

The Institute of Cost Accountants of India

(Statutory Body under an Act of Parliament)

CMA Target Success



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Behind Every Successful Business Decision, there is always a CMA



CMA Target Success

CMA S.C.Mohanty
President



It gives me immense pleasure to recognize the contribution of Academics Department to facilitate CMA students by providing them proper guidance for effective learning and enriching knowledge.

I am confident that the students' will definitely gain success if the guidelines provided in this title "CMA Target Success" is followed in true letter and spirit.

I wish you all success in life and hope you all qualify the examinations with flying colours and join the CMA Profession.

May God Bless You All.

CMA S.C.Mohanty
President

CMA Dr.A.S.Durgaprasad
Vice-President



"CMA Target Success" - study and examination preparatory guidelines for CMA students is prepared by the Academics Department under the able guidance of Chairman, Board of Studies Committee.

This is the need of the hour and I am confident this little endeavor attempted to guide the students shall be instrumental in making their strategic plans for effective learning and achieving success in their endeavor.

Be a proud Member of the CMA Profession.

God Bless

CMA Dr.A.S.Durgaprasad
Vice-President



CMA Target Success

From the Desk of Chairman, Board of Studies Committee



Dear Students,

It is indeed a privilege to present before you "CMA Target Success" - a guidance to facilitate your strategic study plan to learn and represent during Examinations to achieve success.

To equip you all, Institute has provided the required and sufficient information to the students for preparation of subject, model test papers and guidance to face the examination. It is observed that many students are missing the information available at various places - prospectus, study materials, institute website and circular released from time to time. An attempt is made now to bring the information in a sequential order at one place enabling the student to prepare for studies as well as for examination.

Swami Vivekananda said on way to success "Take up one idea, make that one idea your life, think of it, dream of it, live on that idea. Let the brain, muscles, nerves, every part of your body be full of that idea, and just leave every other idea alone. This is the way to success".

Swami Vivekananda said on concentration "The very essence of education is concentration of mind not the collection of facts. If I had to do my education over again and had any voice in the matter, I would not study facts at all. I would develop the power of concentration and detachment and then with a perfect instrument I could collect facts at will."

I extend my appreciation to the Academics Department and to CMA Chiranjib Das, Joint Director, Head-Academics Department (Board of Studies) for bringing out this value added book-let at short notice.

Dear Student, if you study hard during examination, you can face the examination with ease. I wish you good studies, success in examination and an excellent career.

CMA Sreshti DLS
Central Council Member
Chairman, Board of Studies Committee

From the Desk of Chairman, Training & Educational



Facilities (T&EF) Committee

Dear tomorrow's CMAs,

It is indeed a privilege to address and interact with you all to share our thought process to be engaged for effective learning while pursuing CMA Course.

We are proud to be a member of this esteemed Cost & Management Accounting Profession, our Alma mater.

There was a demand from the Faculty and Students across the board to suggest guidelines which would facilitate the teaching and learning mechanism.

The Academic Department (erstwhile Academic wing in the Directorate of Studies) have already contributed by providing - Teaching Guide for Faculty, PPTs for Foundation, Intermediate and Final students. This is to bring about uniformity in teaching-learning mechanism.

This "CMA Target Success" guidance booklet which is prepared by the Academics Department under the able guidance of Chairman, Board of Studies Committee, is indeed a great endeavour and shall be a road map for their all-round success.

At this juncture, I wish to place on record my gratitude for the passionate contribution of the team and Board of Studies and Directorate of Studies of our Institute, who are moulding the NextGen CMAs.

I wish you all a great success in life.

God Bless

CMA. T.C.A. Srinivasa Prasad
Chairman, Training & Educational Facilities
(T&EF) Committee



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To our Future Leaders and budding CMAs

Dear Students,

With the growing complexity and challenges in doing business, there is a need to get ourselves technically and professionally equipped through gaining proper knowledge while getting prepared for CMA Course. **You all are concerned how to go ahead with the preparation and what is the best path to achieve success in Examinations.**

You are all aware that Institute has introduced "Syllabus 2012", the first term of Examinations is already conducted in December 2013 and results were also declared in February, 2014. We also have "Syllabus 2008" which is operational upto June 2015 Term of Examination.

We will now guide you to the pathway which will facilitate you to make proper studies and prepare for writing Examinations under this new Syllabus, which is an industry-oriented course enriched with employability skills embedded. Make effective use of the state-of-art curriculum and shape your future.

Syllabus 2012:

The objective is to equip your thought process and streamline your actions to gain adequate knowledge of subjects and getting ready for Syllabus 2012.

You all may be aware about the features of this Syllabus 2012. We are now widely recognized by statutes as **CMAs** from erstwhile CWAs.

"CMA – Transforming Accountants from Ledger to be Management Accountants and Business Leaders for Top Management Positions"



This is one of the important stimulant for ours introducing the Syllabus 2012, which aims to address various issues leading to effective and efficient managerial decision-making. The successful completion of each of the courses, viz., Foundation, Intermediate or Final,

increases the potential for employment in respective levels at different sectors/areas.

How to Prepare for Exams

- ❖ Time Management
- ❖ Study realistically
- ❖ Make Healthy Choices
- ❖ Sleep
- ❖ Do not Cram
- ❖ Study early - Read direction

U will definitely gain Success



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Time Management - a Reality check



Numerical Analysis:

If you say that I have 6 months to study for my

Intermediate/ Final Examinations

Time available as demanded is 6 months = 180 days x 24 hours	4,320 Hours
Less: Proposed time to take rest/sleep @ 6 hours per day = 180 days x 6 hours	1,080 hours
Less: To keep fit and clean including time required to have food throughout the day say @ 2 hours per day = 180 days x 2 hours	360 hours
Less: Time required to meet family commitments @ 1 hour per day (most conservative estimate) = 180 days x 1 hour	180 hours
Less: If you are a working person then time involved from preparation for going to office and coming back @ 12 hours per day (on a conservative estimate) = 180 days x 12 hours	2160 hours
Net Available hours for Study during this 6 months time period	540 hours

Note:

(1) Study report on time management estimates that in majority of the cases, even a Student who is not a working person, is engaged about

12 hours per day for his going to college or study centre or group study or any other work whether or not incidental to studies.

(2) No of Hours available per subject for doing exclusive studies if appearing for both groups:

(a) Net Available hours (as per above estimate) = 540 hours

(b) No. of subjects = 8

(c) Available hours per subject = $540/8 = 67.5$ hours

(3) Make your Study Plan accordingly so that both learning and writing skills are getting developed during the course of your study.





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How to Get Prepared - Study Realistically



Syllabus 2012 is prepared on the following parameters:

- ❖ Based on 6 skill sets - knowledge, comprehension, application, analysis, synthesis and evaluation. While the first 4 skill sets are relevant for Intermediate, all the 6 skill sets are relevant for Final Course.
- ❖ Mapped with four knowledge pillars (KPs)- management, strategy, regulatory function and financial reporting. While the first 3 KPs are relevant for Intermediate, all the 4 KPs are relevant for Final Course.
- ❖ Increased emphasis on accounting, analysis, reporting & control in Final Course.
- ❖ Case study based analysis on strategy, performance measurement, reporting, corporate & allied laws, taxation, ethics and governance. Case Study based analysis in Final Papers 15,19 & 20.
- ❖ Based on section wise weightage - within each subject, section wise weightage marks are given.

Your First Jerk from the Starting Point



REFERENCE Materials available for Students:

- (1) Study Materials - in hard copy as well as PDF files sent to their respective e-mail ids on the date of registration;
- (2) PPTs for all Subjects and all Chapters (uploaded in website) - Intermediate - 3942 slides (for 8 subjects); Final - 3794 slides (for 8 subjects);
- (3) Suggested Answers of Examination Questions: - released on the date of publication of results;
- (4) Practice Test Papers (PTPs), Revisionary Test Papers (RTPs), Mock Test Papers (MTPs);
- (5) Under Students menu in website (www.icmai.in) Archive contains Previous term Examinations PTPs, RTPs, MTPs for reference;
- (6) PTPs, RTP & MTPs are not only uploaded in website, but also sent to individual e-mail ids of students. It is suggested to update the e-mail ids with the Institute;



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(7) Suggested Answers for each examination are uploaded on website immediately on announcing examination results;

(8) Examiners reviews for each examination are uploaded on website on announcing examination results:

(9) Student e-newsletters, separately developed for Intermediate and Final, are released every fortnight and are mailed to e-mail ids of students. Hence, students are advised to subscribe to e-newsletters on Institute's website.

Time Schedule for Publication of PTP, RTP & MTPs

Reference	Sets	Date of Publication
PTPs	1/2/3 (only questions)	3/2.5/2 months prior to exams
PTPs	Answers 1/2/3	15 days after release of question sets
RTP	1 set (Q+A)	1.5 months prior to exams
MTPs	1/2 (only questions)	1 month/ 3 weeks prior to exams
MTPs	Answers 1/2	7 days after release of questions

"As you start the sprint of your CMA Career"

INTERMEDIATE Course

There is a change from topic-wise weightage to section-wise weightage in all the papers. Hence, we suggest that there should not be any selective study.

- (1) Ensure that all topics are adequately covered.
- (2) Avoid making selective study of some chapters, as you are entering into an area of uncertainty.
- (3) For practical (non-lab based) papers, like Papers 5,7,8,9,10,11,12 (company accounts portion), especially refer to the wide range of illustrations available in the study materials. Try to solve them on your own. This will help to increase your analytical and application skills.

(4) In Paper 5 & 12

- (i) Must give special emphasis on Accounting Standards and its application
- (ii) Must attend questions and answers for all sections.
- (iii) All workings must form part of your answer. Do not forget to refer/write the working number in your solution.



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(iv) Revised Schedule VI and its application must be made /displayed wherever required.

(5) In Paper 6, 7, 11,12

- (i) Must write the provisions correctly. Sometimes examples are better expressive than written statements. Hence, citing suitable examples with related case laws would provide an edge over others.
- (ii) Mentioning correct sections/sub-sections is much appreciable, but it is always better to omit than to commit a mistake. If you are unable to remember the correct section number, then please do not quote any other number. If you quote such wrongly, then you are writing a different law.
- (iii) Read the provisions thoroughly. Start writing them after your reading is over. Remember, it is said that effectiveness of reading gets reflected when you start writing them. There is no need to write descriptively, rather, you may write the main phrases/ major points. This will help you to make a better representation even during the Examination. It is always advisable, to start the descriptive answers, by writing/highlighting the major points first, followed by detailed description.

There is one more advantage in this above prescribed method of answering:

"Since you have mentioned all the points at first, even if you fail to detail/explain any of them, due to paucity of time or otherwise, it creates an impression on the examiner, based on the points which are already detailed therein".

Hence, it is always advisable to attempt and write those answers, which are best known to you, during an examination.

(6) In Paper 7 & 11 (practical problems/illustrations)

- (i) Must have a thorough understanding of the provisions. Must study all the illustrations provided in the Study Materials.
- (ii) Start solving the "Practice Test Papers" once they are uploaded in the website.
- (iii) Solve the Practical problems must be in accordance with the prescribed/applicable law. While practicing, develop the habit of writing the provisions also. This will improve your writing skills and the same can be sharpened over the practice period. You will derive immense benefit during examinations.
- (iv) Read the questions very carefully.



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Utilize the first 15 minutes of your reading time. Remember, for some questions asked, the answer may be embedded in the question itself. Example: Say in Paper 7, a question is asked as, to fill in the blank: "Annual Value of a House Property, which is not let out will be".

Interpretation of this question:

- ❖ There is only one House Property, as the word "a House Property" is used;
- ❖ Since the H.P is not let out, then it is "Self-occupied".

Answer: "NIL". [Annual Value of a House Property, which is not let-out is NIL]

Remember, this is just an example and there can be a wide range of examples, which may be cited.

The art of reading the provisions of law, enhances our understanding and knowledge further. This also adds value to our writing skills in future too.

As we are gearing up to grab the professional opportunities and responsibilities coming the CMA way, it is imperative that we must get ourselves fully equipped and knowledgeable to meet the expectations of stakeholders.

(7) In Paper 8 & 10

These are papers based on Generally Accepted Cost Accounting Principles and techniques therein. There is a major transformation, especially in the designing of contents as compared to Paper 8 under Syllabus 2008.

Some notable value additions:

- (i) Elements of Cost – like Materials, Employee and Overheads are strictly based on CAS (Cost Accounting Standards). The calculation is strictly as per the applicable standards.
 - (ii) Greater emphasis on application and analysis
 - (iii) Introduction of Financial Management with 40% weightage in Paper 8
 - (iv) Introduction of Managerial Economics – basics in Paper 10 [Section C].
 - (v) Introduction of basics of "Cost Accounting Record Rules and Cost Audit Report Rules, 2011" – to give an overview of the need, importance and methods of maintaining cost records
- ❖ Students should thoroughly study the contents provided in the study materials.
 - ❖ Solve the "Test Papers for Postal Students" (available in the website) and "Practice Test Papers".



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- ❖ Equal emphasis on both the sections of Paper 8 [Sec A- Cost Accounting and Sec-B ; Financial Management]
- ❖ Must practice illustrations given in Section C of Paper 10. Application of these techniques forms the basis of managerial decision-making.

(8) In Paper 9

This paper is having a unique combination of Operations Management & Information System. It is known to us that "Information" is the basis of "Knowledge". The role of a CMA is much widened and strengthened with utilization of available information for improving efficiency and effectiveness in operations. Students should note the logic of placing "Paper 9 – Operations Management & Information System", in the midst of "Paper 8 – Cost Accounting and Financial Management" and "Paper 10 – Cost & Management Accountancy".

- ❖ Paper 8 gives us the basics of cost accounting and generally accepted cost accounting principles and techniques
- ❖ Paper 8 also depicts the basics of financial management.

The role and responsibilities of CMAs are even wide spread than as compared to any other hardcore finance professionals. We must know / possess a first-hand idea – especially in fields of

managing finance and ascertaining cost of funds.

- ❖ These acquired knowledge, now forms the basis to make effective application in operations management
- ❖ The strength of this Paper 9 – operations management vests on the effective application of some basic operations research techniques like linear programming, assignment, transportation, queuing theory, simulation, inventory models. These would help our students to grasp and acquire the domain knowledge. Further, since these are practical/mathematical based applications, these would help them to secure/obtain good marks.
- ❖ Now, with the application of information technology and having some basic idea of ERP and SAP – relevant modules, as is used by corporate bodies, the employability would definitely increase manifolds.
- ❖ After gaining adequate basic knowledge from Paper 8 and Paper 9, now the student is to study Paper 10 – Cost and Management Accountancy – which is an application of that knowledge only.
- ❖ Students are advised to understand the bondage and interlinking amongst different papers under Syllabus 2012.



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Suggestions:

There may arise issues, which may be raised, especially regarding the technique adopted for solving problems on

"Transportation". We appreciate that there may be different paths/roads that may be demonstrated by your faculties/mentors, but all roads would lead to the same destination/goal. Hence, you may follow the most appropriate and acceptable method. All workings and notes must form a part of your answer.

(9) In Paper 12 (Auditing portion)

It is a general belief that Auditing is a theoretical subject. This is a gross mistake. The effectiveness of audit is achieved only when a person is fully aware of different other statutes. Say,

- (i) You are finalizing accounts – where there is a Closing stock. As an auditor, your duty is to ascertain whether there is a correct Valuation of Inventory or not
- ❖ Hence, you must be aware of CAS-6 (Material Cost) as well as AS-2 (Valuation of Inventories).
 - ❖ Remember, a wrong valuation may tilt the reported profit of the organization.
 - ❖ Even, this shall affect the Assessable Value in Central Excise. (An important portion covered in Paper 11).
 - ❖ Also this will affect calculation of "Business profits" (covered in Paper 7).

Hence, determining correct valuation is of immense importance.

(ii) You want to ascertain the correctness of value of any Asset or Liability -

- ❖ as an auditor, you must have exclusive domain knowledge of asset and liability accounting
- ❖ knowledge of applicable accounting standards
- ❖ Knowledge of business process (this is which is mentioned in Paper 9- Section A, SN1).

Hence, we may conclude the Auditing is not a theoretical subject. However, for fitness of things, we only require to detail the process/procedures, which apparently give a view of being theoretical in nature.

Suggestions:

- ❖ There is a need to understand the provisions of the applicable laws, standards, process, procedures. This will facilitate an auditor to seek proper explanation and information from the management, while an audit work/assignment is undertaken.



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Linking Intermediate with Final Course

There is a link between topics covered under Intermediate and Final Course. The topics are discussed in an escalated manner giving emphasis and proper insight to the topic and relevance in that stage.

Example:

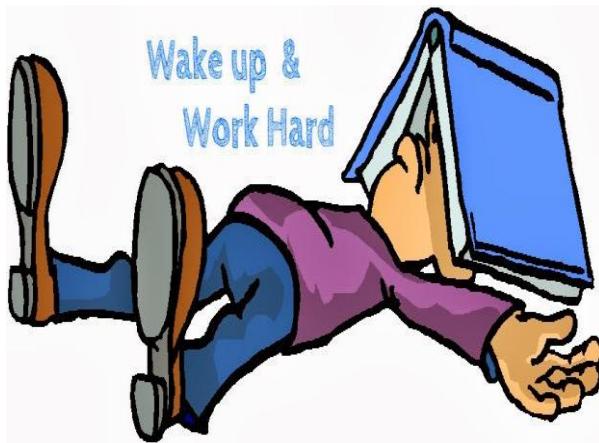
- (1) Topics of Paper 10- Cost & Management Accountancy – as relates to managerial decision-making is also discussed at a greater magnitude at the Final course in Paper 15- Business Strategy & Strategic Cost Management. This is especially in areas of decision-making.
- (2) Topics of Law in Paper 6 – especially Governance is also discussed in Paper 13 – Corporate Laws & Compliance
- (3) Topics of Paper 7 – Direct Taxation and Paper 11 – Indirect Taxation are forming the basis for effective/proper application while studying Paper 16 – Tax Management & Practice
- (4) Topics of Paper 8 – Cost Accounting & Financial Management. The portion of Cost Accounting forms the basis for further studies under Paper 19 – Cost & Management Audit, especially the cost computation aspects. The portion of Financial Management which is freshly inducted in the Intermediate syllabus is forming a link with Paper 14 – Advanced Financial Management.
- (5) Paper 5 – Financial Accounting & Paper 12 – Company Accounts & Audit also forms the basis for advanced studies in areas of Paper 18- Corporate Financial Reporting.
- (6) Paper – 9 – Operations Management & Information Systems forms the basis for further studies in respect of topics covered in Paper 17 – Strategic Performance Management. Topics of Operations Research, Statistical Application are covered at different magnitude in Intermediate and Final Course.
- (7) The analysis which is covered in Paper 5 - Financial Accounting, Paper 12 – Company Accounts & Audit helps students to study and make analysis while preparing for Paper 20 – Financial Analysis & Business Valuation, especially the Financial Analysis portion.
- (8) Approach to study Business Valuation portion in Paper 20 is grounded in Paper 8 – Financial Management portion, Paper 12 – Company Accounts portion.
- (9) Internal Audit, Operational Audit and ethics which are discussed in Paper 12 – Company Accounts & Audit, in Audit portion is also covered at a greater magnitude in Paper 19 – Cost & Management Audit.



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Hence, the Students pursuing Intermediate Course are advised to study effectively for proper understanding and knowledge adequate gain while pursuing the Intermediate Course only.

Remember, your grasp and command over the Intermediate subjects shall form a strong foundation for your desired performance at the Final Course.



FINAL Course

For each of the subjects in Final Course, special emphasis is given on Case Study Analysis. Cursory views of different subjects are laid down for your guidance:

(1) Paper 13 – Corporate Laws & Compliance

A student at this stage is required to have adequate knowledge of corporate laws and compliance requirements. This paper

adequately covers Companies Act, SEBI, Industry-specific laws and also Governance, Ethics. While the basics of these were already covered in the Intermediate (Paper 6), here the greater emphasis is on the procedures and compliance issues. You may expect small case lets to be solved which would require analysis, synthesis and effective evaluation.

(2) Paper 14 – Advanced Financial Management

The basic framework is aimed to provide a wide spectrum of knowledge and understanding of Financial Markets and its intermediaries, corporate and financial risks, financial decision-making under situations of certainty as well as uncertainty. The basics are already discussed in Paper 8- Section B (Financial Management). The analytical skills of yours would help to be attaining success as CMAs – be in practice or in service.

(3) Paper 15 – Business Strategy & Strategic Cost Management

The success of laying a business grossly vests on understanding and study the environment (economic as well as non-economic), forecasting, making effective strategies to gain business success. A theory very well known to us is “Game Theory”.

(a) Say, today if Coca Cola offers 2 litres of its product/s with an additional 1 litre



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free of cost, - what is the impact of this business decision, taken by Coca Cola on Pepsi? What would be the strategy taken by Pepsi to combat “shifting of consumers” from Pepsi to Coca Cola?

This is interesting to be noted, as to how Coca Cola Company could accommodate 3 litres (2 litres + 1 litre free) of their product at the MRP of 2 litres. What is the cost structure? What was the amount of loading earlier, which has allowed them to even accommodate this extra 1 litre ?

The basics of these are found from the financial records (covered in Paper 5), the cost records and its maintenance (covered in Paper 8 and Paper 10). These are interesting facts to ascertain, which would help you as a CMA to take effective strategy and gain competitive advantage.

(b) Say, what is the impact on demand/turnover of your products – if you are making advertisement/sales promotion through a “Celebrity brand ambassador” or “without a celebrity brand ambassador”.

Here, I am trying to mention – the effectiveness of “theme” or “Punchline/Tagline” selected for an advertisement.

You all must have watched a recent advertisement by “HAVEL's FAN”. The Punchline/Tagline is “HAWA BADAL RAHI HAI”.

The theme selected, shall definitely compel us to think about:

- ❖ Our social responsibilities (when it shows the OLD AGE HOME)
- ❖ Women empowerment – which is adequately addressed [When the 'Bride' expresses his desire to take the 'title/ surname' of the 'Groom;]

We may cite many such examples, like the punch line/tagline of an advertisement paves the path of business success. These are “Business Strategies”.

In furtherance herewith, Section B deals with 'Strategic Cost Management'. It may be noted that the basics of these are already covered in Paper 10 – Section A. Now that we are trying to align the business strategies to be taken based on the cost information. On the contrary, we may say, the effectiveness and success of any business strategy depends on how effective we are in managing our costs. The section deals in such relevant areas of cost management, which are very near and dear to a CMA.

Remember, CMAs help business to grow, make profits and sustain. We CMAs do not



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confine ourselves in reporting only. We work for stakeholders and offer our services for the best interest of the society.

There is a famous saying, which is stated here for your reference and understanding:

“Grow old with methe Best is yet to be...”

(4) Paper 16 : Tax Management & Practice

It may be noted that the element of tax component that enters into a unit of a product or service, manufactured or rendered in India, ranges, between 40-48%. CMAs has a major role to play, by making an effective application of Generally Accepted Cost Accounting Principles and its techniques, Cost Accounting Standards for making effective assessment under various tax laws in India. By saying this, we do propagate the calculation of assessable value (for products under excise laws, imports under customs laws, value of taxable service), valuation under transfer pricing regulations (both on international and domestic transactions), determination of margin of dumping, imposing trade remedy measures – should be made uniform by effective application of Cost Accounting Standards and GACAP.

Example: CAS- 4, issued by the Institute and duly notified by the CBE&C, helps the Revenue Authorities to bring about an uniformity in estimating cost of products which are captively consumed.

Similarly, there are many other standards, say like CAS-2 (Capacity determination) which should be referred by Excise Authorities especially while deriving some meaningful information through ER-7 (Annual Capacity Statement). Even, CAS-5 may be referred for making application in all those industries, who are taking freight abatement under excise laws.

Having domain knowledge of this subject is of immense important for CMAs. You all by this time have already enriched yourselves through study of Papers on Direct Taxation) and Indirect Taxation at the Intermediate level.

In this paper, greater emphasis is given on the procedural aspects, adjudications, appeals in areas of – direct and indirect taxation, with special emphasis on International Transactions.

Also, there would be case lets/case study based questions, which needs to be answered.

We would suggest you to read the case studies/ situations and legal interpretations/court decisions, on various aspects – provided in Paper 16 Study Material under this syllabus.



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It would be of immense help to you all. Further, please be updated with the "Practice Test Papers" (to be uploaded and even sent to your individual e-mail ids in August, 2013) and RTPs (Revisionary Test Papers) for December, 2013.

The success of a CMA is attained and much recognized when strategic business decisions are taken and implemented through an efficient tax management (and not tax evasion). **Remember, Tax is a Social Cost, which we all need to Pay.**

(5) Paper 17 – Strategic Performance Management

This subject widely covers those aspects which helps to make/ascertain 'to evaluate performance' of a business entity, based on the "Business Strategies" undertaken and executed. It also helps to measure the effectiveness of such "strategic cost decisions" taken by the management.

It may be noted that this subject contains three sections:

(i) Section A – deals with performance management aspects – this section is related with the making of 'Performance Appraisal Report', which we will study in Paper 19 – Form III of Cost Audit Report.

(ii) Section B – deals with IT & Econometric tools which may be effectively applied for

measuring performance – you have already had a first-hand knowledge while studying 'Operations Management' in the Intermediate Course

(iii) Section C – deals with Enterprise Risk Management

Analysis of performance - both in areas of economic performance and non-economic performance are based on different parameters/indicators. CMAs play a vital role in ascertaining these results – which would help them to take corrective decision and/or making of further effective business strategies – to uphold the interest of the stakeholders. Efforts should be made to understand the implication of each of these sections.

Suggestions:

- ❖ Please follow the theme which is underlying this subject;
- ❖ Must make a reference to the contents of Study Materials;
- ❖ Follow the 'Practice Test Papers' (to be uploaded in August, 2013)
- ❖ We will be uploading Case lets/case studies on this paper from August 2013 onwards. These are to be solved and reverted back to us via e-mail.



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(6) Paper 18 : Corporate Financial Reporting

A subject which deals with disclosure, reporting with transparency. A first measure of business performance analysis which can be ascertained through this reporting. Various schedules and notes hereunder uphold whether there was proper compliance or not.

Say for example:

- (i) An amount of penalty paid to RoC (Registrar of Companies) is identified in the Working Notes, Schedules (forming part of accounts). We may construe, that there was an event of non-compliance as per requirements of Companies Act in India
- (ii) An amount of interest was paid to Tax Authorities (be under Direct Tax laws or Indirect Tax laws) – holds the fact that there was some deviation from the laid down procedures

Similarly, the manner/ mode of calculation of profits for declaration of dividends – whether it is as per the applicable laws can also be ascertained from the financial reports and related documents, which are published by a business entity.

This subject also deals with:

- (i) preparation of accounts under different business combinations;

- (ii) preparation and consolidation of accounts of holding companies and their subsidiaries;
- (iii) various aspects of external reporting;
- (iv) government accounting standards and procedures
- (v) Sustainability reporting – and its recent developments

Suggestions:

Since some of these major issues have been dealt by you all in the Intermediate level:

- ❖ it is imperative to have a thorough reading and understanding of the different accounting standards and its application for evaluation and synthesis
- ❖ must make a reference to the problems/illustrations in the Study Materials;
- ❖ practice illustrations which are representing different situations;
- ❖ understand the logic – what, where and how it is getting changed
- ❖ check the application of accounting standards;
- ❖ special emphasis on the disclosure requirements as per statute/applicable standards



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(7) Paper 19 : Cost and Management Audit

By this time, you must have made a sketch of the strategy to be adopted keeping in mind the importance of each paper, especially their inter-linkage and bondage.

With the adoption and notification of Companies (Cost Accounting Record) Rules, 2011 and Companies (Cost Audit Report) Rules, 2011, by the MCA, GOI – the role and increasing importance of CMAs are duly recognized.

The Profession is wide open and invites young budding professionals to join the CMA Practice – strengthen the brigade. It may be noted that – while you prepare/maintain Cost records for 'Cost Compliance Report' or 'Cost Audit Report', you may like to make a preferential use of those records, which would facilitate your client to have a fair assessment even under the taxation laws in India. These are emerging professional avenues for CMAs in India.

This paper also contains various audits being termed as audits for 'Management' or Operational Audit. This helps a CMA to have a totalitarian approach, while he is either in acting as an Auditor or a Management Consultant – to prescribe ways and means for sustainable growth and development of such business entity.

Suggestions:

Having obtained adequate knowledge especially in making/maintenance of financial records, application of cost accounting standards, generally accepted cost accounting principles and its techniques, a student at this level is expected to be ready to meet the expectations of stakeholders/profession and even personal.

- ❖ Refresh your memories by thorough, in-depth reading and analytical understanding of the Cost Accounting Standards
- ❖ Check the application of Generally Accepted Cost Accounting Principles (GACAP)
- ❖ Have a first-hand trial on X-BRL Reporting on a dummy module

We would be organizing such workshops shortly. The details of which would be informed both through the website update as well as on your individual e-mails.

(8) Paper 20 – Financial Analysis & Business Valuation

A first question which may arise is - why this paper at last?

Appreciate, that Analysis of Financial Statements can only be made after the preparation and publication of corporate



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financial reports. Based on the degree of fairness and correctness, it is advisable to ascertain the value of a business or group of assets or an asset/liability (individually).

We trust that the topics and its contents would enrich the domain knowledge of CMAs to a much greater height.

Obtain domain knowledge, enrich yourself – qualify in the Finals and join CMA Profession/Family as a “Practitioner”.

Revision Schedule

Draw up a revision timetable

Research shows that shorter 20-30 minute spells work best, because your concentration is much higher. We therefore recommend taking short, frequent breaks. We also advise to mix the order of the subjects.

Get down to it in the morning

You have to make a start at some point and doing it sooner rather than later is a very good idea. Try to stick to our draft revision schedule and start revising in the morning - research shows that you are more likely to do all the planned work if you start early, because as it gets closer to the evening, there is bigger tendency to get outside.

Spice up your revision

Try to draw logic flow charts to memorize main points. Remember Picture states thousand words spoken.

Refer to Value Additions provided by the Institute through Academics Department

For both current and past terms consult:

- ❖ Practice Test Papers (3 sets each per subject)
- ❖ Revisionary Test papers
- ❖ Mock Test papers (2 sets each per subject)
- ❖ Refer to e-newsletters issued fortnightly, as this contains many special topics or topics of relevance, discussed in lucid manner with various examples.

Make summary notes

Making notes is by far the best way to memorize lots of information.

Reward yourself

- ❖ Take break
- ❖ Maintain balance between study and leisure

For instance go to a cinema with friends after a productive day of revision or treat yourself to something sweet. Work hard, play not-quite-as-hard is the motto here.



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Use your family and friends

- ❖ Ask people around you to test you and give you feedback.
- ❖ This is not only a good way to revise but also a good way to have a break from the hard work.

Think positive!

At the end of the day, it's not all about studying. There are plenty of people who did well in life without 100 per cent in every single exam, or who were actually pretty useless at school and university. Your life isn't over if you don't ace the exams, so take the pressure off yourself..

Following these tips you will get loads of work done, feel great about yourself and still have plenty of time to relax with your friends and family. Good luck, now get down to those notes!

Keep Smiling



A smile
is a curve
that sets
everything
straight.

#stapicrap.com

Did you Smile Today?

Mental Preparation for CMA Examination

There is no substitute for hard work and relentless study; still there are some parallel factors that affect students appearing for CMA examination. Mental Preparation is one of them. It is discussed elaborately as follows:

Self Reliance:

- Always rely on yourself. Do not lose your confidence always think positive and work toward targets.
- If you feel low then read some books or watch some videos which will inspire you and make you mentally strong.
- Keep in mind confidence is good but overconfidence always sinks the ship.

Make a plan to achieve the goal:

Before you start to prepare for your exams, take some time out to make a plan how you will prepare yourself for the examinations. When you are planning, consider the amount of time you have to devote for study, amount of time you have to devote for a particular subject your expected work routine, family commitments etc. Make a timetable based on the number of expected days you have for each paper you intend to appear in the examination.



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When forming your own timetable try to be flexible and realistic. Simply sitting down to study has little impact. You must have a clear vision about what you want to accomplish during your study times. A good study planning and adequate preparation are essential factors of becoming confident.

Work hard but calmly and steadily:

Do not rush. Look over your study notes calmly and steadily, rushing will only mean you absorb less information and need to study longer overall.

Keep time for fun and refreshment:

- It has been noticed that long sitting may create monotony. It is common to all. Studying same topic for a longer period is often uninteresting. Give yourself proper break time to time. When you feel fatigue, you may get relaxed by doing any other activity which you like. It will keep you mentally fresh.
- If it is possible then do yoga, meditation to enhance your focus and concentration level. It helps to fresh the mind and makes the body healthy.
- Always try to create an environment where you feel comfortable and can boost up yourself.

- Take a good sleep before the examination. It is most important for your brilliant performance.

Exercise

Physical activity is very important, in particular during intense study time. Even going for a small 30-minute jog after a day of revision will make a huge difference to your wellbeing.

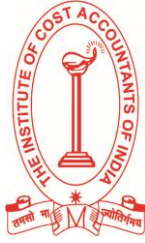
Physical activity increases heart rate which makes the blood circulate faster. This in turn ensures that brain gets more oxygen which increases productivity whilst reducing tiredness and stress.

Find a quiet space

This is a pretty straightforward one: you desperately need a place where you can be uninterrupted for a few hours.

Understanding rather than mugging up the concept:

Always try to understand the underlying concepts behind a given topic rather than just mugging up the concept because if you cannot understand the concept then there is big chance that you will forget the entire concept after few days and sometime it may not be possible to revise everything on the eve of examination.



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Discuss what you learn:

Discuss topics, after having revised them, with your classmates. It helps you to understand your study material and makes you confident.

Seek help:

If you are struggling with a particular topic, do not be hesitated or feel shy to seek help from your teacher and friends because it is not possible that you know everything.

Self-Discipline:

Maintaining a disciplined life is an important factor of success as it helps a student to bring self control. Self discipline helps in managing the time and enhances the focus on study.

Panic Control:

- Do not take extra pressure at the time of exam because it can create panic in your mind. This can make you perplexed during the whole exam and force you into making errors that could be easily avoided. The easiest way to control your panic is just hold your nerve and keep believe in yourself and avoid those students who makes you puzzle by discussing whatever he/ she has covered, what are the probable question may come etc.
- After completing an exam don't think about the exam you have already given

rather focus on forthcoming exam because if you find out any mistake on last exam, it may create panic in your mind and your whole exam may be affected.

- Try to set achievable targets for each day. Otherwise, excessive target may bring frustration.
- Do not make panic in the exam hall if you see that the question paper is hard. Try to short out those questions which you know better and solve those at first because it will help you to increase your confidence level to solve the harder one. The last but not the least point is that, if you failed in exams, do not lose your heart. Learn from your mistakes and start preparing for the upcoming exam, once again. ***"It is unwise to be too sure of one's own wisdom. It is healthy to be reminded that the strongest might weaken and the wisest might err."*** – [Mahatma Gandhi](#).

Reach the Destination

- over come challenges on your way by your **WILL POWER** - "if you think, you can"



Cross the BAR (Raise ur Standard)



“Set your Target to Hit the Bull’s Eye”



How to make appropriate reference while studying:

(1) Refer to Practice Test Papers issued every term and also refer the Previous terms Practice Test Papers available in the website. There are 3 sets issued per subject. Solve them. Check your answers/solution with the answers of those questions, which will be provided in website. Make an analysis of yourself. This is self-assessment. Draw your future course of action accordingly.

(2) Read the "Revisionary Test Papers" issued for every paper/subject. This contains questions and answers. Make a note of the major points to make a summary.

While you are almost ready to appear for your examinations, Institute will be releasing **Mock Test Papers** for making your self assessment.

(3) Solve the Mock Test Papers.

Do not wait for the answers which will be released as per the time line. Check your status of preparation after the solution is released . Take appropriate action.

Develop your writing Skills



It is often evidenced that examinees despite knowing answers fail to complete answers to all the required number of questions.

(a) Lack of proper writing practice - as we all are well-versed in using cell phones or laptops/ computers.



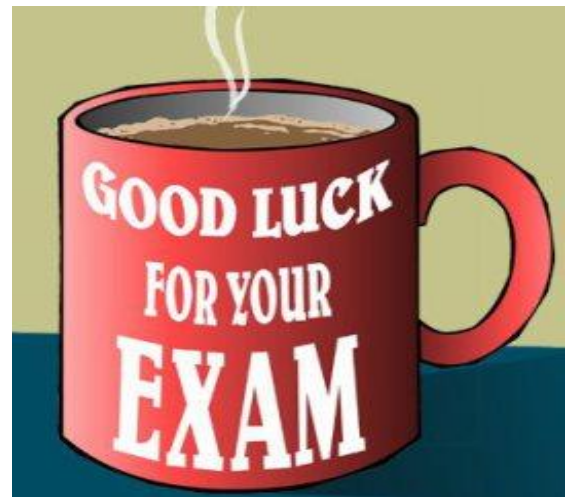
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There is a need to practice writing for long hours on a regular basis so that the **writing speed is maintained**.

(c) Illegible Handwriting - this especially worsens when you try to speed up for completing examinations. There may be a possibility of **best answers being poorly showcased**.

It is advised to develop writing skills. Further, if you write the lessons which you have studied, you will be able to find out mistakes/ errors / omissions. This will help to make proper correction at your end.

h) Ensure you have attempted all the minimum number questions which is to be answered. There is no harm if you answer/solve extra question/s.



Tips for Writing Examination:

- 1) **Utilise 15 minutes reading time** very effectively to choose those questions which you are most comfortable with.
- 2) a) Total Writing time = 180 minutes
b) Provision for Normal Loss during exams = 30 minutes
c) Net writing time = 150 minutes
d) Time per 1 mark = 150 minutes / 100 marks = 1.5 minutes
e) So a 2 mark question should be solved/answered in = $2 \times 1.5 = 3$ minutes
f) 10 marks question should be answered in = 10×1.5 minutes = 15 minutes and so on.
g) Remember, if you are going beyond this time schedule, then, you need to gear up and adjust somewhere.

DONT EVER LOOK BACK





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We all pray for yours' Success



GOD BLESS

Disclaimer: Students are supposed to refer to Prospectus, Study Material and website of the Institute (www.icmai.in) for correct and updated information and to keep note of changes from time to time.

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On Examination issues	exam@icmai.in
On Academic matters	bos@icmai.in
On Studies related administrative issues	studies@icmai.in

Behind Every Successful Business Decision, there is always a CMA



Be a

CMA