DRAFT RECOMMENDATIONS

ON

REVIEW OF EXAMINATION PROCESSES AND REGULATIONS

Institute of Chartered Accountants of India

New Delhi

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Report of the High level Committee on Examination processes of ICAI

Chapter 1

Introduction

The Institute of Chartered Accountants of India (ICAI) is a statutory body incorporated under the Chartered Accountants Act, 1949 for regulating the profession of Chartered Accountancy.

The affairs of the ICAI are managed by a Council in accordance with the provisions of the Chartered Accountants Act, 1949 and the Chartered Accountants Regulations, 1988. The Council comprises 40 members of whom 32 are elected by the members and the rest are nominated by the Central Government, generally representing the Comptroller and Auditor General of India, Securities and Exchange Board of India, Ministry of Corporate Affairs, Ministry of Finance and other stakeholders.

The Institute has its headquarters at New Delhi. In addition, it has five Regional Councils located in Mumbai, Chennai, Kolkata, Kanpur and New Delhi and 164 Branches spread all over the country. The Institute also has 34 chapters outside India

1.1 ICAI-Premier Accountancy body:

Over a period of time, ICAI has achieved recognition as a premier accountancy body, not only in the country but also globally, for maintaining the highest standards in technical/ethical areas and for sustaining stringent examination and education standards.

The Chartered Accountancy profession has achieved rapid growth by virtue of quality professional services being rendered by its members, and has come to occupy a prominent role in our economy and society.

Since 1949, the profession has grown by leaps and bounds in terms of membership and student strength. As against a membership of around 1,700 in 1949, today the membership of the Institute is over 3,00,000 and student strength is over 8,00,000.

Increasing responsibilities are being entrusted by the Government and the society at large on the members of the profession and their specialized knowledge and skills are being utilized in various fields of activities. Statutory recognition is given to the role of the members of the profession and their audit / certification is insisted upon for various purposes in different statutes.

ICAI occupies a unique position in the country. It is an integrated organisation which imparts education; regulates the professional training imparted to its students; conducts exams to assess the knowledge of the students, gives membership to those who pass the exams conducted by it; licences its members for carrying on professional practice as per eligibility conditions laid down; regulates the profession through its disciplinary mechanism; sets standards for the accounting and auditing profession; provides inputs to the Govt. on major issues relating to accounting, auditing, finance, taxation, corporate governance etc ; lays down Ethical Standards for its members; monitors the quality of the services rendered by its members through Peer Review; ensures standards of performance of Members, etc.

It enjoys a monopoly status in the country and has been at the forefront of protecting public interest and raising the level of confidence and trust of stakeholders in the work of professional accountants, through its continuous upgradation of the professional competencies of its members and its disciplinary mechanism.

The profession has stood the test of time and has proved its credentials and resilience across decades of existence through the several international crises, financial/banking scams in the country, corporate collapses, etc, serving the (a) the public, (b) present and potential investors, (c) management and employees within organizations, (d) suppliers and creditors, (e) customers, and (f) government authorities. The accountancy profession's ability to satisfy users' information needs has immensely contributed to an efficient economy and had created value to the society.

1.2 Global Scenario:

The Institute is playing a prominent role in the international accounting bodies by virtue of its membership and active involvement in the activities of International Federation of Accountants (IFAC), International Accounting Standards Board (IASB), Confederation of Asian and Pacific Accountants (CAPA) and South Asian Federation of Accountants (SAFA).

Indian Chartered Accountancy qualification is well recognised in many countries as Indian CAs are taking up lucrative careers abroad. Indian CAs are highly sought after, for their skill sets and high quality of education. The opportunities are simply ever increasing. Today, huge opportunities are available for professionals with specialized knowledge and skills sought by global organizations. These include areas of globally accepted financial reporting, national and international taxation, finance and corporate law. The knowledge of local laws and regulations, of course, places Chartered Accountants in a stronger position to supply services to global organizations entering the Indian market.

1.3 Positioning of the course

Students join the course come from all strata of the society and the course is affordable to all income groups across the country. In fact, there are many candidates from lower income groups who top the exams, year after year. The qualification is a passport to a good professional career and upward mobility for those who have the basic intelligence, academic inclination, perseverance and are willing to put in hard work on a sustained basis, in academics as well as in practical training.

Geographically, the students join the course from all over the country, across rural, semi urban, urban and metropolitan areas.

Further, roughly about 35% of the students are females, across all the regions.

Members are also equally spread across semi urban, urban and metropolitan areas. It may be noted that in the past 10-15 years, more members who qualify are taking up a career in industry rather than setting up their own practice. At present, roughly about 50% of all members are in practice and the rest are in industry. Many Chartered Accountants hold responsible positions in business or industrial firms as CEOs, Managing Directors, Director (Finance) and Chief Accountants.

1.4 Changing Role of Chartered Accountant:

Nudged by a number of factors, the stereotypical image of a Chartered Accountant, tirelessly adding and subtracting figures, is changing. The prime factors being, borderless economies with resultant increase in corporate mergers and restructuring, rapid developments in information and technology, need for a stringent regulatory set up, plethora of financial instruments, increasing business complexities, increased emphasis on corporate social responsibilities and the like. These factors warranted that the competency level of accountants should be bolstered. The accounting education and the skill levels of professional accountants have been synchronised with the prerequisites of a dynamic global environment.

1.5 Embracing Change:

In the given dynamic scenario, the potential of the accounting education system to respond to the continuously evolving needs of businesses and the professions becomes the focal point. The accountancy profession in India is addressing concerns about the ability of the profession to match the speed of change. Chartered Accountants in the emerging scenario, thus, need to be equipped with more than accounting and auditing skills. Development of strong technical and professional competencies, recognised globally, is therefore, the need of the hour and ICAI has been leading this strategic transformation with all earnestness.

Chapter 2

Background

ICAI supplies evaluated answer books of CA exams to examinees post results, under a scheme formulated by it and also under the Right to Information(RTI) Act 2005.

The Board of Studies, the academic wing of ICAI, publishes Suggested Answers in respect of the question papers of various papers, post exam, for the academic guidance of the students.

Upon receipt of copies of evaluated answer books, examinees compare their answers with the Suggested Answers published by the Institute and complain that marks awarded to the answers written by them in the answer books are less than what they deserve, even though the answers match with the answers given by ICAI in its Suggested Answers.

In this context, demands of the students, inter-alia, include the following:

a) Re-evaluation of the answers written by them in the answer books by amending Regulation 39(4) of the CA Regulations, 1988.
b) Greater transparency in evaluation practices by putting in public domain the model solution which is provided to the examiners based on which evaluation is being done, marking scheme thereof, Multiple Choice Questions and the answer keys thereof.

It may be noted that Explanation to Regulation 39(4) of the CA Regulations, 1988, provides specifically that "re-examination of answers shall not be permitted under any circumstances"

2.1 Constitution of the High Level Committee(HLC):

In September 2019, ICAI constituted a High Level independent Committee comprising the following members to look into examination processes and regulations governing CA examinations including Regulation 39(4) of the CA Regulations, 1988 and suggest changes wherever required

- Dr. P. C. Jain, Govt. Nominee in the Central Council, Convenor
- Justice (CA.) Anil R. Dave, Former Judge, Supreme Court of India
- CA. Ved Jain, Past President, ICAI
- CA. Amarjit Chopra, Past President, ICAI
- CA. (Dr.) Girish Ahuja, Renowned Educationist

Shri Rakesh Sehgal, Acting Secretary ICAI, acted as Secretary to this Committee.

2.2 Terms of Reference:

Terms of reference of the Committee are as follows:

a) To look into examination processes and Regulations governing CA examinations including Regulation 39(4) of the CA Regulations, 1988 and
b) To suggest changes wherever required in the CA examination system.

2.3 Meetings held:

The Committee held six meetings on the following dates:

7th October 2019
3rd December 2019
14th December 2019
30th December 2019
10th January 2020
5th February 2020

2.4 Methodology:

Committee, at its first meeting, after deliberations, decided to invite suggestions from stakeholders on key issues relating to the CA examination system through an announcement enclosing a structured format hosted on the website of ICAI and also published in the Journal of ICAI.

Suggestions were invited broadly on the following points:

S. No.	Issues
1.	System/Structure of conducting Examination
2.	Format/Structure of Question Paper
3.	Evaluation Process of Answer books
4.	Methodology for awarding marks including step by step marking
5.	Existing System of verification of Answer Books
6.	Re-evaluation of the Answer Books
7.	Supply of certified copies of evaluated answer books, post result to the students
8.	Procedural changes required, if any
9.	Adoption of new technology and changes, if any, required in the existing technology being used.
10.	Regulatory changes required, if any
11.	Any other matter relating to CA exams

2.5 Analysis of the responses:

Suggestions were received from 2463 persons. They were compiled and placed before the Committee.

Committee noted the existing features of the course, its positioning, requirements of the market, specialisation, varied profile of the student base, assessment methodologies, examination system, practices and procedures, regulatory provisions, market environment in which the same are being handled, geographical coverage of the exam operations, diversity in the level of exposure to students on the practical training front across regions/firms, expectations of the students and the market, concerns of the stakeholders and office comments thereon, global best practices, report of the earlier committee on the subject, etc.

It also deliberated on the requirements of maintaining the standards of education and training in the context of International Education Standards(IES) adopted by the ICAI, being a member of IFAC and being bound by the Statement of Member Obligations(SMO), and the future challenges.

After due deliberations, Committee took an independent view on the matter.

It may be noted that each respondent had given his response on one or more of the points stated above and not necessarily on all the points. Many have made the same suggestions. Many suggestions were outside the terms of reference of the Committee and some were administrative in nature. A compilation of such suggestions which were outside the Terms of Reference has been given at the end of Chapter 9, which may be taken up for consideration by the ICAI, if deemed appropriate.

Chapter 3

Overview of the CA course

ICAI enrols students for the Chartered Accountancy Course, imparts theoretical education and monitors practical training to be undergone by them as per the requirements of the Chartered Accountants Regulations, 1988.

It also holds qualifying examinations for its registered students, admits those who pass the exam and fulfil the prescribed requirements, as members and issues Certificate of Practice to the members, intending to practice the profession.

CA course includes practical training under a Chartered Accountant for a period of three years. The course also includes class room modules on Information Technology and Management and Communication Skills.

The unique requirement of practical training/articled training is instrumental in shaping a well-rounded professional and also ensures that students have an opportunity to acquire on-the-job work experience of a professional nature.

3.1 International Education Standards:

The International Accounting Education Standards Board (IAESB) of International Federation of Accountants (IFAC) has developed standards for professional accountancy education that prescribe technical competence and professional skills, values, ethics and attitudes.

Individual IFAC member bodies determine the competencies and criteria for membership that are appropriate to the professional accountant roles performed by their members and adopt them.

ICAI is a member of IFAC and has adopted and has signed the Statement of Membership Obligations(SMO) with IFAC and implemented the International Education Standards ("IESs").

SMO Action Plans are developed by IFAC Members and Associates to demonstrate fulfillment of IFAC Statements of Membership Obligations (SMOs). SMOs require IFAC Members and Associates to support the adoption and implementation of international standards and other pronouncements issued by independent standard-setting boards under the auspices of IFAC as well as by the International Accounting Standards Board (IASB); and to establish a Quality Assurance (QA) review and Investigation and Disciplinary (I&D) systems.

IFAC Members and Associates conduct a self-assessment against the requirements of SMOs and identify areas where improvements are needed. Based on the results of the assessment, Members and Associates develop an SMO Action Plan to (a) demonstrate how they fulfill the requirements of the SMOs and (b) where some requirements are not yet addressed, to present plans towards their fulfillment.

SMO Action Plans are designed to be ever-green documents that provide a comprehensive description of the accountancy profession and its legislative and regulatory environment in the jurisdiction as well as the actions undertaken by IFAC Members or Associates to support adoption and implementation of international standards and best practices. Regular updates of the SMO Action Plans are required as part of the IFAC Member Compliance Program.

The IESs improve the quality of professional accounting education worldwide by prescribing requirements for:

• Entry to professional accounting education programs;
• Initial Professional Development ("IPD") of aspiring professional accountants; and
• Continuing Professional Development ("CPD") of professional accountants.

Development, adoption, and implementation of IESs provide an effective approach to developing professional competence.

Other desirable outcomes include:

• Reducing international differences in the requirements to perform the role of a professional accountant;
• Facilitating the global mobility of professional accountants; and
• Providing international benchmarks of good practice for professional accounting education.

The IESs establish requirements for (a) entry to professional accounting education programs, (b) IPD of aspiring professional accountants, and (c) CPD of professional accountants.

The IES include the following:

IES 1: Entry requirements to Professional Accounting Education Programs
IES 2: Initial Professional development-Technical Competence
IES 3: Initial Professional development-Professional Skills
IES 4: Initial Professional development-Professional Values, Ethics and attitudes
IES 5: Initial Professional development-Practical Experience
IES 6: Initial Professional development-Assessment of Professional Competencies
IES 7: Continuing Professional Development
IES 8: Professional Competence for engagement partners responsible for audits of financial statements

ICAI continuously upgrades its education, training and professional development initiatives on an on-going basis, in keeping pace with the standards of education prescribed by the International Federation of Accountants(IFAC).

3.2 Committee for Review of Education and Training (CRET)

ICAI constitutes a Committee for Review of Education and Training (CRET) periodically to review the current/future requirements of the profession, changes that have taken place in the market scenario, current education and professional competence standards, current syllabus, entry level requirements, examination papers, pattern, passing requirements, professional training arrangements, etc and suggest changes that may be required therein for the continuous upgrading of the professional education and training requirements in a dynamic and ever changing scenario. CRET invites suggestions from stakeholders and holds extensive discussions across the country and makes its recommendations to the Council. Council deliberates on them and decides on the matter for further action.

3.3 Committee for Review of Education and Training [2014-2017]:

In the year 2014-15, the IAESB undertook the revision and redrafting of its IESs as part of its project to improve the clarity of its standards. In the Revised IESs, there was a marked shift from input based approach to competence based approach, where learning outcomes were defined for each subject constituting a competence area. The revised standards incorporated the competence-based approach of learning and assessment in the place of knowledge-based approach, thereby shifting the focus from inputs to work outcomes. This was necessitated on account of continuous and extensive changes in the accountancy profession.

The Institute took cognizance of the demands from the profession, and started the process of reviewing and revising its scheme of education and training in 2014. A whole new approach was adopted for developing, updating and delivering Chartered Accountancy education and training for the future accountants. The process involved a thorough study and benchmarking of the IESs issued by IFAC relating to Entry Requirement, Technical Competence, Professional Skills, Professional Values, Ethics & Attitudes, Practical Experience, Requirements and Assessment of Professional Competence.

In July 2017, the Revised Scheme of Education and Training was introduced. The New Scheme of Education and Training is designed in accordance with the requirements of the Revised IESs [IES 1 to 6]. and the same is depicted in the table given below:

This would help to position Indian Chartered Accountants at par with global accounting professionals.

Requirement under Revised IES	Revised Scheme's compliance with IES
As per **IES 1** on entry requirements, only those students who have a reasonable chance of success should be allowed entrance to professional accounting education (PAE) programme. At the same time, the requirements should not represent excessive barriers to entry. Therefore, the principles for entry requirements to PAE should be neither too high (causing unnecessary barriers to entry) nor too low (causing individuals to believe falsely that they have a likelihood of completing the education successfully).	• The Foundation route of entry suggested in the new scheme is in line with the above objective of the IES 1 as it will be higher in level than the existing CPT and will thus ensure that only those students who have a reasonable chance of success get entry to the CA course. • There are four papers at the Foundation level, viz. Paper-1 Principles and Practices of Accounting, Paper-2 Business Laws & Business Correspondence and Reporting; Paper-3 Business Economics & Business and Commercial Knowledge, Paper-4 Business Mathematics and Logical Reasoning & Statistics.

	• Paper-1 and 2 would be examined by way of descriptive questions.The MCQs pattern in few papers will simultaneously ensure that the entry level does not become too difficult. • Direct entry to graduates to continue so that there are no unnecessary barriers to entry.
The objective of **IES 2** is to establish the technical competence to be achieved by aspiring professional accountants (APAs) by the end of initial professional development (IPD), to perform the role of a professional accountant. IES 2 prescribes the learning outcomes and the level of proficiency for each competence area. These learning outcomes are to achieved by aspiring professional accountants (APAs) by the end of IPD, regardless of their intended future accounting specialization or role. A competence area is a category for which learning outcomes are prescribed. The competence areas for technical competence broadly represent the subjects to be covered in the course. Learning outcomes establish the content and depth of knowledge, understanding and application required for each specified competence area. Learning outcomes can be demonstrated within the context of a work environment or PAE program. The various competence areas prescribed by IES 2 are: (1) Financial accounting and reporting (2) Management accounting (3) Finance and financial management (4) Taxation (5) Audit and assurance (6) Governance, risk management and internal control (7) Business laws and regulations (8) Information technology (9) Business and organizational	• The Revised Scheme incorporates the competence areas in IES 2 in one or the other papers at various levels of the CA course. • The syllabus of each paper specifies the objective of the paper i.e., what will a student learn and able to do after studying that particular paper. • Learning outcomes have been included for the different topics in each competence area and students are expected to demonstrate these learning outcomes in their theoretical education and practical training. • The core paper on Financial Reporting has been made largely Ind-AS oriented.. Also, international Taxation has been included as a separate part for 30 marks in the paper on Direct Tax Laws at the Final level. The core paper for 100 marks would, thus, be on Direct Tax Laws and International Taxation. • The elective papers introduced in the new scheme are case study based in tandem with the requirement under IES 2. The six elective papers are Risk Management, Financial Services and Capital markets, International Taxation, Economic Laws, Global Financial Reporting Standards and Multidisciplinary Case Study • Integrated case scenarios introduced in select core papers are also in line with the requirement under IES 2. • These value additions would go a long way in enhancing the technical competence of aspiring chartered accountants

environment (10) Economics (11) Business strategy and management. IES 2 also prescribes using case studies as one of the assessment activities to measure the achievement of technical competence of aspiring professional accountants (APAs).	
IES 3 prescribes the professional skills that aspiring professional accountants (APAs) need to develop and demonstrate by the end of IPD, in order to perform a role as a professional accountant. The competence areas given by IES 3 are (a) Intellectual – ability of a professional accountant to solve problems, to make decisions and to exercise professional judgment. (b) Interpersonal and communication – ability of a professional accountant to work and interact effectively with others (c) Personal – personal attitudes and behavior of a professional accountant. (d) Organisational – ability of a professional accountant to work effectively with or within an organization to obtain the optimal results or outcomes from the people and resources available.	• A CA student will develop all the above attributes during the mandatory three-year practical training under the CA course. • Intellectual skills will also be developed in the academic education while studying and writing the examination under the CA course. • Specialised Integrated Course on Information Technology and Soft Skills formulated in the new scheme will prepare the student with adequate technical and interpersonal skills so that he can adapt to the working environment in the firm and deliver up to the expectations of the Principal and other stakeholders.
IES 4 seeks to establish the professional values, ethics and attitudes that aspiring professional accountants (APAs) need to develop and demonstrate by the end of IPD, in order to perform a role as a professional accountant.	• Professional ethics is being taught to CA students in the new scheme in the paper on Advanced Auditing and Professional Ethics. • The exposure gained under practical training will also help students imbibe the ethical values and attitudes required of a professional accountant
IES 5 lays down that APAs should complete sufficient practical experience required to perform a role of a professional accountant.	• Three years of practical training is continued under new scheme of training also. • A two level practical training assessment has been introduced which would assess the development of

	technical knowledge and intellectual skills acquired in the course of practical training.
The objective of **IES 6** is to assess whether aspiring professional accountants have achieved appropriate level of professional competence that is needed to perform a role of a professional accountant. Formal assessment of professional competence achieved by the end of Initial Professional Development (IPD) should be on the basis of the outcomes of a range of assessment activities undertaken during IPD. The assessment during IPD may be by way of – (i) A single multi-disciplinary examination conducted by the end of IPD (ii) A series of examinations that focus on specific areas of professional competence, conducted throughout IPD (iii) A series of examinations and workplace assessments conducted throughout IPD. Assessment activities should have a high level of reliability, validity, equity, transparency and sufficiency.	• The examinations under the new scheme are in line with the principles envisaged under IES 6. • Under the new scheme, case study based examination and open book examination have been introduced for the first time in elective papers at the Final level. Each elective paper has 5 case studies of 25 marks each out of which the candidates have to attempt any four in 4 hours. In each 25 mark case study, the objective type questions based thereon are for 10 marks and descriptive type questions based thereon are for 15 marks. • Integrated case scenarios have been introduced in select core papers at the Intermediate and final levels, wherein candidates would be assessed by way of 3 to 5 MCQs of 2 marks each based thereon. • Weightages for topics and skills have been disclosed to the students thus ensuring transparency, which is one of the principles of assessment under IES 6.

Due care has been taken to ensure that the course curriculum is comprehensive and engaging. All contemporary areas, relevant to the profession, have been included. This has been coupled with the three years of hand on professional training which has been integral to the Chartered Accountancy course.

The basic framework of scheme of education and training has been put in place & ICAI is endeavouring to ensure that the resultant structure is dynamic, contemporary and commensurate with the requirements of the stakeholders and at the same time is stable.

This Scheme is perceived to act as an effective medium to disseminate the initiatives of the Government to the aspiring Chartered Accountants and act as a catalyst in helping the Government achieve its desired objectives. Further, matching pace with the Government's move of launching GST, GST laws have been introduced in the syllabus of the CA course. With the inclusion of GAAR, Transfer Pricing, Base Erosion and Profit Shifting, Black Money Law are being covered in the New Course. CAs can now play an active role in preventing tax avoidance and evasion, thereby avoiding loss of tax revenue to the Government and bring back black money stashed abroad.

Armed with Ind AS and Global Financial Reporting Standards, CAs would be able to scan the financial statements of multinationals and avert probable frauds. Considering the different kinds of risks businesses are exposed to, a dedicated paper on Risk Management has been introduced. All contemporary subjects/areas having relevance for the CA profession are included at the different levels – Foundation, Intermediate and Final of the curriculum. These include International Taxation, Financial and Capital Markets, Business Economic Environment, Business and Commercial Knowledge and Business Correspondence and Reporting.

The entry to the CA course has been made stringent in the New Scheme of Education and Training. There are four papers at the Foundation level (entry level), out of which two are descriptive and two are MCQ based. Moreover, only XII Std passed students are eligible to sit in the Foundation examination unlike the previous regime of Common Proficiency Test(CPT) in which students could sit after appearing in the class XII examination.

In the wake of growing business complexity, knowledge requirements, regulatory and legal changes and client expectations, accounting specialists are preferred over generalists. This makes it clear that specialization is essential to effective performance. Future professionals will take on new roles as consultants and advisors, providing performance management, decision support and similar services, with less emphasis on nuts-and-bolts functions such as computation and tax preparation. Moreover, since there has been greater integration of the world economy, it has become imperative that subjects which transcend the borders be added in the curriculum. Thus, ICAI realised that its students need to achieve specialization to make them employable. To empower its prospective members with specialized knowledge, ICAI has introduced Electives papers in the New Scheme of Education and Training. These Electives have been introduced at the Final level in line with the school of thought that specialisation is the key to developing professionally competent Chartered Accountants. Accordingly, there are seven core papers and one elective paper [Paper 6] at the Final level. Students have to choose one out of six elective papers. The assessment pattern in the case of elective papers is Open Book and Case Study based.

The “learning by doing” approach instilled through practical training is being further corroborated by examining students through Case Study and Open Book Method. This mode of assessment is gradually being adopted by many International Accountancy Bodies. This assessment focuses on evaluation of application and higher order professional skills and not the knowledge and memorizing capacity of the students as they use relevant material including books, technical literature during the examination.

3.4 Academic recognition:

Chartered Accountants are considered as Equivalent to Post Graduates for a) admission in Ph.D Programme / Fellow Programmes in the Memorandum of Understanding (MoU) with IGNOU, b) appearing in the Civil Services Examination c) admission to the Doctoral Programme at 104 Indian Universities, 7 Indian Institutes of Management, 2 IITs, viz., IIT Madras and IIT Bombay

The Institute of Chartered Accountants of India (ICAI) has entered into Memorandum of Understanding (MOU) with Indira Gandhi National Open University (IGNOU) for pursuing Graduate/Post Graduate Courses with appropriate exemptions from appearing in the paper/s.

A student who has passed Final examination of the Institute of Chartered Accountants of India has been recognized as eligible for recruitment to senior services / posts under the Central Government. Accordingly, candidates possessing this qualification are eligible for admission to the Civil Services Examination, which is conducted by the Union Public Service Commission for recruitment to IAS, IPS and other Group 'A' / Group 'B' Central Services / posts.

3.5 Benchmarking with International Standards

With the aim of expanding the opportunities for professionals in foreign jurisdictions, ICAI had engaged UK NARIC (The National Recognition Information Centre for the United Kingdom) a renowned UK national agency responsible for providing information and expert opinion on qualifications and skills worldwide, to conduct an independent benchmarking study, evaluating the comparability of the ICAI Intermediate and Final level in the context of the UK education systems. Pursuant to the same, UK NARIC has announced that ICAI qualification is comparable to RQF Level 7, Master’s degree standard. The agency has also benchmarked ICAI Intermediate course and final course separately as being comparable to a RQF Level 6, Bachelor degree standard and RQF Level 7, Master’s degree standard respectively.

This benchmarking of the CA qualification would strengthen the position of ICAI members and help corporates gain a better understanding of the relevance and standing of the CA qualification. It would also provide opportunities for higher studies and enhanced professional opportunities for ICAI members/ semi qualified professionals in UK, Middle East and other foreign jurisdictions accepting NARIC evaluation.

As India is increasingly focusing on facilitating export of accountancy services, the promotion of global mobility of accountancy services in digital world is one of the important initiatives of the Government of India.

3.6 Structure of the course:

3.6.1 Entry Level (Foundation):

Students can register for Foundation Course, after appearing in class 12th Std examination conducted by an examining body constituted by law in India or an examination recognized by the Central Government as equivalent thereto.

Registered students are eligible to appear in the Foundation Level exam a) after they complete a minimum study period of four months from the date of registration to the course and b) after passing the 12th Std exam.

Thus, students registered on or before 30th June/31st December will be eligible to appear in November/ May examination as the case may be.

3.6.2 Intermediate Level

Through the Foundation route:

Students who pass the Foundation Level exam and Senior Secondary Examination (10+2 examination) conducted by an examining body constituted by law in India or an examination recognised by the Central Government or the State Government as equivalent thereto for the purpose of admission to graduation courses are eligible to register for the Intermediate level. They are required to undergo eight months study course before appearing for the first time in the Intermediate Examination.

Since proper understanding of the modern world necessitates knowledge of present-day technology and skills, students are imparted Four Weeks Integrated Course on Information Technology and Soft Skills (ICITSS)

They can join the practical training after completing the ICITSS and passing either or both Groups of the Intermediate exam.

Direct Entry route:

Candidates who are Graduates/ Post Graduates in Commerce having secured in aggregate a minimum of 55% of the total marks or its equivalent grade in the examination conducted by any recognized University (including open University) by studying any three papers carrying a minimum of 50 marks in a semester/year and cumulatively 100 or more marks over the entire duration of the concerned course out of Accounting, Auditing, Mercantile Laws, Corporate Laws, Economics, Management (including Financial Management), Taxation (including Direct Tax Laws and Indirect Tax Laws), Costing, Business Administration or Management Accounting or similar to the title of these papers with different nomenclatures or other than those falling under Commerce stream having secured in aggregate a minimum of 60% of the total marks or its equivalent grade in the examination conducted by any recognized University (including Open University) **are exempted from qualifying Foundation Exam and are eligible for straight away registration to Intermediate Course** and undergo ICITSS. They can register for practical training after completing ICITSS and need not wait for clearing any group of Intermediate Examination. They are eligible to appear in the Intermediate Examination after completion of nine months of practical training.

Students who are pursuing the Final year Graduation Course can also register for the Intermediate Course on provisional basis and such students' registration would be regularized and they can commence practical training only on submission of satisfactory proof of having passed the Graduation examination with the specified percentage of marks within six months from the date of appearance in the final year Graduation examination. During the provisional registration period, a student can undergo and complete ICITSS. If such student fails to produce the proof within the aforesaid period, his provisional registration shall stand cancelled and no credit shall be given for the theoretical education undergone.

3.6.3 Final Level

This is the last stage of the Chartered Accountancy course.

The unique feature of the entire theoretical education of the Chartered Accountancy curriculum is the supportive and complementary practical training. A student would undergo theoretical education and three years of practical training compulsorily during the course of Chartered Accountancy. This balanced approach helps the students to appreciate the underlying practical applications of the theoretical education scheme.

Students after qualifying both the groups of Intermediate Examination are eligible to register for Final Course and would be allowed to appear in Final Examination during last six months of practical training after successful completion of Four Weeks Advanced Integrated Course on Information Technology and Soft Skills (AICITSS).

In order to develop a strong base for Information Technology and soft skills to prepare the students for corporate world, students of Final Course are imparted AICITSS during the last two years of the practical training but before appearing for Final Examination. Advanced ICITSS is a combination of Management & Communication Skills and Advanced IT Course, which is effective from 1st July, 2017 with the implementation of New Scheme of Education and Training.

For enabling students to acquire specialization in a particular field, one elective paper has been introduced in the curriculum of Final Course. The students can choose a paper out of Risk Management, Financial Services & Capital Markets, International Taxation, Economic Laws, Global Financial Reporting Standards and Multi-disciplinary Case Study.

Chapter 4

Over view of the CA examination system

4.1 Examination System: A Tool to Judge Professional Competence

It is certainly true that examinations play a major role both in assessment of learning and selection of candidates for subsequent stages of education, profession and/or for employment, hence most countries consider assessment and examinations as one of the most important aspects of the education system. This applies too to accounting profession also.

4.2 Chartered Accountancy Examinations

Examination activities of the Institute of Chartered Accountants of India are carried out under the supervision and guidance of the Examination Committee, which is a Standing Committee of the Council, headed by the President of the Institute.

In terms of Regulation 176 of the Chartered Accountants Regulations, 1988, the Examination Committee performs all the functions of the Council relating to the examinations such as holding of examinations, admissions thereto, cancellation of examination, selection and appointment of examiners, prescription of books for the guidance of the candidates, declaration of results, payment of examiners' remuneration and/or assistant examiners, centre superintendent of exams and others.

Accordingly, CA exams are held at three levels.

Exams	Held in	No of papers
Foundation	May and November	4, of which 2 are Multiple Choice Questions (MCQs) based and 2 are descriptive
Intermediate	May and November	7 in Old Syllabus and 8 In New Syllabus.
Final	May and November	8 in both the Old and the New Syllabus

CA Exams are held twice a year in May and November.

Foundation, Intermediate(IPC), Final and Post Qualification Courses Examinations are conducted by the Examination Department of ICAI, in accordance with the syllabus determined by the Council of the Institute.

CA exams are held at over 500 centres across 212 cities including 5 cities abroad.

Results of CA exams held in May/June are generally declared in the second fortnight of the succeeding July.

Results of CA exams held in November/December are generally declared in the second fortnight of succeeding January.

There is no concept of “Improvement” of performance in CA Examinations. In other words, a student is not permitted to appear in the group(s) of an exam already passed by him.

There is no exemption from appearing in any paper of any Group of Intermediate or Final level based on passing any paper/group of any other course. However, if a candidate secures a minimum of 60 marks in a paper and fails in that Group, he is exempted from appearing in the said paper in the next 3 exams, provided he appeared in all the papers of the said Group.

There is no cap on the number of attempts a candidate can make in the CA exams. He can keep attempting any number of times. However, registration to each level of the course is valid for a specified number of years, after which a student is required to revalidate his registration to the particular level of the course by paying the requisite fee.

There is no age limit for passing the CA examinations.

4.3 Key statistics:

Count of students who are admitted to the exams over the years is as given below:

Course	**May 2017**	**Nov. 2017**	**May 2018**	**Nov. 2018**	**May 2019**	**Nov. 2019**
Final	1,32,007	1,28,853	1,21,850	1,09,016	93,413	71,768
Final-New	0	0	5,406	15,503	29,274	43,524
Inter-Old	2,07,577	2,13,585	1,82,656	1,57,558	1,22,751	90,112
Inter-New	0	0	34,667	59,072	72,762	90,392
CPT	93,262	63,034	57,422	26,866	21,930	0
Foundation	0	0	6,788	50,780	33,368	90,832
Total	**4,32,846**	**4,05,472**	**4,08,789**	**4,18,795**	**3,73,498**	**3,86,628**

Note:

- Exams under the New Syllabus commenced from May 2018 and onwards.
- Last CPT exam was held in June 2019. It was discontinued thereafter.

4.4 Use of Hindi in CA exams:

Candidates are given an option to write their answers in Hindi. However, they should indicate their option while filling their exam forms. If the candidates who have opted for Hindi, write in English, their answer books are not evaluated.

About 4500 candidates are admitted to the Intermediate and the Final exam, each, in the Hindi medium, every exam cycle.

In Foundation exam, candidates who opt for Hindi medium are given question papers in Hindi and those who opt for English medium are given question papers in English.

In Intermediate exam, papers 1,4 and 5(i.e. Accounting and Taxation) are in English only for all candidates including those who have opted for Hindi medium though Hindi medium candidates are permitted to write in Hindi. In other papers, those who opt for Hindi medium are given bilingual question papers and those who opt for English medium are given question papers in English.

In Final, all question papers are in English only for all candidates including those who have opted for Hindi medium though Hindi medium candidates are permitted to write in Hindi.

4.5 Structure of the Exam

Papers of CA exams are structured in Groups and a student is required to pass them group wise.

4.6 Passing requirements for CA Foundation:

A candidate is declared to have passed the Foundation exam if he secures at one sitting, minimum 40% marks in a paper and a minimum of 50% total marks of all the papers put together.

There is negative marking to the tune of 0.25% of the marks allocated to a question, for every wrong answer in the objective papers, i.e. Papers 3 and 4.

4.7 Passing requirements for CA Intermediate Level or Final Level exam:

A candidate may appear either in Group I or Group II separately or simultaneously in both groups.

A candidate is declared to have passed in the exam, if he passes both groups of the exam.

A candidate is declared to have passed both the groups simultaneously if he secures at one sitting minimum 40% marks in a paper and a minimum of 50% total marks of all the papers of each group or both groups, put together.

A candidate is declared to have passed in Group I level or Group II level if he secures at one sitting, minimum 40% marks in a paper and a minimum of 50% total marks of all the papers of the Group/Unit.

4.8 Advanced ICITSS-Advanced IT Test:

Candidates are required to undergo the Advanced ICITSS-Advanced IT test, conducted by the Exam Dept. of ICAI, after completing the Advanced Information Technology component of the above-mentioned course.

Exam Dept. conducts the Advanced IT Test once in two months, in computer based mode, based on the requirements. It is an objective type test of two hours duration. It comprises 100 MCQs of one mark each. Candidates are required to answer all the questions.

A candidate shall be declared to have passed the test if he secures a minimum of 40% marks There is no negative marking for wrong answers.

Those who pass are given grades as follows:

85% and above=A+
70% to 84%=A
55% to 69%=B+
40%-54%=B

Statement of marks in respect of the Final exam contains a footnote stating that the candidate had passed the Advanced ICITSS in ….. Grade

4.9 Practical Training Test

ICAI assesses the students after completion of first and second year of practical training with on-line MCQ based tests.

These tests examine the knowledge gained by the students during the course of practical training and their ability to apply their subject specific skills while undergoing their training in that particular area.

The brief details about these tests are as below:

1. The test would be of 75 marks for 1st year students(Level I test) and of 100 marks for 2nd year students.(Level II Test)

2. The test is computer based and the duration of test would be 2 hours for Level I and 3 hours for Level II.

3. The students completing their 1st/ 2nd year of practical training in a particular quarter of a year would be eligible to register for the said test in the subsequent quarter.

4. Students will be assigned grades based on their performance in the assessments as below:

a. 80% and above – A grade
b. 60% and above but below 80% – B grade
c. 40% and above but below 60% – C grade
d. Below 40% – D grade

There would be no negative marking.

5. A student can appear in the particular test, two more times, in case he wants to improve his/ her grade by paying a nominal fee. The best grade out of all the grades scored, would be taken for inclusion in the statement of marks.

6. The above test is conducted by BoS.

7. The latest grades obtained by the candidates are provided by BoS to the Exam Dept., before the date of declaration of Final result.

8. The average of both the levels will be calculated for inclusion in the statement of marks if the student is eligible for both the levels, else only second level grade will be taken. Grades obtained by the candidates are printed as a footnote in the statement of marks issued to those

candidates who pass Final examination in toto, either by passing both the groups in that exam or by passing one group in that exam and one group from history. This is being carried out since November 2018 exams. If a student does not appear in these tests and clears CA Final examination, “Did not appear in practical training assessment” will be mentioned as a footnote in the last statement of marks issued by ICAI.

4.10 Growth in volumes

The number of candidates who are admitted to the exam has gone up several fold in the last 8-10 years. About 4,00,000 candidates are admitted to the exam, every half year.

Correspondingly, the scale of operations across the spectrum of examination activities has moved up, with the increase in the number of exam centres, examiners, answer books, observers, checkers, requests for verification and supply of certified copies etc.

CA Main exams are now being held at over 500 exam centres spread across 212 cities including 5 cities abroad. It may be noted that the centres are spread all across India and most of them are in rural and semi urban areas. More significantly, the new exam centres opened are in small towns in interior areas promoting the course amongst female students.

It may be pertinent to note that the entire exams are held at the same time, on the same day, simultaneously all across India and abroad, with a common question paper. Further, it may be noted that the exams continue to be held in the first fortnight of May and November for the past several decades and results thereof continue to be declared in the following July/January.

It is also noticed that given the vast network of exam centres across the country where CA exams are held simultaneously at the same time, in some areas where exams could not be held due to earthquake or elections or rains/heavy flooding or other local disturbances, special exams are also required to be held from time to time in those areas.

Further, exams under the Old as well as the New Scheme of Education are being held concurrently at present.

4.11 Robust practices:

4.11.1 Declaration of “Conflict of Interest”

Every exam functionary from Exam Committee members to staff, exam centre functionaries, examiners, observers, checkers etc are required to declare “Conflict of Interest”, if any, in exam operations, before commencement of every exam. Those who declare “conflict of interest” in an exam are not permitted to participate in the activities relating to the exam in which they have declared “conflict of interest”.

The definition of “relative” for this purpose, is as follows:

> *The term ‘relative” for the purpose of examination shall include in relation to an individual, the wife, husband, son, daughter, daughter in law, daughter, son in law, grandson, granddaughter, brother, brother’s wife, brother’s son, brother’s daughter,*

sister, sister's husband, sister's son, sister's daughter, wife's brother, wife's sister and husband's brother and husband's sister."

4.11.2 Coding of all answer books:

Upon receipt of answer books from the exam centres, a dummy number, randomly generated by the system is written/printed on them and the roll number portion on the cover page of the answer book is torn off, before they are sent for evaluation. This ensures that the identity of the candidate and his centre is kept confidential during the entire processing cycle. Further, it also ensures that answer books get shuffled on an all India basis. Thus an examiner gets to evaluate answer books drawn from all over India and hence the possibility of centre/region bias is eliminated.

4.11.3 Question Papers:

Paper setting process is handled in confidence and has several layers of controls.

Question papers do not contain the name or logo of the Institute nor the level of the exam or the subject or paper number. They are coded and handled with utmost care and are kept in safe custody of banks. Question paper packets are opened only about half an hour before commencement of exam

4.11.4 Board of Studies and the Examination activity:

Inputs of Board of Studies are well integrated into the exam system wherever required. However, the academic wing of the Institute, remains distinct from examination activity.

4.11.5 Multiple levels of controls:

Evaluation of answer books goes through several levels of quality control check. Internal processing of results and post result activities have several in-built controls.

4.11.6 Feedback:

Students have the option of submitting their feedback on the question paper, after the exams are over, within a certain time frame. Their feedback is taken into consideration at the appropriate level in the exam process.

4.12 Stakeholder's Concerns about Present Structure

The above mentioned structure of examination to prepare one as chartered accountant is also questioned from time to time on the following grounds:

- Substantial number of students failed at different stages of examinations. Failure ratio is high.
- Examination process is not transparent. Model solution and marking scheme based on which evaluation is carried out are not disclosed. MCQs and their answer keys are not disclosed.
- Quality of evaluation is poor. Correct answers are marked wrong or they are awarded less marks than they deserve.

- ICAI does not allow re-evaluation.
- Those who have failed even after spending five to six years and in some cases more than that had no academic recognition in the eyes of recruiters to get a job or to do something else.
- This leads to lot of frustration and anxiety and sometimes that becomes a cause of depression among students.
- A large number of those who pass CA Final seek jobs and opt for other options which are either not very lucrative or not available at all.
- Exam system fails to serve the needs of social justice.

Chapter 5

Structure of the question paper

5.1 What makes Good Test Questions?

Good test questions should test more than the ability of the candidate to recall isolated facts. They should test the ability to observe, experiment and interpret, understand concepts and draw reasoned conclusions and use knowledge and skills to solve problems and make decisions in new situations and contexts both in and out of the profession. Good test questions require the mastery of knowledge and skills that when applied in everyday life improve the quality of life and help families use their limited resources better. Anthony Somerset suggests criteria for enabling an examination agency to design the right balance of test questions:

- Most questions should require students to restructure information rather than simply reproduce it
- Many questions should require candidates to understand and use information they have not seen before, in new situations and contexts.
- Knowledge based questions drawn from the official curriculum should test understanding of causes or consequences of interventions rather than familiarity with specific facts. Questions should ask “why,” “how,” rather than “who,” “when,” “where,” and,” what”. Tests should emphasize understanding the world as a prerequisite to changing it.
- The knowledge elicited should require integrating existing and new knowledge explicitly related to the competent performance of some target behavior.
- Questions should allow a range of responses. Questions should allow students to go well beyond the threshold requirements if they are able to.
- Questions should allow a range of responses from students to test pervasive skills.
- For higher-level learning outcomes, questions should require students to discern the critical aspects of problems and issues for themselves and not be identified in the wordings of the questions (Bowden and Marton 1998; Boyd and Falchikov 2006).
- Questions should allow students to demonstrate that they have achieved the relevant learning outcomes.
- Offering a choice of questions reduces the reliability of the grades because it is very difficult to write equally challenging questions. In relation to essays, it may be more appropriate to set one core question but ask students to answer it in relation to one of a choice of topics, cases, or problems.
- When an examination is given in languages other than the mother tongue, test designers should carefully monitor questions for language loading. Test questions should not contain idiomatic expressions or the use of “registers” not accessible to all.
- A good test should possess not only validity and reliability but also objectivity, comprehensiveness, discriminating power, practicability, comparability and also utility (Shohamy 1993). A test is to be said objective if it is free from personal biases in interpreting its scope as well as in scoring the responses. It can be increased by using more objective type test items and the answers are scored according to model answers provided. A test should be based on pre-determined objectives. A test setter should have definite idea about the objective behind each item (Shohamy 1993). The test should cover the whole syllabus; due importance should be given to all the relevant learning materials and a test should cover all the anticipated objectives.

Validity is the degree to which the test measures what it is to be measured. Reliability of a test refers to the degree of consistency which it measures what is intended to measure. A test may be reliable but need not be valid. This is because it may yield consistent scores but these scores need not be representing what is exactly measured what we want to measure (Shohamy 2001).

- Discriminating power of the test is its power to discriminate between the upper and lower groups who took the test. The test should have questions of different difficulty levels. Practicality of the test depends on administrative, scoring, interpretative ease and economy. A test possesses comparability when scores resulting from its use can be interpreted in terms of a common base that has a natural or accepted meaning. A test has utility if it provides the test condition that would facilitate realization of the purpose for which it is meant. Educators believe that every measurement device should possess certain qualities. Perhaps the two most common technical concepts in measurement are reliability and validity (Weir 2005). Any kind of assessment, whether traditional or "authentic", must be developed in a way that gives the assessor accurate information about the performance of the individual (Weir 2005). At one extreme, we wouldn't have an individual paint a picture if we wanted to assess writing skills. A test of high validity has to be reliable also for the score will be consistent in both cases. A valid test is also a reliable test, but a reliable test may not be a valid one (Shohamy 2001).
- Good test should measure mastery of knowledge and skills rather than mastery of language of the test
- Though they are not expensive, some proportion of the questions should be open ended (short answer, long answer questions). Candidates should generate answers as well as select them. In the world outside of profession, one is rarely presented with possible solutions to a problem from which to choose the correct response.
- Some questions should test the creative, imaginative skills of learners – that is, based on giving an unusual response, despite the problems associated with marking such responses.
- An effective way to ensure that questions are well written is to subject them to internal scrutiny. Discussion of questions among colleagues can highlight ambiguous and overcomplicated questions and is generally considered good practice.
- Consider alternative question format which reduce emphasis on memory and make higher-level academic demands. We need less dependence on rote learning, repetitive tests and a ‘one size fits all’ type of instruction and more on engaged learning, discovery through experiences, differentiated teaching, the learning of life-long skills, and the building of character, so that students can... develop the attributes, mindsets, character and values for future success (Ng, 2008).
- Avoid narrowly technical questions, or those closely aligned to the study material, [which] allow weaknesses in understanding to be disguised, as students may just reproduce material from the same.
- Do not have a choice of questions. Either set a number of short-answer questions which cover the syllabus or set fewer long-answer questions which encourage students to draw on material across the module. An alternative is a suggestion that lower-order knowledge and comprehension should be comprehensively tested and involve no choice, whereas higher-order skills ‘can be exhibited with any basic knowledge’ and therefore students can be given a choice. Thus, an examination paper might include a range of compulsory short-answer or multiple-choice questions followed by a choice of essay-type questions, the latter focusing on key concepts or application of knowledge.

- If students are allowed to bring notes to the examination (for example, for a seen paper or where they have had materials in advance), limit the amount by number of words, not number of pages. Otherwise, students will cram thousands of words onto a page. Ask for the notes to be handed in the day before so that they can be checked for word length.
- If disabled students or those with specific learning difficulties have been recommended extra time in an examination, it may also be a reasonable adjustment to provide them with the same proportion of extra time for preparing a seen paper or advance materials.

Preparation of students for examinations is essential. Elton and Johnston (2002) discuss how 'operational' words used in examinations, such as discuss, analyze and explain etc, can have different tacit meanings for assessors and students if their definition in that context is not clarified. Examination techniques are also vital to success and should be made known to the students.

5.2 Reformatting Question Paper

A candidate's score on any given paper is the result of interactions amongst the questions set, the ability of the candidate and a variety of other factors which may affect a candidate's performance. However, if the presentation of the paper misleads candidates, causing them to respond inappropriately, then we cannot be sure that the paper is accurately assessing candidates in terms of ability in the given topic.

In high stakes examinations, candidates are under pressure to perform well and this heightens their test anxiety. Anxiety can lead to candidates becoming easily confused and increases the likelihood of making mistakes in the exam; for example, candidates commonly misread questions in exam situations (Mulkey & O'Neil, 1999). One of the simplest approaches to preventing this is to present the paper in the clearest possible format.

Font: Research has shown that some typesets are better than others. Arial and Comic typeface are preferred to Times New Roman for on-screen reading and it has been argued that these fonts are more accessible to children as they resemble children's handwriting and are less formal than Times New Roman (Bernard, Chaparro, Mills, & Halcomb, 2002; 2003).

Response Space: The format of the provision for candidates' responses has also been shown to affect exam performance. In general, candidates achieve better marks, write longer and fuller answers and are more precise when using combined booklets compared to separate booklets. Candidates have reported that combined booklets encouraged them to answer questions and provided some guidance regarding the length and depth of the expected response (Crisp, 2008). However, candidates have reported running out of space for long-answer questions when using combined booklets (Crisp 2008). The logical solution to this problem is to simply provide more lines; yet providing more lines may result in some candidates wasting time writing longer answers than required (Crisp, Sweiry, Ahmed, & Pollitt, 2002).

Stimuli: Stimuli can influence candidates' interpretation of the questions (Fisher-Hoch, Hughes, & Bramley, 1997). Images have many benefits, such as making the abstract more concrete, motivating students to respond and making the paper seem less daunting (Crisp & Sweiry, 2006; Johnson, 2004). On the other hand, Pollitt and Ahmed (2000) found that candidates lost marks by trying to make images relevant for questions where the image was intended to provide context but was not required in the candidate's response.

Layout: The location of information on the page is significant; research into memory suggests that information which is accessed first and last is most reliably recalled from short term memory (Feigenbaum & Simon, 1962; Murdock, 1962; Wiswede, Russeler, & Munte, 2007). With this in mind, important information may be best placed at the beginning, with the task instruction placed at the end. Crisp's (2008) interviewees reported that the proximity of the response space to the questions helped them respond specifically to the question asked. Having the question close to where candidates write their answer reduces the need to remember the question, which may explain why Crisp's participants found this to be helpful.

Type and Order of Questions: A paper's structure is a function of the type and order of the questions within it. Certain types of question are more likely to be successful at assessing some skills than others. For example, essay-based questions are historically thought to be better at assessing divergent skills, whereas multiple-choice questions are considered better at assessing breadth of subject knowledge (O'Donovan, 2005). If a paper is constructed entirely from one type of question, there is a danger that the paper will have a systematic bias.

The structure of the paper will vary with question order and there is a consistent finding in the literature that an easy-to-hard question arrangement results in better performance than a hard-to-easy question arrangement (Leary & Dorans, 1985). Anxiety may play a role in this, in that difficult questions at the beginning of an exam could heighten anxiety levels and reduce exam performance (Mulkey & O'Neil, 1999). Equally, candidates answer questions sequentially, therefore poorer candidates may run out of time, or become fatigued, and not pick up marks for easier questions placed at the end of a paper (Wilmut, 1980a).

Predictability: Some specifications maintain a fixed structure to their exams year on year, where similar questions to earlier years appear in the same predictable order as previous papers; frequently this is the case for exam papers which are organized by task type. Candidates often spend a significant amount of time preparing for examinations, using past papers to practice, and being instructed on the best ways to respond (Baird et al., 2009; Broekkamp, Van Hout-Wolters, Van den Bergh, & Rijlaarsdam, 2004). The dominance of past papers in candidates' revision strategies means that they often expect the questions in the exam to be like those of previous years (Baird et al., 2009).

Candidates develop schema: a pre-defined framework of what topics the paper will include, the way in which the questions will be asked and the kinds of responses that will be required. Exam papers which maintain a fixed structure are likely to encourage this type of examination preparation and activate candidates' exam schemas during the exam. The more familiar the style of the paper, the stronger a schema is evoked (Crisp et al., 2002). These expectations can help candidates to reduce anxiety and uncertainty and successfully navigate the paper; however, expectations can become problematic if the questions do not fit the candidate's schema. In such cases, the schema can interfere with the processing of the question, resulting in candidates answering the questions they were expecting to find rather than the questions which are actually in front of them (Crisp et al., 2008). Baird et al. (2009) provided an alternative explanation for candidates inappropriately responding to questions.

Interviews were conducted with post A-level exam candidates who reported preparing answers as part of their exam preparation. Baird et al. (2009) concluded that some candidates prepared their responses to such a degree that they were unable to respond to anything unexpected. In such cases, the continuation of exam predictability is encouraging examination preparation techniques that are inflexible. Whilst the evidence discussed so far refers to the individual questions, the findings might extend to the overall paper structure; papers which follow the same structure year on year are likely to encourage the exam preparation discussed in Baird et al (2009).

The negative impact of predictability needs to be weighed up against the negative impact on candidates if the paper structure were to change dramatically year on year. If the paper structure were to change suddenly then a form of construct-irrelevant variance may be introduced. The exam will no longer be just assessing candidates' ability in a given subject, it will also be assessing candidates' ability to respond to a novel exam format. **An element of predictability in exam structures is therefore desirable and a careful balance must be maintained (Baird et al. 2009).**

***Optional Questions*:** Optional questions were introduced in acknowledgment of the fact that different questions suited different candidates. The rationale behind the introduction of optional questions was to facilitate educational gain through allowing teachers to teach their specialties, and candidates to pick questions which best showed their ability (Willmott & Hall, 1975). Indeed, Johnson's (2004) research into optional questions found that candidates liked question choice; they reported that they liked to be able to pick the question that suited them. More recently, Eason (2006) conducted a survey with centers which offered GCE Geography to determine which factors influenced their decision to choose an awarding body. The feedback from the survey indicated that the option of choice was highly influential to their decision making; centers like specifications which offer a choice of topics.

There are, however, drawbacks to using optional questions. **It is almost impossible to write optional questions of precisely the same difficulty and this can lead to problems for comparability.** Taylor's (2009) research illustrates how hard it is to write comparable optional questions. A Rasch analysis was conducted on a GCSE English paper containing optional questions. The questions were carefully selected so as to assess the same skills and to be of equal difficulty. The analysis revealed that whilst the examiners had ensured that the optional questions were of equal difficulty in terms of communication and organization, the difficulty of the questions differed in terms of sentence structure, punctuation and spelling. This was not expected given that the marks are awarded for the same construct using the same criteria. This example demonstrates that the **difficulty of optional questions is unpredictable even to experienced examiners** (Taylor, 2009).

Optional questions were introduced on the assumption that candidates will be able to select the questions which they are best equipped to answer. However, **research has shown that candidates attempt questions sequentially; often selecting the first question that they can answer rather than assessing all of the options** (Wilmut, 1980a). Research into planned behavior suggests that this could be due to candidates having too much choice. In situations **where people are faced with a high level of choice, they are hindered from making optimal choice decisions;** they struggle to cope with the amount of information and therefore are less likely to make fully informed decisions (Ajzen, & Fishbein, 1980 cited in Parkinson, 2009).

Equally, several studies have shown that more able candidates are slightly better at picking easier questions than less able candidates (Willmott & Hall, 1975; Francis, 1977a; Wilmut, 1980a). Still, in cases where **optional questions are used, question choice appears to affect outcome.** Willmott and Hall (1975) demonstrated that the final scores on a biology examination could vary by as much as 5 to 7.5 per cent of the total marks due simply to question selection. Candidates taking exams with optional questions also encounter the added stress of having to choose between them (Baird et al., 2009; Francis, 1977b). Whilst optional questions are desired by centers and candidates alike, careful consideration needs to be given as to how to fairly award candidates' grade.

The research suggests that presentational and structural considerations affect candidates' performance. If candidates misread questions, misinterpret the requirements of the given task, or miss questions which they are capable of answering due to either presentation or placement in the paper, then the paper is no longer accurately assessing ability. If the types of questions in the paper favor certain candidates over others then the paper is also assessing the candidates' ability at answering a given question type. If candidates' performance is affected by which optional questions they choose to answer, then the paper is also assessing the candidates' ability to select suitable questions. **If the paper is no longer solely assessing what it is intended to assess, then it loses validity.** An examination paper is not simply as good as the questions within it; **presentation and structure make it greater than the sum of its parts.**

5.3 Assessment Tools to Test Level of Competence

The choice of assessment tools should be based on the learning outcomes one wants to test. Below are some possible exam formats that can be combined to create a well-balanced approach to testing, along with some basic guidelines for using each format.

- Multiple-choice exams are the most difficult to construct well, but can be used to measure both information recognition and concept application. If paper setter uses this format, consider writing questions throughout the quarter, while the lectures and material are fresh in their mind.
- Completion questions test for recall of key terms and concepts. If paper setter uses completion questions, be willing to accept reasonable alternative answers that he/she had not considered prior to giving the exam.
- Matching questions are useful for testing recognition of the relationships between pairs of words or between words and definitions. Supply enough answer choices so that students cannot guess simply by the process of elimination.
- Short-answer questions help test information recall and analytic skills. They achieve similar goals as multiple-choice questions, but require students to recall and not just recognize, correct answers. If you use a short-answer format, make questions specific enough that students can confidently answer the question in the allotted space.
- Essay tests give students a chance to organize, evaluate, and think, and therefore often have the best educational value. They are, however, the hardest to grade. Make sure the evaluators have the time and stamina to grade essay exams well. They should discuss the criteria for their evaluation with their fellow evaluators before the test is given.

5.4 Current Pattern of the question paper of CA exams
5.4.1 Duration of the exam:

Duration of the exam is 3 hours for all papers except the following:

- Duration of the exam in respect of Papers 3 and 4 of Foundation Exam is 2 hours.
- Duration of the exam is 4 hours in respect of Paper 6 of Final(New), which is a case study based paper held on open book methodology.

5.4.2 Descriptive papers:

Broadly, the question paper comprises 6 questions out of which question No. 1 is compulsory and the candidate is required to answer any 4 of the rest.

There is also an internal choice in one of the 4 non-compulsory questions.

5.4.3 Objective type papers:

Papers 3 and 4 of Foundation Exam are objective type papers. Each of the said papers comprise 100 Multiple Choice Questions(MCQ)s of 1 mark each. Candidates are required to answer all the MCQs. There are no optional question in the said papers. There is negative marking to the tune of 0.25 mark for each wrong answer.

In these papers, question papers comprise 4 sets. Seating arrangement of the candidates in the exam hall is such that no two adjacent students get the same set of the question paper.

MCQs are to be answered in OMR answer sheets, by darkening the response circle against the question number.

Examinees are required to submit the MCQ paper and the OMR answer sheet in respect of Paper 3 and 4 of Foundation course, to the invigilator before leaving the exam hall, after the conclusion of the exam.

5.4.4 Composite papers:

MCQs have been introduced in the following papers of Intermediate and Final Examinations both under the old and the new syllabus, w.e.f May 2019.

Intermediate (New)		**Intermediate (IPCE)-Old**	
Paper	Subject	Paper	Subject
2	Corporate and Other Laws	2	Business Laws, Ethics and Communication
4.	Taxation	4.	Taxation
6.	Auditing and Assurance	6.	Auditing and Assurance
7.	Enterprise Information System and Strategic Management	7.	Information Technology and Strategic Management

Final (New)		Final (Old)	
Paper	Subject	Paper	Subject
3	Advanced Auditing and Professional Ethics	3	Advanced Auditing and Professional Ethics
4	Corporate and Economic Laws	4	Corporate and Allied Laws
		6	Information Systems Control and Audit
7	Direct Tax Laws and International Taxation	7.	Direct Tax Laws
8.	Indirect Taxes	8.	Indirect Taxes Laws

The first exam in composite papers was held in May 2019.

MCQ component is to the tune of 30 marks in each of the composite papers. Questions may be of one mark or two marks. Candidates are not required to give any reasoning for their answers. There is no negative marking for wrong answers. MCQs are to be answered in OMR answer sheets.

There is no segregation of time between the objective component and the descriptive type components of composite papers.

Examinees are required to submit the MCQ paper, OMR answer sheet and the answer book in respect of the descriptive paper, to the invigilator, before leaving the exam hall, after the conclusion of the exam, in the composite papers.

5.4.5 Open book exam in the elective subjects of Paper 6 of Final (New) course

ICAI had introduced elective subjects in Paper 6 in the CA Final (New) course exam from May 2018 exam and onwards, which is being held on open book methodology. Candidates are permitted to bring their own material to the exam hall and consult them for answering the questions in the exam. Such material may include study materials, practice manuals, revisionary test papers supplied by ICAI, text books, bare Acts, notes by students or any other reference material.

With effect from November 2019 exams, the structure of the question paper of Paper 6 of Final (New) is as follows:

It contains five case studies of 25 marks each out of which a candidate has to attempt any four. In each case study, there are MCQs to the tune of 10 marks and descriptive questions to the tune of 15 marks.

In this paper, question paper is the same for all candidates. There are no sets as in the case of 100% MCQ papers. Seating arrangements of candidates in the exam hall in this paper are the same as in the case of other descriptive papers.

There is no negative marking for wrong answers in MCQs and no reasoning for answers to the MCQs would be required.

Both the MCQs and the descriptive questions flow from the case study.

MCQs are to be answered in OMR answer sheets and the descriptive answers in the traditional descriptive answer books. Candidates are allowed to take the MCQ paper and the descriptive question paper with them after the conclusion of the exam.

5.4.6 Practical training test:

Pattern of the paper in this regard is as follows:

Level I: (75 marks)

Compulsory/ Optional	Marks	Modules	No. of questions	Marks per Qn.
Compulsory	50	Accounting and Auditing (including corporate laws and current affairs)	50	1
Optional	25	Direct Tax	25	1
Optional	25	Indirect Tax	25	1
Optional	25	Internal Audit	25	1

Note: A candidate is required to choose any one of the optional modules.

Level II: (100 marks)

Compulsory/ Optional	Marks	Modules	No. of questions	Marks per Qn.
Compulsory	50	Accounting and Auditing (including corporate laws and current affairs)	30 10	1 2
Optional	25	Direct Tax including international taxation	5 15	2 1
Optional	25	Indirect Tax	5 15	2 1
Optional	25	Internal Audit	5 15	2 1

Note: Includes A candidate is required to choose any two of the optional modules.

5.5 Paper setting process and concerns of the stakeholders

Committee noted the current paper setting process. It also noted the concerns expressed by the stakeholders, which included the following:

- Sometimes, there are errors in the question papers.
- Sometimes, questions are picked up from the Study Materials, Practice Manuals and question papers of the earlier exams.
- Sometimes the question paper is long and not possible to complete within the given time.
- Marks allocated to a question are not commensurate with the time and efforts involved in solving them.
- Case study questions are not structured properly.

- In some of the MCQs, none of the given options is correct.
- Difficulty level is not consistent across exams.
- Difficulty level across the elective subjects in Final New

Chapter 6

Evaluation Process

6.1 Assessment and Students' Performance

Most students undergo some stress in relation to assessment, but few suffer from severe psychological difficulty (Heywood 2000). Indeed, as Heywood (2000: 149) asserts, a level of stress 'would appear to be essential for learning'. Nevertheless, anxiety provoked by assessment can encourage students to adopt surface approaches to learning (Rust 2002) and make them less likely to take a deep approach (Fransson 1977). There is particular evidence of stress associated with examinations (Falchikov 2005), with students generally preferring coursework (Gibbs and Simpson 2004–5), although there is support for the view that size and volume of tasks can act as stress factors (Sarros and Densten 1989). Heywood (2000) argues that preparation for assessment is a necessary response to reducing anxiety, supported by research showing that improving students' understanding of goals and standards is associated with enhanced achievement (Rust et al. 2003), particularly with unfamiliar forms of assessment (Hounsellet al. 2006). Themes in assessment are as follows:

- Assessment strongly influences students' learning, including what they study, when they study, how much work they do and the approach they take to their learning.
- The type of assessment influences the quality and amount of learning achieved by students.
- Poorly designed assessment can lead to students developing limited conceptual understanding of the material, although the limitations of the assessment tool and process may mask this failure.
- Well-designed assessment is likely to be intrinsically motivating for students and lead to better retention of material which the students can apply in other settings.
- Students' prior experience of learning and perceptions of assessment may override attempts by lecturers to change their approach to learning, and they should be helped to a better understanding of assessment tasks.
- Assessment tasks may not be assessing what we think they are assessing, they may be assessing lower-level material and may be failing to assess the stated outcomes of a programme of study.
- Anxiety-provoking assessment is associated with a surface approach to learning by students
- Feedback is the most important aspect of the assessment process for raising achievement, yet currently students express considerable dissatisfaction with much feedback and it does not always impact on their learning.
- Self- and peer assessment are crucial elements of helping students to learn from their assessment and become more autonomous learners.
- Feedback should inform tutors' teaching and support strategies as well as student activity.

6.2 General Principles of Assessment

As assessment is central to the recognition of achievement, quality of assessment is critical to the provision of credible certification. Credibility in assessment is assured through the application of the following principles:

Validity	Assessments should measure what they purport to measure and should align with the programme and module' s learning outcomes.
Reliability	Assessment tasks should generate comparable grades across time, across markers and across methods
Effectiveness	Assessment tasks should be designed to encourage good quality "deep" approaches to learning in the students and where appropriate, evidence of competence/fitness to practice
Comparability and consistency	There should be consistent and comparable approaches to the summative assessment requirements of awards of the same level across programmes and institutions.
Equity and diversity	All students should have opportunity to effectively demonstrate their learning and should have opportunity to be assessed by different methods across a programme/subject major.
Practicability and efficiency	Assessment tasks should be practical for both staff and students in terms of the time needed for completion and marking and they should be cost effective.
Transparency	Information, guidance, assessment criteria, rules and regulations on assessment should be clear, accurate, consistent and accessible to all students, staff and examiners.
Attribution	Assessment tasks should generate clear evidence that the work has been produced by the candidate.

6.3 Instruments of Students' Evaluation

The key players and instruments of effective and objective evaluation of students are: examiners, model answers, Marking scheme, moderation criteria and suggested answers. Role and relevance of each of them are explained in the following paragraphs.

6.3.1 Examiners

It has to be ensured that the Examiners who make the valuation of answer papers are really equipped for the job. The paramount consideration in such cases is the ability of the Examiner. An Examination body has bounden duty to select such persons as Examiners who have the capacity, capability to make evaluation and they should really equip for the job. Otherwise, the very purpose of evaluation of answer papers would be frustrated. Nothing should be left to show even an apprehension about lack of fair assessment. It is true that evaluation of two persons cannot be equal on golden scales, but wide variation would affect credibility of the system of valuation. If for the same answer one candidate gets higher marks than another that would be arbitrary. As indicated above, the scope for interference in matters of evaluation of answer papers is very limited. Care should be taken to see that the Examiners who have been appointed for a particular subject belong to the same Faculty.

The valuation should be done by an Examiner who is well equipped in the subject. That would rule out the chance of variation or improper valuation. An examination body should ensure that anomalous situations as pointed out above do not occur. Additional steps should be taken for assessing the capacity of a teacher before he is appointed as an Examiner. The Chief Examiner is supposed to act as a safety-valve in the matter of proper assessment.

One thing which cannot be lost sight of is the marginal difference of marks which decide the placement of candidates in the merit list or destroy the career.

6.3.2 Writing assessment criteria and standards

Although the term 'assessment criteria' is sometimes used broadly (Gosling and Moon 2002), Sadler (2005) argues that it is important to distinguish assessment criteria from assessment standards. Criteria are the aspects of an assessment task which the assessor will take into account when making their judgement. These are likely to be specific to individual tasks and might include such things as quality of argument, use of evidence and presentation. Standards, on the other hand, refer to a level of attainment established by authority, custom or consensus (Sadler 2005: 189). Institutions or departments often provide 'grade descriptors' which attempt to set out the standards for achieving different grades. Marking schemes combine criteria with standards by providing the details about how performance in each of the criteria will be graded.

Assessment criteria may focus solely on the learning outcomes to be demonstrated, but they are likely also to include relevant generic attributes such as structure, presentation or use of source material. The following is a list of points to consider when devising assessment criteria:

- Ensure Institutional criteria flows directly from the learning outcomes being assessed.
- Ensure the criteria reflect the level of the students' course.
- Revise the criteria in discussion with other evaluators to help ensure that they reflect the real basis on which staff make their judgements. If the range of sources and quality of English are important, make this explicit to students. This process may help evaluators to realize that undue weightage is being placed on lower-level skills such as presentation or accurate referencing.
- Remember that clarifying assessment criteria is just as important for examinations as for coursework. For example, in an examination, quality of grammar, spelling and presentation may not be as important as quality of content.
- Provide clear, concise criteria which help in writing feedback to students.
- Avoid too many overly specific (checklist-type) assessment criteria which make marking very time-consuming and may take away students' freedom to show learning beyond those areas, limiting the spread of performance.
- Remember that specifying too much detail may appear to 'give the answers away' and encourage students to take a mechanistic approach to meeting the criteria.
- Students consider that clarity and openness are fundamental elements of a fair and valid assessment system (Sambell et al. 1997
- Assessment criteria identify what aspects of an assignment or examination will be assessed and thus, what students should focus their attention on. These provide important cues for students particularly if the Institute uses active methods to help them more fully understand the criteria and standards.
- Marking schemes complement assessment criteria by outlining what standards students need to meet in each of the criteria, both at threshold level and at higher grades. They provide the basis for students to improve their grades particularly if feedback comments link directly to the scheme. If evaluators are using department or institution-wide grade descriptors as their marking scheme, it may be worth

reproducing them in every module handbook rather than assuming students will refer to a programme handbook or student guide (Bloxham and West 2007).

- As Dunn et al. (2004) argue, careful wording of assignment instructions and guidance can provide appropriate and timely cues for students. Therefore, it is suggested that ICAI should:

  1. Provide a rationale for the type of assessment the Institute is using;
  2. Explain the terms Institute use – for example, if Institute asks students to ‘analyze’, ‘evaluate’ or ‘identify’, define what you mean as it is likely to differ in other learning contexts;
  3. Explain the form required – for example, if the Institute is asking for a lab report, a portfolio, an essay or a reflective journal, the Institute should set out the purpose of the assessment mode, how it should be presented, appropriate genre, “voice” (should they use ‘I’?) and register;
  4. Suggest methods for approaching the task, such as essay-writing advice. They also suggest that too much information is counterproductive and to a certain extent, this is supported by the evidence that over-specification of detail can encourage a mechanistic approach in students. Undoubtedly, there is a fine balance here. Dunn et al. ’s (2004) solution is to decide what is important for the students’ stage in the programme and focus on providing information in one or two developmental areas with any given assignment.

6.3.3 Marking schemes

A marking scheme alternatively known as a rubric for an assignment or examination combines the assessment criteria for the task with the appropriate standards (for example, from a set of grade descriptors) and provides the detail about how performance in each of the criteria will be graded.

It is the view of the QAA (2006c) that clear, public marking criteria and marking schemes are important in ensuring that marking is carried out fairly and consistently across all disciplines. Although they are not the universal panacea to accurate marking, they do have a number of important benefits:

- They give confidence and guidance to novice markers and help them become part of an assessment community more quickly (Ecclestone 2001).
- They provide guidance for experienced markers who may have developed inaccurate marking practices (Ecclestone 2001).
- They provide the starting point for staff discussion about marking.
- Staff consider them more reliable and valid than the percentage scale approach (Hornby 2003).
- They help individual markers feel that they are being more consistent in their marking (Price and Rust 1999).
- They have some standardizing effect on marking across multiple markers (Newstead and Dennis 1994; Bair et al. 2004), and at lower levels of education this was found to be particularly true with the use of model answers and trained assessors (Heywood 2000).
- They provide a public language and terminology for assessment requirements.
- They provide an infrastructure to defend and support marking decisions (Swann and Ecclestone 1999a).

- They make outcomes more transparent to students (Swann and Ecclestone 1999a; Gosling and Moon 2002; Hornby 2003) and students value them (Granleese 1996; Price and Rust 1999).
- They have a diagnostic value for students (Sadler 2005), providing a guide to learning (Baume et al. 2004) and improving achievement (Price and Rust 1999).
- They can speed up marking and make it easier to write feedback (Price and Rust 1999).

On the other hand, problems regarding marking schemes, grade descriptors and criteria include the following:

- It is difficult to change marking habits (Ecclestone 2001) and therefore judgements will be made possibly in contradiction of explicit marking guidance.
- Staff ignore them or choose not to adopt them (Price and Rust 1999; Ecclestone 2001; Smith and Coombe 2006).
- Staff struggle to understand the terms used (Price and Rust 1999).
- Assessors may not understand or agree with the outcomes they are judging (Baume et al. 2004).
- Generic standards are not seen as robust by staff, creating difficulty in applying them to a specific module (Price 2005).
- There is a risk that explicitly stating standards has the effect of raising them (Price and Rust 1999; Baumeet al. 2004).

The aforementioned evidence suggests that these devices have some value and perhaps more importantly, are seen to have value by staff and students. And although our ability to describe and communicate criteria and standards in such a way that they are amenable to standardization between markers remains doubtful (Ecclestone 2001), training staff with marking schemes can reduce marking differences even if it cannot eliminate them (Baird et al. 2004). Overall, it is difficult to see how any argument for consistency and fairness can be put forward if at least minimum criteria and standards are not in place. Ecclestone (2001: 312) makes the important point that they 'encourage staff to take moderation activities seriously since they provide an explicit reminder of the agreed public standards about fairness and rigor'.

6.3.4 Writing marking schemes

Marking schemes should be devised at the same time as the assignment or examination is written (Partington 1994). A scheme should clearly identify the criteria by which the task will be judged as one dimension, with the grading scheme as the other dimension. The individual 'descriptors' in each cell are indicators of how the criteria are demonstrated at different levels to achieve higher or lower grades.

Research suggests that assessors are able to state the reasons for the judgements they make in marking (Baume et al. 2004), and therefore the easiest way to create a marking scheme is inductively, using work that has been marked or from a model answer you have written yourself (Race 2003) and then teasing out the substantive reasons for deciding on different marks – in other words, abstracting the standards from real judgements, then clarifying and codifying them into a marking scheme (Sadler 2005).

Caution is advised in relation to over-specification in marking schemes because detailed criteria can encourage a mechanistic, mark-oriented approach in students which can work against students seriously engaging with the learning process (Norton 2004). It may also prevent students being rewarded for difference and originality.

Woolf (2004) suggests that schemes should be written on a "sufficiency plus" basis, describing what is needed to achieve threshold grades and then what additional qualities are required for each higher grade. This contrasts with some marking schemes in which the descriptors are couched in negative terms, listing what is missing rather than what is present.

Writing a scheme in theory (perhaps determined by institutional or departmental grade descriptors) is one thing, but using it in practice can be very different. You will find that elements which you had not predicted emerge as important when you start applying the scheme to scripts. Race (2003) suggests that you should revise your marking scheme once you have seen how a few candidates are tackling the question in order to write an 'even better' scheme. However, in the interests of fairness to current students, it is better not to change the scheme for current work but to make notes so that the scheme can be adjusted for future assignments of a similar nature.

6.3.5 Model Answers and Evaluation Criteria

There are three important requirements for maintaining the quality of evaluation: reliability, validity and transparency (Van Berkel et al, 2014). To work on reliability, an exam body can design a model answer –also known as a response model, correction key or correction prescription - which allows evaluators to assess as accurately and objectively as possible. When there are several evaluators for the same exam a model answer is highly recommended: this creates a consensus on the criteria that must be used to assess and makes sure that everything is evaluated from the same point of view.

A model answer indicates which elements you should focus on during your assessment. Based on these **response elements or evaluation criteria,** evaluators indicate which students' answers get how much marks. The model answer also includes **the maximum score for each question** and (where appropriate and possible) the division of the maximum scores into **sub scores** (Van Berkel & Bax, 2014). Decide in advance whether evaluators want every response element or assessment criterion to carry its own weight or whether there are several different elements that will make up one rating point and whether there are certain elements with greater weight. They can also record in the model answer how you will deal with, for example:

- Partially correct answers and answers that you didn't think of in advance,
- Recurring errors (an earlier error that makes the rest of the answer wrong),
- Identical mistakes,
- Language or spelling errors,
- Whether there is the possibility that a score lower than zero can be obtained.

A model answer is intended as **a guideline** for the assessor and is best made during the formulation of the exam questions. Based on the students' responses evaluators can, if necessary, refine or modify the model answer. It may be useful to put the model answer to the test at the start of the assessment by, for example, taking a sample of some answer scripts and checking them with the key. In case it is necessary, evaluators can make adjustments in time. This is highly recommended, especially when evaluators are assessing as a team.

In practice, there are **different kinds of model answers**. Which type is best, depends on the type of assessment (and its questions) that evaluators wish to set? For some exams correct (response) elements or evaluation criteria can be formulated, the so-called 'model answers'. For other exams, e.g. in a paper (essay question) and design projects, it is more about describing those various aspects which should be taken into account throughout the assessment and the respective weights assigned to them, the so-called 'rubrics'. Importantly, the evaluation criteria used should include unambiguous formulations, should not overlap with one another and should be based on the learning objectives of the course.

6.3.6 Moderation

Moderation is a process for ensuring that grades / marks awarded are fair and reliable and that marking criteria have been applied consistently. Interestingly, while reliability is discussed in depth, ‘moderation’ as a term hardly surfaces in assessment texts for professional evaluators. This is probably a reflection of how mechanistic and “taken for granted” the activity is seen to be, failing to raise the passions associated with other aspects of assessment. Despite this, the effort to demonstrate fairness, reliability and consistency through moderation is expensive and diverts resources from more learning-related aspects of assessment (Gibbs 2006b). In fact, it may harm student learning, for example where it creates an undue delay in students receiving feedback.

Nonetheless, there are a number of benefits accruing from effective moderation which make it necessary even when each marker in the evaluation team has been provided with clearly stated assessment criteria and a marking scheme. These include improved reliability resulting from the opportunity to surface major differences in the interpretation of criteria and marking schemes, prevention of undue influence by “the predilections of the marker” (Partington 1994: 57) and mitigation against the influence of “hard” or “soft” markers.

In addition, transparent moderation procedures are likely to increase students’ confidence in marking and they provide “safety in numbers” (Partington 1994), giving staff confidence in dealing with students (Swann and Ecclestone 1999a). Finally, the process of seeing others’ marking and discussing marking decisions can have an important role in evaluator development and the creation of an assessment community among the marking team (Swann and Ecclestone 1999a). A number of circumstances make the process of moderation particularly important, including when:

- courses are delivered collaboratively and/or over a number of campuses;
- members of a marking team are newly appointed and inexperienced in assessment practices (Ecclestone 2001);
- there are multiple markers for a module (Price 2005);
- part-time markers are employed specifically for marking;
- practitioners contribute to or are involved in marking because of their professional expertise but are not experienced in higher education marking practices or standards;
- workload pressures mean that markers are fitting marking into a hectic, fragmented schedule.

6.3.7 Suggested Answers

There is a lot of misconception about Suggested Answers. Students start believing that suggested are "the answers" but in fact, Suggested Answers are indicative only and not exhaustive. These are only guidelines, not to be construed as complete answers. Suggested Answers do not constitute the basis for evaluation of the students' answers in the examination. They are prepared with a view to assist the students in their education. The students are expected to apply their knowledge and not blindly follow the Suggested Answers. The examiner will use his/her discretion (about quality of arguments, use of evidence, presentation, etc.) and award appropriate marks to the answers, if the approach followed is found valid and the answer is correct. Examiners may use their judgment in allotting marks to partly answered questions also.

6.4.0 Existing Evaluation system of ICAI:

6.4.1 Skill Assessment under the Revised Scheme of Education and Training

The Skill Assessment Specification for different subjects under the Revised Scheme of Education and Training demonstrates the progression in skills over different levels. Students are made aware of the level of skills which would be assessed in respect of each content area and can accordingly prepare for the examination. The assessment of professional skills progress from **"Level I - Knowledge and Comprehension"** to **"Level II - Application and Analysis" and Level III - Evaluation and Synthesis"** over different levels from Foundation to Final as depicted in the matrix.

Foundation	Intermediate	Final
		Evaluation and Synthesis
Application	Analysis and Application	Analysis and Application
Comprehension and Knowledge	Comprehension and Knowledge	Comprehension and Knowledge

The content development in respect of each content area in a subject has been synchronised with the skills which are to be assessed in respect of that content area. Resultantly, students are aware of the level of skills which would be assessed in respect of each content area and can accordingly prepare for the examination. The Blue Print for Skill Assessment under the Revised Scheme of Education and Training would, hence, ensure transparency in assessment, which is one of the principles of assessment laid down under Revised IES 6.

The Revised Scheme of Education and Training is, thus, IES compliant and incorporates good practices followed by international accountancy bodies. It is expected that the good practices incorporated in the Revised Scheme of Education and Training would go a long way in ensuring that emerging chartered accountants are professionally competent to assume newer responsibilities in a dynamic environment.

One significant feature of the New Scheme of education introduced in 2017 is that students are to be tested in terms of skill sets required at different levels of the exam.

Since May 2018 exam, in terms of the decision taken by the Council, weightage of topics in the question paper in terms of marks is hosted well in advance on the Knowledge Portal of the Board of Studies so that students can prepare accordingly.

Thus the assessment pattern is such that it tests the sufficiency of technical competence, professional skills and professional values, ethics and attitudes acquired during practical training.

6.4.2 Evaluation procedures:

ICAI has an elaborate system with established and time tested procedures for conducting examinations and takes utmost care in setting of examination papers, conducting the examinations, evaluating the answer books and all other matters pertaining to examinations.

All answer books are assigned a dummy number before they are sent for evaluation, with a view to eliminate any scope of bias or undue influence.

All exam functionaries are required to declare “Conflict of interest” if any, that they might have in an exam, before undertaking any exam related assignment. Those who declare “Conflict of interest” in an exam are not associated with any activity relating to that exam.

ICAI follows home evaluation model. Examiners are given one month’s time to evaluate the answer books. Answer books are sent to examiners at their location. Each examiner is attached to a HE/AHE for guidance.

If a candidate has answered more questions or parts of a question than what he is required to answer, examiner is required to evaluate all the answers. The answer which carries the least marks is to be reckoned as the extra answer and marks awarded thereon are ignored.

6.4.3 Panel of examiners

ICAI maintains a paper wise panel of examiners in all the subjects of the three levels of the exams. ICAI with seven decades of well established track record and integrity of the exam system, utilizes the services of examiners who are reputed professionals, academicians, IT/legal professionals, senior Govt. officers, members of the Institute best known for their expertise in the relevant subject for evaluation of answer books.

6.4.4 Empanelment of examiners:

Empanelment of examiners is an objective and transparent process. Applications are invited from eligible persons for empanelment as examiners.

CAs, company secretaries, cost accountants, college professors, academicians, IT/legal professionals, senior govt. Officers etc with a minimum experience of 5 years and who are not more than 65 years of age are empanelled after they pass an on-line test. They are retired at 70.

Persons who are selected are appointed initially as examiners for the papers at the Foundation or the Intermediate level. They are upgraded to Final depending upon their performance and requirements.

Existing examiners are also required to undergo an on-line test, once in 3 years, for continuing in the said panel.

6.4.5 Head Examiner/Associate Head Examiner

Evaluation of each of the papers is headed by a Head Examiner(HE) who is assisted by a panel of Associate Head Examiners(AHEs). HEs/AHE are selected from the pool of examiners of a paper, based on their knowledge and expertise in the subject, experience in the evaluation work and their leadership skills in managing a team of examiners and leading the evaluation work.

6.4.6 Honorarium payable to examiners

(Rs)

Exam	Paper based evaluation-Honorarium Rate per answer book	Digital or central evaluation-honorarium rate per answer book
Final	160	190
Intermediate-Full paper	125	150
Inter- Half paper	90	100
Foundation	100	100

6.4.7 Model solution:

Model solution and marking scheme of a paper are finalised by the panel of Head Examiner and Associate Head Examiners of a paper, through an elaborate consultative process. The panel of HE/AHEs physically meet at the Exam Dept and discuss the model solution and the marking scheme

They take into consideration the model solution prepared by the concerned Faculty member of Board of Studies and the moderator concerned, views and representations from the stakeholders and incorporate all possible alternate answers and finalise the model solution arriving at a consensus with the concerned Faculty member of Board of Studies.

The panel of HE/AHEs also evaluate a sample of 10 answer books each to get a feel of the performance of the candidates and to see if any alternate solution had been written by any candidate.

In case of any disagreement, between HE and Faculty member of BoS in any part of the answer, the HE discusses the matter with the concerned Faculty member of BoS and tries to resolve the matter. If the disagreement persists, the same is resolved through the intervention of the Member of the Exam Committee, who finalised the paper.

The model solution, marking scheme (including step wise marking) and detailed instructions are given to all examiners. They are required to follow them for maintaining uniformity and consistency in the evaluation work.

Similarly, alternate answers, if any, that may be brought to the notice of the HE/AHE by an examiner, during the course of evaluation, are also taken into consideration and instructions, are issued, if necessary, to all examiners of his paper.

So also, model answer keys in respect of MCQs of a composite paper are finalised by the HE/AHEs in consultation with the concerned Faculty member of the BoS, taking into consideration the answer keys provided by the Moderator. In case of any disagreement between the Faculty member and the HE, the matter is resolved with the intervention of the exam committee member who finalized the paper.

In the case of Paper 3 and 4 of the Foundation exam, which are objective type papers, there is no Head Examiner. Disagreement, if any, in the answer keys of the papers between the moderator and the Faculty member of BoS, are placed before the Examination Committee, for its consideration and directions.

6.4.8 Step-wise marking:

Examiners are mandatorily required to award step-wise marks as provided in the marking scheme. In case it is noticed that step-wise marks have not been awarded to a particular step, the step would be treated as if it had not been evaluated and step-wise marks would be awarded to the step, as per the marking scheme, during review, carried out prior to results.

In case a candidate brings to the notice of the ICAI any instance of step-wise marks not having been awarded, upon receipt of answer books, then office would examine the matter and rectify.

Award of step-wise marks during review before result or post result, is not treated as "Re-evaluation" under Regulation 39(4) of the CA Regulations, 1988.

6.4.9 Workshops for examiners:

Before commencement of the evaluation, all examiners are invited to mandatorily attend a one day workshop wherein they are required to evaluate a sample of 10 answer books under the supervision and guidance of the HE/AHE. HE/AHEs review the evaluation carried out by the examiners and guide them in person at the venue of the workshop.

6.4.10 Quality control checks:

Initial review:

ICAI has two quality control checks- one before commencement of evaluation and the other after evaluation of the answer books is completed.

An examiner is required to evaluate a designated sample of 20 answer books and send them to the HE/AHE to whom he is attached. The HE/AHE checks whether the evaluation done by the examiner is in accordance with the Model solution and Marking scheme, instructions given and gives appropriate guidance to examiners. The examiners are required to keep in view the guidance given by the HE/AHE while carrying out the evaluation of the main lot of answer books assigned to them.

Examiners who are undertaking the assignment for the first time are required to evaluate another sample of 10 answer books and send to the HE/AHE, in addition to the initial sample of 20 answer books.

A second review by HEs before results:

After receipt of the evaluated answer books from the Examiners, but before declaration of results, a random sample of answer books, comprising 10% of the total number of answer books evaluated by each of the examiners is taken and reviewed by a panel of HE/AHEs to see whether the evaluation carried out by the Examiner was in accordance with the Model Solution, Marking Scheme and detailed instructions given to him by HE/AHE.

The Head Examiner/AHE reviews the same and comes up with his observation on variation of marks, if any, in the sample answer books. The evaluation done by the examiner is either upheld or rejected by the HE, based on the variation in the marks awarded by the examiner, with reference to the tolerable limit.

If the variation is more than the tolerable limit, the original evaluation done is rejected and the lot answer books is valued afresh by another examiner, under the supervision of HE.

6.4.11 Meeting of Exam Committee

Exam Committee, at its meeting convened before results, discusses with the HE/AHEs of each paper, the quality of the question paper, deficiencies, if any, in the paper, performance of the students, examiners, representations from stakeholders, recommendations on award of additional marks in a paper, if warranted on the basis of objective criteria such as specific deficiencies in the question paper or examiner wise addition/reduction of marks based on rigid/liberal evaluation noticed in the evaluation carried out by some examiners etc.

Exam committee also holds detailed discussions with the concerned Faculty member of the Board of Studies, of each paper, on the various aspects of the paper and representations from the stakeholders.

After detailed discussions with both the HE/AHEs and the concerned Faculty member, Exam Committee formulates its views and decides on award of additional marks, if required, in specific papers or in the case of specific examiners (who were found to be either too liberal or too conservative, as the case may be, in their evaluation).

Results are processed accordingly and declared.

6.4.12 Assessment of OMR answer sheets:

In the MCQ Paper, candidates are required to select one of the answers out of the four optional answers given in the question and indicate their option by darkening the corresponding circle in the OMR answer sheets.

The OMR answer sheetss are machine read and processed through the system. There is no manual intervention in assessing the OMR answer sheetss.

Paper 6 of Final (New) is a case study based paper held on open book methodology, which comprises MCQs to the tune of 40 marks. Till May 19 exams, these MCQs were to be answered in the descriptive answer book. OMR answer sheetss had already been introduced for the MCQs in Paper 6 of Final (New) exam, w.e.f Nov. 19 exams.

Composite paper is a unique model which combines both the MCQ component and the traditional descriptive component in a single paper held in a single session without any segregation of time.

There is no negative marking for wrong answers in the MCQs component of composite papers.

However, in Paper 3 and 4 of the Foundation Exam, which are MCQ based, negative marking is there. 0.25 marks are deducted for each wrong answer in the said papers.

Major objective of introducing MCQs in the theory papers was a) to minimize the impact of subjectivity in evaluation by examiners, inherent in the descriptive papers and b) to improve coverage of assessment across the syllabus/skill sets.

6.4.13 Action against examiners:

Exam Committee takes decision, either to rest the examiners for specific exams/remove him from the panel of examiners permanently or issue a warning to improve, on the basis of the recommendations of the HE/AHEs about the performance of each examiner attached to him,.

Apart from the above, monetary penalties are also levied on the examiners in whose work discrepancies are noticed during verification, carried out post results.

6.4.14 On-screen evaluation

A Pilot Project of on-screen evaluation of answer books was launched in November 2017. After successful implementation of the same, it is being extended to cover more papers, in a phased manner. It is extended to cover all papers of Intermediate level and Foundation level exams and two papers of Final exam in November 2019 exams. It is expected to be extended to cover all papers at all the three levels of exams in May 2020.

Quality control checks such as review of evaluated answer books before commencement of evaluation and after completion of evaluation by the HE/AHEs are carried out under the on-screen evaluation method also. In addition to the above, continuous review of the answer books evaluated by the examiners is also carried out in the on-screen evaluation, on real time basis.

Committee noted that on-screen evaluation enhances the quality of evaluation by a) eliminating arithmetical errors b) ensuring step-wise marking c) variation analysis on the basis of seed answers d) ensuring continuous review of evaluation carried out by the examiners by the Head Examiner or the Associate Head Examiners e) reducing the scope of evaluation by unauthorised persons and e) monitoring the performance of the examiners on a real time basis through various reports generated from the system.

6.4.15 Central evaluation:

Central Evaluation is being carried out in some papers w.e.f November 2018 exams and onwards. In central evaluation, all examiners of a paper meet at a common place and evaluate answer books under the supervision and guidance of the Head Examiner/Associate Head Examiners.

It has been found to be effective in maintaining the quality of evaluation, more particularly on account of a) continuous evaluation on a sustained basis for a prolonged period when the focus of the examiners remains only on evaluation without any distraction when the solution and the marking scheme are fresh in their memory b) day to day review of the evaluation carried out by the examiners and guidance to the examiners then and there and c) the learning environment where examiners interact with each other and also with the HE/AHEs and share their experiences on the questions, answers, marking scheme, performance of the candidates and also with the HE/AHEs on a day to day basis.

Chapter 7

Options available to examinees, post results

Committee noted the existing options available to examinees, post results and the processes thereon.

7.1 Verification of marks

In terms of Regulation 39(4) of the CA Regulations, 1988. ICAI carries out verification of marks, post result.

A candidate can apply for verification of his marks, on-line at https://icaiexam.icai.org within a month from the date of declaration of results, giving all relevant details such as name, roll number, paper(s)/subjects to be verified etc.

The process of verification of marks includes the following:

Checking:

- Whether any question or part thereof has remained unvalued
- Whether there is any carry forward error
- Whether there is any totaling error in any question or total marks on the cover page

However, revaluation of the answer books is not permitted under the Chartered Accountants Regulations, 1988.

Explanation to Regulation 39(4) of the CA Regulations, 1988, provides specifically that "re-examination of answers shall not be permitted under any circumstances"

Committee noted the existing process of verification. It noted that the verification exercise may result in

- No change of marks
- Increase of marks, impacting result or exemption in one or more paper(s)
- Increase of marks, which does not have an impact on result or exemption in one or more paper(s)
- Decrease of marks though as a matter of policy, ICAI does not reduce marks already awarded, in the process of verification.

Committee noted that with the advent of on-screen evaluation, the scope for committing errors in carrying forward of marks awarded in the inside pages of answer books to the cover page and in totalling of marks awarded is eliminated. Further, the scope for leaving out any answer unevaluated is also minimised greatly.

7.2 Supply of certified copies/inspection of evaluated answer books under ICAI Scheme

In August 2011, in the case of Aditya Bandhyopadhyay Vs CBSE and others, (including ICAI), the Hon'ble Supreme Court of India held the following:

- Every examinee has the right to access his evaluated answer-books, by either inspecting them or take certified copies thereof, under the Right to Information Act, 2005.
- The examining body will be bound to provide access to an examinee to inspect and take copies of his evaluated answer-books, even if such inspection or taking copies is barred under the rules/bye-laws of the examining body governing the examinations.

Pursuant to the abovementioned Judgement of the Supreme Court, ICAI approved a scheme for providing certified copies/inspection of evaluated answer books to the examinees.

A candidate can apply for certified copies/inspection of his evaluated answer books, on-line from https://icaiexam.icai.org within 30 days from the date of declaration of results, giving all relevant details such as name, roll number, paper(s)/subjects sought etc, and making payment of the applicable fee of Rs 500/- per paper.

Before dispatch of the certified copies, suo motu verification, under Regulation 39(4) of the CA Regulations, 1988 is also carried out.

Scanned copies of answer books are hosted on the website and the examinees are sent the web-link, user ID and password by email.

In the case of composite papers, copies of both the descriptive answer book as well as the OMR answer sheet are provided to the candidate. However, the MCQ paper and the answer keys are not provided.

In the case of 100% objective type papers (as in Foundation exam), copy of the OMR answer sheet is provided to the candidate.

It may be noted that the OMR answer sheets do not contain the marks awarded to the questions answered therein.

Certified copies are provided to them generally within 30 days of the receipt of the application.

If a candidate notices any error or discrepancy covered under Regulation under 39(4) of the CA Regulations, 1988, upon receipt of the certified copies, he may bring it to the attention of the Examination Dept. for further action, within a period of 30 days from the date of the letter. Upon receipt of such requests, the same are verified and rectified, wherever required.

7.3 Supply of certified copies/inspection of evaluated answer books under the RTI Act, 2005.

Prior to May 2019, in case, any examinee applied under RTI Act, 2005 for certified copies of his answer books, ICAI used to advise the examinee to route his application under the Scheme formulated by ICAI.

In April 2019, Supreme Court, in the case of **ICSI Vs. Paras Jain**, held that an examinee is free to apply for copies of his answer books under the RTI Act, 2005, notwithstanding the fact that the examination body might be having its own Scheme for providing copies of answer books. **It held that the two channels are not mutually exclusive and that the student can opt for either route as per his convenience.** It further held that the student will be required to pay the applicable fee as per the route he opts.

Accordingly, ICAI has started providing certified copies of evaluated answer books to the examinees, when they apply under RTI Act, 2005. Scanned copies of answer books are hosted on the website and examinees are sent the web-link, user ID and password by email.

Suo motu "verification" as envisaged under Regulation 39(4) of the CA Regulations, 1988 is also carried out in respect of answer books for which certified copies are sought.

In case a candidate discovers any discrepancy covered under Regulation 39(4) of the CA Regulations, 1988, he can bring it to the notice of the examination dept. within 30 days of the date of the letter. Upon receipt of such requests, the same are verified and rectified wherever required.

It may be noted that the model solution and marking scheme based on which evaluation is carried out are not in public domain. Further, MCQs and the answer keys thereon are also not in public domain.,

Chapter 8

Re-evaluation of answer books

Re-evaluation is fresh evaluation of the answer booklets by another evaluator who re-checks each answer and awards fresh marks.

8.1 Regulatory provisions:

Committee noted Regulation 39(4) of the CA Regulations, 1988 , as follows:

> *"(4) 1 [(i) Information as to whether a candidate's answers in any particular paper or papers of any examination have been examined and marked shall be supplied to the candidate on his submitting within a month of the declaration of the result of the said examination, an application, accompanied by a fee as may be fixed by the Council which shall not exceed rupees five hundred in any case.]*
>
> *(ii) The fee shall be only for verifying whether the candidate's answers in any particular paper or papers have been examined and marked, and not for the re-examination of the answers.*
>
> *(iii) The marks obtained by a candidate in individual questions or in sections of a paper shall not be supplied.*
>
> *(iv) If as a result of such verification, it is discovered that there has been either an omission to examine or mark any answer or answers or there has been a mistake in the totalling of the marks, the fee for verification shall be refunded in full to the candidate*

Explanation. – For the removal of doubt, it is clarified that re-examination of answers shall not be permitted under any circumstances." (Inserted by an amendment dated 25th May 2017.)

8.2 Court Judgements as regards re-evaluation

Committee noted that in the absence of any provision enabling re-evaluation of answer books in the relevant bye-laws, rules, or Regulations of an examination body, Courts have generally refrained from ordering re-evaluation.

In the following cases, Courts have held that in the absence of any provision for the re-evaluation of answer books in the relevant rules, no candidate in an examination has any right to claim or ask for re-evaluation of his marks.

Sr No	Details	Name of the Court	Year
1	Rohit Jagannath Kamat Vs ICAI	High Court of Bombay	2012
2	Ayushi Jain Vs ICAI	High Court of	2017

		Rajasthan	
3	Vivek Goel Vs ICAI	High Court of Calcutta	2015
4	R. Rajaram Vs. ICAI	High Court of Madras	2013
5	Karthik Wadhwa Vs ICAI	High Court of Delhi	2016
6	Ran Vijay Singh Vs State of UP and others	Supreme Court	2017
7	Maharashtra State Board of Secondary and Higher Secondary Education Vs Paritosh Bhupesh Kumar Seth	Supreme Court	1984
8	CBSE Vs. Kushboo Shrivastava	Supreme Court	2014
9	Pramod Kumar Srivastav Vs. Bihar Pubic Service Commission	Supreme Court	2004
10	Board of Secondary Education Vs. Pravas Ranjan Panda	Supreme Court	2004

It noted specifically, the decision of the Supreme Court in Ran Vijay Singh Vs State of UP and others. Excerpts of the decision noted are as given below:

“The law on the subject is therefore, quite clear and we only propose to highlight a few significant conclusions. They are:

(i) If a statute or rule or Regulation governing an examination permits the re-evaluation of an answer books or scrutiny of answer books as a matter of right, then the authority conducting the examination may permit it;

(ii) If a statute or rule or Regulation governing an examination does not permit re-evaluation of an answer books or scrutiny of answer books(as distinct from prohibiting it) then the Court may permit re-evaluation or scrutiny only if it is demonstrated very clearly, without any “inferential process of reasoning or by a process of rationalization“ and only in rare or exceptional cases that a material error has been committed;

(iii) The Court should not at all re-evaluate or scrutinize the answer bookss of a candidate-it has no expertise in the matter and academic matters are best left to academics;

(iv) The Court should presume the correctness of the key answers and proceed on that assumption and

(v) In the event of a doubt, the benefit should go to the examination authority rather than to the candidate.”

8.3 Report of the Study Group on “Best Practices on Re-evaluation of Answer Books”

In December 2018, President, ICAI, had formed a group under the convenorship of Central Council Member, CA. Sanjay Kumar Agarwal to study the re-evaluation system of answer books of other education/examining bodies including Central Universities and National Institutes of importance and suggest suitable strengthening reforms to be adopted by ICAI and any other matter related or incidental to the re-evaluation of answer books.

The Group submitted its report in January 2019 which is under the consideration of the Exam Committee.

8.3.1 Gist of the Recommendations of the Group under the convenorship of CA Sanjay Agarwal

- Initiate fresh reforms in existing evaluation system
- Strengthen the evaluation system
- Develop more objective mechanism of selection / upgradation of evaluators
- Enhance remuneration of evaluators
- Redefine selection / role of Head Examiner and Associate Head Examiner
- Document complete methodology of evaluation system
- Introduce “Dual Evaluation System”

8.4 International Practices:

The Committee studied the practices followed by the International Accountancy bodies in this regard.

Chapter 9

Recommendations of the Committee

9.1 Background:

Committee noted that the terms of reference of the committee include review of exam processes and the Regulations including Regulation 39(4) of the CA Regulations 1988 and suggest changes wherever required in the exam system.

Committee noted that the proximate cause of the constitution of the Committee is the perceived poor quality of evaluation of answer books of CA exams and the consequent demand for re-evaluation. However, it felt that there are other issues such as the structure of the course, practical training, etc which culminate in the exam process and which have a direct bearing on the examination system and results.

Hence, the Committee decided to extend the meaning of the word "exam processes" to include the entire life cycle of the students, from the time he/she registers for the course until he completes the exam and becomes a member. Accordingly, it took a holistic view about the scope of its work and deliberated on student related issues and decided to make comprehensive recommendations thereon so that a meaningful action plan can be charted out by ICAI in the interest of the existing and prospective students and the profession at large and also meet the ends of social justice.

9.1.1 Entry to the course:

Suggestions from stakeholders include making entrance exam tough. This is with a view to ensure that those who do not fit the bill, opt out, at the entry level itself.

In this context, Committee recommends the following:

9.1.2 Enhance awareness levels:

ICAI may through its Branches, Regional Councils, Board of Studies (BoS) endeavour to enhance the levels of awareness about the course, technical competence, professional skills expected for successfully completing professional accounting education program, costs and time frame involved, passing requirements, history of pass percentages, etc among the prospective students so as to enable individuals considering a career as a professional accountant to take an informed decision.

However, Committee recognises that determining a reasonable chance of successful completion is a matter of judgment, depending on number of factors. The above recommendation is also in line with IES 1 of IFAC.

9.1.3 Cap the number of appearance at the Foundation Exam to three:

A candidate be permitted to appear in Foundation exam, for a maximum of three times. However, a person who passes the Foundation exam, may not be permitted to appear in the Foundation exam, for a second time, for improving his performance.

9.1.4 Restrict appearances at the Intermediate Level exam

A student who secures less than 20% of the total marks of a group or both the groups of the Intermediate level exam, in which he had appeared, in two consecutive exams, may not be permitted to appear in the two succeeding exams.

9.1.5 No cap on appearances at Final Exam:

However, there may not be any cap on the number of times a candidate can appear in Final exam.

9.2 Recommendations on practical training:

Both the academic and training programmes have a role to play in developing pervasive skills and that both programmes are critical to the success in qualifying as a CA. However, both programmes have scope for continuous improvement in a dynamic business environment.

ICAI should address how pervasive skills can be better implemented in the current qualification model, by investigating the impact of using different methods such as case studies, internships and mentorship programmes.

Throughout the globe, professional accounting bodies increasingly incorporate pervasive skills into their professional training programmes because these skills are becoming progressively important. These institutions are shifting their focus away from the overloaded technical knowledge requirements prescribed in their syllabi and move towards pervasive skills. However, ICAI should also take lead in this direction at the earliest possible time to meet the global competition.

Given that assessment has the most powerful effect on learning processes, work experience should be formally assessed as part of the qualification process. **ICAI should therefore be prepared to set work experience requirements and then put in place mechanisms for ensuring these are met and properly assessed.**

9.2.1 Entitlement to train Articled Assistants

In terms of Regulation 43 of the CA Regulations 1988 and subject to such terms and conditions laid down by the Council, a member designated as an associate or a fellow, who has been in practice continuously, whether in India or elsewhere or an associate or a fellow, who is deemed to be in practice within the meaning of Explanation to sub-section (2) of section 2 of the Chartered Accountants Act 1949, shall only be eligible to engage an articled assistant or assistants:

(2) An associate or a fellow shall be entitled to train such number of articled assistant or assistants, as are specified below:

Applicable to members practising the profession of chartered accountants in his individual name or as proprietor or as partner

Category	**Period of continuous Practice**	**Entitlement of articled assistant or assistants**
(i)	An associate or fellow in continuous practice for a period up to 3 years	1
(ii)	An associate or fellow in continuous practice for any period from 3 years to 5 years	3
(iii)	An associate or fellow in continuous practice for any period from 5 years to 10 years	7
(iv)	An associate or fellow in continuous practice for any period from 10 years	10

Applicable to members who are in full time salaried employment under a chartered accountant in practice or a firm of such chartered accountants

Category	**Number of full-time salaried employees irrespective of whether associate or fellow**	**Entitlement of articled assistant or assistants**
(i)	Up to 100	1 per employee
(ii)	Between 101 and 500	100+50% of the number of such employees above 100 (i.e., maximum of 300)
(iii)	From 501 or more	300+20% of the number of such employees above 500

A member in full time employment with a firm of chartered accountants is entitled to train one articled assistant provided he has been in employment with the same firm for a continuous period of three years.

It may be noted that the eligibility to train articled assistants by a CA is linked to number of years of practice, irrespective of whether a member has adequate practice or not.

Committee recommends that the eligibility to train articled assistants by a CA be continue to be linked to number of years of practice, upto 5 years and beyond that it be linked to the turnover of the member so that articled assistants get adequate/proper exposure to or training in professional areas.

9.2.2 Increase the stipend payable to articled assistants by the Principals:

A person registered as an Articled Assistant is entitled to receive a minimum monthly stipend as per the rates specified under the CA Regulations 1988, from time to time.

Current rates of minimum monthly stipend payable to articled assistants are specified below:

Classification of the normal place of service of the articled assistant	During the first year of training	During the second year of training	During the remaining period of training
(i)Cities /towns having a population of twenty lakhs and above.	Rs 2,000/-	Rs 2,500/-	Rs 3,000/-
(ii) Cities/towns having a population of four lakhs and above but less than twenty lakhs.	Rs 1,500/-	Rs2,000/-	Rs 2,500/-
(iii) Cities/towns having a population of less than four lakhs.	Rs1,000/-	Rs 1,500/-	Rs 2,000/-

Committee recommends that the minimum stipend payable to articled assistants as stated above be atleast doubled. This would provide some relief to the students as well as enable the Principals to hike their professional fees.

9.2.3 Monitor the practical training provided to students:

Committee recommends that a suitable mechanism may be put in place to monitor the training received by the students during the training period.

Articled assistants may be required to maintain an **on-line diary**, compulsorily and record details of the work that he does, during the training.

The Principal may be required to verify the same, on-line, periodically and record his comments thereon, on-line.

A candidate may be required to put in atleast one third of the total number of hours of training (either on a monthly or quarterly basis) in attest function and the Principal may be required to sign a declaration certifying the same, on a half yearly basis.

9.2.4 Industrial Training

In terms of Regulation 51 of the CA Regulations, 1988, an articled assistant who has passed the Intermediate level examination, may, at his discretion, serve as an industrial trainee for the period specified below, in any of the financial, commercial, industrial undertakings with minimum fixed assets or minimum total turnover or minimum paid-up share capital as may be specified by the Council or such other institution or organization as may be approved by the Council from time to time:

PROVIDED that the articled assistant has intimated to his principal his intention to take such industrial training at least three months before the date on which such training is to commence.

The period of industrial training may range between nine months and twelve months during the last year of the prescribed period of practical training.

The industrial training shall be received under a member of the Institute. An Associate who has been a member for a continuous period of at least three years shall be entitled to train one industrial trainee at a time and a fellow shall be entitled to train two industrial trainees at a time, whether such trainees be articled assistants or audit assistants.

The period of industrial training referred to under this regulation, shall be treated as service under articles for all purposes of these Regulations, provided the certificate referred to above is produced.

Committee noted that more often, students who want to take up industrial training are denied permission by their Principals.

In this regard, Committee recommends that ICAI may provide for mandatory relieving of a an articled assistant by his/her Principal from his services for the purpose of joining industrial training, provided a student furnishes a letter from an approved organisation offering him an opportunity for undergoing industrial training in their organisation. Principals should have no option to deny them permission and should relieve such students for undertaking the industrial training, in the abovementioned scenario.

Industrial Training will enable a student get exposure to working in a commercial or industrial undertaking and will also possibly facilitate his absorption in the said organisation, after completion of the training.

9.2.5 Additional courses during articleship

Presently, in terms of Regulation 65 of the Chartered Accountants Regulations 1988, without the previous permission of the Council, obtained on an application made in the approved form, no articled assistant shall, during the period of his service as an articled assistant assistant, take any other course of study or training, whether academic or professional, or engage in any business or occupation.

Permission is generally granted for pursuing one more course, besides the CA course during articleship period, provided classes of the said course are held outside the working hours of the office and provided further that attendance of said classes by the student does not in any way interfere with his/her training as an articled assistant.

Committee recommends that a student may be permitted to pursue two on-line courses in addition to the CA course during articleship.

9.2.6 Articleship training under a "Relative":

Currently, a student can undertake articleship under a member, including under a close relative, as per the vacancy available. However, there was a suggestion from a stakeholder that this may not be permitted. In this context, committee noted that this is outside the TOR of the Committee.

Nevertheless, the Committee felt that there was merit in the argument and recommends that articleship under a close relative, as defined under Section 2(41) of the Income Tax Act, 1961, may not be permitted. ICAI may examine this matter.

As per Section 2(41) of the Income Tax Act 1961, "relative", in relation to an individual, means the husband, wife, brother or sister or any lineal ascendant or descendant of that individual.

9.3 Recognise whatever is achieved by the student:

Committee noted that pass percentage being low, there are several candidates who had passed one or more levels of the exam and also completed practical training but had not passed all the levels of the exams.

In this context, Committee recommends that the levels passed by the candidates be recognised.

9.3.1 Award certificate to those who pass Intermediate Level exam and complete practical training and create value for the qualification:

Committee recommends that ICAI may consider awarding a certificate (on the lines of Accounting Technician Certificate) to those who have passed Intermediate Exam and also completed the prescribed period of practical training but have not been able to pass the Final exam.

However, the committee notes that such a certificate is of no value unless market recognises it. Hence, it recommends that ICAI may take up the matter with the Central Govt and the State Govts. for recognising this as a qualification for recruitment to various lower and middle level positions in Govt and other public sector organisations. ICAI may also take steps to propagate and create market value for this qualification.

9.3.2 MRA/MOUs with international accountancy bodies:

ICAI may enter into MOU/MRA with international accountancy bodies for recognition of the CA qualification, abroad, under reciprocal arrangements with them for providing global opportunities to the members of the profession.

9.3.3 MRA/MOUs with reputed Universities in India and abroad for award of degrees:

Further, ICAI may also enter into MOU/MRA with reputed Universities in India and abroad for award of degrees/post graduation degrees by them to those who complete the Intermediate level/Final level of the CA course, as the case may be, by giving them credit for prior learning, i.e., exemption from appearing in some of the common papers which the student would have already completed under the CA course. **This would facilitate CA students to get a degree which would enhance their job prospects in the market.**

9.3.4 Award of professional Doctorates in collaboration with Universities:

A professional doctorate is designed for working professionals who have practical experience in their field and want to increase their knowledge, advance their careers, and translate their work experience into a higher position of credibility, leadership and influence. A professional doctorate program can help them learn how to a) evaluate the relevance of current and emerging theories and practices within their field; b) formulate effective solutions to complex, real-world problems common to their field; c) apply current research to practical problems in their field; and d) design rigorous research that expands the professional body of knowledge in their field.

ICAI can set up its own mechanism of awarding Professional Degree or till such arrangements are made, such degrees can be earned through an online university. At an accredited online university, one need not worry about moving to be close to campus. Even one need not to drive to a campus. Instead, when one earns a degree online, one can complete the majority of one's course work from home. Online professional doctorate offers a flexible format that does not require one to attend classes at a specific time of the day. With online degree programs, one can arrange one's learning schedule so that it works with one's full-time job and other family responsibilities.

Professional doctorate is a new concept and needs explanation. The professional doctorate program is a vehicle which draws together the state of the art in professional practice, with relevant academic theory and applied to the solution of work-based problems; with a resulting change within the student's own workplace. The program is by its very nature interdisciplinary, and recognizes that real-world problems inhabit a space which is dynamic, multi-faceted and complex.

As with any doctoral programme, the Professional Doctorate requires that candidates can offer a significant contribution to their profession. Pragmatically that means that one can produce a report and portfolio to demonstrate some kind of discrete contribution, for example a new model of practice or a novel solution to an existing problem. It is upon this that they are formally assessed. However, a more implicit and yet core objective of the Professional Doctorate programme is personal transformation of the candidates into professionals who can view their workplace through a 'fresh lens'; who are intellectually agile; who can think creatively, unconstrained by the norms and routines of what is often many years' experience within their given profession, and who can therefore make an ongoing contribution to their working environment and perhaps even the career itself develops and changes.

Since the early 1990s there has been a growth in the Professional Doctorates awarded by British Universities (Bourner et al. 2001). There is now an established basis for Professional Doctorates, with many universities offering a qualification of this nature. The title is nationally recognized and is increasingly well understood by the academic community (Green & Powell ,2007).

9.4 Recommendation on the pattern of the question paper:

9.4.1 Mix of objective and descriptive questions:

- Committee noted that objective type question papers have been introduced to eliminate subjectivity in evaluation. However, it felt that MCQs may not be appropriate to test various types of skill sets. Committee felt that further detailed studies are required on the subject to make any specific recommendation on the right mix of questions. It recommends that ICAI may study the best international practices in this regard and take it forward.

9.4.2 Multiple Choice questions(MCQs):

- Committee is not in favour of MCQs as a tool of assessment, in CA exams since they do not test analytical skills or writing/presentation skills, besides introducing an element of probability of choosing the right option. It recommends that ICAI may review the need for MCQs.

- Committee recommends that "case study/scenario" based questions be introduced in all papers more particularly in Accounts, Auditing, Tax Laws and Corporate Laws, more particularly at Final level. At Final level, the thrust should be on problem solving skills which require application of mind. Committee is of the view that MCQs may not be appropriate for this purpose at Final Level.

- It recommends that MCQs if they have to continue, may be continued at Intermediate level only upto 30 marks in composite papers, as is the existing pattern. They be made more analytical so that they involve application of mind and test analytical skills of the candidates rather than just memory.

9.4.3 Negative marking for wrong answers in MCQs

- Committee noted that there is negative marking for wrong answers in the MCQ based papers of the Foundation Exam.

- Committee recommends that at Intermediate level, in MCQ component of the composite papers, negative marking be pegged at 25% of the marks allocated to the question, for every wrong answer, in the case of stand-alone MCQs which are not case study based. At Final level, if MCQs are continued, negative marking be pegged at 50% marks allocated to the question for every wrong answer in composite papers, in the case of stand-alone MCQs which are not case study based.

- However, negative marking may not be introduced in the case of MCQs in the case study based paper since they flow from the case study and involve application of mind.

9.4.4 MCQs at Foundation level exam:

- The suggestions received from the stakeholders included, introduction of 100% MCQ based papers at entry level. Committee noted that the current pattern of the paper at the entry level exam was introduced in May 2018 and felt it is too early to revise the same.

9.5 Recommendations on Paper setting process:

9.5.1 Introduce one more layer of subject experts to vet the question paper:

- Review the process of paper setting. Introduce one more layer of subject experts who would vet the question papers without knowing the identity of the paper setter/moderator, before finalisation.

9.5.2 Paper setters/moderators

- Review the process of appointment of question paper setters/moderators and ensure that the best persons are picked up for the assignment.

- Attract good talent with passion, into the system. An advisory Board or Committee of academicians or subject experts be constituted, within the Exam Dept., to identify, induct and orient experts into the process, on an on-going basis.

- The above Board or Committee can also oversee upgrading the skill sets of the resource persons involved in the exercise. ICAI may organize webcasts or short on-line modules on the latest developments in their respective subjects to keep them abreast about the current developments and also pass an on-line test at periodical intervals. BoS may be advised to assist the exam dept in this regard.

- Review the honorarium structure of paper setters and moderators to attract the best talent.

- Give the question paper setters more time, say about 3 months to set a paper, so that the quality of the questions may improve.

9.5.3 Question Bank:

- Develop a question bank in respect of MCQs and case studies. For this purpose, a dedicated cell be created within the Exam Dept. This will ensure that questions are built throughout the year; they are graded for the level of difficulty and are error free. This would facilitate making a good quality paper and also pave the way for conducting on-demand exams or more frequent exams, as and when required.

- However, committee feels that the paper setting process, as against the question bank approach, may continue to be followed, in respect of the descriptive papers.

9.5.4 Rate the question paper:

- Get the question paper of each subject rated by the Head Examiner and the Faculty member of BoS, after the exam is over on a scale of 1-10 and compile the good/weak points for the guidance of the paper setters of future exams. Communicate the rating and feedback to the paper setters/moderators for their improvement.

9.6 Recommendations on Evaluation:

9.6.1 Interview the applicants for empanelment as examiners

- An independent committee of subject experts be formed to interview the applicants before they are empaneled as examiners, in addition to the on-line test. This would filter out those who do not have the aptitude for the assignment.

9.6.2 Create an Academic Cell in Exam Dept.:

- Build a dedicated academic team within the Exam Dept. to focus exclusively on the empanelment of competent examiners. A mechanism for a focused approach for empanelment and continuous training of examiners and other resource persons be put in place.

9.6.3 Panel of examiners:

- Carry out a concerted drive to empanel more examiners so that each examiner may be assigned limited number of answer books.

- The existing eligibility criteria and the process for empanelment of examiners may continue. However, ICAI should take efforts to induct those who have a flair for academics and have an aptitude for evaluation work. ICAI may write to the Controllers of Examination of various reputed Universities and other academic institutions seeking their support in identifying and empanelling examiners and promoting the culture of more academics in the examiners panel.

- ICAI should endeavour to empanel more academicians and University Professors as examiners by writing to Controllers of Exams of reputed Universities seeking their assistance in suggesting the names of suitable persons for the evaluation assignment in various subjects. Members, i.e Chartered Accountants, be preferred as examiners for subjects such as Accounting, Auditing, Taxation and Corporate Laws. For other subjects, ICAI may tap the Universities and other academic bodies.

- Maximum age limit for retirement may be reviewed. It recommends that existing resource persons or examiners who are physically and mentally fit and capable of discharging their duties diligently may continue to be given the assignment, till they are 75.

- The current practice of taking action against examiners who are found to be deficient in discharging their duties diligently, i.e. by way of issue of caution letters, resting and removal and monetary penalties etc is found to be adequate and may be continued.

- In addition, ICAI may categorise the major deficiencies noticed in the evaluation of examiners, who may be members, as “professional misconduct” under the CA Act, 1949 and initiate necessary action under the Disciplinary mechanism of ICAI against those member examiners.

- Examiners be tested for their knowledge of the subject of which they are the examiners, once in 5 years.

- ICAI should put in place a mechanism for continuous upgrading of the knowledge of the examiners by holding webcasts or organizing on-line modules, on the latest developments in each subject, followed by on-line test, periodically.

- Increase the number of supervisors (of examiners) so that each HE/AHE/Reviewer may have less number of examiners under them and the supervision and guidance becomes more effective and any deviation from the prescribed marking scheme can be noticed by them at an early stage and examiners can be guided accordingly.

9.6.4 On-screen evaluation:

- Committee noted that face recognition is put in place in on-screen evaluation and hence the scope for evaluation of answer books by unauthorized persons is remote.

- Committee recommends exploring the possibility of carrying out central evaluation in digital mode. Central evaluation has been found to be effective in maintaining the quality of evaluation, more particularly on account of a) continuous evaluation on a sustained basis for a prolonged period when the focus of the examiners remains only on evaluation without any distraction when the solution and the marking scheme are fresh in their memory b) day to day review of the evaluation carried out by the examiners and guidance to the examiners then and there and c) the learning environment where examiners interact with each other and also with the HE/AHEs and share their experiences on the questions, answers, marking scheme, performance of the candidates and also with the HE/AHEs on a day to day basis.

- Further, Committee recommends that appropriate safeguards be put in place to ensure that the on-screen evaluation process and the data therein, remains safe and secure without any dilution of confidentiality.

9.6.5 Honorarium to examiners:

- Committee noted that rates of honorarium for examiners in the digital mode are higher than the physical mode, at Inter and Final level but not at Foundation level. Committee recommends the following rates of honorarium.

Exam	**Existing**		**Proposed**	
	Paper based evaluation-Honorarium Rate per answer book-Rs	**Digital or central evaluation-honorarium rate per answer book-Rs**	**Paper based evaluation-Honorarium Rate per answer book-Rs**	**Digital or central evaluation-honorarium rate per answer book-Rs**
Final	160	190	160	190
Intermediate-Full paper	125	150	125	150
Inter- Half paper	90	100	90	110
Foundation	100	100	100	120

- Examiners, HE/AHEs may be asked to undergo specific on-line training modules and tests thereafter, periodically.

9.7 Recommendations on Model solution:

9.7.1 Put the Model Solution in public domain:

- There is a lot of misconception about Suggested Answers. Students start believing that suggested are “the answers” but in fact, Suggested Answers are indicative only and not exhaustive. These are only guidelines, not to be construed as complete answers. Suggested Answers do not constitute the basis for evaluation of the students’ answers in the examination. These are prepared with a view to assist the students in their education. The students are expected to apply their knowledge and not blindly follow the Suggested Answers. The examiner will use his/her discretion (about quality of arguments, use of evidence, presentation, etc.) and award appropriate marks to the answers, if the approach followed is found valid and the answer is correct. Examiners may use their judgment in allotting marks to partly answered questions also.

  Committee noted that model solution and marking scheme are finalised by the panel of HE/AHEs taking into consideration the solution prepared by the BoS, the moderator, inputs from amongst the HE/AHEs, representations/feedback, if any, from the students/examiners/other stakeholders through an elaborate consultative process. It provides for all possible alternate answers. Further it is also tempered with the experience gained by evaluation of 10 sample answer books each by the panel of HE/AHEs. This model solution and marking scheme are provided to the examiners. Examiners are required to follow this model solution and marking scheme in their evaluation.

  Committee recommends that the Suggested Answers should continue to be published since they provide invaluable academic guidance to students. However, BoS should ensure that they contain the solution finalised as mentioned above including all possible alternate answers.

  However, marking scheme need not be put in public domain since it is meant for the examiners for discharging their duty.

9.7.2 Put the MCQs and the answer keys thereon in public domain:

- Committee noted that currently candidates are not allowed to take the MCQ paper with them after the exam is over. They are required to hand over the same along with the respective OMR answer sheets to the invigilator before they leave the exam hall. Failure to do so is treated as an act of unfair means. Committee recommends that candidates be allowed to take the MCQ paper with them when they leave the exam hall.

- Committee recommends that the MCQs with the answer keys thereon duly vetted by the panel of HE/AHEs and the concerned Faculty member of BoS, taking into consideration any feedback from the candidates/other stakeholders be put in public domain.

9.7.3 Error in MCQs

- In case any MCQ is wrong or none of the given options is correct and hence the question cannot be answered, marks should be awarded to all the examinees in respect of the said question and the same should be put in public domain.

9.7.4 Lay down the policy on handling derivate errors:

- Committee felt that, in an exam, the student is primarily tested for his knowledge of the subject. Hence, if a student commits a computation error in an intermediate step, on account of which the final answer is incorrect, but application of principle in the subsequent steps is correct, he should not be denied marks for the subsequent step(s). However, Committee recognises that the need for such discretion may vary from subject to subject and that "one size fits all" approach may not work. Committee recommends that Head Examiners be advised to recognise this issue and give appropriate and clear cut guidelines on the matter of derivative errors cascading down from a computation error at an earlier step, in their respective subject, if required, based on their experience and judgement.

9.8 Recommendations on Supply of certified copies of answer books:

9.8.1 Indicate the marks awarded on the OMR answer sheets:

- At present, applicants for certified copies of evaluated answer books are provided copies of the descriptive answer book/s and the OMR answer sheets/s, wherever applicable, of the papers sought. Whereas the descriptive answer book contains the marks awarded therein, the OMR answer sheet does not contain marks awarded to the MCQs answered. However, the statement of marks contains the marks awarded to the MCQ paper. In the case of composite papers where the paper comprises both descriptive and MCQ component, the statement of marks contains the total marks of both the components. Committee recommends that ICAI may arrange for printing the total marks obtained by the candidate in the MCQ paper/s on the OMR answer sheet/s before providing a copy of the same to the applicant for certified copies of answer books.

9.8.2 Duration of access to copies of evaluated answer books hosted:

- Copies of answer books of applicants for certified copies, hosted on the website, may remain accessible to the applicants for a period of one month from the date of hosting as against the two months at present.

9.8.3 Carry out verification before providing copies of evaluated answer books:

- Presently, answer books are verified suo motu, before providing copies of the same to the examinee. Verification process is such, that it takes time. This delays supply of copies to examinees. Office had suggested that answer books may not verified, before providing copies, to expedite supply. However, committee recommends that suo motu verification be continue to be carried out before providing copies of answer books to examinees. It also recommends that the verification process be automated, since all answer books are available in digital images, under the on-screen evaluation in place.

- Currently, there are 2 channels for providing copies of answer books, i.e. RTI and ICAI Scheme. It costs only Rs 10/- for getting copies of all answer books under the RTI route, whereas it costs Rs 500/- per paper under ICAI Scheme. Naturally, all the students would go for the RTI route. Handling supply of copies of answer books under two schemes gives rise to administrative difficulties, duplication, overlapping, waste of resources, delays, complaints and student dissatisfaction.

  Office had suggested that copies of all answer books be hosted, soon after results, without carrying out any verification, delinking the supply from any application. Students may, if they want to, apply for verification after they see their copies on the site within 30 days from the date of result. Office can then verify them and communicate the outcome.

  Committee is not in favour of hosting all the answer books of all the candidates, delinking the supply of answer books from the application process, without carrying out suo motu verification.

9.8.4 Fee for supply of evaluated answer books under ICAI Scheme:

- Office had suggested that if supply of copies of answer books is still on application basis, the fee for supply of copies of answer books under the ICAI scheme be aligned with the RTI rates. Administratively, encouraging the students to apply under ICAI scheme rather than going through the RTI route, is preferable since ICAI on-line application process is structured and is well settled with data collection and handling being standardised and automated. This will also reduce the burden on the RTI channel.

  However, Committee felt that this was outside the terms of reference and hence does not make any recommendation on aligning the fee for supply of copies of evaluated answer books under the ICAI Scheme with that under the RTI Act, 2005.

- Currently, if the candidate points out any discrepancy within the ambit of Regulation 39(4) of the CA Regulations, 1988, within 30 days of the receipt of copies of answer books, it is being verified and rectified free of cost. Committee may deliberate on the modalities, time frame within which the candidate may apply, fee structure, etc.

9.8.5 Time limit for pointing out discrepancies by examinees, upon receipt of answer books

- Committee recommends that if a candidate points out any discrepancy falling within the ambit of Regulation 39(4) of the CA Regulations, 1988, within 15 days of hosting the copies of answer books, the same be rectified. ICAI may, if it feels appropriate, consider charging fee, if any, that may be collected from the candidate for verification.

9.8.6 Provide an on-line window for reporting discrepancies, if any, in answer books:

Provide an on-line window for reporting discrepancies, if any, falling within the ambit of Regulation 39(4) of the CA Regulations 1988, in answer books supplied on-line. Right now, candidates send their observations by a letter or by email which takes time to process.

9.8.7 Recommendations on Retention Policy for answer books:

Recommendation of the Committee in this regard is as follows:

Current Policy	Proposed Policy
Physical answer books covered under verification or sought under the ICAI Scheme for supply of copies of evaluated answer books or under the RTI Act, 2005 are retained for one year from the date of declaration of result.	Physical answer books covered under verification or sought under the ICAI Scheme for supply of copies of evaluated answer books or under the RTI Act, 2005 be retained for a period of 3 months from the date of supply.
Those covered under litigation are retained till the litigation is over.	Those covered under litigation be retained till the litigation is over.
Other answer books are retained for a period of 4 months from the date of result.	Other answer books be retained for a period of 2 months from the date of result.

Policy as stated above be applicable for physical copies as well as for soft copies of answer books.

9.9 Recommendations of the Committee on Re-evaluation:

The demand for re-evaluation by a second or third evaluator is based on the assumption that those who evaluate the answer book subsequent to the first examiner, would be more objective than the first one. In fact, there is nothing like re-evaluation. Every re-evaluation is also an evaluation. The only difference is that it is done by another evaluator. If first evaluation is subjective and therefore re-evaluation is resorted to make it objective, then all subsequent re-evaluations are equally subjective and not objective because evaluation system is exactly the same- neither more nor less. The idea of achieving objectivity in subsequent re-evaluations is only an illusion.

Second assumption is that the subjective tools of assessment like short answer, essay and case studies are more subjective in their evaluation and therefore more and more objective tests be used for evaluation. It is assumed that objective tests are measures in which responses maximize objectivity, in the sense that response options are structured such that examinees have only a limited set of options. Structuring a measure in this way is intended to minimize subjectivity or bias on the part of the individual administering the measure so that administering and interpreting the results do not rely on the judgment of the examiner.

Science is normally seen as striving for objectivity and therefore acknowledging subjectivity is not so popular in science. But as noted above already, reality and the facts are only accessible through individual personal experiences. Different people bring different information and different viewpoints to the table and they will use scientific results in different ways. In order to enable clear communication and consensus, differing perspectives need to be acknowledged, which contribute to transparency and thus to objectivity. Therefore, subjectivity is important to the scientific process. Subjectivity is valuable in statistics in that it represents a way to recognize the information coming from differing perspectives.

"An objective procedure is one in which agreement among observers is maximum. In variance terms, observer variance is at a minimum (Kerlinger, 1973)." Knowledge is valid (and objective) only when it is not dependent on human processes (subjective states)

The distinction between "objective" and "subjective" measurement is neither meaningful nor useful in human performance studies. All measurement in science and technology is necessarily filled with subjective elements, whether in selecting measures or in collecting, analyzing, or interpreting data. Empirical examples taken from several domains relating to human factors show instances in which self-report (subjective) measures may be essential.

And thus, the distinction between objective and subjective tests is misleading, as it implies that objective tests are not subject to the influence of bias (Meyer 2006, Wagner, 2000). Although the fixed response style of objective tests does not require interpretation on the part of the examiner during the administration and scoring of the measure, responses to questions are subject to the examinee's own response style and biases, in much the same way they are for subjective measures; therefore, both test 'types' are vulnerable to subjective factors that may affect scores (Bornstein, 2007).

Furthermore, understanding and giving meaning to the results of any assessment, subjective and objective alike, is done within the context of an examinee's personal history, presenting concerns and the myriad factors that can affect examinee's scores on the assessment. Thus, both objective and projective tests carry potential sources of bias and require judgment in interpretation upto varying degrees. Rather than categorizing tests on the basis of overt but superficial test characteristics, the individual merits of a specific use of scores from a test should be evaluated.

On the other hand, while discussing authentic assessment, Zeliff and Schultz (1996, p. 87) criticize common objective assessment means such as true/false, multiple-choice, and short-answer questions: these measures are appropriate for evaluating lower level cognitive learning but often given a choice of answers. Choices give students the opportunity to rely on the probability of selecting the correct answer. Objective evaluation may not, therefore, be an accurate means of assessment. (Zeliff & Schultz, 1996, p. 87)

However, these authors (Zeliff and Schultz, 1996, p. 88) while discussing assessment strategies within some fields stated that "in accounting, authentic assignments are hard to find". Thus, challenging assessment methods, beyond objective instruments, would be welcome if well planned by instructors, and bearing the institution's support.

Thus, the Committee noted the following:

- Evaluation is inherently subjective.
- Re-evaluation is also subjective.
- Subjectivity cannot be totally eliminated in descriptive papers, not withstanding, model solution, marking scheme, step-wise marking, workshops for examiners etc.

- Further, rigid standardization would drive out creativity and imagination on the part of the candidates, in answering the questions.
- There would be no finality to any result, if re-evaluation is introduced.
- There is no practice of re-evaluation of answer books in international accountancy bodies.

CA Regulations 1988 already provides a remedy for rectifying certain types of discrepancies/errors. Errors in totalling, carrying forward of marks to cover page and unvalued answers are being rectified by the office, under verification carried out u/r 39(4) of the CA Regulations, 1988.

ICAI also carries out suo motu verification of the answer books, before providing copies of the answer books to the applicant, either under ICAI Scheme or under RTI Act, 2005.

Further, while providing copies of evaluated answer books to an applicant, he is also advised that he can bring to the notice of ICAI, within 30 days from the date of receipt of the copies of evaluated answer books, any discrepancy falling within the purview of Regulation 39(4) of the CA Regulations, 1988, that he might notice. Such requests are also examined and the error is rectified and marks are revised by the office.

In view of the above, Committee is of the view that there is no need for re-evaluation of answer books of CA exams and it does not recommend the same. Consequently, there is no need to amend the existing provisions of Regulation 39(4) of the CA Regulations, 1988 for the following reasons.

However, Committee recommends the following:

All errors apparent from the answer sheet, for rectification of which, application of mind is not required may be corrected. ICAI may put in place suitable safeguards such as centralized processing in secrecy, no discretion to examiners etc, to handle this.

A few of the errors mentioned above are as follows:

- Errors in objective type questions such as Multiple Choice Questions or True/False questions or Fill in the blanks questions etc, i.e. error where the answer to the question written by the candidate matches with the answer key in the model solution given to the examiners.
- Errors such as rounding off etc, in practical problems, i.e. error where the answer to the question is different from the answer given in the model solution, due to rounding off decimals.

Such rectification is not re-evaluation.

In True/False questions, error in award of marks to the True/False portion of the question may be rectified since such rectification is objective in nature based on the answer key provided. However, such rectification may not be extended to cover the reasoning for the True/False marked earlier, since application of mind is involved in evaluating the reason.

Re-evaluation of descriptive answers written by the examinee where application of mind is involved in evaluation, shall not be resorted to, under any circumstances.

Committee noted that Regulation 39(7) of the CA Regulations, 1988 also supports this view.

Regulation 39(7) of the CA Regulations, 1988 provides as follows:

"In any case where it is found that the result of an examination has been affected by error, malpractice, fraud, improper conduct or other matter, of whatever nature, the Council shall have the power to amend such result, in such manner as shall be in accordance with the true position and to make such declaration as the Council shall consider necessary in that behalf:

PROVIDED that no such amendment shall be made which adversely affects a candidate, without giving him an opportunity of being heard:

PROVIDED FURTHER that in the event of an error not arising out of any act or default of a candidate, proceedings for amendment adversely affecting the candidate shall not be initiated after the expiry of a period of one month from the date of the declaration of result."

- Committee noted that answers of all MCQ papers except those relating to the Paper 6 Final New used are written in the OMR answer sheets. Till May 2019, in the elective Paper 6 of Final (New), answers of MCQs used to be written in the traditional descriptive type answer books. However, with effect from Nov. 2019, OMR answer sheets have been introduced in Paper 6 of Final (New) also. Since the OMR answer sheets are machine processed, the scope for any discrepancy in award of marks in those papers is nil.

9.10 Recommendations on verification:

- Committee recommends that on-screen evaluation be extended to cover all papers at all levels so that discrepancies relating to arithmetical accuracy of marks awarded can be eliminated. However, Committee that on-screen evaluation process be monitored rigorously so that other types of errors (which were not there in evaluation of physical answer books) which might arise out of cut-scanning, technology, data processing/security etc may be identified and rectified in time.

- Verification process be automated so that the exercise can be expedited and outcome can be communicated to the students at the earliest.

- While on the subject, Committee noted that marks can also get reduced pursuant to verification, though reduction of marks is not given effect to, as per the policy of the Institute. However, it recommended that students should also be informed that marks can also get reduced pursuant to verification.

9.11 Recommendations on Regulation 39(2) of the CA Regulations, 1988.

9.11.1 The suggestions of the stakeholders included deletion of Regulation 39(2) of the CA Regulations, 1988.

Regulation 39(2) provides as follows:

"(2) The Council may, in its discretion, revise the marks obtained by all candidates or a section of candidates in any particular paper or papers or in the aggregate in such manner as may be considered necessary, for maintaining the standards of pass percentage provided in these Regulations.

Explanation — The term "section" used in this sub regulation refers to the category of the candidates whose answer papers are valued by an examiner and such other category of candidates as may be specified by the Council."

Committee deliberated on the same and noted that Regulation 39(2) of the CA Regulations, 1988 is a enabling provision which empowers the Council to revise the marks obtained by candidates and recommended that such enabling provision should continue. There is no need to delete or amend the same.

However, it noted that there is a perception amongst the students that ICAI is using the said provision to reduce their marks and control the results of CA exams, as could be seen from the suggestions received from them. It recommended that ICAI may take steps to dispel such a notion among the students.

9.11.2 Put the moderation policy and the moderation factors in public domain:

- **While on the subject, Committee recommended that the moderation policy of the Institute and the moderation factors approved by the Council/Exam Committee in any exam be put in public domain in the interest of transparency.** This would dispel wrong notions amongst the students and bring about more accountability and improvement in the quality of the question papers.

9.12 Miscellaneous recommendations:

9.12.1 Creation of an academic cell:

An academic cell, (recommended earlier) comprising experts for each of the subjects/papers, be created, within the Exam Dept. which may be vested with the following responsibilities:

a) Keep track of the guidelines applicable to an exam issued by the Board of Studies and provide academic inputs to the Exam Committee for considering and approving the same
c) Analyse the database of all the earlier question papers of a subject and the difficulty level thereof and provide inputs to the Exam Committee wherever required.
d) Oversee and Co-ordinate the preparation of the model solution and marking scheme of a question paper and resolution of disagreement, if any, between the Board of Studies and the Head Examiner concerned.
e) Assist in finalising of answer keys of MCQs
e) Provide support to the Head Examiner wherever required
f) Assess the quality of the question paper after the exam is over, rank the same and submit a report to the Exam Committee, highlighting points such as i) whether it is in conformity with the guidelines issued; ii) the difficulty level is consistent with what is prescribed; iii) whether there were any out-of- syllabus questions; iv) whether the paper could be completed within the time allotted by a reasonably prepared student; etc

g) Compile the representations on a question paper received from students and other stakeholders, post exam and co-ordinate with the BoS, HEs and the moderators thereof, in finalising the comments thereon.
h) Provide academic inputs for the guidelines that are to be issued to paper setters and moderators
i) Identify and recommend induction of good resource persons in the system
j) Submit a report to the Exam committee, on the lessons learnt in the particular exam cycle, in paper setting, moderation, finalisation of the model solution and marking scheme and give suggestions for the next exam cycle.
k) Provide inputs to the Exam Committee on various issues, as may be required
l) Empanel more examiners
m) Vet inclusion of examiners, before they are empanelled
n) Organise interviews of the applicants with the Body of Experts that may be constituted.
o) Assist in organising workshops for examiners
p) Train them periodically on the latest development in the various subjects
q) Track the performance of examiners each exam and recommend further course of action for improving their performance
r) Provide technical inputs in developing the question bank and in building case studies wherever required
s) Assist in any other matter that may be required from time to time.

9.12.2 Use of technology:

Committee noted that on-screen evaluation has already been implemented. Further, it recommends the following:

- All exam processes be examined with the specific objective of identifying existing manual processes which may be automated and necessary action be initiated to automate them in a time bound manner. This would improve accuracy and also facilitate MIS.

- A systems audit be carried out of the Data centre operations of the Exam Dept.

- A Disaster Recovery and Business Continuity plan be put in place for the Exam Dept. data centre, on priority.

- Build a Question bank on various subjects as may be required and keep updating the same on an on-going basis .

- Issue of statement of marks and pass certificates be dematerialised. They be issued in digital form and a mechanism be put in place for on-line verification of educational qualifications of the students/members.

- A time bound action plan for digitising all manual marks registers of the earlier exams since inception be carried out so that verification of educational qualifications and issue of transcripts can be expedited.

- The existing students exam life cycle project of the Exam Dept. may be integrated into the Main Students portal so that students can view their status as to registration, eligibility to appear in exams, passing of exams etc in the portal at any time.

- ICAI may explore the possibility of joining Digi Locker provided by the Govt. and deposit the digitally signed statement of marks and pass certificates therein for the benefit of the examinees. This will eliminate the need for issue of duplicate statement of marks and pass certificates, over a period of time.

9.12.3 Exam Centres:

ICAI generally provides exam centres where all the basic facilities are available. They are also inspected before the exams, by Observers for taking any corrective action that may be required in specific cases.

Committee recommends that ICAI may strengthen the existing system of overseeing the exam centres. A system be put in place to a) carry out surprise visits of exam centres by the office from time to time b) collect feedback from candidates on the arrangements at the centre and c) take action against the observers who are not reporting the deficiencies at exam centres.

9.12.4 Capture of the attendance of examinees at exam centres on the basis of bio metrics:

Suggestions included introduction of bio metrics for capturing the attendance of the candidates at exam centres. Committee recommends that ICAI may take steps to introduce the same in a phased manner.

9.12.5 Survey on those students who could not complete the course

Committee recommends that ICAI may do a study of the data available at its command. It may analyse the statistics of those who joined the course but could not complete it.

The data collected may include

a) Students who had passed one of the groups of Inter/Final but had not passed the other Group
b) Specific papers of either Group of Inter/Final where the failure rate is high,
c) Those who have completed articleship but have not yet passed any level of the course,
d) Moderation factors approved by the Exam Committee across exams to identify, issues if any, with reference to the question papers impacting the performance of candidates,
e) Number of candidates who pass individual papers but fail to secure the aggregate marks, exam wise
f) Pass rate among Foundation route candidates vis-a-vis Direct entry route candidates
g) Number of attempts made by an average student at Inter/Final level for passing the respective exams
h) Students who had discontinued articleship
i) Number of examinees who passed/failed any exam, in different buckets of marks and across exams

j) Gap between the marks secured by the 1st rank holder and the 50th rank holder across exams and across syllabi etc

ICAI may commission a study on issues such as performance of the students across syllabi, average time taken for a candidate to complete the course in entirety, impact of medium of study/appearance in the exam on the results, regional patterns if any, gender wise results, rural vs. Urban pattern of results, age wise analysis of the students who pass, impact of family income of the students in passing, impact, if any, of practical training on passing of exams etc.

It may also carry out a survey amongst those who are not able to pass the exam in entirety for identifying and analysing the factors responsible for their not being able to complete the course.

This study and survey will give valuable inputs to a) ICAI for taking any corrective action that may be required and b) potential aspirants who would like to join the course.

9.12.6 Coaching classes and Virtual Classes of ICAI:

There was a suggestion that ICAI should regulate the coaching classes since many of them do not even have good Faculty member. Though ICAI does not have any jurisdiction over outside coaching classes, it can examine the matter with reference to in-house coaching arrangements in place.

ICAI may strengthen the penetration levels of its virtual classes at all levels of the course, more particularly at the Foundation level so that students get the “class room” feel and the personal coaching impact. It may also charge an appropriate fee for this service and collect the same along with the tuition fees at the time of registration to the course, from the students, so that they take it up seriously. ICAI may also consider stipulating minimum attendance of 40% of such virtual classes, in respect of each subject.

9.12.7 Class room training:

There was a suggestion that usefulness of Orientation programme, ITT and GMCS is marginal. They distract the attention of the students from articleship as well as exams. They can be dispensed with. However, Committee felt that these courses enable a student to acquire and upgrade his skills in critical areas and develop his personality. They be continued.

9.12.8 Tap in-house wisdom:

Committee felt that ICAI with its seven decade standing has a reservoir of knowledge and experience relating to its activity in the form of Past Presidents who can definitely provide guidance to it, as and when required. It suggested that ICAI may take advantage of the same as required.

9.12.9 Study of International Best Practices:

Committee suggested that ICAI may constitute a separate Committee for the purpose. Further, it recommended that teams of officers from various departments may be deputed to visit foreign Institutes from time to time to study and suggest measures for improvement of its systems and procedures, on an on-going basis.

9.12.10 Analysis of Data

Committee noted that ICAI is sitting on a wealth of data relating to students and members gathered over the past several decades and can put in place a mechanism to analyse the same, generate various reports to understand the patterns, requirements, etc draw inferences and take such action as may be required.

9.12.11 Computer based exams/on-demand exams:

On introduction of computer based exams/on-demand exams, committee felt that it may not be practicable in the present scenario given the volumes, geographical spread of the candidates, limitation of question bank, and the technological infrastructure available in the country.

9.12.12 Darkening of circles in OMR answer sheets with pen instead of with pencil:

There was suggestion that examinees be permitted to darken the circles in the OMR answer sheets with pen instead of with pencil. Committee felt that office may take a view on the matter.

9.12.13 Strengthening the Exam Dept.:

ICAI may strengthen the infrastructure of the Exam Dept. in the following areas:

- Exam Dept. operates from two different locations with attendant impact on resources, time taken, co-ordination, confidentiality etc. It is preferable that Exam dept. operates from one premises, which may be about 1,00,000 sq.ft in area. This will save resources, time and will also ensure better delivery of service.
- Key staff members in the exam dept. at critical levels are retiring shortly. Many posts are lying vacant. The Dept. be adequately staffed so that it can function smoothly.
- The existing servers in the exam data centre are old and have outlived their utility. They need to be replaced. Further, the software may also be upgraded to the latest version.

9.12.14 Counselling of students by BoS:

- Committee noted that an analysis of the performance of the students-exam wise, paper-wise and question wise is being hosted by BoS on its Knowledge Portal, soon after the declaration of results, for the academic guidance of the students.

- In addition to the above, Committee recommends that a formal mechanism be put in place at BoS, through a separate cell, for counselling the students, post results, assisting them to handle the next exam.

9.12.15 Ensure good co-ordination of exam and BoS

Committee recommends that BoS and the Exam Dept. should continuously engage with each other, at all stages of the exam so that the desired end result, i.e. the interests of the students are adequately taken care of.

9.12.16 Reform is an on-going process:

Committee noted that the exam reform process is an on-going project and that an independent committee be constituted to review the status of the progress of implementation in this regard and suggest further measures, atleast once in three years.

9.13 Other suggestions of the stakeholders outside the terms of reference of the committee:

Committee noted there were some suggestions made by the stakeholders which were outside its Terms of Reference and refrained from making any recommendations on the same. Some of them were administrative in nature. They are being sent to ICAI separately for doing the needful.

Chapter 10

Way forward- Good to Great

ICAI Exam system has stood the test of time over the years. It has developed robust practices and procedures with adequate internal checks and balances.

External environment is getting more complex and stressful for the students. Coverage of the syllabus has become vast whereas the assessment structure has remained the same. It is still based only on the written exam, which is paper based and depends on group wise passing structure. The system leaves a vast majority of candidates who are not successful in the exams at different levels, despite their best efforts, dissatisfied and frustrated. The clamour for re-evaluation is likely to get intense in the years to come. That by itself is no panacea since that may not address all the concerns of the students.

Examination process depends on several external support systems such as exam centres, examiners, resource persons and others. The scale of operations and the geographical coverage of the examination system is getting larger. Technology has fuelled expectations of instant gratification/resolution in a paper based exam system, which is labour intensive and time consuming. Conducting exams every half year is itself becoming challenging.

Examination Department of ICAI provides high-quality examination processes and systems and maintains the highest standards of openness, fairness and accountability. It is also responsible for maintaining globally benchmarked examination standards year after year. It strives to achieve best of compliance of the procedures laid down by Central Council, the highest decision-making body of the Institute for preparing examination papers and other test instruments including marking process.

Examination body of ICAI has been regularly updating its examination system and bringing necessary changes as and when demanded. The recent changes in evaluation system are introduction of on-screen evaluation, central evaluation, machine-based evaluation, step-wise marking and mandatory on-line test for examiners.

ICAI also introduced assessment of electives based on case studies to sharpen application, analytical and comprehensive skills. In electives, 40% MCQ based questions have been introduced to reduce subjectivity, steering the system towards objective examination and evaluation. Electives are open book exams from May 2018 exams. Students have been allowed to bring their own material for reference during the examinations, which is itself a big reform.

Comprehensive reforms, not necessarily those confined to exams, but all encompassing, more specially, structural, such as attracting the best talent for the course at entry level, enhancing the level of awareness of the prospective entrants to the course so that they make an informed decision and do not get misled into believing that they would be able to complete the course, strengthening the practical training and assessment of the training received on an annual basis, paper wise passing as against the current practice of group wise passing, providing meaningful exit options to those who could not complete the course, objective type questions coupled with descriptive type questions, open book exams, case study based questions, strengthening the evaluation system, paper setting systems, attracting the best resource persons for the job, technological solutions etc, may be the way forward.

More specifically, all of the above reforms have to be implemented without compromising on quality, which is the hallmark of the course. There lies the challenge the future holds- **maintain the quality standards and the image of the Institute in the emerging complex external environment, with the growing volumes.**

However, to strengthen the system further; to make it up to date with latest technology; redress the grievances raised by stakeholders from time to time and make the system more student friendly, the examination body of ICAI needs some fundamental changes in its operations and functioning.

10.1 Move towards Learning Organization

To put it into a learning organization mode, from a bureaucratic one, it requires a high level of operational autonomy for its employees. Autonomy is a human capability that fuels development.

Bureaucratic system of organization discourages curiosity, independent thinking, and kills creative environment in which employees can experiment and test new problem-solving approaches with minimal fear of failure. Bureaucratic set up believes in structure, hierarchy and compliance as is common in typical government system while autonomy demands accountability and that is the soul of a professional body of international stature.

Autonomy (i.e., to promote choice) supports intrinsic motivation, greater interest, less pressure and tension, more creativity, more cognitive flexibility, better conceptual learning, a more positive emotional tone, higher self-esteem, more trust, greater persistence of behaviour change and better physical and psychological health rather than regulation (i.e. pressure towards compliance).

Autonomy is different from independence. One can rely on others for guidance and support or access to resources. One can also depend on another person by choice. Individuals care about others and their commitments with others are evidence of autonomy, not of dependence Furthermore, people who identify with a group may adopt values or behaviors 'that lend priority to that group, and, in doing so, they can be acting autonomously'.

ICAI should be less bureaucratic and allow more operational and financial autonomy to its exam body to hire the technical expertise necessary at competitive salary levels and to purchase the technical equipment necessary, independent of public-sector regulations.

It therefore requires a budget separate from the normal rises and falls, typical of most public sector enterprises – that is, it will most probably have to self-financed. It must create a demand for its services, for which clients are willing to pay. Once self-financed, examination body of ICAI can pursue its professional responsibilities without political interference and transform suggested reforms into reality faster than any professional body in the world.
