

REVISION TEST PAPER, MAY 2012 – OBJECTIVE & APPROACH

(Students are advised to go through the following paragraphs carefully to derive maximum benefit out of this RTP)

I Objective of Revision Test Paper

Revision Test Papers are one among the many educational inputs provided by the Board of Studies (BOS) to its students. Popularly referred to as RTP by the students, it is one of the very old publications of the BOS whose significance and relevance from the examination perspective has stood the test of time.

RTPs provide glimpses of not only the desirable ways in which examination questions are to be answered but also of the professional quality and standard of the answers expected of students in the examination. Further, aspirants can assess their level of preparation for the examination by answering various questions given in the RTP and can also update themselves with the latest developments in the various subjects relevant from the examination point of view.

The primary objectives of the RTP are:

- To help students get an insight of their preparedness for the forthcoming examination;
- To provide an opportunity for a student to find all the latest developments relevant for the forthcoming examination at one place;
- To supplement earlier studies;
- To enhance the confidence level of the students adequately; and
- To leverage the preparation of the students by giving guidance on how to approach the examinations.

RTPs contain the following:

- (i) Planning and preparing for examination
- (ii) Subject-wise guidance – An overview
- (iii) Updates applicable for a particular exam in the relevant subjects
- (iv) Topic-wise questions and detailed answers thereof in respect of each paper
- (v) Relevant publications/announcement applicable for the particular examination

Students must bear in mind that the RTP contains a variety of questions based on different sections of the syllabi and thus a comprehensive study of the entire syllabus is a pre-requisite before answering the questions of the RTP. In other words, in order to derive maximum benefit out of the RTPs, it is advised that before proceeding to solve the

questions given in the RTP, students ought to have thoroughly read the Study Materials, solved the questions given in the Practice Manual and gone through the Suggested Answers of the earlier examinations. It is important to remember that there can be large number of other complex questions which are not covered in the RTP. In fact, questions contained herein are only illustrative in nature.

The topics on which the questions are set herein have been carefully selected and meticulous attention has been paid in framing different types of questions. Detailed answers are provided to enable the students to do a self-assessment and have a focused approach for effective preparation.

Students are welcome to send their suggestions for fine tuning the RTP to the Director, Board of Studies, The Institute of Chartered Accountants of India, A-29, Sector-62, Noida 201 309 (Uttar Pradesh). RTP is also available on the Institute's website www.icai.org under the BOS knowledge portal in students section for downloading.

II. Planning and preparing for examination

Ideally, when you receive the RTP, you should have completed the entire syllabus of all the subjects at least once. RTP is an effective tool to revise and refresh your concepts and knowledge gained through the first round of study of the whole course. When the RTP reaches your hand, your study plan should have been completed as under:

v *Study Materials*

You must have finished reading the relevant Study Materials of all the subjects. The Study Materials relevant in each paper are announced well in advance by the BOS through Students Journal and Institute's website. Make sure you go through the Study Material as they cover the syllabus comprehensively.

v *Other Educational Inputs*

In case of papers on Taxation, you must have carefully perused the Supplementary Study paper containing the latest amendments made through the relevant Finance Act and notifications and circulars issued from time to time which are applicable for the forthcoming examinations.

v *Practice Manuals*

Practice Manuals are an excellent medium of understanding the practical aspects of the various provisions learnt through the Study Materials. Solving the Practice Manual at least once before proceeding to the RTP will ensure that you have a grasp of the application and computational aspect of the syllabus as well.

v Suggested Answers

Giving an honest attempt to solve the previous attempts suggested answers on your own, will give you a flavour of the pattern of question paper and type of questions which are being asked in the examination.

After completing the above process, you should go through the Updates provided in the RTP and then proceed to solve the questions given in the RTP on your own. RTPs are provided to you to check your preparation standards and hence it must be solved on your own in a time-bound manner.

The stratagem and the fine points requiring careful consideration in respect of preparation for the CA examinations are explained in comprehensive details in BOS' publication "How to face CA Examinations? A Matrix of Winning Strategies". The publication may be referred to when you start preparing for a subject.

Examination tips

How well a student fares in the examination depends upon the level and depth of his preparation. However, there are certain important points which can help a student better his performance in the examination. These useful tips are given below:

- Reach examination hall well in time.
- As soon as you get the question paper, read it carefully and thoroughly. You are given separate 15 minutes for reading the question paper.
- Plan your time so that appropriate time is awarded for each question. Keep sometime for revision as well.
- First impression is the last impression. The question which you can answer in the best manner should be attempted first.
- Always attempt to do all questions. Remember that six average answers fetch more marks than five best answers. Therefore, it is important that you must finish each question within allocated time.
- Read the question carefully more than once before starting the answer to understand very clearly as to what is required.
- Answer all parts of a question one after the other; do not answer different parts of the same question at different places.
- Write in a neat and legible hand-writing.
- Always be concise and write to the point and do not try to fill pages unnecessarily.
- There must be logical expression of the answer.
- In case a question is not clear, you may state your assumptions and then answer the question.

- While writing answers in respect of essay-type questions, try to make sub-headings so that it catches the examiner's eye.
- Revise your answers carefully and underline important points before leaving the examination hall.

III. Subject-wise Guidance – An Overview

PAPER – 1 : ADVANCED ACCOUNTING

The Revisionary Test Paper (RTP) of Advanced Accounting is divided into two parts viz Part I - Relevant Announcements, Amendments and Notifications for May, 2012 examination and Part II –Questions and Answers.

Part I of the Revisionary Test Paper consists of the necessary information, which is necessary for the students appearing in the May, 2012 examination. It consists of the 'Relevant Announcements, Amendments and Notifications applicable and not applicable' for May, 2012 examination. The purpose of this information in the RTP is to apprise the students with the latest developments applicable for May, 2012 examination. The brief summary of the same has been tabulated as under:

A. Applicable for May, 2012 examination:

Announcement

Limited Revisions due to issuance of AS 30 and 31

Amendments

1. Amendment to AS 11 of Companies (AS) Rules, 2006
2. Sale of Investments held under Held to Maturity (HTM) category
3. Enhancement of Rates of Provisioning for Non-Performing Assets and Restructured Advances

B. Not applicable for May 2012 examination:

- (i) Schedule VI revised by the Ministry of Corporate Affairs
- (ii) Ind ASs issued by the Ministry of Corporate Affairs

Part II of the Revisionary Test Paper carries twenty questions and their answers. First sixteen questions are based on different topics discussed in the study material. Last 4 questions (i.e from 17 to 20, containing 4 sub-parts in each question) are based on Accounting Standards. Each of the sub-question therein is based on different accounting standards. For easy reference the accounting standard number has also been quoted at the top of each sub-question. Also, at the end of each question on Accounting Standard, hints have been provided. These hints are basically the particular paragraph numbers of

the Accounting Standards, the provisions of which can be referred while answering the questions. The details of topics, on which questions in the RTP are based, are as under:

Question No.	Topic
1(a)	Profit or loss Prior to Incorporation
1(b)	Cash flow Statements
2(a)	Buy –Back of Shares
2(b)	Underwriting of shares
3	Amalgamation of Companies
4	Internal Reconstruction of a Company
5	Liquidation of a Company
6	Financial Statements of Banking Companies
7	Financial Statements of Insurance Companies
8	Financial Statements of Electricity Companies
9(a)	Average Due Date
9(b)	Account Current
10	Self – Balancing Ledgers
11	Financial Statements of Accounting for Not-For-Profit Organisations
12	Accounts from Incomplete Records
13(a)	Hire –Purchase Instalment Payment System
13(b)	Investment Accounts
14(a)	Branch Accounts
14(b)	Insurance Claim for Loss of Stock
15(a)	Partnership firms: Death of a partner
15(b)	Partnership firms: Dissolution of a firm
16	Accounting in Computerized Environment
17 to 20 (consisting of 16 sub-parts)	Accounting Standards

Answers to the questions have been given in detail along with the working notes for easy understanding and comprehending the steps in solving the problems. The answers to the

questions have been presented in the manner which is expected from the students in the examination. The students are expected to solve the questions under examination conditions and then compare their solutions with the solutions given in the Revisionary Test Paper and further strategize their preparation for scoring more marks in the examination.

PAPER – 2 : AUDITING AND ASSURANCE

The Revisionary Test Paper (RTP) of Auditing and Assurance carries twenty questions and their answers. These questions have been taken from the entire syllabus which are divided into nine chapters alongwith engagement and quality control standards, Statement on CARO, 2003, Guidance notes etc discussed in the study material.

The various topics as mentioned above are Standards on Auditing, Statements and Guidance notes, Nature of Auditing, Basic Concepts in Auditing, Preparation for an Audit, Internal Control, Vouching, Verification of Assets and Liabilities, The Company Audit-I, The Company Audit-II, Special Audits. Some of the questions given in the RTP are descriptive i.e. direct theory questions whereas some of them are practical case studies based i.e. application oriented theory question. Three short notes type questions are also given in this RTP. The chapter's name is also clearly indicated before each question. The questions in the RTP have been arranged in the same sequence as prescribed in the study material to facilitate easy revision by the students. An attempt has been made to cover the syllabus comprehensively by giving questions from each and every topic.

RTP is a tool to refresh your knowledge which you have acquired while doing your conceptual study from Study Material, Practice Manual and other modes of knowledge like students journal, bare acts etc.

PAPER – 3 : LAWS, ETHICS & COMMUNICATION

In the paper of Business Laws, Ethics and Communication the level of knowledge required for the subject is 'working knowledge' and the objective is to gain knowledge of those branches of laws relating to business transactions, certain corporate bodies and related matters and their application to practical commercial situations, students need to prepare on these lines. For this, they have to focus their study based on the major legal provisions, case laws, if any, and understand their practical implications. Besides, students should also give importance to the terms/definitions for proper conceptualisation of the answers. Also, Language is of course an important point of concern and advice for the students. This problem among many of the candidates can be overwhelm by way of writing practice and also undertaking self-examination by going through Revisionary Test Papers (RTP).

RTP gives an idea to the student attempting law paper to give the answer of any practical oriented questions by pinpointing the legal points or issues involved in any statement, problem or situation given in the question, explaining the relevant legal provisions clearly,

correlating the legal provisions to the given statement or problem or situation and cite the relevant case law in support of their reasoning for reflecting on the quality of the answer. For the theoretical question, the answer should be laid down by highlighting the main points with brief description particularly in Ethics and Communication part rather than writing a tale on it and deviating from the main answer to be given. Hence one can say that RTP is a key for good scoring.

RTP of Business laws, Ethics and Communication is divided into two parts:

Part I: Relevant amendments applicable for May 2012

Part II: Topic wise questions with detailed answers

Part I of the RTP includes the applicability of various Circulars, Notifications, Regulations issued by various authorities for May 2012 Examinations. This contains the amendments in the Employees' Provident Funds and Miscellaneous Provisions Act, 1952 and the Companies Act, 1956 (relating to Sections 1-197)

Students can also, if possible, access to Internet at several websites for the latest updates, amendments in the related Acts, and for other relevant information. Some of the major websites are

- Ø ICAI: Institute's website - www.icaai.org which provides useful information and also useful link to other Government websites.
- Ø Reserve Bank of India: www.rbi.org.in (for Negotiable Instruments Act, 1881)
- Ø Ministry of Labour and Employment: www.labour.nic.in (Matters relating to Labour Laws i.e., The Payment of Bonus Act, 1965, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Payment of Gratuity Act, 1972)
- Ø Ministry of Corporate Affairs: www.mca.gov.in (for matters relating to Company Law).

Part II of the RTP constitutes of 25 Questions broadly categorised into three sections I, II and III falling under the headings Business laws covering 13 questions, Ethics covering 6 questions and Communication covering 6 questions with their detailed answers. Each questions are further divided into sub parts. RTP contains various types of questions such as Multiple choices, correct or incorrect statement, fill in the blanks and the descriptive types. The questions here are arranged in the same sequence as prescribed in the Study Module to smooth the progress of the student by easy revision. The topics amongst which these questions falls, are as follows:

QUESTION NO.	TOPIC
1(a),1(b),1(c)	Combindly from all the chapters of Business laws
2(a),2(b), 2(c)	Indian Contract Act,1872
3(a),3(b),3(c)	The Negotiable instruments Act,1881

4(a),4(b),4(c)	The Payment of Bonus Act,1965
5(a),5(b),5(c)	The Employees' Provident Funds and Miscellaneous Act,1952
6(a),6(b),6(c)	The Payment of Gratuity Act,1972
7(a),7(b)	The Companies Act,1956
8(a),8(b)	The Companies Act,1956
9(a),9(b)	The Companies Act,1956
10(a),10(b)	The Companies Act,1956
11(a) ,11(b)	The Companies Act,1956
12(a),12(b)	The Companies Act,1956
13(a),13(b)	The Companies Act,1956
14	Ethics
15(a), 15(b)	Ethics
16(a),16(b)	Ethics
17(a) ,17(b)	Ethics
18	Ethics
19	Ethics
20	Communication
21(a),21(b)	Communication
22(a),22(b)	Communication
23	Communication
24	Communication
25(a),25(b)	Communication

Guidance on the citation of the Case Laws and Section

Students may kindly note that in view of various Acts covered under Business Laws, you may find it difficult to remember various sections of the law and related case laws on the matter. Case laws and citing of the Sections reflects on the quality of your preparation for the examination and making yourself set to become a perfect professional. The answers that are reflected here have reference to sections and case laws wherever applicable. It may kindly be noted that these are given for the knowledge sake and to mainly inculcate such an habit and however at this level it may not affect on the scoring of the marks.