



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

The Chartered Accountant **STUDENT**

Your monthly guide to CA news, information and events

VOL 27 | NO.4 | PAGES 36 | SEPTEMBER 2023 | ₹50



PAPER 1:
Financial Reporting
(Final)

PAPER 5:
Advanced Accounting
(Intermediate)

PAPER 1:
Principles and Practice
of Accounting (Foundation)

Board of Studies (Academic) (2023-24)

Chairman

CA. Vishal Doshi

Vice Chairman

CA. Dayaniwas Sharma

Members

CA. Aniket Sunil Talati, President (Ex-officio)
CA. Ranjeet Kumar Agarwal, Vice-President (Ex-officio)
CA. (Dr.) Rajkumar Satyanarayan Adukia
CA. Chandrashekhar Vasant Chitale
CA. Dheeraj Kumar Khandelwal
CA. Durgesh Kumar Kabra
CA. Mangesh Pandurang Kinare
CA. Piyush Sohanraji Chhajed
CA. Sridhar Muppala
CA. Prasanna Kumar D
CA. Cotha S. Srinivas
CA. Sripriya Kumar
CA. Sushil Kumar Goyal
CA. (Dr.) Debashis Mitra
CA. Rohit Ruwatia
CA. (Dr.) Anuj Goyal
CA. Prakash Sharma
CA. Kemisha Soni
CA. (Dr.) Raj Chawla
CA. Hans Raj Chugh
CA. Pramod Jain
CA. Charanjot Singh Nanda
CA. (Dr.) Sanjeev Kumar Singhal
Dr. P. C. Jain
Advocate Vijay Kumar Jhalani

Co-opted Members

CA. Viral Kiran Mehta
CA. Manoj Kumar
CA. Jay Prakash Sharma
CA. Vikash Parakh
CA. Prasant Panda
CA. Palak Bhaskerbhai Pavagadhi
CA. Ankit Chotalia
CA. Ajitkumar C Shah
CA. Balakrishnan K

Special invitees

CA. (Dr.) G. S. Grewal
CA. Dhaval Thakkar
CA. Mahavir Jain
CA. (Dr.) Sangeeta Pandit
CA. Suresh Saket Bagdia
CA. Pawankumar Nanuram Swami
CA. Praful Karan Thacker
CA. Ravindra Vikram M
CA. Pankaj Kumar Trivedi
CA. Sohil Paresh Shah
CA. Yatinkumar Navinbhai Patel
CA. Abhishek Kedia

Total Circulation: 3,22,757

Check your Address: Dear Students, in case there is any change in your address, kindly log in on SSP portal and give full particulars of your address along with correct PIN Code. This would enable us to ensure regular and prompt delivery of the Journal.

Correspondence with regard to advertising and writing articles

Email: writesj@icai.in

Non-receipt of Students' Journal

Email: nosj@icai.in

INSIDE

- 03 President's Communication
- 04 Vice-President's Communication
- 05 Chairman's Communication
- 06 Chairman SSEB (Board of Studies-Operations) Communication
- 07 CA Final: Financial Reporting
- 20 CA Intermediate: Advanced Accounting
- 23 CA Foundation: Principles and Practice of Accounting
- 29 Announcement
- 35 Glimpses
- 36 Crossword

President and Editor-in-Chief

CA. Aniket Sunil Talati

Chairman

CA. Vishal Doshi

Vice President

CA. Ranjeet Kumar Agarwal

Vice Chairman

CA. Dayaniwas Sharma

Director-Board of Studies (Academic)

CA. Vandana Nagpal

Editorial Support

Dr. Ruchi Agarwal, Deputy Secretary
Jai Narayan Ram, Deputy Secretary

Office

Board of Studies, The Institute of Chartered, Accountants of India, ICAI Bhawan, A-29, Sector-62, Noida-201 309. Phone : 0120-3045907

Head Office

The Institute of Chartered Accountants of India, ICAI Bhawan, Indraprastha Marg, New Delhi-110002.

EDITOR: CA. VISHAL DOSHI

Printed and published by CA. Vandana Nagpal, on behalf of The Institute of Chartered Accountants of India, New Delhi.

PUBLISHED at the Institute's Office at Indraprastha Marg, New Delhi and printed at M/s. Printrade Issues (INDIA) Pvt. Ltd., Plot No. EL-179, TTC Industrial Area, Electronic Zone, Mahape, Dist. Thane, Pin Code - 400 710, Maharashtra.

The views and opinions expressed or implied in THE CHARTERED ACCOUNTANT STUDENT are those of the authors and do not necessarily reflect those of ICAI. Unsolicited articles and transparencies are sent at the owner's risk and the publisher accepts no liability for loss or damage. Material in this publication may not be reproduced, whether in part or in whole, without the consent of ICAI.

DISCLAIMER: The ICAI is not in any way responsible for the result of any action taken on the basis of the advertisement published in the Journal.

SWACHH BHARAT - A STEP TOWARDS CLEANLINESS



Dear Students,

Warmest Greetings to you all!

I extend my sincerest greetings to all the students on the occasion of **Teachers' Day**, on **5th September**. This day holds profound significance as it allows us to express our deep gratitude and appreciation for the invaluable role that teachers play in shaping our lives and careers.

As you are all aware, Teachers' Day is celebrated to mark the birth anniversary of the revered philosopher, academician, and statesman, Dr. Sarvepalli Radhakrishnan. Notably, Dr. Radhakrishnan was not only a distinguished teacher but also the first Vice-President of India, who later became the 2nd President of our great nation. His journey serves as an inspiring testimony to the transformative power of education and the pivotal role educators play in shaping the destiny of a nation.

I want to emphasize that your educators, mentors, principals, and guides play an instrumental role in sculpting your academic journey and preparing you for the challenges that lie ahead. It is through their guidance, and wisdom that you are equipped with the skills and knowledge necessary to excel in your field. I urge each one of you to uphold the values of respect, obedience, and diligence towards your teachers. You must also wholeheartedly acknowledge and appreciate the pivotal role they play in shaping your academic and professional journey not only on this day but always.

"The influence of teachers extends beyond the classroom, well into the future."

- F. Sionil Jose

Result of June 2023 Foundation Exam Declared

Heartiest congratulations to each one of you who successfully cleared the Foundation exam conducted in June 2023. Your achievement marks the beginning of a remarkable journey towards joining the community of Chartered Accountancy Students.

In the pursuit of achieving your dream career, the Institute through Board of Studies (Academic) is committed to equipping you with the finest learning resources to aid your preparation. Comprehensive learning materials, live learning classes, and the BoS mobile app are all designed to foster your understanding of the subjects. I strongly recommend that you explore the BoS Knowledge Portal—an invaluable platform that consolidates a wealth of study material, live and recorded lectures, syllabus details, timely announcements, revision test papers, and mock test papers.

MoU Signing with Goa Govt. and other Institutions

It gives me immense pleasure to share with you that ICAI, through the Board of Studies (Academic), has entered into a Memorandum of Understanding (MoU) with the **Goa State Higher Education Council (GSHEC) and The Directorate of Higher Education (DHE)**, Government of Goa. The formal MoU Exchange Ceremony took place on August 14th during our Council Meeting in Panaji, Goa. Hon'ble Chief Minister of Goa Shri Pramod Sawant, Secretary of Ministry of Education & Director of DHE Shri Prasad Lolayekar graced the event with their esteemed presence. I, along with Vice President ICAI CA. Ranjeet Kumar Agarwal, Chairman of BoS (A) CA. Vishal Doshi, Vice-Chairman of BoS (A) CA. Dayaniwas Sharma along with Central Council colleagues and officials from both parties, attended the event. It is a matter of pride that we have established MoUs with additional 12 educational institutions spanning the entire country in the last two months. These MoUs aim to encourage and facilitate collaborative programmes that are mutually beneficial, enhancing intellectual growth and cultural development in both ICAI and the partnering institutions.

Exemptions details under New Scheme Announced

I am assured that by this juncture, you have had the opportunity to delve into the intricacies of the **New Scheme of Education and Training**, preparing yourselves to align with the New CA Curriculum. Further, I would like to inform you that the Council has given its approval to **paper-wise** and **group-wise exemptions** for the Intermediate and Final examinations within the ambit of the New Scheme. Additionally, the 'Unit' Scheme for the Intermediate Examination has also been approved. The details of the same have been webhosted on institute's website and published separately in this journal. As assured earlier, this transformational journey not only promises a revitalized learning experience but also equips you with the tools to excel in the ever-evolving professional landscape.

Opening of Career Counselling Centre in Chhattisgarh

I am pleased to share that the Committee on Career Counselling took another significant step by inaugurating its second Career Counselling Centre at Yugantar Public School in Rajnandgaon District of Chhattisgarh in collaboration with the Bhilai Branch on 1st August 2023. An MoU has been successfully executed between ICAI and Yugantar Public School. This endeavour marks another important stride in spreading awareness about this prestigious profession and nurturing the aspirations of future accountants.

Develop an Exceptional Mindset

In your pursuit to become a Chartered Accountant, I urge you to remain committed to the core principles that pave the way for success. Believe me, when I say that hard work, determination, self-belief, and sincerity are not mere words, but they are the cornerstones upon which your academic journey is built.

Always remember that the road to becoming a Chartered Accountant is not just about acquiring a title; it's about developing a mindset, a skillset, and a character that is truly exceptional.

"If my mind can conceive it, and my heart can believe it - then I can achieve it."

- Muhammad Ali

With best wishes,

CA. ANIKET S. TALATI
PRESIDENT, ICAI



Dear Students,

Teachers are the ones who shape us like a potter or a ceramic artist, sharpen our abilities and bring out our exceptional capabilities so that we shine and excel.

The importance of teachers and mentors in transforming the lives of their students is phenomenal and beyond words. They assist us in determining our genuine capacities, potential, interests, and inclinations and give us the appropriate direction and moral support we frequently require while pursuing challenging goals. They sharpen our reasoning and propel us on to success. Observed on 5th **September** every year, the Teacher's Day commemorates the birthday of the 2nd President of India **Dr. Sarvepalli Radhakrishnan**, who was a renowned scholar, noted educationist, a true statesman, and above all devoted teacher.

As aspiring Chartered Accountants, the role of our Gurus, especially the Principals during your practical training, has to be remembered by you, as they are the ones who have imbibed in you the best practices to be followed at each stage of your life.

Period of Articleship Training is truly a learning period where we learn through practical assignments under the guidance of our Gurus, who are our Principals. They not only impart technical knowledge but also inculcate values, ethics, and professionalism. They share the practical insights gained from their vast experience, equipping us with the tools needed to excel in our chosen field. Through their mentorship we learn to apply classroom theories to real-world scenarios, preparing us for the dynamic environment of the financial industry.

Significance of Financial Literacy

In a metropolis, once there lived a young woman. She was passionate about her career and ambitious about her future. However, she soon realized that her zeal alone was not enough to navigate the intricate world of finance. She lacked financial literacy, a critical skill for making sound financial decisions.

Determined to bridge this knowledge gap, she sought guidance from her mentor, a seasoned Chartered Accountant. Recognizing her eagerness to learn, her mentor explained the basics of budgeting, the importance of setting financial goals, and the art of managing debt. He introduced her to the power of compound interest and the significance of diversifying investments.

With her mentor's persistent guidance, her financial outlook got totally transformed. She started saving and investing wisely and gained the confidence to make informed decisions. She gradually built a strong financial foundation that enabled her to pursue her aspirations with greater assurance.

What made her journey extraordinary was her commitment to sharing her newfound knowledge with her peers. She started organizing financial literacy workshops and educated her community about the importance of financial planning.

This story beautifully illustrates the impact of financial literacy, which our Gurus, including our Principals, impart to us. On this Teacher's Day, let's express our heartfelt gratitude to our Gurus, especially our Principals, who invest in our growth and nurture our potential.

Gear up for November 2023 Examination!

As you are aware, the examination system of the Institute is considered one of the best in the country, and it has maintained very high standards of integrity, confidentiality, and credibility over the years. It seeks to test the multifaceted knowledge, a Chartered Accountant should possess.

In January 2022, Hon'ble Supreme Court, while pronouncing a verdict, had commented about the robust Examination, that ICAI is having. This speaks a lot about the credibility of our Examination System.

To achieve success, you have to approach the examination with a positive attitude. I am sure; you would have already started preparations for the November 2023 examinations.

The study material provided by the Institute would help you develop a strong conceptual base. Make it a habit of going through them thoroughly, as these will enable you to understand the basic concepts of the subjects and develop your ability to understand their application. Apart from the study material, attempt and solve all the illustrations and problems from RTPs and previous papers. It will further build your conceptual clarity of a particular subject and strengthen your problem-solving skills.

I would also suggest you make it a habit of visiting the Institute's website regularly. It contains all the educational inputs of the Board of Studies like the latest study materials, BoS live learning classes (LCC), suggested answers, RTPs, mock test papers, capsules for Quick revision supplementary study materials, notifications, etc.

As students of this coveted course, you must remember the words of **Leonardo Da Vinci**, one of the greatest painters of all time "**Learning is the only thing the mind never exhausts, never fears, and never regrets.**" So, keep learning!

With Best Wishes

A handwritten signature in black ink, appearing to read 'Ranjeet Agarwal', written in a cursive style.

CA. RANJEET KUMAR AGARWAL
VICE PRESIDENT, ICAI



My Dear Students

Teachers' Day on 5th September is a special day to pay our gratitude and appreciation to mentors who steer an individual towards a promising future. On this occasion, I, along with my Vice-Chairman CA. Dayaniwas Sharma, would like to acknowledge the significant contribution of our members for their valuable efforts towards mentoring our students during their articleship training. One cannot deny the remarkable input of our fellow Principals who make headway for their articles and nurture them to become future ready for the profession.

At the same time, we appreciate our BoS(A) team members for their unconditional support and guidance to our students throughout their journey of becoming a CA professional. The teachers in a student's life contribute not only in terms of technical education but also in anchoring positive emotions and building moral high of the students during their difficult phase of life. As it's rightly said that *"A gifted teacher is not only prepared to meet the needs of today's child but is also prepared to foresee the hopes and dreams in every child's future."*

• Declaration of Result of June 2023 Foundation Examination

I congratulate and welcome our competent aspirants who have joined our students' fraternity after the declaration of the Foundation June 2023 examination on 7th August 2023. I wish all others who could not achieve success this time not to get disheartened with the outcome. Have faith in yourself and keep putting in your efforts with perseverance.

• National Webcast for students on 23rd August 2023

The BoS(A) organized a national webcast for its students wherein more than 100 queries of students were addressed by myself, CA. Dayaniwas Sharma, Vice Chairman BoS(A) and Director of Studies CA. Vandana Nagpal. The session was specifically conducted to clarify the doubts of the students related to the Transition (Conversion) Scheme, Implementation of the New Scheme, and Relaxation to students under the Old Scheme. The students who could not attend the live session can refer to the same, available under the link <https://www.youtube.com/live/onYkleVVUk?feature=share> for their better understanding of the new scheme.

BoS(A) Deliverables

• Revision Test Papers (RTPs)

The RTPs of all the subjects at the Intermediate and Final levels have been made available to all the students through

the Institute's website and CDS portal. Students must bear in mind that the RTP contains variety of questions – Multiple Choice and Descriptive Questions based on amendments/developments as applicable from different sections of the subjects' syllabi. Therefore, comprehensive study of the entire syllabus is a pre-requisite before attempting the RTP. Students can refer to these RTPs for their revision purpose and assess their readiness for the examination subject-wise.

• Mock Test Papers (MTPs)

The BoS(A) is scheduled to hold the first series of MTP from 5th September to 14th September, followed by another series of MTP in the month of October for all the Intermediate and Final level students. The detailed schedule will be webhosted on the BoS Knowledge Portal <https://boslive.icaai.org/index.php> under the section - BoS Announcements. I recommend all the concerned students to appear for these tests so that they can identify their shortcomings and work on them to prepare better for the forthcoming examination.

• BoS for Your Success

As an established practice, BoS(A) shall conduct its series of live webcasts, "BoS for Your Success", for the students at Final and Intermediate Levels from 18th September onwards. The detailed schedule will be webhosted on BoS Knowledge Portal under the section - BoS Announcements. The purpose of these subject specific counselling sessions is to impart specific and adequate guidance from the BoS(A) concerned faculty, thereby assisting students in their preparation for November 2023 examination. These sessions shall help you assess your study plan, recapitulate your learning, overcome the commonly occurring errors, and manage exam-time stress. You are advised to join these live sessions and get your queries resolved on real-time basis. If you are not able to view the live sessions, you may watch these sessions through the BoS Knowledge portal, or the ICAI-BoS Mobile App, or the ICAI CA Tube/YouTube Channel.

Capsule Insights

- The capsule of **Final Course Paper 1: Financial Reporting** is in continuation to its August 2023 edition and incorporates the remaining **significant provisions Ind AS110 "Consolidated Financial Statements"** through various charts and diagrams.
- The capsule of **Intermediate Course Paper 5: Advanced Accounting** provides crisp and concise coverage of the topic on **"Accounting Standards covered in Chapter 1: Application of Accounting Standards"**.
- Through pictorial and tabular presentations, the capsule of **Foundation Course Paper 1: Principles and Practice of Accounting** provides a brief explanation of the topics **"Journal Entries, Ledgers and Trial Balance covered under Chapter 2: Accounting Process"**.

Before I conclude, I would like to assure our students that BoS(A) has been incessantly working towards your ultimate gain and welfare. Make the best use of these initiatives for your betterment and development.

Wishing all of you success in your future endeavors.

CA. VISHAL DOSHI
CHAIRMAN, BOARD OF STUDIES (ACADEMIC)



Esteemed Students,

Warm greetings to all of you! As we step into the month of September, I am pleased to address you through the pages of the CA Students Journal. I hope this message finds you in good health and high spirits as you continue your journey towards becoming proficient Chartered Accountants. The unfolding of time brings new opportunities, challenges, and the promise of growth.

On the threshold of September, it is my distinct privilege to extend my sincere regards to the revered educators on the occasion of Teacher's Day. This day, commemorating the birth anniversary of the illustrious Dr. Sarvepalli Radhakrishnan, offers a poignant moment to recognize and celebrate the indelible impact of teachers on our lives. Their unwavering dedication shapes minds, nurtures aspirations and enlighten the path to a brighter tomorrow.

In the grand journey of your professional life, your principal plays a pivotal role as the weaver of experience. The role of your principal in shaping your professional journey cannot be overstated. They are the architects of your practical training, providing you with the real-world experience you need to excel in relevant fields. Embrace their guidance with humility and enthusiasm, for it is in the crucible of practical training that theoretical knowledge is alchemized into practical skills. Uphold the virtues that define our profession: Integrity, Excellence, Independence, Confidentiality, Professional Competence, and Ethical Behaviour. These virtues shall serve as your lodestar as you navigate the complex terrain of the accounting world.

Beyond the realm of theory lies the crucible of practical training - an experience that is transformative and indispensable. The website of our Institute serves as a important repository of important resources. Embrace the practical training modules with enthusiasm, for they hold the key to unlock real-world competencies that set you on the path of success.

National Conferences recently held in Visakhapatnam, Raipur and New Delhi have been enriching experiences, and I encourage all of you to join the CA Students Conference scheduled to be held at Ghaziabad, Chennai, Hyderabad and Ajmer in September 2023.

I am thrilled to announce the remarkable success of the CA Students National Talent Contest, 2023. Recently, the Quiz Contest and Debate Competition took place at the Branch and Regional levels, culminating in the spectacular Grand Finale held in Kolkata. These concluded Competitions truly showcase the incredible diversity of talent and intellectual prowess within our fraternity. As the curtains closed on the Grand Finale in Kolkata, it was a momentous celebration of intellectual enthusiasm and

the spirit of wholesome rivalry. I encourage each and every one of you to actively engage in the upcoming activities, conferences, webinars, and practical training modules. This will undoubtedly bolster your skills and broaden your horizons.

I would like to emphasize that the winners of the National Level competitions are considered for nomination by the board to represent ICAI at international student conferences. Notably, the victors of the National Level CA Students Talent Search, 2023 - Elocution Contest, held on June 28, 2023, in Mumbai, along with the winners of the National Level Quiz Contest conducted by SSEB on August 27, 2023, in Kolkata, will represent ICAI in the SAFA Elocution and Quiz Contests organized by the SAFA Secretariat in November/December 2023. I strongly urge students to keep an eye out for announcements from SSEB regarding the CA Students National Talent Search, 2023, and actively participate in the new activities that will be unveiled in the coming months.

In a significant effort to alleviate the challenges faced by students, the ICAI has made a noteworthy announcement on August 13, 2023. This announcement pertains to the relaxation offered to old Course Students, allowing them to commence their 3 years of Practical Training not later than September 30, 2023. To those students who intend to seize this final opportunity, I encourage you to initiate your OC and IT training if you haven't undergone already. You can either visit your nearest branch or register and check batch availability on the online portals of ICTISS/AICTISS courses.

The Practical Training modules, our recent session, "Let's Hit Sixer: The 10 Tough Balls in the Excel Ground – 10 Excel Production Tools," was a resounding success. For those who missed the live experience, the treasury of recorded webinars on the ICAI YouTube channel and Digital Learning Hub remains accessible, offering a wealth of knowledge at your convenience.

The Four Weeks Residential Programme, a cornerstone of experiential learning, continues to weave success stories. The recent cohorts in Jaipur and Hyderabad were testimony to the transformative power of hands-on training. I extend a warm invitation to those who are yet to partake in this experience to consider joining the future batches. It is within these immersive environments that theory converges with practice, moulding you into a competent and holistic professional.

In the symphony of life, the rhythm of practical application is the crescendo of learning. The skills acquired during practical training are the brushes that paint the canvas of your professional identity. As you embark on your journey, may the lessons learned become the brushstrokes of wisdom that form the masterpiece of your career.

In closing, I reiterate the timeless words of Swami Vivekananda: "The aim of education is to manifest in our lives the perfection, which is the very nature of our inner self". May your academic pursuits be a voyage of serenity, courage, and wisdom.

With warm regards,

Forever, yours in service

(CA MANGESH PANDURANG KINARE)
CHAIRMAN, SSEB

CA FINAL - PAPER-1: FINANCIAL REPORTING

Earlier in July, 2018, May, 2019, August, 2019, October, 2019, November, 2020, July/August, 2021, October, 2021, June, 2022, December, 2022, February, 2023, May, 2023 and August, 2023 issues of this Journal, we have covered the concepts on many Ind AS. For a comprehensive revision of those Ind AS, students should also refer to these said capsules along with the amendments notified after their release, if any. This is part 2 of the twelfth capsule in the series of Final Paper 1 : Financial Reporting. Part 1 of the twelfth capsule was published in August, 2023 issue of this Journal. In continuation to Part 1, this capsule also contains significant concepts of Ind AS 110 : Consolidated Financial Statements.

Students are advised to refer the study material or bare text of Ind AS 110 for comprehensive study and revision. Under no circumstances, this capsule substitute the detailed study of the material provided by the Board of Studies.

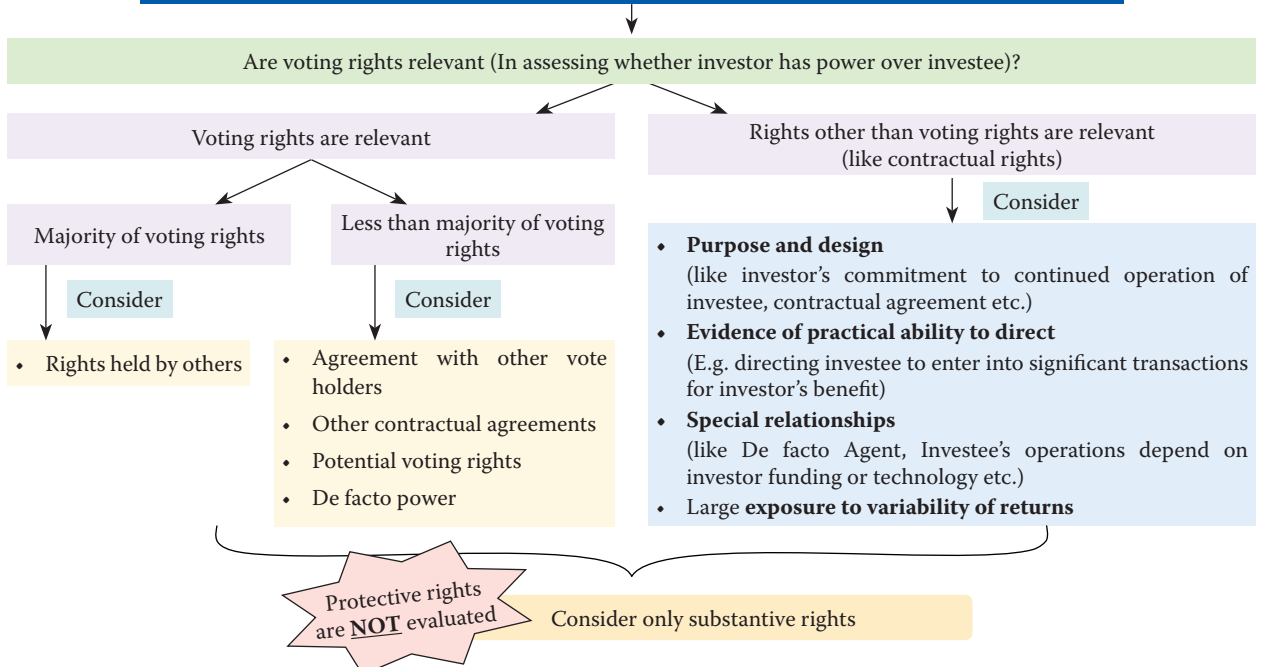
INDIAN ACCOUNTING STANDARDS (IND AS) 110: CONSOLIDATED FINANCIAL STATEMENTS (PART - 2)

EFFECT OF SUBSTANTIVE AND PROTECTIVE RIGHTS

Type of rights held by investor		Type of rights held by other parties		Conclusion on 'power'?
Substantive	+	Protective	=	Investor has power
Protective	+	Substantive	=	Other parties have power
Substantive	+	Substantive	=	Further evaluation needed

Chart 33

ASSESS WHETHER INVESTOR HAS POWER OVER RELEVANT ACTIVITIES



Note:

- Only one investor can have power over the investee at a single point in time
- Voting rights (even if the investor holds majority of them) do not give investor power over the investee if
 - Voting rights are not substantive
 - If another entity has existing rights that provide that entity with the right to direct the relevant activities and that entity is not an agent of the investor, the investor does not have power over the investee

Chart 34

POWER WITH A MAJORITY OF THE VOTING RIGHTS

An investor that holds more than half of the voting rights of an investee has power in the following situations:

The relevant activities are directed by a vote of the holder of the majority of the voting rights

OR

A majority of the members of the governing body that directs the relevant activities are appointed by a vote of the holder of the majority of the voting rights

For example, in case of a company where the decisions related to relevant activities are taken by Board of Directors of the company and the Board members are appointed by shareholder holding majority of the voting rights, then the shareholder holding majority of the voting rights has power over the company.

Note:

- In assessing the sufficiency of the voting rights of an investor, one should consider the **size of the investor's holding of voting rights relative to the size and dispersion of holdings of the other vote holders**

Particulars	Higher number or size	Lower number or size
Number of voting rights held by investor	More likely to have power	Less likely to have power
Size of investor's voting rights relative to voting rights held by other holders	More likely to have power	Less likely to have power
Number of parties required to outvote the investor	More likely to have power	Less likely to have power

- When it is not clear from the three factors of sufficiency of voting rights of an investor discussed above, the investor should consider additional facts and circumstances such as the **voting patterns at previous shareholders' meetings** to determine whether investor has power over the investee

Chart 35

POTENTIAL VOTING RIGHTS

Potential voting rights are rights to obtain voting rights of an investee, such as those arising from **convertible instruments or options or forward contracts**

Potential voting rights are considered in assessment of power, only if they are **substantive** (considering factors like exercise price, date, procedures, etc.)

Factors for evaluating whether options are substantive:

- Exercise price/conversion price, relative to market terms
- Ability to obtain financing
- Timing and length of exercise period
- Benefits, which the investor could derive from exercising these instruments (like economies of scale, synergies etc)

Other aspects to be considered

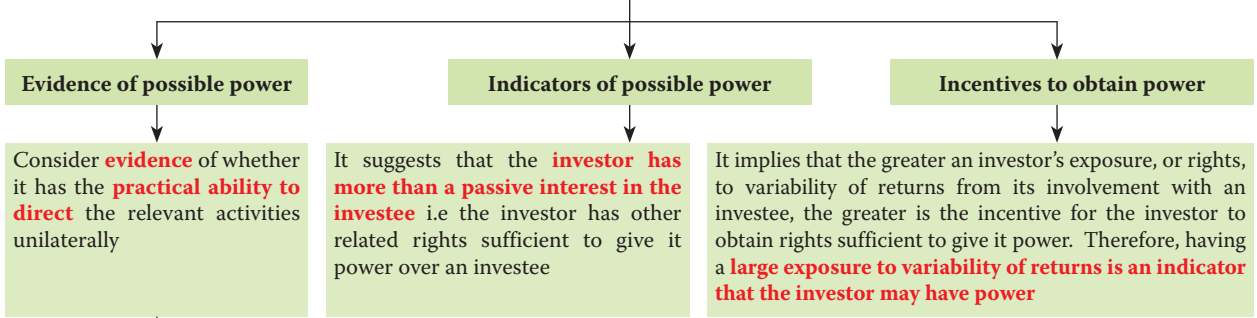
- Purpose and design of the instrument
- Investor's apparent expectations, motives and reasons for agreeing the terms of the instrument
- Combination of potential voting rights and other rights (voting or contractual)
- Other involvements the investor has with the investee

Example

Parameters	Substantive	Non-substantive	Depends on facts and circumstances
Exercise Price	At market (fair value) OR in-the-money	Deeply out-of-the-money	Out-of-the-money
Exercise Period	Currently exercisable	Not exercisable	Exercisable, but decisions need to be made
Financial Ability to Exercise	Holder has cash/financing readily available	Holder has no financial ability	Holder would have to raise financing

Chart 36

SPECIAL RELATION BETWEEN INVESTOR AND INVESTEE



Evidence	Illustration
The investor can appoint or approve the investee's key management personnel who can direct the relevant activities	An investor holds 40% of the voting rights of an investor. However, the investor has right to appoint majority of the board members of investee and the decisions of relevant activities of investee are taken by its board.
The investor can direct the investee to enter into, or can veto any changes to, significant transactions for the benefit of the investor	A Ltd. and B Ltd. both holds 50% each of voting rights of an investee and also have right to appoint 2 members each in board of investee. The decision of relevant activities of investee are taken in board meetings by majority members. A Ltd. also has right to appoint a chairman of the board who will have a casting vote in case of a deadlock situation.
The investor can dominate either the nomination process for electing members of the investee's governing body or obtaining of proxies from other holders of voting rights	X Ltd. has invested in the share capital of P Ltd. Apart from A Ltd. there are 4 other investors in P Ltd. Each investor has right to appoint one member on the board of P Ltd. who will have right to direct the relevant activities of P Ltd. Out of the 4 other investors, 2 investors are related parties of X Ltd. and hence X Ltd. can direct them to appoint their representative on the board as per X Ltd.'s choice. Accordingly, X Ltd. can appoint majority of the members of the board of P Ltd.
The investee's key management personnel are related parties of the investor	The chief executive officer of the investee and the chief executive officer of the investor are the same person.
The majority of the members of the investee's governing body are related parties of the investor	The majority of the board members of the investee are also the board members of the investor.

Note: When the above factors are considered together with an investor's rights, greater weight shall be given to the evidence of power.

Chart 37

Examples suggesting that the investor has more than a passive interest in the investee and, in combination with other rights, may indicate power:

- Investee's key management personnel who can direct the relevant activities are current or previous employees of the investor
- Investee's operations are dependent on the investor such as in following situations:
 - Dependence to fund a significant portion of its operations
 - Guarantee a significant portion of the investee's obligations
 - Dependence for critical services, technology, supplies or raw materials
 - Assets such as licences or trademarks that are critical to investee's operations are controlled by investor
 - Dependence on for key management personnel, such as when the investor's personnel have specialised knowledge of the investee's operations
- A significant portion of the investee's activities either involve or are conducted on behalf of the investor
- Investor's exposure, or rights, to returns from its involvement with the investee is disproportionately greater than its voting or other similar rights
- For example, there may be a situation in which an investor is entitled, or exposed, to more than half of the returns of the investee but holds less than half of the voting rights of the investee

Chart 38

ASSESS WHETHER INVESTOR IS EXPOSED TO VARIABLE RETURNS

Variable Return	Examples of Variable Returns
<ul style="list-style-type: none"> ❖ Variable returns are not fixed and have the potential to vary as a result of the performance of an investee ❖ Variable returns (not ownership benefits) can be only positive, only negative or both positive and negative ❖ Variability in returns is not limited to distributions and changes in value of investment ❖ Assessment of variable returns are on the basis of the substance of the arrangement rather than the legal form of the returns ❖ It includes (not exhaustive): <ul style="list-style-type: none"> • Fees • Tax benefits • Residual interest in net assets • Exposure to loss providing credit or liquidity support etc. • Returns that are not available to other interest holders e.g. the investor's ability to use investee's assets in combination with its own to achieve economies of scale 	<ul style="list-style-type: none"> • Residual interests • Dividends / changes in value • Fixed interest payments from bond (exposes investor to credit / default risk of the issue) • Remuneration for servicing assets or liabilities • Synergistic returns (like economies of scale, cost savings and other synergies) • Tax benefits • Access to future liquidity • Fees for exposures to loss from providing credit / liquidity support
❖ Exposure to variable returns is an indicator of control	
❖ Greater the exposure – greater is the incentive to obtain power	
❖ Other parties may also share in the returns (e.g. NCI)	

Chart 39

ASSESS WHETHER THERE IS A LINK BETWEEN POWER AND RETURN

Delegated Rights – Overview	
An investor with decision-making rights shall determine whether it is a principal or an agent	
Delegated Rights	<ul style="list-style-type: none"> • An agent is a party engaged to act on behalf of other party (the Principal) • A principal may delegate some or all decision-making authority to the agent • An agent does not control an investee • All facts and circumstances must be considered
If the agent gains any benefit from the arrangement – the agent could be regarded as the “Principal” and could then “Control” the investee	
The conclusion as to whether the agent controls the investee is to be drawn after considering all facts and circumstances, including the following: <ul style="list-style-type: none"> • Rights of the agent • Discretion available to the agent • Range of decision-making authority of the agent • Agent's level of involvement with the investee • Financial benefit enjoyed by the agent 	
Note: Different weightages shall be applied to each of the factors on the basis of particular facts and circumstances	

Chart 40

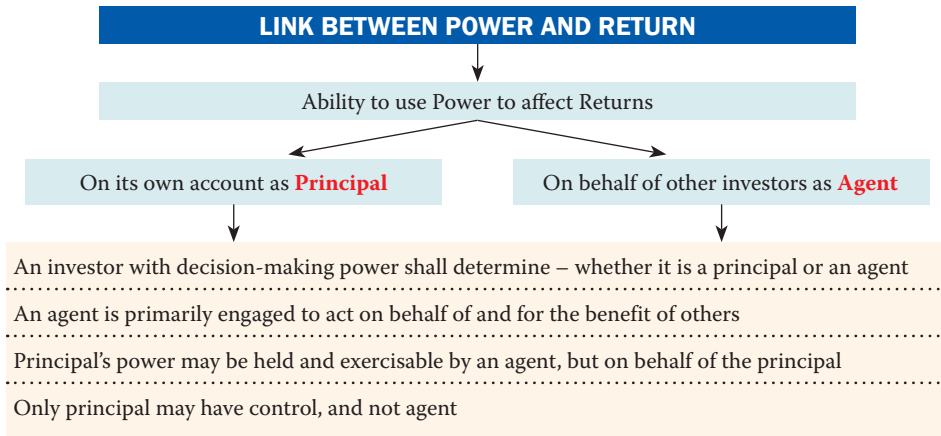


Chart 41

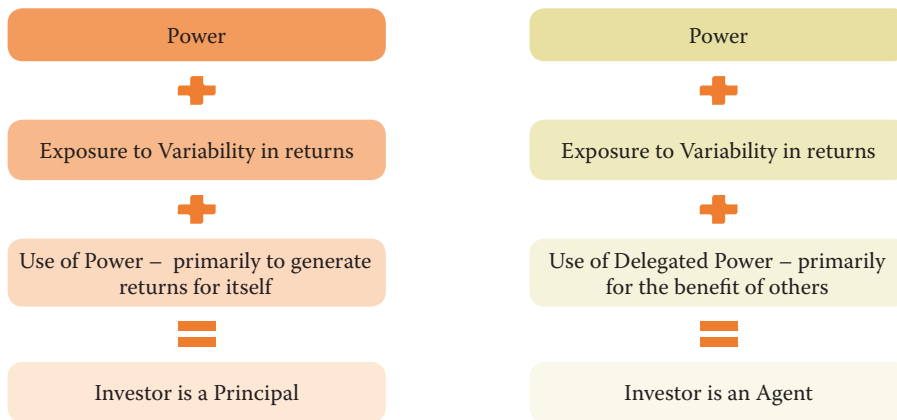


Chart 42

THE SCOPE OF THE DECISION-MAKING AUTHORITY

The scope of a decision maker's decision-making authority is evaluated by considering:

- (a) the activities that are permitted according to the decision-making agreement(s) and specified by law, and
- (b) the discretion that the decision maker has when making decisions about those activities.

A decision maker shall consider

- the purpose and design of the investee
- the risks to which the investee was designed to be exposed
- the risks it was designed to pass on to the parties involved **and**
- the level of involvement the decision maker had in the design of an investee

RIGHTS HELD BY OTHER PARTIES

Substantive removal or other rights may indicate that the decision maker is an agent

Chart 43

REMOVAL RIGHTS

Removal rights are rights to deprive the decision-maker of its decision making authority
The removal rights held by other should be considered as follows:

Single party holds substantive removal rights and can remove the decision maker without cause, this, in isolation, is **sufficient to conclude** that the **decision maker is an agent**

If more than one party holds such rights (and no individual party can remove the decision maker without the agreement of other parties) those rights are not, in isolation, conclusive in determining that a decision maker is an agent

The **greater the number of parties** required to act together to exercise removal rights and the **greater the magnitude** of, and variability associated with, the decision maker's **other economic interests** (ie remuneration and other interests), the **less the weightage** that shall be placed on removal rights

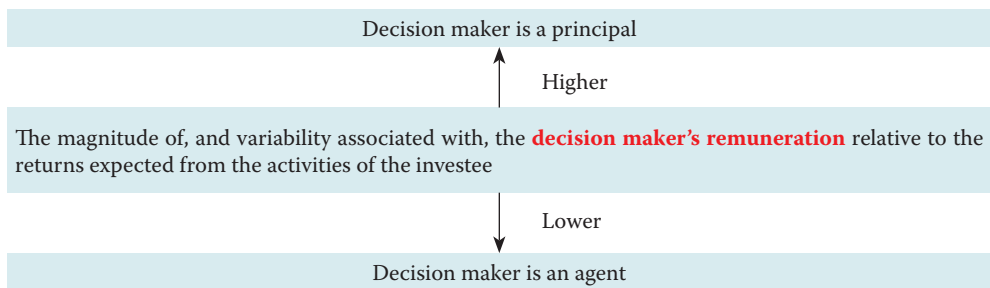
Other substantive rights

If other parties hold substantive rights that can restrict the decision maker from exercising its discretion then other substantive rights shall be considered in similar manner to removal rights when evaluating whether the decision maker is an agent.

Chart 44

DETERMINATION OF RELATIONSHIP (AS PRINCIPAL OR AGENT) BASED ON REMUNERATION FROM THE INVESTEE

The relationship between the remuneration of a decision maker and it being an agent is explained below:



Further, in determining whether it is a principal or an agent the decision maker shall also consider following conditions:

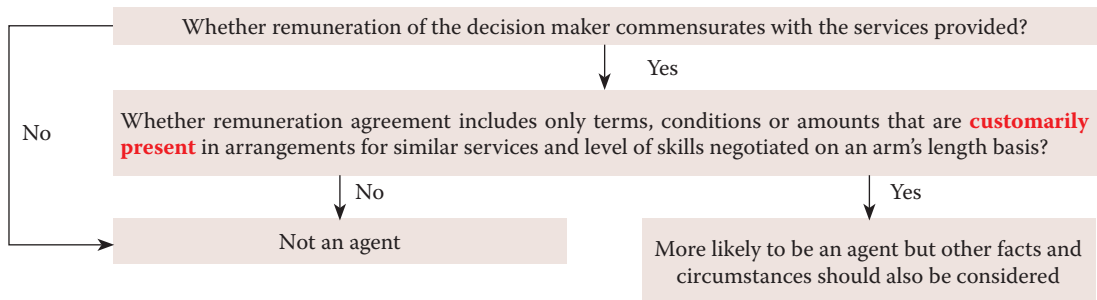


Chart 45

EXPOSURE TO VARIABLE RETURNS FROM OTHER INTERESTS IN THE INVESTEE

A decision maker that holds other interests in an investee (like investments in the investee or provides guarantees with respect to the performance of the investee), shall consider its exposure to variability of returns from those interests in assessing whether it is an agent. **Holding other interests in an investee indicates that the decision maker may be a principal.**

In evaluating the exposure to variability of returns, the decision maker shall consider the magnitude of variability as follows:

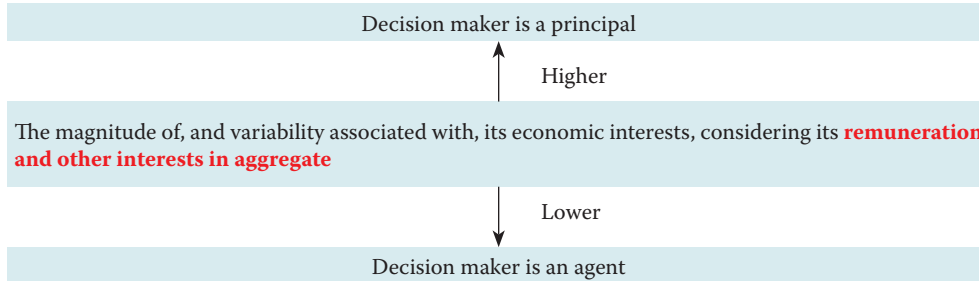


Chart 46

RELATIONSHIP WITH OTHER PARTIES

- A de facto agent relationship **does not require a contractual arrangement** between the investor and the de facto agent.
- A party is a de facto agent when the investor has, or those that direct the activities of the investor have, the **ability to direct that party** to act on the investor's behalf.
- Further, having a de facto agent does not necessarily mean that the investor controls the investee. The investor still needs to perform the control evaluation as per the detailed guidance discussed above.
- When assessing control, an investor would consider its de facto agent's decision-making rights and exposure (or rights) to variable returns **together with its own** as if the rights were held by the investor directly.

Following are the examples of other parties that, by the nature of their relationship, might act as de facto agents for the investor:

Investor's related parties

A party that received its interest in the investee as a contribution or loan from the investor

A party that has agreed not to sell, transfer or encumber its interests in the investee without the investor's prior approval (except in case investor and other party have right of prior approval and rights are based on mutually agreed terms)

A party that cannot finance its operations without subordinated financial support from the investor

Investee for which the majority of the members of board or similar body are the same as those of the investor

A party that has a close business relationship with the investor, such as the relationship between a professional service provider and one of its significant clients

Parties mentioned above are not necessarily de facto agents of the investor. However, the investor needs to evaluate whether the parties falling in the above categories are the de facto agents or not.

Chart 47

CONTROL OF SPECIFIED ASSETS

An investor shall consider whether it treats a portion of an investee as a deemed separate entity and, if so, whether it controls the deemed separate entity. **A deemed separate entity is often called a 'silo'**

An investor shall treat a portion of an investee as a deemed separate entity if and only if the following condition is satisfied:

Determination of whether a portion of an investee is a deemed separate entity		
Specified assets of the investee (and related credit enhancements, if any) are the only source of payment for specified liabilities of, or specified other interests in, the investee.	Parties other than those with the specified liability do not have rights or obligations related to the specified assets or to residual cash flows from those assets.	In substance, none of the returns from the specified assets can be used by the remaining investee and none of the liabilities of the deemed separate entity are payable from the assets of the remaining investee.

Thus, in substance, all the assets, liabilities and equity of that deemed separate entity are ring-fenced from the overall investee.

Chart 48

CONTINUOUS ASSESSMENT

An investor shall reassess whether it controls an investee **if facts and circumstances indicate that there are changes** to one or more of the three elements of control i.e. power, exposure or rights to variable returns and link between power and variable returns.

An investor should reassess the control over an investee in following situations:

Situation	Details
A change in how power over an investee can be exercised	Changes to decision-making rights whereby the relevant activities are no longer directed through voting rights, but instead other agreements, like contracts, give another party or parties power over the investee
An event can cause an investor to gain or lose power over an investee without the investor being involved in that event	An investor can gain power over an investee because decision-making rights held by another party or parties that previously prevented the investor from controlling an investee have lapsed
Changes affecting exposure, or rights, to variable returns from involvement with an investee	An investor that has power over an investee can lose control of an investee if the investor ceases to be entitled to receive variable returns or to be exposed to obligations (e.g. if a contract to receive performance-related fees is terminated)
Assessment to act as an agent or principal has changed. Changes in the overall relationship between the investor and other parties can mean that an investor no longer acts as an agent, even though it has previously acted as an agent, and vice versa	If changes to the rights of the investor, or of other parties, occur, the investor shall reconsider its status as a principal or an agent

An investor's initial assessment of control or its status as a principal or an agent would not change simply because of a change in market conditions (e.g. a change in the investee's returns driven by market conditions), unless the change in market conditions changes one or more of the three elements of control or changes the overall relationship between a principal and an agent.

Chart 49

CONTINUOUS ASSESSMENT OF CONTROL

When to re-assess?	<ul style="list-style-type: none"> Reassess to determine whether the investor continue to control the investee Reassessment must be done if facts and circumstances suggest that there is a change to one or more of the criterias for control
If change in market conditions affect one of the control criteria, re-evaluate control	
Consolidation of an investee shall: <ul style="list-style-type: none"> begin from the date the investor obtains control of the investee; and cease when the investor loses control of the investee 	

Chart 50

DETERMINING AN INVESTMENT ENTITY

An entity is an investment entity if it fulfils all the following conditions

A parent shall determine whether it is an investment entity

Obtains funds from one or more investors for providing those investor(s) with **investment management services**

Commits to its investor(s) that its business purpose is to invest funds solely for **returns from capital appreciation, investment income**, or both

Measures and evaluates the performance of substantially all of its **investments on a fair value basis**

Note:

1. An **investment entity may provide investment-related services** (e.g. investment advisory services, investment management, investment support and administrative services), to third parties as well as to its investors, even if those activities are substantial to the entity.
2. An investment entity may also participate in the **investment-related activities** if the activities are **undertaken to maximise the investment return** (capital appreciation or investment income) from its investees and **do not represent a separate substantial business activity or a separate substantial source of income to the investment entity**.
3. To meet the requirement of measuring investments at fair value, an investment entity would:
 - a) elect the exemption from applying the equity method in Ind AS 28 for its investments in associates and joint ventures; and
 - b) measure its financial assets at fair value using the requirements in Ind AS 109.
4. The fair value measurement element of the definition of an investment entity applies to an investment entity's investments.
5. An investment entity **need not measure its non-investment assets or its liabilities at fair value**.

Chart 51

More than one investment

More than one investor

TYPICAL CHARACTERISTICS OF AN INVESTMENT ENTITY

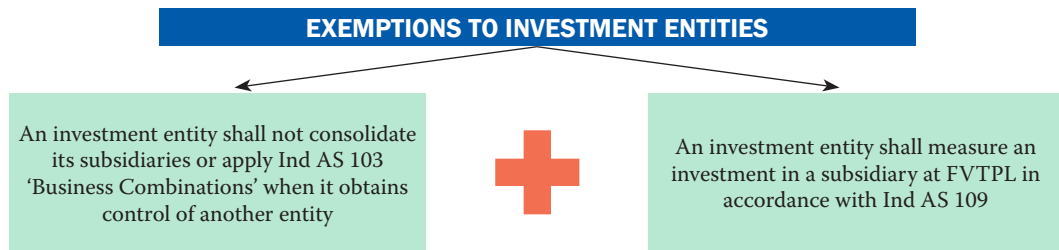
Investors are not related parties of the entity

Entity has ownership interests in the form of equity or similar interests

Note:

1. The absence of one or more of the three elements that make up the definition of an investment entity or the typical characteristics indicates that additional judgement is required in determining an entity as an investment entity.
2. An **investment entity does not plan to hold its investments indefinitely**; it holds them for a limited period.
3. An investment entity **shall have different potential strategies for different types or portfolios of investments**, including a substantive time frame for exiting the investments.
4. An entity is **not an investment entity if** the entity, or another member of the group containing the entity **obtains**, or has the objective of obtaining, **other benefits from the entity's investments** that are not available to other parties unrelated to the investee.

Chart 52



Note:

1. If an investment entity has a subsidiary **that is not itself an investment entity** and whose main purpose and activities are **providing services related** to the investment entity's **investment activities**, it shall **consolidate that subsidiary** and apply the requirements of Ind AS 103 to the acquisition of any such subsidiary.
2. If the subsidiary that provides the investment-related services or activities is itself an investment entity then the investment entity parent shall measure that subsidiary at FVTPL.
3. A **parent of an investment entity shall consolidate** all entities that it controls, including those controlled through an investment entity subsidiary, unless the parent itself is an investment entity.
4. If an investment entity has a subsidiary **that is not itself an investment entity** and whose main purpose and activities are **providing services related** to the investment entity's **investment activities**, it shall **consolidate that subsidiary** and apply the requirements of Ind AS 103 to the acquisition of any such subsidiary.
5. **If the subsidiary** that provides the investment-related services or activities **is itself an investment entity** then the investment entity parent shall **measure that subsidiary at fair value through profit or loss**.
6. **A parent of an investment entity shall consolidate** all entities that it controls, including those controlled through an investment entity subsidiary, unless the parent itself is an investment entity.

Chart 53

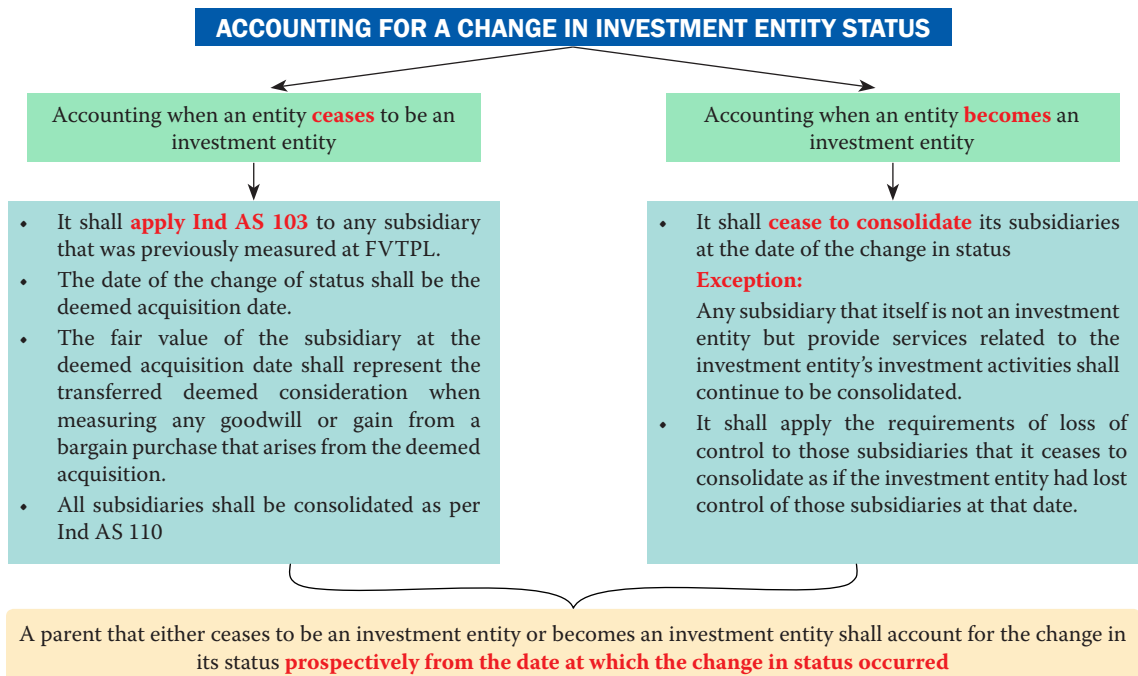
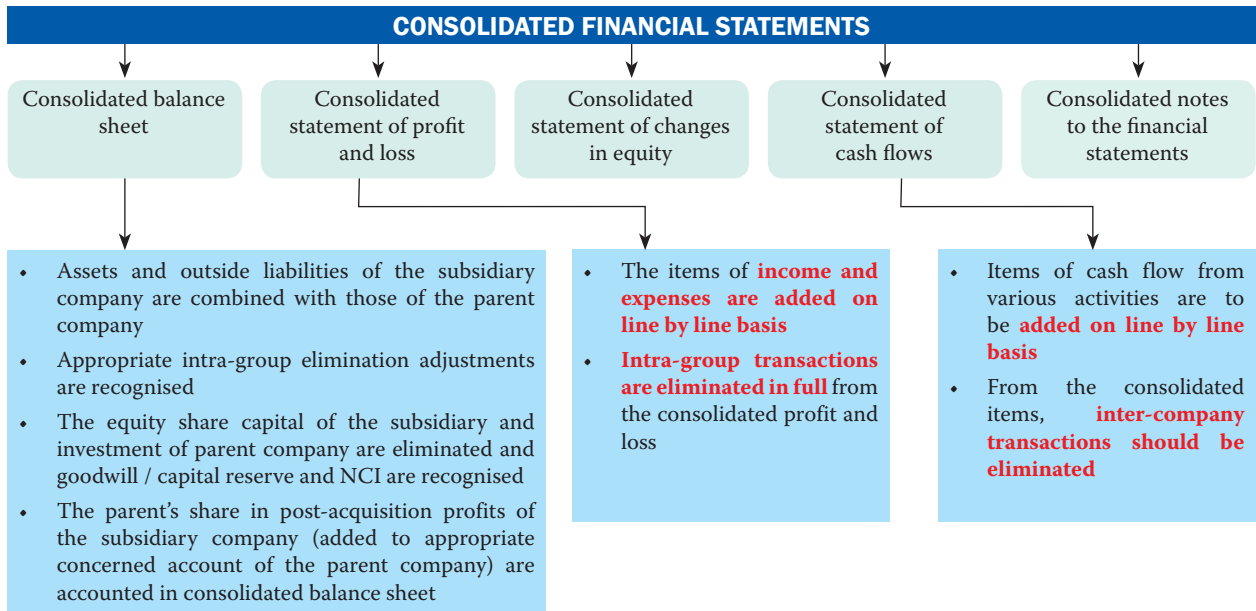


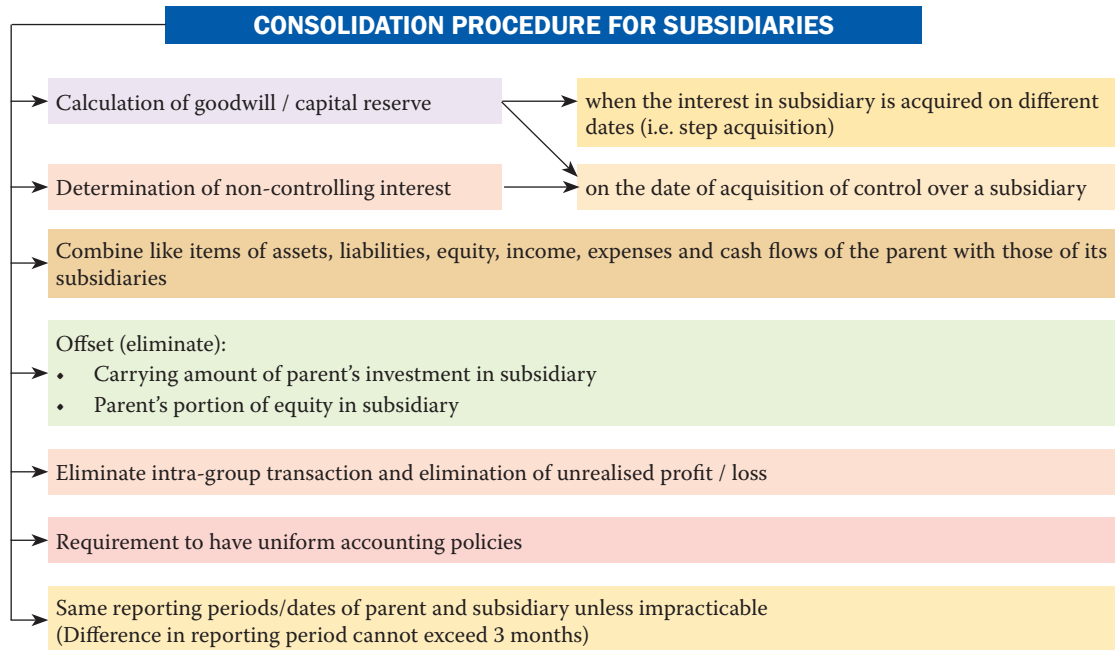
Chart 54



Note:

- In the preparation of consolidated financial statements as per Ind AS, the company shall mutatis mutandis follow the requirements of Division II of Schedule III to the Companies Act, 2013.
- In addition, the consolidated financial statements shall disclose the information as per the requirements specified in the applicable Ind AS. In addition, the company shall disclose additional information as required by Ind AS 27 and Ind AS 112.

Chart 55



Note:

- Consolidation **begins from the date the investor obtains control** of the investee (i.e. subsidiary); and
- Consolidation ceases **when a parent loses control** over a subsidiary.

Chart 56

FINANCIAL REPORTING

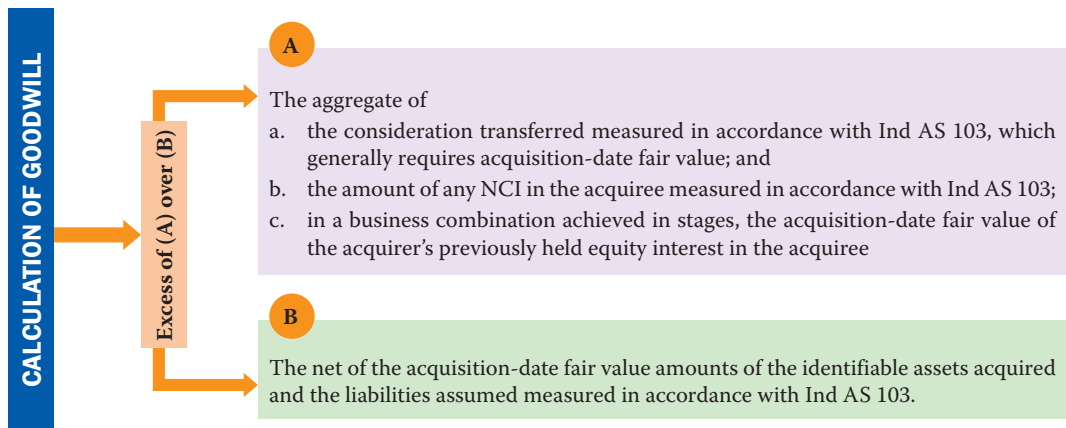
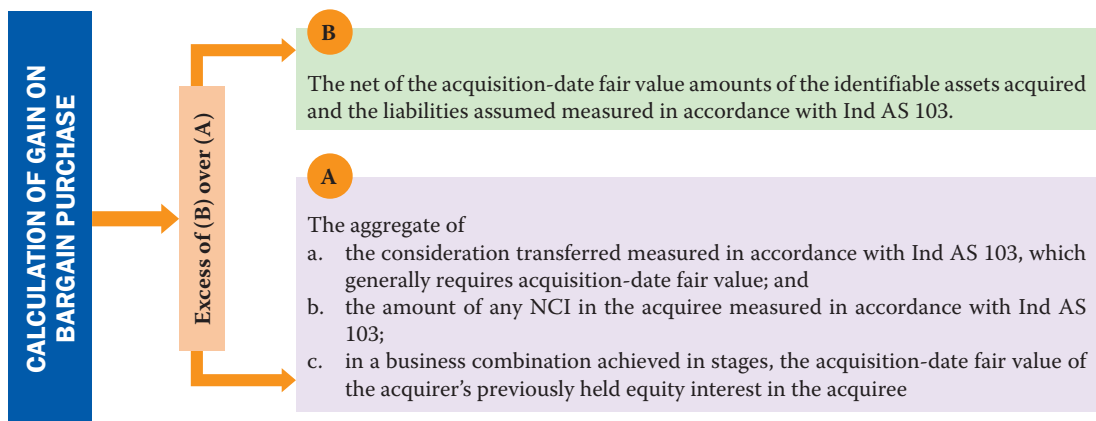


Chart 57



Note:

1. The guidance related to calculation of goodwill / capital reserve on acquisition of a subsidiary is provided in **Ind AS 103** 'Business Combinations'.
2. In extremely rare circumstances, an acquirer will make a bargain purchase in a business combination.
3. If gain on bargain purchase remains after applying paragraph 36 of Ind AS 103, then the acquirer shall **recognise the resulting gain in OCI on the acquisition date and accumulate the same in equity as capital reserve**. The gain shall be attributed to the acquirer.
In all other cases, the gain on bargain purchase shall be recognised directly in equity as a capital reserve.

Chart 58

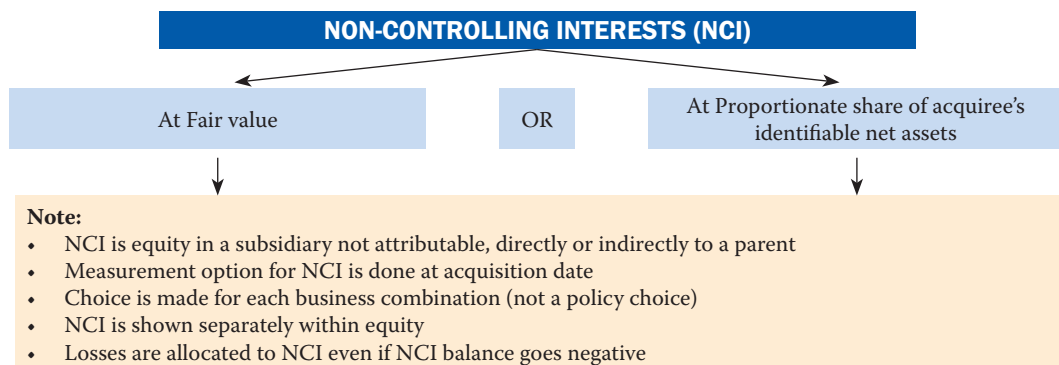


Chart 59

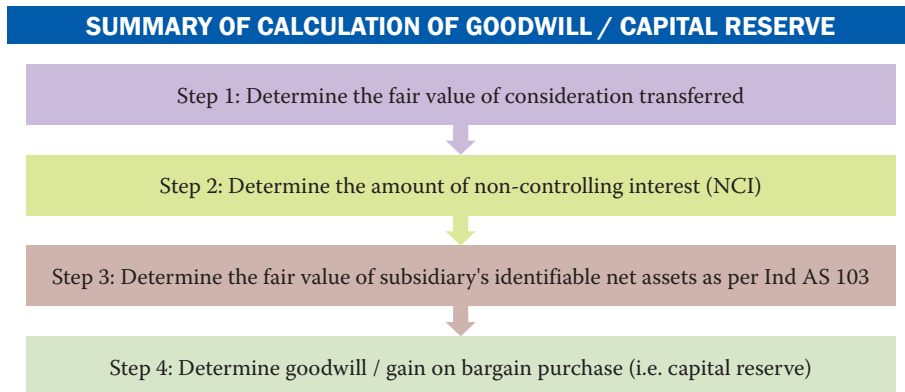


Chart 60

ANNOUNCEMENT

Re: Relaxation to Old Course Students to commence 3 years of Practical Training -

- (i) who have passed one of the groups of Intermediate Examination under Old Scheme.
- (ii) who have registered / provisionally registered in Intermediate through Direct Entry Route under Old Scheme.
- (iii) who have converted from Intermediate (Foundation/CPT Route) to Intermediate (Direct Entry Scheme) for appearing in November 2023 Examination.

In exercise of the powers conferred under Regulation 205 of the Chartered Accountants Regulations, 1988 and to remove the hardship caused to the students on account of implementation of New Scheme of Education and Training including Conversion (Transition) Scheme, the Council hereby order that –

- Students who have cleared either of the groups of Intermediate Examination under Old Scheme of Education and Training be allowed to opt for 3 years of Practical Training latest by 30th September 2023 and may submit the Article Registration Form within 30 days' time only and no form would be accepted, thereafter, even with condonation fees.
- Intermediate Direct Entry Students who have registered / provisionally registered in the Intermediate Course under Old Scheme, on submission of satisfactory proof of having passed the graduation examination with the minimum marks as provided in sub-regulation (4) of Regulation 28F and on successful completion of ICITSS Course as provided in Regulation 51 (D), may commence their 3 years of Practical Training latest by 30th September 2023 and may submit the Article Registration Form within 30 days' time only and no form would be accepted, thereafter, even with condonation fees.
- Such students who originally registered for Intermediate or its equivalent Course through CPT/Foundation Route and appeared in Intermediate or its equivalent Examination(s) but unable to pass the said examination(s) and later on after graduation shifted to Direct Entry Scheme, be exempt for the eligibility criteria of completion of 9 months of Practical Training for appearing in November, 2023 Intermediate Examinations but have to commence their 3 years of Practical Training, if interested, by 30th September, 2023 and may submit the Article Registration Form within 30 days' time only and no form would be accepted, thereafter, even with condonation fees.
- The above relaxations on account of requirement of Regulations 45 & 50 in the New Scheme of Education and Training be given as a one-time measure only.

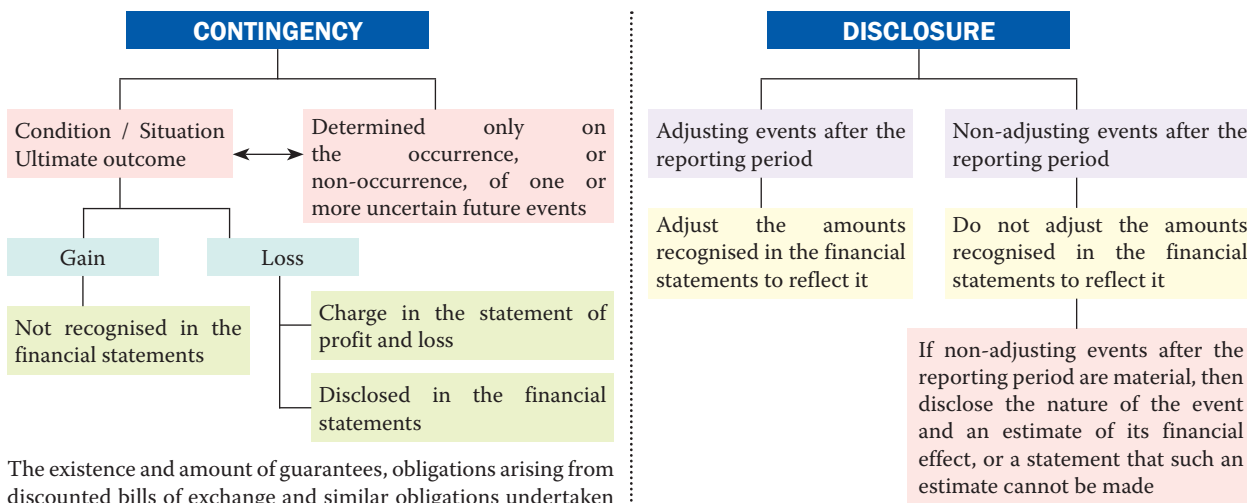
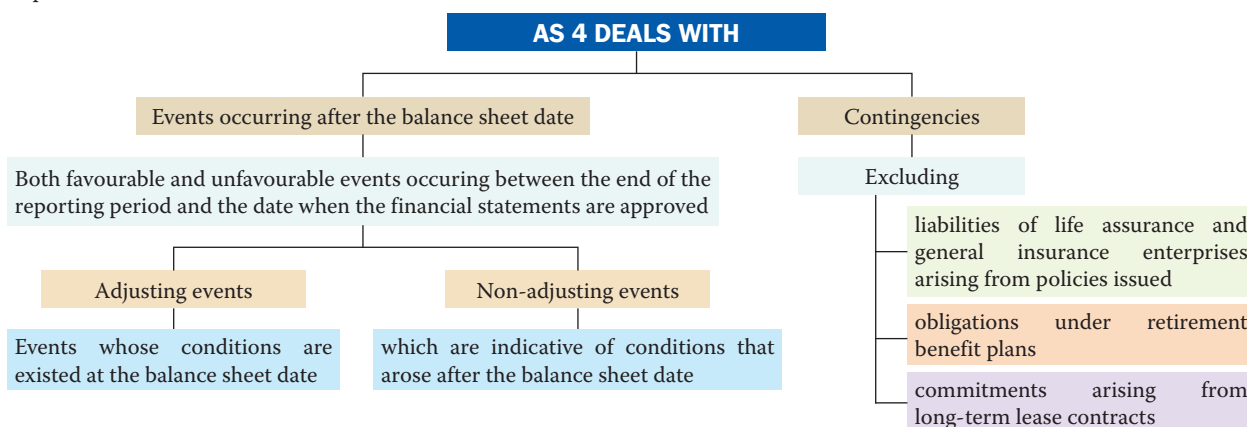
Director

PS: May please note that the Article Registration Forms for the afore-said students would be made available in the SSP Portal from 21st August, 2023.

It has always been the endeavour of Board of Studies to provide quality academic inputs to the students. Considering this objective in mind, it has been decided to bring forth a crisp and concise capsule for the topic on Accounting Standards covered in Intermediate Paper 5 “Advanced Accounting”. The significant provisions of AS 4 and AS 5 have been gathered and presented through pictorial presentations in this capsule which will help the students in grasping the intricate practical aspects of each Accounting Standard. This capsule, though, facilitates the students in undergoing quick revision, under no circumstances, such revisions can substitute the detailed study of the material provided by the Board of Studies.

AS 4 “Contingencies and Events Occurring After the Balance Sheet Date”

AS 4 defines contingencies and events occurring after the balance sheet date and describes the accounting treatment and disclosure requirements thereof.



The existence and amount of guarantees, obligations arising from discounted bills of exchange and similar obligations undertaken by an enterprise are generally disclosed in financial statements by way of note, even though the possibility that a loss to the enterprise will occur, is remote.



AS 5 “Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies”

- Tax implications of extraordinary items
- Changes in accounting estimates

THIS STATEMENT DOES NOT DEAL WITH

- Prior period items
- Changes in accounting policies for which appropriate adjustments are made

AS 5 COMPRISES

Ordinary Items

Extra ordinary Items

Prior Period Items

Changes in Accounting Estimates

Changes in Accounting Policies

PROFIT OR LOSS FROM ORDINARY ACTIVITIES

Ordinary Activities

Activities which are undertaken by an enterprise as part of its business and such related activities in which the enterprise engages in furtherance of, incidental to, or arising from, these activities

Example

Profit/ Loss on sale of merchandise

Disclosure

When items of income and expense within profit or loss from ordinary activities are of such size, nature or incidence **than nature and amount of such items should be disclosed separately**

Special disclosure

- Write-down of inventories to net realizable value as well as the reversal of such write-downs
- Restructuring of the activities of an enterprise and the reversal of any provisions for the costs of restructuring
- Disposals of items of fixed assets and long-term investments
- Legislative changes having retrospective application
- Litigation settlements and other reversals of provisions

Extraordinary Items

Income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the enterprise and, therefore, are not expected to recur frequently or regularly

Disclosed in the statement of profit and loss as a part of net profit or loss for the period

Examples: Attachment of property of the enterprise and an earthquake

The nature and the amount

Separately disclosed in a manner that its impact on current profit or loss can be perceived

PRIOR PERIOD ITEMS

Are income or expenses

Which arise in the current period as a result of

Errors or omissions (Errors may occur as a result of mathematical mistakes, mistakes in applying accounting policies, misinterpretation of facts, or oversight)

In the preparation of the financial statements of one or more prior periods

The nature and amount separately disclosed in the statement of profit and loss in a manner that their impact on the current profit or loss can be perceived

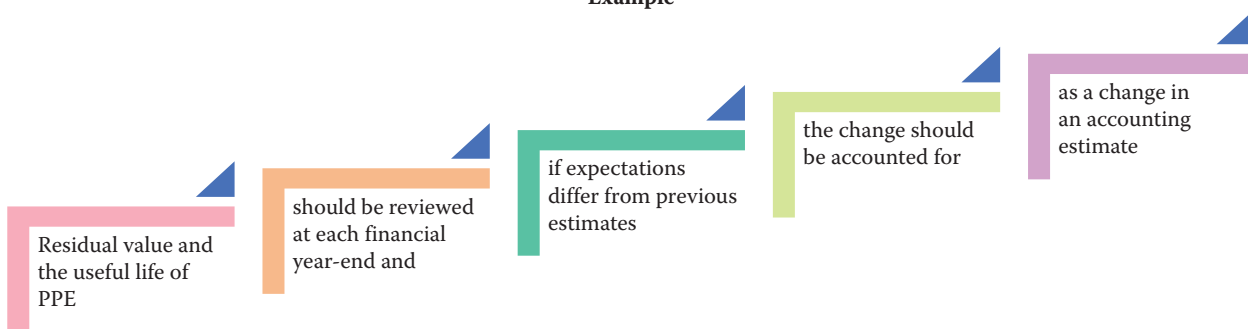
CHANGES IN ACCOUNTING ESTIMATES

An estimate may have to be revised consequent to

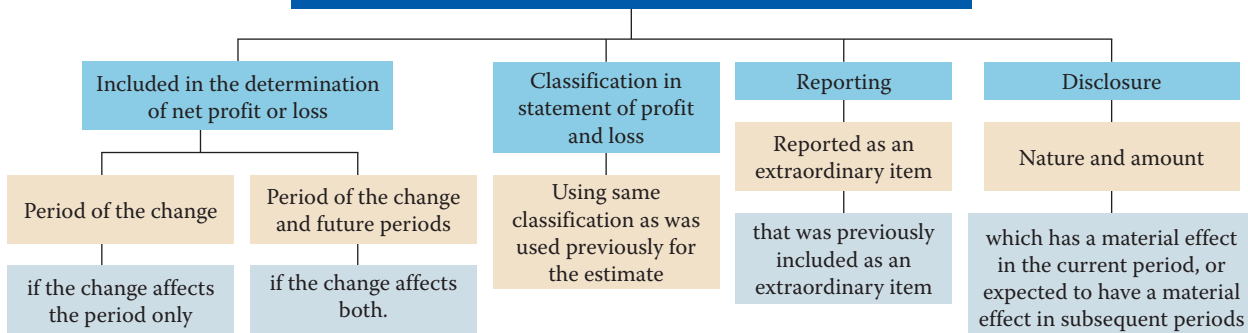
- changes occur in the circumstances based on which the estimate was made, or
- new information, more experience or subsequent developments

Note: Revision of an estimate is neither an extraordinary item nor a prior period item

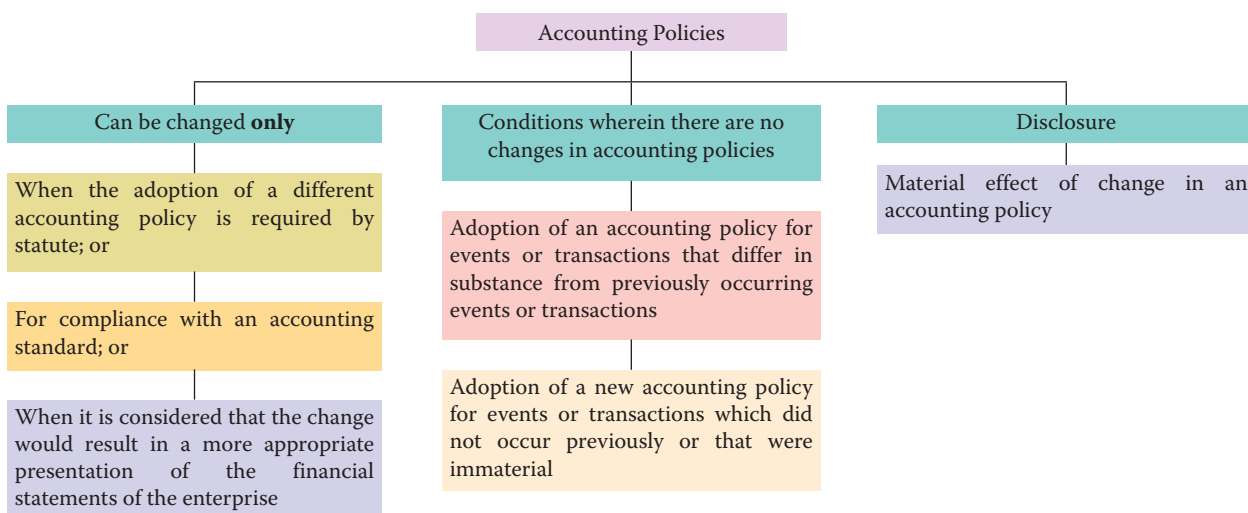
Example



EFFECT OF A CHANGE IN AN ACCOUNTING ESTIMATE



CHANGES IN ACCOUNTING POLICIES



FOUNDATION COURSE PAPER 1: PRINCIPLES AND PRACTICE OF ACCOUNTING

The paper of Principles and Practice of Accounting at Foundation level plays a vital role in developing strong base and enhancing conceptual understanding on the principles of Accounting. This will acquaint the students with various accounting principles to be followed while preparing the Financial Statements. Considering the objective, it has been decided to bring a crisp capsule on Journal Entries, Ledgers and Trial Balance. The topics have been explained through tables, diagrams and charts to enable the students in easy retention and quick revision. Under no circumstances, such revision can substitute the detailed study of the material provided by the Board of Studies. Students are advised to refer the Study Material for comprehensive study.

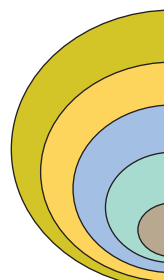
Chapter 2: Accounting Process

UNIT 1: BASIC ACCOUNTING PROCEDURES – JOURNAL ENTRIES

DOUBLE ENTRY BOOK KEEPING

Double entry system of book-keeping is a process of evolution of various accounting techniques and is the only scientific system of accounting. As per double entry system, every transaction has two-fold aspects—debit and credit and both the aspects are to be recorded in the books of accounts. Therefore, in every transaction at least two accounts are effected.

ADVANTAGES OF DOUBLE ENTRY SYSTEM



The accuracy of the accounting work can be established, through the trial balance.
The profit earned or loss suffered during a period can be ascertained together with details.
The financial position can be ascertained at the end of each period, through preparation of the balance sheet.
Accounts to be kept in as much details as necessary
Result of previous years can be compared and reasons for the change may be ascertained.

ACCOUNT

In T-accounts, increase entries are made on the left side and decrease entries are made on the right side of the accounts for assets respectively and vice-versa for liabilities. These two columns are put usually in the form of an account, called the 'T' form.

Format of Account

Date	Particulars	Ref.	Amount (₹)	Date	Particulars	Ref.	Amount (₹)

DEBIT AND CREDIT

$$\text{Assets} = \text{Liabilities} + \text{Capital}$$

or

$$\text{Assets} - \text{Liabilities} = \text{Capital}$$

To understand the equation better, let us expand it:-

$$\text{Assets} = \text{Liabilities} + \text{stockholders' Equity}$$



$$\text{Assets} = \text{Liabilities} + (\text{contributed capital} + \text{beginning retained earnings} + \text{revenue} - \text{expense} - \text{dividends})$$

Contributed capital	=	the original capital introduced by the owner.
Beginning retained earnings	=	previous earnings not distributed to the shareholders.
Revenue	=	generated from the ongoing activities of the business
Expenses	=	cost incurred for the operations of the company.
Dividends	=	earnings distributed to the shareholders of the company.

PRINCIPLES AND PRACTICE OF ACCOUNTING

RULES FOR DEBIT AND CREDIT

Sr. No.	Elements of Financial Statements	Effects
1]	Asset	
	Increases	Assets (Dr.)
	Decreases	Assets (Cr.)
2]	Liability	
	Increases	Liability (Cr.)
	Decreases	Liability (Dr.)
3]	Owner's Capital	
	Increases	Capital (Cr.)
	Decreases	Capital (Dr.)
4]	Expenses	
	Increases	Expenses (Dr.)
	Decreases	Expenses (Cr.)
5]	Revenue/Income	
	Increases	Income (Cr.)
	Decreases	Income (Dr.)
6]	Profit	Capital (Cr.)
7]	Loss	Capital (Dr.)

TRANSACTIONS

A transaction is a type of event, which is generally external in nature. Transaction are analysed in terms of money and supported by proper documents are recorded in the books of accounts under double entry system. To analyse the dual aspect of each transaction, two approaches can be followed:



Accounting Equation Approach

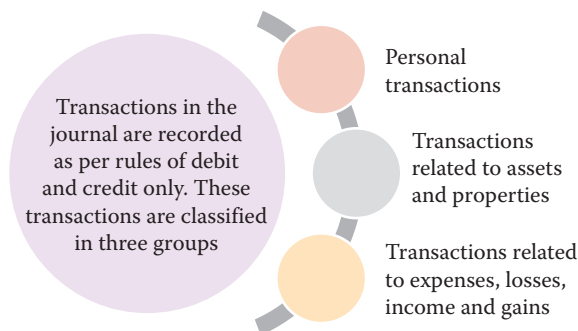
The relationship of assets with that of liabilities and owners' equity in the equation form is known as 'Accounting Equation'. Basic accounting equation comes into picture when sum total of capital and liabilities equalises assets, where assets are what the business owns and capital and liabilities are what the business owes.

Under double entry system, every business transaction has two-fold effect on the business enterprise where each transaction affects changes in assets, liabilities or capital in such a way that an accounting equation is completed and equated

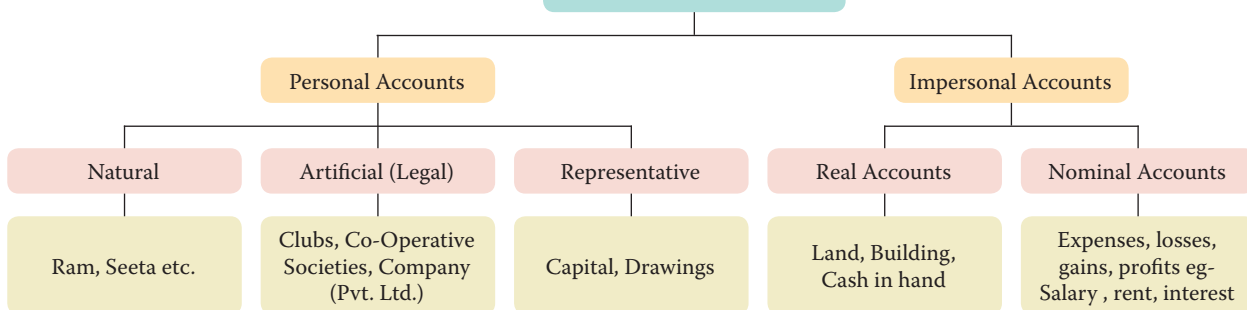
$$\text{Equity} + \text{Liabilities} = \text{Assets}$$

$$\text{or, Equity} + \text{Long-Term Liabilities} = \text{Fixed Assets} + \text{Current Assets} - \text{Current Liabilities}$$

Traditional Approach



Classification of Accounts



GOLDEN RULES OF ACCOUNTING

Types of Account	Account to be Debited	Account to be Credited
Personal Account	Receiver	Giver
Real Account	What comes in	What goes out
Nominal Account	Expense and losses	Income and gains

MODERN CLASSIFICATION OF ACCOUNTS

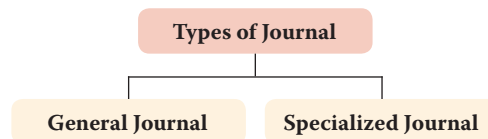
Real, nominal and personal accounts is the traditional classification of accounts. Now, let us see the modern and more acceptable classification of accounts:-

Types of Account	Normal balance of Account	Account to be debited when there is:	Account to be credited when there is:
Asset Account	Debit	Increase	Decrease
Liabilities Account	Credit	Decrease	Increase
Capital Account	Credit	Decrease	Increase
Revenue Account	Credit	Decrease	Increase
Expenditure Account	Debit	Increase	Decrease
Withdraw Account	Debit	Increase	Decrease

JOURNAL

Transactions are first entered in this book to show which accounts should be debited and which credited. Journal is also called subsidiary book. Recording of transactions in journal is termed as journalizing the entries. It is the book of original entry in which transactions are entered on a daily basis in a chronological order.

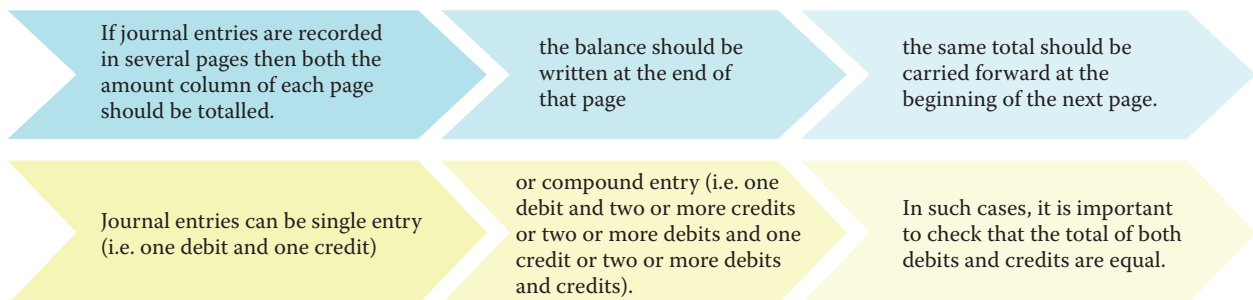
It would be difficult to maintain the records in an orderly manner. Debits and credits are listed along with the appropriate explanations. There are basically two types of journals :-



Performa of Journal

Date	Particulars	L.F.	Amount (Dr.) ₹	Amount (Cr.) ₹

Points to be taken into care while recording a transaction in the Journal



ADVANTAGES OF JOURNAL

As transactions are recorded on chronological order, one can get complete information about the business transactions on time basis.

Entries recorded in the journal are supported by a note termed as narration, which is a precise explanation of the transaction for the proper understanding of the entry. One can know the correctness of the entry through these narrations.

Journal forms the basis for posting the entries in the ledger. This eases the accountant in their work and reduces the chances of error.

PRINCIPLES AND PRACTICE OF ACCOUNTING

UNIT 2 : LEDGERS

After recording the transactions in the journal, recorded entries are classified and grouped into by preparation of accounts.

The book which contains all set of accounts (viz. personal, real and nominal accounts), is known as **Ledger**. It is known as principal books of account in which account-wise balance of each account is determined.

SPECIMEN OF LEDGER ACCOUNTS

Dr.				Account				Cr.			
Date	Particulars	J.F.	Amount (₹)	Date	Particulars	J.F.	Amount (₹)				

The process of transferring the debit and credit items from journal to classified accounts in the ledger is known as **posting**.

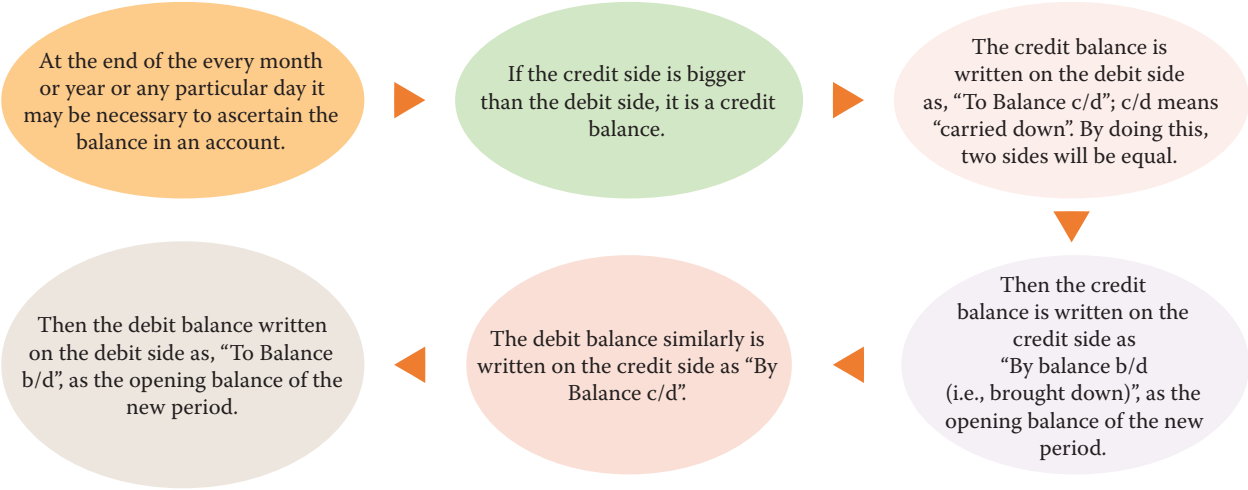
Rules regarding posting of entries in the ledger

Separate account is opened in ledger book for each account and entries from ledger posted to respective account accordingly.

Account debited in the journal should also be debited in the ledger but reference should be of the respective credit account.

It is a practice to use words 'To' on the debit side and 'By' on the credit side while posting transactions in the ledger.

BALANCING AN ACCOUNT



The balance of all nominal accounts are transferred to Profit and Loss Account at the time of preparation of financial statements

Since nominal Accounts are in the nature of revenue/ incomes/gains or expenses/ losses.

Thus, the net result of all nominal accounts are reflected in profit and loss Account for an accounting period which is transferred to Capital Account.

The balance of all the accounts relating to assets and liabilities (personal or impersonal) are reflected in the Balance Sheet at the end of accounting period.

UNIT 3 : TRIAL BALANCE

Preparation of trial balance is the third phase in the accounting process. After posting the accounts in the ledger, a statement is prepared to show separately the debit and credit balances. Such a statement is known as the trial balance.

The process of Trial Balance follows Double Entry System where the debit sides of various accounts is always equal to the credit sides of other accounts and vice versa.

Also total of the debit balances will be equal to the total of the credit balances.

Once the trial balance is tallied, there is reasonable confidence that accounting is free from clerical errors, though it is not proof of accuracy, because some errors of principle and compensating errors may still remain.

Because of Double entry system, trial balance can be prepared any time but it is preferable to prepare it at the end of the accounting year to ensure the arithmetic accuracy of all the accounts before the preparation of the financial statements.

It may be noted that trial balance is a statement and not an account. Trial Balance forms the basis for preparing final statement i.e. Profit and Loss Statement and Balance Sheet.

OBJECTIVES OF PREPARING THE TRIAL BALANCE

Helps to establish arithmetical accuracy of the books.

Financial statements are normally prepared on the basis of agreed trial balance

The trial balance serves as a summary of what is contained in the ledger.

The form of the trial balance is shown below:

Trial Balance as at.....

S. No	Ledger Accounts	L.F.	Dr. Amount (Total or Balance) ₹	Cr. Amount (Total or Balance) ₹

LIMITATIONS OF TRIAL BALANCE

It is to be noted that the agreement of Trial Balance is not a conclusive proof of accuracy. In other words, in spite of the agreement of the trial balance some errors may remain. These may be of the following types:

- Transaction has not been entered at all in the journal.
- A wrong amount has been written in both columns of the journal.
- A wrong account has been mentioned in the journal.
- An entry has not at all been posted in the ledger.
- Entry is posted twice in the ledger

Still, the preparation of the trial balance is very useful; without it, the preparation of financial statement, the Profit and Loss Account and the Balance Sheet, would be difficult.

METHODS OF PREPARATION OF TRIAL BALANCE

- Total Method
- Balance Method
- Total and Balance Method

Total Method

Every ledger account is totalled and that total amount (both of debit side and credit side) is transferred to trial balance.	Trial balance can be prepared as soon as ledger account is totalled.	Time taken to balance the ledger accounts is saved as balance can be found out in the trial balance itself.	The difference of totals of each ledger account is the balance of that particular account.
--	--	---	--

This method is not commonly used as it cannot help in the preparation of the financial statements.

Balance Method

Under this method, every ledger account is balanced and those balances only are carried forward to the trial balance.

This method is used commonly by the accountants and helps in the preparation of the financial statements

Financial statements are prepared on the basis of the balances of the ledger accounts.

PRINCIPLES AND PRACTICE OF ACCOUNTING

Total and Balance Method

Under this method, the above two explained methods are combined. Under this method statement of trial balance contains seven columns instead of five columns.

Trial Balance of X as at 31.03.2023

Sl. No.	Heads of Account	L.F.	Debit Balance (₹)	Credit Balance (₹)	Debit Total (₹)	Credit Total (₹)
1.	Cash Account		7,500		35,500	28,000
2.	Furniture Account		3,000		3,000	
3.	Salaries Account		2,500		2,500	
4.	Shyam's Account			3,500	21,500	25,000
5.	Purchases Account		26,000		26,000	
6.	Purchase Returns Account			500		500
7.	Ram's Account		4,900		30,000	25,100
8.	Sales Account			30,500		30,500
9.	Sale Returns Account		100		100	
10.	Capital Account			9,500	500	10,000
	Total		44,000	44,000	1,19,100	1,19,100

ADJUSTED TRIAL BALANCE (THROUGH SUSPENSE ACCOUNT)

If the trial balance does not agree after transferring the balance of all ledger accounts including cash and bank balance and also errors are not located timely

then the trial balance is tallied by transferring the difference of debit and credit side to an account known as suspense account.

This is a temporary account opened to proceed further and to prepare the financial statements timely.

RULES OF PREPARING THE TRIAL BALANCE

While preparing the trial balance from the given list of ledger balances, following rules should be taken into care:

The balances of the Accounts placed in the debit column of the trial balance

- Assets Accounts
- Expenses Accounts
- Losses
- Drawings
- Cash and Bank Balances

The balances of the Accounts placed in the credit column of the trial balance

- Liabilities Accounts
- Income Accounts
- Profits
- Capital

CROSSWORD SOLUTION – AUGUST 2023

¹ A	U	² S	³ T	⁴ E	⁵ R	⁶ I	⁷ T	Y		⁸ P	⁹ P	P
U		¹⁰ B	L	O	C	K	C	H	A	I	N	
T		¹¹ I	O	C		E				¹² N	R	¹³ I
¹⁴ A	¹⁵ R				¹⁶ D	A	¹⁷ T	¹⁸ A				S
¹⁹ R	O	²⁰ C		²¹ R	O		²² A	R	M			
²³ K	M	E		²⁴ E	N		²⁵ S	C		²⁶ S	²⁷ A	²⁸ P
²⁹ Y	E	R		³⁰ A	G		K			³¹ W	P	I
		T		³² L	L	M			³³ Q	A	R	D
³⁴ O	M				E		³⁵ C	³⁶ O	U	P	O	N
P		³⁷ M	³⁸ C	A		³⁹ N	A	T	O		N	
E		⁴⁰ T	A		⁴¹ G	A	R		⁴² T	D		
⁴³ C	O	N	G	L	O	M	E	R	A	T	E	

ANNOUNCEMENT

Exemption(s) from appearing in paper(s) or Group of Chartered Accountancy Examinations under the New Scheme of Education and Training w.e.f. May 2024 Examination

New Scheme of Education and Training of the Institute of Chartered Accountants of India has been implemented with effect from 1st July 2023. The examination at Intermediate and Final levels under the New Scheme of Education and Training will be held with effect from May 2024 Examination.

The Council of the Institute has decided to grant exemptions under New Syllabus approved by it for Intermediate Examination (under sub-regulation (4) of regulation 28G of the Chartered Accountants Regulations, 1988) and for Final Examination (under clause (v) of regulation 31 of the Chartered Accountants Regulations, 1988) to existing students for papers passed by them under the Old/Existing Scheme as follows: -

I. Final Examination:

(i) Paper-wise exemption on the basis of securing sixty per cent or more marks:

The Council decided (under sub-regulation (5) of regulation 38D of the Chartered Accountants Regulations, 1988) to continue to award exemption in a paper or papers to a candidate, granted earlier under Old/Existing Scheme (by virtue of having secured a minimum of sixty percent marks in one or more papers in a Group/s as per the existing criteria for grant of exemption), for the unexpired chance(s) of the exemption in the corresponding paper(s) approved by the Council under New Scheme as given below:

Paper(s) under Existing Scheme	Corresponding paper(s) under New Scheme
Paper 1: Financial Reporting	Paper 1: Financial Reporting
Paper 2: Strategic Financial Management	Paper 2: Advanced Financial Management
Paper 3: Advanced Auditing and Professional Ethics	Paper 3: Advanced Auditing, Assurance and Professional Ethics
Paper 4: Corporate and Economic Laws	Self-Paced Online Module SET A: Corporate and Economic Laws
Paper 5: Strategic Cost Management and Performance Evaluation	Self-Paced Online Module SET B: Strategic Cost & Performance Management
Paper 6: Elective Paper	Paper 6: Integrated Business Solutions
Paper 7: Direct Tax Laws and International Taxation	Paper 4: Direct Tax Laws & International Taxation
Paper 8: Indirect Tax Laws	Paper 5: Indirect Tax Laws

(ii) Details of papers/ group in which candidates are required to appear and pass in Final Examination under New Scheme:

The Council decided that a candidate who has passed in any one but not in both the groups of the Final Examination under Existing Scheme shall be eligible for exemption in that particular group and shall be required to appear and pass in the remaining group / paper(s) in order to pass the Final Examination under New Scheme as given below:

Group passed under Existing Scheme	Papers passed under Existing Scheme	Corresponding exemption under New Scheme	Papers required to be passed under New Scheme
Group-I	Paper 1: Financial Reporting	Paper 1: Financial Reporting	Paper 4: Direct Tax Laws & International Taxation Paper 5: Indirect Tax Laws Paper 6: Integrated Business Solutions Self-Paced Online Module SET B: Strategic Cost & Performance Management*
	Paper 2: Strategic Financial Management	Paper 2: Advanced Financial Management	
	Paper 3: Advanced Auditing and Professional Ethics	Paper 3: Advanced Auditing, Assurance and Professional Ethics	
	Paper 4: Corporate and Economic Laws	Self-Paced Online Module SET A: Corporate and Economic Laws	
Group-II	Paper 5: Strategic Cost Management and Performance Evaluation	Self-Paced Online Module SET B: Strategic Cost & Performance Management	Paper 1: Financial Reporting Paper 2: Advanced Financial Management Paper 3: Advanced Auditing, Assurance and Professional Ethics Self-Paced Online Module SET A: Corporate and Economic Laws*
	Paper 6: Elective Paper	Paper 6: Integrated Business Solutions	
	Paper 7: Direct Tax Laws and International Taxation	Paper 4: Direct Tax Laws & International Taxation	
	Paper 8: Indirect Tax Laws	Paper 5: Indirect Tax Laws	

* Final Course Students appearing in May 2024 Examination under New Scheme may qualify Self-Paced Online Modules, as applicable, after passing May 2024 Examination but before applying for membership. Thereafter, the candidate would be eligible for subsequent examination only after qualifying Self-Paced Online Modules, as applicable.

Students who have appeared in Final Old/ Existing Scheme and converting to Final New Scheme are exempted from appearance in Self-Paced Online Module SET C and SET D.

ANNOUNCEMENT

II. Intermediate Examination:

(i) Paper-wise exemption on the basis of securing sixty per cent or more marks:

The Council decided (under sub-regulation (7) of regulation 37D of the Chartered Accountants Regulations, 1988) to continue to award exemption in a paper or papers to a candidate, granted earlier under Old/Existing Scheme (by virtue of having secured a minimum of sixty percent marks in one or more papers in a Group/s as per the existing criteria for grant of exemption), for the unexpired chance(s) of the exemption in the corresponding paper(s) approved by the Council under New Scheme as given below:

Paper(s) under Existing Scheme	Corresponding paper(s) under New Scheme
Paper 1: Accounting	Paper 1: Advanced Accounting
Paper 2: Corporate and Other Laws	Paper 2: Corporate and Other Laws
Paper 3: Cost and Management Accounting	Paper 4: Cost and Management Accounting
Paper 4: Taxation	Paper 3: Taxation
Paper 5: Advanced Accounting	Paper 1: Advanced Accounting
Paper 6: Auditing and Assurance	Paper 5: Auditing and Ethics
Paper 7: Enterprise Information Systems & Strategic Management	Paper 6: Financial Management and Strategic Management
Paper 8: Financial Management & Economics for Finance	Paper 6: Financial Management and Strategic Management

(ii) Details of paper/unit/group in which candidates are required to appear and pass in Intermediate Examination under New Scheme:

The Council also approved the "Unit" Scheme for those candidates who had completed one of the Groups under the erstwhile Intermediate Examination under the syllabus as specified in paragraph 2A of Schedule B to the Chartered Accountants Regulations, 1988 (held in November 1994 or thereafter) or Professional Education (Examination II) or Professional Competence Examination (PCE), or Intermediate (Professional Competence) Examination, or Integrated Professional Competence Examination or Intermediate (IPC) Examination or Intermediate Examination and are desirous of completing the Intermediate Course (New) Syllabus as given below:

Scenario	Details of paper/unit/group passed	Papers passed under Old/Existing Scheme	Corresponding exemption under New Scheme	Papers required to be passed under New Scheme at Intermediate	Self-Paced Online Modules to be passed before appearing in Final Examination
I	Group-I passed in Intermediate under Paragraph 2A of Schedule 'B' (i.e. November 1994 or later) or Professional Education Examination-II or Professional Competence Examination	Paper 1: Advanced Accounting/ Accounting	Group I Paper 1: Advanced Accounting	Unit 1 Group I Paper 3: Taxation Group II Paper 4: Cost and Management Accounting Group II Paper 6: Financial Management and Strategic Management	SET A: Corporate and Economic Laws SET B: Strategic Cost & Performance Management SET C: Specialization (elective) <i>and</i> SET D: Multi-disciplinary (elective)
		Paper 2: Auditing/ Auditing and Assurance	Group II Paper 5: Auditing and Ethics		
		Paper 3: Corporate and Other Laws/ Business and Corporate Laws/ Law, Ethics and Communication	Group I Paper 2: Corporate and Other Laws		
IIA	Group-I passed in Intermediate under Paragraph 2A of Schedule 'B' (i.e. November 1994 or later) or Professional Education Examination-II or Professional Competence Examination and subsequently passed Unit 6 in Integrated Professional Competence Examination/ Intermediate (Integrated Professional Competence) Examination	Paper 1: Advanced Accounting/ Accounting	Group I Paper 1: Advanced Accounting	Unit 1A Group I Paper 3: Taxation Group II Paper 4: Cost and Management Accounting	SET A: Corporate and Economic Laws SET B: Strategic Cost & Performance Management SET C: Specialization (elective) <i>and</i> SET D: Multi-disciplinary (elective)
		Paper 2: Auditing/ Auditing and Assurance	Group II Paper 5: Auditing and Ethics		
		Paper 3: Corporate and Other Laws/ Business and Corporate Laws/ Law, Ethics and Communication	Group I Paper 2: Corporate and Other Laws		
		Paper 7: Information Technology and Strategic Management	Group II Paper 6: Financial Management and Strategic Management		

Scenario	Details of paper/unit/group passed	Papers passed under Old/Existing Scheme	Corresponding exemption under New Scheme	Papers required to be passed under New Scheme at Intermediate	Self-Paced Online Modules to be passed before appearing in Final Examination
IIB	Group-I passed in Intermediate under Paragraph 2A of Schedule 'B' (i.e. November 1994 or later) or Professional Education Examination-II or Professional Competence Examination and subsequently passed Unit 6A in Intermediate Examination	Paper 1: Advanced Accounting/ Accounting	Group I Paper 1: Advanced Accounting	Unit 1A Group I Paper 3: Taxation Group II Paper 4: Cost and Management Accounting	SET A: Corporate and Economic Laws SET B: Strategic Cost & Performance Management <i>either of</i> SET C: Specialization (elective) <i>or</i> SET D: Multi-disciplinary (elective)
		Paper 2: Auditing/ Auditing and Assurance	Group II Paper 5: Auditing and Ethics		
		Paper 3: Corporate and Other Laws/ Business and Corporate Laws/ Law, Ethics and Communication	Group I Paper 2: Corporate and Other Laws		
		Paper 7: Enterprise Information Systems & Strategic Management	Group II Paper 6: Financial Management and Strategic Management		
		Paper 8: Financial Management & Economics for Finance			
III	Group-I passed in Intermediate under Paragraph 2A of Schedule 'B' (i.e. November 1994 or later) or Professional Education Examination-II or Professional Competence Examination and subsequently passed Unit 4/4A in Integrated Professional Competence Examination/ Intermediate (Integrated Professional Competence) Examination/ Intermediate Examination	Paper 1: Advanced Accounting/ Accounting	Group I Paper 1: Advanced Accounting	Unit 1B Group II Paper 6: Financial Management and Strategic Management	SET A: Corporate and Economic Laws SET B: Strategic Cost & Performance Management SET C: Specialization (elective) <i>and</i> SET D: Multi-disciplinary (elective)
		Paper 2: Auditing/ Auditing and Assurance	Group II Paper 5: Auditing and Ethics		
		Paper 3: Corporate and Other Laws/ Business and Corporate Laws/ Law, Ethics and Communication	Group I Paper 2: Corporate and Other Laws		
		Paper 3: Cost Accounting and Financial Management/ Cost and Management Accounting	Group II Paper 4: Cost and Management Accounting		
		Paper 4: Taxation	Group I Paper 3: Taxation		
IV	Group-II passed in Intermediate under Paragraph 2A of Schedule 'B' (i.e. November 1994 or later) or Professional Education Examination-II	Paper 4: Cost Accounting/ Cost Accounting and Financial Management	Group II Paper 4: Cost and Management Accounting	Unit 2 Group I Paper 1: Advanced Accounting Group I Paper 2: Corporate and Other Laws Group II Paper 5: Auditing & Ethics Group II Paper 6: Financial Management and Strategic Management	SET A: Corporate and Economic Laws SET B: Strategic Cost & Performance Management <i>either of</i> SET C: Specialization (elective) <i>or</i> SET D: Multi-disciplinary (elective)
		Paper 5: Income Tax and Central Sales Tax	Group I Paper 3: Taxation		
		Paper 6: Organisation & Management and Fundamentals of Electronic Data Processing/ Information Technology			
V	Group-II passed In Professional Competence Examination	Paper 4: Cost Accounting and Financial Management	Group II Paper 4: Cost and Management Accounting	Unit 2A Group I Paper 1: Advanced Accounting Group I Paper 2: Corporate and Other Laws Group II Paper 5: Auditing and Ethics	SET A: Corporate and Economic Laws SET B: Strategic Cost & Performance Management SET C: Specialization (elective) <i>and</i> SET D: Multi-disciplinary (elective)
		Paper 5: Taxation	Group I Paper 3: Taxation		
		Paper 6: Information Technology and Strategic Management	Group II Paper 6: Financial Management and Strategic Management		

ANNOUNCEMENT

Scenario	Details of paper/unit/group passed	Papers passed under Old/Existing Scheme	Corresponding exemption under New Scheme	Papers required to be passed under New Scheme at Intermediate	Self-Paced Online Modules to be passed before appearing in Final Examination
VI	Group-II passed in Intermediate under Paragraph 2A of Schedule 'B' (i.e. November 1994 or later) or Professional Education Examination-II and subsequently passed Unit 5/5A in Integrated Professional Competence Examination/ Intermediate (Integrated Professional Competence) Examination/ Intermediate Examination	Paper 4: Cost Accounting/ Cost Accounting and Financial Management	Group II Paper 4: Cost and Management Accounting	Unit 2B Group I Paper 2: Corporate and Other Laws Group II Paper 6: Financial Management and Strategic Management	SET A: Corporate and Economic Laws SET B: Strategic Cost & Performance Management <i>either of</i> SET C: Specialization (elective) <i>or</i> SET D: Multi-disciplinary (elective)
		Paper 5: Income Tax and Central Sales Tax	Group I Paper 3: Taxation		
		Paper 6: Organisation & Management and Fundamentals of Electronic Data Processing/ Information Technology			
		Paper 5: Advanced Accounting	Group I Paper 1: Advanced Accounting		
		Paper 6: Auditing and Assurance	Group II Paper 5: Auditing and Ethics		
VII	Group-II passed in Professional Competence Examination and subsequently passed Unit 5/5A in Integrated Professional Competence Examination/ Intermediate (Integrated Professional Competence) Examination/ Intermediate Examination	Paper 4: Cost Accounting and Financial Management	Group II Paper 4: Cost and Management Accounting	Unit 2C Group I Paper 2: Corporate and Other Laws	SET A: Corporate and Economic Laws SET B: Strategic Cost & Performance Management SET C: Specialization (elective) <i>and</i> SET D: Multi-disciplinary (elective)
		Paper 5: Taxation	Group I Paper 3: Taxation		
		Paper 6: Information Technology and Strategic Management	Group II Paper 6: Financial Management and Strategic Management		
		Paper 5: Advanced Accounting	Group I Paper 1: Advanced Accounting		
		Paper 6: Auditing and Assurance	Group II Paper 5: Auditing and Ethics		
VIII	Group-II passed in Intermediate under Paragraph 2A of Schedule 'B' (i.e. November 1994 or later) or Professional Education Examination-II and subsequently passed Unit 7/7A in Integrated Professional Competence Examination/ Intermediate (Integrated Professional Competence) Examination/ Intermediate Examination	Paper 4: Cost Accounting/ Cost Accounting and Financial Management	Group II Paper 4: Cost and Management Accounting	Unit 2D Group II Paper 5: Auditing and Ethics Group II Paper 6: Financial Management and Strategic Management	SET A: Corporate and Economic Laws SET B: Strategic Cost & Performance Management <i>either of</i> SET C: Specialization (elective) <i>or</i> SET D: Multi-disciplinary (elective)
		Paper 5: Income Tax and Central Sales Tax	Group I Paper 3: Taxation		
		Paper 6: Organisation & Management and Fundamentals of Electronic Data Processing/ Information Technology			
		Paper 1: Accounting	Group I Paper 1: Advanced Accounting		
		Paper 2: Business Laws, Ethics and Communication/ Corporate and Other Laws	Group I Paper 2: Corporate and Other Laws		

Scenario	Details of paper/unit/group passed	Papers passed under Old/Existing Scheme	Corresponding exemption under New Scheme	Papers required to be passed under New Scheme at Intermediate	Self-Paced Online Modules to be passed before appearing in Final Examination
IX	Group-II passed in Professional Competence Examination and subsequently passed Unit 7/7A in Integrated Professional Competence Examination/ Intermediate (Integrated Professional Competence) Examination/ Intermediate Examination	Paper 4: Cost Accounting and Financial Management	Group II Paper 4: Cost and Management Accounting	Unit 2E Group II Paper 5: Auditing and Ethics	SET A: Corporate and Economic Laws SET B: Strategic Cost & Performance Management SET C: Specialization (elective) <i>and</i> SET D: Multi-disciplinary (elective)
		Paper 5: Taxation	Group I Paper 3: Taxation		
		Paper 6: Information Technology and Strategic Management	Group II Paper 6: Financial Management and Strategic Management		
		Paper 1: Accounting	Group I Paper 1: Advanced Accounting		
		Paper 2: Business Laws, Ethics and Communication/ Corporate and Other Laws	Group I Paper 2: Corporate and Other Laws		
X	Group-I passed in Integrated Professional Competence Examination/ Intermediate (Integrated Professional Competence) Examination/ Intermediate Examination	Paper 1: Accounting	Group I Paper 1: Advanced Accounting	Unit 2D Group II Paper 5: Auditing and Ethics Group II Paper 6: Financial Management and Strategic Management	SET A: Corporate and Economic Laws SET B: Strategic Cost & Performance Management SET C: Specialization (elective) <i>and</i> SET D: Multi-disciplinary (elective)
		Paper 2: Business Laws, Ethics and Communication/ Corporate and Other Laws	Group I Paper 2: Corporate and Other Laws		
		Paper 3: Cost Accounting and Financial Management/ Cost and Management Accounting	Group II Paper 4: Cost and Management Accounting		
		Paper 4: Taxation	Group I Paper 3: Taxation		
XIA	Group-II passed in Integrated Professional Competence Examination/ Intermediate (Integrated Professional Competence) Examination	Paper 5: Advanced Accounting	Group I Paper 1: Advanced Accounting	Unit 3 Group I Paper 2: Corporate and Other Laws Group I Paper 3: Taxation Group II Paper 4: Cost and Management Accounting	SET A: Corporate and Economic Laws SET B: Strategic Cost & Performance Management SET C: Specialization (elective) <i>and</i> SET D: Multi-disciplinary (elective)
		Paper 6: Auditing and Assurance	Group II Paper 5: Auditing and Ethics		
		Paper 7: Information Technology and Strategic Management	Group II Paper 6: Financial Management and Strategic Management		
XIB	Group-II passed in Intermediate Examination	Paper 5: Advanced Accounting	Group I Paper 1: Advanced Accounting	Unit 3 Group I Paper 2: Corporate and Other Laws Group I Paper 3: Taxation Group II Paper 4: Cost and Management Accounting	SET A: Corporate and Economic Laws SET B: Strategic Cost & Performance Management <i>either of</i> SET C: Specialization (elective) <i>or</i> SET D: Multi-disciplinary (elective)
		Paper 6: Auditing and Assurance	Group II Paper 5: Auditing and Ethics		
		Paper 7: Enterprise Information Systems & Strategic Management	Group II Paper 6: Financial Management and Strategic Management		
		Paper 8: Financial Management & Economics for Finance			

Director

NATIONAL CONFERENCE OF CA STUDENTS AT CHENNAI

Dates: 2nd & 3rd September, 2023

Venue: Kalaivanar Arangam, Chennai

Organized by: SSEB, Board of Studies (Operations), ICAI

Hosted by: SICASA of SIRC of ICAI

Theme: "AATRAL- The Power of Mastery"

Day 1	
09:45AM - 10:45AM	Inaugural Session
10:45AM - 11:30AM	Special Session I: Interaction with SSEB, Board of Studies (Operations), ICAI and Board of Studies (Academic), ICAI
11:30AM - 01:00PM	Technical Session I: Financial Fortitude: Empowering your Tax & Audit Knowledge - Tax on Indian Cricket & BCCI; OECD- The Two Pillar solution; Artificial Intelligence in Audits
02:00PM - 03:00PM	Special Session II: The SICASA SHOW TIME- A Panel discussion in G20 Presidency
03:00PM - 04:30PM	Technical Session II: Capital Connections: When Investors meet Bankers - The world of negative interest rate; SIP & New Trends of Investment; Let's Explore Bitcoins vs. Other Crypto Currencies
05:00PM - 06:30PM	Motivational Session I
Day 2	
09:30AM - 11:00AM	Technical Session III: The Creatives & Critiques of The Business Realm - Narratives of Money Laundering & the Combat Mechanism; A Dive into the Red Ocean strategy; Startups and Burn rate trend
11:00AM - 12:00PM	Motivational Session II
12:00PM - 01:00PM	Motivational Session III
02:00PM - 03:30PM	Technical Session IV: Market Pulse: The Navigation through Stock Market - Failure of New age IPOs; Impact of Influencers in Stock Market; Unleashing the Power of Sectoral Investing
03:30PM - 04:45PM	Special Session III: The Business Model Canvas - The Practical application on how to turn a business idea into real business
05:15PM - 06:00PM	Valedictory Session
06:00PM - 07:30PM	Cultural Programme

Students Eligible to attend the Students Conference: Students who have registered as Intermediate Students/ Students who are pursuing their Articleship Training/ Students who have completed their Practical Training but could not qualify their final examinations may attend the conference till next one year from the date of completion of Practical Training. (Foundation Students and Students who have completed one year beyond their Articleship Training period will not be eligible to register for these Conferences). Further, Students pursuing Articleship Training can be a Paper Presenter in the Conference.

Registration Fees | Rs. 500/- per student

Registration Link | <https://bosactivities.icai.org>

CA. Mangesh Pandurang Kinare, Conference Chairman & Chairman, SSEB, BOS (Operations), ICAI; CA. Sridhar Muppala, Conference Co-Chairman & Vice-Chairman, SSEB, BOS (Operations), ICAI; CA. Rajendra Kumar P, Conference Director & Central Council Member, ICAI; CA. Panna Raj S, Conference Coordinator & Chairman, SIRC of ICAI; CA. Chengal Reddy Ramireddygari, Conference Coordinator & Chairman, SICASA of ICAI.

MEGA CONFERENCE OF CA STUDENTS AT GHAZIABAD

Dates: 2nd & 3rd September, 2023

Venue: Hotel Radisson Blu, Kaushambi, Ghaziabad

Organized by: SSEB, Board of Studies (Operations), ICAI

Hosted by: Ghaziabad Branch of CICASA of ICAI

Theme: "Manthan – A Drill into Knowledge"

Day 1	
09.30 AM - 10.30 AM	Inaugural Session
10.30 AM - 11.30 AM	Special Session I: Interaction with SSEB, Board of Studies (Operations), ICAI and Board of Studies (Academic), ICAI
11.30 AM - 01.00 PM	Technical Session I: Direct Tax 1. ESOP Taxation 2. Taxation of Virtual Digital Assets 3. International Taxation Regime: Its New Face
02.00 PM - 02.45 PM	Motivational Session I
02.45 PM - 05.15 PM	Technical Session II: Indirect Tax 1. A glance on Indian GST compared to World GST 2. Department Audit & Inspection 3. Taxation of E-Commerce transactions
05.30 PM - 06.30 PM	Special Session II
Day 2	
09.45 AM - 10.30 AM	Motivational Session II
10.30 AM - 12.00 PM	Technical Session III: Corporate Law & Audit 1. Safeguard of Investor's interest through Insolvency and Bankruptcy code 2. Importance of Audit Trial during Audit 3. Approach on Remote Auditing – Role & Precautions
12.00 PM - 12.45 PM	Special Session III
01.45 PM - 02.30 PM	Motivational Session III
02.30 PM - 04.00 PM	Technical Session IV: Information Tech. / Other Finance 1. Is AI a Threat or Benefit to Professionals. 2. Future of Audit in Digital Era 3. Start Up – Value addition to economy or Loss to economy
04.00 PM - 04.45 PM	Motivational Session IV
04.45 PM - 05.30 PM	Valedictory Session

Students Eligible to attend the Students Conference: Students who have registered as Intermediate Students/ Students who are pursuing their Articleship Training/ Students who have completed their Practical Training but could not qualify their final examinations may attend the conference till next one year from the date of completion of Practical Training. (Foundation Students and Students who have completed one year beyond their Articleship Training period will not be eligible to register for these Conferences). Further, Students pursuing Articleship Training can be a Paper Presenter in the Conference.

Note:- The Paper presenters from Central Region only can participate in the conference

Registration Fees | Rs. 500/- per student

Registration Link | <https://bosactivities.icai.org>

CA. Mangesh Pandurang Kinare, Conference Chairman & Chairman, SSEB, BOS (Operations), ICAI; CA. Sridhar Muppala, Conference Co-Chairman & Vice-Chairman, SSEB, BOS (Operations), ICAI; CA. (Dr.) Anuj Goyal, Conference Director & Central Council Member, ICAI; CA. Gyan Chandra Misra, Conference Coordinator & Central Council Member, ICAI; CA. Manish Aggarwal, Chairman, Ghaziabad Branch of CIRC of ICAI; CA. Vibhor Jindal, Chairman, Ghaziabad Branch of CICASA of ICAI.

MEGA CONFERENCE OF CA STUDENTS AT HYDERABAD

Dates: 9th & 10th September, 2023

Venue: Shilpakala Vedika, Hitech City, Hyderabad

Organized by: SSEB, Board of Studies (Operations), ICAI

Hosted by: Hyderabad Branch of SIRC of ICAI & Hyderabad Branch of SICASA of ICAI

Theme: "GYANOTSAV- Celebration of Knowledge"

Day 1	
10:00AM - 11:00AM	Inaugural Session
11:00AM - 12:15PM	Interaction with SSEB, Board of Studies (Operations), ICAI and Board of Studies (Academic), ICAI
12:15PM - 01:30PM	Technical Session I: Topic: Goods and Service Tax (GST) 1. Intricacies in Refund Mechanism 2. ITC - Pandora of Issues 3. GST on JDA - Landlord Perspective
02:30PM - 03:45PM	Technical Session II: Topic: Companies Act 1. Small Companies - Benefits and Exemptions 2. Transactions with Related Parties 3. Voluntary Winding-up
03:45PM - 05:30PM	Motivational Session
Day 2	
10:30AM - 11:45AM	Technical Session III: Topic: Technology vis-à-vis CA 1. Technology Innovation by Regulators - Challenges to CAs 2. Office Productivity Tools 3. Handling Data Storage Challenges in CA Offices
11:45AM - 01:30PM	Special Session
02:30PM - 03:45PM	Technical Session IV: Topic: Income Tax 1. Taxation on Social Media Influencers 2. Virtual Digital Asset - Tax Implications 3. Restrictions on Cash Transactions
03:45PM - 05:30PM	Valedictory Session

Students Eligible to attend the Students Conference: Students who have registered as Intermediate Students/ Students who are pursuing their Articleship Training/ Students who have completed their Practical Training but could not qualify their final examinations may attend the conference till next one year from the date of completion of Practical Training. (Foundation Students and Students who have completed one year beyond their Articleship Training period will not be eligible to register for these Conferences). Further, Students pursuing Articleship Training can be a Paper Presenter in the Conference.

Note:-The Paper presenters from Southern Region only can participate in the conference

Registration Fees	Rs. 600/- per student	Registration Link	https://bit.ly/3YyntLt
--------------------------	------------------------------	--------------------------	---

CA. Mangesh Pandurang Kinare, Conference Chairman & Chairman, SSEB, BOS (Operations), ICAI; CA. Sridhar Muppala, Conference Co-Chairman & Vice-Chairman, SSEB, BOS (Operations), ICAI; CA. Dayaniwas Sharma, Conference Director & Central Council Member, ICAI; CA. Satish Kumar Mylavaram, Conference Coordinator & Chairman, Hyderabad Branch of SIRC of ICAI; CA. Rama Rao Karumanchi, Conference Coordinator & Chairman, Hyderabad Branch of SICASA of ICAI.

MoU Exchange Ceremony in Panaji, Goa



Hon'ble Chief Minister of Goa Shri Pramod Sawant, ICAI President CA. Aniket Talati, ICAI Vice President CA. Ranjeet Kumar Agarwal, Ministry of Education & Director, DHE, Shri Prasad Lolayekar, Chairman, Board of Studies (Academic) CA. Vishal Doshi, Vice-Chairman, Board of Studies (Academic) CA. Dayaniwas Sharma and ICAI Secretary CA. (Dr.) Jai Kumar Batra.

CROSSWORD - SEPTEMBER 2023

1			2	3		4	5		6	7	8
			9			10			11		
12	13				14				15		
16						17			18		
			19	20						21	
22	23	24					25		26		
27							28			29	
30					31		32		33		34
					35					36	
	37				38		39			40	
	41	42			43	44	45		46	47	
48					49				50		

ACROSS

1. Relating to the whole world.
4. An act of trading goods or services between two or more parties without the use of money.
9. A symbol representing a sacred sound.
10. A statutory body established in 1985 under Article 323-A of the Indian Constitution.
11. _____ is one company's acquisition of another company using a significant amount of borrowed money to meet the cost of acquisition.
12. A primary producer of a country's coin currency
13. The interactions among sovereign states
14. Facts and statistics collected for reference.
15. Indian state-owned insurance group and investment company.
16. The integrated management of main business processes, often in real-time and mediated by software and technology
17. _____ is the granting of a property right by a sovereign authority to an inventor.
19. An official Act that consolidates and amends laws regulating foreign exchange in India.
21. Paid by the government to its employees as well as a pensioner to offset the impact of inflation.
22. An investment position intended to offset potential losses or gains that may be incurred by a companion investment.
25. An autonomous institution and premier business school located in Anand Gujarat
26. A large corporation incorporated in one country which produces or sells goods or services in various countries.
27. The research and analysis division of the Economist Group,
28. A multinational news channel and website headquartered in Atlanta, Georgia, U.S

30. A media service offered directly to viewers via the Internet.
31. Refers to the total salary package of the employee.
33. A premier national professional body constituted under the Company Secretaries of India Act,
35. An effective way for an institution to confirm and thereby verify the authenticity of a customer.
36. A type of financial ratio that measures a country's level of debt relative to another financial metric.
39. One of the most widely used food-additives in commercial foods.
40. The opposite of down
41. An autonomous constitutional authority responsible for administering election processes in India.
43. The National Standards Body of India under Department of Consumer affairs,
46. The total of two or more numbers added together
48. To experience a sudden rapid growth
49. An investor who buys shares because they believe the market is going to rise
50. The change in the prices of goods and services from the perspective of the consumer

DOWNWARD

1. The study of mathematical models of strategic interactions among rational agents.
2. A software program that operates on the Internet and performs repetitive tasks
3. Refers to the period from midnight until noon.
4. A multinational footwear, apparel and fashion accessories manufacturer and retailer of Moravian (Czech) origin,
5. A generic name that refers to a collection of alloy theory tools developed by Axel van de Walle.

6. Abbre: "Tenant Lead Law Notification"
7. A measure of company profitability used by investors.
8. _____ measures how efficiently a company generates profits from its capital
10. The amount that something can produce
18. The net benefits of a corporation's operation
20. A test that measures electrical activity in the brain.
23. Abbre; Economic Interest Test
24. A moral or legal obligation
25. A set of electronic circuits on one small flat piece of semiconductor material,
29. A mechanism of recovery from the Corporate Debtors.
32. All revenue and expense recognition to be deferred until the completion of a contract.
34. Sustained decline especially in economic activity
37. _____manage the overall operations of a company.
38. Used to describe the amount of stored data
42. Usually stands for "company" in a business name
44. India's internal security and counter-intelligence agency
45. Abbre : substitute user
47. A web browser developed by mobile internet company UCWeb, a subsidiary of the Alibaba Group.

If undelivered, please return to: The Institute of Chartered Accountants of India, ICAI Bhawan, Indraprastha Marg, New Delhi-110002