

SUMMARY OF HEAD EXAMINER COMMENTS
DECEMBER 2012 EXAMINATION - SYLLABUS 2008

INTERMEDIATE GROUP – 1

IP 05 – FINANCIAL ACCOUNTING

Question wise performance

Question 1

- Overall performance was very good and the majority of the candidates scored good marks in this question. In fact, this good scoring of marks in this question helped them to ultimately do well in this paper.

Question 2

- Performance of the candidates was of average level for Part (a). Very few candidates could understand the difference between Branch Stock a/c and Branch Adjustment a/c.
- Some of the candidates explained the meaning of Depreciation & various methods of calculating the same, instead of stating the criteria of a depreciable asset.
- Quite a few candidates did not calculate the value of inventory correctly.

Question 3

- Most of the answers were satisfactory for Part (a).
- Overall, the candidates failed to prepare Hire Purchase Trading a/c correctly. They showed very poor knowledge of this topic.
- There is lack of clarity of fundamental concepts in Royalty Accounting for Part ©. The answers were not correct.

Question 4

- Many students could not prepare B/S of the company correctly for Part (a). This was due to wrong calculation of Interest on Capital and consequently wrong division of profits among partners.
- Overall performance was average for Part (b). Goodwill under capitalization method could not be worked out correctly by many students.
- Most of the answers were satisfactory. However in Part (c), some students considered Emergency Exit Expenditure as Capital expenditure, instead of revenue expenditure.

Question 5

- Most of the answers for Part (a) were partly correct. Many candidates failed to prepare Memorandum Contract A/c correctly. The answers showed lack of proper understanding of this topic among the students.
- Some of the candidates did not give correct treatment for bonus utilized in reduction of premium & hence, the final balance of Life Insurance Fund was calculated wrongly in Part (b).

Question 6

- Overall satisfactory answer was given by the students. However, some students did not understand correct utilization of reserves for issue of Bonus Shares.
- Generally well answered. However, some students could not prepare correct Trial balance after carrying out necessary rectifications.

Question 7

- Most of the answers for Part (a) were correct. Some students did not have a clear idea about how to prepare the Balance Sheet from given Ratios, although this is a common type of question.
- This Question was attempted by very few students. The performance was unsatisfactory, as the students lack proper understanding of provisions of Companies (Declaration of Dividend out of Reserves) Rules, 1975

Question 8

- Answers were not brief and to the point. Most of the answers were descriptive in nature. The students lack ability to express answers to theory questions.

SUGGESTION FOR IMPROVEMENT

- ✓ Students must appreciate that this is a paper where high marks can be secured, provided they prepare well. However, it appeared that large number of them was not well prepared. It must be understood that there is no alternative to acquiring knowledge of the subject. For that purpose, more intensive study of the Institute Study Material and prescribed texts is a must. The students must also practice to solve problems from past question papers of the Institute and those of other professional bodies covering the various matters covered in the syllabus, so that they can face the examination more confidently.
- ✓ They must also improve their skill of presentation of their answers in a neat and well-arranged manner. This will help them to score higher marks.

GENERAL OBSERVATION

From the performance evaluation, ranking report submitted by examiners it is observed that about 50% of the candidates' performance was very poor. From this it is revealed that students are taking casual approach in appearing in such professional examination. It is advised that in-depth study of Institutes Study Materials, reading of good textbooks followed by regular repeat, regular practice of problems on various chapters can only help the candidates to clear such professional examination. No short cut method will help the students to bring success in their career.

IP – 06: COMMERCIAL & INDUSTRIAL LAWS AND AUDITING

Question wise performance

Question 1

- Part (a) below average. Many students were confused in justifying the answer.
- Most of the students were unaware regarding the provisions of partnership applicable to LLP in Part (b)
- As the question for Part (c) was related with contract or bailment, some candidates were able to give correct answer. Performance was satisfactory.
- Few candidates presented satisfactory correct answer with proper reasons for Part (d).
- In Part (e) performance was good as many of them give correct answer.
- Majority of the candidates could not explain consideration in a contract of guarantee for Part (f). Performance was poor.
- Performance was average for Part (g). Most of the students could not understand the question and were far away from the answer.

Question 2

- Part (a) was attempted by many students and explained well. Performance was good.
- Performance was satisfactory for Part (b) as the students were able to explain P.F. benefit in view of retirement to some extent.
- Majority of the candidate could not offer justification regarding consumer protection act. Performance for Part (c) was average.
- A very good percentage of examinees could answer well for Part (d).
- Many of the candidates could not understand the question for Part (e) and were unable to clarify the deceit and deceive.
- Performance in Part (f) was good.
- Many of the candidates could not justify the answer in right direction. Performance for Part (g) was satisfactory.
- Performance in Part (h) was excellent as most of them mentioned correct fill in the blanks.

Question 3

- Students explained the answer for Part (a) with proper rule.
- Candidates were able to explain the performance of contract well. Performance was good for Part (b).
- In part (c), regarding the protection of eyes of workmen, many candidates gave proper answer.
- Part (d) was not answered by most of the candidates. Performance was below average.
- It seems students were unaware about the meaning and duty of the occupier. Performance was satisfactory for Part (e).

Question 4

- Though most of the candidates did not attempt part (a) overall performance was satisfactory.
- Very few attempted Part (b). And those who attempted could not give proper answer.

Question 5

- Many of the candidates were confused in answering fixed deposit is a current asset or not. Performance for Part (a) was average.
- Performance for Part (b) was below average. Majority of the candidates could not explain arrear depreciation well.
- In Part © majority failed to indicate proper provisions. Performance was poor.
- Overall answer in Part (d) was not up to the mark. Performance was satisfactory.
- In Part (e) performance was good, almost everyone were able to explain well.
- A maximum number of students gave to the point answer for Part (f). Performance was good.
- Students could not explain the features of CIS. Performance in part (g) was poor.

Question 6

- Performance was good for Part (a). Examinees explained all about fixed assets in a good manner.
- A large number of students explained positively the auditor's duty in respect of loan. Performance was good for Part (b).
- Performance was very good for Part (c). Attempted by maximum students and secured good marks.
- A limited number of examinees attempted but answer was not proper for Part (d).
- Some gave wrong answer due to lack of knowledge of CIS. Performance was average for Part (e).
- Majority could not differentiate between the risk of non detection of error and non detection of fraud. Performance was below average for Part (f).

- In Part (g) some students presented satisfactory correct answer with proper reasons.

Question 7

- Performance was poor. Students were unaware about justification of AS.
- In part (b) performance was average. Most were unable to answer the same.
- It looks majority are not well versed with pervasive effect and specific effect in CIS. Performance was poor for Part (c).
- Maximum number of candidates explained very good answer for Part (d).
- Majority of the students explained the physical verification of inventory in a proper way. Performance was good in Part (e).
- Examinees gave proper answer to this question. Performance in Part (f) was good.

Question 8

- Very few candidates attempted part (a). Performance was average.
- Though Part (b) was simple yet students were unable to give right answer.
- Examinees were able to explain different approaches to some extent. Performance for Part (c) was satisfactory.
- Performance for Part (d) was average. Very few could give to the point answer.
- The performance of the candidates was unsatisfactory.

GUIDELINES AND SUGGESTIONS

- ✓ Try to follow chronological sequence for answering question. Write sub section in serial under main question. Disturbing serial creates bad impression on examiners.
- ✓ Answer the question in an orderly and logical manner.
- ✓ There is no need to write full question in the answer script as it requires extra time and space.
- ✓ Handwriting should be legible and spelling mistakes to be avoided.
- ✓ Stress should be on relevant material mentioning law and sections instead of unnecessary filling of answer sheets.
- ✓ As most of the questions are related with problems, proper practice of theoretical model problems is essential so that command over the fundamentals of the subject matter is made.
- ✓ It is essential to study the Institute's materials and text books of latest edition.
- ✓ In depth and detailed study of company law and corporate law is highly recommended.

IP – 07: APPLIED DIRECT TAXATION

Question wise performance

Question 1 (compulsory objective type question)

Answered well by most students. Examinees need not write the question and the answer but give the correct word/phrase with the option number, to save time.

Question 2

- In part (a) many examinees have given definition of all types of assesses, whereas as per the question only definition of Company's Residential Status was expected.
- Part (b), (c) and (d) are generally well answered.

Question 3

- Parts (a), (b) and (c) – presentation is not proper. Also error in calculation of Long Term Capital Gain of Shares is seen.

Question 4

- In part (c) apportionment of capital employed in business to determine correct taxable amount – not done properly.

Questions 5, 6 &7

- Many students are not well prepared to answer theory questions and case based questions requiring application of provisions on the Income Tax Act.

Question 8

- In part (b) only few examinees have given correct priority of set off of losses.

Suggestions to improve

- ✓ Read the questions carefully and understand what is required to be stated.
- ✓ Answers written should have relevance to the marks allotted, and the question asked.
- ✓ Candidates should learn to manage their time, so that they can complete the paper.

General observation

- Examinees need to revise the topics and important points including solving practical problems before the examination.
- Examinees would perform better if they understand and clearly grasp what is asked for in the question and cover the required points only in their answers.

INTERMEDIATE GROUP II

PAPER – 8 COST AND MANAGEMENT ACCOUNTING

GENERAL COMMENTS

Overall performance of the candidates, as commented by the examiners, was satisfactory. However, the deficiencies as observed in answering the questions and which candidates are required to make note for the improvement are as under:

- ✓ The quality of answers reflected lack of conceptual knowledge and understanding of the candidates considering the expected standard level of the subject 'Cost and Management Accounting'.
- ✓ It has also been observed that the candidates lacked adequate practice to solve diverse range of questions.
- ✓ Working notes to practical problems were either absent or not properly exhibited by most of the candidates.
- ✓ In many cases candidates not answered the questions completely in sequence. Answers to sub-parts of each question were scattered over different pages of the answer book instead writing them consecutively.
- ✓ Some other deficiencies observed and commented by the examiners were poor handwriting, poor presentation, spelling and grammatical mistakes.

Question wise performance

Question No. 1

- This was the compulsory and objective-type question. Performance of the candidates has been satisfactory and most of them had secured good marks.

Question No. 2

- Average performance was observed in Part(a) of the question.
- Performance of candidates was found satisfactory for Part (b). However, only a few candidates could state five types of managerial decisions for which Differential Cost Analysis is useful.

Question No. 3

- This practical question related to 'Acceptance of Special Order' was attempted by less number of candidates and the answer given by only few of the candidates was satisfactory for Part (a).

- Though the candidates have answered Part(b) well, however, some candidates were not fully aware of the various advantages of standard costing system.

Question No. 4

- The Part (a) theoretical question concerned with the ‘Treatment of overtime wages in cost accounts’ was attempted well by majority of the candidates.
- This numerical part required conceptual understanding of ‘Contract Costing’. Broadly, the candidates were able to prepare the ‘Contract Account’ correctly. Some of the candidates failed to calculate correctly the amount of profit to be transferred to P&L A/C and many of the candidates were not able to show the ‘Contractee Account’ correctly.

Question No. 5

- The practical problem on ‘Uniform Pricing’ required sound understanding of ‘Uniform Costing’ to solve it correctly. Many of the candidates who attempted Part (a) failed to calculate correct uniform price.
- This theoretical question on ‘distinguish between Indifferent Point and Break-even Point’ was attempted satisfactorily by majority of the candidates.

Question No. 6

- A large number of candidates attempted this practical problem related with the ‘Transfer Pricing’. Most of the candidates answered Part (a) satisfactorily.
- This theoretical question related to ‘Job Order Costing’ was answered well by most of the candidates.

Question No. 7

- This practical problem related to ‘Operating Costing’ was attempted by large number of candidates. The overall performance for Part (a) was bit disappointing as many candidates were not able to classify cost as Variable cost, Semi-variable cost and Fixed cost correctly.
- This theoretical question concerned with the meaning of ‘Cost Apportionment’ and ‘Cost Absorption’ and was attempted well by the majority of the candidates.

Question No. 8

- Performance of candidates for Part (a) was poor and most of the candidates provided layman answer.
- Most of the candidates attempted well Part (b) of the question.
- Performance of the candidates was average for Part ©.
- Generally the answer for Part (d) given by the candidates was satisfactory.

- It was the least attempted part of the question. Moreover, those who attempted Part(e) had not performed well.

PAPER – 9 OPERATIONS MANAGEMENT AND INFORMATION SYSTEM

Question No.	Comments
1(a), (b), (c)	As it was objective question, in general Performance was satisfactory. If students will go through the study materials properly they could easily score more marks.
2(a)	Performance was average. Students need to practice numerical questions.
(b)	Average Performance. Students need to practice numerical questions
(c)	Performance was good
3(a)	Performance was average as students could not understand these mathematical questions.
(b)	Performance was satisfactory.
(c)	Performance was unsatisfactory.
(d)	Performance was satisfactory.
(e)	Performance was satisfactory.
4(a)	Performance was average.
(b)	Performance was average.
(c)	Performance was average.
(d)	Performance was unsatisfactory. Thorough reading of study notes is recommended.
(e)	Performance was unsatisfactory. Thorough reading of study notes is recommended.
5(a), (b), (c), (d)	As it was objective question, in general Performance was satisfactory.
6(a)	Performance was average.
(b)	Very few students have attended this question. It seems lack of practical exposures.
(c)	Very few students have attended this question. It seems lack of practical

	exposures.
7(a)	Performance was satisfactory.
(b)	Performance was average.
(c)	Performance was poor. It was noticed that very few students have answered it correctly. Students could not understand this question. They are advised to go through the questions properly.
8(a) to (h)	Performance was average. Students are advised to study the relevant chapters thoroughly.

GUIDELINES FOR IMPROVEMENT

- ✓ Questions are set within the syllabus & study notes, students are advised to read it properly.
- ✓ To fetch high scores students should labor hard for objectives & numerical sections of the question paper. They should consult reference books of this subject.
- ✓ This paper is a technical paper and students need to balance in both parts Operation management & information system. Comprehensive preparation and in-depth knowledge is required for both parts.
- ✓ Students are advised to avoid selective studies.
- ✓ Students should consult the past questions and suggested answers of the institute to know the suggested pattern/standard of the questions & presentation of answers.
- ✓ This paper is high scoring paper; regular practice will make them perfect.

IP - 10 - APPLIED INDIRECT TAXATION

Specific Comments:

- Q1. This is a compulsory objective type of question with sub-part (a) and (b) based on application of law in Central Excise, Customs, Service Tax and VAT and overall performance of the students is average.
- Q2. The answer was attempted fairly well by the majority of the candidates. But the concept of specific duty (Part-C) in the context of Excise Law was not clear to few students.
- Q3. Overall performance of the candidates is satisfactory. However the provisions relating to credit for input services utilized for manufacturing a product exported provide relief to the exporters are not properly explained by most of the candidates. (Part-C)

- Q4. The performance was generally satisfactory as the questions were based on practical aspects. But many students did not know the proper treatment of packing charges in the context of assessable value for Excise Duty purposes (Part – A).
- Q5. There was average performance of the candidates in this question. However, concept of ‘Acquisition Fraud’ is not known properly by many candidates (Part – B).
- Q6. The answer was attempted fairly well by majority of the candidates.
- Q7. Only few students were able to give correct value of taxable service.
- Q8. Difference between transfer of goods and transshipment of goods under Customs Laws are not properly explained by most of the candidates.

General Comments:

The quality of most of the answers reflected candidate’s lack of analytical ability and in-depth knowledge in the subject.

Time management of many of the candidates was not proper resulting in one full question or part question at the end being left out for lack of proper time.

FINAL GROUP III

PAPER 11 - CAPITAL MARKET ANALYSIS AND CORPORATE LAWS

COMMENTS ON STANDARD OF QUESTIONS:

The paper setting was good objective oriented and very systematic. All the questions were relevant, good coverage of syllabus and as per standard expected of the Final level examination.

OVERALL PERFORMANCE OF THE STUDENTS

Unsatisfactory performance of some candidates mainly due to failure to understand the question, wrong/incomplete answers, bad hand writing, vague answers and lack of logical and systematic approach. However overall performance was satisfactory. Considerable number of candidates avoided the calculations/workings for which separate marks were earmarked.

GUIDELINES FOR IMPROVED PERFORMANCE

- ✓ Candidates should keep in touch with periodical amendments and study Institute's Study materials and books of latest edition.
- ✓ Thorough and in depth study is necessary especially for compulsory question no 1 & 5.
- ✓ Careful reading and understanding the basic requirement of the question is a must.
- ✓ Avoid repetition of same points.
- ✓ To provide margins on both sides of the answer books and to provide adequate space between answers for a legible presentation.
- ✓ Not to write vague answers.
- ✓ To improve hand writing.
- ✓ To improve communication skills.

Question wise performance

Compulsory

1a (i) (ii) 1b (i) (ii) Q 1 c (i) (ii)	Satisfactory – but number of candidates avoided these questions.
1a (iii – vi) 1 b (iii – vi) 1c (iii)	Good. Almost all the candidates attempted.
Q 5a, 5b (ii)	Good.
Q 5b (i), (iii) to (v)	Satisfactory.

Optional.

Q2a Q3a Q4a, 4b	Satisfactory.
Q2b	Satisfactory but proper presentation was lacking. Part wise mark not indicated by majority.
Q3b,3c Q4c	Good – Majority attended.
Q4d	Unsatisfactory. Lack of study and lack of understanding the question.
Q6a,6b,6c	Satisfactory. Majority avoided this question.
Q7a,7b Q8a,8b,8c	Good majority attended these questions.

PAPER 12 – FINANCIAL MANAGEMENT & INTERNATIONAL FINANCE**COMMENTS ON THE STANDARD OF THE PAPER**

The paper was well set balancing and covering the entire syllabus. It was a judicious mixture of theory and practical questions enabling candidates to score reasonably good marks and also testing the theoretical knowledge and cost accounting/ financial techniques.

GUIDELINES AND SUGGESTIONS

Thorough and in depth study of the subject, consulting the study material issued by the Institute and solution of past examination questions and an understanding of the requirement of the question would definitely prove better result. The candidates must have an in depth knowledge of computation of forward rates of currency. They must read the theories of each chapter in the study materials of the Institute. More clarification required on step wise process to be followed by the examinees. Question numbers must be written properly.

Question wise performance**Question No. 1**

- All examinees attempted this question well. Most of the examinees failed to give workings in support of answers.

Question No. 2

- Average performance. Those who attempted could not do correctly in most cases.

Question No 3

- Part (a) was answered correctly in most cases. Students were lacking in the knowledge of EVA and Market Value Added.

Question No 4

- Fair
- Average performance. Most of the candidates failed to explain hybrid debt security.

Question No 5

- Very few examinees attempted this question. Poor performance for Part (a). Majority of the students could not determine the impact of change in credit policy.
- Very few attempted part (b). Performance was satisfactory.

Question No 6

- Average performance but many failed to compute value of option.
- Fair performance.
- Average

Question No 7

- Average performance.
- Fair performance. Most of the candidate failed to explain money market hedge is beneficial or not.
- Average performance.

Question No 8

- Satisfactory performance. Theoretical knowledge is lacking.

PAPER 13 – MANAGEMENT ACCOUNTING – STRATEGIC MANAGEMENT

COMMENTS ON STANDARD OF QUESTIONS:-

The standard of the questions asked was up to the mark. The questions were well set to check the candidates' analytical ability. It was duly balanced having scope for conceptual skill theoretical knowledge in practical situation covering 100% of the syllabus.

COMMENTS ON THE PERFORMANCE OF THE EXAMINEES

- The overall performance has not been up to the level which may be expected from the students desirous of entering into the profession of high expertise and knowledge.
- Their answers exhibited lack of systematic and logical approach, clear presentation, proper and adequate conceptual and analytical explanation.
- They had poor knowledge of concepts and also lack adequate practice to solve diverse range of practical problems.
- Certain candidates did not start answer to each question on a FRESH PAGE as instructed by the Institute.
- More questions having different parts were answered by some of the examinees at different places of their answer books.

SPECIFIC COMMENTS

Question No. 1

- Part (a) was answered by and large well by most of the candidates. The overall performance was good.
- Although majority of the candidates were able to choose correct answers for Part (b) from the alternatives but they could not substantiate their answers with adequate reasons.
- In Part (c) most of the candidates could get few rights. Very few got the answer correct. The overall performance was of average level.

Question No. 2

- The overall performance for Part (a) was of average level. Most of the candidates could get few steps/points right. Some of them performed well.
- Parts b, c, d & e were theory questions. Most of the examinees could get few points right. Some of them performed well. The overall performance was of average level.

Question No. 3

- In Parts (a) (b) & (c), most of the examinees could get few points right. Some of them performed well. The overall performance was of average level.

- Most of the candidates could get few steps right in Part (d) & (e). Some of the performed well but the overall performance was poor.

Question No. 4

- Part (a) overall performance was above average level.
- In Part (b) & (c) most of the candidates failed to answer correctly, their answers were not up to the mark.

Question No. 5

- Part (a) of the question was answered by and large well by most of the examinees. The overall performance was good.
- Although majority of the candidates were able to choose correct answers for Part (b) but they could not substantiate their answers with adequate reasons.

Question No. 6

- Most of the candidates could get few points' right in Part (a) & (b) and few got the answer correct. The overall performance was of average level.
- Most of the candidates failed to answer to the Parts (c) & (d) correctly. The overall performance was not up to the mark.

Question No. 7

- Most of the candidates failed to answer parts (a) & (b) correctly. Some of them gave vague answers and irrelevant details in their answers. The overall performance was not up to the mark.
- In Part (c) & (d) most of the candidates could get few points of the answers right. Overall performance was of below average level.

Question No. 8

- Most of the candidates could get few points of the answer right. Some of them performed well. The overall performance was of average level.

GENERAL GUIDANCE / SUGGESTIONS FOR IMPROVEMENT

- ✓ The examinees are advised to read and understand the questions thoroughly and carefully before writing the answers.
- ✓ The examinees should consult / read standard reference books (latest edition) / study notes thoroughly and analytically.
- ✓ Read the theoretical portion before attempting the practical problems. Only theoretical knowledge will help to develop conception and computational skills.

- ✓ Adequate practice of theoretical model problems is essential to acquire command over the fundamentals of the subject matter.
- ✓ Due attention must be given towards orderly presentation of solution of practical problems in suitable FORMAT along with sufficient working notes in order to secure good marks.
- ✓ Comprehensive preparation and acquiring in-depth knowledge of the subject matter is extremely required.
- ✓ Avoid vague, unnecessary and irrelevant details in the answers to the questions.
- ✓ Never tend to indulge in selective studies.
- ✓ Consult past questions and suggested answers of the Institute to know the standard of the questions and presentation of answers to the questions.

PAPER 14 – DIRECT INDIRECT TAX MANAGEMENT

GENERAL OBSERVATION

The overall performance of the students was highly unsatisfactory. The performance would have projected a darker picture, had it not been for the first question, which was an objective type (Fill up the blanks).

- Overall communication skills were poor, which were evident from the answers given for the theory type questions.
- Most of the students were not aware of the recent amendments and the same resulted in furnishing wrong answers.
- Conceptual clarity was lacking.
- Working notes were either missing or were inadequate for most of the problems, despite clear instruction in the question paper.
- Most of the students never read the instructions printed in page 2 of the answer book. Answers to each question were not given in a fresh page, which is a basic pre-requisite.

Question-wise comments

Question no. 1

- Barring a few sub-divisions, this was answered satisfactorily.

Question no. 2

- This was a poorly answered question. Vague answers were seen in most of the answer books.
- Instead of outlining the procedure for fixing anti-dumping duty, several students had written about what anti-dumping duty is.

- Most of the candidates were not aware of the treatment of dividend received from foreign company in which 35% of the share holding is held. It is obvious that students are not aware of the recent amendments.

Question no. 3

- This question on service tax evoked a satisfactory response.
- Most of the students were unable to give a precise answer for Part (b).
- Even though this issue is clearly discussed in the Study Material, precise answer was lacking in most of the answer books.
- This problem in wealth tax was generally answered satisfactorily. Students should however bear in mind that a brief note on the treatment of each item needs to be given by them.

Question no. 4

- Part (a) was not answered well by most of the students.
- The RTP has discussed the answer. However, most of the students did not understand the question properly.
- Part (c) is based on a recent amendment and several students exhibited their ignorance of the same. General answers were found in several answer books.

Question no. 5

- Few candidates had solved this problem in VAT correctly.
- Though several students could conclude correctly, precise reasoning could not be adduced by many of them.
- This was not a question which had been answered well.

Question no. 6

- Majority of candidates wrote the answer for this question well.
- This was one of the few questions which were not at all understood properly by many students. As a result, wrong answers were given for Part (b) by most of the students.
- Only handful of students applied the correct exchange rate.
- Generally, a satisfactorily answered question.

Question no. 7

- The recent amendment conferring privileges to SSI units in payment of excise duty was not known to many students.
- Extremely poor answers were seen for the three sub-divisions of this question in Part (b) in vast majority of the answer books.
- Only a few students wrote answers to the question in Part © involving applicability of the TDS provisions under the Income-tax Act, 1961.

Question no. 8

- Those who understood the concept, solved this problem in Part (a) correctly, but such students were in a minority.
- Though a simple problem, only few students had solved this fully correctly.

SUGGESTIONS FOR IMPROVEMENT

- ✓ Students should study all the recent amendments and understand the implications of the same. They must learn to apply them while working out the problems.
- ✓ More problems should be worked out by them.
- ✓ Students must understand the concepts well.
- ✓ Students should use precise legal terminology as relevant for a taxation paper.

FINAL GROUP IV

PAPER 15 – MANAGEMENT ACCOUNTING – ENTERPRISE PERFORMANCE MANAGEMENT

Report on the Performance of Students

Question Nos.	Performance of Students	Suggestion for improvement
1(a)	Overall performance was good. Some students did not give the reason behind false which was required as per the question.	Students could have saved time by writing only the reasons for false. Many students wasted time by writing unnecessary details and/or examples. No need of reasons for true answer.
1(b)	Very good performance by majority. Some got full marks.	Students should have read the whole syllabus sincerely. They should preferably write in the same order as the question paper to avoid confusion during evaluation.
1(c)	Overall performance was good.	A conceptual knowledge is required for this type of questions.
1(d)	Average performance.	Students may prepare for the paper more strategically by remembering key words in definitions of important terms. They need not waste time by giving examples/ details.
2	Poor performance.	Students should try to make a report on Life Cycle Operating Profit statement based on sales and fixed cost including total cost in precise form. Secondly year wise effect of reduction in price on LCOP is necessary. Examinees should calculate the Distribution Costs to show the Operative profit/loss. A comment in concise form is compulsory.
3(a)	Very good performance	Students should write definition of control system and its formal and informal system with suitable example.
3(b)	Average performance. Few students did very well.	Students should prepare a comparative economic statement of the two alternatives for a decision making.
4 (a)	Good performance.	Students should be thorough in such common topics, so that they may cover an entire aspect with sticking to time.
4(b)	Most of the students attempted. Good performance.	Students should draw a decision tree with (i) enter the market showing High, Medium, Low and No sales and (ii) do not enter the market. Evaluation decision point is necessary on EMV of different chance nodes. A comment is also compulsory.

5(a)	Very good performance. Majority attempted and got full marks.	Students should try to focus on point basis to score high.
5(b)	Average performance.	Examinees should learn the Simulation using 3 series of a random numbers for calculating the Expected Profit (average). Working notes are very much necessary.
6(a)	Good performance. Most of the candidates attempted and got full marks.	Students should write the 4 aspects of BSC in concise form.
6(b)	Poor performance.	Students should enter the critical arena of calculation for ascertainment of details of costs and P&L account. A statement of reconciliation of actual profit with standard profit is to be shown.
7(a)	Very good performance. Majority attempted and got good marks.	Students showed a fair level of understanding and the ability to summarize. Some even gave appropriate examples.
7(b)	Good performance.	Student should write the definition and give condition or constraints under which optimization is to be accomplished.
7(c)	Good performance. Students have presented the answer very well.	Students should write the definition of 'Quality' and 'Cost Management'. Give an appropriate relevance of 'Quality' in the cost management.
7 (d)	Good performance. Most of the candidates attempted and got full marks.	Student should write the definition of TQM and discuss its approach encompassing a companywide operating philosophy and system for continuous improvement of quality.
7 (e)	Average performance. Most of the students could not do well.	Students should write the meaning of Kaizen Costing Approach with an example.
8(a)	Poor performance.	Features of matrix organization with an example / structure with imaginary data are necessary.
8(b)	Poor performance.	Should write the definition of Aggregate Planning. The steps for the same are to be mentioned accordingly.
8 (c)	Good performance.	Students should write the meaning of ERM and its encompassed areas.

GENERAL OBSERVATION AND SUGGESTIONS:

- ✓ Candidates must read the study materials thoroughly and suggested answers of previous years' question papers and quality text books.
- ✓ A few candidates lack in conceptual knowledge and sometimes they have given irrelevant and vague answers mainly relating to the subjective type of questions.
- ✓ It is observed that the paper is a standard one.

PAPER 16 – ADVANCED FINANCIAL ACCOUNTING & REPORTING

COMMENTS ON STANDARD OF THE QUESTION

The question paper was quite well balanced and covered the important topics of the syllabus in a judicious manner. There was a balanced mix of theory and problem related questions. Care was taken to test the skill levels of the candidates in respect of their knowledge, power of comprehension, application and analysis. Candidates with reasonable preparation were expected to perform well in this examination. The questions set could be comfortably answered within the stipulated time of 3 hrs.

QUESTION WISE PERFORMANCE

Question No. 1

- Almost all the examinees found the majority of questions within their knowledge and secured good marks in all three parts of the question.

Question No. 2

- Part (a) the answers were good in general. Some candidates failed to work out inter segment adjustments resulting in ultimate wrong answers. Many also failed to deal with the difference between 'external sales and total sales'.
- Poor performance in Part (b), (c) & (d). Most of the candidates seemed to have no knowledge of the subject.

Question No. 3

- Performance was of very average standard for Part (a). Purchase consideration, transfer of liability of foreign company, intrinsic value of the company could not be correctly worked out by majority of the candidates. It was apparent that the candidate did not have enough practice to solve such problems.

Question No. 4

- Average performance in Part (a). Many candidates failed to calculate revenue profit minority interest and goodwill correctly.

Question No. 5

- Many candidates failed to calculate Excise Duty, which resulted in wrong value added in Part (a).
- Poor performance in Part (b) as the students could not work out correct amounts for passing journal entries.

Question No. 6

- Very few gave correct answers. Only a few could calculate correct amount of Capital Employed for 2 years / Average capital employed. All correct figure of future maintainable profit could be found by a few candidates only resulting in wrong calculation of Goodwill. For valuation of Goodwill almost none of the candidate could work capitalization method.

Question No. 7

- In part (a) many answers were partly correct. Some of the candidates failed to calculate Debenture amount correctly. Some candidates confused between Capital reserve and Goodwill.
- Poor performance in; part (b) but only such examinees who had specific knowledge did answer well. Many candidates didn't mention what are included in Corporate Social Reporting, only meaning of CSR was stated.

Question No. 8

- Part (a) – average performance, almost none of the candidates touched 'measurement of environmental performance'.
- Part (b) – Poor answers, form of accounts not stated.
- Part (c) - Fair performance.
- Part (d) – Fair performance.

GENERAL GUIDANCE/ SUGGESTIONS FOR IMPROVEMENT

- ✓ It is necessary to prepare well through more intensive study of the Institute Study material and prescribed texts.
- ✓ The students must also practice to solve all types of problems from past question papers of the Institute and those of other professional bodies covering matters covered in the syllabus.

- ✓ Examinees must also improve skill of presentation of answers in a neat and well arranged manner which will help them to score high marks.

PAPER 17 – COST AUDIT AND OPERATIONAL AUDIT

QUESTION WISE PERFORMANCE

Question No 1 & No. 5

- They were objective and compulsory questions. Majority of the examinees have fared well. Their performance in these two questions boosted their marks overall. For those who could not do well are advised to go through the study material and suggested answers thoroughly which will help the examinees to be in a position to correctly answer them.

Question No. 2

- Very few attempted this question and except 2/3 none could not correctly answer. This exhibits lack of adequate practice to solve diverse range of practical problems. The examinees are advised to practice more problems and undertake deep study of the subject.

Question No 3

- Part (a) (i) & (ii) demanded a specific answer. Majority of the examinees performed very badly. Many had given vague answer. To answer such questions the examinees ought to read the subject thoroughly.
- Very few candidate attempted Part (b) and majority who attempted could answer correctly. This exhibits lack of adequate practice to solve diverse range of practical problems.

Question No 4

- Part (a) was a very easy question and majority of examinees could write the correct answer.
- Part (b) was based on CARR. In fact none could correctly answer this question. This shows that the examinees are not updated with the latest rules. Students are advised to keep them updated.
- Part (c) was a simple numerical problem which majority of the examinees could do well.

Question No 6

- Parts (a) (b) & (c) were straight – forward question which majority of the examinees did well.

Question No 7

- Parts (a) & (b) were simple questions and many could answer them properly.

Question No. 8

- Parts (a) & (d) were from common topics and majority of the students attempted these correctly.
- Very few could answer Parts (b), (c) & (e) correctly.

GENERAL SUGGESTIONS TO IMPROVE PERFORMANCE

- ✓ The examinees are advised to read and understand the questions thoroughly and carefully before writing answers.
- ✓ The examinees should consult standard reference books/ study notes thoroughly and analytically.
- ✓ Read the theoretical portion before attempting the theoretical/practical problems. Only theoretical knowledge will help you to develop the conceptual and computational skills.
- ✓ Adequate practice of theoretical and practical model problems is essential to acquire command over fundamentals of the subject matter.
- ✓ Due attention must be given towards orderly presentation of solution of practical problems in suitable FORMAT along with sufficient working notes in order to secure good marks.
- ✓ Consult past questions and suggested answers of the Institute to know the standard of questions and presentation of answers to the questions.
- ✓ Students are advised to improve their English and handwriting.
- ✓ Many candidates did not start answer to each question on a FRESH PAGE as instructed by the Institute. This must be adhered to.

PAPER 18 – BUSINESS VALUATION MANAGEMENT

QUESTION WISE PERFORMANCE

Question No. 1

- ✓ Part (a), (b) & (c) – general performance was satisfactory. Weakness was noticed among some students in respect of some parts of Part (c). Thorough reading of study notes and revisionary test papers will enable the students to score good marks.

Question No. 2

- ✓ Answers were average for Parts (a), (b) and (c). In many cases appropriate definition and concept of the subject was lacking orderly presentation was also not present. It is recommended to thoroughly read study material and standard text books.

Question No. 3

- ✓ Answer was not very satisfactory except for few for Part (a). Correct and orderly presentation of the answer will be improved by regular solving of similar problems from standard text books.
- ✓ General performance was satisfactory for Part (b).

Question No.4

- ✓ Answers were by and large satisfactory. However orderly presentation of the answers should be improves by reading standard text books and study materials.

Question No. 5

- ✓ Part (a) and (b) were theory questions. Answers should be brief and to the point. Most of the examinees could get some points right. Some of them performed well. The overall performance was of average level.

Question No. 6

- ✓ The sum appeared to be little confusing to the examinees. In many cases, the two models that lead to identical valuation were not clear from their answers. The students are advised to practice more practical problems and undertake through study of the subject.

Question No. 7

- ✓ Answer was satisfactory except for some. Answer will improve by regular solving of similar problems from standard text books and study material.

Question No. 8

- ✓ General performance was satisfactory. Weakness was noticed among some students in respect of Part (v). Thorough reading of the study notes and revisionary test papers will enable the students to score good marks.

GENERAL GUIDANCE/ SUGGESTIONS FOR IMPROVEMENT

- Examinees / students are advised to study the materials provided by the Institute carefully.
- Reading the books prescribed in the syllabus will enhance depth of knowledge.
- Students should regularly practice solving questions from past examination papers and books.

Disclaimer: The summary of comments of the Head Examiner/ Examiners' has been given as guidance to assist the students in preparing themselves for the Institutes examinations. The opinion has been given by the Head Examiners/ Examiners and should not be taken to reflect the views of The Institute of Cost Accountants of India.