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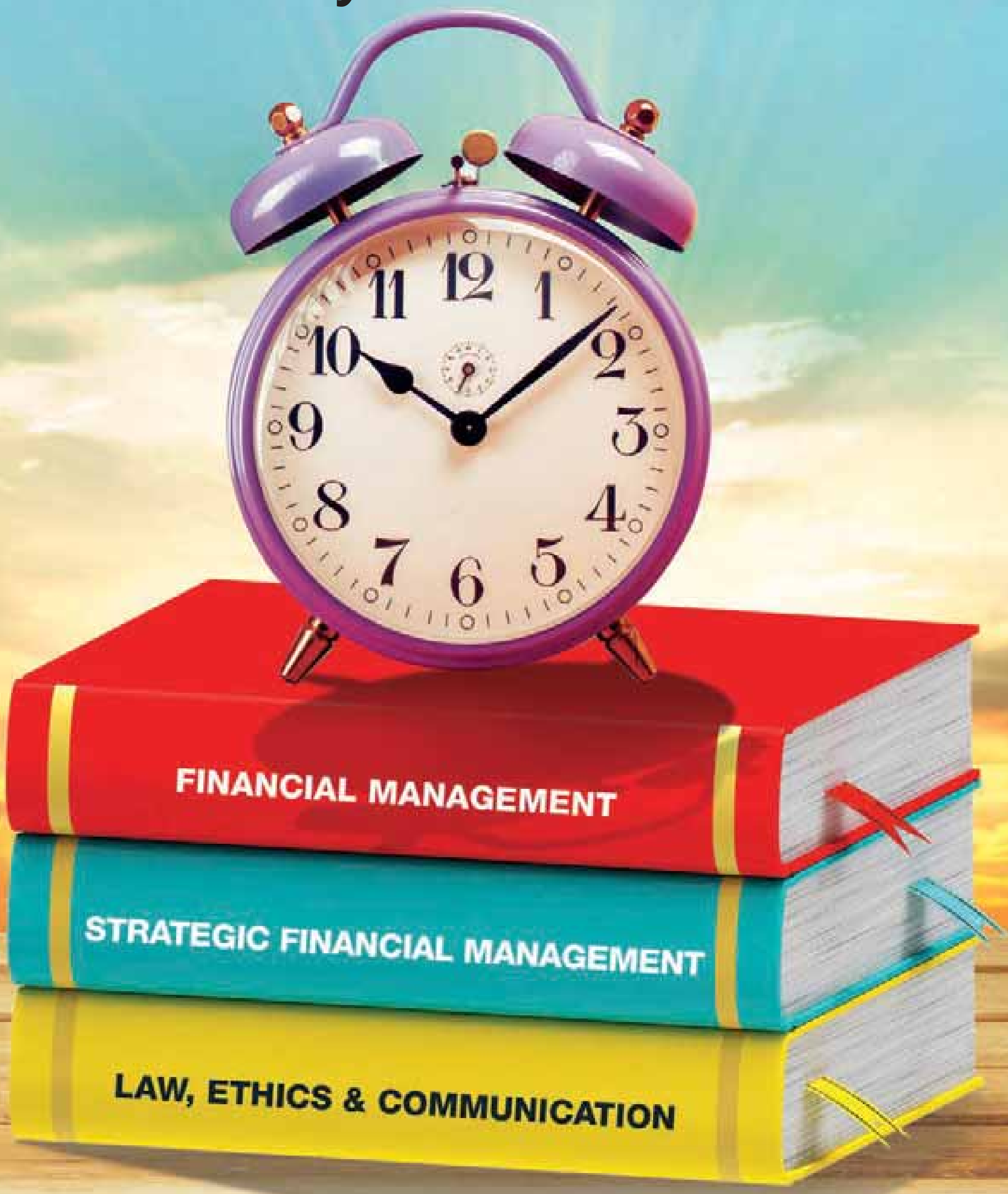
The Institute of Chartered Accountants of India
(Set up by an act of Parliament)

The Chartered Accountant STUDENT

Your monthly guide to CA news, information and events

Time Management Key To Success



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SWACHH BHARAT - A STEP TOWARDS CLEANLINESS

ANNUAL SUBSCRIPTION RATES

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India is on a growth trajectory today. This is good news for all the budding Chartered Accountancy professionals. There is going to be a surge in demand for the enterprising and young Chartered Accountants, who can fuel innovations in the finance sector and usher in the next generation professionalism. Keeping the demand for well-trained Chartered Accountants in mind, the Institute, in the recent past, has initiated a volley of measures such as the constitution of CRET for revamping the CA curriculum to suit students' career interests and industry requirements. I firmly believe and sincerely cherish that once the things are materialized, this will certainly give our students a distinct edge over others when they enter the job market. We have in place institutional mechanisms for student support like Live Video Lectures and online mentoring to counsel and aid them in their all-round development and excellence.

As Aristotle said, "We are what we repeatedly do. Excellence, therefore, is not an act but a habit".

EFFECTIVE USE OF CLOUD CAMPUS

The Board of Studies has made available ICAI Cloud Campus that aims to serve their Informational, Administrative and Educational needs. The ICAI Cloud Campus provides distance education for the CA Course in the form of e-Learning, Video Lectures and audio lectures. It provides access to Students Learning Management System (LMS) that apart from providing e-Lectures also tracks the learning by students in terms of lectures and Self Assessment Quiz available, attempted and completed even on the move on Smart Phones and Tablets (mobile learning) which is not available elsewhere even after spending huge amounts of money.

VIDEO LECTURES

The Video Lectures provide step-by-step problem solving lectures on practical subjects like Accounting, Financial Management and Strategic Financial Management, Costing, Taxation etc. I would urge Students to make optimum use of the educational resources available on the ICAI Cloud Campus to study anytime and from anywhere to have a better understanding as a part of their self-study for the CA Course and at the same time concentrate on their Practical/Article Training. The access to lectures on ICAI Cloud Campus is totally free of cost.

ONLINE MENTORING

I am happy to note that the Online Mentoring facility on ICAI Cloud Campus is gaining increasing popularity amongst the Students with 3,000+ followers and 1,01,000+ views. The Online Mentoring enables students to ask doubts/ queries and at the same time get guidance on better preparation for their forthcoming examinations by avoiding shortcomings found in recent examinations. The Schedule of forthcoming Online Mentoring sessions paper-wise for January 2015 is available in the later pages of this Journal and updated on the ICAI Cloud Campus.

ADVANCED ITT

It is an undoubted fact that Information Technology has brought about sea changes in our lives and the society as well. There is a need for highly technologically qualified Chartered Accountants to power the next generation of growth and development in the Indian accountancy profession. The significance of IT can be seen from the fact that it has penetrated into almost all spheres of our daily lives from business to entertainment. Considering the importance of IT, we have introduced Advanced Course on Information Technology Training for the students who have registered for their practical training on or after February 1, 2013. I would urge such students who are eligible to appear for November 2015 examinations to complete the Advanced ITT well in advance. It is my belief that the training will definitely help the budding CA professionals to multiply their competencies and enhance their employability.

"Begin to be now what you will be hereafter". William James.

HARD WORK- THE ONLY SUCCESS MANTRA

It is a fact that there is only one person responsible for your success and the quality of the life you live. That person is you. If you want to be successful, you have to take 100 per cent responsibility for everything that you experience in your life. Hard work is the only one mantra to success. We have living examples around us of the persons whose hard work led him to the top. M.S.Dhoni was a Railway Ticket Collector in west Bengal. Now he is the Captain of Indian Cricket Team. From a Railway Ticket Collector to Cricket Captain- what a transformation! It is all because of his determination and hard work. If you follow this success mantra, one day or other, you also reach the pinnacles of success in life.

Wish you all a wonderful and prosperous New Year 2015.

CA. K. Raghu
President
The Institute of Chartered Accountants of India

I on behalf of the Institute of Chartered Accountants of India feel really delighted to convey my best wishes to all of you for a very prosperous and happy New Year 2015. I pray to Almighty that the blissful occasion of New Year brings with it new hopes and opportunities to explore new areas of professional and personal success. Let's resolute and regard New Year as a fresh opportunity for the betterment and to set higher benchmark as student of the Accountancy Profession. I also extend my warm greetings on the occasion of 66th Republic Day of our nation. The celebration of this day instills such a patriotic dedication that truly reflects our unity amidst diversity. We salute our freedom fighters who sacrificed their invaluable lives to redeem our country from the bondage of foreign rule. I hope that in our motherland peace and prosperity will prevail forever. I am sure our country, that has shown high resiliency to global economic upheavals, will continue to grow and prosper. Initiatives with regards to inclusive growth, health, sanitation, infrastructure, etc will go a long way to help poorest of poor and steer India to become a force to reckon with very soon.

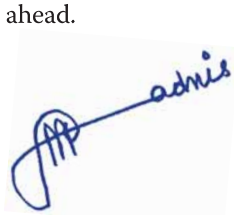
I am sure that the students who have appeared in November 2014 CA Examinations must be eagerly waiting for the declaration of the results. My best wishes are with you and I hope that you will be able to achieve success with flying colors. I can easily understand the importance of the results of the examinations. The results will let you know where you stand and what adjustments are required in the overall strategy. Even the students who have performed well can attune their strategies to accomplish more. CA course requires deep understanding of technical subjects. I strongly believe that a sincere and committed approach towards articleship training will push your path to understand the basic and core concepts of various subjects.

Apart from our examination system, the course curriculum and the articleship training have stood test of times. Our Institute is very proactive to transform the process of learning and enriching the world of knowledge of CA professionals to surpass the emerging challenges of the professional arena. The profession has developed immensely over the years. The CA profession has widened its wonderful services in the broad spectrum. The demand for CAs has increased phenomenally and credits goes to investment, globalization and improvement in Information Technology.

In my interaction with the students I have found that many of them possess good knowledge of subjects backed by proper soft skills. At the same time there are also students who need to develop technical as well as soft skills. Strong foundation is must for a multi-dimensional personality. Apart from subject matter, the students need to improve their managerial communication, presentation, and other soft skills. The success of any professional largely depends upon how one represents oneself to withstand the challenges. Remember that nothing is impossible in this world if you have a strong will and high level of commitment to accomplish your set objectives. You should formulate long term strategy and plan for the enhancement of your career.

The present dynamic scenario demands that you should work hard and remain in tandem with the latest developments. I would suggest you to participate or attend conferences, conventions, contests, etc. These programmes help us get contemporary knowledge and benchmark ourselves with other participants. We, at the Institute are committed to work for the betterment of student.

Best wishes for a happy future ahead.



CA. Manoj Fadnis
Vice President
The Institute of Chartered Accountants of India

Philosophically speaking, Life is a journey sprinkled with a mixture of happy and sad moments, thus nothing in life remains stagnant. At one point of time, we feel we have failed in life but the very next moment we have sparkling happiness in our eyes with a sense of satisfaction. Time is the only thing, which continues on its own pace, neither faster nor slower. It is the only predictable aspect in life. So again the New Year will arrive at its own perfect time. This edition will reach you ushering in the New Year 2015, with renewed hopes, aspirations, fresh commitments, greater achievements and a whole new beginning. As a student of ICAI, You need to cherish the good moments in the year gone by and make a promise to do even better this year. The dawn of the New Year, the month of results will also come and I wish you all the best for your upcoming results. But remember, nothing is stagnant, if you succeed there is no assurance you will not fail again and if you fail, it's just a stepping stone to your unfulfilled dreams which will be achieved if not now, but in your near future. I hope your hard work and labour will achieve your dreams, with beautiful smiles on your faces and a feeling of accomplishment in your eyes. As Swami Vivekananda said "No great work can be achieved by humbug. It is through love, passion for truth, and tremendous energy, that all undertakings are accomplished.

National Conventions for CA students are organised at various places in the month of December. I was overwhelmed to see such a huge response from all of you. Many more are lined up for January 2015. To start with, Convention will be held on 2nd and 3rd January 2015 In Mumbai,10th and 11th January 2015 in Ludhiana,23rd and 24th January 2015 in Karnal and finally on 31st January and 1st February 2015 in Pune. Conventions are organised for enriching your skills, to motivate you and to make you all aware about the recent developments. You also get an opportunity to meet the eminent speakers. I would wish all of you to make your presence at such events, which definitely will benefit you in fulfilling your career goals and overall personality development.

The Board of Studies has made available Online Mentoring Sessions on the ICAI Cloud Campus that enables students across the country and abroad to get online mentoring Subject Wise for CPT, Intermediate (IPC) and Final Courses. Looking at the response for these mentoring sessions the frequency of these sessions has increased from once in a week to twice and thrice in a week. All the information about these sessions is available on the Institute Website and in the Students' journal. You can register for them and ask your queries related to the subjects at the time of registration and also during the session. I urge you all to derive optimum benefit from the mentoring sessions being conducted by the faculty members of the Board of Studies.

The year of 2014 has been quite fruitful, as a lot of commendable changes and developments have been done by the Institute. Hoping for more excellent work in 2015, with more commitments and more challenges.

Wishing you all a very happy and a prosperous New Year 2015

CA. M. Devraja Reddy
Chairman, BOS

May 2015 Examination: Some Essentials for Preparation

How to Prepare for Accounting Papers

Accounting constitutes a very significant area of core competence for Chartered Accountancy students. The significance of the subject can be judged from the fact that at every level of CA course we have a paper on Accounting and that too, the first paper. Accounting papers in CA curriculum concentrate on conceptual understanding of the crucial aspects of accounting and acquaint students with the basic concepts, theories and accounting techniques followed by different entities. The papers at Intermediate and Final levels expect students to have knowledge of the Accounting Standards and their application to different practical situations.

- Intermediate (IPC) Paper 1 “Accounting”
- Intermediate (IPC) Paper 5 “Advanced Accounting”
- Final Paper 1 “Financial Reporting”

In the preliminary phase of studies for the papers of Accounting, one must have all relevant materials for the subject to study and an apt strategy for preparation. Thus study includes gathering all relevant reference materials whereas strategy tells us how to effectively use the same. Study and Strategy both are the stepping stones of the success. It will be difficult to get through the Accounting Papers unless both are present.

Effective Study → Examination Technique → Get through Accounting Papers

Planning for study of the papers of Accounting should be done in a manner which makes you go through the subject syllabus at least three times. In addition to the general guiding principles for preparation of the subject, an effort has been made in this write up to describe all essentials for preparation in each individual paper of Accounting.

Essentials of Preparation						
Know your subject	Familiarize with the Knowledge inputs provided by the BoS	Time planning	Study Relevant Materials	Prepare Notes for revisions	Keep updated	Attempt mock test

KNOW YOUR SYLLABUS

To start your preparation for the subject, it is necessary to understand clearly what is to be studied, from where to be studied and then how to be studied. Let’s start with the first step in the process of your preparation. At the initial stage of preparation, one should study the syllabus carefully; also try to understand the relationships between various topics and the depth of the study required in different topics.

FAMILIARIZE WITH THE KNOWLEDGE INPUTS PROVIDED BY THE BOS

Once you are aware of the syllabus, the next step is to find and assimilate the knowledge inputs which have been provided by the Board of Studies, to study the subject. For better understanding of the paper, Board of Studies has provided many knowledge inputs.

- Study Material
- Practice Manual
- Suggested Answers
- Revision Test Papers
- Mock Test Papers
- Students’ Journal for academic updates
- Accounting Pronouncements

After knowing the various knowledge inputs provided by the Board of Studies, one should plan studies.

PLANNING – TIME MANAGEMENT

The studies should be planned on the basis of availability of time and the course contents in each paper of Accounting. By planning, here we mean time management for subject as a whole and individually as well for each and every chapter. Planning for study of the papers of Accounting should be done in a manner which makes students go through the subject at least three times. One has to do written practice of good number of questions on each topic for practical based subject of Accounting. Therefore, at the time of planning the study for the subject, he/she should keep into mind the written practice of practical questions also. Along with macro level planning on how to study, one should also make the plan at micro level i.e. time planning for each and every chapter in detail - when to start and by what time the chapter should be completed. It may be noted that the syllabus of all three papers of Accounting Subject covers Accounting Standards as well as other topics, so the planning for First round of study should be divided in two parts namely- (i) Accounting Standards and (ii) Other chapters of the course curriculum.

PHASES OF STUDY	1st Round	2nd Round	3rd Round
	Study Materials Practice Manual Remember Inter-linking of topics while studying Practice Practical Problems Application of AS, Guidance Notes	Recap of previously read topics and AS, Guidance Notes Continuous Updation Suggested answers and RTPs	Mock Test Papers checking Answers with study material/ Suggested answers

Your second round of study i.e. your first revision should be over before one month of your exam. Your second revision should be in the last month before exam so that you will be in the position to remember all the concepts. These three rounds of study will help in boosting the confidence level for the subject and will make you mentally prepared to appear in the examination.

Every day when you start your study, first go through the concepts which you have read last day then start learning new concepts. *Remember, out of sight, out of mind*. Ideally your first study should be within 24 hours of initial reading, the second within 1 week of reading.

STUDY ALL RELEVANT MATERIALS IN A SYSTEMATIC PATTERN

To lay a strong foundation of the understanding of any particular topic, study material explains the concepts of each and every topic in detail with adequate illustrations. Study the underlying concepts and accounting treatment specified therein analytically before proceeding towards illustrations. Solve the illustrations after understanding the topic and do adequate practice of the questions given in the Practice Manual.

TRANSLATE THE KNOWLEDGE GAINED IN THE FORM OF COMPREHENSIVE AND CONCISE NOTES

Besides preparation of important points of the topic (which will help you to recapitulate the whole concepts), a summary of tricky points and adjustments gathered from the practice of various good illustrations may also be prepared which will help in grasping the intricate practical aspects. Such tricky points or adjustments should be cross linked with the concerned illustration number so that at the time of revision you not only study the accounting treatment but also refer the whole solution again. These notes may also be accompanied by the proforma of relevant accounts and diagrams so that at the later stages of preparation, the conceptual knowledge underlying different topics may be gained within minimum time and efforts without going through a number of books again.

KEEP YOURSELF UPDATED WITH THE DEVELOPMENTS IN THE SUBJECT

Students should update themselves with the latest amendments or notifications as and when they are issued. All CA students are advised to make it a part of their daily routine to access the Institute's website and be abreast with the latest developments in the area of Accounting Standards. You should be in a habit to read 'Academic Update' given in Students' Journal continuously as it will help you in avoiding last moment pressure to acquaint yourself with all the relevant amendments. Also list of pronouncements comprising of all relevant accounting standards and guidance notes are published well in time in the Students' Journal and the institute's website to apprise you with the applicability part of the same in the particular examination.

ASSESS YOUR LEVEL OF PREPARATION BY ATTEMPTING MOCK TESTS

After adequate preparation, one must judge his or her knowledge and performance level by attempting previous years' question papers under mock examination conditions. The answers could be checked subsequently with reference to study material/books/suggested answers. It would help in acquiring the ability to manage time, gaining necessary confidence and assessing one's level of preparedness.

Examination Tips

Use of proper and prescribed format	• Presentation of Problems • Financial Statements
Adequate Working Notes	• Cross referenced with the figure used in main solution • Methods of calculation
Questions based on AS/Guidance Note	• Answers/conclusions with proper reasoning • Supported with provisions of that accounting standard / Guidance Note
State the assumption clearly	• If required, solve the question based on the assumption

Now, let us discuss the specific points related with individual paper of the subject, in detail.

PAPER 1 'ACCOUNTING' AT INTERMEDIATE (IPC)

The paper of 'Accounting' at Intermediate (IPC) level concentrates on conceptual understanding of the crucial aspects of accounting. The paper at this level aims to lay a foundation for the preparation and presentation of financial statements of sole proprietors, partnerships and companies and also expects students to have working knowledge of the principles and procedures of accounting and their application to different practical situations. The syllabus of Accounting has been segregated into fifteen chapters for the purpose of its full coverage and study. The topics covered under this paper include Accounting Standards; Financial Statements of Companies, Profit or Losses Prior to Incorporation, Bonus issue, Amalgamation and Internal Reconstruction (excluding problems on inter- company holding); Average Due Date, Account Current; Self Balancing Ledgers; Financial Statements of Not for Profit Organizations; Accounts from Incomplete Records; Hire Purchase and Installment Sale Transactions; Investment Accounts; Insurance Claims for Loss of Stock and Loss of Profit; Issues in Partnership Accounts; Accounting in Computerized Environment.

An attempt has been made to explain with the help of tabular format given here under the manner in which concepts contained in the particular chapter of the study material are required to be interlinked with the related provision in another chapter of the study material and read together:

Other chapters though not specifically interlinked with any chapter but still apply the provisions already read earlier. Always remember that your study should be application based so that you may analyze the requirements of the question and answer them in a desired manner.

PAPER 5 'ADVANCED ACCOUNTING' AT INTERMEDIATE (IPC)

The paper of 'Advanced Accounting' will acquaint you with the basic concepts, theories and accounting techniques followed by few different entities and expects you to gain working knowledge of few more professional standards and application of accounting principles to different practical situations. The study material of Paper 5 'Advanced Accounting' is divided into nine chapters/topics based on the syllabus. The topics covered under this paper can be comprehended in the following manner:

Category	Name of the chapters
Topics on Accounting Standards	Conceptual Framework for Preparation and Presentation of Financial Statements and Accounting Standards
Partnership form of business	Advanced issues in Partnership Accounts
Company form of business	Company Accounts
Industry specific Financial statements	Financial Statements of Insurance, Banking and Electricity Companies
Accounting for Special Transactions	Departmental Accounts and Accounting for Branches including Foreign Branches

Name of the chapter/unit	Inter-linking between topics
Accounting standards	Nine Accounting standards have been specified in this paper viz AS 1, 2, 3, 6, 7, 9, 10, 13 and 14. The explanation/interpretation of these accounting standards are given in unit 2 of chapter 1 of our study material. Also at the end of the study material (Module I), we have reproduced the bare text of these accounting standards for your reference. It is advised that after studying each standard explained in chapter 1, refer the bare text of accounting standard for building strong conceptual knowledge on the accounting standards specified in the syllabus. Provisions of AS 14 'Accounting for Amalgamations' will be applied in chapter 6 'Amalgamation' and provisions of AS 13 'Accounting for Investments' will be applied in chapter 12 'Investment Accounts'.
Financial statements of companies	Format of Schedule III under the Companies Act, 2013 is to be applied in the financial statements of companies required to be prepared in chapter 4 'Accounting for Bonus Issue', chapter 5 'Internal Reconstruction' and chapter 6 'Amalgamation'. Cash flow statement is to be prepared as per AS 3.
Amalgamation	Provisions of AS 14 should be kept in mind while studying this chapter.
Financial Statements of NPOs, Accounts from Incomplete Records	These chapters apply the provisions studied in the chapter 'Preparation of Final Accounts for Sole Proprietors' at CPT level.
Investment Accounts	Provisions of AS 2 'Valuation of Inventories' and AS 13 'Accounting for Investments' should be applied while valuing the closing balance of investment at the end of the accounting period.
Issues in Partnership Accounts	This chapter deals with profit and loss appropriation account of partnership firm, admission, retirement and death of a partner which has also been discussed to an extent at CPT level.

The paper of 'Advanced Accounting' covers some more advanced aspects of partnership firm and company accounts which have already been covered in Paper 1 'Accounting'. Therefore, we recommend you to take these topics first as you are familiar with the accounting treatment followed in such types of businesses and will be in a position to grasp quickly the accounting treatment to be done for other aspects covered in this paper. For Accounting Standards, study the explanation given in chapter 2 first and then study the bare text of the accounting standard given as an appendix at the end of the Study Material. Following this procedure will help you to have in-depth understanding of the underlying concepts of accounting standards specified in the syllabus and the manner in which it is interpreted and should be interpreted.

PAPER 1 'FINANCIAL REPORTING' AT CA FINAL LEVEL

The study material of 'Financial Reporting' is divided in ten chapters/topics based on the syllabus. The topics covered under this paper have been grouped for the sake of your understanding as follows:

Group	Topic
Chapter Based on Accounting Standards	**Accounting Standards and Guidance Notes:** You should keep in mind the provisions of such accounting standards and relate them appropriately at the time of studying that chapter. Sometimes, it may happen that two Accounting Standards or Guidance Notes have to be applied simultaneously. Your study should be in such a manner that you are able to apply multiple Accounting Standards or Guidance Notes to solve question. For eg. Refund of government grant on account of non-fulfillment of specific conditions attached to the grant will attract provisions of AS 12 as well as provisions of AS 5 i.e. extra-ordinary item. **International Accounting Standards, International Financial Reporting Standards, their Interpretations and US GAAPs-An Overview:** The chapter mentions about significance differences as well as similarities between IFRS, and existing accounting standards. Here, the knowledge acquired from study of chapter 1 have to be applied to find out the differences and similarities between existing accounting standards and IFRS. **Accounting for corporate restructuring (including inter-company holding):** The chapter deals with restructuring of companies and accounting treatment thereon. Your study for this chapter should be supported by the provisions of the Companies Act, 2013 along with the provisions of AS 14. **Consolidated Financial Statements of Group Companies:** Provisions of AS 21, 23 and 27 should be kept in mind along with the provision in the Companies Act, 2013, while studying this chapter. **Accounting and Reporting of Financial Instruments:** Provisions of AS 30, 31 and 32 are to be applied in solving problems on Financial Instruments.
Chapter based on Guidance Note	**Share Based Payments:** This chapter should be studied keeping in mind the provisions of the Guidance Note on Accounting for Employee Share Based Payment.
Chapters not based on specific AS but Implication of Provision of AS exist	**Valuation of Tangible fixed assets, Intangibles, Liabilities, Shares and Business:** For treatment of goodwill, you should keep in mind the provisions of AS 26 and 28. Also methods of calculating goodwill either by average profit method, or super profit method or annuity method or capitalization method.
Financial Reporting for Financial Institutions	**Mutual Funds, Non-Banking Finance Company, Merchant Bankers and Stock and Commodity Market Intermediaries:** For better understanding of this chapter, it is very necessary that you should be aware of the provisions explained AS 30, 31 and 32.
Developments in Financial Reporting	**Value Added Statements, Economic Value Added, Market Value Added, Shareholders' Value Added and Human Resource Reporting**
Other	**Corporate Financial Reporting:** This chapter explains the reporting practices followed and the various statutes governing the financial statements of a company. Co-relate the study of this chapter with the Companies Act, 2013, SEBI Regulations and Companies (AS) Rules.

Students may note that the Indian Accounting Standards (Ind ASs) converged with IFRS are not applicable for May, 15 Examinations. Relevant Sections of the Companies Act, 2013 notified up to 30th September, 2014 and all other relevant Rules, Notifications, Circulars and Clarifications issued by the Regulatory Authorities up to 31st October, 2014 are applicable for May, 15 Exams.

In nutshell, we can say that professional approach and qualitative effort is the key to pass Accounting papers in CA examination. To be a successful chartered accountant you should be able to analyze and develop an understanding of published financial statements and annual reports of companies. This exercise will enable you to know, how the various accounting concepts, conventions, rules, principles and standards are applied in real life situations.

PAPER 6:
Auditing and Assurance at Intermediate (IPC)

Auditing is at the centre of Chartered Accountancy Course. While studying this paper, students are advised to integrate the knowledge acquired in other subjects, specifically, accounting, Corporate Laws, Income Tax, Indirect Taxes and other Commercial laws in a meaningful manner. Such learning would not only improve performance in examination but also help to become a better professional. Auditing and Assurance subject involves application of knowledge, both practical and theoretical, gained in other subjects.

Read the Study Material Thoroughly

Students should develop a strong conceptual base with the help of study Material. This you can achieve by learning definitions and important points. You may develop your learning habits by practice and adopting learning techniques. Learning should not be confused with cramming. Learning is only after understanding the whole concept and that becomes constructive learning. Constructive learning would always help in building a strong conceptual base.

Once you develop a strong conceptual base by learning definitions and important points, you need to read the study material in a thorough manner so that main content of it may be reproduced whenever required.

So far as provisions of Company Audit are concerned, again you need constructive learning on this front too so that the basic intention of law is not missing while writing your answers.

In this manner, you can have a strong hold on the subject. The knowledge gained from study should be translated in the form of brief notes. These notes may be accompanied by diagrams so that at later stage of preparation conceptual knowledge may be gained within minimum time and minimum efforts.

Remember that there is no short cut to success. You need adequate time to cover entire study material. Preparation of a few selected topics for a few weeks before the examination is likely to lend you in trouble during examination time.

You should prepare Daily Schedule Register for the purpose of monitoring your studies. This register should be prepared date wise and whatever you do on account of studies be entered in this register and later on that would help you in planning your studies and also deciding the exact point of time when revision should be done and what are the left out topics etc.

Detailed Chapter wise plan is discussed below :

Chapter 1 - Nature of Auditing - The student should try to carefully understand the basic concepts and the structure of the auditing to gain the in depth knowledge of the subject. To better understand the implication of this chapter, it is suggested to read it with SA 200, "Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Standards on Auditing and SA 240, "The Auditor's responsibilities relating to Fraud in an Audit of Financial Statements".

Chapter 2- Basic Concepts in Auditing : After understanding the nature of auditing, student should try to link it with Chapter 2 which deals with Concept of Auditor's Independence, Audit Evidence, Concept of Materiality, Concept of True and Fair and Disclosure of Accounting Policies. Students should refer SA 500 on Audit Evidence, SA 320 on Materiality in Planning and Performing an Audit, SA 520 on Analytical Procedures and SA 505 on External Confirmations etc. along with this chapter. The fair understanding of the chapter has its roots in the above mentioned SAs.

Chapter 3- Preparation for an Audit : requires the students to identify the major areas for preparation for an audit for which they should refer SA 300 on Planning an Audit of Financial Statements, SA 220 on Quality Control for Audit of Financial Statements, SA 230 on Audit Documentation etc. After going through the text of these SAs the students can apprehend the chapter.

Chapter 4 - Internal Control : To comprehend this chapter the students should try to establish linkage with the SA namely 315 Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and its Environment, SA 330 on The Auditor's Responses to Assessed Risks, SA 610 Using the Work of Internal Auditors etc. While answering to the questions of this chapter, students should be analytical and objective, without losing focus on the statement.

Vouching and verification are very important chapters. While studying these chapters, students should have knowledge of basics of an audit. Students should not stuff the steps for vouching and verification. Instead they should apply their knowledge.

Chapter 5 -Vouching : The general approach to study this chapter is to examine the existing internal control system in the organisation. The appropriate ledger accounts involved, if any should also be scrutinized. Further the vouching ends with the routine checking of the receipts and payments involved and preparation of bank reconciliation statement.

Chapter 6 – Verification of Assets and Liabilities : The basic features to study involve existence, ownership, control, rights, valuation, disclosure and presentation of the items involved. Further, student may interlink this chapter with Guidance notes, Standards on Auditing and Accounting Standards.

Chapter 7 – The Company Audit – I : - This chapter deals with Qualifications and Disqualifications, Appointment, Remuneration, Removal, Powers, Duties of auditor etc. For gaining the in depth knowledge of the subject the student should focus on the various provisions of the Companies Act, 2013, and the reporting mechanism as suggested by SAs in 700 series.

> The relevant notified Sections of the Companies Act, 2013 up to 30th September 2014 will be applicable for May, 2015 Examination and for other legislative amendments including relevant Notifications / Circulars / Rules / Guidelines issued by Regulating Authorities cut-off date will be 31st October, 2014.

Chapter 8 – The Company Audit – II : This chapter deals with General Considerations in a Company Audit, Specific Provisions as regards Accounts in the Companies Act, 2013, Special requirements of Company Audit, Audit of Share Capital etc. Since the chapter deals directly with the provisions of the Companies Act, 2013 the students should be very clear and concise in their applicational attribute.

Chapter 9 – Special Audits : It deals with Government Audit, Audit of Local Bodies, Audit of Non-Governmental Organizations (NGO's) and Miscellaneous Audits. Students are expected to study the procedure involved in various audits and try to establish the linkage with the knowledge gained from other disciplines like accounting for audit of partnership firms in learning the audit procedure.

Practice Manual

After preparing each chapter of the study material. You should try to answer the questions in the corresponding chapter of the Practice Manual on your own. This practice would definitely help you to identify your mistakes. By this process, you would be able to make application of the concepts gained in Study Material.

RTP for May, 2015 Examination

The RTP would also be of immense help because you may retest your concepts and knowledge. You should try to answer each question by applying your mind & thereafter compare with answer.

Suggested Answers

Use three hours time to check your preparation and speed by solving past question papers. This is definitely a good practice aimed towards achieving success in the examination. You should also carefully read Examiner's Comments published with the suggested answers.

Mock Test Papers

You should also review your preparation by solving Mock Test Paper hosted on the Institute's Website. Mock Tests are also held by Regional Offices and Branches of the Institute.

Students' Journal and other useful books

You should develop the habit of reading Students' Journal as it provides articles on current issues and academic updates that would definitely be helpful both in examination and professional growth as well. Moreover, reading of reference books, business magazines, financial newspapers and Chartered Accountant Journal would update knowledge, increase practical exposure and broaden your horizon.

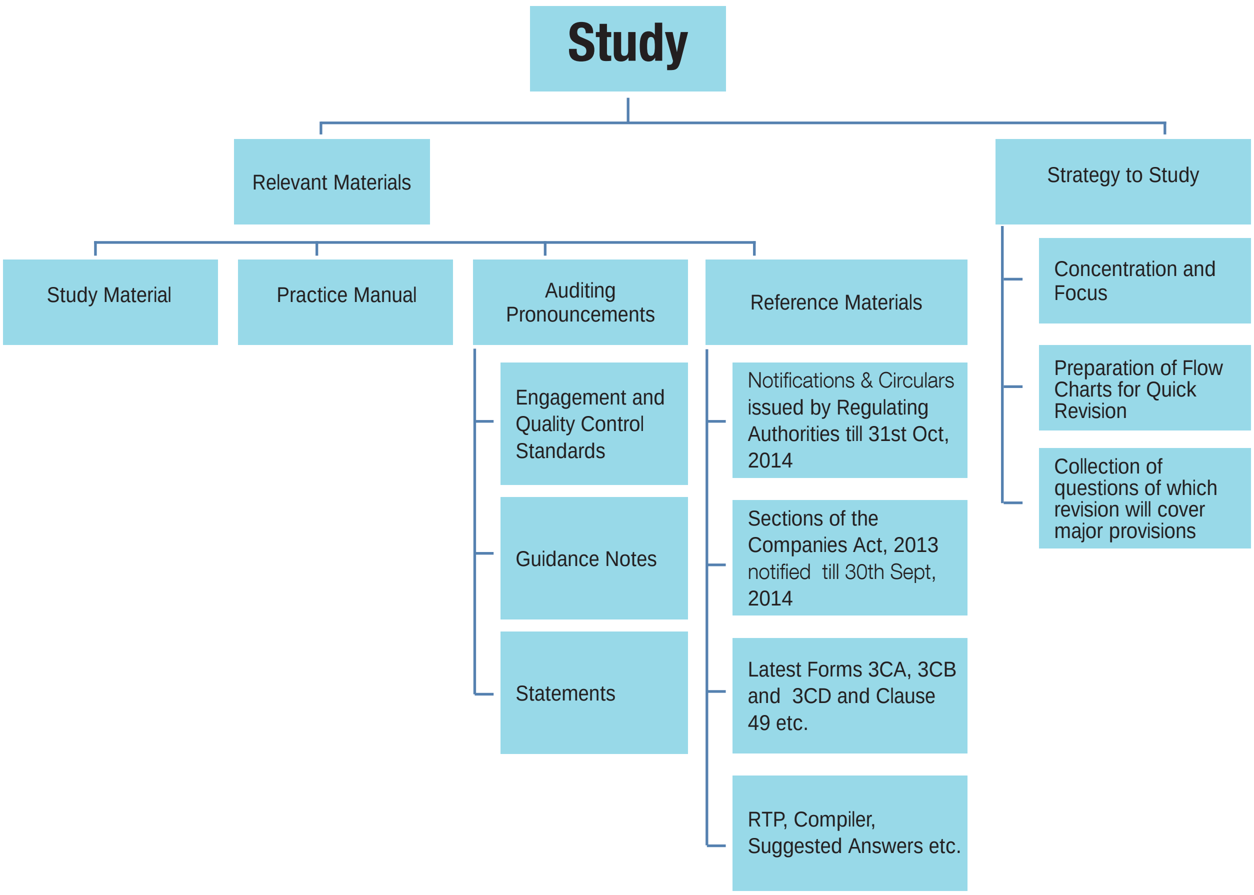
Other Important Points to remember

Neat and legible writing, reasonable command over English language, simple, precise and effective presentation of answers are also some of the tools that would help you perform in more effective and efficient manner.

PAPER 3: Advanced Auditing and Professional Ethics at CA Final Level

As Benjamin Franklin said, "By failing to prepare, you are preparing to fail." Preparation is first and very important step towards success. For doing preparation of CA. Final Paper 3 - Advanced Auditing and Professional Ethics Examination, one has to be very careful as preparation consists of Study as well as Revision.

When you are starting for studies you must have all relevant material for subject and strategy to study. Study includes all relevant and reference material whereas strategy tells us how to effectively use the same. In absence of any of both it will be difficult to get through.



Refer the diagram given above it is important to note that Latest Study Material and Practice Manual which is further divided in into twenty two chapters in our study material covering in detail, principles of Auditing, Standards on Auditing issued by the ICAI, reporting on internal control as a part of Risk Assessment and Internal Control, specific audit issues classified by organizations like Company Audit, Audit of Banks, Audit of General Insurance Business, Audit of Co-Operative Societies, NBFCs and Audit of Public Sector Undertakings, special audit issues like audit under Fiscal Laws, role of auditor under clause 49 of the Listing Agreement, Audit of Consolidated Financial Statements, Investigation and Due Diligence and Salient features of Sarbanes Oxley Act, 2002. In addition to above, Peer Review is considered as an important step towards maintenance and improvement of audit quality. Similarly, Professional Ethics are regarded as a foundation to the audit function, which is essentially developed on the foundation of ethical norms, which has so far brought name and fame to the profession. All students of Final course should read these chapters with sincerity and imbibe the norms explained. These Chapters are comprehensively covered in our Latest Study Material incorporating all relevant changes.

Students may also note that the notified Sections of the Companies Act, 2013 along with its Rules, significant notifications and circulars issued by SEBI, RBI, NBFC, MCA etc up to 31st October, 2014 are applicable for May, 2015 Examination. In addition to above Revised Clause 49 (Chapter 9 Audit Committee and Corporate Governance), Form 3CA, 3CB and 3CD issued by CBDT on 25th July 2014(Chapter 15 Audit under Fiscal Laws) are also applicable for May, 2015 Examination.

Students must go through the Study Material along with other reference materials. It is important to note that auditing is largely a practical and application discipline. Students should learn the Auditing concepts and techniques as also their intricacies purely for purposes of applying them in practice in their audit work.

For the purpose of its full coverage syllabus of this paper may be segregated into following seven parts for preparation:	
Part I	Engagements and Quality Control Standards on Auditing (SA/SRS/SRE/SAE) and Guidance Notes
Part II	Audit strategy, planning and programming, Risk Assessment and Internal Control, Audit under computerized information system (CIS) environment, Special audit techniques
Part III	Audit of limited companies, Rights, duties, and liabilities of auditors; third party liability, Audit Committee and Corporate Governance
Part IV	Audit Reports, Audit of Consolidated Financial Statements, Certificate on Corporate Governance
Part V	Special features of audit of banks, insurance companies, co-operative societies and non-banking financial companies, Audit under Fiscal Laws, viz, Direct and Indirect Tax Laws, Cost audit, Special audit assignments like audit of bank borrowers, audit of stock and commodity exchange intermediaries and depositories; inspection of special entities like banks, financial institutions, mutual funds, stock brokers.
Part VI	Special features in audit of public sector companies, Internal Audit, Management and Operational Audit, Investigation and Due Diligence, Concept of Peer Review
Part VII	Professional Ethics

In first part you may prepare Engagements and Quality Control Standards on Auditing (SA/SRS/SRE/SAE) and Guidance Notes for which list of applicable standards are published by ICAI from time to time. For doing preparation for Part First, read the bare standard along with its application and other explanatory material. After reading this you are advised to draw a flow chart or some diagrammatic presentation for your better understanding and revision purpose. You are also expected to focus on the application aspects of each of the Auditing Standards and guidance notes. As it is important to have the basic understanding, the objective is to the gain the ability to practice the same in the working scenario.

In part two, you may prepare audit strategy, planning and programming, risk assessment and internal control evaluation, audit under computerized information system (CIS) environment, special audit techniques like selective verification; statistical sampling; special audit procedures; physical verification of assets, direct confirmation of debtors and creditors, analytical review procedures, risk-based auditing etc. While doing preparation for this part, you may interlink it with Auditing Standards, specially the series of SA 300 – 499 i.e. Risk Assessment and Response to Assessed Risks and series of SA 500 – 599 Audit Evidence.

For the preparation of Audit Strategy, Planning and Programming, you should practice developing an "Engagement Approach Document". The Approach document should primarily outline the activity based scoping of an engagement and planning of the procedures for each of the activity. An Approach Document should treat each engagement as a project which would highlight the resource requirements in each activity area and scheduling as well. Similarly for the Risk Assessment and Internal Control Evaluation you should gain understanding of the Risk Management Framework, relevance of control procedures, control assessment questionnaires and the complementary role that the internal and external audit plays. Further you should apply the accounting knowledge; and business intelligence framework along with the ratio analysis and trend reviews for any un-reasonable gaps in inputs provided / made available.

In part three, you may incorporate audit of limited companies, rights, duties and liabilities of auditors, third party liability and Audit Committee and corporate governance. For better understanding, you must have good knowledge of the Companies Act which is pre-requisite. Not only knowledge but updation of knowledge is also required on time to time basis.

In part four, you may include Audit Reports and Audit of Consolidated Financial Statements. While doing study of Audit Reports, you may interlink this with series of SA 700-799 i.e. Audit Conclusion and Reporting and sections 143 of the Companies Act, 2013. You are also required to practice the drafting of qualifications. You may also scan through the Annual Financial Statements of Companies to analyse the notes and qualifications, if any, incorporated by the Auditors in their Audit Report.

In part five, you may include miscellaneous audits like audit of banks, insurance companies, co-operative societies, NBFCs, audit under fiscal laws, cost audit and special audit assignments. For the preparation of part five, deep knowledge of statutory requirements is a pre-requisite for validation to adherence of the business with applicable laws. For this you should follow a check-list approach ensuring completeness of compliance validations. Further, you should update yourself with latest notification, circulars etc. You may also interlink the above part with guidance notes already covered in part one.

In part six, you should prepare special features in audit of public sector companies, internal audit, management and operational audit, investigation and due diligence and concept of peer review. For the preparation of this part, you are again required to have sound knowledge of statutory requirements.

Last but not the least; in the seventh part you may prepare Professional Ethics. Generally it has been observed that there is one question i.e. case studies based question of 16 marks in the examination paper. For better preparation of this part you are advised to read the 22 Chapter of the Study Material in detail which elaborates this topic along with examples. Further, you may write down all the clauses in notes form for the revision purpose.

While answering the case studies based question, answer should be split in to two parts, first one is Facts of the case and second one is the relevant concept and finally give your own conclusion. In this way the case study and application oriented theory questions can be answered.

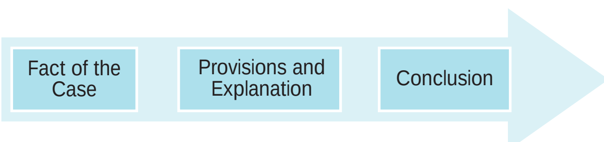
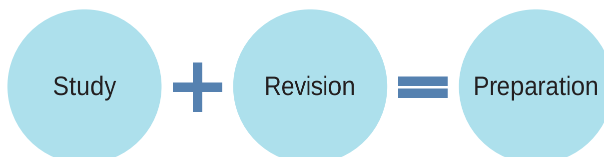


Diagram showing Steps for Answering of Case Study

As in all other subjects of CA course, to excel in Audit proper preparation and planning is very much required to avoid failure. Further Audit is a paper which requires a practical approach towards actual Audit work. You should in the first instance focus on studying Auditing concepts, procedures and techniques from the study material. The knowledge being so derived may be related by the students to the practical work in the field of Auditing which they do as part of their Articles training.

Part three, five and six are based on statutory requirements. Therefore, you must be cautious about the amendments and updates happened at least six months before the exam and also go through the other amendments. Further, you should also take a keen interest in updating yourself on contemporary developments in the field of auditing by regularly referring to articles on Auditing in CA Journal, Students' monthly Journal and other relevant professional journals, publications and books. It is also advisable to mention applicable Engagement Quality Control Standards or Accounting Standards or Sections in audit paper wherever required. Answers should be crisp, precise and to the point to secure good marks.

Audit is a subject that requires a lot of quick and logical application of mind to answer practical problems. Hence, give a reading to ICAI audit study material and Practice Manual to understand the depth and figure out the efforts and time required for preparation. In addition to study material suggested answers of past examination, Revisionary Test Papers, Standard books should also be read.



Your study and preparation should be in such manner that you are able to revise the same in one day time span. Finally don't forget to revise as already shown in diagram Study and Revision both are essential for Preparation for Examination.

> "Give me six hours to chop down a tree and I will spend the first four sharpening the axe." — Abraham Lincoln

SAFA students' article competition - 2015

Students may submit their articles to E-Mail ID "castudents@casrilanka.org" on or before 15th January 2015.

CA Students' Society of the Institute of Chartered Accountants of Sri Lanka will be organizing an Article Competition for the SAFA Category Students on the following topics:-

- **Current Affairs**
- **Accountancy**
- **Auditing**
- **Finance and Other Corporate Aspects**

The winners will be awarded at the 29th International CA Students' Conference being held in Sri Lanka on 8th April 2015. The winning articles will also be published in the 11th edition of "The Fusion Business Magazine", the only magazine published for CA Students in Sri Lanka.

For more details, please contact at E-Mail ID: vp.castudents@casrilanka.org.

PAPER 3: Cost Accounting (Part) at Intermediate (IPC) & PAPER 5: Advanced Management Accounting at CA final level

Yesterday, we got a phone call from a student of CA-final level, who was very anxious about the subject Costing (Advanced Management Accounting) as she was little bit nervous and confused regarding her preparedness for the May 2015 examination. As we understand she is not the only one in this row and there are like her thousands of students across the country who are not sure about the right approach to prepare the subject Cost Accounting at CA- Intermediate (IPC) level and Advanced Management Accounting at CA-Final level. Students express their difficulty in understanding the subject and have built a perception that this subject(s) cannot be honed. Students nurture a tendency to manage just passing marks. Some students are very much curious about the changes in the syllabus and halt their preparation in anticipation of new syllabus. Keeping all these questions, dilemma and misconception about the subject in the minds of the students, we feel it necessary to provide suitable guidance to the students on this subject.

In this write-up, we will discuss the subject Cost Accounting at Intermediate (IPC) level and Advanced Management Accounting at final level jointly as 'Cost & Management Accounting'.

Reasons of securing low marks

Before going to the suggestions for the preparation of the subject, it is necessary to share some important parts of examiners comments on the performance of the students in 'Cost & Management Accounting' with you so that real problem can be diagnosed. Based on examiners comment and our experience the followings may be are some of the reasons of not securing good marks in this subject.

(i) **Lack of Conceptual Clarity:** Students think that this is a practical subject and they are required to just solve the numerical. With this perception students jumps to the illustration part without studying the concepts first. The mishaps happen when some uncommon question purely based on the concept comes in the examination.

(ii) **Skipping Theory Part:** Students tend to avoid theory part at the time of preparation and lower their chances of attempting theory questions in the examination. Because of their least preparedness students write theory answers at last in a hurry. As a result they secure very less marks from a certain percentage of marks.

(iii) **Inpatient Reading:** Students do not read the question paper carefully and do not understand the actual requirement of the question. For example, a question which required the students to give their comment cannot be left by just showing the figures only. It has been observed that some students concentrate on solving the numerical by using a particular formulae or format learnt by them but ignores the exact requirement of the question. Presentation should match with the requirement of the question and it should be very easy for the evaluator to identify the requirement. Hence, presentation as per the requirement of question will save time and will attract the attention of the evaluator easily.

(iv) **Inappropriate Time Management during Examination:** Lack of practice in the examination condition consume more time while attempting a question in the examination hall. Moreover, there is a tendency to devote lot of time while attempting first few known questions and keeping very less time for the balance unknown/ uncommon questions. Generally there is a mismatch between the length of the answer and the time devoted for it with marks allocated to the question.

(v) **Shortcut while Practicing:** Some time it has been observed, while practicing numerical students go through the problems and solution only by checking figures. Until and unless students themselves solve the whole problem without referring to solution they will not be able to understand the sanctity and logic/ concepts depicted through the problem. As a result students will not be able to solve the questions in examination hall and secure fewer marks.

(vi) **Selective Study:** In many instances students study only the selective part of the syllabus by assuming and imagining the topic/ questions predicted in the next examination paper. As a result the students will not be fully ready to cope-up with any type of question. There may be chances that questions covering good percentage of marks/ some easy questions will come from ignored/ underprepared topics and hence, students will score less marks by either not attempting or poorly attempting those questions. In the final level some time overreliance on 'Operation Research' part may result in under preparedness in the 'Cost Management' part and as a result only average marks can be secured by the students. Hence, selective study will result in low scoring more often than not.

Suggestions for the preparation

General Suggestions

The four legged approach may be used for the preparation of the subject 'Cost & Management Accounting'.

Planning → Implementation of plan → Review the progress → Self Assessment

- **Planning for the Study:** Subject specific study plan should be prepared by the students well in advance keeping all the contingencies into mind, so that a fully fledged preparation can be undertaken. First of all students are advised to go through the syllabus, collect relevant Study Materials, Practice Manual and other publications of the institute. The plan must include sufficient time for revision and self assessment.
- **Implementation of the Study Plan:** After preparation of plan, start your study as per the plan prepared. Try to adhere with the plan and give adequate time for the first time reading. At this stage concepts are built with the help of Study Material and Practice Manual provided to the students. If a student feels that the concepts are not clear, he/ she may take the guidance from seniors or faculty at the Board of Studies.
- **Reviewing the Progress:** While doing the study, it is necessary to review the actual study progress with the planned one. If there is any need to revise the plan then do it accordingly. A student may assess his/ her progression of study.
- **Self Assessment:** After completing the preparation of the whole subject one can assess his/ her preparedness by attempting questions from the Practice Manual, Compilations, and Revision Test Papers (RTP) etc. without referring at the solution. Participating in the mock tests organized by the various branches of the institute will also be of a great help.

Chapter/ Topic Specific Suggestions

FOR THE SUBJECT 'COST ACCOUNTING' AT INTERMEDIATE (IPC) LEVEL.

Before going in detail, students should know that the after studying the whole syllabus of the Cost Accounting, they are expected to acquire '*Working Knowledge*' of the subject. Keeping all these requirements in the mind, we are producing a chapter-wise preparation tips for the students:

Chapter-1, Basic Concepts

In this chapter, an overview of all the concepts of Cost Accounting has been explained. The major parts which need to understand are definitions and different terminologies used in Cost Accounting and the context in which these are normally used. Theoretical questions are generally asked from this chapter almost in every examination. To answer these questions clarity in understanding of the all basic concepts of Cost Accounting is necessary.

Chapter-2, Material

This chapter is important for the students. Students must understand the concept of 'materials' as well as various procedures involved in procuring, storing, issuing and valuing 'material'. In the examination students are tested on the application of formulae and techniques to determine various stock levels and quantity of inventory to be ordered (EOQ). Apart from these various methods of valuing and recording of material issued, treatment of excess/ shortage of stores and treatment of normal and abnormal loss of materials to be understood. Some time questions are asked in indirect way, where students are required to find out the desired solution by doing reverse calculations. Understanding the meaning and treatment of waste, scrap, spoilage and deterioration is also necessary.

Chapter-3, Labour

In this chapter, students should learn and understand the need of labour cost control, methods of attendance and payroll preparation procedures. Students may also refer various illustrations given in the Study material for better and clear understanding. Labour Turnover is a term which can be heard in almost every Industry; students should understand exact meaning of it, reasons for labour turnover and its impact on an organization's productivity directly as well as indirectly. Students should be conversed with various methods of computing labour turnover. Students should be acquaintance of different systems of wage payment and Incentives through practicing different types of questions. In examination generally questions are asked to compute wages & bonus based on a particular incentive plan or make comparison between two given plans.

Chapter-4, Overheads

Overheads are generally associated with more than one department or product line. Overheads are distributed amongst the concerned departments/ product lines using a basis. Understanding the meaning and differences among the terms such as allocation, apportionment and absorption of overhead is important for conceptual clarity. Students should know various methods of reapportionment of non-production departments' costs to production department. They should learn various ways of calculating overhead rate, direct labour hour rate, machine hour rate etc. Students should be versed with treatment of under absorption and over absorption of overheads through application of supplementary rate while ascertaining the cost of a particular product or department. Students should do rigorous practice to avoid computational errors also. Students should be familiar with terms such as Installed/ Rated capacity, Normal capacity, Practical capacity, Actual capacity etc.

Chapter-5, Non-Integrated Accounts
In this chapter, students shall acquainted with both Integrated and Non-Integrated systems of accounting and different ledgers account to be opened under the two methods of cost accounting. Students must know the reasons for the differences of profit calculated as per Financial Accounting and Cost Accounting. Students should understand the process of preparing reconciliation between these two sets of accounts.

Chapter-6, Job Costing & Batch Costing
In this chapter, students are required to apply the methods and techniques used in earlier chapters to determine the cost of undertaking a particular job or batch.

Chapter-7, Contract Costing
In this chapter, students are required to learn how to prepare contract account and value of work certified, cost of work uncertified and the profit to be transferred to the costing profit & loss account of the contract. Students should also understand the meaning of 'escalation clause' and its effect on the contract value.

Chapter-8, Operating Costing
In this chapter, students are required to understand the meaning and distinctive features of Operating Costing. Students should practice preparation of operating cost statement of various service industries like transport, hospital, canteen, school etc.

Chapter-9, Process Costing
This is an important chapter from the examination point of view. Students should be able to identify number of identifiable processes and the costs incurred in such processes. To find out accurate cost incurred for and output in a given period Statement of Equivalent Production is prepared. Students should be able to calculate equivalent production for a given period by both FIFO and Average Cost method. One most important area of calculation are the treatment of normal loss, abnormal losses/ gains, adjustment for scrap in ascertainment of actual abnormal loss/gain.

Chapter-10, Joint Products & By- Products
Some time more than one final products are obtained from a common process known as joint products and by-products. In this chapter, students are required to learn the various methods of apportioning joint costs to the products produced simultaneously. Students should learn the process of determining selling price for the joint products or by product and accordingly find out whether the product can be sold or to be processed further.

Chapter-11, Standard Costing
First of all students should understand the meaning of standard cost and actual cost. The difference between standard costs/ revenue with actual cost/ revenue is called variance; variances are calculated using some rational and conventional formulae. Mere memorizing of formulae without proper understanding reasoning and logic will not help the students to solve practical problems. Moreover, conceptual understanding of standard costing at this initial stage will help the students to undertake in-depth study in final level. Students should also understand the accounting procedures and disposition of variances.

Chapter-12, Marginal Costing
Marginal costing is the mother of various chapters and used as a tool for decision making. Basic marginal equations and formulas should be understood by the students. Students should be able to calculate Profit Volume Ratio (P/V Ratio), Break Even Point/ Sales, Margin of Safety, Contribution, bifurcation of fixed cost from semi variable cost, Cost indifference point etc. Students should also understand the difference between marginal costing and absorption costing.

Chapter-13, Budgets and Budgetary Control
In this chapter, students learn the objectives and importance of budgets and budgetary control, advantages and disadvantages of budgetary control system. Generally for preparation of flexible budgets segregation of fixed cost and variable cost is required, so segregation techniques should be learnt and practiced. It is important for the students to understand inter- linkage among different functional budget while answering question on functional budget.

FOR THE SUBJECT 'ADVANCED MANAGEMENT ACCOUNTING' AT FINAL LEVEL.
The students at the final level are expected to acquire 'Advanced knowledge' of the subjects learnt at this stage. The subject Advanced Management Accounting provides the insight into the various business situations and enables the students to apply the managerial accounting techniques to make appropriate strategic decisions.

The first nine chapters of the study material emphasizes on the role of 'Management Accounting' in decision making, particularly in providing information and analysis to support strategic management activity. The focus is on evaluating existing competitive strategies, developing new strategies, monitoring and assessing progress of strategies towards the business objective.

Cost Management Part
Chapter-1, Developments in the Business Environment
This chapter introduces students to the area of modern

concepts of 'Management Accounting'. It discusses recent developments in business environment and in the management accounting techniques Some topic wise useful techniques are given as under:

Total Quality Management: This topic is based on continuous effort of management in maintaining/ improving the quality of a product/ service by maintaining or improving the production/ service processes. In this topic students need to get conversant with various techniques of 'Quality Management'. In this row students should learn the concepts of Just-in-Time (JIT), Kaizen approach of management; Six Sigma thoroughly.

Activity Based Costing (ABC): Activity Based Costing is an extension of the topic 'Overhead' learnt in the subject Cost Accounting at Intermediate (IPC) level used to apportion the common costs among the various cost centres on the basis of activities performed. ABC is also used as a tool for 'Decision Making', beside in this chapter itself learning of the students in this topic may also be tested in succeeding chapters of 'Decision Making', 'Costing for Service Sectors' and 'Profitability Analysis'. Students should be able to use 'Traditional Costing' and 'Activity-Based Costing' methods in tracing costs to 'Cost Objects', such as customers or distribution channels, and the comparison of such costs with appropriate revenues to establish 'tiered' contribution levels, as in the activity-based cost hierarchy.

Target Costing: Every organization is driven by a corporate strategy which fulfills the mission and goals of an organization. In doing so, organizations needs to express its objectives into financial terms. It fixes its desired target profit to achieve the financial objectives of the organization. In this topic students should understand how an organization produces a product within a defined cost target.

Life Cycle Costing, Value Chain Analysis, Cost Control and Cost Reduction, Business Process Re-engineering, Theory of Constraints: In these topics students are required to identify the factors which have significant implications on product manufacturing and deciding product's cost.

Just in Time (JIT), Computer-aided manufacturing, Manufacturing Resource Planning and Synchronous Manufacturing: These topics are related with 'Inventory Control' and 'Production Management Techniques' to reduce or control costs.

In these topics, students should learn management perspective, attitude and behavior required for the long term survival of an organization. Generally, students pay less attention to theory based chapters and the theoretical concepts of underlying different topics. But it is very important that students have thoroughly studied the theoretical aspects of the subject so that it can help them in understanding the concepts and logic behind the mathematical workings and formulae while solving problems related to that particular concept.

Chapter-2, Decision Making using Cost Concepts and CVP Analysis; Chapter-3, Pricing Decisions

In these two chapters, students have to study Different Cost Concepts, Application of Cost Concepts in Decision Making, Cost-Volume-Profit (CVP) Analysis and Pricing Decision. 'Management Accounting' is fundamental in strategic planning. 'Managerial Accounting' information provides data-driven input to the decisions, which can improve decision-making over the long term. For example- Should a company shut down a division, Should it make or buy a product, Should it export or not, Should it accept an offer? Students should understand the concepts, need and importance of CVP Analysis in decision making. *Students should also understand areas of 'Financial Decision Modeling' and application of the same in predicting product/service costs.* Clarity of concepts and self expression is essential for successful attempt of questions relating to the above concepts.

Chapter-4, Budget & Budgetary Control

This chapter basically tries to impart students the concept of 'Budgeting'. 'Budgeting' and 'Financial Statement Projections' are just a few examples of how managerial accounting information is used to provide information to help management to guide the future of a company. By focusing on this data, one can make decisions that aim for continuous improvement and are justifiable based on intelligent analysis of the company data. Students are required to learn the difference between various types of budgets and process of preparation of budgets.

Chapter-5, Standard Costing

This chapter examines standard costing systems in managing costs, improving planning and control, facilitating decision making and product costing. This chapter contains very important concepts like computation of variances, control through variance analysis, accounting and reporting of variances. Classification of variances and their interrelationship could be understood from the chart given in the 'Study Material' and 'Practice Manual'. *Students should be versed with variance analysis under marginal costing and absorption costing with concept of reconciliation of actual data and be familiar with the application of learning curve in standard costing.* This chapter requires lots of practice. 'Study Material' and

'Practice Manual' are very helpful for clear understanding of the concept. Students should do rigorous practice to avoid computational errors.

Chapter-6, Costing of Service Sector

This chapter introduces students to various costing systems in the service sectors, the different types of cost behavior and their uses for decision making and planning. It is important for the students to apply the concepts learnt in the previous chapters to arrive at the appropriate decision.

Chapter-7, Transfer Pricing

This chapter covers concepts of 'Transfer Pricing' used in a decentralized organization to measure the performance of profit centres. 'Transfer Pricing' is used to value the goods and services exchanged between the profit centers. Students should be able to analyze various inter-departmental situations like optimization of operating capacity, impact of external market demand/ supply in determining the transfer price and ultimately the overall profitability and objectivity of the organization. In this row students should understand the methods of pricing adopted to resolve the divisional conflicts, pricing policy to be adopted in transactions with the cross boundary counterpart of the same organization.

Chapter-8, Uniform Costing

This chapter basically tries to impart the importance of uniformity in the 'Cost & Management Accounting' techniques and methods across the industries. It involves adoption of uniform costing principles, practices and procedures by the individual members of the industry for inter-firm comparison.

Chapter-9, Profitability Analysis- Product wise/ Segment wise/ Customer wise.

This chapter enables students to understand and analyse the factors responsible for the variation in the profitability of a company with regard to budgeted or previous year's figures. This chapter requires the application of Standard Costing techniques to determine the variances in the profitability. In addition to this application of Activity Based Costing (ABC) will be required to determine profitability product wise/ segment wise/ customer wise. To measure the overall performance of an organization 'Balanced Scorecard' is prepared. Balance Scorecard assesses the overall performance of an organization by taking both financial and non-financial factors into account.

Financial Decision Modeling Part

Financial Decision Modeling has become an essential tool in business applications. Modeling and analysis play major roles in abstract representation of business systems and data analysis and the subsequent generation of relevant information for making more accurate decisions. It consists of mathematical techniques that are increasingly used in decision making process such as Linear Programming, Transportation, Simulation, Network Analysis, Assignment and Learning Curve.

Chapter-10, Linear Programming

'Linear Programming' is a mathematical tool for determining the optimum allocation of resources and obtaining a particular objective. Students should be able to solve complex situations involving multiple constraints by various methods.

Chapter-11, Transportation Problem

This chapter deals with a special class of 'Linear Programming' problem in which the objective is to '*transport*' a single commodity from several '*sources*' to different '*destinations*' at a minimum total cost. Students should be versed with treatment of unbalanced problem. Students should also learn different methods for finding initial basic feasible solution.

Chapter-12, Assignment Problem

This chapter deals with assigning sources so that the total cost for performing all jobs is minimum. Students should be able to crack scenario of multiple solutions, unbalanced problem and prohibited assignments.

Chapter-13, Critical Path Analysis; Chapter-14, Program Evaluation and Review Technique

Both 'Critical Path Analysis' and 'Program Evaluation & Review Technique' are 'Management Accounting' techniques for planning and control of large complex projects. Both are techniques to network analysis wherein a network is prepared to analyze interrelationships between different activities of a project. Students should be familiar with concept of Resource Leveling, Smoothing and Crashing related to the networking analysis.

Chapter-15, Simulation

It is important for the students to understand the application of 'Simulation' techniques in managerial accounting practice for financial forecasting, analyzing capital investment, inventory analysis, production planning, and strategic enterprise management. Students should learn the 'Monte-Carlo' method to solve the different types of problems.

Chapter-16, Learning Curve Theory

The principle underlying learning curves is generally well understood -'if we perform tasks of a repetitive nature, the time we take to complete subsequent tasks reduces until it can reduce no more'. This is relevant to 'Management Accounting' in the two key areas of 'Cost Estimation' and 'Standard Costing'. Students should try to link this chapter with the concept of the 'Management Accounting' and try to understand *application of the same in predicting product/service costs.*

PAPER 3 PART II:
Financial Management at Intermediate (IPC)

A. Introduction

This paper introduces you to the basic concepts, theories and techniques relating to Financial Management and aims to develop your ability in understanding the different concepts and their application in the real life situations. It also provides you with an opportunity to draw upon previous experiences and education to apply various business concepts and analytical tools to problems and issues in organisational settings.

The paper aims to achieve the following basic objectives:
(a) To develop ability to analyse and interpret various tools of financial analysis and planning;
(b) To gain knowledge of management and financing of working capital;
(c) To understand concepts relating to financing and investment decisions; and
(d) To be able to solve simple cases.

To begin with, you need to understand the scope, objectives and importance of financial management and its relationship with other disciplines followed by the concept of time value of money. These two topics lay the foundation for financial management and find an application in almost every area of study of the subject. After having an in-depth understanding of these two topics, you should start preparing for the other subject areas like tools and techniques of financial analysis and planning, financing and investment decisions, types of financing and working capital management. All these topics are inter-related. Concepts of one topic are frequently used in another and so a student is advised to give equal weightage to each topic while preparing for the examination. For example, various tools and techniques of financial management namely ratio analysis, cash flow analysis and funds flow analysis are used to analyse the financial health of a company while the different sources of finance available to business enterprises to cater to their diverse requirements helps them in taking financial decisions, namely, financing, investment and working capital management.

The syllabus of Financial Management may be segregated into Three parts for the purpose of its full coverage and study.

TOPICS	
Part A	It comprises of the following topics:
	1. Scope and Objectives of Financial Management
	2. Time Value of Money
	3. Financial Analysis and Planning
Part B	4. Financing Decisions
	5. Investment Decisions
Part C	6. Types of Financing
	7. Management of Working Capital.

You can, however, decide for yourself the sequence of topics to be followed while preparing. Many of the areas are practical-oriented and, therefore, require intense practice of solving numerical questions. On the other hand, the theoretical portion needs to be understood in such a way so as to apply the concepts while making decisions.

B. Planning for Your Study

Emphasis on Theoretical Portion

There are certain chapters/units which are wholly theoretical in nature like Scope and Objectives of Financial Management, Types of Financing and Financing of Working Capital. These chapters need equal focus as they form the basis of many concepts which you will learn in the later chapters.

Chapter One: Scope and Objectives of Financial Management

This being the first chapter, it introduces you to the subject of Financial Management. It discusses the evolution, importance, scope and objectives of Financial Management and how this area is inter-related with other subject areas. Without a clear understanding of the fundamentals the remaining chapters will not be easy to grasp. Therefore, knowledge of the background, the environment to which this paper relates, is important as it helps to put everything learnt later into appropriate perspective.

Chapter Five: Types of Financing

In this chapter you have to study the different sources of finance and their usage in making sound financial judgments. Most of the issues discussed in this chapter have practical implications in real life like where to get funds from for starting up, development or expansion of a business and these decisions are crucial for the success of the business. It is also important, therefore, that you understand the various sources of finance open to a business and are able to assess how appropriate these sources are in relation to the needs of the business. The concepts learnt here find application almost in all the other chapters as well.

Example: *"A decision regarding a particular source of finance is taken in Chapter Six on Investment Decisions when a company wants to invest in new machinery, which has a high cost and capital is required to source the fund."*

Generally, you tend to pay less attention to theory chapters and the theoretical concepts underlying different topics. But it is very pertinent that you have thoroughly studied the theoretical aspects of the subject so that they help you in understanding the concepts and logic behind the mathematical workings and formulae while solving problems related to that particular concept.

Solving Practical Problems

You should be able to adopt the correct approach of solving the numericals using shorter approaches that require a little 'think before attempt' approach instead of lengthy procedures. You need to have conceptual clarity before attempting the questions. You should be able to understand how various concepts/figures are related to each other. This requires a lot of practice of solving such questions to develop this understanding without which, it would almost be impossible to achieve positive results in the examination. It appears that you either utilise too much of your time solving questions, without actually understanding the theories underlying the problems, or resort to selective studying, which would not benefit in the long-run.

Some outlines of the chapters which require extensive practice as they are practical-oriented are discussed for your better understanding. It also discusses how the different chapters are inter-related to each other and how the concepts studied in one chapter are relevant and applicable in other chapters as well.

Chapter Two: Time Value of Money

This chapter basically tries to impart you the concept and importance of monies worth today as compared to in the future. It discusses the concept of opportunity cost and the importance to know how to compute the time value of money so that you can distinguish between the worth of investments that offer you returns at different times. This chapter is of utmost importance as other chapters will expand on the concepts learnt in this chapter. For instance, time value concept forms the basis of all the modern tools and techniques of capital budgeting decisions like net present value (NPV) method, internal rate of return method (IRR) to name a few dealt in Chapter Six under Investment Decisions.

Chapter Three: Financial Analysis and Planning

This chapter requires loads of reading to understand the concepts and thorough practice of the problems. The first unit deals with ratio analysis. Here you need to understand the different types of ratios and their significance alongwith their application in decision-making scenarios. The second unit deals with cash flow and funds flow statement analysis. This chapter draws a lot from the paper of Accounting present in the same group. You should be conceptually clear with respect to the topics covered here as they create a stepping stone for you for understanding and implementation in further chapters.

Example: *"The acid test ratios are used in Chapter Seven on Management of Capital Management. These ratios demonstrate a firm's ability to manage its resources in an efficient manner. Capital structure ratios like equity, debt, debt-equity are revised in the Unit II: Capital Structure Decisions under Chapter Four on Financing Decisions. Similarly, funds flow analysis is an important aspect of Chapter Seven on Working Capital Management while estimating working capital required by a firm in the future."*

Chapter Four: Financing Decisions

This chapter covers the concept and significance of cost of capital, capital structure decisions and leverages. Cost of capital has relevance in almost every type of financial decision making.

Examples: *"While deciding the acceptance or rejection of an investment proposal, cost of capital is the major yardstick. It is also vital in designing a firm's capital structure as one of the important criteria is to minimise the cost of capital. Again, it helps in deciding the method of financing to be used.*

Leverages help in understanding what change in a firm's policy in terms of say increase or reduction in the number of units it is producing or whether the firm should rely more or less heavily on borrowed money, etc affect the risk and return scenario of the firm.

The concept of financing mix has utility while deciding upon the hurdle rate for capital budgeting decisions under Chapter Six on Investment Decisions. Needless to say, this chapter too has applications in real life situations and requires thorough understanding of the concepts underlying each topic. Being a practically-oriented chapter, you need to practice a lot."

Chapter Six: Investment Decisions

The capital budgeting decisions are essential, fundamental and critical business decisions of a firm. Since these decisions need huge amount of capital outlay, are surrounded by great number of uncertainties and have long-term implications, therefore, there is an underlying need for thoughtful and correct decision-making. The basic concept underlining these decisions is investing in assets and projects which provide a greater return as compared to the minimum acceptable rate. This minimum acceptable rate also known as "hurdle rate" should be higher for riskier projects and should also reflect the financing mix used. Returns on projects should be measured based on cash flows generated and the timing of these cash flows. In this chapter you will not only study the importance of investment decisions but will also learn about the different tools and techniques which help in arriving at a sound financial decision. For instance, Net Present Value (NPV) represents the total value added or subtracted from the organisation if we invest in a particular project. Another method is Internal Rate of Return (IRR) which helps to determine the rate of return earned by a project.

Chapter Seven: Management of Working Capital

This chapter introduces you to the concept of working capital management. Working capital is the capital needed by a firm for its day-to-day activity. From a company's point of view, excess working capital means operating inefficiencies. Say for example, company's money that is tied up in inventory or the amount of money that customers still owe to the company cannot be used to pay off any of the company's obligations, therefore, if the company is not operating in the most efficient manner, it will show up as an increase in the working capital. Here you also study the management of cash, marketable securities, accounts receivables management, account payable, accruals and different means of short-term financing.

The chapter also delves upon the different approaches to management of working capital with the objective of maintaining optimum balance of each of the working capital components.

Examples: *"Here the concepts of ratio analysis, which you have studied in Chapter Three, can be used to monitor overall trends in working capital and to identify areas requiring closer management.*

Similarly, the different forms of financing which you have gone through in Chapter Five on Types of Financing also have an implication in this chapter. Here the sources of short term financing are re-visited."

C. Examination Strategy

For Theoretical Aspects

It has been observed that students perform better in the numerical aspects of the paper in comparison to the theoretical aspects. As per the examiners, the key reasons for poor performance of the students in theoretical questions are:

Firstly, students fail to apply the knowledge as per the requirement of the question. You need to understand that at this level there are very few direct questions to be answered in the question paper. The theoretical questions may be framed in a manner, whereby you are required to address not only the knowledge aspect but also the application of it.

Example: *"Explain the ratio that would be used if a bank is approached by a company for a loan of ` 50 lakhs for working capital purposes".*

You know the question is based on ratios and you are well versed with all the types of ratios. You have the knowledge but you need to read the requirement of the question, think and then apply that knowledge to answer the question.

Here in this situation, the bank would need to check the ability of the company to pay its short-term liabilities before it loans the amount to it. So, the bank would use liquidity or short-term solvency ratios like current ratio and quick ratio to judge the short-term solvency of the company.

Secondly, the answer must also commensurate with the marks allotted to the question. You need not go on and on with whatever you know about that particular topic.

Read	The given information and the requirement of the question.
Think	Knowledge aspect and its application, if required.
Write	Clearly and crisply.

Example: *"Explain briefly the limitations of Financial ratios".*

The marks allotted are 4. There may be many limitations of Financial ratios but you need to stick to writing the important limitations, may be four or five, in number and explaining in brief about them. A word of caution, do not write about the concept of Financial ratios or its importance as it is not required in the question, will not fetch you marks and you will lose precious time in doing so.

Thirdly, you should break the requirements down and answer all the aspects of the question to score well.

Example: *"Do the profitability index and the NPV criterion of evaluating investment proposals lead to the same acceptance-rejection and ranking decisions? In what situations will they give conflicting results?"*

Here in the question, the requirements may be broken down as under:

(a) Acceptability criteria of PI.
(b) Acceptability criteria of NPV
(c) Comment on whether they have same or different acceptability criteria.
(d) When and in what situation conflict arises?
(e) Maybe explain with a numerical example.

This way you answer all the aspects of the requirements. You can even substantiate your answer with a numerical example.

Finally, there is lack of knowledge on the part of majority of students. It is pertinent that you must be thorough with all the chapters of the study material to build a strong conceptual base.

For Numerical Aspects

This paper's inclination is more towards practically-oriented questions which involve mathematical calculations, therefore, it is very important that you have thoroughly studied the theoretical aspects of the subject and are also clear about the concepts and logic behind the mathematical workings and formulae.

While attempting the computational problems, the examiners observed certain key points for the students to bear in mind for their better performance. They are:

Use of Proper Formats and Formulae

Certain statutes prescribe specific formats for presentation like preparation of cashflow statement. You should take care of the same, while solving the questions in examinations. Writing formulae is equally important like for ratios, to give you that extra edge.

Adequate Working Notes

In certain topics, it is mandatory to provide working notes as part of the solution and carry marks. Therefore, it is advised that mental calculations or on calculators, should be written down as working notes, wherever required. Also, working notes should also be cross-referenced with the appropriate figures in the main solution so that examiners can verify and understand your computation of the figures.

State the Assumptions Clearly

In case a question leaves room for making an assumption and there is a possibility of more than one assumption, it is important to clearly state the assumption you have taken and solve the question accordingly.

D. Last But Not The Least........

Start your preparation by *believing in yourself*. Study the material thoroughly-starting with the syllabus and detailed contents, take notes and answer the questions provided in each chapter as illustrations. Practice questions given in the Practice Manual and test your basics through the exercises given at the end of each chapter. Both the Practice Manual and RTPs provide you with theoretical and numerical problems alongwith solutions on each topic for independent practice; you should first attempt the questions on your own and then compare them with the actual answers. It will provide you an opportunity to test and analyse your understanding and conceptual clarity of the subject. Last but not the least, attempt the past question papers under examination condition and appear for the Mock Test papers, held twice, before the exams to gauge your preparation.

Launch of 100 Hours Advanced ITT course

As per Regulation 29(c)(iv) of the Chartered Accountants Regulation 1988, students who have registered for Practical Training on or after August 1st, 2012 were required to complete Advanced IT Training before admission to the Final Examination. However, the Council of the Institute has decided to defer the implementation date of Regulation 29(c)(iv) from August 1st, 2012 to February 1st, 2013.

Accordingly, 100 Hours Advanced ITT course will now be applicable to those students who have registered for Practical Training on or after February 1st, 2013 but before appearing in the Final Examination in terms of Regulation 29(c)(iv) of the Chartered Accountants Regulations, 1988. Hence all such students who commenced their Practical Training on or after February 1, 2013 and are eligible to appear in November, 2015 Examination are advised to complete the Advanced ITT well in advance before appearing in the Final Examination so as to avoid any hardship at a later date.

The fee for the Advanced ITT has been fixed at Rs. 5,000 per student which shall be charged by the concerned branch.

The duration of the batches will be 4/6 hours per day. As per the Regulations, the time spent by the students for undergoing 100 Hours of Advanced ITT will be treated as a part of the training as period actually served under articles.

The students are advised to enquire the concerned Decentralised Office or the branch of the ICAI for registration to batches of 100 Hours Advanced ITT Course.

Director, Board of Studies

Online Registration Portal for GMCS, ITT and Orientation Programme at All India Basis

The Board of Studies and ITT Section of IT Directorate have jointly developed an Online Registration Portal for ITT, Orientation Programme and GMCS Courses to be organized on All India Basis. The Portal provides online facility for Students' Registration, Faculty Registration, Batch Launching, Faculty feedback, Batch Allocation, Certificate and Report generation by POUs etc. In order to acquaint students regarding the functionalities of online Portal, the Institute has developed a comprehensive USER MANUAL explaining step- by- step process for the use of Online Portal and to provide guidance to the end-users i.e. Students. The same is hosted on the home page of the Cloud Campus at the

www.cloudcampus.icai.org ->http://www.icaionlineregistration.org/index.html.

Students are advised to register on the link mentioned above to undergo the Courses on ITT, OP and GMCS. For any concerns/suggestions/inputs related to the operations of the Portal, the same may be sent at:

For GMCS Courses:	For Orientation Programme	For ITT Courses
helpdeskgmcs@icai.in	**helpdeskop@icai.in**	**helpdeskitt@icai.in**

Director, Board of Studies

PAPER 2:
Strategic Financial Management at Final level

The subject "Strategic Financial Management" (SFM) is basically a blend of Financial Management and Strategic Management, which is the need of today's dynamic world. In today's time Chartered Accountants are being called upon not only to assume finance function but also for planning, operating and monitoring of the other functions as well. With the globalization of the Indian economy the finance function has acquired critical importance especially in the field of International Financial Management. Further, the finance function also become crucial as the now a days various types to structured financial products are in the market.

The aim of this paper is to test whether students have acquired a sound knowledge of the advanced concepts and techniques of financial management (both domestic and international), capital market and financial products etc. and to test the ability of applying them in real life situations.

Broadly the whole syllabus of the paper can be divided into following sections:

Section	Topics
I	• Financial Policy and Corporate Strategy • Project Planning & Capital Budgeting • Leasing decisions including cross border leasing • Dividend decisions
II	• Indian Capital Market including role of various Primary and Secondary Market Institutions including Capital Market Instruments, Commodity derivatives, OTC derivatives and Forward Rate Agreement • Security Analysis • Portfolio Theory and Assets Pricing
III	• Financial Services in India • Mutual Funds • Money Market Operations
IV	• Foreign Direct Investment, Foreign Institutional Investments and International Financial Management • Foreign Exchange Exposure & Risk Management
V	• Mergers, Acquisitions and Restructuring

The Section-wise analysis of the syllabus is as follows:

Section I

The first topic of the Section I study the interface of Financial Policy and Strategic Management. Second topic aims at developing ability to analyse and apply various techniques for Capital Budgeting decision under Risk and Uncertainty conditions. Topic of leasing is related to decision for mode of financing to acquire any asset either on lease basis or borrow and buy basis. After dealing with complicated issues of decision making next comes theories relating Dividend Decision, involving the decision related distribution of surplus.

The topic of Financial Policy and Strategic Management being of theoretical nature can be directly referred from the Study Material. However, in order to analyze the nature of question usually asked in examination, Practice Manual shall be proved very helpful.

In the examination from remaining three topics, most of the times numerical questions are asked in addition to theoretical questions. Therefore, students are advised to refer Practice Manual as in the beginning of every chapter it contains brief summary of the topics covered as well as important formulae. Students, after going through this summary and formulae can attempt as many as numerical questions for practice purpose.

The topic of Capital Budgeting with Risk is an extension of the topic Capital Budgeting covered at IPCC level. Therefore, students are expected to be well versed with the various concepts of Capital Budgeting. The topic of Risk has been dealt with in greater detail under the topic of Portfolio Theory and Asset Pricing hence even students can refer this chapter first to get a fair idea of the term Risk.

In addition to the same, there is another topic from which questions are asked in examination is the concept of optimal replacement period of asset. Though concept appears to be very basic in nature but the knowledge of the concept of Equivalent Annual Cost is essential.

The topic of Leasing Decision is basically a financial decision concerned with the choice of acquisition of assets either through leasing or through borrowing and buying. Further, it also covers the calculation of Break Even Lease Rental (BELR), the minimum rent with which leasee will be indifferent between these two options of financing. Though questions on leasing are fairly attempted by most of the candidates in the examination but it has been observed that normally they got confused about the discounting rate to be used for evaluation of cash flows under two options in spite of fact that a clear cut note has been appended with the answer of a question in Practice Manual of SFM.

Further, common mistakes by students in the questions on Capital Budgeting and Leasing are as follows:

(1) Wrong calculation of related cash flows
(2) Ignoring the concept of Time Value of Money
(3) Use of wrong discounting rates

The topic of Dividend Decision is based on various Dividend theories and models. Accordingly, students should attempt practical problems from Practice Manual for better understanding of these models. In examination it is very important to apply correct model as per the facts and figures given in the question.

Section II

First topic of this Section is based on the study of Indian Capital Market and latest financial products such as derivatives, indexed funds etc. and aims to develop understanding of nature, structure and valuation etc. of these products. Next topic with which students are supposed to be well versed is Security Analysis consisting of Technical and Financial Analysis including special insistence on Bond Valuation. The residual topic of this Section is Portfolio Management involving theories related to the allocation of funds among various option available for investment to optimise the return.

From this Section in Examination both theoretical as well as practical questions are asked in Examination. It is advisable for students after a plain reading of the topics covered in Study Material they should refer Practice Manual to understand the nature and type of theoretical as well as numerical questions asked in Examination.

The topic of Indian Capital Market is very important from examination point of view as it covers topic of financial derivatives in details. In some previous examinations in this topic the overall performance of majority of candidates have not been found satisfactory because of common errors some of which are as follows:

(i) Lack of conceptual knowledge

(ii) Start attempting the question without going through the facts given in the question due to selective study approach

(iii) Lack of knowledge of concepts such as Swaps, Forward Rate of Agreements etc.

The topic of Security Valuation cover the valuation of long term securities such as Shares and Bonds. So far as the performance of candidates in the questions on this topic in examination is concerned normally candidates perform well in the question on the valuation of shares but poorly perform in the questions on bond valuation due lack of basic knowledge. This topic also covers the aspect of Economic Value Added based on the concepts of PBIT and Weighted Average Cost of Capital studied at IPCC Level. Since the topic of EVA is also covered in the paper of Financial Reporting hence no formal coverage has been made in the Study Material of SFM but questions has been covered in practice Manual of SFM.

Further this topic also covers the theoretical aspects of Fundamental and Technical Analysis. Though theoretical questions are asked from these topics but practical question on technical analysis has also been asked one or two times.

Section III

The main topics of this Section are Mutual Fund and Financial Services. Since with the development of financial market a variety of Financial Services have emerged, the topic of Financial Services deals some kind of these Financial Services. Mutual Fund is one of the important topic of this Section as now a days Mutual Fund Investment is very popular among the small investors. This topic involves the study of the various schemes of mutual fund and their evaluation.

The topic of Portfolio Management is related to diversification of risk of securities. The knowledge of concept of Capital Asset Pricing Model and Beta is essential. In some of the previous examinations though overall performance has been found satisfactory but some candidates exhibited lack of the knowledge of related concepts such as APT etc.

The topic of Financial Services is important from examination point of view as normally practically questions are asked based on the concept of 'Factoring' in which normally candidates got confused about the difference between Recourse and Non Recourse Factoring.

Further, while attempting the numerical questions of Mutual Fund following points should be kept in view.

- Correct calculation of NAV.
- Correct calculation of additional Bonus Units in case of reinvestment of income.

The topic of Money Market Operations is related to short term financial instruments such as Commercial Paper, Call Money etc. Though a good coverage of theoretical questions is made from this topic , numerical questions on calculation of cost of Commercial Paper are also asked and they are fairly attempted by majority of candidates but it has been found that the sometimes candidates got confused about the period of data given e.g. some percentage given for some item say brokerage 0.125% for 3 months mistakenly be conceived as per annuam as other item may had been given on per annuam basis.

Section IV

Since now a days the Indian economy has become a global economy, management of foreign exchange has become unavoidable. Accordingly one chapter on FDI and FIIs briefing about various sources of international financing and financial management in international context is there. Next topic mainly deals with foreign exchange rate mathematics and its risk management techniques.

The first topic of this Section is more theory oriented. Hence, in addition of plain reading of this topic from Study Material students are advised to refer Practice

Manual to understand what types of question are asked in the examination.

Although normally theoretical questions are asked in examination but in previous few attempts numerical questions on International Capital Budgeting have also been asked.

The topic of Foreign Exchange Risk Management is more practical oriented and is important from examination point of view. Though attempting the numerical questions from this topic has always been challenging for students but knowledge of following topics shall be useful in attempting the question in a better way:

- Determination of whether any foreign currency is at premium or discount.
- Hedging techniques of foreign exchange risk.
- Covered and Uncovered Interest Arbitrage
- Nostro and Vostro Account
- Cancellation/Extension of Forward Contracts

SECTION V

With the spread of the Merger and Acquisition trend in the last few years, the study of Merger and Acquisition decision from financial point of view has become a strategic decision. A chapter on Merger and Acquisition dealing with such strategic decision is there. This is inclusive of the Business Valuation, Financial Restructuring and Demerger etc.

This topic is important from examination point of view. Student must be able to value financial assets, such as equity shares etc. and a business as a whole.

Evaluation of financial choices is key theme here and candidates are expected to be able to discuss, as well as apply a range of Valuation methods.

Although normally in examination questions on valuation of business/companies, acceptable exchange ratio are used to be asked, but in last few attempts questions from different topics e.g. equity carve out, demerger etc. have also been asked. Therefore students are advised to go through each topic thoroughly from Study Material.

ANNOUNCEMENT

THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(Set-up by an Act of Parliament)

CONVOCATION – 2014 (II ROUND)

As you are aware, for promoting a sense of bonhomie among members, and also for bringing them closer to the Institute, the Institute of Chartered Accountants of India organizes Convocations for distribution of Certificates. This is an occasion to mark the entry of new members into the CA fraternity.

ICAI invites members enrolled during the period of June, 2014 to November, 2014, to participate in the Convocation wherein Certificate of Membership will be awarded amidst the august gathering of the President, ICAI and other dignitaries.

The schedule of the proposed Convocations is as under:

ICAI CONVOCATION – 2014 (II ROUND)

- Mumbai- 3rd January, 2015 (Saturday)
- Bangalore – 11th January, 2015 (Sunday)
- Indore – 17th January, 2015 (Saturday)
- Kolkata – 3rd February, 2015 (Tuesday)
- Jaipur – 6th February, 2015 (Friday)
- New Delhi – 7th February, 2015 (Saturday)

This schedule has been released for the advance information to the participants. Further details about the Venue and Timing of the Convocation Programme schedule will be intimated separately to the participants by the concerned Regional Office of ICAI.

Members, who are enrolled during February, 2014 to May, 2014, due to any reason, could not attend the last Convocation held in July and August, 2014 may also participate in the proposed Convocation. They are advised to be in touch with concerned Regional Office of ICAI to register their participation.

10th October, 2014

Joint Secretary
MC & MSS Section

PAPER 2: Business Laws, Ethics and Communication at Intermediate (IPC)

The aim of this write-up is to provide general guidance as to how to study for May 2015 examination. The guidance given herein is supplementary to the manner of study followed by you and is intended to improve your existing technique, but aims to give ideas on how to improve your existing study techniques, as it is essential that you adopt methods and techniques with which you feel comfortable.

At this level, the students are expected to have working knowledge of Business laws and their practical application in commercial situations, understanding of ethical issues in business and developing the communication and behavioural skills relating to business. Accordingly, preparation should be proceeded with care, concern and caution.

Know your syllabus

Before getting started for sincere and well disciplined study of your subject, you should become familiar with your syllabus. The curriculum of Business Law, Ethics and Communication has been divided in nineteen chapters broadly covered under three parts: Part I – Business Laws, Part II – Ethics & Part III-Communication.

As per announcement of the Institute dated 20th May 2014, for May 2015 Examinations sections notified till 30th September, 2014 of the Companies Act, 2013, will be applicable as per details given hereunder:

The Companies Act, 2013: Relevant sections of the Companies Act, 2013 notified till 30th September, 2014 by the Ministry of Corporate Affairs are applicable. Except the following sections-

S.No.	Section No.	Section title
1.	Section 48	Variation of shareholders' right
2.	Section 66	Reduction of share capital
3.	Section 75	damages for fraud
4.	Section 97	Power of tribunal to call AGM
5.	Section 98	Power of Tribunal to call meetings of members, etc
6.	Section 99	Punishment for default in complying with provisions of sections 96 to 98

Further, amendments applicable for May 2015 examinations are as under :

I. Employees' Deposit-linked Insurance Scheme (Amendment Scheme, 2014)

The Employees' Provident Funds and Miscellaneous Provisions Act, 1952: Central Government amended the Employees' Deposit - Linked Insurance Scheme, 1976. According to the amendment scheme, wage limit upto which contribution can be paid under the scheme has been revised from R 6,500 per month to R 15, 000 per month.

II.Employees' Pension (Amendment) Scheme, 2014: Central Government amended the Employees' Pension Scheme, 1995. According to the amendment, after revision in wage ceiling from R 6,500 per month to R 15, 000 per month, the government will continue to contribute 1.16% upto the actual wage of maximum @ R 15,000 per month towards employees' Pension Scheme.

Relevant sources for study

In the preparation for the Examinations, following are the suggested inputs for reading:

(i) **Study Material:** For students appearing for May 2015 examination, the study material of July 2014 edition is relevant. It provides the base which enables the students to read and understand the subject- matter.

(ii) **Practice Manual:** It is an additional reading material for practice and understanding of the subject. Students should, in fact, start their preparation right away from the latest updated study material and then practice for the same from the Practice manual.

Practice Manual for May 2015 examination is under revision as is likely to be made available to students by 1st week of January, 2015.

(iii) **Revision Test Papers:** For the relevant updations /Amendments in the subjects for May 2015 examinations, students may refer RTP for May, 2015 examination.

(iv) **CA Students' Journal:** The monthly students' journal "The Chartered Accountant Student Journal" is another source, which contributes to the fund of knowledge in the form of articles, case studies, reports, academic updates, announcements etc.

Orientation to Examination:

A common comment of examiners in the Business Laws, Ethics and Communication paper is that candidates are generally weak in their working knowledge of basic concepts and provisions of the relevant laws as well as in language and writing skills. It is therefore suggested that students may go through the comments given by the examiners and do the necessary follow-up action to remove their shortcomings and improve their knowledge and performance.

Writing makes you Perfect

Students often feel that reading, understanding and familiarizing with the subject is enough. The process does not end there. After reading and before the examination, one may test self by way of undertaking a mock test under examination conditions. This may be done by attempting a model/previous year examination question paper and comparing with the suggested answers. By this, you can examine how far you are recapitulating the subject, of course, the time in completion of the paper.

At the End

Passing exams is partly a matter of intellectual ability, but however accomplished you are in that respect, you can improve your chances significantly by the use of appropriate study and revision techniques.

National Convention for CA Students: Karnal

23rd & 24th January, 2015

NDRI AUDITORIUM, KARNAL (HARYANA)

Organized by: Board of Studies, ICAI
Hosted by: Karnal Branch of NIRC of ICAI
THEME: TAKSH..... "Zeroing in on Ambition"

DAY-1

9:30 AM to 11:30 AM	**Technical Session - I : Service Tax & Excise** (i) Negative list, (ii) Mega Exemption, (iii) CENVAT
02:00 PM to 03:30 PM	**Technical Session - II : AS & Accounting** (i) AS: 10 & 6, (ii) Schedule III of Companies Act. 2013, (iii) AS: 12 & 16
03:30 PM to 05:00 PM	**Special Session-I : Interaction with CA. M. Devaraja Reddy, Chairman, Board of Studies, ICAI**

DAY-2

09:00 AM to 10:30 AM	**Technical Session - III : Income Tax** – (i) Deduction of Chap. VI, (ii) Capital Gain Sec. 54, (iii) Sec. 44
10:30 AM to 11:30AM	**Special Session-II:** Inspirational & Time Management
11:30 AM to 01:00 PM	**Technical Session - IV : Companies Act, 2013** (i) Duties of Auditor; (ii) Independent Director, (iii) CSR?
02:00 PM to 03:30 PM	**Special Session-III** (i) Role of Articleship in CA Student Life, (ii) Effect of Cloud Campus

The Inaugural Session will be held on Day - 1 and the Valedictory Session on Day - 2
Students are hereby requested to register for the Convention as per the following details:-

Registration fees	Rs.500/- per student Accommodation @ Rs. 400/- per student.	
Payment Mode	Cash/DD/Cheque *DiscountUpto 15th Dec 2014 40%, *Discount Upto 31st Dec 2014 30% *Discount Upto 15th Jan 2015 20% Online Registration is also available on www.icaikarnal.com	To be drawn in favour of "**Karnal Branch of NIRC of ICAI**", payable at Karnal.

For registration queries contact

Karnal Branch of NIRC of ICAI at SCO 28, Opposite Krishna Mandir, Sector- 14, Karnal – 132001 (Haryana), Phone 0184-4045666 & Email: karnal@icai.org; Website: www.icaikarnal.com; Official Page on Facebook: www.facebook.com/nckarnal

Students are invited to contribute papers for presentation (1500 to 2000 words) for topics in Technical -Sessions and submit for approval a soft copy of the Paper at karnal@icai.org by 25th Dec 2014 and a hard copy of the same along with Student's Photograph (with his/her name on the back of the photograph), Registration Number, Course pursuing, complete postal address, Mobile, Landline numbers and e-mail ID be also sent to the branch. Outstation students shall be reimbursed actual travelling expenses equivalent to 2 tier AC and DA @ 1500 per day for lodging etc. Students who are interested to participate in the cultural programme are requested to register before 20th Dec 2014 at the branch.

CA. M. Devaraja Reddy
Convention Chairman & Chairman, Board of Studies

CA. Prafulla Premsukh Chhajed
Convention Co-Chairman & Vice-Chairman, Board of Studies

CA. Neeraj Garg
Convention Co-ordinator Chairman, Karnal Branch
082952-99999

CA. Mann Bijender
Convention Co-ordinator Secretary, Karnal Branch
095419-39000

CORRIGENDUM

Study Material of Corporate and Allied Laws Final Course (October, 2014 edition)

Students may note that in the study material of the Corporate and Allied Laws, the notified definitions of the Companies Act, 2013 are given in the initial pages from Page No. xxiii to Page No. xxxv for the easy understanding of the Act. Below are some modifications made in the study material which students may refer while reading the same:

Definitions/Topics	Page No.	Particulars	Content
Associate Company [Section 2(6) of the Companies Act, 2013]	xxiii	Addition of a clarification issued by MCA dated 25th June, 2014	The shares held by a company in another company in a 'fiduciary capacity' shall not be counted for the purposes of determining the relationship or 'associate company' u/s 2(6) of the Companies Act, 2013.
Financial year [Section 2(41) of the Companies Act, 2013]	xxvi	Addition of a clarification issued by MCA dated 3rd June, 2014	Until the NCLT is constituted u/s 408 of the Companies Act, 2013, the Board of Company Law Administration constituted in pursuance of sub-section (1) of Section 10E of the Companies Act, 1956 shall exercise the jurisdiction, powers, authority and functions under the exception to Clause (41) of section 2 of the Companies Act, 2013.
Related Party [Section 2(76) of the Companies Act, 2013]	xxxii & 5.35	Replace the existing definition with the new one	Related party-with reference to a company, means— (i) a director or his relative; (ii) a key managerial personnel or his relative; (iii) a firm, in which a director, manager or his relative is a partner; (iv) a private company in which a director or manager or his relative is a member or director; (v) a public company in which a director or manager is a director and holds along with his relatives, more than two per cent of its paid-up share capital; (vi) any body corporate whose Board of Directors, managing director or manager is accustomed to act in accordance with the advice, directions or instructions of a director or manager; (vii) any person on whose advice, directions or instructions a director or manager is accustomed to Act: Provided that nothing in sub-clauses (vi) and (vii) shall apply to the advice, directions or instructions given in a professional capacity; (viii) any company which is— (A) a holding, subsidiary or an associate company of such company; or (B) a subsidiary of a holding company to which it is also a subsidiary; (ix) such other person as may be prescribed. Rule 3 of the Companies (Specification of Definitions Details) Rules, 2014 provides that for the purposes of sub-clause (ix) of clause (76) of section 2 of the Act, a director other than an independent director or key managerial personnel of the holding company or his relative with reference to a company, shall be deemed to be a related party.
Section 149(5) of the Companies Act, 2013	3.2	Printing mistake (Transition period related to Resident Director)	It was earlier read as "Transition period: Section 149(5) provides for the transition period of one year from the date of commencement i.e. 1st April, 2014 to comply with section 149(3)." **It may be corrected as "Transition period: Section 149(5) provides for the transition period of one year from the date of commencement i.e. 1st April, 2014 to comply with section 149(4)."**
Current Account Transactions under chapter 21 i.e. Foreign Exchange Management Act, 1999	21.10	Two transactions to be added under (a) Transactions for which drawal of foreign exchange is prohibited	(i) Drawal of foreign exchange by any person for the purpose of travelling to Nepal and/or Bhutan; (ii) Drawal of foreign exchange by any person for a transaction with a person resident in Nepal or Bhutan. Provided that the prohibition in clause (ii) may be exempted by RBI subject to such terms and conditions as it may consider necessary to stipulate by special or general order.

National Convention for CA Students: Ludhiana

10th & 11th January, 2015

K.V.M. SCHOOL, CIVIL LINES, LUDHIANA

Organized by: Board of Studies, ICAI
Hosted by: Ludhiana Branch of NIRC of ICAI and NICASA

THEME: Today's Vision; Tomorrow's Reality

DAY-1

9:30 AM to 10:30 AM	**Inaugural Session** In presence of the Chief Guest, President, ICAI, Vice President, ICAI, Chairman, Board of Studies, Chairman, NIRC
10:30 AM to 12:00 PM	**Technical Session** – I: Indirect Taxes – An Unexplored Area
12:00 PM to 1:30 PM	**Technical Session** – II: International Taxation, Transfer Pricing and FEMA – A Vast Professional Opportunity
2:30 PM to 3:30 PM	**Interactive Session** with Board of Studies by Chairman, Vice-Chairman and Director, Board of Studies
3:30 PM to 5:00 PM	**Technical Session** – III: Implementation of IFRS in India – Opportunities and Challenges

DAY-2

9:30 AM to 11:00 AM	**Technical Session** – IV: Role of information Technology in CA Profession – A Dynamic and Cautious change in audit practices
11:00 AM to 12:30 PM	**Technical Session** – V: Forensic Accounting & Fraud Detection – Opportunity and need to horn the profession
12:30 PM to 1:30 PM	**Technical Session** – VI: Bit Coins – Can it pose challenge to Existing System?
2:30 PM to 4:00 PM	**Technical Session** – VII: Financial Restructuring – Need to imbibe skills
4:00 PM to 5:00 PM	**Technical Session** – VIII: Importance of Attitude and Leadership – Ability to attain altitude

The Valedictory Session will be held on Day - 2
Students are hereby requested to register for the convention as per the following details at the earliest:-

Registration fees	Rs.500/- per student	Early Bird incentive – Rs. 400/- for Registration up to 31.12.2014
Accommodation @ Rs. 500/- per student		
Payment Cash/DD/Cheque to be drawn in favor of "Ludhiana Branch of NIRC of ICAI", payable at Ludhiana.		

For registration queries contact

Mr. Mandeep Singh, Ludhiana Branch of NIRC of ICAI, ICAI Bhawan, Basant City Road, Pakhowal Road, Ludhiana
E-mail: ludhiana@icai.org, Website www.ludhiana-icai.org,
Mobile 09855000563, 7355551043, 9216921033, 9888777390, 805484969, 9464345997

Students are required to contribute papers or PPT'S for presentation (1500 to 2000 words) for topics in Technical Sessions and submit for approval a soft copy of the Paper at ludhiana@icai.org latest by 19th December, 2014 and a hard copy of the same along with Student's Photograph (with his/her name on the back of the photograph), Registration Number, Course pending, complete postal address, Mobile, Landline numbers and e-mail ID be also sent to the Ludhiana Branch. Students whose papers are selected for the Technical sessions shall be awarded a cash prize of ` 1100/-. Outstation Students Paper Presenters shall be reimbursed to and fro travel expenses (AC 2 tier)/ first class railway fare (including service tax paid) or airfare by any airline, whichever is less and DA @ ` 1500/- per day for maximum of 5 days including journey time.

CA. M. Devaraja Reddy
Convention Chairman & Chairman, Board of Studies

CA. Prafulla Premsukh Chhajed
Convention Co-Chairman & Vice-Chairman, Board of Studies

CA. Raj Chawla
Convention Coordinator & Chairman, NICASA, 98110 81083

CA. Rajesh Kumar Jain
Convention Coordinator & Chairman, Ludhiana Branch, 98140 26727

National Convention for CA Students: Pune

31st January & 1st February, 2015

MAHALAXMI LAWNS, NEAR RAJARAM BRIDGE, KARVE NAGAR, KOTHRUD, PUNE

Organized by: Board of Studies, ICAI
Hosted by: Pune Branch of WIRC of ICAI & Pune Branch of WICASA

THEME: Igniting Minds

DAY-1

11.30 am to 01.00 pm	**Special Session I- Igniting Minds** **Speaker: CA.** Charanjot Singh Nanda, Central Council Member, ICAI
02.00 pm TO 03.30 pm	**Technical Session I - Accounting & Auditing** (i) Financial Reporting beyond General Purpose Financial Statements; (ii) Share valuation; (iii) Analytical Ratios for Auditing of Manufacturing entity; (iv) Effects of IFRS on Balance Sheet
04.00 pm to 05.00 pm	**Special Session II- CA Profession Then & Now** **Speaker:** CA. N.P. Sarda, Past President, ICAI
05.00 pm to 06.30 pm	**Technical Session II – Management & Corporate Lawo** (i) Standard Operating Procedures (SOP); (ii) CA – A Business Solution Provider; (iii) CSR – Corporate Hand in Nation Building; (iv) Role of Independent Director & Women Director

DAY-2

10.30 am to 12.00 am	**Technical Session III - Taxation** – (i) Transfer Pricing Concept & Relevance; (ii) How will CST boost GDP?; (iii) Negative List - few selected cases; (iv) Presumptive taxation under Income Tax Act
12.30 pm to 02.00 pm	**Special Session III: Moving towards IFRS** **Speaker:** CA. Amarjit Chopra, Past President, ICAI
03.00 pm to 04.30 pm	**Technical Session IV- Economy & Finance** (i) Make in India; (ii) Credit Ratings; (iii) Macro Economics events & their effects on Stock Markets; (iv) FDI in Rail Sector
05.00 pm to 06.30 pm	**Special Session IV: How to become Successful Professional** **Speaker:** CA. V. Murali, Central Council Member, ICAI

The Inaugural Session will be held on Day - 1 and the Valedictory Session on Day - 2

Students are hereby requested to register for the Convention at the earliest as per the following details:-

Registration fees	Rs. 300/-per student, if registered till 15th January, 2015	Accommodation
	Rs. 400/- from 16th January, 2015	@ Rs. 1,400/-per student
Payment Mode	Cash/DD/Cheque to be drawn in favour of "Pune Branch of WIRC of ICAI", payable at Pune.	

For registration queries contact

Pune Branch of WIRC of The ICAI, at 'ICAI Bhavan', Plot No. 8, Parshwanath Nagar, CTS No. 333, S. No. 573, Munjeri, Near Mahavir Electronics & Furniture, Opp. Kale Hospital, Bibvewadi, PUNE - 411 037.
Phone 020-24222151/52 & Email cpe@puneicai.org; Website- wwwpuneicai.org

Students are invited to contribute papers for presentation (1500 to 2000 words) for topics in Technical -Sessions and submit for approval a soft copy of the Paper to cpe@puneicai.org & with a copy to vicechairman@puneicai.org with subject as "Paper for National Convention 2015, Pune latest by 10th January, 2015 and a hard copy of the same along with Student's Photograph (with his/her name on the back of the photograph), Registration Number, Course pursuing, complete postal address, Mobile, Landline numbers and e-mail ID be also sent to the Outstation students shall be reimbursed actual travelling expenses equivalent to 2 tier AC and DA @ 1500 per day for lodging etc. Students who are interested to participate in the Cultural Programme are requested to register before 10th January, 2015 at Pune Branch.

CA. M. Devaraja Reddy
Convention Chairman &
Chairman, Board of Studies

CA. Prafulla Premsukh Chhajed
Convention Co-Chairman &
Vice-Chairman, Board of Studies

CA. S.B. Zaware
Convention Director &
Central Council Member, ICAI

CA. Satyanarayan Mundada
Convention Co-Director &
Chairman, WICASA

CA. Rajesh Kumar Patil
Convention Co-Director &
Chairman, Pune Branch

CA. Yashwant Kasar
Convention Convenor & Vice-Chairman, Pune Branch &
Chairman, Pune Branch of WICASA

National Conclave of CA Students - Udupi

5th & 6th January, 2015

AROOR LAXMINARAYANA RAO MEMORIAL TOWN HALL, AJJARKAD, UDUPI 576101

Organized by: Board of Studies, ICAI
Hosted by: Udupi Branch of SIRC of ICAI and Udupi branch of SICASA

THEME: "HAMSA"- The Vision

DAY-1

9.15 am to 11:30am	**Inaugural session**: Inauguration by CA. K Raghu, President, ICAI. Key Note Address by CA. Ramadas Kamath U, Executive Vice President, Infosys Limited, Bangalore
11.45 am to 1.00 pm	**Interaction with Board of Studies** **Guests of Honour:** CA. M Devaraja Reddy, Chairman Board of Studies, CA. Prafulla Premsukh Chhajed, Vice-Chairman, Board of Studies, Shri Vijay Kapur, Director, Board of Studies, ICAI.
2:00 pm to 3.15 pm	**Technical Session I**: Direct Tax – Student Speaker from Shivamogga District **Session Chairman:** CA G Sekhar, Chairman Direct Tax Committee, ICAI **Topic:** Provisions of Section 68 to 69c – A tool to tax the Unaccounted Money?
3:30 pm to 4:45 pm	**Technical Session II**: Indirect Tax – Student Speaker from Kannur Branch, Kerala. **Session Chairman:** CA Gopal Krishna Raju, Member SIRC, Chennai **Topic:** "CENVAT Credit in Service Tax"- Practical Issues.

The Valedictory Session will be held on Day - 2
CA Students are hereby requested to register for the Conclave at the earliest as per the following details:-

Registration fees: Rs.300/- per student (upto 31st December 2014) and Rs.400/- per student thereafter Registration open from 15th December 2014 onwards, avail on First Come First Serve basis.

Payment Mode : DD/Cheque to be drawn in favour of "Udupi Branch of SIRC of ICAI" payable at Udupi

Note: A delegate student will get a Memento on attending the conference. However Students registered after 31st December 2014 will get the same, subject to availability.

DAY-2

9:00 am to 9:30am	**Special Session** - Motivational Talk by a renowned person
09 :30 am to 10:30 am	**Technical Session III**: Auditing – Student Speaker from Goa Branch Session Chairman: Member from Host Branch **Topic:** "Audit Documentation" – Getting more prominence than the Traditional Audit.
10:30 am to 11:30 am	**Technical Session IV:** Companies Act 2013 – Student Speaker from Host Branch **Session Chairman:** Member from Mangalore Branch. **Topic:** "Restrictions on Related Party Transactions Under Companies Act 2013"- will it hamper the Corporate Growth?
11:45 am to 12:45 pm	**Technical Session V:** Foreign Contribution Regulation Act 2010 – Student Speaker from Host Branch **Session Chairman** Member from Host Branch **Topic:** "Foreign Contribution (REGULATION) ACT 2010"- Precautions to be taken
1:30 pm to 2:30 pm	**Technical Session VI**: I S AUDIT – Student Speaker from Mangalore Branch **Session Chairman:** Member from Host Branch
	Topic: "Physical and Logical Access Control" – is a prerequisite for effective internal control?
2:45 pm to 3:45 pm	**Technical Session VII:** Indirect Tax - Student Speaker from Host Branch **Session Chairman:** Member from Host Branch **Topic:** "Composition & Special Accounting Scheme"- A boon to the SME Sector?
3.45pm to 4.30pm	**QUIZ TIME**- By CA Cotha S Srinivas, Secretary, SIRC of ICAI

For registration queries contact

Udupi Branch of SIRC, ICAI Bhawan, Sri Mahalasa Damodar Towers, Kunjibettu, Udupi – 576102
Phone: 0820-2536603, Email: udupi@icai.org Website: www.udupi-icai.org

CA. M. Devaraja Reddy
Convention Chairman & Chairman, Board of Studies

CA. Prafulla Premsukh Chhajed
Convention Co-Chairman & Vice-Chairman, Board of Studies

CA. Ananthanarayana Pai K.
Conference Coordinator & Co-opted Member, Board of Studies

CA. Ammunje Venkatesh Nayak
Chairman- Udupi Branch

National Convention for CA Students: Meerut

10th & 11th January, 2015

MANGALAYA CONVENTION CENTRE, SUBHARTI UNIVERSITY, NH-58, MEERUT - 5

Organized by: Board of Studies, ICAI
Hosted by: Meerut branch of CIRC of ICAI & Meerut Branch of CICASA
THEME: Learning Today – Leading Tomorrow

DAY-1

11:30am to 1:30pm	**Special Session I**- How to Face Interview/Carrier Counseling Speaker: CA Amarjit Chopra, Past President, ICAI
2:30pmto 4:30pm	Technical Session I- Service Tax & Conceptual Overview **Session Chairman:** CA Brijesh Verma & Student Speakers

DAY-2

10 am to 12.45pm	**Technical Session II** - Assessment Procedure & Recent Case Laws Session Chairman: CA Kapil Goel & Student Speakers
12:45pm to 1:30pm	**Special Session II** - Interaction with CA. M. Devaraja Reddy, Chairman, Board of Studies, ICAI
2:30pm to 4:00pm	**Technical Session III**- Latest Changes In Central Excise Law Session Chairman: CA Raj Kumar & Student Speakers
4:00pmto 5:30pm	**Technical Session IV**- Advanced Accounts

The Inaugural Session will be held on Day - 1 and the Valedictory Session on Day - 2

Students are hereby requested to register for the Convention at the earliest as per the following details:-

Regn fees	Rs. 400/- per student on or before 30th Dec 2014.	Rs 500/- per student after 30th Dec 2015.

Accommodation @ Rs. 600/- per student per day excluding taxes on share basis.

Payment Mode Cash/DD/Cheque to be drawn in favour of “Meerut Branch of CIRC of ICAI”, payable at Meerut.

For registration queries contact

Meerut Branch of CIRC of ICAI, 375/1,Mangal Pandey Nagar, Near Royal Inn Jhankar Hotel, Meerut 250004
Phone: 121- 4059984 & email meerut@icai.org

Students are invited to contribute papers for presentation (1500 to 2000 words) for topics in Technical -Sessions and submit for approval a soft copy of the Paper at meerut@icai.org by 4th January, 2014 and a hard copy of the same along with Student’s Photograph (with his/her name on the back of the photograph), Registration Number, Course pursuing, complete postal address, Mobile, Landline numbers and e-mail ID be also sent to the Branch. Outstation students shall be reimbursed actual travelling expenses equivalent to 2 tier AC and DA @ 1500 per day for lodging etc. Students who are interested to participate in the cultural programme are requested contact the Branch.

CA. M. Devaraja Reddy
Convention Chairman & Chairman, Board of Studies

CA. Prafulla Premsukh Chhajed
Convention Co-Chairman & Vice-Chairman, Board of Studies

CA. Anuj Goyal
Convention Director & Central Council Member, ICAI

CA. Mukesh Singh Kushwah
Convention Director & Central Council Member, ICAI

CA. Prabhat Gupta
Chairman, Meerut Branch, 09412202312

CA. Anupam Sharma
Chairman, Meerut Branch of CICASA, 09719103027

ICAI Four Weeks Residential Programme on Professional Skills Development

CENTRE OF EXCELLENCE,(COE), HYDERABAD

The Board of Studies is pleased to announce a special batch of Four Weeks Residential Programme on Professional Skills Development at the Centre of Excellence, (CoE), Hyderabad as under:

Batch No	Date of the Programme	Link for Registration -Online
31st batch	28th January, 2015 to 24th February, 2015	http://220.227.161.86/35915fwrp-jan-feb15-main.pdf

The programme offers a unique opportunity and would focus on development of communication skills, leadership skills, personal traits for effective functioning in business organization and profession. More emphasis is given on soft skills, developing personality trait and communication skills of the participants.

Men students who have passed Chartered Accountancy IPCC/ PCC/ PE- II/Intermediate (IPC) examination and pursuing last year of article training or completed Articleship training are invited to join the course. Recently qualified Men Chartered Accountants are also welcome to join the course.

Registration may be made by paying 20% of fees, i.e., Rs.8,000/- or full fees, i.e. Rs. 40,000/- through Credit card or Net Banking facility using online payment portal.

In view of limited seats please send your registration as early as possible.
Registration is normally on First-come-First-serve basis, subject to logical criteria.

All eligible Men students/ Men members interested to pursue this programme may visit:
ICAI website www.icai.org for details of programme.

Director, Board of Studies

Online Mentoring on ICAI Cloud Campus - http://cloudcampus.icai.org

The ICAI Cloud Campus enables Students can learn anytime and from anywhere using e-Learning, Audio Lectures, Video Lectures and Online Mentoring. Students can even learn through Mobile Enabled e-Learning facility on the Students Learning Management System (LMS) on their Mobile Phones/ Smart Phones/ Tablets.Online Mentoring is one of the major value added features on the Cloud Campus. The schedule of online mentoring sessions from 3.00 p.m. to 4.00 p.m. is as follows:

Date	Course	Topic	Faculty
Jan 7	Final	Paper 1: Financial Reporting	CA. Shilpa Aggarwal
Jan 9	IIPC	Paper 3:Cost Accounting and Financial Management: Part I- Cost Accounting	Dr. N.N.Sengupta and CA. Sanjit Lal Sharma
Jan 13	Final	Paper 7: Direct Tax Laws	CA. Priya Subramanian and CA. Aparna Chauhan
Jan 15	IIPC	Paper 6: Auditing and Assurance	CA. Karuna Bansali
Jan 16	IIPC	Paper 2: Business Laws Ethics and Communications: Company Law	Ms. Nisha Gupta
Jan 20	Final	Paper 6: Information System Control and Audit: System Development Control and Audit, Security Control and Auditing of Information system	Ms. Sukriti Arora
Jan 28	Final	Paper 8: Indirect Tax Laws	CA. Smita Mishra and CA. Shefali Jain
Jan 30	IIPC	Paper 7: Information Technology and Strategic Management Section A: Information Technology: Business Information Systems and Telecommunication network	Ms. Sukriti Arora

Students are advised to register for Online Mentoring Sessionson the ICAI Cloud Campus and provide specific questions/ queries that they need to be discussed at least 48 working hours before the session.Links to access the aforementioned Online Mentoring Sessions are also available on the http://cloudcampus.icai.org under Online Mentoring.

Director, Board of Studies

GLIMPSES

CA. K. Raghu, President, ICAI lighting the auspicious lamp to inaugurate the All India Conference for CA Students at Hyderabad in the presence of CA. M. Devaraja Reddy, Chairman, Board of Studies, Central Council Members, CA. V. Murali, CA. Venkateswarlu J, Chairman, Hyderabad Branch, CA. Matesh Reddy.K and other dignitaries

CA. K. Raghu, President, ICAI AND Central Council Member, CA. Babu Abraham Kallivayalil with the students of Alapuzha branch of SIRC of ICAI.

CA. K. Raghu, President, ICAI and his better half with the students of Bellary Branch of SIRC of ICAI. CA. M.Devaraja Reddy, Chairman, Board of Studies also seen in picture.

CA. K. Raghu, President, ICAI with CA. Uttam Prakash Agarwal, Past President, ICAI after the inauguration of Pimpri-Chinchwad branch building. Central Council Member, CA. S. B. Zaware, WIRC Chairman, CA. Anil Bhandari and the Branch Chairman, CA. Baban Dangale are also seen among other dignitaries.

CA. M. Devaraja Reddy, Chairman, Board of Studies with CA. Prafulla Chhajed, Vice Chairman, Board of Studies and CA. Dhinal Shah, Central Council Member after the inauguration of the National Convention for CA Students at Ahmedabad.

CA. K. Raghu, President, ICAI lighting the auspicious lamp to inaugurate the National Convention for CA Students at Hubli in the presence of CA. M. Devaraja Reddy, Chairman, Board of Studies and Central Council Member, CA. Babu Abraham Kallivayalil and other dignitaries

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CA. K. Raghu, President, ICAI being welcomed at the National Convention for CA Students at New Delhi by the NIRC Chairman, CA. Radhey Shyam Bansal.

CA. K. Raghu, President, ICAI, Vice Chairman, Board of Studies, CA. Prafulla Chhajed and NIRC Chairman, CA. Radhey Shyam Bansal at the National Convention for CA Students at New Delhi.

CA. K. Raghu, President, ICAI addressing the National Convention for CA Students at the Ernakulam branch of SIRC of ICAI. CA. M. Devaraja Reddy, Chairman, Board of Studies and Central Council Members, CA. Babu Abraham Kallivayalil, CA. G. Sekar, CA. Sumantra Guha, SIRC Chairman, CA. P. V. Rajarajeswaran and Ernakulam Branch Chairman, CA. M.O. Poulose are also seen in picture.

CA. K. Raghu, President, ICAI along with CA. M. Devaraja Reddy, Chairman, Board of Studies and Central Council Members, CA. Babu Abraham Kallivayalil, CA. G. Sekar, CA. Sumantra Guha, SIRC Chairman, CA. P. V. Rajarajeswaran and Ernakulam Branch Chairman, CA. M.O. Poulose after the inauguration of the National Convention for CA Students at Ernakulam.

If undelivered, please return to: The Institute of Chartered Accountants of India, ICAI Bhawan, Indraprastha Marg, New Delhi-110104