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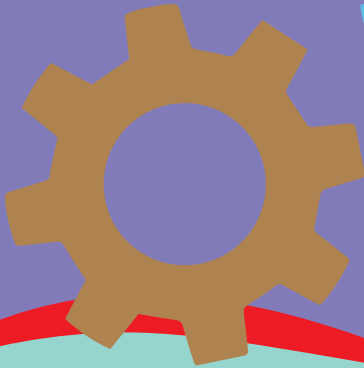
The Chartered Accountant STUDENT

Your monthly guide to CA news, information and events

FINAL
*Strategic Financial
Management*

INTERMEDIATE
*Corporate and
Other Laws*

FOUNDATION
*Business
Economics*



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SWACHH BHARAT - A STEP TOWARDS CLEANLINESS

PRESIDENT'S COMMUNICATION



Dear Students,

As India celebrated its 75th year of Independence on 15th August with great enthusiasm, it showcased as many years of a progressive India and the glorious history of its people, culture and achievements through various programmes and events. The 'Har Ghar Tiranga' campaign, which encouraged people to bring the Tricolour home and hoist it to mark 75 year of India's Independence, presented a beautiful spectacle of our National Flag flying at the rooftops of homes, offices, shops, vehicles, streets, etc., and above all rekindling the Azadi fervour in every Indian's heart.

The ICAI too actively participated in Azadi ka Amrit Mahotsav to mark India's 75 years of Independence and besides other activities also launched campaign for creating awareness amongst the people of India on Finance & Tax Literacy to make our country 'Some Ki Chidiya'.

Teacher's Day Greetings

I convey my warmest wishes to Members, Principals and Students on the occasion of Teacher's Day on 5th September. The day is celebrated as such since it is the birth anniversary of a great teacher, Dr. Sarvepalli Radhakrishnan, also the first Vice-President of India who subsequently went on to become the President of the Country. On this day, we must show deep gratitude to our teachers who play a crucial role in shaping and nurturing our academic and professional lives. They act as gurus, mentors and guide to achieve our life's goals. What we become in life depends on the education and guidance given by our teachers. Therefore, on this day, you should take blessings of your Principals and Mentors for your academic and overall success.

"I have always felt that the true text-book for the pupil is his teacher."— Mahatma Gandhi

Results for Foundation Exam Declared

Many congratulations to the aspiring CA students for clearing the Foundation exam held in June and taking the first important step towards becoming a part of the CA student fraternity. I assure that you have very rightly chosen a career that is highly regarded in India and worldwide. As a qualified Chartered Accountant, the opportunities in the glorious profession are limitless, as the knowledge a Chartered Accountant possesses can take him/her to the highest levels of an organisational set up or in practice or in entrepreneurship without mentioning the highly rewarding monetary gains that comes with it.

To guide you in your academic journey, the Board of Studies provides high-quality textbooks and learning material apart from conducting live coaching classes, the knowledge portal, the mobile app, etc. You must visit the BoS Knowledge Portal, which is single platform for accessing study material, course and paper wise live and recorded lectures, syllabus, announcements, revision test papers, mock test papers, etc.

"Climbing to the top demands strength, whether it is to the top of Mount Everest or to the top of your career." — A. P. J. Abdul Kalam

Extensive Deliberations on Proposed Scheme of Education & Training

As informed in the last month's edition, the Board of Studies has received thousands of suggestions from various stakeholders on the proposed scheme. Taking into consideration all the recommendations, the proposed scheme, as finalised and approved by the Council, would be sent to the Ministry of Corporate Affairs, along with corresponding amendments in regulations, for final approval.

Let me assure you that the proposed scheme would provide an upgraded and globally competitive syllabus to the student fraternity. It will certainly usher in a new dawn in CA learning with holistic knowledge and mould our students into global chartered accountants.

Campus Placement programme extended to more cities with growing demand of CAs

It is a moment of significance that a record number of 173 companies participated in the 55th edition of the Campus Placement programme, which saw 7,312 newly qualified chartered accountants, out of the 10,197 registered candidates, getting lucrative job offers. The programme, held virtually at 9 major and 12 smaller centres across India, was a huge success.

In view of the growing demand of CAs, the Institute has decided to add 6 additional centres viz. Bhopal, Lucknow, Patna, Raipur, Ranchi and Vadodara, to the 56th edition of Campus Placement programme, thus taking the number of centres to 9 major and 18 smaller centres. The four existing centres viz. Ahmedabad, Hyderabad, Jaipur and Pune are being elevated as premier major centres day centres, whereas the minimum threshold limit of CTC offered to candidates is being increased at all existing centres.

MoU with SED, Mizoram

An MoU has been signed by the ICAI with School Education Department, Mizoram, Government of Mizoram for a tenure of 5 years for promoting commerce education and providing career guidance alongwith promoting CA Course amongst Government and Government aided Secondary and Higher/ Senior Secondary school students in Mizoram. School Education Department, Mizoram welcomed the initiatives taken by the ICAI for the students of Mizoram and assured full support to the ICAI for fulfilling the objective of MoU. The Chief Guest of the programme was Dr. Lazirmawia Chhangte, IAS, Secretary, School Education, Mizoram. The ICAI has always been very receptive towards the requirements of the students of the North-Eastern States. As a corollary, a concession of 75% in registration course fee for all levels of CA Courses for the candidates/ students from North-Eastern States is already permissible. This MoU with Mizoram State Education Department by the Committee on Career Counselling of the ICAI is a step forward in this direction for bringing out the true potential of students belonging to Mizoram.

Knowledge Enrichment through Conferences/ Trainings

As part of its efforts to continuously enrich your learning as well as upgrade your skill sets, the Students Skills Enrichment Board (SSEB) has been organising national conferences, residential programmes and practical trainings at regular intervals. You must participate in such programmes to hone your knowledge and communication skills.

In the words of **Colin Powell**, *"A dream doesn't become reality through magic; it takes sweat, determination, and hard work."* Wish you all the best for your future endeavours!

Yours sincerely,

Debashis Mitra

CA. (Dr.) DEBASHIS MITRA
PRESIDENT, ICAI



My Dear Students,

“Teachers are the backbone of any country, the pillar upon which all the aspirations are converted into realities”

- Dr. A P J Abdul Kalam Azad

Teachers Day which is celebrated on 5th September every year is one such significant occasion which reminds us of the exceptional contribution that our teachers and mentors make towards transforming our lives. They not only help us identify our true capabilities, our potential, our interests and inclinations but also provide us the correct guidance and the moral support that we need many a times while pursuing difficult targets. They refine our thought process and drive us towards victory.

I would like to extend my Salutations and Warm greetings to all the teachers and Mentors on this occasion who are shaping the future of our country. Our great nation, in past, also had the privilege to have great visionaries as great teachers.

As far as the profession of Chartered Accountancy is concerned, the period of Articleship Training is truly a learning period where we learn through practical assignments under the guidance of our Principal. The Principal plays a significant role in transforming the young articles to core professionals and appraises them about the hard work that needs to be invested for the completion of tasks and the expectations of stakeholders and society that we need to ultimately achieve.

BoS: A Consistent Contributor towards Effective Learning of our Students

We had informed you last month that the proposed scheme of education and training would be taken forward after duly considering feedback of all stakeholders, who had participated overwhelmingly during this process.

Accordingly, the feedback of stakeholders in each and every section of the questionnaire, which was webhosted for public comments, was discussed extensively at the meeting of the Board of Studies. The suggestions received from stakeholders were deliberated at length, after which the Board has given its recommendations to the Council for consideration. After considering these recommendations, the new scheme of education and training, as finalised and approved by the Council, would be submitted to the Ministry of Corporate Affairs, along with the corresponding amendments in regulations, for final approval.

We are sure that the resultant outcome, would develop global chartered accountants with holistic technical knowledge, professional skills, values, ethics and attitude.

BoS: Your Resource Guru

BoS of ICAI is extremely mindful of your learning needs. We at ICAI work tirelessly towards students' welfare and well-

being, bringing continuous initiatives to meet your learning requirements.

I would also like to advise the students who are preparing for the next examinations to be consistent, sincere and dedicated in your studies and not loose focus. The exhaustive study material provided by BOS shall be a support for the same.

Free Live Coaching Classes - Foundation

To bridge the learning gap and supplement the preparation for examinations of the students, the Board of Studies conducts Live Coaching Classes (LCC) free of cost. The live Coaching classes of ICAI are available on the BoS Knowledge Portal and ICAI BoS Mobile App as well.

The Board of Studies has commenced the 5th Batch of Live Coaching Classes from 7th July 2022 for Foundation course students appearing in November/December 2022 exam with full coverage of syllabus.

The results of the Foundation Examination have been declared recently. I congratulate those who have been successful in the same and welcome you to join the journey towards much coveted qualification.

I am personally aware of many students who passed this exam solely by pursuing these free virtual coaching classes.

ICAI BOS Mobile App – The Facilitator for the Next Generation Interactive Learning

Recognising the significance of technology towards providing interactive learning, the “ICAI BOS” Mobile app launched by the Board of Studies now operates with the latest versions of android and i-OS.

Through this app, members and the students can easily access study material of all levels, reference guide on any topic for all subjects, recorded lectures as well as important announcements. Till date, more than 2.40 lakhs students have installed the ICAI BOS Mobile APP and getting benefited from learning resources.

Fast Track Sessions for Students appearing in Inter/Final Nov'22 Exam

Board of Studies has always taken exemplary initiatives to augment your knowledge and strengthen your concepts. One such initiative is Fast Track Sessions for the benefit of students appearing in Intermediate and Final November 2022 exams. These classes will cover salient concepts of various topics in every paper and help the students to recapitulate the subjects with the help of case scenario-based questions. The classes can be viewed any time anywhere and at any platform i.e. desktops, laptops, smart phones or I-pads, facilitating complete mobility in learning. You can access complete details at the <https://boslive.icai.org/index.php> for assistance/queries, mail at bosmobileapp@icai.in.

These classes would offer better conceptual clarity to the students and enhance their problem-solving skills. In this process, the preparation level of the students would go up significantly and their performance in the examinations will improve.

Stay Curious, Keep Learning, Keep Growing and Explore Horizons.

Yours sincerely

CA. ANIKET SUNIL TALATI
VICE PRESIDENT, ICAI



My Dear Students,

On the occasion of **Teachers' Day** on 5th September, I, along with Vice-Chairman CA. Vishal Doshi, extend our heartfelt wishes to the entire Members' fraternity, Principals, as well as the BoS Faculty for being a relentless teacher, mentor and guide in your journey of becoming a qualified Chartered Accountant. As we celebrate the day in honour of a great teacher, Dr. Sarvepalli Radhakrishnan, the second President of India, we must not forget the crucial role of a teacher in a student's life. Teachers are builders of a better tomorrow as they shape the students' future and help them achieve greater things in life. They evaluate the strengths and weaknesses of their students and guide them to follow the best practices. Teachers not only bring out the best from the students but also teach them valuable life skills. Under their guidance, students learn to differentiate between right and wrong. It is therefore rightly said that after parents, teachers are the biggest well-wishers in any student's life!

My advice to you all is to always listen to your teachers' valuable suggestions and apply them in your lives. It will change you for the better. On this day, you must express your deepest gratitude to your Principals and Mentors by being sincere and responsible in your conduct.

BoS For Your Success

The Board of Studies (BoS) is organising a Webinar '**BoS For Your Success**' on 1st September 2022 for the Intermediate and Final level students appearing in November 2022 examinations, where the President, Vice-President, ICAI, myself and Vice-Chairman will be deliberating on your exam preparation. The highlight of the webinar is to guide you in reviewing and assessing your study plan, recapitulating your learning for exam preparation, overcoming the commonly occurring errors, and manage exam-time stress to improve your overall performance in the upcoming exams.

To commemorate the occasion of Teachers' Day, the Board is also conducting subject-specific sessions starting 5th September for the benefit of Intermediate and Final level students appearing in the forthcoming examinations. These sessions, to be conducted by BoS faculty, will cover salient topics in each paper and help you to revise the subjects in a comprehensive manner. These sessions shall equip you with better conceptual clarity and improve your overall problem-solving skills.

Proposed Scheme of Education and Training to Develop Global CAs

As informed earlier, the suggestions received from various stakeholders on the Proposed Scheme of Education and Training

were deliberated extensively in the Board meeting. I am confident and quite optimistic that with the active participation of our stakeholders and deliberations by the Board and subsequent Council meetings, the proposed scheme of education is sure to develop global-ready Chartered Accountants who will be well-equipped with professional skill sets and ethical values to perform par excellence in any field and anywhere.

Result Declaration of May 2022 Foundation Examination

I sincerely congratulate all the candidates who succeeded in their Foundation examination to become a part of our Institute's students' fraternity. I welcome all new entrants into this prestigious course and wish you a seamless and successful journey ahead and finally become proud members of our Institute. While going through the course and preparing for your exams, I recommend you to frequently access the **BoS Knowledge Portal** and read the monthly Students' Journal to keep yourself abreast with all the latest publications and other initiatives taken for students from time-to-time.

Revision Test Papers (RTPs) to Assess Exam Preparedness

The RTPs of all the subjects for each level of the Chartered Accountancy course - Foundation, Intermediate and Final — are available to the students on the BoS Knowledge Portal and CDS portal. You can refer to these publications for the purpose of revision and to assess your preparedness for the forthcoming examinations.

Mock Tests to Make Exam Ready

BoS has been organising Mock Test Paper series in physical as well as virtual mode for its students before each examination. These Mock Tests are trial exams conducted at Regional Councils and Branches for the students to help them assess their level of exam preparedness. BoS will be coming up with the Mock Test papers for its Intermediate and Final level students appearing in November 2022 examination shortly.

Live Coaching Classes for Interactive learning

The 5th batch of Live Coaching Classes (LCC) for Foundation level students appearing in December 2022 examination has already commenced from 7th July 2022. The 5th & 6th batches of LCC for Final and Intermediate students respectively for May 2023 examination will commence soon. These classes provide immense support to the learning requirements of students as it helps to comprehend the entire course content thoroughly. To attend these classes, you must download the ICAI Mobile App either from Google Play Store for Android smartphones or Apple Play store for iPhones. Alternatively, you may register yourself on BoS Knowledge Portal to have access to these classes.

I assure you that BoS is working relentlessly for its students and therefore you are advised to use the above-mentioned publications and initiatives to your benefit which are definite tools for your success.

"Work hard in silence, let your success be the noise" – Frank Ocean

All the best for your future endeavors!!!

CA. DAYANIWAS SHARMA
CHAIRMAN, BOARD OF STUDIES (ACADEMIC)



Dear Students,

I would like to greet you all on the auspicious occasion of Teacher's Day, celebrated on fifth of September every year to pay our tributes to the teachers in our lives and to commemorate our past president Dr. Sarvepalli Radhakrishnan, a staunch educationist, renowned scholar, a true statesman and above all a devoted teacher. There is no substitute to quality education as it changes not only the life of an individual but also of their families forever.

This Teachers Day, thank everyone who have contributed in shaping your life. In the Chartered Accountancy profession, the role of our principal cum teacher is very important as the practical training provides a solid launchpad to unfold the horizons of a successful professional career.

Teachers' Day Celebration on 5th September, 2022

ICAI, in its path of growth, recognises the importance of teachers in shaping our students through the years. To celebrate **Teachers Day on 5th September, 2022**, a special programme is being organised by the Students Skills Enrichment Board (Board of Studies-Operations) on a pan India level across 166 Branches and 5 Regional Councils of ICAI. You are requested to kindly make best use of this opportunity to express your gratitude to the Guru of your life. Lets take this opportunity to also thanks the ICAI faculties of ICITSS & AICITSS courses.

Students Conferences

My dear students, you are aware that learning is a never-ending process and to help you in the same, the SSEB takes the initiative to organise various students conferences and seminars. Conferences are an integral part of academic life and a great way to meet and interact with senior professionals to learn from their experiences. Listening your peer group from across the nation in technical sessions helps to unfold new and innovative ways for out of box thinking about a specific dimension. Please overcome your fears and doubts and do attend such conferences as the benefits are bigger than the costs.

I am happy to share that SSEB is organising the below mentioned Student Conferences to give you an opportunity to sharpen your knowledge before exams.

NIRC	NIRC	Mega CA Students Conference	3 rd - 4 th September, 2022
Pimpri	WIRC	Mega CA Students Conference	3 rd - 4 th September, 2022
Vasai	WIRC	Mega CA Students Conference	10 th - 11 th September, 2022

Practical Training Modules for Article Students through Live Webinars

The Board, with an aim to train the CA students about the practical aspects required for the articleship training, has started a series of live Webinars every Sunday from 10.30 AM to 1.00 PM and conducted 16 live Webinars so far. Eminent subject experts are invited to address the students on various topics. The recorded lectures are also available on ICAI YOUTUBE & DLH platform. Students must join these webinars on every sunday and enhance your technical knowledge and spread the good word amongst your peers about such programmes.

CA Students National Talent Competitions

The Board has been organising National Talent competitions for the all-round personality development of the CA students encompassing activities such as Quiz, Elocution, Debate, Presentation, Nukkad Drama etc. These activities are first organised at the Branch level and the winners of Branch level would contest at Regional level and finally the winners of Regional levels will contest in the Grand Finale at National Level for each activity. You are requested to kindly refer to the announcements pertaining to upcoming contests and actively participate to take out your hidden talent.

International Student Conference - 2nd and 3rd December 2022

I am pleased to inform that the SSEB - BOS (Operations) will be organising the International Student Conference, 2022 at Hyderabad on 2nd and 3rd December 2022. It gives trigger to the research, thinking and presentation skills of the students. All the students are requested to make the best out of this opportunity and participate in the Conference both on and off the dais.

Four Weeks Residential Programmes at Centre of Excellence Jaipur and Hyderabad

I am pleased to inform that we have already completed six batches of Four Weeks Residential Programme, successfully at COE Jaipur and Hyderabad. We would like to inform you that the discounted course fees of the residential programme i.e upto 75% has been further extended for the month of August, September & October 2022. It's my appeal to all the students to take advantage of this excellent opportunity and enrol yourself in the upcoming batches.

A sky-high opportunity is resting on your shoulders to fulfil your dreams and to achieve the pinnacle of excellence and success. We at SSEB-BOS (Operations) are with you in all your endeavours and let us work together towards it.

Happy Teachers Day to all!!! May the path of knowledge light our lives forever.

Regards,

CA SUSHIL KUMAR GOYAL
CHAIRMAN, STUDENTS SKILLS ENRICHMENT BOARD
(BOARD OF STUDIES-OPERATIONS)

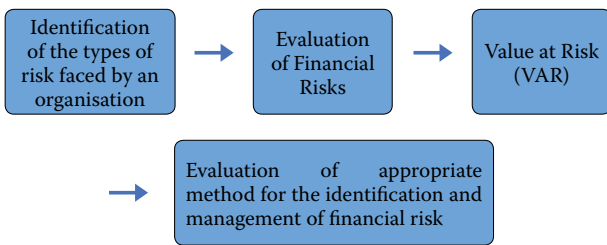
CA FINAL - PAPER 2 - STRATEGIC FINANCIAL MANAGEMENT

The subject "Strategic Financial Management" basically involves applying the knowledge and techniques of financial management to the planning, operating and monitoring of the finance function in particular as well as the organisation in general. So, strategic financial management basically involves planning the utilisation of company's resources in such a manner that it brings maximum value to the shareholders in the long run.

In this regard, an attempt has been made to convey the concepts of Strategic Financial Management to the students in a lucid and simple manner in the form of capsules. It will help the students in undergoing a quick revision of a particular chapter. Although every effort has been made to portray the concepts to the students in the capsule form in the simplest possible manner, it cannot be taken as a substitute for the Study Material. Students are therefore advised to refer the ICAI Study Material and other publications such as Suggested Answers, Revisionary Test Papers, Mock Test Papers, etc.

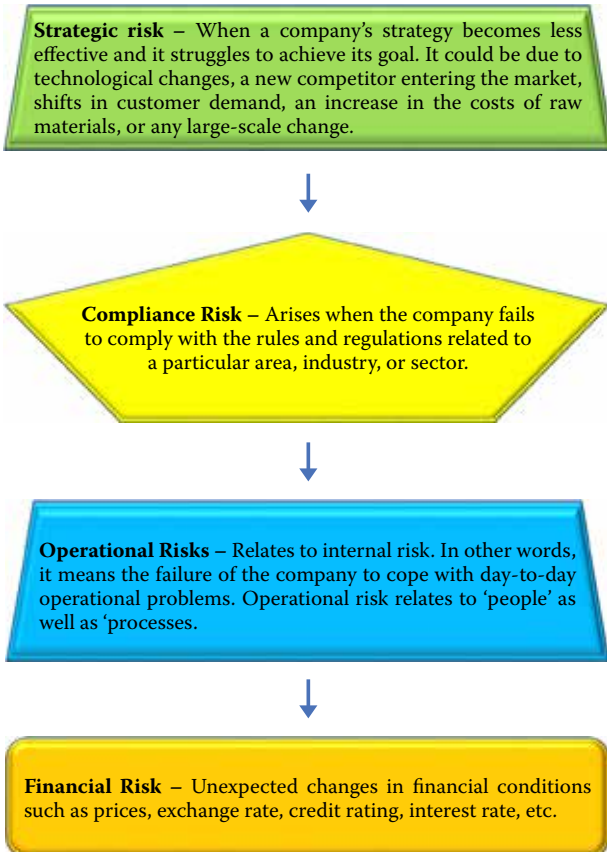
CHAPTER 2 – RISK MANAGEMENT

Chapter Overview

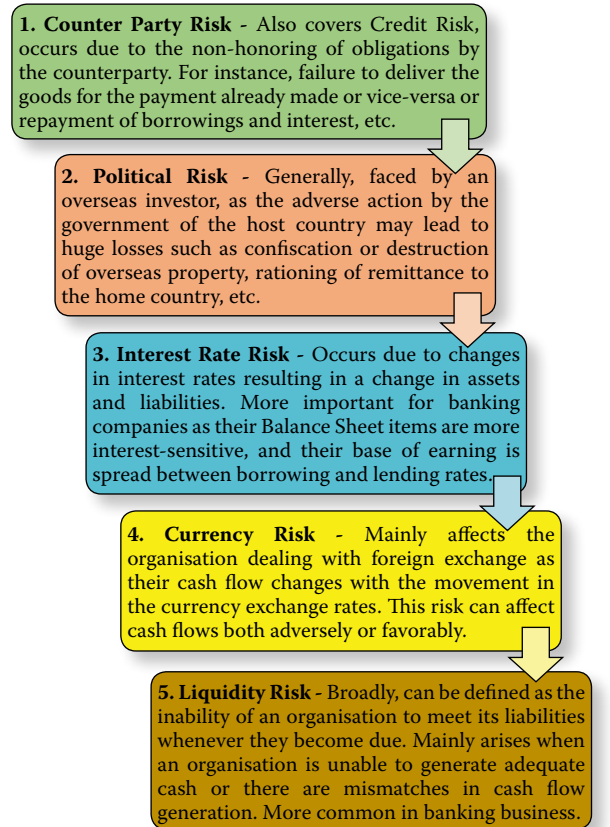


Identification of the types of Risk faced by an organisation

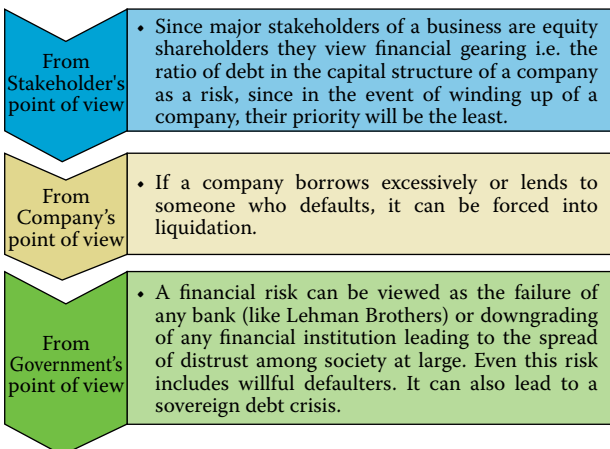
A business organisation faces many types of risks, important among them are discussed as below:



Broad categories of Financial Risk



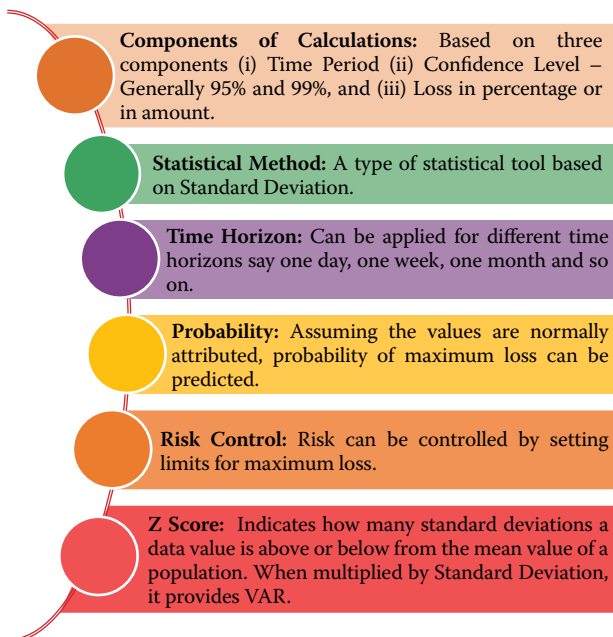
Evaluation of Financial Risk



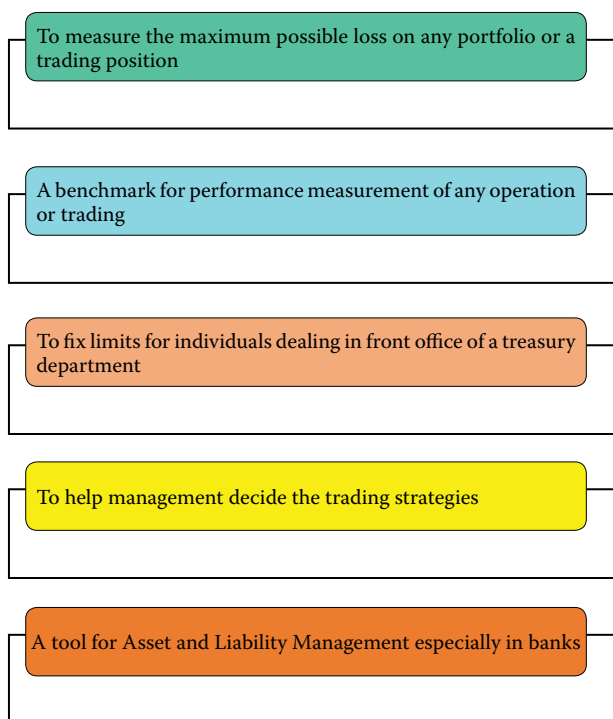
Value at Risk (VAR)

A measure of the risk of an investment which can be a portfolio, capital investment or foreign exchange, etc. In the normal market conditions in a particular period, it estimates how much an investment might lose in a day.

1. Features of VAR



2. Application of VAR



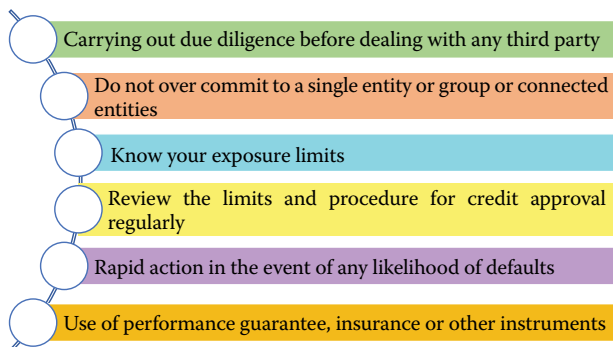
Appropriate Methods for Identification and Management of Financial Risk

1. Counter Party Risk

Some of the illustrations of counter party risk are as follows:

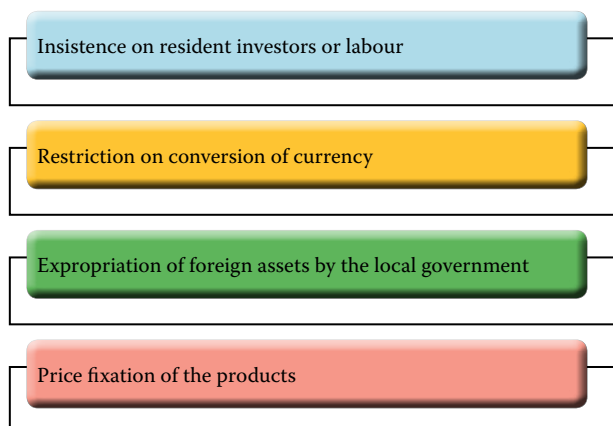


The various techniques to manage this type of risk are as follows:



2. Political Risk

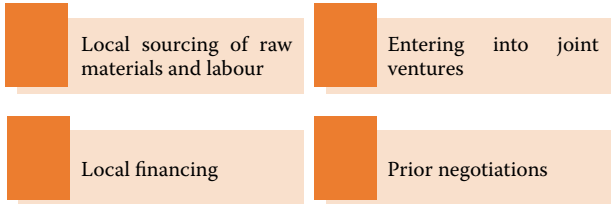
This risk can be identified from the following actions by the Governments of the host country:



Since this risk mainly relates to investments in foreign country, company should assess country risk:

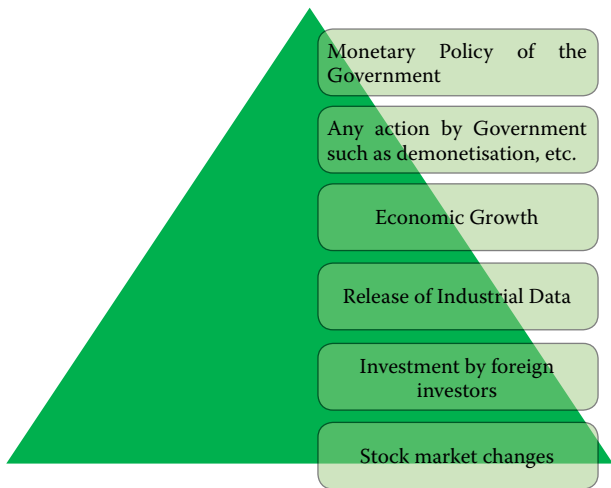
- By referring political ranking published by different business magazines
- By evaluating country's macro-economic conditions
- By analyzing the popularity of current government and assess their stability
- By taking advises from the embassies of the home country in the host countries

Further, following techniques can be used to mitigate this risk.



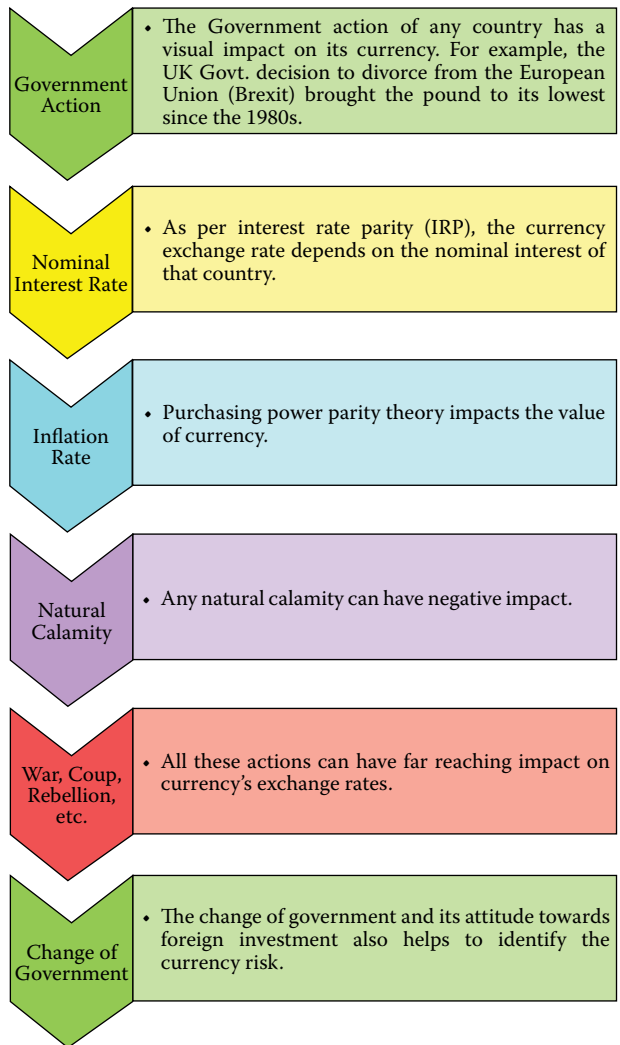
3. Interest Rate Risk

This risk can be identified from the following:



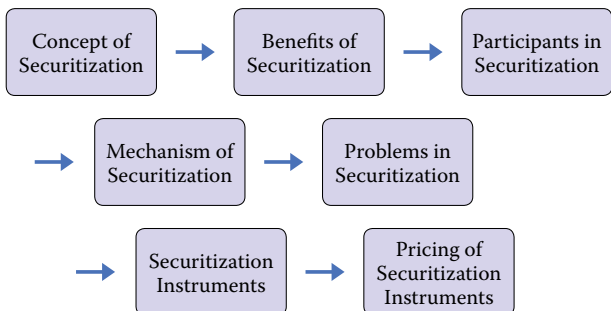
4. Currency Risk

Some of the parameters to identify this risk are as follows:



CHAPTER 6 – SECURITIZATION

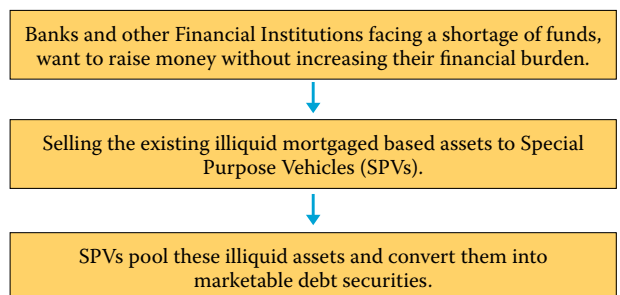
Chapter Overview



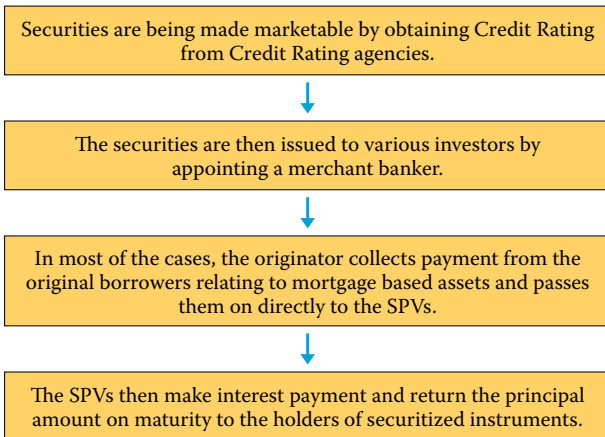
Concept of Securitization

It is the process of repackaging or rebundling of illiquid assets into marketable securities. These assets can be automobile loans, credit card receivables, residential mortgages or any other form of future receivables.

Flow Chart – Process of Securitization



STRATEGIC FINANCIAL MANAGEMENT ||



Features of Securitization

Creation of Financial Instruments – Creation of additional financial product of securities in market backed by collaterals.

Bundling and Unbundling – Bundling - All the assets are combined in one pool. Unbundling – Pool is broken into instruments of fixed denominations.

Tool of Risk Management – In case securitization is on a non-recourse basis then the risk of default is shifted.

Structured Finance – Financial instruments created out of pool are tailor structured to meet the Risk Return Trade-off profile of different investors.

Tranches – Splitting of portfolio of different receivables/loans/assets into several parts based on carrying different levels of risk and return.

Homogeneity – Under each tranche, the securities issued are of homogenous nature.

Benefits of Securitization

From the angle of originator

Off – Balance Sheet Financing: Frees up funds blocked in loans and receivables leading to improved liquidity position helpful in expanding business.

More specialization in main business: Originator entity could concentrate more on core business as servicing of loan is transferred to SPV.

Helps to improve financial ratios: Particularly in case of Financial Institutions and Banks, it helps to improve financial ratios such as Capital to Weighted Asset Ratio effectively.

Reduced borrowing Cost: Because of Credit Rating due to credit enhancement these instruments can be issued at lower rate of interest.

From the angle of investor

Diversification of risk: Securities backed by different types of assets provides the diversification of portfolio.

Regulatory requirement: Acquisition of asset backed securities belonging to a particular industry, say micro industry helps banks to meet the regulatory requirement of investment of funds in a specific industry.

Protection against default: In case of recourse arrangement, in case of any default by third party, the originator shall make good the amount. Moreover, insurance arrangement can be made for any such default.

Participants in Securitization

Primary Participants

Originator

It is an entity that initiates the deal and sells the illiquid mortgage based assets to the Special Purpose Vehicle (SPV).

Special Purpose Vehicles

Created for sole purpose of executing the securitization deal. Since the originator transfers all its rights in assets to SPV, it holds the legal title of these assets. It converts those illiquid assets into marketable securities which are issued to the investors.

Investors

This may be an individual, an institutional investor such as mutual fund, provident fund, insurance companies, financial Institutions etc., who buys securitized papers.

Secondary Participants

Obligors

Parties who owe money to the originator i.e. assets on the Originator's Balance Sheet.

Rating Agencies

Provide credit rating to the securitized instruments which are assessed in terms of their credit quality before issuing them to the investors.

Receiving and Paying agents (RPA)

Also called Servicer or Administrator who collects payment due from obligor(s) and pass it to the SPV.

Agent or Trustee

To take care of the interest of investors by overseeing that all parties to the deal perform in the true spirit of the terms of the agreement.

Credit Enhancer

Tries to improve the credit ratings of the securitized instruments.

Structurer

Basically, Investment Bankers also called arrangers of the securitization deal who ensures that deal meets all the legal, regulatory, accounting, and tax laws requirements.

Mechanism of Securitization

Creation of Pool of Assets

Creation of pool of assets by segregation of assets backed by similar type of mortgages in terms of interest rate, risk, maturity and concentration units.

Transfer to SPV

Pooled assets are transferred to Special Purpose Vehicle (SPV) especially created for this purpose.

Sale of Securitized Papers

Designing of certificates out of the pool of assets to be issued to investors based on the nature of interest, risk, tenure, etc.

Administration of assets

Originator works as a conduit which collects the principal and the interest from underlying assets and transfers it to the SPV.

Recourse to Originator

Depending on the terms of agreement in case of default, instruments go back to originator from SPV.

Repayment of funds

SPV will repay the funds in the form of interest and principal that arises from the assets pooled.

Credit Rating to Instruments

Before the sale of securitized instruments, credit rating can be done to assess the risk of the issuer.

Problems in Securitization

Stamp Duty

- Under the Transfer of Property Act, 1882, a mortgage debt stamp duty that goes up to 12% in some states of India has impeded the growth of securitization in India.

Taxation

- In the absence of any specific provision in the Income Tax Act, there is a difference of opinion among experts.

Accounting

- Though Securitization is an off-balance sheet instrument but problem arises especially when assets are transferred without recourse.

Lack of standardization

- Every originator follows its own format for documentation and this leads to lack of standardization.

Inadequate Debt Market

- The lack of existence of a well-developed debt market in India.

Ineffective foreclosure laws

- Foreclosure laws are not supportive to the lending institutions and this makes securitized instruments especially mortgaged-backed securities less attractive as the lenders face difficulty in the transfer of property in the event of default by the borrower.

Securitized Instruments

The securitized instruments can be divided into following three categories:

Pass Through Certificates (PTCs) - Regular payment of interest and return of principal amount that originators (banks, financial institutions, etc.) receive on the original loan repayments—are passed to them.

Pay through Security (PTS) - Interest is not passed onto the holders of securitized instruments. Instead, new securities are issued to them.

Stripped Securities - Created by dividing the cash flows associated with underlying securities into two new securities i.e. Interest Only (IO) Securities and Principle Only (PO) Securities.

Pricing of Securitized Instruments

From Originator's Angle

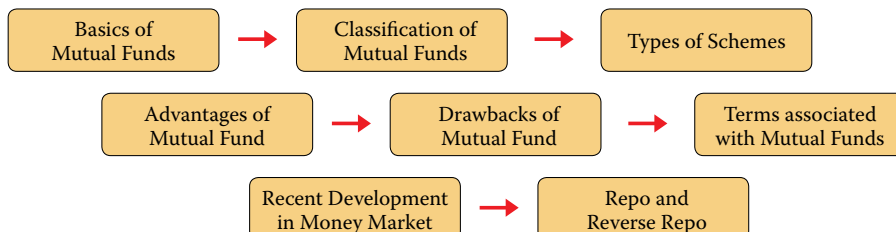
- Can be priced at a rate at which the originator has incurred an outflow by giving loans to the original borrowers and if that outflow can be amortized over a period of time by investing the amount raised through securitization.

From Investor's Angle

- Can be determined by discounting expected future cash flows using yield to maturity of a comparable security with respect to credit quality and average life of the securities.

CHAPTER 7 – MUTUAL FUNDS

Chapter Overview



STRATEGIC FINANCIAL MANAGEMENT

Concept of Mutual Fund

A trust that pools together the resources of the investors by making investments in the capital market thereby, making the investor to be a part owner of the assets of the mutual fund.

The concept of Mutual Fund as a process in the form of a flow chart is as follows:

Starts with a sponsor which establishes the mutual fund. For example, Axis Bank forms a mutual fund by the name of Axis Mutual Fund.



The sponsor then appoints a trustee which acts as an independent person and sees that the entire mutual fund process is followed transparently.



Then the sponsor appoints an Asset Management Company (AMC) which manages the mutual fund. For example: Axis Asset Management Company Ltd.



AMC collects money from various investors, pool it and invests it in various profitable investment opportunities such as debt, equity, a balance of debt and equity etc.



The returns generated from the various mutual fund schemes in the form of dividend/capital appreciation are then distributed among the investors by the Asset Management Companies.

Classification of Mutual Funds

1. Functional Classification

Open ended funds

- In an Open-Ended scheme, the investor can make entry and exit at any time. Hence, the capital of the fund is unlimited, and the redemption period is indefinite.

Close-Ended funds

- On the contrary, in a Close-Ended scheme, the investor can buy into the scheme during Initial Public Offering or from the stock market after the units have been listed. The scheme has a limited life at the end of which the corpus is liquidated. The investor can make his exit from the scheme by selling in the stock market before the expiry of the scheme or during repurchase period at his option.

2. Portfolio Classification

2.1 Equity Funds

Equity Funds are of the following types viz.

Growth Funds: Seek to provide long term capital appreciation to the investors and are best suited to long term investors.

Aggressive Funds: Look for super normal returns for which investment is made in start-ups, IPOs and speculative shares. They are best suited to investors who are willing to take risks.

Income Funds: Seek to maximise present income of investors by investing in safe stocks, paying high cash dividends and in high yield money market instruments. They are suited to investors seeking current income.

2.2 Debt Fund

Debt Funds are of two types viz.

Bond Funds

- Mainly invest in fixed income securities e.g. Government Bonds, Corporate Debentures, Convertible Debentures and Money Market instruments. Investors seeking tax free income or steady income may opt for such funds.

Gilt Funds

- Mainly invest in Government securities hence earns a secure income for investor in funds.

2.3 Special Funds

Index Funds

- Are passive funds that invest in those securities that are there in the underlying index such as NSE and BSE.

International Funds

- A mutual fund located in India to raise money in India for investing globally.

Offshore Funds

- A mutual fund located in India to raise money globally for investing in India.

Sector Funds

- Invest their entire fund in a particular industry e.g. utility fund for utility industry like power, gas, public works.

Money Market Funds

- Predominantly debt-oriented schemes to achieve main objectives of preservation of capital, easy liquidity and moderate income. Invest majorly in safer short-term instruments like Commercial Papers, Certificate of Deposits, Treasury Bills, G-Secs, etc.

Fund of Funds

- As the name suggests are schemes which invest in other mutual fund schemes.

Capital Protection Oriented Funds

- Since these schemes aim to protect the capital of the investors, a substantial portion of the investment is made in debt.

Gold Funds

- Generally in the form of an Exchange Traded Fund (ETF) which offers investors an opportunity to participate in the bullion market without having to take physical delivery of gold.

Quant Funds

- Works on a data-driven approach for stock selection and investment decisions based on a pre-determined rules or parameters using statistics or mathematics-based models.

3. Ownership Classification

Funds are classified into Public Sector Mutual Funds, Private Sector Mutual Funds and Foreign Mutual Funds. Public Sector Mutual Funds are sponsored by a company of the public sector. Private Sector Mutual Fund is sponsored by a company of the private sector. Foreign Mutual Funds are sponsored by companies for raising funds in India, operate from India and invest in India.

Direct Plan in Mutual Funds

- The investors can directly approach a Mutual Fund House without going to the distributor.
- Another aspect of the Direct Plan is that Asset Management Companies or Mutual Fund Houses do not charge distributor expenses, trail fees, and transaction charges.
- NAV of the direct plan is generally higher in comparison to a regular plan.

Types of Schemes of Mutual Funds

1. Balanced funds - Make strategic allocation to both debt as well as equities. It mainly works on the premise that while the debt portfolio of the scheme provides stability, the equity provides growth.

2. An Equity Diversified fund - A fund that contains a wide array of stocks. The fund manager ensures high level of diversification in its holdings, thereby reducing the amount of risk in the fund.

3. Equity Linked Saving Scheme (ELSS) - ELSS has the potential to give better returns than any traditional tax savings instrument.

4. Sector funds - Highly focused on a particular industry. Since sector funds ride on market cycles, they have the potential to offer good returns if the timing is perfect.

5. A thematic fund - Focusses on trends that are likely to result in the 'out-performance' by certain sectors or companies. The theme could vary from multi-sector, international exposure, commodity exposure, etc. Unlike a sector fund, these funds have a broader outlook.

6. A Hedge Fund - A lightly regulated investment fund and being a sort of a private investment vehicle being offered to selected clients.

7. Arbitrage funds - Seeks to capitalise on the price differentials between Spot and Future Markets.

8. Cash Fund - An open ended liquid scheme that aims to generate returns with lower volatility and higher liquidity through a portfolio of debt and money market instrument.

9. Exchange Traded Funds (ETFs) - Are hybrid products that combine the features of listed stocks and index funds. These funds are listed on the stock exchanges and their prices are linked to the underlying index. ETFs can be bought and sold like any other stock on an exchange.

10. Fixed Maturity Plans (FMPs) - Close Ended Funds usually invest funds in Certificates of Deposits (CDs), Commercial Papers (CPs), Money Market Instruments and Non-Convertible Debentures over fixed investment period. Sometimes, they also invest in Bank Fixed Deposits.

Types of Equity Diversified Funds

Flexicap Fund

In flexicap funds, atleast 65% of the funds must be invested in equity. However, there is complete flexibility as to how much investments has to be made in large, mid or small cap.

Multicap Fund

In multicap funds, investment to be made in large cap, mid-cap and small cap is 25% each.

Contra Fund

A contra fund invests in those companies that are presently out of favour and has value but has the potential to grow in future. Investors who invest in contra funds have an aggressive risk appetite.

Index Fund

An index fund invests and track the performance of a benchmark market index like the BSE Sensex or S&P. CNX Nifty aims to receive return as earned by the market index.

Dividend Yield fund

A dividend yield fund invests in shares of companies having high dividend yields. Dividend yield is defined as dividend per share divided by the share's market price.

Types of Exchange Traded Funds

Index ETFs

- That holds securities and attempt to replicate the performance of a stock market index.

Commodity ETFs

- That invests in commodities, such as precious metals and futures.

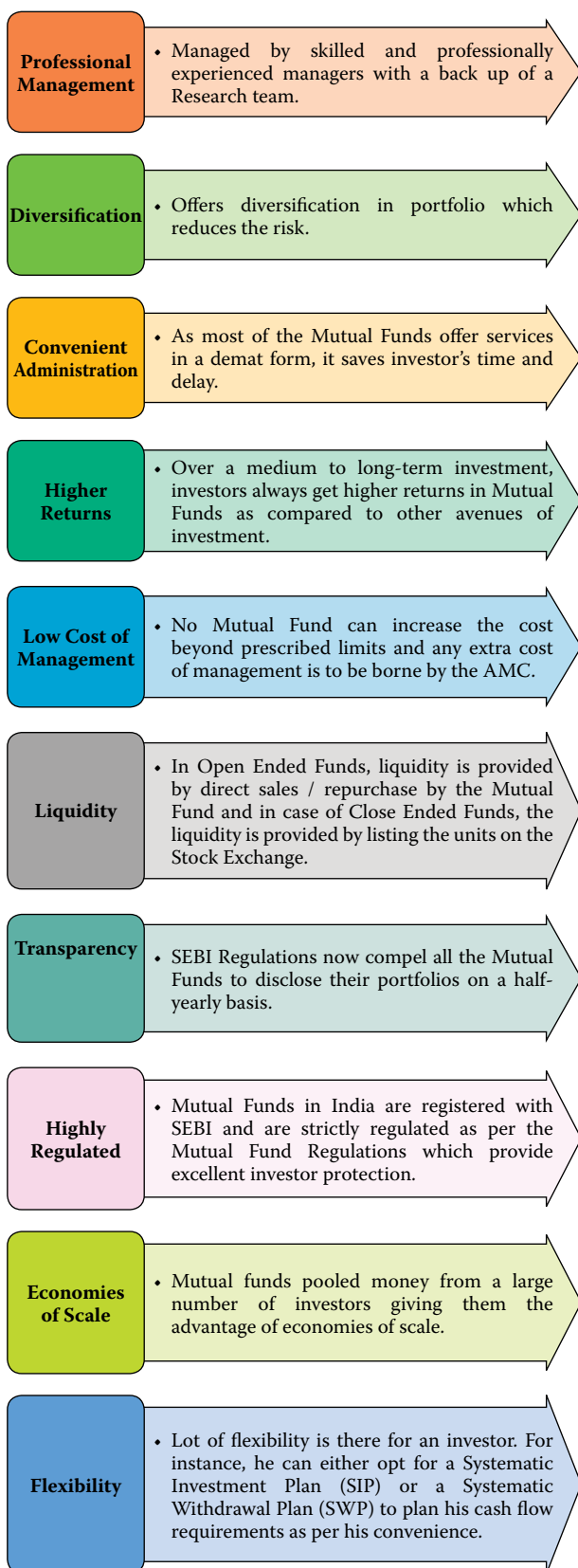
Bond ETFs

- That invests in bonds are known as bond ETFs.

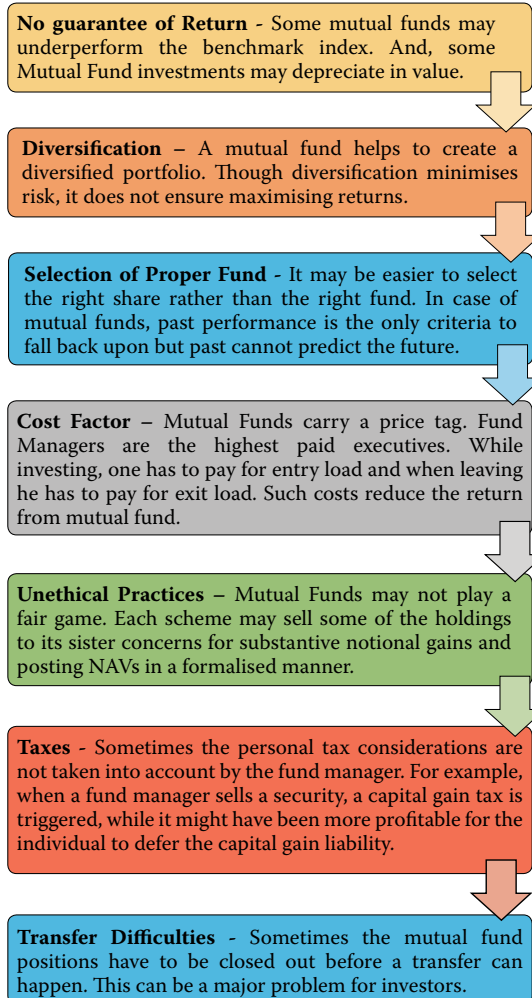
Currency ETFs

- That provides investor access to the Foreign exchange spot change, local institutional interest rates and a collateral yield.

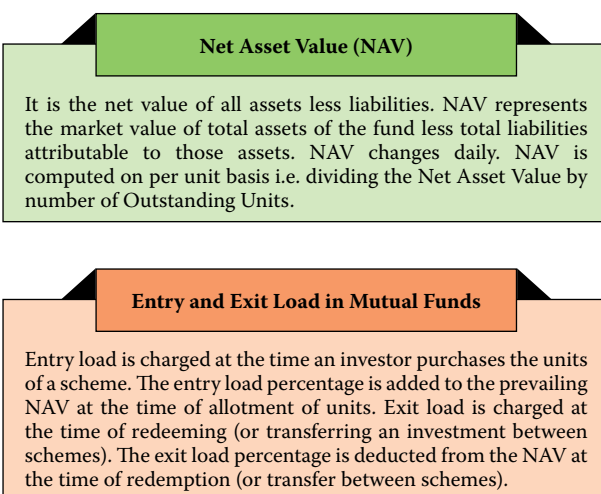
Advantages of Mutual Funds



Drawbacks of Mutual Funds



Terms associated with Mutual Funds



Trail Commission

It is the amount that a mutual fund investor pays to his advisor each year. The purpose of charging this commission from the investor is to provide incentive to the advisor to review their customer's holdings and to give advice from time to time.

Expense Ratio

It is the percentage of the assets that were spent to run a mutual fund. It includes things like management and advisory fees, travel costs and consultancy fees. The expense ratio does not include brokerage costs for trading the portfolio. It is also referred to as the Management Expense Ratio (MER)

Side Pocketing

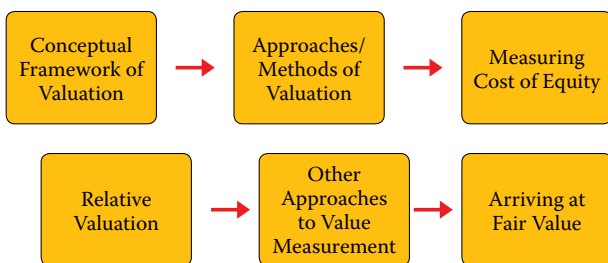
In simple words, a Side Pocketing in Mutual Funds leads to separation of risky assets from other investments and cash holdings. The purpose is to make sure that money invested in a mutual fund, which is linked to stressed assets, gets locked, until the fund recovers the money from the company or could avoid distress selling of illiquid securities.

Tracking Error

Tracking error can be defined as the divergence or deviation of a fund's return from the benchmarks return it is following. The tracking error can be calculated on the basis of corresponding benchmark return vis a vis quarterly or monthly average NAVs.

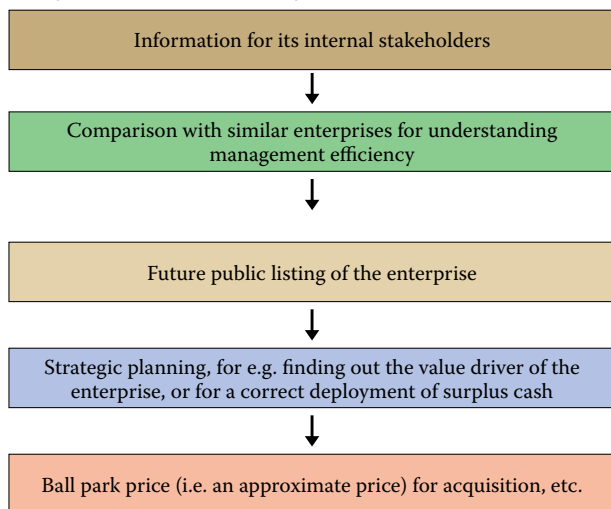
CHAPTER 12 – CORPORATE VALUATION

Chapter Overview



Concept of Corporate Valuation

Means determining the value of a business organisation. Though Corporate Valuation can be carried out for various purposes but here we shall mainly use the same for the Merger and Acquisition decisions. The need for proper corporate valuation of a company emerges because of the following:



Approaches and Methods of Valuation

1. Asset Based Approach

The value of shares of the target company is computed in terms of net assets acquired. This approach further can be classified into following three methods:

Net Asset Value

- Also called 'Book Value' Method and the value of the shares of the company is computed as follows:
- $\text{Net Fixed Asset} = \text{Fixed Assets} + \text{Net Current Assets} - \text{Long Term Debt}$

Net Realisable Value

- Also called Liquidation Value or Adjusted Book Value. It can be defined as realisable value of all assets after deduction of liquidation expenses and paying off liabilities. However, in some cases liquidation expenses can be ignored if business of target company is acquired as a going concern.

Replaceable Value

- Involves valuation as per determination of the cost of group of assets and liabilities of equivalent company in the open market.

2. Income Based Approach

Overcomes the drawbacks of using the asset-backed valuation approach by referring to the earning potential. Especially suitable when acquiring company intends to continue the business of Target Company to foresee future without selling or liquidating assets of the same. Following two methods are used under this approach:

I: PE Ratio or Earning Yield Multiplier

Generally used for valuing listed companies whose PE Ratios are available. This approach has one benefit that it takes into account the expected growth rate of the company as well as market expectations.

The price or value of equity share can be calculated using the following equation:

$$\text{Price per Share} = \text{EPS} \times \text{PE Ratio}$$

This approach involves following steps:

- (i) Choosing PE Ratio of equivalent quoted company.
- (ii) Making adjustment downward for additional risk due to non-listing of shares.
- (iii) Determination of future maintainable EPS.
- (iv) Multiply same EPS with adjusted PE Ratio.

II: Capitalisation of Earnings

The value of business is calculated by capitalisation of company's expected annual maintainable profit using appropriate required rate of return or yield or discounting rate.

Annual expected maintainable profit can be calculated by using weighted average of previous years' profits after adjusting synergy benefits or economies of scale in the same profit.

The capitalisation rate depends on many factors. The capitalisation rate can be approximated as follows:
Required Earning Yield = EPS/Share Price

Valuation of a company can be computed as follows:
Capitalised Earning Value = Expected Annual Maintainable Profit/Capitalisation Rate or Required Earning Yield

3. Cash Flow Based Approach

As opposed to the asset based and income based approaches, the cash flow based approach takes into account the quantum of free cash that is available in future periods, and discounting the same appropriately to arrive at the present value.

If the present value i.e. the Discounted Cash Flow (DCF) so arrived at, is more than the current cost of investment, the valuation of the enterprise is attractive to both the internal as well as external stakeholders.

Steps involved in DCF based valuation:

- Arriving at the 'Free Cash Flows (FCF)
- Forecasting of future cash flows (also called projected future cash flows)
- Determining the discount rate based on the cost of capital
- Finding out the Terminal Value (TV) of the enterprise
- Finding out the present values of both the free cash flows and the TV, and interpretation of the results.

Measuring Cost of Equity

One of the important constituents of Valuation of Equity Share is Cost of Capital. Following methods are generally used to calculate the Cost of Equity:

1. Capital Assets Pricing Model (CAPM)

The CAPM model calculates the Cost of Equity based on the degree of risk assumed and is represented by the below formula:

$$R = r_f + \beta (r_m - r_f)$$

Where R = expected rate of return

β = beta r_f = risk free rate of return

r_m = market rate of return β = Beta value of the stock

2. Arbitrage Pricing Model

The Arbitrage Pricing Model considers multiple risk factors such as Interest Rate Fluctuations, Sectoral Growth Rate, etc. Hence Cost of Equity as per this method is calculated in the following manner:

- Calculate the risk premium for both these risk factors (e.g. beta for the risk factor 1 – interest rate, and beta of the risk factor 2 – sector growth rate; and,
- Adding the risk-free rate of return.

Thus, the formula for APT is represented as –

$$R_r + \beta_1(RP_1) + \beta_2(RP_2) + \dots + \beta_n(RP_n)$$

Here, R_r = Risk free rate of return

β_j = beta of the respective risk factor

RP = Risk Premium

3. Estimating beta and valuation of unlisted companies

Estimating beta and then valuing an unlisted company is a challenging task. This is even more difficult when an existing listed company decides to invest in a new business and wants to value it. In such cases, it is not feasible to use Weighted Average Cost of Capital (WACC) to evaluate the business, rather than WACC should be assessed for the appropriate risk level. For this purpose, the company uses asset beta or ungeared beta which is adjusted according to its own gearing level.

So, the equity beta of a new business or an unlisted company is computed by adjusting the asset beta as follows:

Identify the Pure Play firms or companies (engaged entirely in same business and are also called proxy companies) and their Equity Betas to surrogate the Equity Beta of new Project or business.

Once Beta of proxy companies have been identified we de-gear it and compute the Asset Beta as the different companies may have different gearing levels.

In case if there is only one proxy company then Asset Beta of the same company shall be continued for further analysis. In case there are more than one proxy companies then we shall take average of Asset Betas of these companies. Otherwise, we can also opt for the Asset Beta of the company that appears to be most appropriate.

Now we must re-gear the Asset Beta as per capital structure of the appraising company to reflect the financial risk using the required formula.

Insert computed β_e in CAPM and can compute required rate of return for project under consideration.

Required Formula for computing Beta of company as per its own Capital Structure

$$\beta_e = \beta_a \left[\frac{E + D(1-t)}{E} \right]$$

Where β_e = Geared or Equity Beta

β_a = Ungeared or Asset Beta

E = Equity

D = Debt

t = Tax Rate

Relative Valuation

Also referred to as 'Valuation by multiples', uses financial ratios to derive at the desired metric (referred to as the 'multiple') and then compares the same to that of comparable firms.

The various steps in relative valuation are as follows:

Find out the 'drivers' that will be the best representative for deriving at the multiple. One can have either enterprise value based multiples or equity value based multiples.

Determine the results based on the chosen driver(s) through financial ratios.

Find out the comparable firms, and perform the comparative analysis. Comparable firms would mean the ones having similar asset and risk dispositions.

Iterate / extrapolate the results obtained to arrive at the correct estimate of the value of the firm.

Other approaches to Value Measurement

1. Contemporary approaches to Valuation

An internet company having a huge online presence may adopt a new method of valuation – Price per page visited.



An online play store can value a business using 'Price per Subscriber'.



A retail giant looking to acquire a company which is giving it a tough competition may adopt another contemporary approach to value a company by using 'Goodwill based Approach'. It may first take an asset based valuation, and then value the goodwill separately by linking a multiple to its annual sales.



Price Earnings Ratio (PER) approach may also be used. However, PER is a relative figure, and comparison across industries in the same sector can give a more median PER that may be acceptable for valuation purposes.



LBOs (Leveraged Buy Outs) - Private equities acquire companies using a high leverage mostly at a debt-equity ratio of 70:30 thereby increasing their value over a period of time and then sell it at a much higher price.

2. Chop-Shop Method

This approach attempts to identify multi-industry companies that are undervalued and would have more value if separated from each other. This approach involves following three steps:

Step 1

- Identify the firm's various business segments and calculate the average capitalisation ratios for firms in those industries.

Step 2

- Calculate a "theoretical" market value based upon each of the average capitalisation ratios.

Step 3

- Average the "theoretical" market values to determine the "chop-shop" value of the firm.

3. Economic Value Added (EVA)

The core concept behind EVA is that a company generates 'value' only if there is a creation of wealth in terms of returns in excess of its cost of capital invested. EVA insists on separation of firm's operation from its financing. So if a company's EVA is negative, it means the company is not generating value from the funds invested into the business. Conversely, a positive EVA shows a company is producing value from the funds invested in it.

The formula to calculate EVA is as below –

$$\text{Net Operating Profit after tax (NOPAT)} - (\text{Invested Capital} \times \text{WACC})$$

OR

$$\text{NOPAT} - \text{Capital Charge}$$

4. Market Value Added (MVA)

MVA simply means the Current Market Value of a firm minus the Invested Capital. It is an attempt to resolve some of the issues involved in EVA e.g. ignoring Value Drivers, Book Value, etc. Further, MVA itself does not give any basis of share valuation rather provides an alternative way to gauge performance efficiencies of an enterprise, albeit from a market capitalisation point of view. The logic being that the market will discount the efforts taken by the management fairly.

5. Shareholder Value Analysis (SVA)

The focus is on creation of economic value for shareholders as measured by share price performance and flow of funds.

The steps involved in the computation of SVA are as follows:

(a) Arrive at the Future Cash Flows (FCFs).

(b) Discount these FCFs using the WACC.

(c) Add the present value of terminal value to the present values computed in step (b).

(d) Add the current market value of non-core assets and marketable investment with the value computed in step (c).

(e) Reduce the value of debt from the result in step (d) to arrive at value of equity.



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Final	11:00 am to 01:30 pm	https://resource.cdn.icai.org/71288bos57349final.pdf
Intermediate	02:30 pm to 05:00 pm	https://resource.cdn.icai.org/71287bos57349inter.pdf



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FINAL

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Date & Day	Name of the Paper (11.00 AM to 1.30 PM)	BoS Faculty
September 05, 2022, Monday	Paper 1 - Financial Reporting	CA. Shilpa Agrawal & CA. Anshul Kumar
September 06, 2022, Tuesday	Paper 1 - Financial Reporting	CA. Shilpa Agrawal & CA. Anshul Kumar
September 07, 2022, Wednesday	Paper 2 - Strategic Financial Management	CA. Ashish Gupta & CS. Vivek Banerjee
September 08, 2022, Thursday	Paper 2 - Strategic Financial Management	CA. Ashish Gupta & CS. Vivek Banerjee
September 09, 2022, Friday	Paper 3 - Advanced Auditing and Professional Ethics	CA. Karuna Bhansali & CA. Rajeev Sachdeva
September 10, 2022, Saturday		
September 11, 2022, Sunday		
September 12, 2022, Monday	Paper 3 - Advanced Auditing and Professional Ethics	CA. Karuna Bhansali & CA. Rajeev Sachdeva
September 13, 2022, Tuesday	Paper 4 - Corporate and Economic Laws	Nisha Gupta, CA. Shraddha Saxena & CS. Megha Goel
September 14, 2022, Wednesday	Paper 4 - Corporate and Economic Laws	Nisha Gupta, CA. Shraddha Saxena & CS. Megha Goel
September 15, 2022, Thursday	Paper 5 - Strategic Cost Management and Performance Evaluation (SCMPE)	CA. Deepak Gupta
September 16, 2022, Friday	Paper 5 - Strategic Cost Management and Performance Evaluation (SCMPE)	CA. Deepak Gupta
September 17, 2022, Saturday		
September 18, 2022, Sunday		
September 19, 2022, Monday	Paper 7 - Direct Tax Laws and International Taxation	CA. Priya Subramanian & CA. Aparna Chauhan
September 20, 2022, Tuesday	Paper 7 - Direct Tax Laws and International Taxation	CA. Priya Subramanian & CA. Aparna Chauhan
September 21, 2022, Wednesday	Paper 8 - Indirect Tax Laws	CA. Shefali Jain
September 22, 2022, Thursday	Paper 8 - Indirect Tax Laws	CA. Shefali Jain

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INTERMEDIATE

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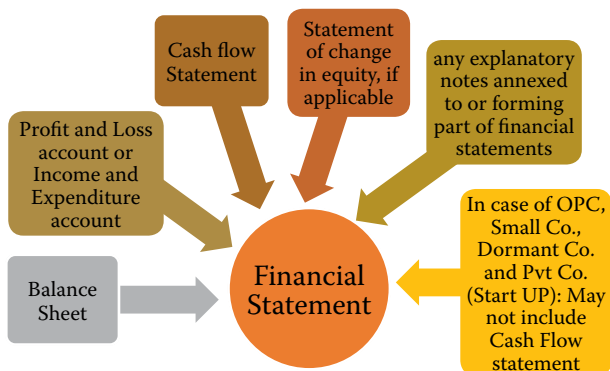
Date & Day	Name of the Paper (2.30 to 5 PM)	BoS Faculty
September 05, 2022, Monday	Paper 1 - Accounting	CA. Seema Gupta & CA. Asha Verma
September 06, 2022, Tuesday	Paper 1 - Accounting	CA. Seema Gupta & CA. Asha Verma
September 07, 2022, Wednesday	Paper 2 - Corporate and Other Laws	Nisha Gupta, CA. Shraddha Saxena & CS. Megha Goel
September 08, 2022, Thursday	Paper 2 - Corporate and Other Laws	Nisha Gupta, CA. Shraddha Saxena & CS. Megha Goel
September 09, 2022, Friday	Paper 3 - Cost and Management Accounting	Dr. N N Sengupta & CA. Preeti Sharma
September 10, 2022, Saturday		
September 11, 2022, Sunday		
September 12, 2022, Monday	Paper 3 - Cost and Management Accounting	Dr. N N Sengupta & CA. Preeti Sharma
September 13, 2022, Tuesday	Paper 4A - Income-tax Law	CA. Priya Subramanian & CA. Dimple
September 14, 2022, Wednesday	Paper 4B - Indirect Taxes	CA. Shefali Jain
September 15, 2022, Thursday	Paper 5 - Advanced Accounting	CA. Seema Gupta & CA. Asha Verma
September 16, 2022, Friday	Paper 5 - Advanced Accounting	CA. Seema Gupta & CA. Asha Verma
September 17, 2022, Saturday		
September 18, 2022, Sunday		
September 19, 2022, Monday	Paper 6 - Auditing and Assurance	CA. Rajeev Sachdeva & CA. Karuna Bhansali
September 20, 2022, Tuesday	Paper 6 - Auditing and Assurance	CA. Rajeev Sachdeva & CA. Karuna Bhansali
September 21, 2022, Wednesday	Paper 7A - Enterprise Information Systems	Ms. Sukriti Arora & Dr. Jyoti Batra Arora
September 22, 2022, Thursday	Paper 7B - Strategic Management	Dr. Ruchi Agarwal
September 23, 2022, Friday	Paper 8A - Financial Management	Dr. N N Sengupta & CA. Preeti Sharma
September 24, 2022, Saturday		
September 25, 2022, Sunday		
September 26, 2022, Monday	Paper 8B - Economics for Finance	Dr. Nikhil Saket

At Intermediate level, the Company Law portion of the subject 'Corporate and Other Laws' largely involves knowledge and comprehension, analysis and application of provisions of the Companies Act, 2013 to solve situation based and application-oriented issues. In the capsule, an attempt has been made to capture the significant provisions from sections 128 to 148 of the Companies Act, 2013. You are advised to read and understand the September 2021 edition of the Study Material and relevant RTP for a thorough understanding of the relevant provisions of the Companies Act, 2013. This capsule is intended to assist you in the process of revision of concepts discussed in the Study Material.

CHAPTER 9 - ACCOUNTS OF COMPANIES

I. FINANCIAL STATEMENT (FS)

(1) Financial statement is defined under section 2 (40), to include

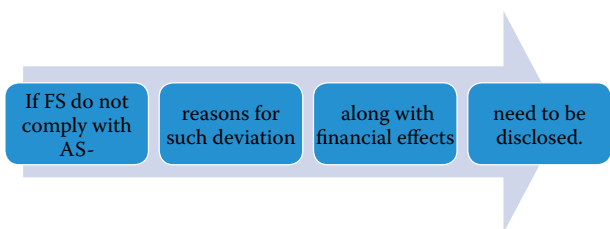


(2) Financial statement shall

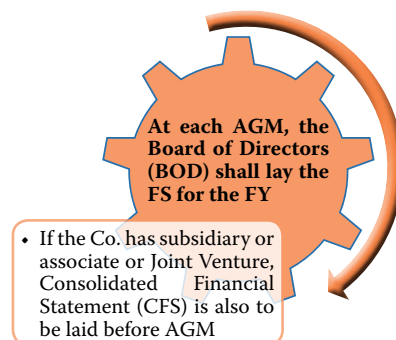
Give True & Fair view of state of affairs of the Co.

Comply with AS

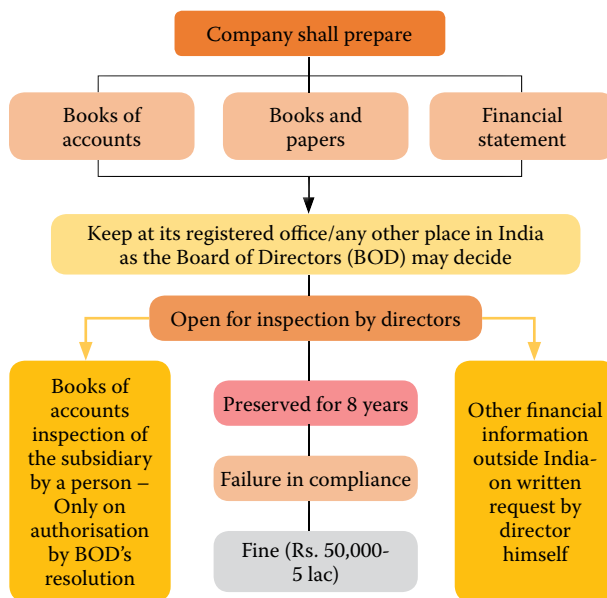
Be in form as provided for different classes of Co.s in Schedule III



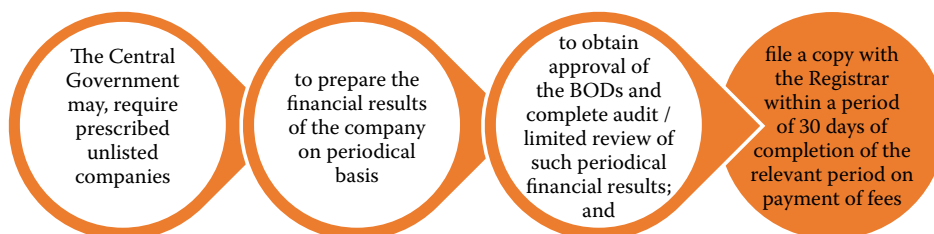
(3) Laying of Financial statement



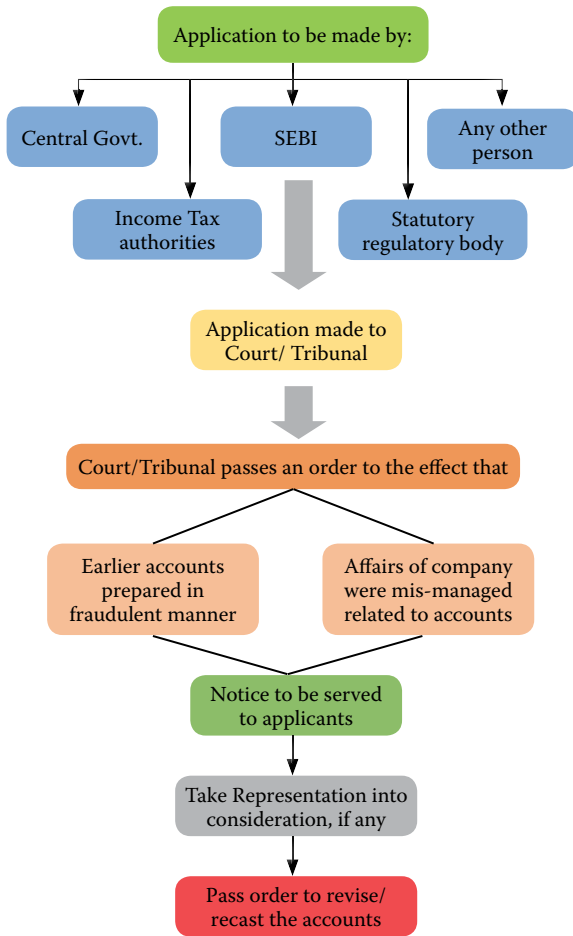
(4) Maintenance of Books of Accounts



II. PERIODICAL FINANCIAL RESULTS

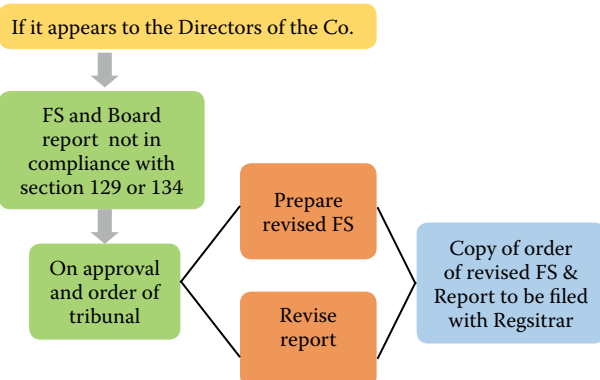


III. RE-OPENING OF ACCOUNTS

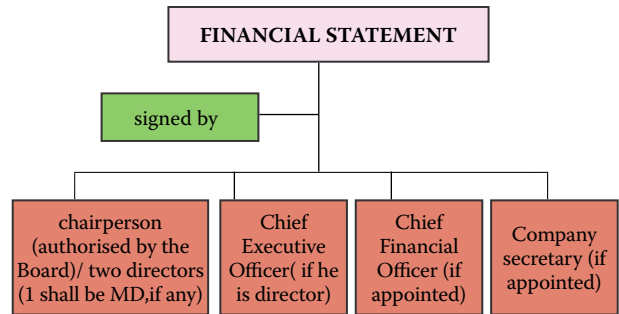


Time limit for reopening: No order in respect of re-opening of books of account relating to a period earlier than eight financial years immediately preceding the current financial year, shall be made. Except on direction of the Central Government BOAs may be kept for a period longer than eight years and accordingly may be ordered of re-opening for such period.

IV. VOLUNTARY REVISION OF FINANCIAL STATEMENTS OR BOARD'S REPORT

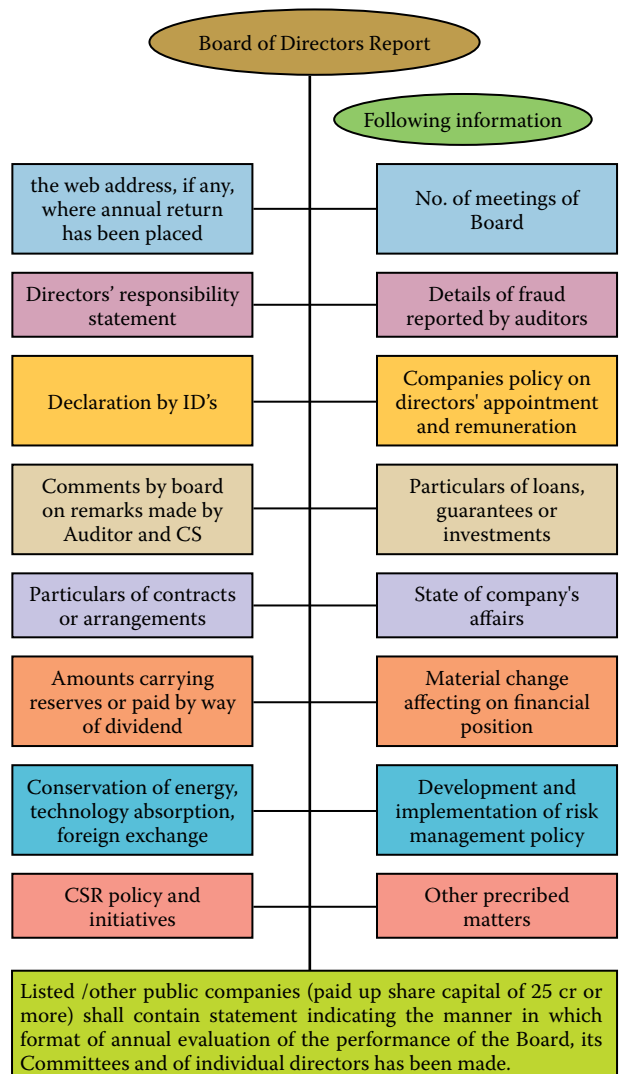


V. AUTHENTICATION OF FINANCIAL STATEMENTS



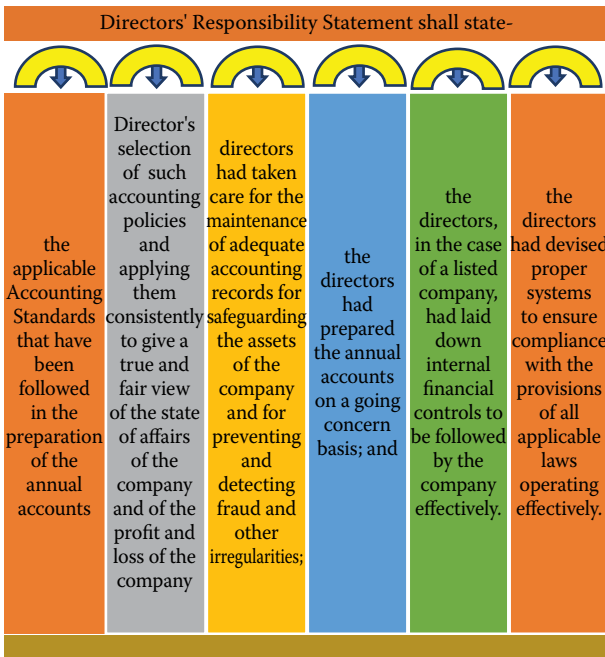
Significant points: Signed copy of every FS, shall be including consolidated financial statement, if any. It shall be issued, circulated or published along with a copy of any notes annexed to or forming part of such financial statement; the auditor's report; and the Board's report.

VI. CONTENTS OF BOARD REPORT



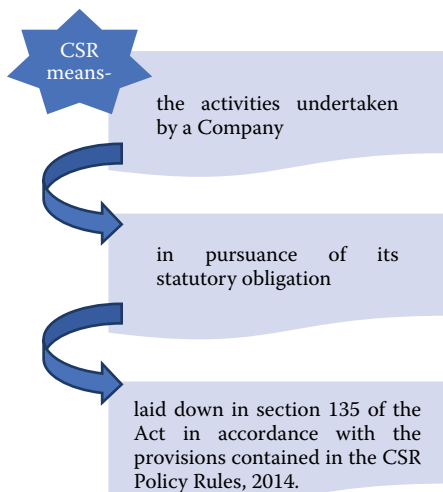
CORPORATE AND OTHER LAWS

Significant points: The Board's Report shall be prepared based on the stand alone financial statements of the company and shall report on the highlights of performance of subsidiaries, associates and joint venture companies and their contribution to the overall performance of the company during the period under report. The Board's report and any annexures under this section, shall be signed by its chairperson, if he is authorised by the Board. Where chairperson is not so authorised, shall be signed by at least two directors, one of whom shall be a managing director, or by the director where there is one director.



VII. CORPORATE SOCIAL RESPONSIBILITY (CSR)

(1) Meaning and activities which are specifically excluded:



CSR shall not include the following activities:-

(i) activities undertaken in pursuance of normal course of business of the company:

Provided that any company engaged in research and development activity of new vaccine, drugs and medical devices in their normal course of business related to COVID-19 for financial years 2020-21, 2021-22, 2022-23 subject to the conditions that-

- (a) such research and development activities shall be carried out in collaboration with any of the institutes or organisations mentioned in item (ix) of Schedule VII to the Act;
- (b) details of such activity shall be disclosed separately in the Annual report on CSR;

(ii) any activity undertaken by the company outside India except for training of Indian sports personnel

(iii) Contribution of any amount directly or indirectly to any political party;

(iv) activities benefitting employees of the company the Code on Wages, 2019

(v) activities supported by the companies on sponsorship basis;

(vi) activities carried out for fulfilment of any other statutory obligations under any law in India;

(2) Companies required to constitute CSR committee

Every company shall constitute a Corporate Social Responsibility Committee of the Board, having-

- net worth of Rs. 500 crore or more, or
- turnover of Rs. 1000 crore or more or
- a net profit of Rs. 5 crore or more
- during the immediately preceding financial year

↓
Comprising of -
↓

three or more directors, out of which at least one director shall be an independent director:

- Provided that where a company is not required to appoint an independent director under section 149 (4),- it shall have in its Corporate Social Responsibility Committee two or more directors.

(3) Duties of CSR Committee

formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII;

recommend the amount of expenditure to be incurred on the referred activities and

monitor the Corporate Social Responsibility Policy of the company from time to time.

(4) Amount of contribution towards CSR

The Board shall ensure that the company spends, in every financial year,

- at least 2% of the average net profits of the co. during the three immediately P.F.Ys

Where the company has not completed the period of 3 F.Ys, since its incorporation,

- at least 2% during such immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy

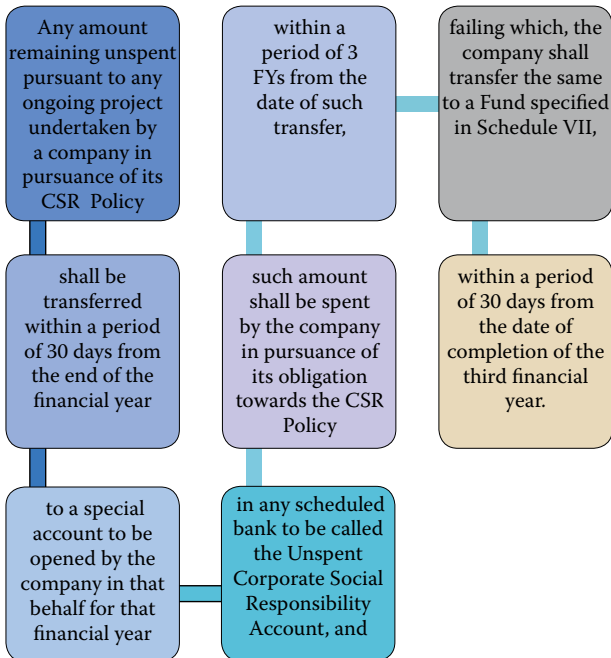
in its report shall specify the reasons for not spending the amount.

- and, where the unspent amount relates to any ongoing project, transfer such unspent amount to a Fund specified in Schedule VII,

Where the company spends an amount in excess of the requirements

- such company may set off such excess amount against the requirement to spend for such number of succeeding financial years and in such manner, as may be prescribed.

(5) Transfer of unspent CSR amount to special account

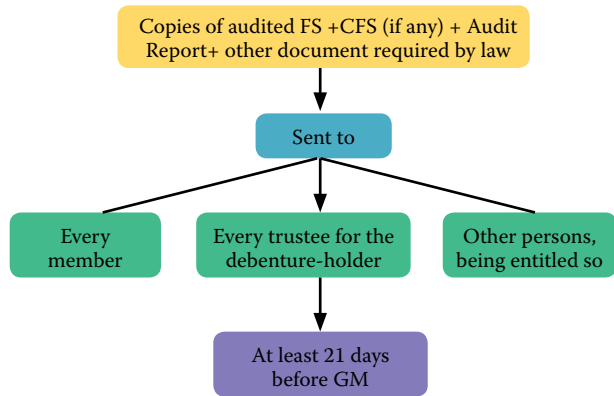


(6) When it is not necessary to constitute CSR Committee

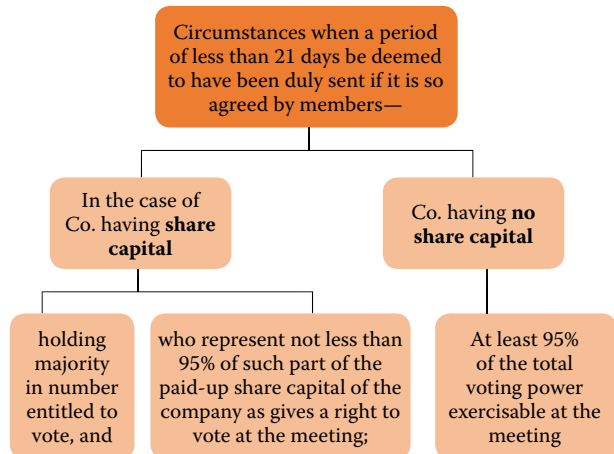


VIII. ENTITLEMENT OF MEMBERS TO RECEIVE FINANCIAL STATEMENT

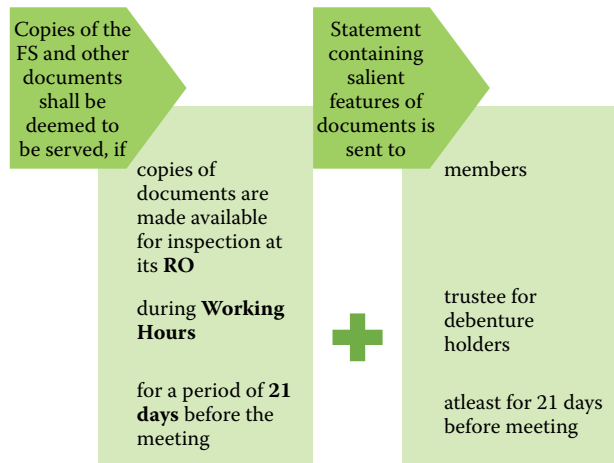
(1) Time period for serving of copies of audited financial statement



(2) Circumstances when a period can be less than prescribed period

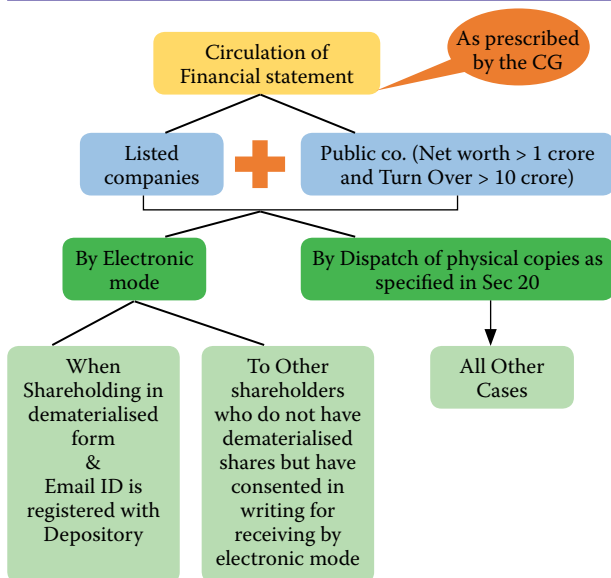


(3) In case of listed companies:



CORPORATE AND OTHER LAWS

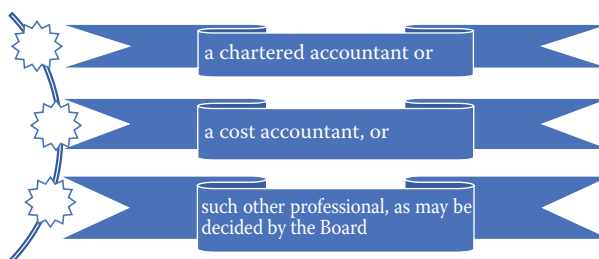
IX. MANNER OF CIRCULATION OF FINANCIAL STATEMENTS



• In the case of a subsidiary which has been incorporated outside India ("foreign subsidiary"), which is not required to get its financial statement audited under any law of the country of its incorporation and which does not get such financial statement audited, the requirements of the fourth proviso (above point) shall be met if the holding Indian company files such unaudited financial statement along with a declaration to this effect and where such financial statement is in a language other than English, along with a translated copy of the financial statement in English.

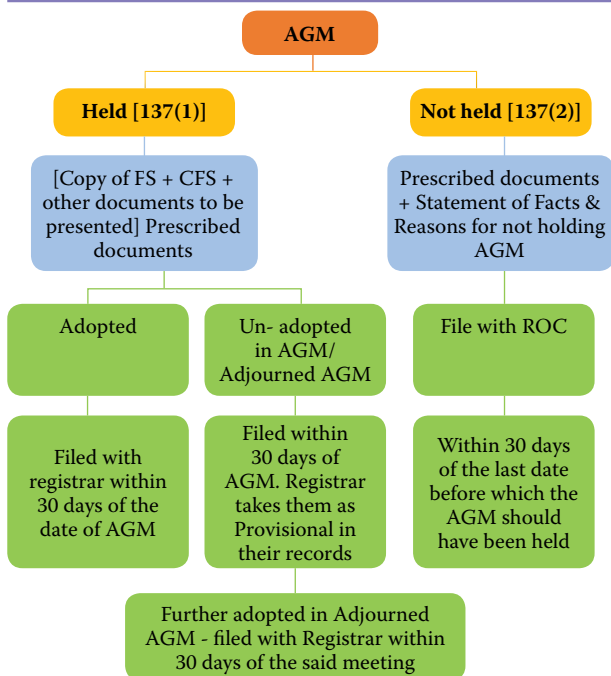
XI. INTERNAL AUDIT

(1) Who can be internal auditor?

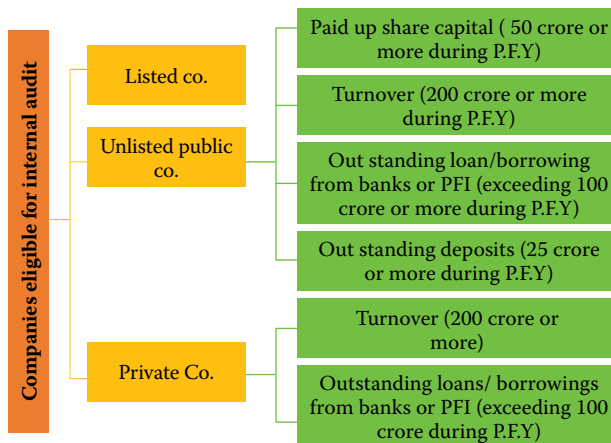


Significant point: Internal auditor may be either an individual or a partnership firm or a body corporate. Internal auditor may or may not be an employee of the company.

X. FINANCIAL STATEMENT TO BE FILED WITH REGISTRAR



(2) Companies required to conduct internal audit



- In case of a OPC, it shall file a copy of the financial statements duly adopted by its member, along with the required documents attached to such financial statements, within one **hundred eighty days from the closure of the financial year**.
- In case of companies having subsidiary/s: A company shall, along with its financial statements to be filed with the Registrar, attach the accounts of its subsidiary/s which have been incorporated outside India and which have not established their place of business in India.

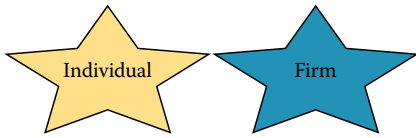
(3) Function of Internal Auditor

The Audit Committee of the company or the Board shall, in consultation with the Internal Auditor-

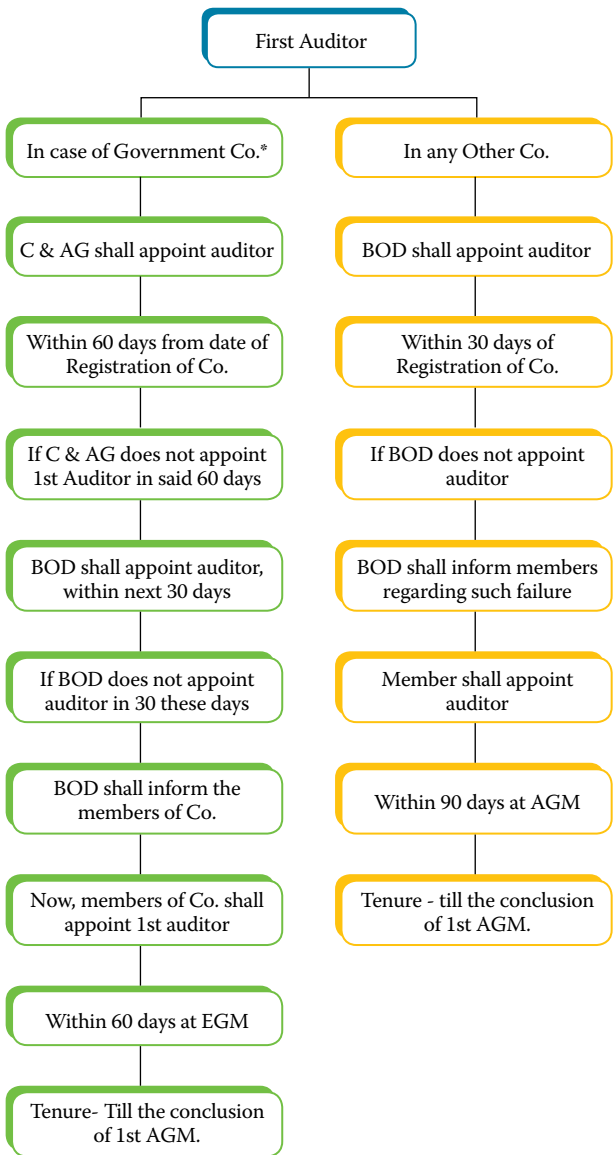
Formulate the scope, functioning, periodicity and methodology for conducting the internal audit.

CHAPTER 10 - AUDIT AND AUDITORS

I. WHO CAN BE APPOINTED AS AN AUDITOR?

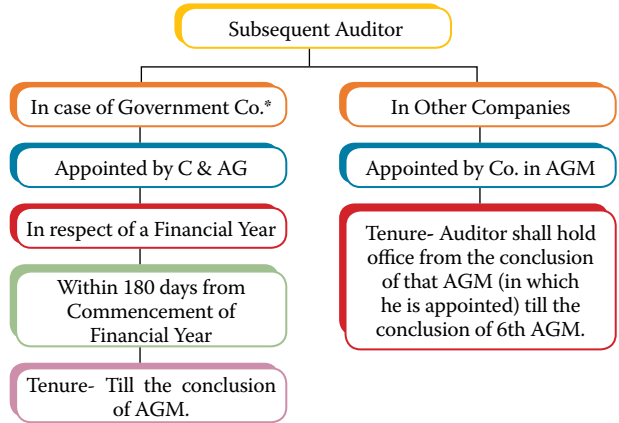


II. APPOINTMENT OF FIRST AUDITOR



*Government company or any other company owned or controlled, directly or indirectly, by the Central Government, or by any State Government, or Governments, or partly by the Central Government and partly by one or more State Governments.

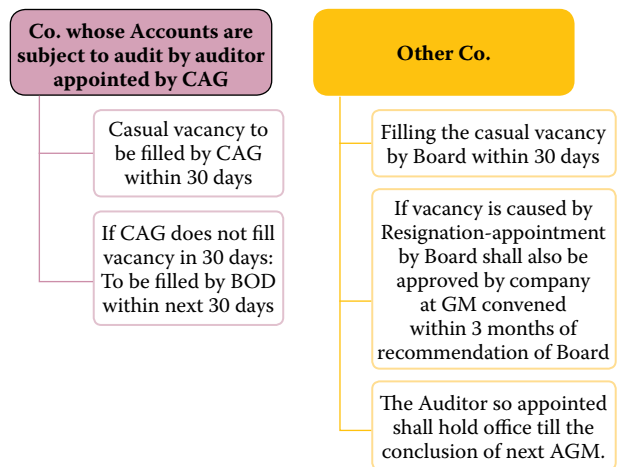
III. APPOINTMENT OF SUBSEQUENT AUDITOR



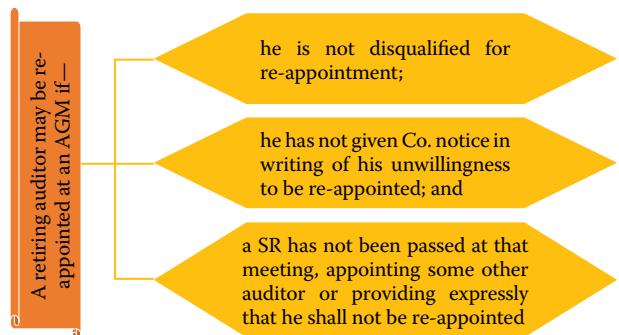
Here, 'appointment' includes re-appointment.

*Government company or any other company owned or controlled, directly or indirectly, by the Central Government, or by any State Government, or Governments, or partly by the Central Government and partly by one or more State Governments.

IV. CASUAL VACANCY OF AUDITOR



V. RE-APPOINTMENT OF RETIRING AUDITOR

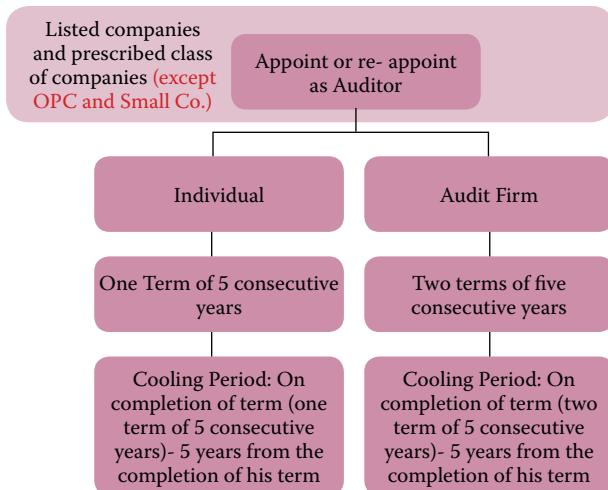


Where at any AGM, no auditor is appointed or re-appointed, the existing auditor shall continue to be the auditor of the company

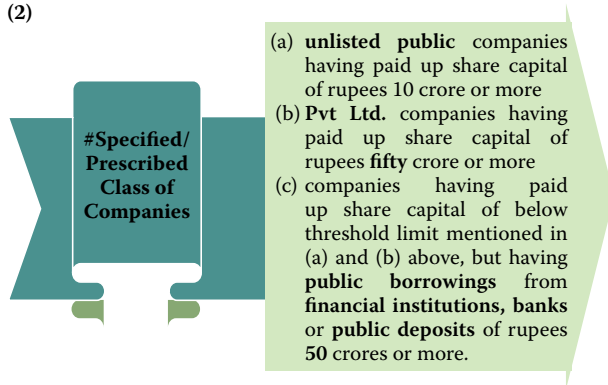
CORPORATE AND OTHER LAWS

VI. TERM OF AUDITOR

(1)



(2)



VII. DISQUALIFICATION OF AUDITORS [SECTION 141(3) ALONG WITH RULE 10]

- Body Corporate
 - Except LLP
- Officer or employee of Co.
- a person who is a partner, or who is in the employment, of an officer or employee of the company
- a person who, or his relative or partner—
 - is holding any security of or interest in the company or its subsidiary, or of its holding or associate company or a subsidiary of such holding company. (Relative may hold security or interest in the company of face value not exceeding Rs. 1 lac)
 - is indebted to the company, or its subsidiary, or its holding or associate company or a subsidiary of such holding company, in excess of Rs. 5 lac; or
 - has given a guarantee or provided any security in connection with the indebtedness of any third person to the company, or its subsidiary, or its holding or associate company or a subsidiary of such holding company, in excess of Rs. 1 lac

a person or a firm who, whether directly or indirectly, has business relationship with the company, or its subsidiary, or its holding or associate company or subsidiary of such holding company or associate company

- 'business relationship' shall be construed as any transaction entered into for a commercial purpose, except—
 - (A) commercial transactions which are in the nature of professional services permitted to be rendered by an auditor or audit firm under the Act and the Chartered Accountants Act, 1949 and the rules or the regulations made under those Acts;
 - (B) commercial transactions which are in the ordinary course of business of the company at arm's length price like sale of products or services to the auditor as customer by the companies engaged in the business of telecommunications, airlines, hospitals, hotels and such other similar businesses

a person whose relative is a director or is in the employment of the company as a director or key managerial personnel

a person who is in full time employment elsewhere or a person or a partner of a firm holding appointment as its auditor, if such persons or partner is at the date of such appointment or reappointment holding appointment as auditor of more than 20 companies other than one person companies, small companies and private companies having paid-up share capital less than 100 crore rupees

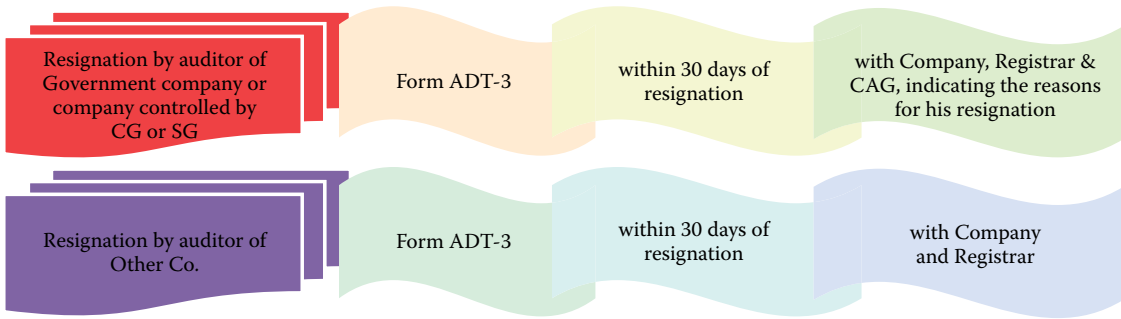
a person who has been convicted by a court of an offence involving fraud and a period of 10 years has not elapsed from the date of such conviction

a person who, directly or indirectly, renders any service referred to in section 144 to the company or its holding company or its subsidiary company

VIII. STEPS FOR REMOVAL OF AUDITOR

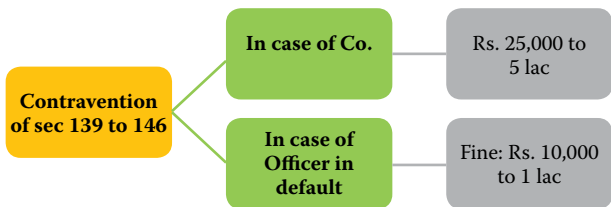
- A **Special Notice** is received for Removal of auditor
- A board meeting will be held
(To decide about removal and then authorising the filing of application to CG)
- Application to CG (To be made in ADT-2), within 30 days of Board meeting
- Approval of CG received
- After approval from CG, **Special Notice** to be sent for AGM
- Auditor shall be given a reasonable opportunity of being heard
- Auditor removal can be done only through **Special Resolution**
- Auditor will be removed

IX. RESIGNATION BY AUDITOR

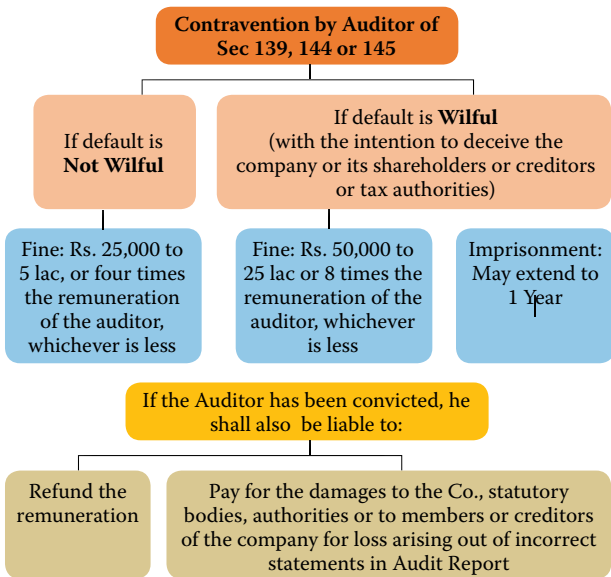


X. PUNISHMENT UNDER SECTION 147

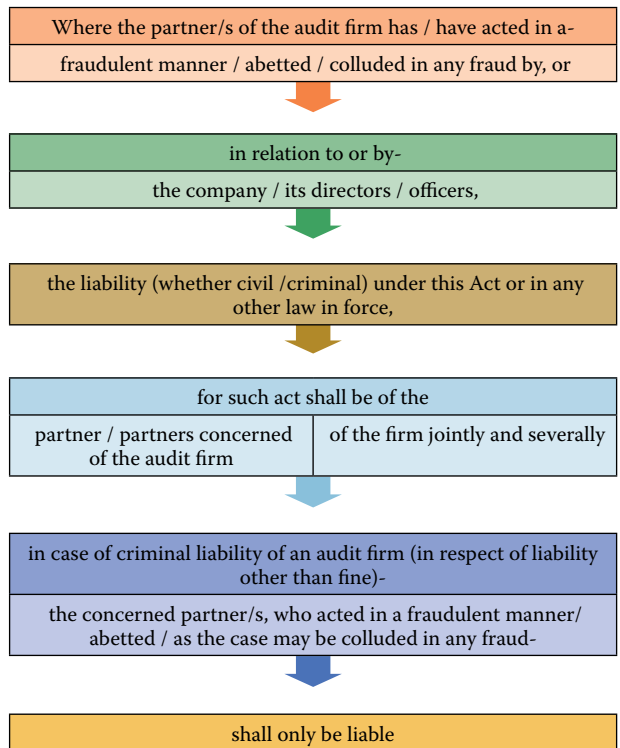
(1) In case of company and officer of company



(2) In case of auditor



(3) In case of audit of a co. conducted by an audit firm

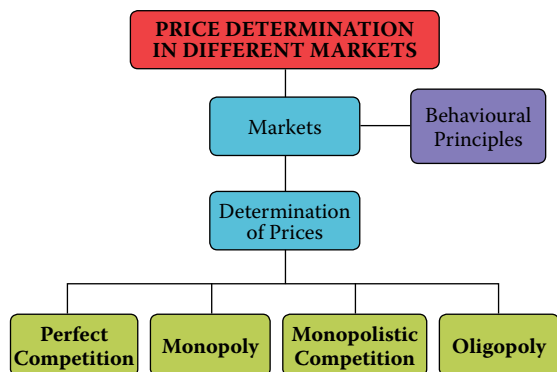


CROSSWORD SOLUTION – AUGUST 2022

¹ B	² A	³ I	⁴ L	O	⁵ U	T	⁶ R	⁷ I	⁸ S	K	
⁹ A	S	C	I		N		¹⁰ C	A	S	H	
¹¹ L	S	M	E		¹² I	P		¹³ T	B	A	
¹⁴ A	E	R	N		T		¹⁵ I	I	A	R	
¹⁶ N	T				¹⁷ E	¹⁸ U	R	O		¹⁹ E	²⁰ I
C		²¹ I	M	²² F		²³ A	T	N		²⁴ S	S
²⁵ E	T	F		M		²⁶ E	M	I			M
²⁷ S	I	C	²⁸ K					²⁹ N	³⁰ E	³¹ P	
³² H	S		³³ F	A	³⁴ C	³⁵ T		³⁶ G	A	A	³⁷ R
³⁸ E	S	³⁹ I	C		⁴⁰ R	M	C		⁴¹ N	R	C
E		T		⁴² R	I			⁴³ I		A	
⁴⁴ T	⁴⁵ E	F	T		⁴⁶ S	⁴⁷ C		⁴⁸ C	⁴⁹ M	D	
	C			⁵⁰ M	I	C	⁵¹ R		⁵² C	O	⁵³ P
⁵⁴ L	I	A	B	I	L	I	T	Y		⁵⁵ X	E

The market structure mostly determines a firm's power to fix the price of its product. The level of profit maximising price is generally different in different kinds of markets due to differences in the nature of competition. Business Cycles have tremendous influence in business decisions. The stage of the business cycle is crucial while making managerial decisions regarding expansion or downsizing. You are advised to read the capsule for understanding of the concepts. The graphs and charts will assist you in revision of concept discussed in study material in minimum time.

CHAPTER 4 - PRICE DETERMINATION IN DIFFERENT MARKETS



Market

Market is the whole set of arrangements for buying and selling of a commodity or service. Here, buyers and sellers bargain over price of a commodity.

The elements of a market are:

- Buyers and sellers;
- A product or service;
- Bargaining for a price;
- Knowledge about market conditions; and
- One price for a product or service at a given time.

In Economics, generally the classification of markets is made on the basis of

- Geographical Area
- Time
- Nature of transaction
- Regulation
- Volume of business
- Type of Competition

Spot or cash Market: Spot transactions or spot markets refer to those markets where goods are exchanged for money payable either immediately or within a short span of time. For example, grains sold in the Mandi at the current prices and cash is paid immediately. Thus is a part of Spot Market.

Forward or Future Market: In this market, transactions involve contracts with a promise to pay and deliver goods at some future date. For example, purchase of foreign currency contract at future rate from bank.

Wholesale Market: The wholesale market is the market where the commodities are bought and sold in bulk or large quantities. Transactions generally take place between traders, i.e. Business to Business (B2B).

Retail Market: When the commodities are sold in small quantities, it is called retail market. This is the market for ultimate consumers. i.e. Business to Consumer (B2C).

Distinguishing Features of Major Types of Markets

Assumption	Market Types			
	Perfect Competition	Monopolistic Competition	Oligopoly	Monopoly
Number of sellers	Very large	Large	Small numbers	One
Product differentiation	None	Slight	None to substantial	Extreme
Price elasticity of demand of a firm	Infinite	Large	Small	Small
Degree of control over price	None	Some	Some	Very considerable

Concepts of Total Revenue, Average Revenue & Marginal Revenue

- Total revenue refers to the amount of money which a firm realises by selling certain units of a commodity.
- Average revenue is the revenue earned per unit of output
- Marginal revenue is the change in total revenue resulting from the sale of an additional unit of the commodity

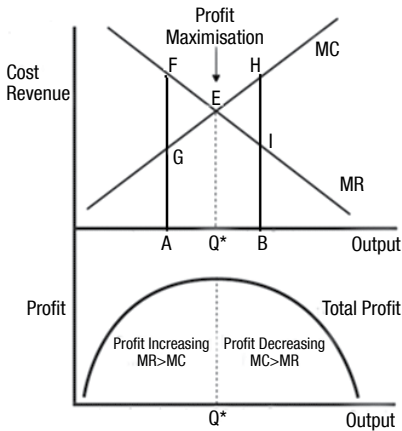
$MR = AR \times \frac{e-1}{e}$ Where e = price elasticity of demand.

Behavioural Principle

Principle 1 - A firm should not produce at all if its total variable costs are not met.

Principle 2 - The firm will be making maximum profits by expanding output to the level where marginal revenue is equal to marginal cost.

Equilibrium of the Firm: Maximisation of Profits

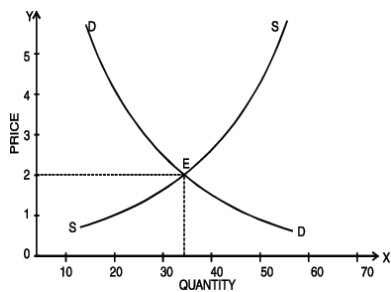


The firm will maximise profits at the point at which marginal revenue is equal to marginal cost.

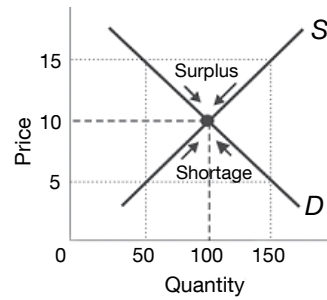
Determination of Prices

In an open competitive market, it is the interaction between demand and supply that tends to determine equilibrium price and quantity

Determination of Equilibrium Price

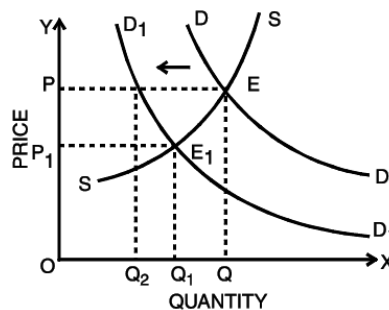
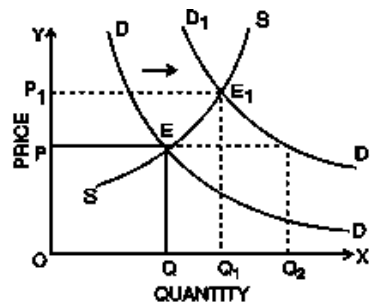


Stable equilibrium is achieved through price mechanism or market mechanism. If the market price is above the equilibrium price, the market supply is greater than market demand and there is an excess supply or surplus in the market. Competing sellers will lower prices in order to clear their unsold stock. As we know, other things remaining constant, as price falls quantity demanded rises and quantity supplied falls. In this process, the supply-demand gap is reduced and eventually eliminated thus restoring equilibrium.

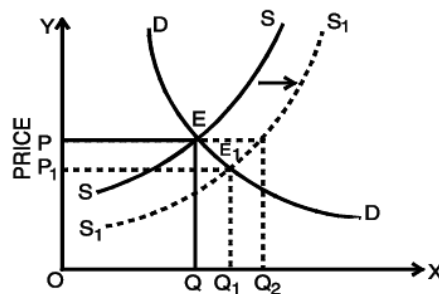


Stable Equilibrium

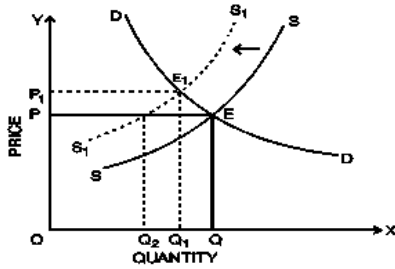
Increase in Demand, causing an increase in equilibrium price and quantity



Decrease in demand resulting in a decrease in price and quantity demanded

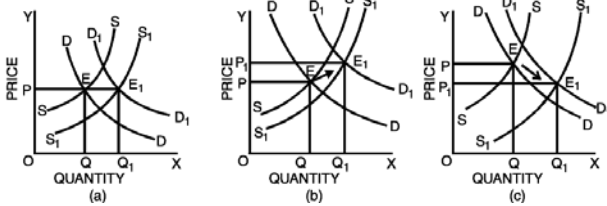


Increase in supply, resulting in decrease in equilibrium price and increase in quantity supplied



Decrease in supply causing an increase in the equilibrium price and a fall in quantity demanded

It sometimes happens that events shift both the demand and supply curves at the same time. This is not unusual in real life, supply curves and demand curves for many goods and services typically shift quite often because of continuous change in economic environment. During a war, for example, shortage of goods will often lead to decrease in their supply while full employment causes high total wage payments which increase demand.

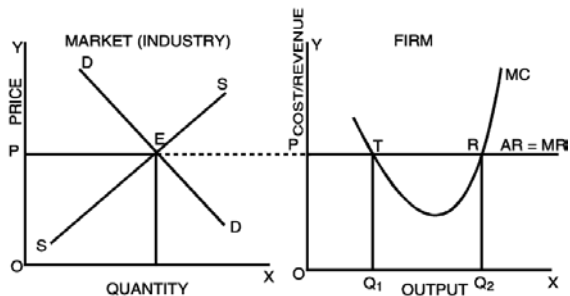


Simultaneous change in demand and supply

Perfect Competition

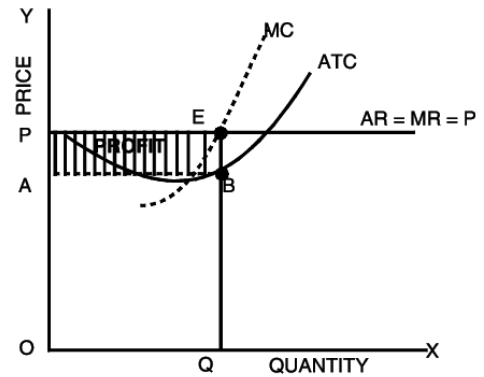
- A firm is in equilibrium when its $MC = MR$ and MC curve cuts the MR curve from below.
- In the short run, firms may be earning normal profits, supernormal profits or making losses at the equilibrium price.
- In the long-run all the supernormal profits or losses get wiped away with entry or exit of the firms from the industry and all firms earn only normal profit.
- In the long run, in perfect competition, the market mechanism leads to an optimal allocation of resources.

In the short run, a firm operates with a fixed amount of capital and must choose the levels of its variable inputs so as to maximise profit.



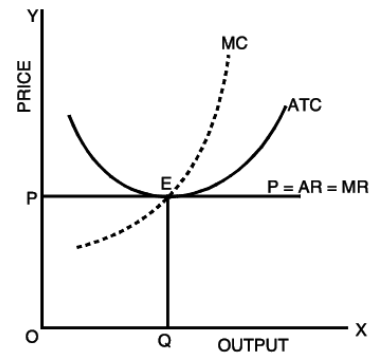
Equilibrium position of a firm under perfect competition

When a firm earns supernormal profits, its average revenues are more than its average total cost. Thus, in addition to normal rate of profit, the firm earns some additional profits.



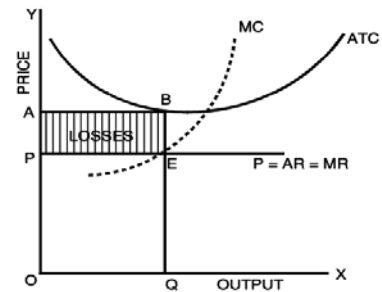
Short run equilibrium: Supernormal profits of a competitive firm

Normal Profit: When a firm just meets its average total cost, it earns normal profits. Here $AR = ATC$.

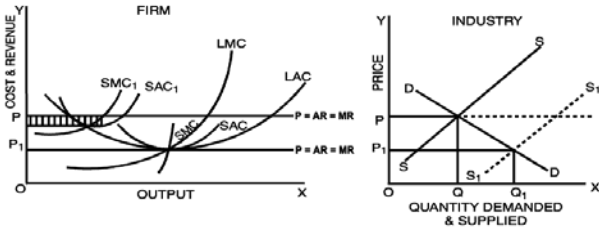


Short run equilibrium of a competitive firm: Normal profits

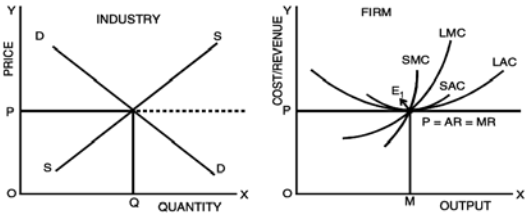
If a firm is unable to meet its average variable cost, it will be better for it to shut down. This shutdown may be temporary. When the market price rises, the firm resumes production.



Short run equilibrium of a competitive firm: Losses



Long run equilibrium of the firm in a perfectly competitive market



Long run equilibrium of a competitive industry and its firms

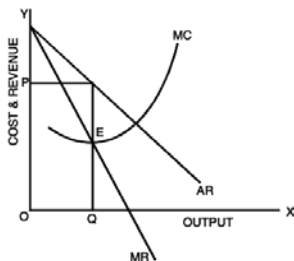
In the long run,
 $LAR = LMR = P = LMC = LAC$ and there will be optimum allocation of resources.

Monopoly

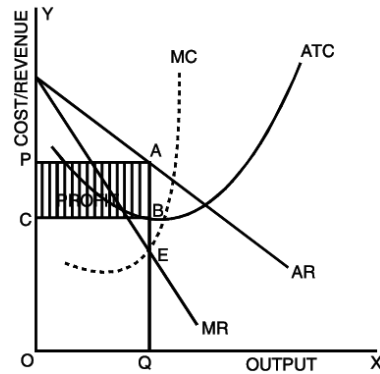
- Monopoly is an extreme form of imperfect competition with a single seller of product which has no close substitute.
- Since the monopolist firm is the only producer of a particular product, its demand curve is identical with the market demand curve for the product.
- Since a monopoly firm has market power it has the ability to charge a price above marginal cost and earns a positive economic profit.
- The fundamental cause of monopoly is barriers to entry; in effect other firms cannot enter the market.
- In the long-run, the supernormal profit will be continued because entry is restricted.

The twin Condition for Equilibrium is a monopoly market and are the same as that of a firm in a competitive industry.

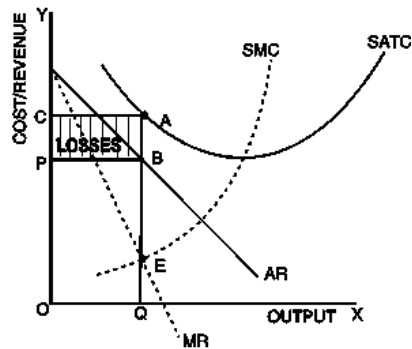
- The marginal revenue should be equal to the marginal cost. i.e., $MR = MC$.
- The MC curve should cut MR curve from below. In other words, MC should have a positive slope.



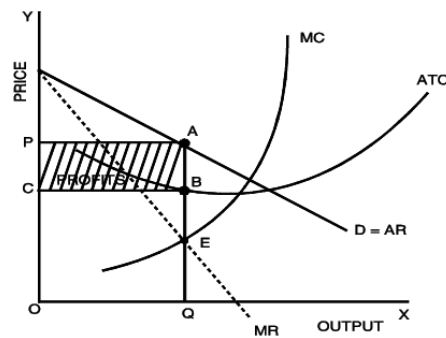
Equilibrium of a monopolist (Short run)



Firm's equilibrium under monopoly: Maximisation of profits



Equilibrium of the monopolist: Losses in the short run



Long run equilibrium of a monopolist

Price Discrimination

Price discrimination is a method of pricing adopted by a monopolist in order to earn abnormal profits. It refers to the practices of charging different prices for different units of the same commodity.

Condition for Price Discrimination

The seller should have some control over the supply of his product i.e. the firm should have price-setting power. Monopoly power in some form is necessary (not sufficient) to discriminate price.

The seller should be able to divide his market into two or more sub-markets.

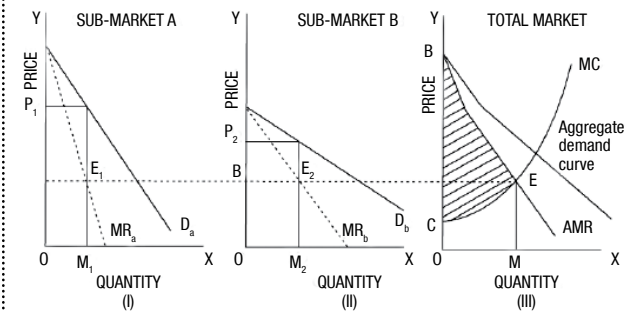
The price-elasticity of the product should be different in different sub-markets. The monopolist fixes a high price for his product for those buyers whose price elasticity of demand for the product is less than one. This implies that, when the monopolist charges a higher price from them, they do not significantly reduce their purchases in response to high price.

It should not be possible for the buyers of low-priced market to resell the product to the buyers of high-priced market i.e. there must be no market arbitrage.

Equilibrium under price discrimination

In order to reach the equilibrium position, the discriminating monopolist has to make three decisions:

- How much total output should he produce?
- How the total output should be distributed between the two sub-markets? and
- What prices he should charge in the two sub-markets?



Fixation of total output and price in the two sub-markets by the discriminating monopolist

ANNOUNCEMENT

MEGA CA Students Conference – NIRC of ICAI

Dates: 3rd & 4th September, 2022

Venue: Hyatt Centric, Janakpuri New Delhi- 110058

Organised by: SSEB, Board of Studies-(Operations), ICAI

Hosted by: NIRC of ICAI & NICASA of NIRC of ICAI

Theme: अभिव्यक्ति: Discover the 'YOU'

Day 1	
10.30 AM to 12.00 Noon	Technical Session: I: Topic: Direct Taxes - REIT & its taxability in India; Digital economy & its taxation; TDS 194Q vs TCS 206 (IH) – detailed analysis; Business Connection vs Permanent Establishment.
12.00 Noon to 1.00 PM	Special Session: I: Interaction with Chairman and Vice-Chairman, SSEB, Board of Studies- (Operations), ICAI
1.00 PM to 02.00 PM	Special Session: II: Topic: Industry Insights.
03.00 PM to 04.30 PM	Technical Session: II: Topic: GST- E-invoicing: impact on businesses in India; Fake invoice & Fake ITC under GST; Most Litigated issues in GST: a detailed analysis; Seamless ITC is a Myth.
04.30 PM to 05.30 PM	Motivational Session: I: Topic: Importance of mental balance in students' life
Day 2	
10.00 AM to 11.30 AM	Technical Session: III: Topic: Audit & Law- ESG (sustainability reporting): a journey, not a destination; Traditional Audit vis a vis Forensic Audit; Recent changes in schedule 3 of companies Act; Role of Auditor in improving governance.
11.30 AM to 12.30 PM	Special session: III: Topic: Azadi ka Amrit Mahotsav
12.30 PM to 02.00 PM	Technical Session: IV: Topic: Business & Economy- "Ease of doing business index"- a true reflection of business activity in the country?; Start-up India initiative: a boost to entrepreneurship & economy; Role of CAs in achieving \$5 trillion economy; Corporate restructuring: road to recovery
03.00 PM to 04.30 PM	Technical Session: V: Topic: Finance & Technology- Is premium listing of loss making startups worth?; Role of cryptocurrency in global market; AI, Cloud computing, Robotics: mastering newer skills for professional growth; Future of Decentralised Autonomous Organisations (DAOs), Decentralised Finance & Metaverse in India.
04.30 PM to 05.30 PM	Special Session: IV: Topic: Importance of GURUs in students' life.

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 will not be eligible to register for these Conferences).

Registration fees	Rs. 500/- per student	Accommodation (if required) @ Rs. 1500/- per student per day.
Payment Mode	Link on the Students Activity Portal : https://bosactivities.icai.org/	

CA. Sushil Kumar Goyal, Conference Chairman & Chairman, SSEB, BOS-O; CA. Sridhar Muppala, Conference Co-Chairman & Vice-Chairman, SSEB, BOS-O; CA. Hans Raj Chugh, Conference Director, Central Council Member, ICAI; CA. Naveen Garg, Chairman, NIRC of ICAI & CA. Pitam Goel, Chairman, NICASA of ICAI, Conference Coordinators.

MEGA CA STUDENTS CONFERENCE – PIMPRI CHINCHWAD

Dates: Sat 3rd & Sun 4th September 2022
 Venue: Natsamrat Nilu Phule Rangmandir, HRM8+J75, Lane Number 3, Samrjya Housing Society,
 Vinayak Nagar, Pimple Gurav, Pimpri-Chinchwad
 Organised by: SSEB, Board of Studies-(Operations), ICAI
 Hosted by: Pimpri Chinchwad Branch of WIRC of ICAI & Pimpri Chinchwad Branch of WICASA of ICAI
 Theme: "Anved – Blessed with Knowledge"

Day 1	
10.00 AM to 10.30 AM	Inaugural Session
10.30 AM to 12.15 PM	Technical Session: I: Topic: Tax Audit -Tax Audit Report and Its Intricacies; Prevention of Money Laundering Act; Changing Auditor's Roles, Challenges and Opportunities.
12.15 PM to 1.15 PM	Special Session: I: Interaction with SSEB, Board of Studies-(Operations), ICAI.
01.15 to 02.00 PM	Special Session: II: Topic: Offsite Accounting- Offshore / Offsite Accounting; Global Financial Reporting Practices (USA/UK/Australia/Singapore); CA as a CFO a Key Player.
03.00 PM to 04.15 PM	Technical Session: II: Topic: Technology & Environment- Blockchain - Metaverse/NFT – and its Relevance in CA Profession; Robotics Process Automation in CA profession; Practicing Sustainable Growth.
04.15 PM to 05.30 PM	Motivational Session: I
Day 2	
10.00 AM to 11.30 AM	Technical Session: III: Topic: GST - GST Litigation – Future Professional; Burning issues in ITC under GST Law; Recent Amendments and its Implications.
11.30 AM to 12.30 PM	Motivational Session: II: Motivational Session- Unleash the Genius within You.
12.30 PM to 01.45 PM	Technical Session: IV: Topic: Stock Market & Other Management Techniques- 3 Pillars of Reasonable Investor; Time Management Techniques; Emotion Control Techniques.
02.30 PM to 04.00 PM	Technical Session: V: Topic: Shark Tank Session- Ideas@75

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 for 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 will not be eligible to register for these Conferences).

Registration fees	Rs. 400/- per student	Accommodation (if required) @ Rs. 1500/- per student per day.
Payment Mode	Link on the Students Activity Portal : https://bosactivities.icai.org/	

CA. Sushil Kumar Goyal, Conference Chairman & Chairman, SSEB, BOS-O; CA. Sridhar Muppala, Conference Co-Chairman & Vice-Chairman, SSEB, BOS-O; CA. Chandrashekhar Vasant Chitale, Conference Director, Central Council Member, ICAI; CA. Vijaykumar Bamne, Chairman, Pimpri Chinchwad Branch of WIRC of ICAI & CA. Vaibhav Modi, Chairman, Pimpri Chinchwad Branch of WICASA of ICAI, Conference Coordinators.

Mega CA Students Conference –VASAI

Dates: 10th & 11th September 2022
 Venue: Vasai Branch, Bhayander (West)
 Organised by: SSEB, Board of Studies-(Operations), ICAI
 Hosted by: Vasai Branch of WIRC of ICAI & Vasai Branch of WICASA of ICAI
 Theme: "Angatham - A peek into the future"

Day 1	
9.30 AM to 10.15 AM	Inaugural Session
10.15 AM to 11.00 AM	Special Session: I: Interaction with Chairman and Vice-Chairman, SSEB, Board of Studies- (Operations), ICAI.
11.00 AM to 12.30 PM	Technical Session: I: Topic: Capital Markets and Finance- Creating Value through Financial Management; Return potential in Equity Markets; The Era of Stock Listings.
12.30 PM to 1.30 PM	Special Session: II
02.30 PM to 04.00 PM	Technical Session: II: Topic: Evolutionary Technologies- How AI impact Audit, Accounts and Finance; Forensic Audit; Growth of Cryptocurrency - Blockchain Technology.
04.00 PM to 05.00 PM	Special Session: III: Topic: Networking – A New Age Skill....
Day 2	
10.00 AM to 11.30 AM	Technical Session: III: Topic: Entrepreneurship- All about Startup; CA as a CFO of a company; Risk & Challenges in Entrepreneurship - Tackle them.
11.30 AM to 1.00 PM	Special Session: IV: Topic: Panel – CA Avenues Post Qualification
2.00 PM to 3.30 PM	Technical Session: IV: Topic: Macro-economics- Recent Trade War Opportunities for India due to world Circumstances; Changes needed in the economy to make India 'A SUPERPOWER'; How to make India better in Ease Of Doing Business Index.
03.30 PM to 04.30 PM	Special Session V: Topic: GST Assessment & Litigation

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 will not be eligible to register for these Conferences)

Registration fees	Rs. 500/- per student	Accommodation @ Rs. 1500/- per day.
Payment Mode	Link on the Students Activity Portal : https://bosactivities.icai.org/	

CA. Sushil Kumar Goyal, Conference Chairman & Chairman, SSEB, BOS-O; CA. Sridhar Muppala, Conference Co-Chairman & Vice-Chairman, SSEB, BOS-O; CA. Durgesh Kabra, Conference Director, Central Council Member, ICAI; CA. Sorabh Agrawal, Chairman, Vasai Branch of WIRC of ICAI & CA. Shrikrishna Purohit, Chairman, Vasai Branch of WICASA of ICAI, Conference Coordinators.



The Institute of Chartered Accountants of India

(Set up by an Act of Parliament)

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CELEBRATIONS

Monday, 5th September, 2022

(Presentation Competition by CA Students)

on




“Role of Guru in My Life”



As a mark of tribute to the Role of Guru in our life, there will be Presentation Competition which will be organised by the Branches & Regional Council of ICAI



For the programme details and venue :
Kindly contact your nearest Branch/Regional Council

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Live Programme will be telecasted on 5th September, 2022
from 6:00 PM to 7:00 PM at <https://live.icaai.org/sseb/05092022/>

Organised by

Students Skills Enrichment Board (Board of Studies-Operations)



The Institute of Chartered Accountants of India

(Set up under an Act of Parliament)

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VENUE : Centre of Excellence (CoE), Jaipur
PARTICIPANTS : Boys (CA Students)
FEES : Rs. ~~48,000/-~~ Rs. 12,000/-
DATE (FROM & TO) : 12th September to 8th October, 2022



VENUE : Centre of Excellence (CoE), Hyderabad
PARTICIPANTS : Girls (CA Students)
FEES : Rs. ~~48,000/-~~ Rs. 12,000/-
DATE (FROM & TO) : 19th September to 15th October, 2022

Eligibility : CA students who have completed one year of articleship are eligible to join the course.

Registration on First come first basis and batches will be allotted as per eligibility.

Disclaimer : The scheme of Four weeks Residential Program may be modified or altered at any time. All decisions about the aforesaid scheme shall be at the sole discretion of ICAI and binding on all. ICAI reserves the right to change the dates and other modalities as per the requirement.

Contact Details

For further assistance please contact :
Mobile No. 9958121521
Email Id- smita.taneja@icai.in

CROSSWORD - SEPTEMBER 2022

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ACROSS

- _____ ratio indicates how much of a bank's total deposits are in both current and savings accounts.
- The state of not being imprisoned or enslaved.
- An agency of the United Nations responsible for providing humanitarian and developmental aid to children worldwide.
- A fixed payment amount made by a borrower to a lender at a specified date each calendar month.
- A regional trade organisation and free trade area consisting of four European states.
- A surname of Scottish origin.
- Abbr : Royal Naval Special Reserve.
- _____ is paid by the government to its employees as well as a pensioner to offset the impact of inflation.
- Abbr : Eating in the Absence of Hunger.
- The percentage of a bank's total deposits that it needs to maintain as liquid cash.
- A public deemed research university located in Mumbai.
- Non-profit organisation in Dryden, Canada
- _____ is a consulting transformation and digital service business.
- Dishonest or fraudulent conduct by those in power, typically involving bribery.
- _____ Ratio is the measure of the share price relative to the annual net income earned by the firm per share.
- A term used when a security is believed to be trading at a level above its intrinsic or fair value.
- A prestigious college and it comes under St. Xavier's.
- _____ is to provide medium and long-term loans and advances to industrial and manufacturing concerns.
- An autonomous body under MOCI, Govt. of India provides packaging training, testing, certification, consultancy.
- An all India pre-medical entrance test.
- A peer-to-peer cryptocurrency that

- lets a party securely send money to anyone else around the world in minutes, without the need of a bank.
- _____ is the central hub for athletic clubs across Greater Manchester.
- The measure of a company's net income divided by its shareholders' equity.
- A non-governmental trade association and advocacy group.
- A measure of the amount of cash generated by a company's normal business operations.
- The free trade arrangement of the South Asian Association for Regional Cooperation.

DOWNWARD

- A medium of exchange for goods and services.
- The form of the indefinite article used before words beginning with a vowel sound.
- The international system of units used for scientific measurements.
- A Taiwanese multinational company that is in the hardware and electronics business.
- An algorithm that computes the discrete Fourier transform of a sequence, or its inverse.
- A law enforcement agency and economic intelligence agency.
- The officer responsible for implementing the programmes for elementary education at district level.
- _____ oversees the performance of federal agencies, and administers the federal budget.
- _____ is the overnight lending offered rate for Indian commercial banks.
- The controlled distribution of scarce resources.
- An intergovernmental military alliance between 30 member states.
- _____ is one of the world's leading technology manufacturers.
- A British professional membership body dedicated to improving the practice of medicine.

- A fixed amount of money that something costs or that somebody is paid.
- A UK-based television production company.
- An electronic message telling you that your order, invoice, etc. has been received.
- The name given to the United Kingdom's departure from the European Union.
- One of the most well-known mathematical constants.
- A measure of company profitability used by investors.
- A huge body of saltwater that covers about 71 percent of Earth's surface.
- The official criminal code of India.
- An official Act that consolidates and amends laws regulating foreign exchange in India.
- A tangible sign of European identity.
- An Indian Government export promotion agency for the distribution of and sale of Indian products internationally.
- _____ is a dedicated World Bank Group's program that facilitates access to finance for smallholder farmers etc.
- _____ certifies that the construction of the building has complied with the approved plans.
- _____ is a qualified financial professional who manages budgets, auditing, taxes and business strategies for their clients.
- _____ is the use of any computers, storage, networking and other physical devices.

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