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The Chartered Accountant Student

Your Monthly Guide to the CA News, Information & Events

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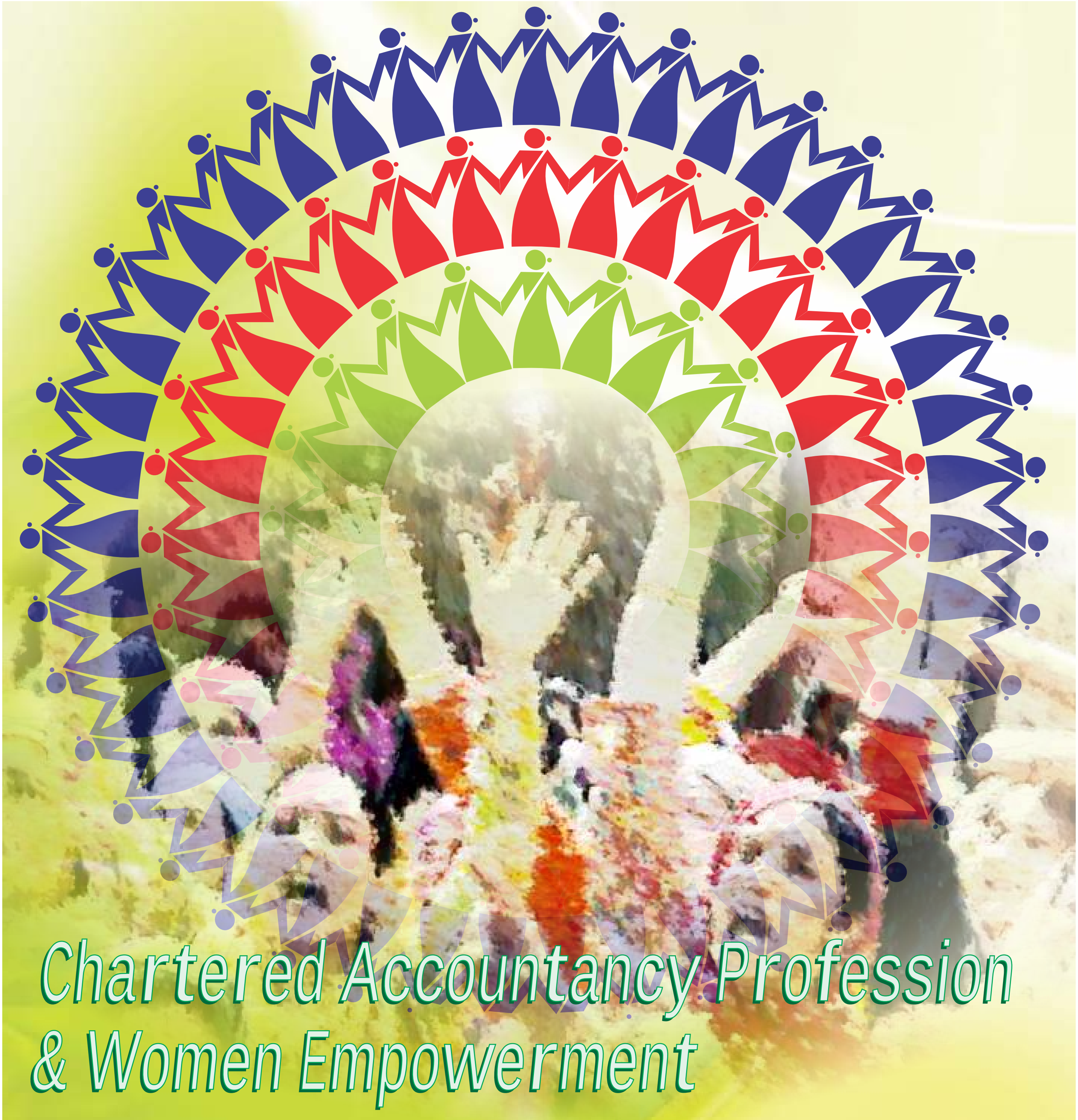
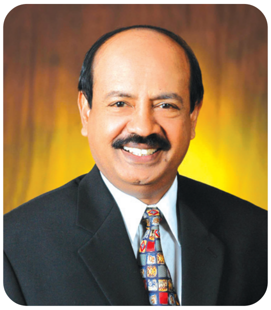




President's Communication

Dear Students,

It gives me immense pleasure to felicitate and greet the teaching fraternity on the auspicious occasion of Teachers' Day which is observed every year on 5th September as a mark of tribute to the contribution made by teachers to the society. 5th September is the birthday of a great teacher Dr. Sarvepalli Radhakrishnan, who was a staunch believer of education, and was a well-known diplomat, scholar, philosopher, President of India and above all a teacher.

Teachers mould the lives that they influence because the lessons learned from teachers remain with their students throughout life. We should always respect our teachers. Teachers need encouragement and support from the community to feel that their devotion to students is appreciated. It is none other than the teachers, who mould their students to bring out their hidden talents and skills and impart quality education to prepare good citizens for the nation. It is my firm belief that under the able guidance of your respective principal who is imparting practical training, you all will be successful in the realm of accounting profession.

I would like to reiterate that the overall development of our students is top in the agenda of the Institute. We do not want that the students, who register for the CA course, leave their course in the mid-way because of their failure in the examinations. Keeping this in mind, the Board of Studies is planning special Counselling Programmes across the country for the CPT as well as PCC/IPCC and Final students. The Regional Councils and their branches would be authorized to organize separate Counselling Programmes twice a year after declaration of result of each term. I am sure that this initiative will help the students to keep their confidence level intact and continue to be in race and successfully qualify the CA Course.

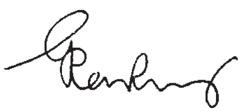
I am happy to share with you that the Institute has decided to impart oral coaching classes to the students with a view to help them interact directly with the Faculty as also to provide them with classroom coaching at a reasonable cost. Since adequate number of faculty members are is not turning up due to various reasons, the Institute has decided to organize Faculty Development Programmes at all the five Regional Councils covering faculty from their respective branches for training them with respect to course contents, methodology of coaching viz. oral lectures supported by relevant case studies. I am sure that the faculty members, after undergoing the proposed programme would be able to impart coaching to the students in a better, effective and structured manner. Separate programmes will be organized for CPT and for IPCC/PCC/Final Course with the duration of 2 days and 3 days respectively.

I am happy to note that the response from the students with regard to the Residential Programme for Professional Skills Development being organized at the Centre of Excellence, Hyderabad is overwhelming. Considering the increasing demand of the participants to pursue this programme, we have decided to reduce the duration of the programme to 30 days from 42 days. However, the total number of hours are reduced by only 18 hours. The duration of 30 days will be sufficient enough to achieve the objective of the course. The reduction in duration will also provide opportunity to more number of students to undergo this programme. Since the major objective of the course is to develop an overall personality and improve communication and presentation skills of the participants, the topics already covered in CA curriculum will not be dealt in the Residential Programme. Keeping in view the basic emphasis of the programme on development of communication and writing skills as also to imbibe confidence in the young professionals, more emphasis will be given to soft skills development, developing personality traits and communication skills of the participants by allocating more time towards these topics. For accommodating more and more number of students, the Residential Programme will be conducted at other centres including leading management institutes of the country as well.

Before winding up this message, I would like to congratulate all the students who have come out with flying colours in the PCC/IPCC Examinations. I would also like to thank the participants of the National Conventions held in Indore, Kolkata and Ludhiana and would urge you all to take active part in the upcoming conventions in Lucknow and Chennai.

Wishing you all the best for a wonderful time ahead.

Yours sincerely



CA. G. Ramaswamy,
President, ICAI, New Delhi

"A teacher's purpose is not to create students in his own image, but to develop students who can create their own image."

Vice-President's Communication

Dear Students,

At the outset, I would like to extend my warm greetings and felicitations to the teaching community on the occasion of Teachers' Day (5th September). The day commemorates the birthday of Dr. Sarvepalli Radhakrishnan, former President of India who was a great philosopher, scholar and a teacher par excellence.

Education is one of the greatest services provided by teachers. Teachers are important pillars of our society. They shape-up the present generation to take life challenges. In fact, it would not be an exaggeration to say that they determine future of our society. Teachers mould the students to bring out their latent skills and improvise them. They teach good habits/attitudes and help students to become good citizens of the nation.

In the Institute, we have Board of Studies department consisting of faculty members. The Institute's faculty works in an untiring manner to provide quality educational inputs to you in the form of study material, suggested answers, revision test papers and so on. On the occasion of Teachers' Day, I would like to thank the Institute's faculty members for their contribution towards the education and training of chartered accountancy students.

The chartered accountancy course, being a distance education course, is not able to reap in the benefit of face-to-face interaction. However, this gap can be easily bridged using the present day's tools of information and technology. The students who cannot personally meet the faculty can always reach them over phone and through e-mails. Moreover, the Institute also conducts revision classes at different centers for the benefit of the students.

I do believe that there is no substitute for classroom teaching. The classroom sessions help the students to have face-to-face interaction with the teachers and clarify their doubts instantly. Considering this aspect, the Institute has decided to impart oral coaching to the students with a view to help them listen and interact directly with the subject experts. The classroom coaching will be provided at a nominal cost so that it is easily affordable by all sections of students. For the purpose, at the initial stage, the Institute will organize Faculty Development Programmes at all the five Regional Councils covering faculty from their respective branches. The faculty will be trained in their respective areas so that they can impart coaching to the students in better, effective and structured manner.

The Institute attaches more importance to the overall development of our students by imparting practical and useful education to them. It is our endeavour to infuse more and more confidence among them to become successful professionals once they complete their course. To be successful today, you need soft skills apart from the technical knowledge. Keeping this in mind, the Institute has recently decided to restructure the curriculum for the Residential Programme on Professional Skills Development being conducted at the Centre of Excellence, Hyderabad. The orientation would be further shifted to soft and managerial skills and the topics that are covered in CA curriculum will be taken out. There will be more emphasis on soft skills development, developing personality traits and communication skills. The students pursuing this course will be better off in taking the challenges and compete with other professionals. The restructured course will also be attuned to make it to 30 days from the present 42 days.

At the same time, it is also felt that the residential programme should be organized at other centres as well. For the purpose, the Institute will identify venues including leading management institutes in the country.

The Institute would like to see that more and more students qualify as Chartered Accountants every year. The students who are not able to pass often feel disheartened and lose hope. Some of them also feel disheartened and leave the course in the middle. The students need help and guidance so that they are able to make effective strategies to pass the examinations. For the purpose, the Board of Studies is planning to organize special Counselling Programmes across the country. The Regional Councils and their branches would be entrusted to organize separate Counselling Programmes for the CPT, PCC/IPCC and Final course students. Such programmes will be conducted after the declaration of result of each term twice a year. This will help the students to identify the areas that need to be strengthened, keep their confidence levels high and make proper plans so that they successfully qualify the CA Course. "***You must do the thing you think you cannot do.***" Eleanor Roosevelt

The next November examinations are fast approaching. You should concentrate on them. One good strategy to pass the same is to regularly write answers to previous year question papers and compare your answers with the suggested answers. Identify, where you are lacking and work on them. You may need help in the concepts, spellings, language or presentation. Remember the words of Benjamin Franklin ***"By failing to prepare, you are preparing to fail".*** My best wishes that you not only pass the examinations but also succeed in your life.

Wish you all the best

Yours sincerely

CA. Jaydeep Narendra Shah,
Vice President, ICAI, New Delhi

Chairman's Communication

My Dear Students,

I would like to profusely thank all of you for the warmth, love and affection that has been bestowed on me and for the wonderful, morale boosting, appreciative letters and emails received.

POINT TO PONDER

A savant once said ***"What I believe about life, determines how I perceive life, which determines what I receive from life."*** Perception defines our words and actions which result in the outcome. H.G.Wells had opined that ***"wealth, place and power are no measures of success. The only true measure of success is the ratio between what we might have been and what we have become."***

Appreciative words are powerful force, elixir of energy, morale booster that can brighten a person's day. Mother Teresa once said ***"Kind words can be short and easy to speak, but their echoes are truly endless."*** Dear Students choose your words with wisdom, with care and with caution because ***A careless word may kindle strife, a cruel word may wreck a life, a bitter word may instill hate, a brutal word may smite and kill, a gracious word may smooth the way, a joyous word may light the day, a lively word can lessen stress and a loving word may heal and bless.***

KUDOS AND CONGRATULATIONS

The extra 15 minutes time allotted for reading the Question Paper alone has acted as a tremendous stress buster. This positive measure has been welcomed by all the students and has resulted in excellent results in the recent CA examinations. I am sure students find this extra time invaluable to marshal their thoughts and ideas and decide about the presentation of answers. My warm Kudos, congratulations and welcome to all the new entrants to the CA Profession. You have passed the test of fire. The way ahead in the corporate world or the realm of practice is your choice. So choose well and according to your desire. Campus Placement is waiting for you. Don't miss any opportunity. Opportunity is like ice; If you think more about it, it melts. ***Life is like playing Chess with God. After every move you make, He makes the next move. Your moves are called choices and His moves are called challenges.***

Heartiest Congratulations to all those who have cleared the PCC and IPCC exams. You have climbed the next rung on the ladder towards your goal of becoming a Chartered Accountant. ***Life is like a tennis match! If you want to win, serve well, return well and play crucial moments coolly. Please remember, the game starts with 'Love All'.*** Do spread your wings. Until you spread your wings, you will have no idea of how far you can fly.

FOR STUDENTS WHO HAVE NOT BEEN FORTUNATE TO CLEAR THE EXAMINATIONS

A wise man had said ***"Believe you can, and you are halfway there."*** Take it as a stepping stone towards your goal. Always believe in your heart that you are building a strong foundation and have unshakeable faith in your ability to succeed. As Thomas Jefferson said ***"When you reach the end of your rope, tie a knot in it and hang on."*** Have the tenacity and courage to stick on to the path till you make it. Please remember, it is always too soon to quit. Don't be morose or diffident about your performance. Ann Landers said ***"Nobody gets to live life backward. Look ahead, that is where your future lies."*** Don't live in the yesterday and what might have been, think about tomorrow and act today. Your positive attitude, dedicated and planned study will lead you to the final goal. ***Difficulties mastered are opportunities won.***

The Board of Studies is planning special motivation seminars all over the country for students who were not fortunate enough to succeed in the examinations. Always remember, there is no gain without pain. It is impossible to get rainbows without rain. Umbrellas can't stop the rain, but they will make us to stand in the rain. Similarly, confidence may not itself bring success, but it gives us the power to face any challenge. ***Look with positive intention; speak with inner conviction; Listen with intense attention; then you will move in the right direction.***

TEN BULLET POINTS FOR SUCCESS

1) You must have determination to succeed.
2) Action plan has to be created incorporating your goals and targets, strategies to be adopted for attaining your goals and the time set to reach the set goals.
3) Once you set your action plan you must develop the self-confidence to implement the action plan with positive attitude. This positive energy will plant in you the willingness to devote time and effort to achieve success. Always try your best to get whatever you like; otherwise you will be forced to like whatever you get.
4) You have to build positive self-esteem about yourself.
5) Be consistent in your approach. When you study, do it regularly. It is said, for a student 3 R's are required for success in exams. Regular study, Review and Repetition. 4 D's are required for the successful implementation of the aforesaid 3 R's - Desire, Direction, Dedication and Discipline. Benjamin Franklin said ***"An investment in knowledge pays the best interest."***
6) Along with I.Q. (Intelligent Quotient) you have to develop E.Q. (Emotional Quotient) as well. E.Q. emphasises interpersonal skills and management skills involving handling people.
7) Make full use of Articleship Training with the practical bent of mind by applying the concepts learnt from Theoretical Training.
8) Make the habit of DOING IT NOW and stop the habit of procrastination.
9) Try to understand the environment and adapt yourself to its requirement. This flexibility devoid of rigidity will help you to reach your desired goals.
10) Last but not the least – stay away from negative influences and from negative people.

The aforesaid 10 bullet points for success will unlock your latent potential for success. Past is experience, present is experiment and future is expectation. Use your experience in your experiment to achieve your expectation.

WRAP UP POINT

It is important for you to work towards your cherished goal. Ralph Waldo Emerson opined that ***"The world makes way for the man who knows where he is going."*** Don't be pushed by your problems, be led by your dreams. Have faith in your aims. Live your dreams as this is the one life you have. It is our values and not our valuables that determine the worth of our life. ***A goal is but a dream with a deadline.*** Prayer will give you solace and inner peace. Prayer is a free outgoing call to God! No battery, no charging, no network problem, no cross talk, no signal problem, no billing problem, but endless talk time. So, keep praying!

Wishing each and every one of you a life filled with academic fulfillment, prosperity, a wonderful career and bliss at home.

With Warm Professional Regards,

Forever, yours in service,

(CA.V.MURALI)
CHAIRMAN, BOARD OF STUDIES, ICAI, NEW DELHI

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The Chartered Accountancy Profession and Women Empowerment

* Prem Bhutani
** CA. Priya Subramanian

Role of Women in Society Since Yore

"Women Are Honored Where, Divinity Blossoms There (Yatra Naryastu Pujyante, Ramante Tatra Devata)"

Womanhood has been respected in the ancient India as a symbol of divine qualities and eternal virtues of humanity expressed in compassion, love and care for others. Ancient Indian philosophers were also of the view that the seeds of divinity develop and bloom in a cultured society where women are given due respect and equal opportunities of rise and dignity. The Indian cultural literature and philosophy prove the fact that women indeed received high recognition and respect in the Vedic age. Even in the later time women had always been an significant part of the cultural, social and intellectual evolution of the human society.

In the medieval era, even in spite of the severe restrictions imposed upon women, they continued to prove their mettle in every dimension of life. Though few in numbers, these endeavors of valor, bravery, struggle against regressive customs, dedication for social causes, etc. were noteworthy in terms of positive contributions.

However, in the last couple of centuries, in India, the prejudice that women were ideal only for "domestic" activities was largely prevalent and their identity was mainly related to their role as a mother, wife and daughter-in-law. The mind set was that women should be where they belong – at home! Thankfully, times are fast changing, and along with it, also the people's mindsets! Women are also coming out of their shell to prove that their role is no longer restricted to the confines of their home. Higher education, especially professional education, is as much sought after by them as their male counterparts.

Women and the CA Profession

Chartered Accountancy is one such profession which, of late, is witnessing a significant spurt in the number of girls enrolling and qualifying in the examination and also figuring prominently in the top 50 merit list. This year, in fact, witnessed the top four positions in CA Final Examination held in May 2011 being bagged by women. This shows the speed at which they are outpacing their male counterparts. The topper in the CA Final Examination in May 2011 Maitreyee Rajput, opines that the reason for girls being at the top is that they are basically more hardworking and sincere. Arti Jain, the second rank holder, believes that "always open are the doors to the sky and one must search for the wings that can fly. The methodology and process of "search" for the wings may be different for each person, be it a man or a woman."

The Global Scenario

According to recent reports, women make up a sizable chunk of the new entrants to accountancy profession. The American Institute of Certified Public Accountants (AICPA) research indicates that more than 50 per cent of the new accounting graduates are women. In 1952, there were 750 female CPAs and after two decades, in 1972, the number had just increased to 2000. However, thereafter, there has been a remarkable increase in the next three decades and in 2005, the number of female CPAs were more than a lakh. These women CPAs have also proved their calibre and contributed significantly in their role as corporate leaders. At present, women feature prominently in the corporate world and it is no doubt, remarkable, that in USA, more than 40 per cent of the managerial positions are held by women. Of course, the corresponding figure in India, where less than 10 per cent of the managerial positions are held by women, is not so encouraging.

The Indian Scenario

Over the years, Indian women have been fighting all odds and venturing into new professional arenas, which were once considered to be a male domain. Chartered Accountancy is one such profession which upto the 1970s and 1980s was largely male dominated. Mrs. Shirin K Engineer had the honor of becoming the first Indian woman Chartered Accountant in the year 1933. After a span of 14 years, in 1947, R. Shivabhogam emerged as the second Indian woman Chartered Accountant. The third woman to join the profession in the year 1954 was Mrs. Nilima Chatterjee. Thereafter, though women did make their presence felt in the profession, in terms of the number opting for this course, the count was few and far between. Come 1990s, however, the situation improved considerably and the upward trend has been continuing since then.

	1995	2011
Women in part-time practice	541	1,387
Women in full-time practice	1,569	9,139
Women not in practice	1,587	18,965
Women members of ICAI	**3,697**	**29,491**

** Deputy Director, ICAI*
*** Sr. Assistant Director, ICAI*

The above table reflects that there has been a eight-fold increase in the number of women members over a span of 16 years. The number of women CAs in full-time practice has increased six-fold and there has been a substantial increase in the number of women CAs in industry as well. Whereas the percentage of women CAs was only 5.21 per cent in 1995, it has increased more than threefold to around 18 per cent in 2010.

One of the considerations for reducing the entry level requirement for the chartered accountancy course from graduation to senior secondary was to encourage more number of girls to enroll for the course, since they would be able to qualify as chartered accountants by the time they were 21-22 years. The reduction in the entry level requirement did help to serve this intended purpose and the last decade witnessed a spurt in the number of female candidates enrolling for the chartered accountancy course. The percentage of women qualifying as chartered accountants has also been steadily increasing over the years. Their success can be attributed to their systematic manner of planning their studies and single-minded focus towards their goal of becoming a chartered accountant.

Women Toppers till date

Nov 1983	- Nandita P.Shah
May 1984	- C.V.Sakuntala
Nov 1989	- Shalini Warrier
Nov 1990	- Shefali Niranjan Shah
May 1992	- Tapade Tanuja Suraj Karan
May 1993	- Divekar Vaishali Anil
May 1997	- Prachi Ajay Deuskar
May 2000	- Annapoorna V.
May 2001	- R.Padmapriya
Nov 2001	- Rakhi Munot
Nov 2002 (New)	- Iyer Aparna Chandrasekhar
May 2004	- Shweta S.Prabhudesai
Nov 2005	- Reena Gulati
Nov 2008	- Surbhi Aggarwal
May 2010	- Sanjhi Agarwal
May 2011	- Maitreyee Narayansingh Rajput

Miss Nandita P. Shah (left) and Miss C. V. Sakuntala (right) receiving special prizes from the former Prime Minister of India Late Indira Gandhi

Chartered Accountancy – An ideal career choice for women?

Chartered Accountancy is now being viewed as a perfect career option for women. Women can have an ideal work-life balance by opting for own practice from home. Practicing from home would give them a lot of flexibility and this would facilitate them to take good care of their family as well. Own practice would be particularly helpful during the initial years of child rearing, when women CAs can devote more time to child care.

In the words of CA. Bhavna Doshi, Central Council Member, ICAI, who was able to maintain a perfect work-life harmony, "I had created compartments between professional life and personal life. When I had to devote more time to family, I was fortunate that, with the support of all around me, my family and colleagues in the office, I was able to maintain that very well. So, I had best of both worlds; was happy that I was able to devote time to my parents and children when they needed it and also able to achieve growth in profession when I was ready for it."

Many women in industry also feel that being a chartered accountant does not in any way affect their work life balance. CA. Geetha Srinivasan, a Resource Management Officer at the World Bank, Washington DC, feels that the work culture at the Bank is very congenial for maintaining a good balance between work and family. CA. Ishita Sengupta, who works with a CA firm as Senior Manager, International Assignment Services, believes that maintaining a work-life equity primarily depends upon the organization's attitude towards women employees. CA. Jayashree Swaminathan, is of the view that the question of work life balance boils down to individual capability to juggle both work and family whilst making judicious trade offs.

However, CA. Rohini Agarwal, a practising Chartered Accountant, feels that maintaining a balance between professional and family life is a challenge while pursuing the profession - for progressing well in own practice, a good amount of time needs to be spent on continuing education, networking, updating oneself and of course, in executing the work, which leaves very little time for family life. She adds that "In spite of this concern, chartered accountancy is a wonderful course and satisfying in terms of career needs."

Gender – A barrier to the growth of Women CAs?

No doubt, chartered accountancy is now being largely considered as an ultimate career preference by women. However, for women to progress in their work life, gender may be a barrier in certain organizations. Some women believe that though the glass ceiling is cracked, it is yet to shatter completely. Though organizations encourage women to work hard and provide them equal opportunities to grow, it is up to the women to take up the challenge and rise up to the task. However, if women are not able to keep pace on account of their demanding role at home, the barriers to their growth in the organization would continue to exist!

Many women today are fighting all gender barriers to reach the topmost rung of the corporate ladder. However, this has not been a cake walk. Even now, women do face discrimination at work place and their race to the top is quite an uphill mission. There are differing views on "gender" being a limiting factor to a woman's growth in an organization.

CA. Bhavna Doshi did not find gender as a barrier in her professional life though, in her initial years of practice in 1970s, she did find men not used to women in this field, since there were very few women in practice in those days. She admits "Men used to feel little embarrassed in discussing, for example, tax matters, with a woman. However, as soon as they realized that I can perform as well as a man can, that embarrassment disappeared."

CA. Rohini Agarwal also feels that gender might have been an issue to some extent ten years back, but as on date, gender is not an issue at all. In fact, CA. Geetha Srinivasan asserts that in organizations like World Bank, not only is gender equality emphasized but the work atmosphere is well-suited for women to have a healthy work-life harmony, which does not hamper their progress in the organisation. CA. Ishita Sengupta is also in agreement with this view and feels that though there are challenges in terms of work-life parity, it has been a good experience for her so far. However, CA. Nidhi Goyal, also working with a CA firm, is of the contrary opinion that chartered accountancy, being a male dominated profession, women CAs are still not given equal opportunities for growth. This view is supported by CA. Leena M. Sathyanarayanan, Business Controller of a reputed Coimbatore-based company, who also considers gender to be a barrier restricting the growth of women in an organization.

The opinions expressed by select women chartered accountants in practice and in industry show that the issue as to whether or not gender is a limiting factor hampering a woman's professional growth in an organization primarily depends on the organizational policies and the individual's own personality and disposition. Notably, many international organizations are "equal opportunity employers" and specifically encourage women to apply whenever they advertise for a vacancy in their organization. In such organizations, generally, gender is not a consideration restricting a woman employee's progress in the organization, since they employ women, being fully aware of the importance of balancing their dual role as a home-maker and an employee.

In India, however, the private sector is generally quite demanding and many women are forced to take a break in their career to rear up their children, since they find it impossible to maintain a healthy work-life balance thereafter. However, there are certain private organizations which create a conducive work environment for all their employees, encourage those who take a sabbatical and welcome those who are willing to rejoin. Companies like Tata Group also have a specialised Second Career Internship Programme (SCIP) for women professionals who are keen on restarting their career.

Perfect Gender Equality : Need to Bridge the Gap

Therefore, there is no need to reiterate that if organizational policies are made more female-friendly, women can easily cross half the river. To bridge the remaining gap, other extrinsic as well as intrinsic constituents become very crucial, like, the attitude of seniors and colleagues at work place, support of family and personal disposition. With the changing mindset of men, both at work and at home, the first two aspects, namely the attitude of seniors and colleagues and support of family, are witnessing a radical changeover for the better in the recent years.

Personal disposition is, of course, dependent on each individual's capacity and willingness to travel the extra mile for giving her best, both at work and at home. Generally, women are considered to be excellent at "multi-tasking" – a professional at work from 9 to 6, thereafter a home-maker, a mentor for her children – in short, an efficient and perfect "all rounder". Their dedication and disciplined attitude towards work are some of the virtues worth imbibing. In fact, corporates are now realizing the value and importance of these attributes in contributing to the growth of the organization, and as a result, gender discrimination which was widely practiced in the past and known to be a causative factor preventing growth of women up the corporate ladder has now considerably reduced.

It would be apt to conclude that a perfect harmony of all the above elements, namely organizational policies, attitude of superiors and colleagues at work place, family support and personal disposition, will definitely pave way for women empowerment in its real sense. This is true in accountancy profession as well, where it is expected that the number of women CAs in practice and industry would soon equal that of their male counterparts, their growth in the organization would be governed solely on merits and discrimination in any form would cease to exist, thereby achieving the perfect gender "equality" – and the day is not very far off!

TOPPERS SPEAK ...

A set of questions were asked to the first three rank holders of CA Final Examination-May 2011. The questions and their responses are included in these pages.

Maitreyee Narayansing Rajaput
Pune,
First Rank – CA Final
May 2011

Q. How does it feel to be at the top?

Ans. It is quite a pleasant surprise. As the papers were difficult, I could hardly hope for such a good result.

Q. What motivated you to opt for the CA course as a career, considering the hardship and uncertainty involved in pursuing this course?

Ans. Since I cleared my tenth, I was fascinated with this course. Considering the avenues available and the knowledge base that one develops through this course, I decided to go for it.

Q. Practical training generally takes up a major portion of one's time since there are many deadlines to be met. It may also involve travelling out-of-station. How did you manage?

Ans. I guess practical training helps you to understand many concepts. If one considers practical training as an essential part of learning, it would not seen as an additional burden at all.

Q. According to you, what are the intrinsic and external factors contributing to your outstanding success in the final exam.

Ans. Intrinsic factors would be proper planning and execution of the study plan, consistency, equal weightage in terms of importance to all subjects. External factors will be good coaching, experience gained during articleship, good reference books.

Q. What strategy/study plan did you follow while preparing for the exam?

Ans. I prepared a detailed study plan before starting my studies. I alloted time slots for all subjects. For practical subjects, I gave more importance to solving ICAI's Practice Manuals. Two months before exam, I started to revise each subject at least for sometime every day. I gave one mock test in real exam atmosphere with ICAI's previous question papers which helped me in getting an idea how much syllabus I could cover the day before exam.

Q. How have been the inputs provided by the Institute helped you preparing for the examinations?

Ans. The practice manuals of the ICAI have been tremendously helpful. I referred ICAI's publications of recent circulars, case laws and amendments. I think ICAI's inputs have been very much helpful to clear this exam.

Q. What have been your aspirations for the future? Do you have any specific career choice?

Ans. I have decided to pursue profession by going for independent practice. As of now, I have not decided any specific line as I think diversity is the first step towards specialisation.

Q. Do you think the Chartered Accountancy Course is the gateway to achieving professional excellence?

Ans. It surely is. However one needs to remember that clearing this exam is just a gate pass to start with and excellence can be achieved with experience and persistent efforts.

Q. How would you motivate the youngsters joining this course?

Ans. This is a course which actually changes the way of your life. It is one of very few courses which gives you practical exposure (by way of articleship) and makes you a professional.

Arti Jain
Bikaner,
Second Rank – CA Final
May 2011

Q. How does it feel to be at the top?

Ans. Attaining an all India 2nd rank in one of the toughest examinations in the arena of education is really a humbling and victorious experience. It shoulders me to put in even more hard work and zeal to outperform others in future too and thus live up the expectations of all concerned.

Q. What motivated you to opt for the CA course as a career, considering the hardship and uncertainity involved in pursuing this course?

Ans. Being from a business class family, taking Commerce stream and then CA course was an obvious inclinaton. If one looks for for a challenging and rewarding career in commerce, what better option than pursuing a CA course.

Q. Practical training generally takes up a major portion of one's time since there are many deadlines to be met. It

may also involve travelling out-of-station. How did you manage?

Ans. Articleship Training is an indispensible part of CA course. It not only prepares us for facing the outside business world but is also helpful in answering practical questions especially in tax and audit.

Q. According to you, what are the intrinsic and external factors contributing to your outstanding success in the final exam.

Ans. Firm dedication and devotion combined with regularity in efforts are the core intrinsic values one needs to inculcate. Besides, family support and faith in the Almighty can take us to whatever heights we aspire for.

Q. What strategy/study plan did you follow while preparing for the exam?

Ans. "Failing to plan is like planning to fail". I had set my targets according to the time available to me. The schedule was then sliced into months, into days and further into hours. I got 4 months study leave and during this period, I used to divide a day into four parts taking up 4 subjects a day.

Q. How have the inputs provided by the Institute helped you in preparing in the exam?

Ans. I referred the Institute's study material for some of the subjects. For others even when I opted for some other reference book, the Practice Manuals provided by the Institute were of immense help. It gives an idea of about what type of questions are asked in examinatons and we in turn can frame our strategy to answer them well.

Q. What are your aspirations for the future? Do you have any specific career choice?

Ans. Truely said, Chartered Accountancy Course is the gateway to achieving professional excellence. A wide range of oppurtunities knock at your door, It is up to us to choose the best out of them.

Q. How would you motivate the youngsters joining this course?

Ans. Keep your cool, hard work never goes unrewarded, sooner or later it will surely be recognised.

Charmy Suresh Sheth
Mumbai,
Third Rank – CA Final
May 2011

Q. How does it feel to be at the top?

Ans. It is very overwhelming and has been a pleasant suprise.Had not expected such a result ! The adulation that has been created is just very flattering.

Q. What motivated you to opt for the CA course as a career, considering the hardship and uncertainty involved in pursuing this course?

Ans. It is the benefits and respect in the society that follows the hard-work. If one is focused, then, uncertainty is not an issue to be considered.

Q. Practical training generally takes up a major portion of one's time since there are many deadlines to be met. It may also involve travelling out-of-station. How did you manage?

Ans. Well, it is a win-win situation. Practical Training is equally important which cannot be compromised. I was regular in my studies and solving practical problems on a regular basis thereby avoilding last minute pressure.

Q. According to you, what are the intrinsic and external factors contributing to your outstanding success in the final exam.

Ans. I would say understanding of concepts is a must which comes with proper studies. A balanced state of mind and focus helped me get through the Final CA exams. And off course practical exposure due to articleship has been of tremendous help. I also made sure that I had a good diet and sound sleep.

Q. What strategy/study plan did you follow while preparing for the exam?

Ans. Well, I always made a time-table which ensured that my studies were meticulously planned. This provided a sense of direction and prevented waste of time. And I went for exhaustive and repetitive readings which provided clarity of concepts and gave confidence.

Q. How have been the inputs provided by the Institute contributed to your stupendous success in the examinations?

Ans. The study material has been of substantial support.In addition, the various updates in the Students' Journal, Examiners' comments on each exam paper, the amendments books have been of great help in providing knowledge and insight required for this exam.

Q. What are your aspirations for the future? Do you have any specific career choice?

Ans. My senior CA friends tell me that sky is the limit now!! I would like to utilize the skills acquired from this course to the fullest.

Q. Do you think the Chartered Accountancy Course is the gateway to achieving professional excellence?

Ans. Definitely yes. I think the course equips a person to think skillfully and analyze/solve an issue from a wider perspective considering the wide-ranging subjects that are covered in the course. Also, the articleship exposure adds to the knowledge and overall personality of the individual to deal with professional matters.

Q. How would you motivate the youngsters joining this course?

Ans. It requires good positive attitude and commitment.I would like to tell my young friends to value their own decision of choosing such a prestigious course and continue on the path that will lead them to success. I believe the future is very bright for all of us. So just give your best in whatever you do.

General

Recent Initiatives taken by the Ministry of Corporate Affairs

The Ministry of Corporate Affairs (MCA) has come out with a press release on 8th July, 2011 stating thereby the number of initiatives taken by the MCA on legislative, regulatory, service delivery and capacity building sides:

1. **CSR initiatives** : The MCA has formulated "National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business" that will mainstream the subject of business responsibilities. The guidelines, released are a refinement over the Corporate Social Responsibility Voluntary Guidelines 2009. The new guidelines have been formulated keeping in view the diverse sectors within which businesses operate, as well as the wide variety of business organizations that exist in India – from the small and medium enterprises to large corporate organizations.

   The Guidelines urges businesses to embrace the "triple bottom-line" approach whereby their financial performance can be harmonized with the expectations of society, the environment and the people they interface with, in a sustainable manner.

2. **Green Initiatives in the Corporate Governance** : The Ministry has allowed paperless compliances by the companies and Registrar of Companies under the provisions of the Companies Act, 1956 such as :

   (a) Allowing service of documents including Balance Sheets and Auditors report etc. through e-mail addresses.

   (b) Participation by directors and shareholders in meetings through video conferencing subject to certain compliances.

   (c) Voting in General Meeting of Companies through electronic mode.

   (d) Issue of Digital Certificates by Registrar of Companies.

3. **Simplification in procedures and process under the Companies Act, 1956** : The Ministry has taken following steps to simplify the procedures for the corporates:

   (a) Incorporation of new company within 24 hours by end of July, 2011

      i. Allotment of Director Identification Number (DIN) has been made online by the system once the particulars of the applicant are verified by the practicing professionals.

      ii. The Ministry is issuing revised guidelines for allotment of name of the company. The name shall be made available online, if the application has been certified by the practicing professional that the proposed name is in conformity with the guidelines. The guidelines shall be implemented soon.

      iii. A separate e-form is being developed for the Memorandum and Articles of Association and incorporation process will be totally paperless.

   (b) **Issue of License under section 25 (non profit companies) of the Companies Act, 1956** : - Work relating to issue of license under section 25 (non profit companies) has been delegated to ROCs and condition for publication of notice for 30 days in the newspapers before issue of license have been dispensed with.

   (c) **The Director's Relatives (Office or Place of Profit) Amendment Rules, 2011:-** Limit of Directors relatives salary has been enhanced from ₹ 50,000/- per month to ₹ 2,50,000/- per month. Now onwards, for remuneration for relatives of the Directors within the enhanced limit, company need not to approach Ministry for approval.

   (d) **Marking a company as having management dispute by Registrar of Companies under MCA-21 system :** In order to have uniform practice in all Office of ROCs, clarification has been issued that unless there is a order of the court or the Company Law Board, no company is to be marked as having management dispute by the ROCs.

   (e) **Various E-forms are approved online :** A number of e-forms which are informative in nature have been processed and approved/ recorded by the Registrar of Companies online and are made available for inspection to the public immediately.

(f) **Registration of place of business by a foreign company:** Registration of place of business by a foreign company has been made priority item and it is registered by ROC on same day.

(g) **Appointment of LLPs of chartered accountants as auditor:** After making amendment in definitions of body corporates, Limited Liability Partnerships of chartered accountants will not be treated as body corporate for the limited purpose of section 226(3A) of the Companies Act, 1956, hence they can be appointed as auditor of a company.

(h) **Allotment of Designated Partner Identification Number (DPIN):** Designated Partner Identification Number issued under Limited Liability Partnership (LLP) Act, 2008 has been integrated with DIN. Now (w.e.f. 09.07.2011) only DIN will be allotted under Companies Act, 1956 and the same will be used as DPIN for LLP Act, 2008.

(i) **New Guidelines for Fast Track Exit of defunct Companies :** The Ministry has issued guidelines for Fast Track Exit mode to give opportunity to the defunct companies to get their names struck off from the Register under section 560 of the Companies Act, 1956 in time bound manner.

(j) **Special drive to clear pendency :** To reduce the pendency of e-forms filed prior to implementation of revised Regulation 17 which are time barred, Ministry has decided to re-open all such pending forms for reviewing by ROCs and disposing them by 7th July, 2011.

(k) **To improve compliances by the company :** In order to ensure corporate governance and proper compliances by the companies, it has been decided that w.e.f. 3rd July, 2011, no e-forms shall be accepted by ROC from such companies which have not filed their updated Balance Sheets and Annual Returns since 2006-07. The Directors of such defaulting company shall also be debarred for filing any document unless they make the default good.

4. **On line payments in the Ministry :** The payment of filing fee by the companies has been made completely online.

5. **International Financial Reporting Standards (IFRS) :** In the field of financial reforms, convergence of Indian Accounting Standards called Indian AS's with International Financial Reporting Standards (IFRS) has been approved by the Ministry in February, 2011. The date of coming in force of Indian Accounting Standards will be notified shortly.

6. **Investor awareness programmes** : In order to channelize the significant household savings available with the Indian households into the corporate economy, the Ministry has decided to launch investor awareness programmes in 300 districts in association with ICAI, ICWAI ICSI, Stock Exchanges, RBI, SEBI, Trade Chambers, etc.

7. **The Companies Bill, 2011** : The Companies Bill, 2009 was introduced in the Parliament on 3rd August, 2009 after an extensive stakeholders' consultation. It was subsequently referred to the Department related Parliamentary Standing Committee on Finance for examination. The report and the recommendations of the aforesaid Standing Committee have been examined in the Ministry and a revised draft Companies Bill, 2011 prepared in consultation with Ministry of Law (Legislative Department), has been circulated to the various Ministries and Departments for views and comments. Once the consultation with Ministries and Departments are completed, a revised Bill as Companies Bill, 2011 is proposed to be introduced in the next session of the Parliament after obtaining due approvals. Consequent upon introduction of the Companies Bill, 2011, the Companies Bill, 2009, pending in the Lok Sabha, will be withdrawn.

8. **Reorganisation of field offices** : For better administration and faster service delivery, the Ministry created a new office in the form of Regional Director (SER), Hyderabad in May 2011. The field offices of the Ministry are now organized in six regions. Similarly, it is planned to restructure the cadres in the Ministry for better service delivery to public and better promotional prospects to existing personnel.

9. **Easy Exit Scheme, 2011 :** With a view to reduce the number of defunct /inoperative companies, we launched Easy Exit Scheme, 2011 providing them an easy route for closure. Under the scheme, till now, more than 29,000 defunct /inoperative companies have been struck of.

10. **Indian Institute of Corporate Affairs (IICA) :** The Indian Institute of Corporate Affairs (IICA) has

started functioning from its new office and building at Manesar. A large number of new initiatives, capacity building etc. are planned at IICA.

Following improvements are planned in the functioning, service delivery and regulatory work of the Ministry:

(1) **Limited Liability Partnership Act** : The e-Governance project for Limited Liability Partnership Act, (LLP Act) is running. However, to improve the working of LLP Act, it is planned to take up the registration of LLPs as a full e-Governance project on the same platform as MCA-21.

(2) **Extensible Business Reporting Language (XBRL)** : Extensible Business Reporting Language (XBRL) is being introduced in e-filing of Balance Sheet, Profit & Loss Accounts, etc. to have compatibility with international accounting and for data mining and analysis. The taxonomy of XBRL has been finalised after extensive consultation with all stakeholders – ICAI, Trade Chambers, etc. This taxonomy has been placed on the website of Ministry for information of all.

(3) **National Foundation for Corporate Social Responsibility (NFCSR)** : It has been decided to establish National Foundation for Corporate Social Responsibility (NFCSR) at IICA.

(4) **National Company Law Tribunal (NCLT)** : To cut short the time delays in liquidation of companies. The Ministry is in process of establishing National Company Law Tribunal (NCLT) which will replace High Courts and BIFR for liquidation and rehabilitation of companies.

(5) **Guidelines for unpaid and unclaimed dividends**: The Ministry is formulating guidelines for unpaid and unclaimed dividends. It is also in the process of implementing a functionality whereby the names of such investors who have not claimed amounts due to them shall be displayed on the website of the Ministry for the benefit of all.

(6) **New Bills on Multi State Societies and Multi State Partnerships**

The Ministry is considering to bring legislations on Multi State Societies and Multi State Partnerships to regulate their business activities.

(Source : www.pib.nic.in)
Compiled by : CA. Swati Aggarwal, BoS

Rank holders of CA Examinations

Integrated Professional Competence Examination May, 2011

Valay Dilipkumar Shah
Ahmedabad
First Rank

Sanjay Nawan Dhar
Jaipur
Second Rank

Ameya Makarand Lonkar
Pune
Third Rank

Professional Competence Examination May, 2011

Priya G Gandhi
Chennai
First Rank

Siddesh Narsinha Rao
Mumbai
Second Rank

Summary of Examiners' Comments: May - 2011 Examination

Professional Competence Course and Integrated Professional Competence Course

PAPER – 1 : ADVANCED ACCOUNTING – PCC

General Comments

Most of the candidates have not presented the solutions to computational problems stepwise in a logical order. Also candidates have not read the instruction to attempt every question from the fresh page. In general, question numbering provided by the candidates was not in line with the question given in the question paper. Candidates how not read the question carefully before starting the answer. In case a question is not clear, candidates should state assumptions and then answer the question accordingly.

Specific Comments

Question 1. In part (a), most of the candidates failed to identify the nature of assets i.e. qualifying or non-qualifying. Many candidates capitalized interest on machinery portion, which was incorrect. In part (b), many candidates ignored the concept of weighted average number of equity shares while calculating EPS. In part (c), candidates failed to correlate the information given in the question with the provisions of AS 9 'Revenue Recognition' and gave irrelevant answers.

Question 2. Many candidates wrongly considered settlement of debtors & creditors for computation of purchase consideration and consequently gave wrong journal entries and the balance sheet.

Question 3. Few candidates failed to understand that the amount defalcated by cashier was recoverable and wrongly treated it as a loss in the profit and loss account.

Question 4. In part (a) of the question, many candidates failed to calculate the correct provision for income-tax although the provisioning against non performing assets was correctly made. In part (b), majority of the candidates did not consider red ink interest for the two bills of exchange dated October 23, 2010 and December 03, 2010.

Question 5. In part (a), some of the candidates failed to calculate the amount to be capitalized by Jaipur Electric Company Limited. In part (b), classification of cash flows into operating, investing and financing activities was not done properly by few candidates.

Question 6. In part (a), mistakes were made by the candidates in calculation of stock reserve and closing stock. Moreover, adequate working notes for calculation of closing stock of head office and branch was not given by some candidates. In part (b) of the question, some candidates could not ascertain the correct amount payable/receivable by the underwriters. Few candidates also erred in the calculation of commission paid to underwriters.

Question 7. In part (a) and (c), solution provided by the candidates was not given with reference to the relevant accounting standards. Also in the second requirement of part (c), candidates explained the accounting treatment in reference to prior period & extraordinary item instead of events occurring after the balance sheet date. In part (e), most of the candidates made mistake in differentiating between cost & revenue due to lack of understanding of AS 7.

PAPER – 1 : ACCOUNTING – IPCC

General Comments

As contemplated by the examiners, spelling mistakes and poor usage of grammar was the common problem among the candidates. Also, most of the answers lacked proper presentation, good expression, clarity and precision. It is observed that the candidates generally neglect basic accounting concepts. They should lay stress on theoretical aspects of each and every topic. Many candidates failed to support their calculations with proper working notes. Candidates are suggested to strictly follow the instructions given in the question paper. Short length questions with reasoning, intricately test the candidates' understanding of the topics covered under the study material. Therefore, candidates are advised to work hard on such questions. It is also suggested that the candidates should go through the study material thoroughly.

Specific Comments

Question 1. In part (a) of the question, many candidates added liquidation expenses for the purpose of calculating purchase consideration. In part (b), most of the candidates showed lack of conceptual understanding relating to adjustment for 'Goods sold on approval basis' for the purpose of calculation of loss of stock and its insurance claim. Some candidates treated 'Goods sold on approval basis' as sales and some added it with closing stock destroyed by fire. In part (d), few candidates were not able to present the investment account in a proper manner.

Question 2. Share of goodwill distributed among new and old partners was wrongly calculated by few candidates. Revaluation account was inversely prepared by several candidates. Many candidates directly reduced 1/3rd from old share of Amit and 1/4th from old share of Sumit to arrive at new profit sharing ratio instead of reducing their 1/3rd and 1/4th share respectively.

Question 3. Most of the candidates erred in the calculation of purchase consideration. Majority of the candidates added the reimbursement of liquidation expenses to purchase consideration.

Question 4. Not many candidates were able to correctly compute the amount of income tax paid during the year. Some candidates considered ₹ 2,50,000 as cash-in-flow from equity shares instead of ₹ 1,50,000.

Question 6. Many candidates prepared cash and bank account jointly, thereby making mistake in calculation of cash defalcated by the cashier. Some failed to understand that the cash defalcated by the cashier is a loss to the entity and therefore erred in the calculation of correct net profit.

Question 7. In part (a) of the question, few candidates erred in the calculation of number of days from the base date. Some candidates took 30th June as base date but while calculating the average due date, they have adopted the formula of average due date on the basis of base date as the starting date. In part (c), most of the candidates could not give the necessary journal entries for adjustment of goodwill on retirement and admission of a partner. In part (e), items not to be posted in the 'Debtors Account' were not supported with proper reasoning. Some candidates wrongly entered 'bad debts recovered and Bills receivable endorsed' in Debtors Account.

PAPER – 5 : ADVANCED ACCOUNTING – IPCC

General Comments:

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. A thorough practice and lots of reading of the subject is required to maintain the level of knowledge expected from the students of IPCC level. 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. It is advised that they should read the questions carefully before writing the answers.

Specific comments

Question 1. In part (c) of the question, candidates erred in the valuation of opening and closing stock and also rate of gross profit of various departments. In part (d), majority of the candidates could not give the required journal entries of ESOP and at many instances, it has been found that the candidates did not provide the narrations for the journal entries.

Question 2. Most of the candidates did wrong calculation of goodwill and failed to prepare the correct capital accounts of the partners.

Question 3. Many candidates were not able to appreciate the concept of share surrender account and also were not able to differentiate it with capital reduction account.

Question 4. In part (a) of the question, most of the candidates failed to calculate the correct payment to be made to the equity shareholders.

Question 5. The profit and loss account of Jawahar Bank Ltd. was prepared inaccurately by most of the candidates. The answers of many of the candidates reflected that they were not aware of different categories of investment and their valuation provisions as per RBI Guidelines.

Question 6. In part (a) of the question, many candidates failed to arrive at the correct present value of minimum lease payments.

Question 7. In part (a) of the question, many candidates erred on the point of conversion of debentures into equity shares. In part (c), most of the candidates failed to arrive at the correct amount of impairment loss. In part (e), most of the candidates did not give the right reason for sending the goods on invoice price by the head office to the branch.

PAPER – 2 : AUDITING AND ASSURANCE – PCC

PAPER – 6 : AUDITING AND ASSURANCE – IPCC

General Comments

The overall performance of the candidates has been below par. Many candidates neither refer the relevant Standards on Auditing (SAs) nor gave due explanation of SAs. As contemplated by the examiners, spelling mistakes and poor usage of grammar was the common problem among the candidates. Also, most of the answers lacked proper presentation, good expression, clarity and precision. The command over language was very poor and lots of grammatical mistakes were committed. In many cases, answers of sub-questions were not in proper sequence and were scattered throughout the answer-sheet. These mistakes may affect marking. Therefore, one should take care of it in future. Read the question carefully more than once before starting the answer to understand very clearly as to what is required in the question. Always be concise and write to the point and do not try to fill pages unnecessarily. It is also suggested that the candidates should go through the study material thoroughly.

Specific Comments

Question1.(a) Majority of the candidates could not understand the question regarding reviewing the work performed by assistant and mostly answered it in a general way as guidance to assistants and taking expert advice. Although they agreed that the statement is true however, they were not able to write how the work of assistants shall be reviewed and checked.

(b) Most of the candidates explained the general purposes of audit documentation alongwith its definition instead of stating its additional purposes.

(c) Many candidates answered consideration of laws and regulations in audit as implementation of internal control, internal audit and management's responsibility towards the same. Some candidates explained Auditor's duties in case of non compliance rather than emphasizing the role of the management.

Question 2.(a) Some candidates mentioned the types of evidences rather than the methods of obtaining audit evidence.

(b) Most of the candidates failed to mention the various circumstances and mechanism through which fraud can be committed by ledger keeper. Their answer was on the various types of errors and its impact on profit.

Question3.(a) Some of the candidates did not have an idea of the basic limitations that hinders an auditor and gave general constraints of time, cost and scope. Some candidates mystify it with problems faced by the auditor to perform his duty with due care and skills.

(b) Most of the candidates mentioned only half of the relevant points regarding fundamental principles to be possessed by an auditor. Further, they unnecessarily added auditing techniques and methods in their answer. Moreover, many candidates wrote the basic principles governing an audit instead of auditor.

Question 4.(a) Few candidates were not able to iterate factors which increase gross profit and drafted the answer in a very vague manner.

(b) Some of the candidates mentioned the methods of charging depreciation instead of stating the various purposes of charging depreciation.

Question 6.(a) Majority of the candidates were not able to write the satisfactory answer of the Joint Audit and its relative advantages and disadvantages.

(b) Some of the candidates failed to present required provisions of section 77A

Question 7.(a) Majority of the candidates could not bring out the relevant provisions and requirement in re-issuing the redeemed debentures.

(b) Candidates in general failed to describe the problems in implementation of internal control in a small business and instead discussed the methods and techniques to introduce the same.

(c) Many candidates discussed the definition of sampling, benefits and methods of test checking instead of explaining the stratified sampling.

(d) Few candidates explained balance sheet audit of Government Entrepreneurs in place of Audit of expenditure in Government audit.

(e) Most of the candidates gave general answer and failed to mention the need and area to be applied for cut-off procedure.

PAPER – 3 : LAW, ETHICS AND COMMUNICATION – PCC

PAPER – 2 : BUSINESS LAWS, ETHICS AND COMMUNICATION – IPCC

General Comments

1. The performance in general was satisfactory.
2. Considering the level of knowledge that is expected from the candidates in this paper i.e. working knowledge, candidates are required to write answers based on provisions of the law, wherever necessary and in this connection, they are advised to read the study material.
3. Candidates are further advised to read the subject with a practical orientation and writing answers based on general view should be avoided.

Specific Comments

Question 1.(a) Instead of writing answer on the determination of compensation on the breach of contract, candidates described different types of breach of contract and provisions as contained in Section 73 of the Indian Contract Act, 1872 were not known to many.

(b) & (c) The performance to the multiple objective questions was found excellent.

(d) On the law and procedure relating to registration of a non-profit organisation as a company under the Companies Act, 1956, answers were general in nature and provisions of section 25 were not mentioned.

Question 2.(a) The problem was based on provisions as contained in the Payment of Bonus Act, 1965 was well answered by many candidates, though they could refer the relevant case law and section in the said Act.

(b) In stating the elements which create discrimination in employment in the business organisations, answers were in general and the performance was average.

Question 3.(a) While the candidates correctly mentioned the amount of gratuity payable to employees in a seasonal as well as other establishments, under the payment of Gratuity Act, 1972, the basis on which it is calculated were not correctly written. Amendment in the ceiling regarding maximum gratuity payable was correctly mentioned by many candidates.

(b) Tips for improving inter-personal skills in a business organisation were not specific and it is evident that candidates did not read the study material.

Question 4. The performance to the question in general was average. Candidates did not explain the purposes for which the Securities Premium Account can be used. On the second part of the question relating to ethics, it seems that candidates are having some difficulty in answers, either due to less attention being paid or in understanding the subject.

Question 5. The performance of the candidates in general to the various sub-parts of the question was satisfactory.

Question 6. The procedure for converting a private company into a public company under the provisions of the Companies Act, 1956 were not listed out in order and they were general in nature. In respect of questions relating to guidelines for managing ethics, need for whistle-blowing in the work place and characteristics of group personality, very few candidates could write correct answers and many of them even did not attempted it.

Question 7. On the composition and functions of the Central Board of Trustees under E.P.F & M.P. Act, 1952, very few could write correct answers. On the documents to be filed with ROC at the time of registration of a company under the Companies Act, 1956, many of them were not aware of documents other than Memorandum and Articles of Association. Based on performance to this question and other related questions related to company law portion, candidates have to equip their working knowledge in the subject.

The performance to the second alternative choice question on company law and ethics was average.

The answers to the third alternative choice questions based on ethics was not upto the mark.

The fourth alternative choice questions relating to communication were written in general.

PAPER – 4 : COST ACCOUNTING AND FINANCIAL MANAGEMENT – PCC

PAPER – 3 : COST ACCOUNTING AND FINANCIAL MANAGEMENT – IPCC

General Comments

Overall performance of the candidates was not satisfactory. Most of the candidates were not able to give satisfactory answers showing lack of conceptual clarity and understanding of the subjects. Performance revealed lack of in-depth knowledge and rigorous study. Being a problem oriented paper candidates should practice as many practical questions as possible under examination conditions by referring to the study material, suggested answers, suggested textbooks, etc. Most of the examiners were of the opinion that the candidates need to fine-tune their presentation skills and should attempt different parts of the same question consecutively.

Specific Comments

Question 1.(a) This question related to computation of operating and financial leverage for two plans. Majority of the candidates performed well except a few of them, who failed to show the calculations separately for the two plans under the given situations.

(b) Problem based on calculation of remuneration of the workers under Halsey and Rowen plans. Since many candidates could not arrive at the time saved correctly, therefore, were not able to calculate the correct remuneration.

(c) This question requires preparation of stores ledger. Since it is also a compulsory question almost all the candidates tried to prepare the ledger accounts but many candidates could not prepare it since they were confused with the methods to be adopted though the date is clearly mentioned in the problem. Most of the candidates ignored the format while preparing the store ledger.

(d) Short note on factoring and its advantages was discussed by many candidates on correct lines. However, a small percentage of the candidates explained the concept of present value tables or factors of working capital management instead.

Question 2.(a) Problem on machine hour rate was not attempted well by many candidates since they could not calculate the effective working hours. Apportionment was made by almost all the candidates.

(b) The question required the candidates to advise the management regarding adoption of new credit policy. Majority of the candidates have well attempted the question and have advised correctly. However, few of them have wrongly calculated investment in receivables on the basis of total sales instead of total cost.

Question 3. A large percentage of the candidates have attempted this problem on Preparation of estimated working capital statement but only a few could attempt it on correct lines. Only a handful of the candidates have calculated the cash cost of sales correctly and majority have computed debtors on the basis of sales.

Question 4. Majority of the candidates revealed lack of knowledge in preparation of Cash Flow Statement under indirect method. Candidates could not work out cash flow from operating activities correctly and only a few have computed the cash and cash equivalent at the beginning as well as at the end of the year. Further, the candidates have not presented their answers supported by proper working notes and have also failed to present it in the proper format.

Question 5.(a) This problem was on cost ledger. No candidate was able to calculate the profit under both costing and financial methods. Almost all the candidates just opened the head of relevant accounts but the figures given were irrelevant.

(b) Majority of the candidates were not able to discuss debt securitisation well and gave answers based on security for a debt or loan.

Question 6.(a) This question on Computation of earnings per share was well attempted by many candidates. Majority of the candidates faltered in computing indifference points between different proposals and computation of total shares on correct lines.

(b) This theory question on cost unit and cost centers were generally discussed without correct definition and proper points.

Question 7.(a) Packing expenses and Fringe benefits were generally explained by the candidates but without indicating the requirement of treatment.

(b) A large percentage of the candidates explained Operating Profit ratio and Operating leverage instead of Operating ratio.

(c) Many candidates explained the meaning without giving the causes of labour turnover.

(d) Majority of the candidates explained correctly William J. Baumal versus Miller Orr cash management model.

(e) Process of estimating profit/loss on incomplete contracts was given correctly by many candidates.

PAPER – 5 : TAXATION – PCC

Specific Comments

Question 1.(a) Few candidates were not aware of the enhanced turnover limit of ₹ 60 lacs to be eligible to opt for presumptive taxation under section 44AD of Income-tax Act, 1961. Most of the candidates have not answered that maintenance of books of accounts under section 44AA and audit under section 44AB would become mandatory if the assessee does not opt for presumptive taxation and claims a lower business income.

(b) Majority of candidates were not aware that the loan transaction would be deemed as dividend under section 2(22)(e) in case the loan was taken from a private company in which the loanee held more than 10% of equity shares.

(c) Most of the candidates have not considered the amount of ₹ 20 lacs invested in NHAI Bonds on 16.04.2011 for the purpose of exemption under section 54EC.

(d) Some candidates had wrongly taken the service provided to UNICEF as liable to service tax.

Question 2.(a) Most of the candidates have wrongly calculated the depreciation on fixed assets. They have not applied the correct rates of depreciation.

(b) Few candidates answered that service rendered in Jammu and Kashmir are liable to service tax.

Question 3.(a) Some of the candidates have wrongly answered that medical facility in a hospital maintained by the company is a taxable perquisite. Few candidates have also erred in calculating the value of the taxable perquisite in respect of use of movable assets.

Question 4.(a)(i) Many candidates were not aware of the provisions of section 56(2)(viia) and were hence, not able to state that the same were not applicable in this case in the hands of transferee.

(a)(iii) Most of the candidates were not aware of the provisions of section 56(2)(vii) and that the same would not apply to any sum of money or property received from any trust or institution registered under section 12AA. Hence, they were not able to answer correctly.

(b) Majority of the candidates could not answer that since tax is deductible at source under section 194B in respect of lottery income and the remaining tax liability is less than ₹ 10,000, advance tax liability is not attracted. Neither were they able to state the provisions of the first proviso to section 234C(1) correctly.

Question 5.(a) Most of the candidates have wrongly considered the deposit of ₹ 50,000 in the name of major son as eligible for deduction under section 80C. Some of candidates were not aware of the eligible limit under section 80CCF.

(b) This question required the candidates to list the instances where the tax deductible at source in terms of section 194A will not apply. Most of the candidates could not understand the requirement of the question and their answers were vague and general.

(c) Many candidates did not mention that amount of service tax paid by utilization of CENVAT credit shall also be included while computing the total service tax paid in preceding year.

Question 6.(a) Majority of candidates were not aware of the provisions of section 72A(6A) and hence could not answer the question correctly. Most of the candidates were not able to bring out the non-fulfillment of condition under section 47(xiiib) to answer this question.

(b) In respect of computation of income under section 44AE, some of the candidates have failed to solve this problem applying the presumptive taxation provisions. Further, they have not set-off the brought forward business loss of discontinued business from such income to arrive at the total income chargeable to tax.

(c) Most of the candidates were not aware of the provisions of section 35AD and hence have failed to calculate the correct amount of deduction under section 35AD.

Question 7.(a)(i) Few candidates were not able to state correctly all the conditions to be fulfilled for allowing expenditure under section 37.

(ii) Most of the candidates have incorrectly answered that the recovery of bad debts disallowed in the earlier year is taxable under Income-tax Act, 1961.

(iii) Many of the candidates were not able to answer correctly giving the reasoning based on the respective TDS provisions along with threshold limits.

(iv) Most of the candidates were not aware of the method of calculation of deduction under section 10AA and hence, their answers were wrong.

PAPER – 4 : TAXATION – IPCC

Specific Comments

Question 1. (a) The question is based on computation of capital gain in case of transfer of shares by an individual to his spouse without consideration, income earned thereon and subsequent sale of shares at concessional price by the spouse to her friend. A number of adjustments were asked on computation of long term capital gain, short term capital gain, clubbing of income and provisions of section 56(2)(vii). Students were found to be lacking on provisions of section 56 as well as on applicability of clubbing provisions in relation to accretion to the assets transferred to spouse. Some students have wrongly treated profit on sale of bonus shares as long term capital gains. Students have not written about the non-taxability of the difference of ₹ 40,000 (₹ 2,10,000 – ₹ 1,70,000) in the fair market value and actual sale consideration of shares in the hands of Mrs. Hema on account of the difference not exceeding ₹ 50,000.

(b) Only few have answered this question correctly. Majority of the students have wrongly taken the total profits derived from the Unit S i.e. ₹ 13 lacs as fully exempt on account of the unit being in SEZ, instead calculating the profits in relation to export turnover of Unit S.

(c) In many cases, students calculated 'value of taxable service' but omitted to calculate 'service tax payable'. They also ignored the fact that since the firm had rendered taxable service of ₹ 20.2 lakh in the previous financial year, it is not a small service provider. Further, many students have wrongly considered the amount collected from companies for pre-recruitment screening as well as for recruitment of permanent and temporary staff as inclusive of service tax. Also, many of them have wrongly taken service tax liability as nil in case of advance received.

(d) Only a very few students were able to compute the net VAT liability correctly. While some of them did not consider the VAT credit on closing stock of raw materials, others allowed the whole credit on capital goods in one year. Some students also did not consider the credit on capital goods at all. Further, students also failed to give reasons for excluding other items provided in the question which were not relevant for computation of input credit.

Question 2.(a)(i) The question is on taxability of payment made outside India to a non-resident for the consultancy services related to a project in India. The question is to be answered based on the amendment made by the Finance Act, 2010 in section 9 of the Income-tax Act, 1961. Since the question did not specify chargeability under the Income-tax Act, 1961, some students have answered the same on the basis of service tax provisions related to import of services

(ii) The most common mistake committed by students was that they had applied weighted deduction @200%

under section 35(2AB) (applicable to companies) for in-house research and development expenditure instead of 100% under section 35(1) (applicable for individual).

(b) Though the question clearly provided that service tax is collected separately on coaching fees of ₹ 14,50,000 collected from students, many students wrongly assumed it to be inclusive of service tax and made the calculations accordingly. Also, few of them wrongly considered the value of free coaching to be liable to service tax. A large number of students failed to charge service tax on the advance received during the quarter ended 30.06.2010 which was returned subsequently.

(c) While the first part of the question was answered correctly by a large number of students, only a handful of them were able to answer the second part relating to services being included in the VAT net.

Question 3.(a) The common mistakes committed by students while answering this question are:-

(i) Most of the students have wrongly taken the entire interest of ₹ 1,50,000 on capital received from Oscar Musicals & Co. whereas the same must be restricted to ₹ 1,20,000 which is the maximum interest allowable in the hands of the firm.

(ii) Many students have considered net interest of ₹ 13,500 on fixed deposit as income instead of gross interest of ₹ 15,000.

(iii) Several students have taken the entire income tax refund of ₹ 34,500 received for AY 2009-10 as income under the head "Income from Other Sources" instead of considering only the interest of ₹ 2,300.

(iv) Many students have not applied the correct rate of depreciation in case of Computer.

(v) Only few students have correctly worked out the WDV of Motor Car.

(b)(i) It has been observed that majority of the students have simply answered as 'I agree' without giving suitable explanations for such agreement.

Question 4.(a) (i) Most of the students were not clear regarding the provisions of set off of losses.

(ii) Many students have wrongly set off loss of ₹ 32,000 from card games against income of ₹ 45,000 from betting.

(iii) Some students have wrongly set off long term capital loss from sale of listed shares in a recognized stock exchange against long term capital gain from sale of urban land. They were not aware that loss from an exempt source cannot be set off against gains from a taxable source.

(iv) Few students have wrongly exempted long term capital gain from sale of urban land.

(v) Some of the students have wrongly set off loss from specified business covered under section 35AD against income from speculation business.

(b) This question was based on the general understanding to administer service tax laws and to name such rules issued by the Central Government. Students did not write the name of the rules correctly and secured partial marks for general understanding.

(c) Many students answered the first part correctly. However, they failed to explain as to how input tax credit helps in achieving the essence of VAT and instead wrote long answers explaining the advantages of input tax credit.

Question 5.(a) (i) Some students have wrongly considered ₹ 1,05,000 as the cost of the house property, instead of adopting the fair market value of ₹ 1,50,000 on 01.04.1981, which is higher.

(ii) Many students have wrongly deducted the amount of ₹ 25,000 forfeited by Mr. Rakesh to arrive at the cost to be considered for indexation.

(b) Some students wrongly answered this question on the basis of income-tax provisions. Few of them also wrongly mentioned the time limit of intimating the details of service tax paid in advance to jurisdictional Superintendent of Central Excise as 30 days from the date of adjustment of the service tax in the subsequent period instead of 15 days from the date of advance payment.

Question 6.(a) Most students have failed to calculate the allocation of depreciation between private limited company and LLP correctly. In case of depreciation on Patents and Machinery the number of days of usage for the LLP has been calculated as 3 months instead of 31 days and for the private limited company as 275 days instead of 214 days (for depreciation on patents). Almost all the candidates have provided depreciation for building without considering that deduction under section 35AD has already been allowed in an earlier year.

(b) Students were required to calculate the value of taxable cargo handling services in this question. Many students simply ignored item no. (i) & (iv) without mentioning that these are covered under cargo handling services and hence no adjustment is needed from total collections of ₹ 32,00 lakh.

(c) Students wrote long essay types answer for this question instead of mentioning the specific areas in relation to VAT audit where a Chartered Accountant could play a vital role.

Question 7.(a)(1) Majority of candidates have answered this question incorrectly. A lot of guess work has gone in answering this question.

(a)(3) This question is to test the applicability of TDS provisions and allowability of payments/ expenditures made by a resident individual to residents and non-residents. The question was answered by a very few candidates due to lack of knowledge and their answers were very general. Candidates were not aware of the fact that since the assessee was not subject to tax audit in the immediately preceding financial year hence, the question of disallowance of interest and commission payment in item nos (i) & (iv), respectively, does not arise. They were also not aware that salary is not an item figuring in Section 40(a)(ia) for disallowance.

(b) Many students wrongly mentioned the due dates for payment of service tax instead of writing the due dates for filing of service tax returns which was required by the question.

PAPER – 6(A) : INFORMATION TECHNOLOGY – PCC

PAPER – 7(A) : INFORMATION TECHNOLOGY – IPCC

General Comments

The overall performance of the candidates was below average. However, there is a scope for improvement. The question paper was well balanced. Thorough and in-depth reading of the study material was lacking on the part of candidates. However, the study material of Information Technology is well prepared and has wide coverage of all the topics. Most of the candidates have answered the questions without adequate preparation. In fact, candidates should answer the questions based on the conceptual understanding of the topics.

Specific Comments

Question 1. (a) Most of the candidates failed to explain the importance of virtual memory in computers. They explained virtual memory as a volatile memory that increases the processing efficiency of the primary memory, which is not logically correct answer. Hence, the performance was poor for this part.

(b) Most of the candidates were not able to give proper answer to this question. They failed to provide the unit of measurement and their conversion into number of cycles per second. Hence, the performance was observed below average.

(c) Most of the candidates confused with the definition of 'Message Switching'; hence, an average performance has been observed for this part.

(d) This question was well attempted by the candidates by explaining the core function of ALU. However, some of them were failed to mention about the flow of data from storage unit to ALU and vice-versa. Hence, the overall performance was average.

(e) Many candidates could not answer the question correctly by giving appropriate difference between 'File Volatility' and the 'File Activity'. This resulted in a below average performance.

Question 2. (a) Most of the candidates could not answer this question up to a satisfactory level. They gave generalized answer instead of discussing limitations given in the study material. Some of them explained unemployment effects after being introduced computers in our daily workings. Hence, the performance was poor.

(b) Only few candidates could able to answer this question well. Most of them gave generalized answer instead of explaining schema, sub-schema, and physical and logical data levels. Some of them explained DML functions in place of DDL functions. Candidates were confused in answering this question. Hence, the performance was very poor.

Question 3. (a) Instead of explaining significance and various task performed by utility programs, most of the candidates explained either types or software used as freeware. Some of them gave vague answer to this question. Hence, the performance was below average.

(b) Most of the candidates exhibited lack of technical knowledge about various tools that are available for the protection of information and system against compromise, intrusion or misuse. They gave answer out of the context explaining IDS components, passwords and anti-virus softwares . Hence, the performance was below average.

Question 4. (a) Most of the candidates answered this question well by discussing various advantages / disadvantages of Star Network Topology. Hence, the performance was satisfactory.

(b) Most of the candidates discussed about general problems of Supply Chain Management (SCM) functions instead giving specific answer by describing the problems faced by the system implementer of SCM. Hence, the overall performance was poor.

Question 5. (a) In this part, most of the candidates drew the correct flowchart as per the expectations. But, few of them were unable to write the condition and also formula for calculating custom duty levied on each category of items. However, some of the candidates did not use appropriate flow chart symbols. But, the overall performance was satisfactory.

(b) Most of the candidates gave general answers to this question. Many candidates failed to explain 'why a decision table is required' and 'what is the importance of making decision table'? Most of them wrote 'Conditions and Actions' rather than 'Condition Stub, Condition Entries, Action Stub and Action Entries' as a part of the decision table. Hence, the overall performance was below average for this part.

Question 6. (a) Most of the candidates showed lack of knowledge in explaining problems with File Processing System that limit its efficiency and effectiveness for end user applications. The candidates were not clear about the concept of File Processing Systems with reference to DBMS. Some of them could not understand the meaning of the question as well. Hence, the overall performance was not satisfactory.

(b) Generalized answers were given by most of the candidates. Instead of explaining 'how CRM improves customer relationship', they explained purposes and implementation procedures of Customer Relationship Management. Hence, the performance was observed below average for this part.

Question 7. (a) Candidates attempted this question well by explaining the functions of Control Unit. Hence, the performance was satisfactory for this part.

(b) Only few candidates could answer the question well. Most of them were not clear whether 'start/stop bits were placed before/after each bit, byte, word or massages'. Hence, the overall performance was poor.

(c) Some of the candidates have wrongly written 'Mobile Commerce' as 'trading in sale & purchase of mobile phones' rather than using the same for commerce transactions. Hence, the overall performance was moderate for this part.

(d) Most of the candidates were failed to discuss various advantages of data warehouse point-wise. Hence, the performance was below average for this part.

(e) Very few candidates could explain hashing concept in Random Access Method. Random Access Method was wrongly interpreted as Random Access Memory by some of the candidates. Hence, the overall performance was below average for this part.

PAPER – 6(B) : STRATEGIC MANAGEMENT – PCC

PAPER – 7(B) : STRATEGIC MANAGEMENT – IPCC

General Comments

- In several cases the answers from the candidates lacked the desired conceptual depth and analysis.
- Some candidates have given vague and irrelevant answers. They have also unsuccessfully tried to fill in the space by repeating the sentences. It is suggested that the candidates should answer what has asked and should not write irrelevant.
- In several cases answers were poorly presented or written in illegible handwriting.

Specific Comments

Question 8. The overall performance of the majority of the candidates was average. There were four questions asked to the candidates at the end of the case study. Diverse answers were written by them. The performance was fairly good in part (a) and (b). In part (c) candidates found it difficult to write the next move for Sharp Corporation. In part (d) many candidates restricted themselves to the theoretical aspect of the concept – 'key success factors'. They were not able to properly link their answers to the Sharp Corporation.

Question 9. In part (a) Majority of the candidates were able to provide answers in terms of correctness or incorrectness of the statements. However, they were not able to substantiate their answers with adequate and valid reasoning. In part (b) the performance of majority of the candidates was found to be very poor. They hardly found appropriate word for fill in the blanks.

Question 10. The Question was divided into seven parts of one mark each. The overall performance of the majority of the candidates was found to be satisfactory.

Question 11. The overall performance of the examinees in the answers to this question was not satisfactory. The question was also generally avoided by the candidates. A few examinees who attempted the question were not able to explain how evaluating the worth of a business is central to strategy implementation.

Question 12. Most of the examinees were able to explain correctly the meaning and the elements involved in the process of benchmarking. At the same time, a few candidates gave vague and incorrect answers. In the second part of the question they have not been able to explain how corporate culture can become strength or weakness of the organization.

Question 13. Many candidates were able to write satisfactorily the differences between TQM and Traditional Management Practices while answering the part (b). However, answers for part (a) were not of reasonable quality as the candidates showed lack of conceptual articulation of the concept of strategy formulation and strategy implementation. Accordingly, the candidates were not able to explain the differences between strategy formulation and strategy implementation properly.

Question 14. Majority of the students attempted this question but could not do it well. Generally, they wrote about the introduction and meaning of strategic management and SBU rather than the importance of strategic management and advantages of SBU. The performance was better in part (a) in comparison of part (b) of this question.

Final (Group-I) Examination

PAPER – 1 : FINANCIAL REPORTING

Question 1.(a) Except for few candidates, majority of them could not calculate the expected return on plan assets.

(c) Most of the candidates could not provide the required answer in accordance with the provisions of the "Guidance Note on Accounting Treatment for Excise Duty".

Question 2. Some candidates could not prepare the correct consolidated balance sheet of Sun Ltd. and its subsidiaries. They erred in apportionment of profits and reserves of Light Ltd. and Moon Ltd. between pre and post acquisition periods. Mistakes were also found in calculation of unrealized profit on equipment and stock; balances of profit and loss account, fixed assets and stock appearing in the consolidated balance sheet. Some of the candidates could not give the proper treatment to cash in transit and proposed dividend.

Question 3. Some candidates wrongly prepared the Balance Sheet of C Ltd. on the basis that amalgamation was in the nature of merger. They showed revaluation reserve, general reserve and profit and loss account in the balance sheet of C Ltd. after amalgamation.

Question 4.(a) Most of the candidates could not calculate the amount of the purchase consideration correctly, mainly, due to mistake in calculating the cash payment. The statement showing fractional shares, equity shares and preference shares exchangeable in A Ltd. could not be correctly prepared by some of the candidates.

(b) Most of the candidates could not arrive at the correct amount of goodwill. Few among them did not deduct claim of ₹ 10,000 while calculating B Ltd's closing capital employed. Some candidates wrongly considered the effect of revaluation of current assets, resulting in negative goodwill, while calculating future maintainable profits.

Question 5. Many candidates erred in computation of net assets for computation of super profit, and net assets available for shareholders (including goodwill). Few candidates failed to deduct bonus claim of ₹ 1,00,000 from current year profit, while calculating average profit. Some among them added 'notional calls' with net assets to make shares of ₹ 6 as fully paid up. They failed to understand that entire disposable profit should be considered for valuation of shares and not only dividend if controlling interest is being sold. Thus most of the candidates could not determine the break-up value and market value of equity and preference shares.

Question 6.(b) Majority of the candidates could not arrive at the correct net assets value (NAV) of a mutual fund from the information given in the question. The calculation of number of closing units was also not correctly computed by some candidates.

(c) Most of the candidates failed to determine the amount of maximum bid price for the particular executive and the maximum salary that could be offered to him.

Question 7.(a) Some candidates could not, correctly, compute the value of closing inventory and abnormal loss in accordance with provisions of AS 2 'Valuation of Inventories'.

(c) Few candidates stated that surplus amount of ₹ 6 lakhs should be recognized immediately. But they did not state about reducing annual contribution.

(d) Many candidates did not apply the weighted average annual income tax rates for calculating tax expenses for each of the quarters.

(e) Majority of candidates could not calculate the possible value of brand under potential earnings model.

PAPER – 2 : STRATEGIC FINANCIAL MANAGEMENT

Question 1. Sub-questions (a) to (c) generally were not answered well. The answers showed lack of preparations. Answers to Q. No. 1(d) were generally above average.

Question 2. Sub-question (a) required the candidates to understand alternatives and evaluate the better one. The answer were below average. The concept of sale and lease-back and the resultant cash flows were not understood by the candidates. The workings were untidy and were not well organized.

Sub-question (b) required the understanding of a loan swap to gain on interest rates. Only few candidates could attempt this question properly. Answers showed lack of understanding of the gain/ loss that could arise under a swap agreement.

Question 3. Sub-question (a) required calculation of swap ratio on acquisition of a company by another. The performance was below average. Only about 50% of the candidates could answer correctly.

Sub-question (b), many candidates could not deal with the factors of 'Utilities' given in the question in the context of rating between two projects.

Question 4. The two parts of the question (a) and (b) were generally better understood than most other questions. The answers were generally good and fetched marks for those who could answer correctly.

Question 5. Sub-question (a) threw up an interesting point- that of negative equity value in one situation. Candidates were expected to identify this situation and then proceed on the basis that equity value could not be negative. Most candidates failed this test.

Sub-question (b) on calculation of Economic Value Added found answers to be generally above average.

Question 6. Sub-question (a) required application of Gordon's formula and Walter's formula in the context of dividend and share valuation. While application of Walter's formula was correctly done in many cases, candidates displayed innovations in applying Gordon's formula.

Sub-question (b)(i) on the functions of stock exchange performance was of average level as most of candidates discussed day-to-day activities of Stock Exchange based on their general knowledge not the subject specific.

Sub-question (b)(ii) on the techniques of economic analysis exhibited poor performance as most of the candidates could not understood the requirement of question and filled their answers with unnecessary details.

Question 7. This was a set of theoretical questions. The answers were generally characterized by weak writing skills.

PAPER – 3 : ADVANCED AUDITING AND PROFESSIONAL ETHICS

General Comments

The overall performance of the candidates has been below par. Many of the candidates did not refer to relevant Standard on Auditing (SAs) nor gave due explanation of SAs as they did not know its correct application. A few candidates have written vague and irrelevant answers. Many of the candidates answered the questions in a general manner.

Specific Comments

Question 1.(a) Many candidates were not been able to give the required answer in accordance with the provisions of SA 402 relating to an entity using a service organization.

(b) Majority of the candidates were not able to write the satisfactory answer in accordance with required SA 450. Hence the performance was very poor.

(d) Most of the candidates have written wrong answers mentioning reporting requirements, laying stress on Management Representation in place of required answer in accordance with SA 505 "External Confirmations".

Question 2.(a) Majority of the candidates have failed to point out that as per clause (12) of Part I of 1st Schedule of the Chartered Accountants Act, 1949, a practicing CA will be held guilty of misconduct if he allows a person not being a member in practice to sign on his behalf or on behalf of his firm, any balance sheet, profit and loss account, report or financial statements.

Question 3.(b) Some candidates wrongly referred to detailed explanation of AS 15 in place of SA 620.

Question 4.(b) Most of the candidates wrongly referred to sundry creditors/bank overdraft to be disclosed under current liabilities rather than in accordance with Part I of Schedule VI to the Companies Act, 1956.

(c) Majority of the candidates have wrongly referred to all types of controls in a computerized environment. Some of them have wrongly referred to various types of risks.

Question 5.(a) Performance of candidates, in general, has been satisfactory. They could not, however, understand the fact that mere application for rescheduling does not change the default position. Few candidates got confused with the disqualification of directors under section 274(1) (g) of the Companies Act, 1956.

(b) Almost all the candidates have treated the notice for demand of excise duty as a contingent liability, many candidates have given wrong answers stating that the matter is to be reported under CARO, 2003 and that necessary provision is required to be made or given as a foot note as Contingent Liability. Hence performance was unsatisfactory.

(c) The candidates in most of the cases have failed to point out whether the payment made to the director on foreign trip formed an allowance or reimbursement. They also failed to point out that the decision about the advance to the director will depend on the policy of the entity and the agreement signed at the time of appointment. Hence performance was poor.

Question 6.(a) Many, candidates referred to classification/provisioning requirements instead of the criteria for classification of Non- Performing Assets.

(b) Most of the candidates have wrongly mentioned general examples of Contingent Liabilities and its definition.

(c) Majority of the candidates have produced irrelevant answers mentioning a long list of the books of accounts to be maintained.

Question 7.(a) Most of the candidates confused this with Statutory Audit under the Companies Act, 1956 rather than Form 3CD requirement under Tax Audit.

(b) Handful of the candidates failed to understand that volatility margin is levied on the net outstanding position of the member in each security based on margin rates. Hence performance was very poor.

(c) Some candidates wrongly referred to reporting requirements under section 227(1A) in place of Propriety Audit.

(d) A few candidates wrongly referred to various types of Operational/Managerial functions in place of Operational Audit.

(e) Many candidates wrongly referred to the procedural aspect on vouching/verification in place of required answer for frauds through suppliers' ledger.

PAPER – 4 : CORPORATE AND ALLIED LAWS

Specific Comments

Question 1. Sub part (a) of the question was with reference to the Payment of Dividend out of the accumulated profits. Though students answered the question correctly but only a few students referred the provisions of Section 205A (3) of the Companies Act, 1956 properly.

In sub part (b) of the question, performance of students is below average. Students in their answer explained the provisions of Companies Act, 1956 relating to filling of financial statements with the Registrar of Companies instead of explaining the provisions of Section 210(3) (b) relating to violation of laying of accounts at the Annual General Meeting.

In sub part (c) of the question, students were generally not aware of the written permission required by the principal to deal with non member of the exchange under Securities Contracts (Regulation) Act, 1956.

The performance of students in sub part (d) of the question has been highly satisfactory.

Question 2. Sub part (a) of the question was based on the provisions of Sections 292 and 293 of the Companies Act, 1956 but most of the students have answered the question on the basis of section 372A of the said Act.

In sub part (b) of the question, most of the students could not explain the relevant provisions of Companies Act, 1956 related to Contributory as covered under section 428 correctly, perhaps for the reason that they were advised by the Board of Studies to study only the general provisions relating to winding up as covered in paragraph 9.4 of the study material. The question asked does not fall within these provisions as covered under the said Paragraph of the Study Material.

Question 3. Sub part (a) of the question was answered in a general manner without referring the case law.

The performance of the students in sub part (b) of the question was not upto the mark as the provisions of SEBI Act, 1992 relating to Cease and Desist order and appeal to Supreme Court was not explained properly.

Question 4. In sub part (a) of the question, most of the students were unaware of the provisions of Banking Regulation Act, 1949 relating to compensation payable on acquisition of Bank by the Central Government under section 36AE and 36AF. The performance of the students was below average.

Most of the students have answered correctly the sub part (b) of the question related to Donation to Recognized Political Party by a company under section 293A of the Companies Act, 1956.

Question 5. In sub part (a) of the question, most of the students were unable to explain Compoundable and NonCompoundable Offences. They have also not mentioned the authorities who can compound the offences. The performance was not satisfactory.

Most of the students have properly explained the provisions of Section 269 of the Companies Act, 1956 relating to appointment of a Managing Director as asked under sub part (b) of the question but drafting of the Board Resolution for the appointment of Mr. Intelligent as the Managing Director of Smart Limited on a salary of ₹ 5 Lakhs per month was not upto the mark.

Question 6. In sub part (a) of the question, most of the students could not explain the relevant provisions of Companies Act, 1956 relating to Compulsory Winding Up as under section 433(e) and 439(5) correctly, perhaps for the reason that they were advised by the Board of Studies to study only the general provisions relating to winding up as covered in paragraph 9.4 of the study material. The question asked does not fall within these provisions as covered under the said Paragraph of the Study Material.

Most of the students have properly explained the provisions of Section 256 of the companies Act, 1956 relating to Rotational Directors and their Retirement.

Question 7. In sub part (a) of the question related to Residential Status under section 2(v) of the Foreign Exchange Management Act, 1999, students found it difficult to answer the question correctly due to lack of information relating to the number of days of stay in India during the relevant financial year 2009-2010.

The performance of the students in sub part (b), (c) and (d) has been highly satisfactory.

Some of the students did not explain properly the provisions of SRFAESI Act, 2002 relating to cancellation of Certificate of Registration granted to a securitization and reconstruction company.

Final (Group-II) Examination

PAPER – 5 : ADVANCED MANAGEMENT ACCOUNTING

General Comments

1. No of Examiners submitted Report : 55

2. Quality of Report : Some Reports are good and objective oriented – pinpointing deficiencies of the candidates – question wise.

Specific Comments

Question 1.(a) Not many candidates could get the variances worked out correctly mainly due to lack of knowledge of the formula of how to calculate sales margin Mix and Price variance.

(b) Very poor answer as the candidates failed to work out the relevant costs of inspection correctly and scored very poor marks.

(c) Well answered by most.

(d) Transportation costs could not be worked out correctly by the majority and the possibility of more than one solution, as indicated in the question, was not dealt by most.

Question 2.(a) Almost 90% of the candidates could get the answer of this problem on ABC correct.

(b) Average answer.

(c) Quite a few candidates described generally about Cost plus pricing without specifically highlighting its disadvantage.

Question 3.(a) The question was bit specialized type as it called to correct certain steps already taken in solving a problem on Assignment. The performance of the candidates was poor as they failed to proceed step by step to arrive at correct conclusions.

(b) Candidates mostly failed to appreciate what was asked for and did not categorise the following measures under appropriate categories of BSC.

(c) Very few candidates could work out the opportunity cost correctly clearly indicating lack of conceptual knowledge.

Question 4.(a) Although most of the Candidates worked out the price under monopoly correctly but they failed to calculate the same under competitive market. They did not appreciate that all parameters were same other than the no. of units.

(b) Generally well answered.

(c) The question asked to classify the items under the three measures used in the theory of constraints. This was not understood by most, which resulted in wrong answer.

Question 5.(a) Answers are not upto expected standard and the yardsticks of outside purchase cost, contribution and variable cost and their interaction could not be worked out by most.

(b) First part generally well answered but in the second part most of the students failed to restate the problem.

Question 6.(a) Generally well answered.

(b) Most of the answers, instead of being specific, dealt with the problem in a general manner.

(c) The question was decision making based on incremental cost approach , most of the candidates failed to answer it correctly.

Question 7.(a) Generally well answered.

(b) Very poor answer – none of the candidates approached the problem correctly.

PAPER – 6 : INFORMATION SYSTEMS CONTROL AND AUDIT

Specific Comments

Question 1. It was a simple case study based question comprising four sub parts.

(a) Most of the candidates answered only first part but could not answer the second part i.e. the activities performed during the system requirements phase. In response to the second part, some of them mentioned only 'fact finding techniques' used to gather data. Performance was not up to the mark for this question.

(b) Most of the candidates mentioned only the names of business risks in migrating to ERP but did not explain them properly. Hence, the performance was poor.

(c) Many candidates answered this part correctly by mentioning the points that need to be taken into account for the proper implementation of physical and environmental security in respect of Information system security. However, some of them could not understand the question asked and gave wrong answers. Overall performance was satisfactory.

(d) Many candidates described Chapter-III of ITAA, 2008 in brief rather than clearly discussing only Section 7 of Chapter-III of ITAA, 2008 namely 'retention of electronic records'. Hence, performance was not up to the mark for this part.

Question 2.(a) Some candidates gave the details of PKI instead of discussing the policies and controls that any financial institution needs to consider when utilizing PKI. Hence, performance was average.

(b) This part was answered correctly by most of the candidates by describing the benefits of performing a technology risk assessment.

(c) This part was answered well by those who were thorough with SAS 70 with respect to examination of general controls over IT and related processes. Overall performance was satisfactory.

Question 3.(a) Most of the candidates could answer this part correctly by mentioning the contents to be included in a standard audit report. However, some candidates answered this question based on the general knowledge. Overall performance was good.

(b) Characteristics of EIS were clearly discussed by most of the candidates. Hence, performance was good.

(c) Some candidates mentioned types of backup instead of mentioning backup options considered by a security administrator while arranging alternate process facility. Overall performance was satisfactory for this part.

Question 4.(a) This part dealing with the common threats to the computerized environment was answered well by the candidates. Hence, performance was very good for this question.

(b) This question was based on the role of an IS auditor in the evaluation of physical controls. Candidates answered this part based on the discussion given in the study material. Hence, the performance was good.

(c) This question was related to the post-implementation period of an ERP system, but some candidates wrongly answered with respect to the pre-implementation period. Hence, overall performance was not satisfactory.

Question 5.(a) Mixed performance was observed for this question. Some of the candidates could not answer correctly about the factors verified under different heads of ISO 27001-ISMS.

(b) Many candidates answered well but some of them could not mention the characteristics of a Computer Based Information System. Hence, performance was below average.

(c) Many candidates mentioned the general duties of Certifying Authorities rather than discussing the duties of Certifying Authorities under Section 30 of ITAA, 2008. Overall performance was average.

Question 6.(a) This part of the question was based on various functional areas to be studied by a system analyst for a detailed investigation of the present system. Candidates attempted well and the performance was good in this question.

(b) Many of the candidates explained about SCARF rather than writing 'types of information collected using SCARF technique'. However, overall performance was satisfactory.

(c) Many candidates explained the contents of a Disaster Recovery Plan instead of giving the audit tools and techniques used by an IS auditor to ensure that Disaster Recovery Plan is in order. As a result of this, mixed performance was observed in this part.

Question 7. Question was based on the short notes.

(a) General description about the Expert systems was given by some of the candidates instead of giving business applications of Expert Systems. Some candidates wrongly mentioned the components of an Expert system. Hence, performance was not satisfactory for this part.

(b) Candidates answered this part correctly. But, some of the candidates could not discuss the types of firewalls.

(c) This part was also answered correctly by most of the candidates but some of them confused the 'Delphi technique' with 'Scoring Approach'.

(d) Many candidates were not clear about CMM; even some of them could not name its five levels. Performance was not up to the mark for this part.

(e) Mixed performance was observed for this part. Some of the candidates could not write the authentication process by digital signature in the light of ITAA, 2008.

PAPER – 7 : DIRECT TAX LAWS

General Comments

The overall performance of the candidates was found to be below the expected level showing lack of knowledge and skill relating to application of statutory provisions. Overall, the candidates have failed to identify the provision or concept on which the question was based and therefore, their answers to some questions were found to be very general.

Specific Comments

Question 1.(A)(i) Many of the candidates were not able to specify that indexation is not available in case of slump sale. Also, some candidates wrongly considered written down value of depreciable assets as per books of accounts and revalued value of land instead of considering written down value of depreciable assets as per section 43(6) and cost of acquisition of land respectively, for the calculation of net worth. Tax liability was not calculated correctly as the long term capital gain tax rate at 20% and surcharge were not considered by many.

(B) Most of the candidates were not aware of the provisions of Section 37A(5A) and Section 37C of the Wealth-tax Act, 1957 and gave vague and unrelated answers.

(C) Majority of the candidates simply stated the answer as yes or no, without giving a valid reason for the same. Some of the candidates explained provisions of Section 16A without answering to the issue raised in the question.

(D) Some candidates answered this question as per the provisions of Income-tax Act, 1961 instead of the Wealth-tax Act, 1957. Though the candidates were conceptually right in answering the question, they confused the names of the grand parents given in the question as the names of the parents, which resulted in final answers being wrong in terms of name of the assessee with whom the net worth of the adopted minor child has to be clubbed.

Question 2.(A) This question, based on provisions of recovery of tax due or arrears of tax from a non-resident, was not answered correctly by most candidates, since they were not aware of the provisions of Section 173.

(B)(i) Though the candidates have correctly explained the concept of DTAA, however, in some cases the aspect of "promotion of mutual economic relations" was missing in the answer.

(B)(ii) Candidates failed to explain the term "rate of tax in other country". The concept and provisions regarding this was not clear to most candidates. Some candidates mentioned it as "rate decided in the agreement" and some others about the tax advantage i.e. answers were largely based on general reasoning.

Question 3.(A) Candidates were found lacking in their knowledge in relation to latest amendments in the Income-tax Act, 1961. Some of them gave general answers and some others gave yes/no answers, without proper reasoning.

(B) Candidates were not able to differentiate between the object of 'preservation of wild life' and 'advancement of object of general public utility'. Many of the candidates were not aware of the recent amendment made in Section 2(15).

(C) Majority of the candidates were not able to bring out the difference in treatment of voluntary contribution received and other income of the electoral trust under the Income-tax Act, 1961. Some of the candidates were not aware of the provisions relating to the electoral trust and answered on the basis of normal trust provisions.

(D) Most of the candidates were able to answer the question correctly, but in some cases candidates could not differentiate between the tax treatment for LTC in case of twin births before and after the birth of single child.

(E) Very few candidates could apply the provisions of Rule 3(8) of the Income-tax Rules, 1962 correctly. The value of shares on date of allotment was considered instead of value of shares on the date of exercise of option. Also, average price of the shares on BSE and NSE was taken into consideration instead of price of shares on NSE which recorded higher volume of trading in that share. Moreover, candidates were not able to mention that the valuation of perquisite for sweat equity shares shall not differ whether it is granted for making available intellectual property rights or for providing technical know how.

Question 4.(A) The answers to this question were given on simple yes/no basis without proper reasoning.

(A)(iii) Candidates were confused regarding the provisions of Section 271(1)(c) and were not able to explain that mere a debatable or arguable claim would not amount to concealment with an intention to evade tax.

Question 5.(A) Many of the candidates merely answered whether the amount referred to is a revenue receipt or a capital receipt. No proper reasoning was given. Some of the candidates also wrongly answered that the amount referred to in the question is taxable under the head 'Income from other sources' and not under 'Profit and gains of Business and Profession'.

(B) The candidates were not able to relate the question to Section 43C and wrongly treated the profit on sale of asset acquired on amalgamation and held as stock-in-trade as chargeable to capital gain instead of as business income. Those candidates who were able to touch upon the computation of business income in the answer, wrongly considered cost of acquisition of the stock as ₹ 110 lacs i.e., takeover value instead of ` 125 lacs being the original cost of the stock, leading to wrong calculation of taxable business income.

Question 6.(A) Deduction under Section 91 was not worked out rightly since the candidates were not able to compute the Indian rate of tax and rate of tax on income in foreign country correctly. Many candidates allowed the deduction for medical treatment of father as ₹ 20,000 in place of ₹ 15,000, treating him as senior citizen and not considering that a resident individual can only be a senior citizen to qualify for a deduction of ₹ 20,000. Some candidates wrongly considered the deduction for Long Term Infrastructure Bonds under Section 80CCF to be included in ₹ 1 Lac limit under Section 80CCE and restricted the deduction to the same.

(B) The answers to this question were found to be correct in most cases. However, some candidates gave vague answers and were not clear about the concept of 'mistake apparent from record'.

(C) Many of the candidates were not aware of the Circular No.3/2010 dated 02.03.2010, relating to 'macro monitoring by use of CBS software'. They were also not able to give their answers on the basis of the provisions of Section 194A with proper reasoning.

Question 7.(A) Candidates lacked knowledge regarding powers of Settlement Commission and gave answers without substantiating the same with the provisions of Act or the relevant Apex Court ruling.

(B) The answers were given only on the basis of Section 56(2) by stating that the gifts under this section given by relatives will be exempt from tax, rather than explaining Section 56(2) together with the concept of cross transfers attracting clubbing provisions under Section 64 and consequent taxability thereof in the hands of the transferor. Some candidates wrongly gave the answers on the basis of Wealth-tax Act, 1957.

(C) The provisions of Section 139(4C) were not known to most of the candidates. The limit of ₹ 100 Lacs for a charitable trust to be eligible for exemption under section 10(23C)(iiiad) was confused with the limit of ₹ 60 Lacs given under section 44AB. Some candidates were not clear about the concept of tax audit which resulted in mentioning wrong date of filing of return.

PAPER – 8 : INDIRECT TAX LAWS

General Comments

It was observed that candidates were generally aware of the recent amendments, but they possessed poor knowledge of the procedural laws. In questions based on case laws, some candidates merely quoted the citation of case law without explaining the ratio of the case properly.

In case of questions requiring the candidates to test the correctness of the statements, few candidates who were not sure of the correct answer had written lengthy and vague answers, without inferring the correctness of the statement or otherwise.

Specific Comments

Question 1.(a) In few cases, candidates erroneously availed the CENVAT credit in respect of Light diesel oil amounting to ₹ 40,000/-. Some candidates did not compute the total credit available and had only given the individual figures with explanations.

(b) Majority of the candidates failed to determine correctly the turnover to be excluded for determining the limit of ₹ 150 lakh. Few candidates wrongly included the captive consumption for determining the limit of ₹ 150 lakh.

(c) In number of cases, candidates had erroneously included 'service provided to M/s. XYZ Co. Ltd. and 'service provided as clearing and forwarding agent' in the value of taxable services for determining net tax liability of M/s. Commercial Goods Services. Few candidates did not provide the abatement of 75% from the gross amount. Few candidates wrongly availed CENVAT credit in respect of service tax paid on input services.

Question 5.(a)(i) The question requires the candidates to give a short note on goods and exempted goods. The term "goods" was required to be answered with reference to the explanation to section 2(d) of the Central Excise Act, 1944. However, the candidates ended up giving lengthy explanation of goods in terms of the Sales Tax Act and various judgments.

(b)(ii) Many candidates answered the question on the basis of the general understanding of the VAT laws. Some candidates had stated that White paper on VAT is the copy of an invoice.

Question 6.(a) Very few candidates had mentioned the correct procedure. Some candidates had mentioned the procedure for removal of goods under bond without payment of duty.

(b)(ii) Few candidates got confused between due dates for payment of service tax and due dates for filing of service tax returns.

Question 7.(a)(i) Majority of the candidates were not aware of circumstances under which refund of Central excise duty would be given to the claimant.

(c) Most of the candidates provided general meaning of prohibited goods without referring to the definition provided under the Customs Act. Few candidates listed out few prohibited goods.

All India CA Students Conference - Nagpur

The Board of Studies of the Institute of Chartered Accountants of India organized a two-day All India CA Students Conference in Nagpur, Maharashtra, on 23rd and 24th July. CA G.Ramaswamy, President, ICAI inaugurated the Conference in the presence of CA Jaydeep N. Shah, Vice President, ICAI and CA V.Murali, Chairman Board of Studies. Nagpur Branch of WIRC and Nagpur Branch of WICASA jointly hosted the Conference.

Students were the backbone of the Conference and took the initiative to make the event a grand success. More than 820 students from across the country attended the Conference. More than 150 were

outstation delegates. 18 SAFA delegates also attended the Conference on the theme, "Empowering Excellence". The Conference aimed at imbibing knowledge, skill, desire, dream to prosper and opportunity to succeed in life. The Conference had the objectives of both learning and excelling through learning.

The students had an opportunity to get themselves updated about the CA curriculum, the future opportunities for CAs, and the developments that are taking place at the Institute. The main attraction of the Conference was the Special Session in which Padmashree CA T.N. Manoharan spoke on the Winning Strategies for CA students.

CA Jaydeep N. Shah, Vice President, ICAI, CA Naveen N.D.Gupta, Vice Chairman, Board of Studies and Shri Vijay Kapur, Director, Board of Studies solved more than 200 queries by the participants during the special session.

Central Council Members of ICAI CA. S. B. Zaware, CA Nilesh Vikamsey, CA Rajkumar Adukia and CA P.Rajendra Kumar chaired the technical sessions. All of them shared their knowledge and enlightened the students on various topics.

For the Conference, eight topics were selected, in which four were technical and four were general. 120

Papers were received from across India and three from SAFA countries. Three presentations were selected on each topic for the Conference. Nine students were adjudged the Best Paper Presenters and were felicitated in the Valedictory Session.

All had a gala exciting time during the Cultural Eve – Aavishkaran -Know Yourself, wherein all the performances were given and prepared, choreographed and coordinated by the CA Students. This Conference has not only helped students academically, but also given them a chance to develop and show their talent and personality.

Scholarships for CA Students

The Board of Studies awards following Scholarships to students twice a year i.e. in the month of April and October:

Sr. No.	Scholarship Name	No. of Scholarships	Amount (p.m.)	Eligibility Criteria
1.	Merit	As per eligibility criteria	₹ 1500/- for IPCC Students & ₹ 2000/- for Final Students	Granted to students whose names appear at Sl. No. 1-10 of Merit lists of CPT/ IPCC/ PCC of May/ June 2011 Exam. In case the rank at Sl. No.10 continues to Sl. No. 11 or to Sl. No. 12 or so on, then all such rank holders in the particular rank shall be covered.
2.	Merit-cum-Need	30	₹ 1500/-	Available to rank holders(other than covered under Merit category) of CPT/ IPCC/ PCC May/ June 2011 Exam provided their parent/guardians total annual income does not exceed ₹ 1,50,000/-
3.	Need Based and Weaker Sections	100	₹ 1250/-	Available to students of PCC/IPCC/Final provided their parent/ guardians total annual income does not exceed ₹ 1,00,000/-
4.	Sri Dhanraj Kanhaiyalal Dudharia Scholarship	5	₹ 1250/-	Students of IPCC/Final of Karnataka State under Need Based & Weaker Sections criteria
5.	R.K. Khanna Memorial Scholarships	4	₹ 1250/-	PCC/IPCC/Final Students under Need Based & Weaker Sections criteria
6.	Out of Joint Corpus formed by Donors	2	₹ 1250/-	PCC/IPCC/Final Students under Need Based & Weaker Sections criteria

Merit Scholarships under Serial No. 1 above are automatically awarded to the eligible students hence they are not required to apply.

With regard to Scholarship from Sl. No. 2 to 6 (as above) the applications are invited for the October 2011 Phase which would be paid w.e.f. October 1, 2011.

The detailed guidelines along with the requisite application forms are available on the Institute's Website (www.icai.org) (link: http://icai.org/post.html?post_id=6486).

Notes:

- Applicants should be registered students of PCC/IPCC or Final course.
- Scholarship will be paid to IPCC/ PCC and Final students for a maximum period of 18 months and 30 months respectively or balance period of their articleship.
- For students under SC/ ST/ OBC category, an additional amount of ₹ 100/- p.m. will be paid under Need-based/ Weaker Section Scholarship. They shall have to enclose a certificate/documentary proof duly attested by a gazetted officer or a member of the Institute.
- One scholarship out of the Need-Based/ Weaker Sections Category is reserved for a Physically Challenged student.

Duly completed and signed Application Forms in the prescribed formats (Form Number 3 & Form Number 4) should reach the Director, Board of Studies, The Institute of Chartered Accountants of India, ICAI Bhawan, A-29, Sector-62, NOIDA-201309 latest by 30th September, 2011.

In case of any clarification, please contact the Board of Studies, ICAI Bhawan, A-29, Sector-62, Noida-201309, Tel. No. 0120-3045930/931; eMail: bosnoida@icai.org.

Director, Board of Studies

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

The Board of Studies of the ICAI has been providing Optional Campus Placement Scheme for selection of Articled Assistants by CA Firms through its Articles Placement Portal. 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 either (a) Passed Group-I or both Groups of the IPCC examination, or (b) Passed either of the Groups or both groups of PE-II examination and are willing to join articled training can register themselves on the portal. The candidates shortlisted by CA Firms would be automatically informed by e-mail through the Portal, to appear for interview at their respective Offices, at the designated date and time.

The services of Online Placement Portal are active for facilitating the placement of Articles in CA Firms on pan India basis. Both eligible CA firms and candidates who are willing to avail of this facility shall have to register themselves online through the Articles Placement Portal at http://bosapp.icai.org. The services on the Portal would be available for two months from the date of registration by the firms as well as students.

Please refer the detailed guidelines available at the institutes' website www.icai.org and on the Portal.

In case of any clarification, please contact the Board of Studies, ICAI Bhawan, A-29, Sector-62, Noida-201309, Tel. No. 0120-3045930/931; eMail: bosapp@icai.org.

Director, Board of Studies

Period of Validation

In continuation of Institute's Announcement dated June 23, 2011 on Institute's website and in the Chartered Accountants Students Journal (July, 2011 issue) regarding Period of Validation of Registration in Chartered Accountancy Course, it is informed that the referred announcement is put on hold till further clarification/announcement in the matter.

Director, Board of Studies

National Convention for CA Students – Chennai

A National Convention for CA students would be held on 26th -27th September, 2011 in Chennai. Students are advised to participate and take full advantage of the same. Prospective students are also invited to submit the papers for the Convention. For programme details please visit the Institute's website www.icai.org under BOS announcements.

CROSSWORD

August-2011

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National Convention for CA students – Lucknow
Saturday, September 3rd & Sunday, September 4th, 2011
Venue: Indira Gandhi Prathisthan, Gomti Nagar, Lucknow
Organised by: BOARD OF STUDIES, ICAI
Hosted by: Lucknow Branch of CIRC of ICAI
Theme: "Challenges before the Profession – Excellence, Integrity and Independence"

Programme Details

Time	Particulars
	DAY 1 : 03.09.2011 (Saturday)
8.30 am - 9.30 am	**Registration**
9.30 am - 11.30 am	**INAUGURAL SESSION** Chief Guest: Hon'ble Lok Ayukta Mr. N.K. Mehrotra Guest of Honour: CA. Jaydeep Narendra Shah, Hon. Vice President, ICAI CA. V. Murali, Chairman Board of Studies, ICAI Shri Vijay Kapur, Director, Board of Studies
11.30 am - 1.30 pm	TECHNICAL SESSION - I : **CORPORATE WORLD** Keynote Address & Chairman session: CA. V. Murali, Chairman, BOS **Expectation of Corporate World from Newly Qualified CAs**. Topics: 1) Corporate Social Responsibility 2) Auditors Responsibility in the Era of Corporate Frauds 3) Decision Making Process - Use of Marginal Costing
2.30 pm - 3.45 pm	SPECIAL SESSION : **MIND MANAGEMENT** Swami Chidrupanandji, Director, All India Chinmaya Yuva Kendra (North Zone)
3.45 pm - 5.30 pm	TECHNICAL SESSION - II: **ACCOUNTING & AUDITING** Topics: 1) Revised Schedule VI under Companies Act, 1956 2) Practical Approach to Compliance of Auditing Standards 3) Auditing in a Computerized Environment. SPECIAL ADDRESS: CA. Manoj Fadnis, Central Council Member **Framework & Road Map of IFRS in India.**
	DAY 2 : 04.09.2011 (Sunday)
10.00 am - 1.00 pm	TECHNICAL SESSION - III: **TAXATION** Topics: 1) Tax Audit u/s 44AB - Important Documentations 2) Tax Deducted at Source - Compliance requirements 3) DTC v/s Income Tax Act - Significant Difference. SPECIAL ADDRESS : CA. Girish Ahuja : **TAXATION**
1.00 pm - 2.00 pm	SPECIAL SESSION: Shri. Rahul Dev, Senior Journalist
3.00 pm - 5.00 pm	TECHNICAL SESSION - IV**: FUTURE PROSPECTS** Topics: 1) XBRL: Concept & Recent Developments 2) CA as a Complete Business Solution Provider 3) Knowledge Process Outsourcing. SPECIAL ADDRESS: CA. Yagnesh Desai **Global Opportunities of an Indian Chartered Accountant**
5.00 pm - 5.45 pm	SPECIAL SESSION: Shri Vijay Kapur, Director, Board of Studies **CA Exams - Winning Strategy** Interactive Session of Students with Director, Board of Studies
5.45 pm - 6.30 pm	VALEDICTORY SESSION: CA. V. Murali, Chairman, Board of Studies Shri. Shailja Kant Mishra, IPS, DG – UPPCL

Registration fee: ₹ 300 per student

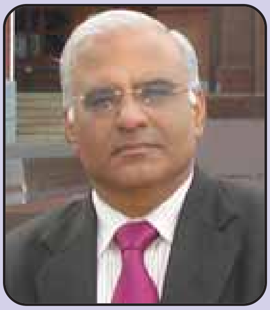
Students are invited to contribute papers for the four technical sessions. Paper writers selected for presentation of paper at the Convention will be exempted from payment of registration fee. All selected paper-writers will be reimbursed to and fro AC 2 tier railway fare by the shortest route on production of necessary proof. Daily Allowance @ ₹ 1500/- per day (upto 3 days) will also be awarded to the selected paper-writers.

For Registration, sending papers and further queries, please contact

LUCKNOW BRANCH OF CIRC OF ICAI

Telephone: 91- 0522- 2301524 / 3241932

Email: lucknow@icai.org



Director's Communication

Dear Student friends,

It gives us immense pleasure and delight at the Board of Studies, the department which serves as the Institute's interface with its students, to interact with you at every opportunity we get. It has been extremely satisfying to connect with a segment of our cherished student fraternity at the All India Students Conference at Nagpur on 23rd and 24th July, 2011 and thereafter, at the recent National Convention for CA Students at Indore on 11th and 12th August, 2011 and share our thought process. It is also very heartening to see you reciprocate our feelings and sentiments by sharing your concerns with us. Such interactive sessions are of paramount importance in strengthening our bond.

As a student whose ambition is to enter the much revered profession of chartered accountancy, you are expected to be *au courant* with the developments in the various dynamic aspects of the profession. The developments in the profession are continual and innumerable, especially in accounting, direct taxes, indirect taxes, corporate laws – to name a few subjects, being the most dynamic amongst the many. Of course, there are several "ways and means" to keep yourself updated – by reading journals, by browsing websites etc. These "ways and means" certainly do provide you an insight on the latest developments, but, only through a "one way" medium of communication. Indeed, there can be no two opinions that an interactive or a "two-way" medium of communication would be twice as effective in assimilation of new concepts and principles. The student-oriented conferences and conventions organized by the Board of Studies aim at facilitating such "two-way" communication through interactive sessions on multifarious facets of the chartered accountancy profession. You can help us achieve this objective by actively participating in large numbers.

At the All India Students Conference held at Nagpur, the extensive deliberations on XBRL, Revised Schedule VI to the Companies Act, 1956 and Point of Taxation Rules (Service tax) by the paper presenters provided valuable insight to the fellow students. Likewise, the exposure to topical subjects like the Direct Taxes Code, XBRL and Limited Liability Partnership, dealt with at length at the National Convention at Indore, was certainly an enriching experience for the participants. Special sessions were organized at both the places, wherein the Vice President and I had the pleasure of addressing the various issues raised by the student-participants and also sharing our views and concerns with them. These sessions, in fact, served as an eye opener and proved to be mutually beneficial.

The technical sessions at such conferences would give you a comprehensive exposure on the emerging areas of the CA profession, help you understand the new concepts and appreciate the diverse points of view. Such a wide-ranging exposure would be immensely useful to you, both practically and academically. Taking part in technical sessions on IFRS, Direct Taxes Code, Goods and Services Tax etc. would stimulate your understanding and appreciation of the finer aspects of the standards and legislations, apart from giving you an overall perspective of the macro issues and practical difficulties which may arise on implementation of a new legislation or a new set of standards.

Active participation in students' conferences and conventions would not only aid in sharpening your technical knowledge, but would also prove invaluable in honing and fine-tuning your communication skills, both oral and written. This would boost your confidence level, which in turn would help you face group discussions and crack interviews with ease after you emerge as a full fledged chartered accountant. Such conferences also provide you a platform for expressing your views and building camaraderie with fellow CA students. In effect, taking active part in such conferences and conventions will go a long way in promoting your overall personality development.

Two more National Conventions for CA students have been scheduled in the month of August, one at Ludhiana and the other at Kolkata. The details of the forthcoming conventions and conferences, including the programme schedule containing, *inter alia,* the topics to be dealt with therein, are being published every month in the students' journal. The Institute's website will also keep you informed of the upcoming conferences and conventions.

Having done our bit in encouraging you to actively participate in the upcoming conventions or conferences, we hope that you would take initiative and come forward to present a paper on any of the topics specified in the programme schedule of the respective conference/ convention. We are looking forward to meet many more of you at these conferences and share our thought process with you. We also eagerly anticipate your feedback, which is very crucial for ensuring an efficient and effective BOS delivery mechanism!

With Best Wishes

Yours sincerely

(Vijay Kapur)
Director, Board of Studies, ICAI

CA G. Ramaswamy, President, ICAI inaugurating the Convocation-2011 by lighting the auspicious lamp in Chennai in the presence of Chief Guest Hon'ble Dr. Justice AR. Lakshmanan and CA. V. Murali, Chairman, Board of Studies, ICAI

CA G. Ramaswamy, President, ICAI, Chief Guest Hon'ble Dr. Justice AR. Lakshmanan, Guest of Honour Hon'ble ***Mrs. Justice Chitra Venkataraman*** *and CA. V. Murali, Chairman, Board of Studies, ICAI with the newly qualified Chartered Accountants.*

CA G. Ramaswamy, President, ICAI releasing the WIRC Reference Manual-2011-12 on the occasion of Convocation-2011 in Mumbai.

CA G. Ramaswamy, President, ICAI inaugurating the Convocation-2011 by lighting the auspicious lamp in Jaipur in the presence of CA Jaydeep Narendra Shah, Vice President, ICAI.

CA G. Ramaswamy, President, ICAI inaugurating the National Convention for CA Students in Ludhiana by lighting the auspicious lamp.

CA Jaydeep Narendra Shah, Vice President, ICAI honouring CA G. Ramaswamy, President, ICAI by presenting a flower bouquet at the All India CA Students' Conference held in Nagpur. CA. V. Murali, Chairman, Board of Studies, ICAI is also seen in picture.

RNI No. 66180/97

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CA G. Ramaswamy, President, ICAI inaugurating the All India CA Students' Conference by lighting the auspicious lamp in Nagpur in the presence of CA Jaydeep Narendra Shah, Vice President, ICAI and CA. V. Murali, Chairman, Board of Studies, ICAI.

CA G. Ramaswamy, President, ICAI with the students and delegates at the All India CA Students' Conference held in Nagpur. CA.V.Murali, Chairman, Board of Studies, ICAI and CA Kirti Agrawal, Chairperson, Nagpur Branch of WIRC of ICAI also seen in picture.

CA Jaydeep Narendra Shah, Vice President, ICAI, CA.T.N. Manoharan, Past President, ICAI and Shri Vijay Kapur, Director, Board of Studies with the participants of the cultural programme at the All India CA Students' Conference in Nagpur.

If undelivered, please return to:
The Institute of Chartered Accountants of India
ICAI Bhawan, Indraprastha Marg
New Delhi - 110 104