

SUMMARY OF EXAMINERS' COMMENTS ON THE PERFORMANCE OF CANDIDATES

PAPER – 1 : ADVANCED ACCOUNTING

General Comments

Lack of conceptual clarity was the common observation of the examiners. Most of the candidates have not presented the solutions to computational problems stepwise in a logical order. In many cases, answers of sub-questions were not in proper sequence and were scattered throughout the answersheet. Also candidates have not read the instruction to attempt every question from the fresh page. In general, question numbering provided by the candidates is not in line with the question given in the question paper. These mistakes may affect your 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. In case a question is not clear, you may state your assumptions and then answer the question accordingly.

Specific Comments

Question 1 Questions based on Accounting Standards and Topics of the Study Material: In part (ii) of the question, some candidates failed to provide proper journal entries. In part (iv), few candidates were not able to calculate the interest for each year. In part (viii) of the question, some candidates were not able to appreciate that general reserve and profit and loss accounts are also taken over in 'amalgamation in the nature of merger' and in part (ix) of the question, many candidates were not able to differentiate between current depreciation and depreciation of earlier years and hence debited the amortisation amount till date, to one account.

Question 2 Cash Flow Statement: Few candidates failed to make any assumption for redemption of debentures and had also not added back interest on remaining debentures from not profit before taxation. Some candidates had shown change in current investment as part of investing activity instead of change in working capital i.e. part of operating activity.

Question 3 Partnership Accounts- Sale to a company: Some candidates passed journal entries in the books of XYZ & Co. instead of ABC Ltd. Many candidates erred in the treatment of unrecorded liability.

Question 4 Internal Reconstruction of a Company: Few candidates were not able to pass correct journal entry regarding expenses for reconstruction and penalty. Also, some candidates failed in treating the adjustment regarding arrears of preference dividend.

Question 5.(a) Branch Accounts: Many candidates were not able to correctly calculate the amount remitted by the branch to head office. Few candidates failed in calculating the stock reserve on opening and closing stock along with the loading on goods sent to branch.

(b) Liquidation of a company: Few candidates were not able to calculate correctly the payment to be made to debenture holders, creditors and preference shareholders.

Question 6 In part (d) of the question, very few candidates were not able to pass all correct entries.

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PAPER – 2 : AUDITING AND ASSURANCE

General Comments

Overall performance of the examinees was average. Lack of command of English language and poor presentation skill of the examinees were displayed. Many of the examinees did not have knowledge of the Companies Act, Accounting Standards and Standards on Auditing. A few examinees have written vague and irrelevant answers. Many of the examinees answered the questions in a general manner. A Few examinees' handwriting was not readable.

Specific Comments

Question 1. Most of the candidates have not followed the instruction and have just written true or false without giving the reasons.

Question 2.(a) Many candidates have given correct answer while a few candidates have failed to cover all the relevant points with respect to provisions of Section 293 of Companies Act, 1956.

(b) (i) and (ii) Most of the students restricted their answer to Accounting Standard only.

(c) Majority of the candidates answered to the point and the over all performance was good.

Question 3. Most of the candidates performed this part well.

Question 4.(a) Overall performance of the candidates was satisfactory.

(b) Many students have performed well this part of the question well.

Question 5.(a) A few candidates have mentioned all the relevant points. However a few students have not performed well.

(b) Most of the students have failed to explain properly the provisions of AS 6.

Question 6.(a) Overall performance of the students was found to be poor. None of the candidates have explained the auditors' duties with respect to issuance of share on discount.

(b) Most of the students have discussed AS 6 instead of explaining the provisions relating to declaration of dividend.

Question.7.(a) Many students have given their answers correctly by giving all the provisions.

(b) Over all performance of the students was satisfactory.

(b) Alternative:

Over all performance of the students was satisfactory.

(c) Many students have given the correct answer. Overall performance was good.

Question 8.(a) Most of the students have not understood the question and hence they could not explain the relevant points.

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(b) Many students have written well this part of the question. However, a few students could not give relevant example.

(c) Very few students have attempted this question. Over all performance of the students was satisfactory.

PAPER – 3 : LAW, ETHICS AND COMMUNICATION

General Comments

The performance of the examinees, in general, was average. The following improvements are required:

1. Examinees to provide case-laws and specific provisions in their answers.
2. Examinees to hone their English language skills such that their answers have clarity and precision.
3. Examinees to make use of the various Bare Acts.
4. Examinees to answer to the point, without unnecessary extrapolations.
5. Examinees to focus on certain legislations such as the Negotiable Instruments Act, 1881, and the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.
6. In the Communications part, performance of the students was satisfactory. Nevertheless, the students should improve their writing and presentation skills. Further, the students are advised to delve deep into the areas of drafting notices/circulars/minutes/ legal deeds and documents etc.

Specific Comments

Question 1. The performance of the examinees was average in 1(a) while 1(b) and 1(c) were answered satisfactorily. Some examinees had come to the erroneous conclusion that there was no consideration involved in question 1(a) and that hence there was no contract in the given problem.

Question 2. Examinees' performance was quite satisfactory in part (a), but in part (b) and part (c) many candidates could not adduce reasons for their answers as was expected of them.

Question 3. The performance of the examinees was found to be average and a majority of the candidates did not provide the statutory provisions.

Question 4. Many examinees had not mentioned the relevant provisions (Sections 39 & 40 of the Negotiable Instruments Act).

Question 5. The performance of the examinees was satisfactory.

Question 6. Many examinees had not attempted this question. Even those who had attempted it fared poorly.

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Question 7. This question was not answered well. Many examinees could not explain why the entity in question was an 'illegal association'.

Question 8. Examinees' performance was average. The various rights of the three parties were not clearly enunciated by most examinees.

Question 9. Performance of the examinees was satisfactory.

Question 10. An overall average performance with regard to this question. Many examinees could not pin-point that the non-attachment of the explanatory note is what vitiates the notice. Instead some have even gone on to discuss points regarding issue of sweat equity shares.

Question 11. Performance was average and the answers were vague, in many cases.

Question 12. The performance was generally good, though the pragmatic reasons were found mixed up with certain general reasons that the candidates had adduced on their own.

Question 13. Performance was satisfactory.

Question 14.(a) This part of the question was answered by most of the students and their performance was quite satisfactory. The students find the language of the question simple enough to comprehend.

(b) Majority of the students failed to understand the language of the question and drafted Agenda of Annual General Meeting in place of Notice of Statutory Meeting. Some students drafted Minutes instead of Notes that are to be provided at the end of the notice. The students are exhorted to understand the language of questions before answering them.

Question 15. The performance of the students was very average. The students lacked professional approach in attempting such a practical question. The students appeared to remain ignorant about the appropriate format of Annual General Meeting.

Question 16. Partnership Retirement Deed was not aptly drafted by most of the students. Instead of drafting Partnership Retirement Deed, the students attempted Partnership Deed.