

REVISION TEST PAPER, NOVEMBER, 2013 – 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.icaai.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:

❖ *Study Materials*

You must have finished reading the relevant Study Materials of all the subjects. Make sure you go through the Study Material as they cover the syllabus comprehensively.

❖ *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.

❖ *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.

❖ *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 the 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 checking the paper 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. 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.
- Check your answers carefully and underline important points before leaving the examination hall.

III. Subject-wise Guidance – An Overview

Paper 1: Financial Reporting

The Revisionary Test Paper (RTP) of Financial Reporting is divided into two parts viz Part I - Relevant Amendments, Announcements and Notifications for November, 2013 examination and Part II –Questions and Answers.

Part I of the Revisionary Test Paper consists of the information, which is not given in the study material of January, 2013 edition but is applicable for the students appearing in the November, 2013 examination. It consists of the 'Relevant Amendments, Announcements and Notifications applicable and not applicable' for November, 2013 examination. The purpose of this information in the RTP is to apprise the students with the latest developments applicable for November, 2013 examination. The brief summary of the same has been tabulated as under:

A. Applicable for November, 2013 examination:

Notifications / Amendments / Circulars

<i>Notification/Circular No.</i>	<i>Date</i>	<i>Topic</i>
LAD-NRO/GN/2013-14/03/5652	April 16, 2013	Securities and Exchange Board of India Mutual Funds (Amendment) Regulations, 2013
LAD-NRO/GN/2013-14/01/8129	April 5, 2013	Securities and Exchange Board of India (Stock Brokers And Sub-Brokers) (Amendment) Regulations, 2013
CIR/CFD/DIL/3/2013	January 17, 2013	Amendments to SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and Equity Listing Agreement
CIR/MRD/DRMNP/ 36 /2012	December 19, 2012	Requirement of Base Minimum Capital for Stock Trading Member
-	28th February, 2011	Schedule VI revised by the Ministry of Corporate Affairs
G.S.R 913(E)	29 th December, 2011	Amendment to para 46 of Accounting Standard 11 of the Companies (Accounting Standards) Rules, 2006
G.S.R 914(E)	29 th December, 2011	Insertion of para 46A in

		Accounting Standard 11 of the Companies (Accounting Standards) Rules, 2006.
Circular No. 25/2012	9 th August, 2012	Clarification on para 46A on AS11.

Announcement

- (i) Presentation of Foreign Currency Monetary Item Translation Difference Account (FCMITDA)
 - (ii) Criteria for Classification of Entities and Applicability of Accounting Standards
 - (iii) Application of AS 30, Financial Instruments: Recognition and Measurement, for the accounting periods ending on or before 31st March 2011 and from 1st April, 2011 onwards.
- B. Not applicable for November, 2013 examination:**
- (i) Ind ASs issued by the Ministry of Corporate Affairs
 - (ii) Inflation Accounting

Part II of the Revisionary Test Paper carries twenty questions and their answers. First 8 questions and first part of question 9 (containing 22 sub-parts) are based on Accounting Standards. Each of the sub-questions is based on different accounting standards. For easy reference the accounting standard number has also been quoted at the top of each sub-question. Remaining twelve questions are based on different topics discussed in the study material. 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. The details of topics, on which questions in the RTP are based, are as under:

Question No.	Topic
1 to 9(a) (consisting of 22 sub-parts)	Accounting Standards and its applicability
9 (b)	International Financial Reporting Standards, Their Interpretations and US GAAPs-An Overview
10	Corporate Financial reporting - Revised Schedule VI
11	Corporate Restructuring - Amalgamation
12	Consolidated Financial Statements-Chain holdings
13	Consolidated Financial Statements-Investment in Associates & Joint Ventures

14	Accounting and Reporting of Financial Instruments
15	Share Based Payments
16(a)	Computation of Future Maintainable Profits
16(b)	Valuation of Shares
17(a) and (b)	Mutual Fund
18	Non Banking Finance Company
19	Value Added Statements
20(a)	Economic Value Added
20(b)	Human Resource Accounting

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: Strategic Financial Management

Basically the subject of Strategic Financial Management is the application of financial management techniques in strategic decisions of business. The major topics from which practical questions are normally asked are as follows:

- Capital Budgeting Decisions (with Risk Analysis) including the Leasing Decisions
- Dividend Divisions
- Indian Capital markets including Derivatives, Swaps and FRAs etc.
- Security Analysis and Portfolio Management
- Financial Services
- Mutual Funds
- Foreign Exchange Management
- Mergers and Acquisitions and Valuation of Business

Accordingly, the detail of the topics, on which questions (randomly distributed) in this Revisionary Test Paper are based is as follows:

Question No.	Topic
1	Replacement Decision
2	Merger & Acquisition

3	Merger & Acquisition
4	Index Futures
5	Index Futures
6	Portfolio Management
7	Portfolio Management
8	Foreign Exchange Management
9	Foreign Exchange Management
10	Mutual Fund
11	Dividend Decision
12	Leasing
13	Security Valuation
14	Money Market Instrument
15	Economic Value Added
16	Indian Capital Market
17	Indian Capital Market
18	Swap
19	Commodity Futures
20	A blend of short notes of theoretical concepts as without it their application in practical situations becomes impossible.

Paper 3: Advanced Auditing and Professional Ethics

The RTP of Advanced Auditing and Professional Ethics for November, 2013 examination carries total 20 questions which have been taken from the entire syllabus. The syllabus is divided into twenty two chapters along with engagement and quality control standards, Statement on CARO, 2003, Guidance notes etc discussed in the study material.

These 20 questions are taken from different topics like Standards on Auditing, Statements and Guidance notes, audit strategy planning and programming, risk assessment and internal control, audit under CIS environment, Company Audit, liabilities of auditors, Audit Report, Professional Ethics, miscellaneous audits etc of different level. 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. The chapter's name is also clearly indicated before each question. 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 newsletters, bare acts etc.

Paper 4 : Corporate And Allied Laws

In the paper of Corporate and Allied Laws, students should be able to pinpoint the legal point or issue involved in any problem and synchronize the same with the relevant legal provisions in a clear and logical manner. Also, language is an important area of concern for the students. A common feedback from the Examiners was that students are generally weak in English language though they are thorough in the subject. As a result, the presentation of answers is not up to the mark. This problem can be overcome only by writing the answers under examination conditions and also undertaking self-assessment by going through Revisionary Test Papers (RTP).

RTP is divided into two parts:

Part I: Relevant amendments applicable for November, 2013.

Part II: Topic wise questions with detailed answers

Part I talks about the applicability of various Circulars, Notifications, Regulations issued by various authorities for November, 2013 examinations. This contains the amendments in the Companies Act, 1956 and SEBI Act, 1992.

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

- ICAI: Institute's website - www.icaai.org which provides useful information and also useful link to other Government websites.
- Ministry of Corporate Affairs: www.mca.gov.in (for matters relating to Company Law).
- SEBI: www.sebi.gov.in (for SEBI Act, 1992 and SCRA Act, 1956)
- Reserve Bank of India: www.rbi.org.in (for FEMA, 1999)
- Competition Commission of India: www.cci.gov.in (for Competition Act, 2002)

Part II contains 25 Questions with their detailed answers. Many questions are divided into sub parts. The topics amongst which these questions are divided are as follows:

QUESTION NO.	TOPIC
1	Accounts
2	Audit
3	Dividend
4	Director
5	Director
6	Director

7	Meetings, Powers of the Boards and Related Party Transaction
8	Meetings, Powers of the Boards and Related Party Transaction
9	Inspection and Investigation
10	Compromise, Arrangements and Reconstructions
11	Prevention of Oppression and Mismanagement
12	Prevention of Oppression and Mismanagement
13	Corporate Winding Up and Dissolution
14	Producer Company
15	E-Governance/Offences and Penalties
16	Miscellaneous Provisions
17	Corporate Secretarial Practice
18	The Securities Exchange Board of India Act, 1992
19	The Securities Exchange Board of India Act, 1992
20	The Securities Contracts (Regulation) Act, 1956
21	The Foreign Exchange Management Act, 1999
22	The Competition Act, 2002
23	Interpretation of Statutes, Deeds and Documents
24	Banking Regulation Act, 1949, The Insurance Act, 1938, The Insurance Regulatory and Development Authority Act, 1999, The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002
25	Prevention of Money Laundering Act, 2002

Guidance on Sections and Case Laws: It is imperative for Final students to remember major Section numbers and relevant case laws. Extra efforts are to be made in this direction. If by any chance, students do not remember the Section numbers and Case Law while answering any question in the examination paper on the subject, they may not lose heart on this score. They may otherwise strengthen their answer by appropriate reasoning and examples. However, they may desist from citing wrong Section numbers or irrelevant Case laws.