which made a Himalayan Blunder in amalgamating regions on the basis of Language rather than on Geographical Reasons thereby they broke India into 20 odd states which from day one are vying with one another for wrong reasons:: for example the Calvary Issue, (TN & Kaka), Mullaiperiyar Issue (TN & Kerala), the Krishna & Palar River issue (TN & AP), the Alamatti Dam Issue (Ktka & Andhra), the Belgaum issue (Mah. & Ktka), the Telengana Issue (within AP), the Naxal issue (AP)

which is the offspring of the issues concerning the landless labourers and the landlords for the last many decades, the issues between the rich Thakurs and the under privileged which is affecting the entire state of UP for a long long time. These issues have not been addressed by the successive Governments in the Centre and the concerned states. But one finds time and again on TV during election there is a big promise of reaching the solution but we do not have the mind set or the will power to address and resolve such live wire issues. It is ironical despite having such tall leaders like Com Indrajit Gupta, RV, Kamaraj, PV Narasimha Rao, Somnathji, Atalji, Advaniji we are yet to resolve these issues which have a direct impact on the people who live in these areas for generations. And we have politicians like A R Antulay, R L Jalappa, Lallu Yadav, Ramrao Adik, Narayan Rane, Bangarappa, VS Achutanandan (who called a Mumbai NSG Martyr's father a Dog) who have the dubious distinction of continuing in Politics scot free without a sense of shame after being proved corrupt in the courts of law and by other investigating Agencies. We are also made to watch these politicians shifting party loyalties like the early 1970's Aya Ram & Gaya Rams and yet they continue to occupy the corridors of power with ease and without any sense of guilt or shame putting their loyal cadres & those who voted for them into deep anguish. **To be continued ..**



SINCE 1989

Sreeram Coaching Point

[An Exclusive place for Professional Studies]

27/15, Rajunaicken Street, West Mambalam, Chennai - 600 033

visit us at: www.sreeramcoachingpoint.com

Prof: Kamal Garg
Classes for CA - PCC / Final
Advanced Auditing and Professional Ethics

Classes at Bangalore

✓ He is the Author of

a. Accounting Standards and IFRS

b. Handbook on Company Balance Sheet and Profit & Loss Account

c. Handbook on Internal Auditing

d. Professional Approach to Auditing & Assurance for PCC

✓ Faculty member in various branches of ICAI

✓ Faculty member in leading professional Institutions

Feature of Prof. Kamal Garg's Class:

➔ Coverage of all important topics in just 40 hours

➔ Lucid presentation of concept and principles

➔ A model exam paper at the end of the course

➔ Power point presentation using Laptops

➔ High-tech class room facilities

Class details - Final

Date

02-2-2009 to 06-2-2009

Timing

**6.30 am to 10.00 am &
5.00 pm to 09.00 pm**

Class details - PCC

Date

19-2-2009 to 23-2-2009

Timing

**6.30 am to 10.00 am &
5.00 pm to 09.00 pm**

Class Venue

**ST. JOSEPH'S INDIAN
HIGH SCHOOL,
Old Block 207, II nd Floor,
(Next to Mallya Hospital)
BANGALORE - 1**

Course fee

Rs. 3,600 only (Inclusive of registration fees and material)

For More Details & Registration:

Contact:

Mr. K.R. Sreedharen

Phone: 99451 34091

visit our web site: www.sreeramcoachingpoint.com

Advertising: Information or Manipulation?

by Mr. L.N. Venkataraman



Advertisements are omnipresent. Be it the street corner, lamp-post, shop, building terrace or fly-over, one can

see advertisements everywhere. It is a huge business. They appear in various forms such as billboard, placard, pamphlet, radio, newspaper, notebooks, magazines, television, internet, post and e-mail. Advertisements also come in the form of SMS in the mobile. We are bombarded with ads day in and day out. For every 30 minutes of a television serial, 15 minutes go into ads regularly. They have become a part of our lives. Many people long for them and decide based on the glossy and attractive ads. They do not value companies or institutions that do not advertise. If the commodity ad is not appealing, it does not interest the consumer. Ads have a life of their own and deeply impact the human psyche.

There are commercial ads as well as non-commercial ones. Commercial ads woo the public to buy products ranging from pencils to property. Their primary intent is to sell and make money. Non-commercial ads such as matrimonial ads or "wanted" ads are only to seek interest of a specific group of people for a specific need. These ads, unlike the commercial ones do not involve any creativity, persuasion or competition. The point of discussion in this article is on the commercial ads. Do they merely provide information or do they

manipulate facts and our thinking?

Stephen Leacock remarked that "Advertising may be described as the science of arresting the human intelligence long enough to get money from it." In my view, the ad is more than a science. It is an art meant to captivate the mind and convince. It is an art with a curious mix of logic and understanding of human nature. The fierce competition caused by private enterprise has made it more of an art than science. Most of the ads today portray human qualities such as strength, compassion, smile and humour carefully blended with the facts of the product. They also try hard to address the human desire to gain, urge for luxury, crave for change, wish to compete, want to overcome envy and need to feel secure. It is nothing short of hypnotising the audience to make them see what you want them to. Advertisement has evolved much beyond simply providing information to the end user. The idea of an ad is not just making money but to also secure and grow one's share of the market. Businesses spend much money in marketing and they do it aggressively to push sales.

To make an ad calls for creativity, relevance to the audience, correspondence to market conditions, seasons and World situation. When it comes to a television ad, one has to pack all of these in a few seconds of video along with music. However the ad is much beyond the technicalities. The

methods and gimmicks adopted to market, point to the manipulative nature of advertising. The demand for products is increased through populist measures. Popular figures or brand ambassadors project the products. India is a place where film stars and cricketers are idolised and it is common to see the same popular film star featuring in more than 10 ads! Another gimmick employed is to provide another smaller product free for buying a product. Sometimes the prices are compared and in other cases the quality is compared through appealing visuals and a generous use of jargon to sound important. Phrases like "Oxy-rich detergent", "Skin loves proteins" and "Brain food" makes one amused at the level to which advertisements go to sell. To top it, these ads are shown repeatedly every day on the television. The art of advertising it appears is to find all possible means to fool the consumer.

Do we need a cricketer to decide on the hair gel we buy? Do we need such quasi-technical jargon to be impressed? Do we have to give attention to the blatant and crafty means of the ad to control our inner world? Don't we have enough information and means to decide on a purchase on our own? Perhaps we don't. And this is exploited by the advertisers. Our weaknesses are the advertiser's strengths. Human weakness is universal and advertisements are here to stay as long as we are human!

Legal World - Corporate Laws - LW 159.12.2008 by Mr. Kamal Garg

**M/S.KLM ROYAL DUTCH
AIRLINES v. DIRECTOR
GENERAL OF
INVESTIGATION &
REGISTRATION [JT 2008
(11) SC 317] Tarun Chatterjee
& Dr. Mukundakam Sharma,
JJ [Decided on 03.10.2008]**



***MRTP Act, 1969 – Section 36A
(1) - Unfair trade practice - Loss
of consignment - Tracing thereof
- Late delivery at destination -
Whether unfair trade practice -
Held, No.***

Brief Facts: There was loss of two consignments transported by the appellant airlines. The appellant advised the complainant to make a claim before the underwriters if the above shipment was covered by insurance. While the claim was being processed, the appellant traced out the missing parcels and sent them to the destination and confirmed the same to the Complainant. However, the complainant alleged deficiency of services in making delayed delivery of goods and made a complaint to the Respondent. The Respondent made a finding that the appellant had indulged in unfair trade practice and the MRTPC passed an order against the appellant on the basis of the finding. The appellants challenged the finding before the Supreme Court.

Decision: Appeal allowed.

Reasons: Before it can be said that the act amount to an unfair trade practice the complainant is required to show that the trade practice Legal World Digest of Legal Cases was employed for the purpose of promoting the sale, use or supply of any goods or the provision of any services and also that which is the statement or

advertisement which is the false representation of the kind specified in Sub-clauses of clause (1) of Section 36-A.

The statements of the nature which are willfully made knowingly false, or made recklessly without honest belief in its truth; and made with the purpose to mislead or deceive will definitely constitute a false or misleading representation.

The appellant herein is engaged in the business of transportation of goods by airlines, and therefore, there could be no dispute with regard to the fact that they were providing service when they accept bag gages to be carried by air. A representation is also made that the cargo would be delivered at the destination with all promptness. If there is a failure in carrying out the said representation there would be a case of deficiency in their service. Negligence in providing prompt service or service as expected may also be presumed if they fail to deliver the said goods within a reasonable time at the destination. But the issue in the present case is as to whether any such deficiency in service could be said to amount an unfair trade practice as envisaged under the provisions of the aforesaid MRTP Act.

What is sought to be attracted in the present case by the Director General are clauses (ii), (iv) and (vi) of Section 36A (1) of the MRTP Act, clauses (ii) and (vi) deal with cases of false representation whereas clause (iv) envisages of making a representation that the goods or services have sponsorship, approval, performance, characteristics, accessories, uses or benefits which such goods or services do not have. The aforesaid provisions cannot be said to be attracted in the present case for there is no allegation either by M/s.Maharajah and Co. or by the Director General that any such representation was made by the appellant airlines regarding their performance, uses or benefits which their services do not have. So far as other two clauses are concerned and in order to make out a case for attracting the said provision, there has to be a case of false statement and a case of misleading representation made by the service provider.

Neither in the complaint filed by M/s.Maharajah and Co. before the Director General nor in the complaint filed by the Director General filed before the MRTP Commission there is any allegation of any false or misleading representation. None of the complaints aforesaid, in fact contains any of the aforesaid ingredients as mentioned. Unless any such allegation is made in such complaints, the MRTP Commission could not have come to a conclusion that the appellant has committed an unfair trade practice.

Continued in next edition

**The author can be reached at
his gmail ID:
kamalgarg81@gmail.com**

Dart-Board

Last Edition's Question

This week question?

1. What do you mean by free cash flow?

Answer

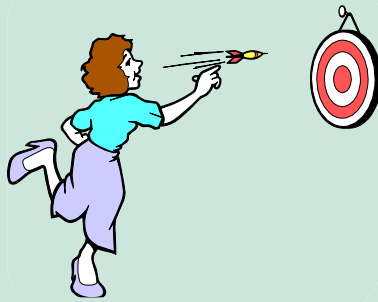
Free cash flow means cash flow very much freely available for distribution to the following security holders,

- a) Equity share holders
- b) Debt security holders
- c) Preference share holders
- d) convertible security holders and so on

Computation of free cash flow,

1. Net income	xx
2. Add: depreciation	xx
3. Less:	
a. change in WC	(xx)
b. capital expenditure	(xx) (xx)

Free cash flow	xx

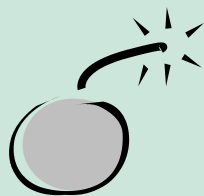


**By P.Karthik &
G.Dinakaran**

This Week's Question

Whether preference shares can be issued at different pices? (i.e., some at par and some at premium).

Send your queries and suggestions to : joinsreeram@gmail.com



J o k e s

Teacher: What are some products of the West Indies?

Student: I don't know.

Teacher: Of course, you do. Where do you get sugar from?

Student: We borrow it from our neighbour.

==oo00oo==

Patient: Doctor! You've got to help me! Nobody ever listens to me. No one ever pays any attention to what I have to say.

Doctor: Next please!

==oo00oo==

Man 1: I knew a man with a wooden leg named Smith.

Man 2: So, "What was the name of his other leg?"

==oo00oo==

A: Why are all those people running?

B: They are running a race to get a cup.

A: Who will get the cup?

B: The person who wins.

A: Then why are all the others running?

==oo00oo==

Teacher: Why are you late?

Student: There was a man who lost a hundred rupees.

Teacher: That's nice. Were you helping him look for it?

Student: No. I was standing on it

==oo00oo==

A Lawyer and the Pope died at the same time, both went to heaven. They were met at the Pearly Gate by St. Peter who conducted them to their rooms. The Pope's room was Spartan with bare floor, army cot for a bed, and a single bulb for light. They came to the Lawyer's room. It was huge with wall to wall carpeting, king sized water bed, indirect lighting, color TV, stereo, Jacuzzi and fully stocked bar. The Lawyer said, "There must be a mistake. This must be the Pope's room!" St Peter said, "There's no mistake. This is your room. We have lots of Pope's, but you're our very first Lawyer!

==oo00oo==

Man: What is your rate?

Lawyer: "Fifty thousand for three

questions"

Man: "Isn't that awfully expensive?"

Lawyer: Yes. "What's your third question?"

Man: ????

==oo00oo==

Man 1: How do two programmers make money?

Man 2: One writes viruses, the other anti-viruses

==oo00oo==

Teacher: Name two days of the week that start with "t".

Student: Today and Tomorrow.

==oo00oo==

Man 1: I'm going to watch my wedding video later 'backwards'.

Man 2: Why?

Man 1: I love the end bit when she takes the ring off, goes back down the aisle and jumps in the car.

Tips for Success

"I do[n't] have"!!! by Mr. Mani V G S



Everyone expects that failure should not be a shadow [but success should].

People who fail without having guts to proceed further will blame that "they don't have sufficient time, they don't have proper

family, they don't have good guide, they don't have healthy food, they are financially bad etc..."

Successful people never blame others. People who blame others will never succeed.

Lets see some of the People [whom we proclaim as great] who succeeded in their work/activity despite being handicapped/financially bad/poor/illiterate etc.

NAME	WHAT WAS HE/SHE?	WHAT DID HE BECOME?
ALBERT EINSTEIN	ORDINARY PATENT CLERK	WORLD FAMOUS SCIENTIST
ABRAHAM LINCOLN	POOR FARMER'S SON	PRESIDENT OF AMERICA
GOLDAMEIR	AVERAGE SCHOOL TEACHER	PRIME MINISTER OF ISREAL
FRANKLIN.D ROOSEVELT	SICK AND BOTH LEGS PARALYSED	PRESIDENT OF AMERICA
HOMER	BLIND	GREASTEST GREEK WRITER
HELEN KELLER	BLIND, DEAF AND DUMB	RENOWNED WRITER
DEMOSTHENES	NERVOUS STAMMERER	WELL KNOWN GREEK ORATOR
BEETHOVEN	DEAF	RENOWNED MUSIC COMPOSER
THOMAS EDISON	MATRICULATE	GREATEST INVENTOR
M.S.OBEROI	SIMPLE CLERK	ONE OF THE BIGGEST CHAIN HOTEL OWNER IN THE WORLD
K.K.PATEL	SON OF AN ORDINARY FARMER	LARGEST SELLER OF NIRMA WASHING POWDER
TOPIWALA	FRESH MATRICULATION WITH INITIAL INVESTMENT OF Rs.100/-	NOW SELLS Rs.5 CRORE WORTH SHINGAR BINDI PER YEAR
MALATHI HOLLA	POLIO STRIKEN (25 SURGERIES DONE)	GOT 150 GOLD MEDALS IN DISC THROW, ETC.
SHARD KUMAR DEEKSHIT	2 HEART ATTACKS; CRIPPLED IN LOWER SIDE OF THE BODY; VOCAL CRODS REMOVED	PERFORMED 45,000 SURGERIES FREE OF COST
C.N.JANAKI	BOTH LEGS POLIO	FAMOUS SWIMMER, NAME IN BOOK 'SPECIAL PEOPLE' BY OXFORD UNIVERSITY

The above list is only illustrative and not exhaustive. Your name is still pending to be entered in the above list!!! Dear Friends, if you have not succeeded, don't think that success is denied for you. It is only delayed for you - Success continues in next issue (Author may be contacted at: manivgs@rediffmail.com)