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FINANCIAL REPORTING

EXAM TIPS

1. TOPICWISE WEIGHTAGE*

No	Particulars	Marks
1	Accounting Standards and Guidance Notes	32
2	Amalgamation/Demerger/Internal Reconstruction	16
3	Consolidated Financial Statements (CFS)	16
4	Share Based Payments	5
5	Valuation of Shares, Goodwill, etc	12
6	Value Added Statements	8
7	Economic Value Added Statement (EVA)	4
8	Human Resource Reporting/NBFC/US GAAP, IFRS/Mutual Funds	10

*These are the average marks per topics

2. Some Tips:

i. Accounting Standards are the most important for CA final syllabus in Paper 1 having weight age of about *64 Marks*. (After all, Amalgamation is covered under AS – 14 and CFS covers AS 21, 23 and 27). Ensure to study this topic thoroughly. You can refer any book for this; just make yourself confident as straight forward questions are asked by ICAI in Q1 and Q7 for approx **32 Marks** (except Amalgamation and CFS).
Suggestion to refer Chapter 1 of Practice Manual as it will help you understand how you should answer the questions based on Accounting Standards.

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Do not take CFS or Amalgamation for solving it in first hour of your exam, keep it as a last question to be attempted because these are time consuming and if you are stuck then you will lose your hope and won't be able to attempt other question in better manner.

Accounting standards are ***common*** *for your preparation with* ***Paper 3 - Advanced Auditing and Professional Ethics****. It carries weight age of approx 30 Marks along with Standards on Auditing. So prepare yourself for paper 3 as well when you refer accounting standard for paper 1.*

ii. Some students find Amalgamation as tough and some find CFS as complicated and lengthy and cannot focus on either of the topic or both.
In case any student is facing this issue, you can skip one topic in your exam preparation and save your time. ICAI asks **CFS in Q2 for 16 Marks** and **Amalgamation in Q3 for 16 Marks**. So you have an option of not attempting either of the topics which will make rest 6 questions compulsory for you.
If any student wants to follow this option then try and prepare thoroughly on all other topics so that you can attempt balance questions asked in examination.

iii. Mostly you get one question based on Shared based payment for **5 marks.** Suggestion will be that try to study this topic along with "Accounting Standard 15 – Accounting for Employee Benefits"

iv. Students can expect 1 or 2 questions on topic of valuation. This topic includes Valuation of Equity, Valuation of Goodwill, Valuation of Business, etc. It carries weight age between **12 to 16 Marks**.

v. Question based on value added statement can be expected in Q6.

vi. There are few topics which you find **<u>common</u>** between Paper 1 – Financial Reporting and **Paper 2 - Strategic Financial Management.**

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These topics are ***Economic Value Added Statement (EVA) and Mutual Fund***.

Students can expect question on these topics in either of the paper. Mutual fund is mostly asked by ICAI in Paper 2 - Strategic Financial Management for **8 marks**.

vii. Students are suggested to refer RTP and Practice Manual for better practice.

viii. How to utilize 15 minutes allotted to go through question paper?

- Read your question paper thoroughly to understand which question is asked from chapter.
- Set the sequence in which you will attempt your exam. Always start with your best and end with your worst. This will help you secure good marks in your best answers.
- Once you have set your sequence then start framing your answers to the questions you will be attempting initially.

ix. It sometime happens that you are not able to attempt one subpart of question in that case leave appropriate space for that answer and try to attempt your next best. Attempt the question you left for answering at last.

x. Time Management is very important:
180 minutes for 100 Marks i.e.1.8 minute/ marks

You should not allot more time to one single question as it is rightly said that – 6 average answers will fetch you more marks than 5 good. So if you are not able to complete the answer don't stick to it, leave it and go for the next question.

######## ALL THE BEST ########