

welcome

*Namaskar*



## WEIGHTAGE OF MARKS (INTER - NEW SYLLABUS)

- ▶ Basic theory and cost sheet - 10% to 15%
- ▶ Elements of costing - 30% to 35%
- ▶ Methods of costing - 30% to 35%
- ▶ Cost control and cost analysis - 20% to 25%

## WEIGHTAGE OF MARKS (FINAL - NEW SYLLABUS)

- ▶ Modern business environment - 35% to 40%
- ▶ Performance evaluation - 40%
- ▶ Case studies - 30%

## EXAMINER'S EXPECTATION (CA INTER)

- ▶ Clarity in understanding the question requirements
- ▶ For example -
  - ▶ Raw material v/s output
  - ▶ Standard v/s budget

## CONTINUATION.....

- ▶ Absorption concept in overheads
- ▶ Activity based costing v/s traditional system
- ▶ Theory questions

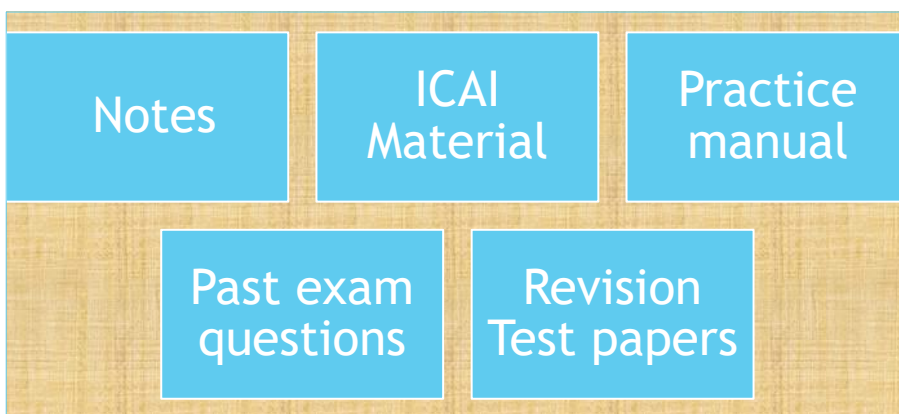
## Examiner's expectation - final

- ▶ Theory questions to be answered based on techniques and not on the basis of general knowledge
- ▶ Skill of writing
- ▶ Analysis of data in a more meaningful way
- ▶ Understanding question

## Continuation.....

- ▶ Standard costing - Analysis and Reconciliation
- ▶ Transfer pricing - Inter divisional benefits and non financial factors

## Part 2: Preparation





## Theoretical questions

- ▶ Go through ICAI material
- ▶ Read out question and answer on theory topics by referring latest ten question papers
- ▶ Go through latest four RTP on such topic

## Practical questions

- ▶ Avoid solving small questions on each issue
- ▶ Do consolidated questions which would cover multiple concepts
- ▶ Select top ten such questions in each topic
- ▶ Note down key points or issues in a

## For example

- ▶ At inter level
  - ▶ In contract costing chapter top 5 issues to be addressed by doing single question
  - ▶ Four type of contracts with different degree of completion and of which one may be carried forward from previous year and
  - ▶ There must be a concept of current year loss as well as expected loss

## For example

- ▶ At final level
  - ▶ In the case of decision making under CVP analysis
  - ▶ While doing make or buy decision include the concept of sub contracting
  - ▶ While solving acceptance of additional offer include the concept

## Continuation.....

- ▶ While doing pricing decision include pricing under ABC as separate question
- ▶ While working out product mix decision include multiple key factors so that the concept of LPP can be added
- ▶ While doing variance analysis solve under learning curve also

## Allocation of time

- ▶ How to study and prepare for longer hours
- ▶ Relaxation techniques
- ▶ Preparation of a condensed notes on specific topics

## Day before the exam - Ca inter

- ▶ Check list
  - ▶ EOQ with discount offer
  - ▶ Standard time calculation in Halsey and Rowan
  - ▶ Treatment of under / over absorption
  - ▶ Reconciliation between costing and financial profit

## Continuation.....

- ▶ Contract costing with escalation clause
- ▶ Process costing with WIP and inter process profit
- ▶ CVP analysis with key factor concept
- ▶ Is flexible budget similar to standard costing?



## Day before the exam - Ca final

- ▶ Check list
  - ▶ Product mix decision with multiple key factor
  - ▶ Sub contracting or out sourcing
  - ▶ Pricing decision
  - ▶ Transfer pricing including group company transfers

## Continuation.....

- ▶ Standard costing - traditional approach and analysis with respect to operational and planning
- ▶ Reconciliation under marginal costing by computing contribution variance
- ▶ Case studies(theory based topics) -

## Part 3: presentation

- ▶ Crucial three hours
- ▶ Maintain neatness, speed and accuracy
- ▶ For theory questions - use pointwise and charts wherever necessary

## For practical questions

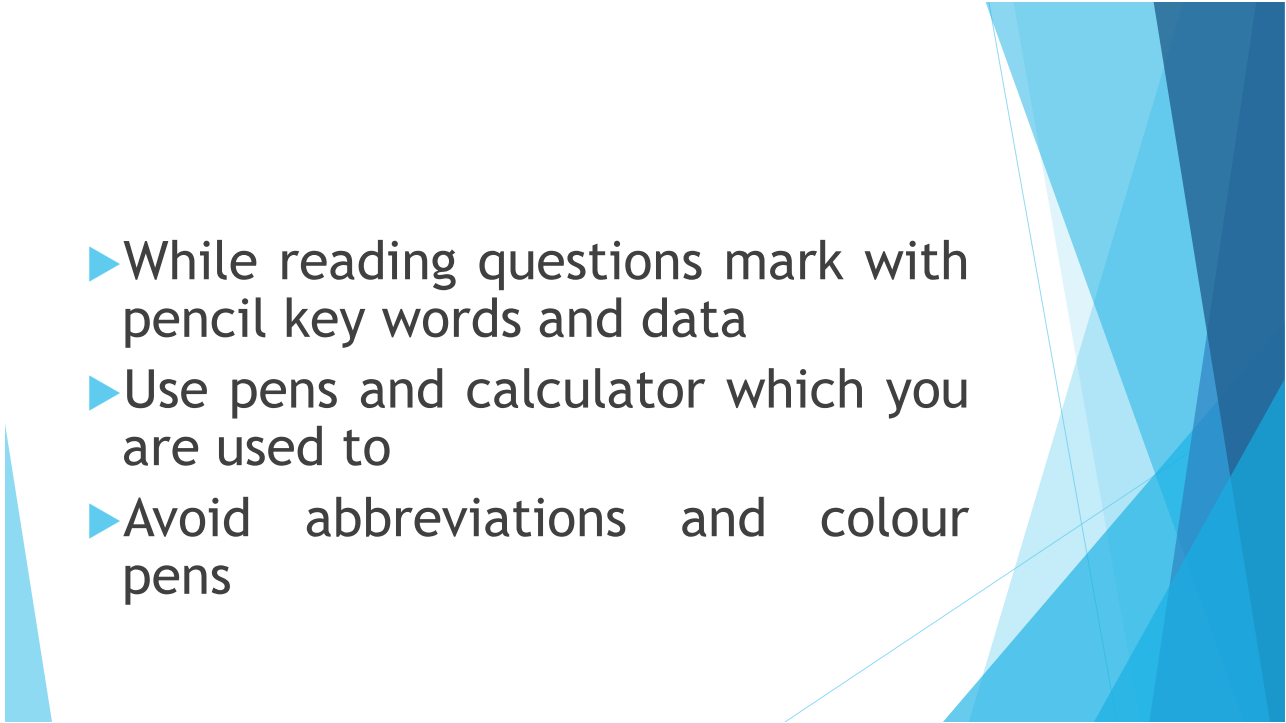
- ▶ Use detailed working notes
- ▶ Main answer should be on the first page
- ▶ Don't show ignorance but exhibit intelligence

## Case studies

- ▶ Address the key issues pointwise
- ▶ Suggest techniques to be applied
- ▶ Provide conclusion with clarity and to the point
- ▶ Avoid evasive and open ended conclusions

## General points

- ▶ Time management is the key
- ▶ Break three hours into six half hours
- ▶ Try to maintain answer sequence as that of question paper

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- ▶ While reading questions mark with pencil key words and data
  - ▶ Use pens and calculator which you are used to
  - ▶ Avoid abbreviations and colour pens

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2) b) Number of classes =  $2 \times 2 \times 52 \Rightarrow 312$  classes

Total costs	
Managers (2 x 62500 x 12)	15,00,000
Gatekeepers (15 x 15000 x 12)	27,00,000
Operators (8 x 30000 x 12)	10,80,000
Links (5 x 22000 x 12)	13,20,000
Other costs	6,03,500
Revenue 35% = 14	2,50,500
Depreciation on projectors (870000 x 15%)	1,30,500
Total	74,88,000

Regal =  $5 \times 40 \Rightarrow 200$  seats  $\times 0.8 \Rightarrow 160$   
 Premium =  $10 \times 25 = 250$  seats  $\times 0.8 \Rightarrow 200$   
 Classic =  $15 \times 30 \Rightarrow 450$  seats  $\times 0.8 \Rightarrow 360$

(c) Free of charge (40 seats)  $\rightarrow 800$   
 Total  $\rightarrow 760$  seats

Let the price of ticket be x  
 $(160-40)x + 200(2x) + 360(3x) = 74,88,000$   
 $360x + 560x + 360x = 24,000$   
 $1280x = 24,000$   
 $x = 18.75$

Price  
 $25\% \text{ return} = 18.75 \times 0.25 \Rightarrow 4.6875$

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5) Budgeted Sales =  
 June = 5,00,000  
 Realised = 50%  $\Rightarrow$  2,50,000  
 May Realisation = 4,00,000  $\times$  60% = 2,40,000  
 Total = 4,90,000

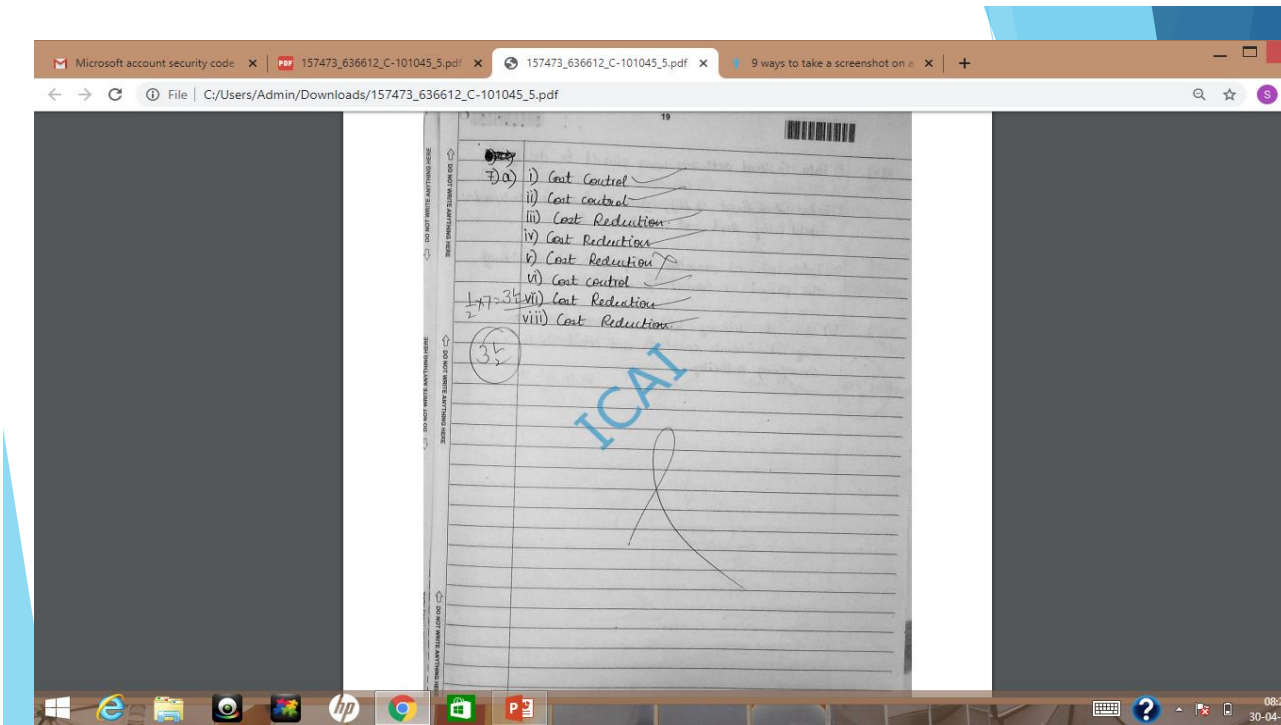
Materials purchased =  
 June = 5  $\times$  0.7  $\Rightarrow$  3,50,000  
 paid 40%  $\Rightarrow$  1,40,000  
 May purchases paid (60%)  $\Rightarrow$  1,60,000  
 (4,00,000  $\times$  0.7)  $\times$  60%  
 Total = 3,00,000

Dividend will be paid in August, 20, hence no impact for June.  
 Depreciation = 200  $\times$  15%  $\times$  1/12 = 25,000  
 Monthly expenses = (1.12  $\times$  25k)  $\Rightarrow$  28,000

Cash Budget June 19

Particulars	(Cr)
1) opening balance	75,000
2) (+) Sales Realisation (Receivable)	4,90,000
3) (-) Paid to the supplier	(3,00,000)
4) (-) operating exp	(85,000)
5) (-) Sales commission (10% on 6)	(46,000)
6) Cash closing balance	79,000

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*WISH YOU ALL THE BEST*

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