

How to Face Common Proficiency Test ? A Matrix of Winning Strategies



Board of Studies
**The Institute of
Chartered Accountants of India**

A Statutory Body established under an Act of Parliament

A hand holding a white rectangular sign with the word "CONTENTS" written in blue, bold, capital letters. The background is a light blue gradient.

CONTENTS

Chapter 1	Chartered Accountancy – A Passport to Success	01
Chapter 2	Chartered Accountancy Course Know your Education and Examination System	03
Chapter 3	Make Your Study Effective	14
Chapter 4	Preparing for Examinations: A Systematic Approach	21
Chapter 5	Subject Specific Guidance	26

President's Message

CA G. Ramaswamy
President, ICAI



My Dear Students,

I am pleased to note that the Board of Studies is bringing out a Handbook on “How to Face Common Proficiency Test”. Any professional course calls for a meticulous strategy and a sincere approach in order to succeed. A comprehensive understanding of the course structure and adequate planning to cover the essentials is a pre-requisite. This booklet will certainly help and guide the students to understand the objectives and expectations of the CA examinations. Over the years, lots of myths have cropped up around the CA examinations, more so negative one. This publication is a sincere attempt to discredit those baseless myths and set the picture in correct perspective.

The CA course curriculum is of high standard and a judicious mix of theory and practice. One of the areas of the highest considerations for the ICAI is strengthening the educational base of the students, especially in view of the changing dynamics of the global business environment. This also casts moral responsibility on the students to work hard. This century is slated to be a century of knowledge, quality and excellence. Survival of the fittest is the norm rather than exception.

I would like to give few tips that would be helpful to you all to crack the examinations:

- Improve conceptual clarity, avoid rote learning
- Plan your study, avoid last-minute preparation
- Take short breaks while studying
- Don't lose out on your sleep
- Think positive
- Meditate and exercise.

I deeply appreciate the sincere efforts put in by the academic staff of the Board of Studies in bringing out this highly useful booklet. I sincerely hope that this publication on 'How to Face Common Proficiency Test' would help the students in proceeding along the right path in their endeavour to clear the Institute's examinations and to join the profession within the minimum possible time..

Wishing the student fraternity a great professional career ahead!

Yours sincerely,

A handwritten signature in black ink, appearing to read 'G. Ramaswamy'.

G. Ramaswamy

Vice President's Message

Jaydeep Narendra Shah
Vice President, ICAI



My Dear Students,

Chartered Accountancy is a rewarding and highly sought after career option. Pursuing the course requires hard work and concerted efforts. Although, the examinations are considered to be highly demanding, many good students not only easily sail through them but also get ranks. However, for a student who lacks proper approach, the path to become chartered accountant can be a difficult track to traverse.

I am very happy that the Board of Studies of the Institute of Chartered Accountants of India is printing a Handbook on “How to Face Common Proficiency Test” to help all the students. The publication is result of commitment and hard work of Board of Studies and its faculty members. It is my sincere belief that the booklet will help the students to plan out their studies. With proper approach, the course will become simpler and students will easily be able to assimilate tricky concepts and pass the examinations.

I would also take this opportunity to share a few of my personal thoughts. You should not choose CA profession because your father or mother says so or there is a pressure from your social circle. You only need to have your own dream to become a Chartered Accountant and the rest will follow. The interest in the course should come from your heart. The CA examination demands total commitment and determination to succeed. It is human nature to gain knowledge and succeed. Imbibe this nature fully, work hard as there is no short cut to success and hard work never goes unrewarded.

It is my firm and considered belief that the chartered accountancy course is not tough. It can be simple to pass the examinations, provided you plan yourself and work effectively towards the achievement of the desired goal. I would also like to give a few tips that would be helpful to you to pass the examinations:

- Have confidence in yourself. You should have positive approach and should not allow negativity to creep-in.
- Plan your studies and study regularly.

- Do not resort to selective studies. All topics must be assimilated fully.
- Avoid time wasting activities. However, mix recreation to keep mind fresh.
- Discuss with successful senior students, experienced faculties and your principal.

The success is yours only if you aspire and work for it. In the words of Napoleon Hill - "Patience, persistence and perspiration make an unbeatable combination for success."

Wish you all the Best,

Yours sincerely,

Orkney

Chairman's Message



CA. V. Murali
Chairman, Board of Studies, ICAI

My Dear Students,

You would be busy preparing for your forthcoming Common Proficiency Test. The three R's for Success are Regular Study, Repetition and Review. Our Board of Studies has come out with a booklet titled "How to Face Common Proficiency Test." This lucid, easy to comprehend guide will give you practical pointers on how to study, sharpen your learning skills, how to judiciously use the 4 hours given to you. The Board of Studies has always been there and continues to be by your side giving you logistic support in achieving your cherished goal of becoming a Chartered Accountant. This handy and timely booklet will assist you in achieving your goal.

Hard work, dedication, tenacity and commitment to achieve your goal will be the qualities you will require. Mental strength and resilience are very important. Single minded devotion and unshakeable faith in your capability backed by intense and rigorous study will see you through. The crunch time is before you. Persistence and perseverance are the keys that will unlock the doors to success in the CA examinations. Sometimes you get emotionally tired and want to throw in the towel. My advice is don't let these dark clouds come your way. Stay focussed and plan your study strategy. A savant had said "Three things can never be taken back:- A spent arrow, a spoken word and a missed opportunity." There is no security on this earth, only opportunity.

I would like to quote the immortal words of Eddie Robinson to the student readers "The will to win, the desire to succeed, the urge to reach your full potential, these are the keys that will unlock the door of personal excellence." A wise man had said "Believe you can, and you are halfway there." Obstacles and minor set - backs and pitfalls are but stepping stones towards your goal. Always believe in your heart that you are building a strong foundation and have unshakeable faith in your ability to succeed. As Thomas Jefferson said "When you reach the end of your rope, tie a knot in it and hang on." Have the tenacity and courage to stick on to the path till you make it. Please remember, it is always too soon to quit. Don't be morose or diffident about your performance. Ann Landers said "Nobody gets to live life backward. Look ahead, that is where your future lies". Don't live in the yesterday and what might have been, think about tomorrow and act today.

Your positive attitude, dedicated and planned study will lead you to the final goal. Difficulties mastered are opportunities won. Always remember, there is no gain without pain. It is impossible to get rainbows without rain. Umbrellas can't stop the rain, but they will make us to stand in the rain. Similarly, confidence may not itself bring success, but it gives us the power to face any challenge. Look with positive intention; speak with inner conviction; listen with intense attention; then you will move in the right direction.

Thomas Alva Edison had a wonderful piece of advice and it could apply to every sphere of life – “Many of life's failures are people who did not realize how close they were to success when they gave up.” Problems are like trees seen through a running train. As you approach them they grow bigger. Once you pass them, they become smaller. That's Life.....!Helen Keller said “We can do anything we want, if we stick to it long enough”.

As I have said earlier “When God solves your problems, you have faith in His abilities; When God does not solve your problems, He has faith in your abilities.” So, please don't give up. To succeed, it is necessary to accept the world as it is and rise above it. Everything in this world has got a utility value – “Even a stopped clock is right twice a day”. The best way to predict your future is to create it. Optimism is the faith that leads to Achievement.

For CA Students who are preparing for exams there is no better advice than what Benjamin Franklin said “Never leave that till tomorrow which you can do today”. Wishing each and every one of you “ALL THE VERY BEST” for the forthcoming examinations.

I look forward to greeting you as a Chartered Accountant professional soon.

With warm professional regards,

Forever, yours in service,



CA. V. Murali
Chairman
Board of Studies
ICAI, New Delhi

Vice Chairman's Message



CA Naveen N. D. Gupta
Vice Chairman, Board of Studies, ICAI

My Dear Students,

I am glad to note that the Board of Studies is bringing out a Handbook on "How to Face Common Proficiency Test".

The multi faceted knowledge a Chartered Accountant, enjoys through unique academic programme blended with practical training is what the business and industry need in the advent of globalization of Indian economy. And for gaining this knowledge, a student of Chartered Accountancy has to go through the rigorous training - theoretical as well as practical. He has also to demonstrate the professional knowledge and competence thus gained in the exams. He has to crack one of the toughest professional exams in the country. Scared of this many students give up the course in between. Mind you, it takes a few things to crack this exam - a proper mindset, a sharp memory, a good time management, a sincere preparation and effort and proper presentation of answers in the exams.

I am sure that this book will aid the students in proceeding along the right path in their endeavor to clear the exams and to join the profession in the minimum possible time. I appreciate the sincere efforts of the academic staff of the Board of Studies in bringing out this publication.

Wish you all the best,

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Naveen N. D. Gupta', written in a cursive style.

CA Naveen N. D. Gupta



Chartered Accountancy - A Passport to Success

Chartered Accountancy (CA) has emerged as a distinctive profession of overriding importance in the twenty first century particularly in today's free globalized world. Chartered Accountants in public practice as well as those employed in industry, finance and commerce are playing a wide variety of roles be it finance, management or policy making, both at home and abroad. In view of the major changes in the economy, innovative financial tools are being constantly introduced and the CA profession is also an integral part of these developments.

Chartered Accountancy is being increasingly acclaimed as the “best” professional qualification in this millennium of free market economy and globalization of trade and services. Education and training system of Chartered Accountants is such that after qualifying, a Chartered Accountant may go for public practice either of his/her own or in partnership with other Chartered Accountant(s); or else one may go for employment in trade, commerce, industry, finance, etc.

CA is an internationally relevant and accessible qualification – a go-anywhere passport to a successful career. In an age of growing globalization and intensified competition, modern business demands timely and accurate financial information. That is why, CAs are sought after by companies across the world. They are commercial business managers with wide-ranging skills. In view of the integrated scenario of the globalization, the world economic scenario is rapidly evolving. Apart from exciting opportunities and attractive pay-packages, Chartered Accountancy qualification is recognized internationally, and its reputation and value are maintained through high standards of assessment and

regulation. This is worthwhile to note that in terms of strength in core areas, viz. accountancy, auditing, taxation, CAs are far ahead and leaders. It is the professional qualification of choice for businesses worldwide.

The profession of Chartered Accountancy is looked upon with great honour and dignity. Chartered Accountants have developed this over the years through sincerity, devotion, and integrity. Due to the increasing demand for their services, the average earnings/ remuneration packages of Chartered Accountants has also steadily increased in the recent past. Hence a student, on successful completion of examinations and training, could look forward to a comfortable compensation package.

Purpose of this Booklet

The present attempt is an initiative of the Board of Studies to apprise the CA students about the nuts and bolts for preparation for a professional examination. The Board of Studies is committed to strengthen the educational base of the CA students.

The purpose of CA education has been conceptualized as that of preparing competent professional accountants imbued with a zeal to make life-long contribution to the development of the profession and the society. The role of professional accounting examinations in assessing the competence of candidates has been highlighted in order to view the Institute's own examination system in its proper perspective. Since the Institute's professional examinations have a thrust on testing both theoretical proficiency and practical competence of CA students, it is suggested that students should reform their approach to CA education and examinations and prepare accordingly.





2

Chartered Accountancy Course - Know Your Education and Examination System

Education, if simply stated, means the process of gaining knowledge, inculcating forms of proper conduct and acquiring technical competency. It also aims at bringing progress in practical fields to enable each educated individual of society to earn a living. Education of the various fields produces productive human resources, who can contribute to the creation of wealth for a country. Thus, it lays the foundation for the accomplishment of a person's dreams and aspirations. Education builds a resourceful individual out of a raw human being. Education contributes to the cultivation of a prudent person and paves path for this feeling of fulfillment. The true purpose of education is to bring about profoundness to one's emotions, to broaden one's perspectives and to lead to a healthier approach of looking at life.

Education and Training - An Integral Aspect

Modern-day education, whether for CA Course or any other course, is dominantly examination-driven. So much so, the purpose of education has come to be identified as qualifying in the relevant examination. Students are obsessively oriented to acquire just that much knowledge and skills, as to meet the examination requirements. It is to be emphasized that an over-emphasis on examinations is unlikely to lead to a sound and solid educational base. Examinations are no more than an integral element of the educational process and not the other way round. A clear recognition of the larger purpose of education is essential on the part of the concerned players so as to understand the role of examinations in a correct perspective.

In the context of the CA course, the purpose of education and training is to help students mould

themselves as competent professional accountants capable of making a positive contribution over their lifetime to the profession and society. Broadly speaking, education and experience (practical training) of professional accountants must provide a foundation of knowledge, skills and professional values that enables them to continue to learn and adapt to change throughout their professional lives.

Board of Studies - Provision of Academic Resources

Excellence in any professional course comes through consultation of high quality study materials and a meticulous study plan. Board of Studies provides multitude of academic resources of fairly high quality and dependable sources of study for students to enable them to develop the much needed intellectual base and inputs for assimilation.

Study Material

The Board of Studies has always been providing a comprehensive study material on each and every subject. The aim of the study material is to cover the entire course which is sub-divided into various chapters. The presentation of the subject matter is done in a manner so as to enable the students to grasp and understand the subject and strengthen their knowledge in the particular area. The study material also aims to define and confine the scope of syllabus while developing each topic. An attempt is also made to provide simple illustrations to highlight the difficult topics in a lucid manner. The Board of Studies updates its material on a periodical basis.

Model Test Papers

For CPT students, the Board of Studies has brought out Model Test Papers in two volumes. These volumes contain 30 Model Test Papers designed on the pattern of actual test. The questions have been prepared so as to expose the students to all types of questions such as one-line statement questions, fill-in the blanks, numerical based and table based questions, paragraph based and diagram based questions. These test papers are supplied along with the study material to the students.

The Chartered Accountant Student

The students' monthly Journal, published by the Board is another regular channel of communication with students, which contributes to the fund of knowledge required of CA students through Articles, Case Studies, Reports, Academic updates, Announcements, etc.

Board of Studies Knowledge Portal

Board of Studies Knowledge Portal is primarily to ensure free and unrestricted flow of knowledge and information to the students across the country by way of easy access to the latest publications of the Institute. Our efforts will, however, bear fruit only if you make it a habit to browse the portal as often as possible and assimilate the knowledge inputs contained therein.

Do make it a part of your daily agenda to surf through the Institute's website and be abreast with the

latest. The BOS hosts its latest publications, including study materials and model test papers also on the knowledge portal.

Students' Counselling

The faculty of the Board of Studies located at Noida is a rich source of academic support to the CA students. The full-time faculty for all the subjects of the CA course are ever ready to help students in answering their queries, in clarifying specific points and doubts on any relevant academic matters. In case students need any clarifications and have any suggestions to make for further improvement of the material contained herein, they may feel free to write to the Director, Board of Studies, A-29, Sector-62, NOIDA - 201 309 (UP) E-mail: bosnoida@icai.org

The Board of Studies also provides on-line help to students pursuing Chartered Accountancy Course. Students with their queries in any subject may contact the group at guidance@icai.org with their subject related problems and suggestions. Students, who do not have the facility to get guidance for solving their academic problems arising in the course of their preparation, may feel free to take advantage of this scheme.

A Word about Common Proficiency Test

Common Proficiency Test (CPT) is an entry level test for Chartered Accountancy Course. It is an objective type test of 200 marks of 4 subjects namely, Fundamentals of Accounting, Mercantile Laws, General Economics and Quantitative Aptitude with an objective to test the basic knowledge in these subjects. CPT is divided into two sessions of two hours each. In the first session there are two sections: Section A – Fundamentals of Accounting carrying 60 marks and Section B – Mercantile laws carrying 40 marks. In the second session there are two sections: Section C – General Economics carrying 50 marks and Section D – Quantitative Aptitude also carrying 50 marks. These two sessions are of two hours each, in between there is a small break.

(Note: Please see Appendix for the instructions which are given to the students along with the Admit Card and at the time of the CPT)

CA Examinations - Some Distinctive Features

There are certain elements of the CA examinations which are decidedly beneficial to students as under:

High and Consistent Standard of Examinations

One of the hallmarks of the Institute's examinations is their high but attainable standard, which could be met with adequate effort even by average students. There is also a remarkable consistency in the standard of CA examinations; it is not exposed to any vagaries since it is institutionalized into the CA system. These two features would decidedly be helpful to CA students in enhancing their self-assurance

by mobilizing their internal strengths to reach the expected standards and to experience a sense of achievement by performing well in the examinations.

Examinations Twice a Year

The June and December examination cycles are also advantageous to students. They are given two opportunities in a year to pass.

Multiple Choice Questions (MCQs)

The questions asked in CPT are MCQs type. Each question carries one mark and has four given choices. The students are required to darken the correct choice (circle) with a pencil in the given OMR sheet provided in the examination. The original test paper along with OMR sheet is to be returned before leaving the examination hall.

Passing Marks

A candidate to be eligible to be declared pass in CPT must secure a minimum of 50 percent marks in the aggregate of the maximum marks. It is clarified that there is no requirement of securing minimum marks in any subject/section in CPT, but appearance in both sessions of CPT is mandatory.

Negative Marking

For each correct answer, the students are awarded one mark and for a wrong answer students lose .25 mark.

Disciplined Conduct of Examinations

The Institute is among the very few bodies, which have an impeccable record in maintaining high quality of discipline in holding the examinations. The entire examination process is set in motion carefully and with clock-like precision; each stage is monitored closely, leaving nothing to chance. The Institute's examinations have earned a high credibility for the care and competence with which they are conducted.

APPENDIX



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

Common Proficiency Test

INSTRUCTIONS TO EXAMINEES

***These instructions were given during
the June 2011 Examination***

General Instructions

1. Immediately on receipt of admit card, please check whether the particulars printed therein are correct viz. Name, Roll No., Registration No., Language of question paper booklet, Examination Centre, etc. Please report to Additional Secretary (Exams.) immediately if any discrepancy is noticed. Further, note the candidates are being permitted to appear in ensuing CPT examination on PROVISIONAL basis subject to verification at the time of admission to IPCC i.e fulfilling the eligibility requirements as stipulated in Regulation 25D of the Chartered Accountants Regulations, 1988 of being registered with Board of Studies of the Institute on or before 5th April, 2011 and having already passed or already appeared in 12th Class or equivalent recognized examination.
2. It is advisable that every candidate visits the venue of the examination centre before hand to avoid any inconvenience on the day of the examination.
3. Entry to the Examination Hall will begin half an hour before the start of the examination in each Session. Late entry will be allowed up to 15 minutes of the start of the examination in each Session and no candidate will be allowed to leave until the examination in each Session is over.
4. A candidate must carry his admit card, black pen, HB Pencil, eraser, sharpener to the examination.

5. A candidate is eligible to appear in Common Proficiency Test to be held on 19th June 2011 if he fulfills the eligibility requirements i.e. he has been registered for CPT Course/switched over from PE-I to CPT Course on or before 05th April, 2011 and has already passed or already appeared in the 12th class examination.
6. No reference material/ study material books etc. and blank papers for rough work will be allowed to be taken inside the examination hall.
7. Every candidate will find his Roll No. written against the seat allotted and he should occupy the allotted seat only.
8. Every candidate is required to satisfy the Question. Booklet given is of the medium opted by him and contains the number of pages printed on the cover page of the booklet. In case of any discrepancy, he should ask for exchange of the Question Paper Booklet immediately.
9. The candidate must write his 9 digit Roll Number, as allotted to him and printed in the Admit Card on OMR Answer Sheet in boxes in black pen and darken appropriate circles with HB Pencil. Similarly, write Question Booklet Number as also the code viz. A or B or C D, as the case may be on OMR Answer Sheet. He should not write his Name, Registration Number and also not make any noting/ scribbling on the Answer Sheet and Question Paper Booklet except in the space provided for rough work.
10. Every candidate must sign the attendance register with Pen in each session separately against his name in the appropriate place. It may be noted that every candidate must present himself in both the sessions compulsorily. In case a candidate is present in the morning session and absent in the afternoon session or vice-versa, due to any reason whatsoever, he/she will be deemed to be absent in both sessions of CPT and his/her result will not be processed/prepared/published. In other words, the result of such candidates shall be cancelled.
11. No candidate will leave the hall without the express permission of the invigilator.
12. Battery operated Calculator up to 6 functions, 12 digits and 2 memories is allowed. Scientific calculator is not allowed.
13. Mobile Phone and all electronics gadgets (except Calculator as stated above) are strictly prohibited

in the examination centre/hall. Smoking, chewing tobacco/betel, intoxicant, etc. are prohibited. Any violation will tantamount to adoption of unfair means.

MOBILE PHONES ARE BANNED IN THE EXAMINATION CENTRE

Specific Instructions relating to Answer Sheet

14. Candidate should write in the OMR answer sheets correct Question Paper Booklet No., Roll Number and Question Booklet Code as given to him/her viz. A or B or C or D, with ball point pen and darken appropriate circles with H.B. Pencil. In case any candidate fills in this information wrongly, Institute will not take any responsibility of rectifying the mistake. The Question Booklet Code as darkened by the candidate will be final and the result will be processed on the basis of the circle darkened by him/her.
15. Each candidate will be given one Question Paper Booklet of English/Hindi language as opted by him and one OMR Answer Sheet (in English language only) for each session. He will be required to surrender the Question Paper Booklet together with Answer Sheet at the conclusion of each session of examination against acknowledgement by the Invigilator on the reverse side of the admit card. In other words, he will not be allowed to carry the Question Paper Booklet to home.
16. Each column in the answer sheet corresponds to the serial number of question given in the question paper booklet. In each column, there are four circles which correspond to the four options for answer of which one is to be darkened on the answer sheet only. Any answer marked/darkened in the question booklet will not be taken cognizance of and no marks will be awarded.
17. The Question Paper Booklet of each session will consist of 100 objective type questions. Each question will be of one mark and for every question, four options for answer will be given in the Booklet. The candidate is required to select one amongst the options as his answer and darken with HB Pencil that circle viz. A or B or C or D, as the case may be, to be the answer in the OMR answer sheet.

Marking the Answers

Example For each Question No. 52, if you Consider the correct answer to be C, mark as shown below (Correct method):	Not as shown below (Wrong method)
52 (A) (B) (C) (D)	52 (A) (B) (C) (D)
	52 (A) (B) (C) (D)
	52 (A) (B) (C) (D)
	52 (A) (B) (C) (D)
	52 (A) (B) (C) (D)

18. For each correct answer, one mark will be awarded. For each wrong answer, 1/4th of the mark earmarked for each question will be deducted. Multiple darkened circles for a question will be treated as wrong answer. And, for questions not answered i.e. blanks, a zero will be given.
19. A candidate to be eligible to be declared pass in CPT must secure a minimum of 50 percent marks in the aggregate of the maximum marks. It is clarified that is no of requirement of securing minimum marks in any subject/section in CPT, but appearance in both sessions of CPT is mandatory. Merit list up to 10th rank of the candidates securing a minimum of 60 percent marks will be prepared and candidates concerned will be informed. A candidate scoring 70 percent marks and above will be declared to have passed with distinction.
20. A candidate has the option to erase the answer if he wants to change the answer already darkened. In such a case, he should erase it completely with good quality eraser and ensure that no mark is visible after erasing.
21. Candidates are required to maintain complete discipline in the examination hall and for any misdemeanor on his part (i.e. talking to, receiving/ giving any help, copying from any text, defying instruction of the invigilator etc) will tantamount to adoption of unfair means in the examination. In such a situation, the candidate concerned will be expelled from the examination and will be subject to disciplinary action, as deemed fit, as per the Chartered Accountants Regulations, 1988.
22. Candidates may bring a card board or clip board on which nothing should be written so that they have no difficulty in darkening the circles in OMR Answer Sheet as the tables provided in the examination hall may or may not have even or smooth surface.

23. For any inadvertent printing mistake or framing of the question, he should write to the Additional Secretary (Exams). ICAI within a week of the date of CPT examination.

If the CPT registration number column is blank or registration number printed is not correct on the Admit Card please verify the same with the CPT registration number quoted in the letter of registration received from the concerned Regional Office of the Institute for correctness. Such a candidate may write his correct CPT registration number and date of registration to CPT course in the CPT registration column with pen in the attendance register the examination hall.



9. For each correct answer, one mark will be awarded. For each wrong answer, $1/4^{\text{th}}$ of the mark earmarked for each question will be deducted. If more than one circle is darkened for a question, it will be treated as wrong answer. For questions not answered i.e. blanks, a zero will be given.
10. Rough work, if any, must be done on the pages specified as SPACE FOR ROUGH WORK and nowhere else in the Question Paper Booklet and Answer Sheet.
11. When you have completed, even before time, remain in your seat. The Invigilator will come to you and collect both your Answer Sheet and Question Paper Booklet against acknowledgement on the admit card. No candidate can leave the examination hall till the end of the test.
12. Candidate found copying or receiving or giving any help or defying instructions of the Invigilators will be expelled from the examination and will also be liable for further punitive action.

WISH YOU ALL THE BEST FOR A SUCCESSFUL PERFORMANCE

Time : 2 Hours

Morning Session
(Sections A & B)

Maximum Marks: 100

Total No. of Printed Pages: 24

Question Paper Booklet Code **A**

Roll No.

Question Paper Booklet No. **380113**

Name of the Candidate	
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Answer Sheet No.

Signature of the Candidate



Make Your Study Effective

The thrust of this part is on the kind and quality of efforts needed to acquire knowledge embedded in the CA course. Studying calls for a conscious and concerted mental effort to examine, analyse and assimilate the contents of a topic, to reflect on their implications and to retain, remember and recall what all is assimilated. Learning effective study skills is a very important component; however, study skills alone won't make one a great learner. The first and primary goal when it comes to studies is to develop Smart Study Habits that will naturally promote and enhance one's learning experience.

How to Study?

The purpose of studying the various subjects in the CA course by the students is to acquire adequate knowledge whether it is basic knowledge, working knowledge or expert knowledge, as the case may be, so as to perform well in the examination.

As you sit comfortably in a serious learning mode and in a conducive study setting, you take up the first topic, consisting of say 5-10 or more pages in the subject of your choice for study. Give a quick reading in the first instance, size up its anatomy and warm yourself up for an intensive, in-depth study. As you study, understand the definitions of concepts, and highlight and note them down separately. You also have to analytically grasp and etch in your mind several aspects of discussion of the topic, for example:

- Central theme and structure of the topic.

- Various elements of the concepts and the underlying principles and assumptions.
- Linkages among the concepts and their facets.
- Similarities and differences among the concepts and processes.
- Steps involved in the various processes.
- Cause and effect relationship among the ideas and discussions.
- Characteristic features of a situation.

Desirable to make organized, brief and clear notes on all the important aspects as you study

You may prepare a set of small, simple graphics to depict some of the above aspects, so as to gain more understanding. Also, frame a few relevant small questions and problems and spell out answers and solutions. This will clarify your thinking better. Relate what you have already known on the topic with the new insights, if any. Ask yourself whether what you read makes sense. You can try 'humanizing' the matter of your study by thinking of a few examples in real life, a few human characters and role players. Read again those aspects and areas which you have not adequately understood; prepare a list of such areas which you have still not understood even after extra effort, so that you may quickly refer to other sources, like a text-book, friends, seniors, teachers etc. In a topic, each and every point or aspect may not be equally important. Some may be more important and the others less; segregate the former from the latter and also from needless details and peripheral areas.

After you finish studying the topic, take a pause for a while to reflect and recall in an organized manner the integrated picture of what you have understood. Look back into the matter again to check whether you have been able to recall all the important aspects of the topic. Make a simple summary in writing of what you have learnt at the end of the notes.

As you progress in the coverage of different topics of the subject, adopt the practice with a sense of determination and drive, which will definitely help you in the examinations.

Form a Study Group

There is a strong case for forming a small study group in the neighbourhood. The group may engage in collective study and learning of the various theoretical and practical subjects. They may assemble at a place frequently (twice in a week, for example), exchange feedback on their studies, understood/not understood during the last few days, try to clear doubts, reinforce their knowledge collectively, set a question paper by themselves and attempt it under examination conditions, exchange the answer papers for 'peer' evaluation and feedback and so on. These exercises have a synergistic value in the

sense that the amount of knowledge acquired collectively is more than the sum of the amounts of knowledge acquired individually. One can always learn more by learning together.

The study group may also act as a social group for brief relaxation oriented fun sessions to drive away traces of stress, fears and frustrations of group members.

The Nine Study Habits of Successful Students

Successful students have good study habits. They apply these habits to all of their classes and assignments:

1. Try not to do too much studying at one time

If you try to do too much studying at one time, you will tire and your studying will not be very effective. Space the work you have to do over shorter periods of time. Taking short breaks will restore your mental energy.

2. Plan specific times for studying

Study time is any time you are doing something related to your coursework. It can be completing assigned reading, working on a paper or project, or studying for a test. Schedule specific times throughout the week for your study time.

3. Try to study at the same time each day

Studying at the same time each day establishes a routine that becomes a regular part of your life, just like sleeping and eating. When a scheduled study time comes up during the day, you will be mentally prepared to begin studying.

4. Set specific goals for study times

Goals will help you stay focused and monitor your progress. Simply sitting down to study has little value. You must be very clear about what you want to accomplish during your study times.

5. Start studying when planned

You may delay starting your studying because you don't like an assignment or think it is too hard. A delay in studying is called "procrastination." If you procrastinate for any reason, you will find it difficult to get everything done when you need to. You may rush to make up the time you wasted getting started,

resulting in careless work and errors.

6. Work on the assignment you find most difficult first

Your most difficult assignment will require the most effort. Start with your most difficult assignment since this is when you have the most mental energy.

7. Review your notes before beginning an assignment

Reviewing your notes can help you make sure you are doing an assignment correctly. Also, your notes may include information that will help you complete an assignment.

8. Tell friends not to call during study times

Two study problems can occur if your friends call you during your study times. First, your work is interrupted. It is not that easy to get back to what you were doing. Second, your friends may talk about things that will distract you from what you need to do. Here's a simple idea - turn off your cell phone during your study times.

9. Review over the weekend

Yes, weekend should be fun time. But there is also time to do some review including consultation with a friend. This will help you be ready to go on.

Improving Concentration

- Study in a quiet place that is free from distractions and interruptions. Try to create a space designated solely for studying.
- Make a study schedule that shows what tasks you need to accomplish and when you plan to accomplish each task. This will provide you with the structure you need for effective studying.
- Try to study at that time of the day you work best. Some people work well early in the morning, others late at night. You know what works best for you.
- Make sure, you are not tired and/or hungry when you study. Otherwise, you won't have the energy you need to concentrate. Also, maintain your physical fitness.
- Don't try to do two tasks at the same time. You won't be able to concentrate on either. Concentration means focusing on one thing to the exclusion of all else.
- Break large tasks into series of smaller tasks that you can complete one at a time. If you try to complete a large task all at once, you may feel overwhelmed and will not be able to maintain your concentration.
- Relax; it's hard to concentrate when you're tense. It's important to relax when working on a task that

requires concentration. Meditation is helpful to many students.

- Clear your mind of worrisome thoughts. Mental poise is important for concentration. You can get distracted by your own thoughts. Monitor your thoughts and prevent yourself from following any that take you off track. Don't daydream.
- Develop an interest in what you are studying. Try to relate what you are studying to your own life to make it as meaningful as possible. This can motivate you to concentrate.
- Take breaks whenever you feel fatigued. There is no set formula for when to take breaks. You will know when you need to take a break.
- Studying without concentration is like trying to fill a bucket with water when the bucket has a hole in its bottom. It doesn't work.

Developing a Good Memory

Concentration of mind in intensive learning helps the student to quickly comprehend the study matter to the required extent, as also to remember it on a durable basis for purposes of presentation and communication at the appropriate occasion. In other words, it improves the efficiency and effectiveness of learning. There are a few simple ways to improve one's memory skill, which are listed below:

Intensive Practice

The students should have a high degree of patience for repetitively solving practical problems in the concerned subjects so that the whole mechanics of tackling and processing any type of problems get printed in their mind. They will be highly comfortable in the examination hall in attempting practical questions. So far as theoretical questions are concerned, remembering various portions of studies is possible, if they make several quick readings and revisions after the first round of intensive learning.

Be Well-organized

If a student prepares systematic notes on all the topics and keeps them in an orderly manner and refers to them frequently, his/her ability to remember the structure of the matter will be good. The process of recalling from the memory and presenting the matter in the examination are easy steps.

Observation

This is an easy and popular method of sharpening one's memory power. You observe a small scene, a set of things at a place, the titles of books in a small book rack, the headings on the first page of a newspaper etc. for a very short while, then close your eyes and recall what you have observed and read, count how many items you were able to recall. Sharpening the power of observation by regular practice is one way to sharpen one's memory power also.

Group Discussion

As stated earlier, formation of study circles and study groups for purposes of collective study and discussion are a powerful means of improved learning. Serious discussions and intensive exchange of views and insights on the things learnt, as also collective solution of practical problems are important ways of remembering various theoretical and practical topics.

Schematic Presentation

Another technique for improving memory is through use of tables, bullet points, diagrams, flow charts, circles etc. relating to the main contents of the subject matter. In addition, the formation of the memory codes by choosing key words and characters from the text contents will assist in easy recall and sequential presentation of answers in the examinations and to improve memory power.

Other important Aspects

Develop Deep Love, Interest and Respect for Learning

This is a matter of emotions and attitudes. Most students are in love with something or the other. So is the case with interest and respect. They respect their parents and other elders, teachers and other well-wishers. Similarly, they can be presumed to have a few interests or hobbies, capacity for emotions like love, interest and respect are thus in the blood of most humans, including students. Thus, with a little effort, it should be possible for students to develop a deep love, interest and respect for their studies and different subjects. It is only a matter of extending the above mentioned emotions to studies which are in fact more critical than everything else for their survival and success in life.

Keep your Mind Open and Healthy

Our mind has an enormous capacity for absorbing knowledge, ideas and information. Therefore, one should not foreclose any opportunity for learning new things or relearning already known matters. Students, especially, should be receptive and responsive to acquire the required amount of knowledge.

An open, receptive and healthy mind is a prerequisite for concentration on studies. A regular meditation for a few minutes may help the student to train the mind to remain cool, calm, clean and clear.

Keep yourself Physically Fit

Physical fitness and health are one of the essential pre-requisites for concentration on studies, as for any other activities. If you are physically fit, your mind will also be alert and active. The secret of keeping oneself physically fit and healthy is very simple: eat healthy and energy-giving food in moderate quantity

at regular intervals. Do regular physical exercises including Yoga Asanas, brisk walking or jogging, deep breathing etc. for a brief period daily. These exercises will also help reduce your physical and mental strain and stress and maintain your equilibrium.

Need for Relaxation and Recreation

The mind should not be kept too busy all the time, whether on studies or something else. It is necessary to allow the mind to liberate itself from serious matters for a while at regular intervals; relaxation, rest and recreation are like rich food for mind since they infuse the much needed energy and freshness. There are several ways to experience relaxation and recreation: sleeping, deep breathing, watching useful educational programmes on TV, reading light novels and other general books, playing with children, early morning walk, visits to uncrowded places of worship etc. However, each student has his own





4

Preparing for Examination - A Systematic Approach

This segment covers a few dos and don'ts for students to help them smooth-sail through the crucial climax scene the four hours examination time. In a way, tips for good examination performance can be summarized into 4Ss: Sincere, Studious, Systematic and Smart. These are the four pillars over which one can build up his saga of success as a student. Any search for short-cuts to success will be as futile as a wild-goose chase. The examination system of the Institute is one of the best systems in India and it has maintained very high standards of integrity, confidentiality and credibility over the years. It seeks to test the multifaceted knowledge which a chartered accountant is expected to have. Here are certain guidelines to help you get through the examinations:

Read Study Material Thoroughly

The study material would help you to develop a strong conceptual base. They give you the parameters within which you have to study. Make it a habit of going through them thoroughly as these will enable to understand the basic concepts of the subjects and develop your ability in understanding different concepts and applications. Besides, do refer to at least one standard text book and solve all the illustrations and problems therein. This will further build your conceptual clarity of a particular subject and strengthen your problem solving skills.

Practice, Practice and Practice

Practice makes a man perfect. Students must practice as much as possible. Many students start practicing from various books without first understanding the subject and the concepts involved. This approach is absolutely wrong. You need to make your base first and then start practicing. The MCQs given at the end of each chapter and Model Test Papers will be of great help to you in this regard.

The more you practice, the better engraved will be concepts in your mind. Don't indulge in selective reading; no part of the syllabus is less important and leaving any portion could be fatal.

Develop Your Learning Style

Be familiar with your learning style. Everyone learns in different ways. If you know your own learning style, then you have the capability to observe others. Discuss alternatives with friends or with fellow students you might be surprised at what you find out. Armed with these insights, challenge yourself to try some new tricks. Once you understand the style in which you most effectively learn, you will experience the most enjoyable and welcome feeling that of being in control.

Stay Focussed

It should be clear from the above that CA examinations are qualitatively different and more demanding than the Graduate and Undergraduate examinations conducted by the Universities. The attitudes and approaches of CA students to their educational training should accordingly be distinctly professional.

After committing oneself to an early start, students should take a good look at the syllabus for each subject and understand the major aim, theme, level of knowledge expected and the contents. They may jot down what they understand of the syllabus in the relevant file. A careful survey of the syllabus and study material contents will enable the student to size up, on a rough basis, the total magnitude of study task to be completed within the allocated time for each subject with a compulsory provision for adequate revision, two or three times, before the examination.

It needs to be emphasized that there are no magic formulae, quick-fix solutions or soft shortcuts for passing CA examinations or any other examination. Students would be well-advised to examine the suggestions with a critical, open-minded perspective and follow those which they judge to be nearer to their head and heart.

- Make goals: long/medium and short term and stick to them.
- Make a time table depending upon your aptitude and the time available.
- Maintain a strict regimen of study.

- Understanding the fundamental concepts is more important than making notes.
- Cut out disturbing factors like TV, Internet, mobile phones etc.
- Take short break after each hour of study.

Revise and Review

It is very important to study the reading materials at least 3 to 4 times. This would include:

First Reading

This will be more like a novel reading to gain overview;

Second Reading

This will be in-depth study where concepts emerge; and

Third Reading

This will be very intensive reading to fully understand the concept and to underline important points to be revised on examination day.

Visit Board of Studies Knowledge Portal

Make it a habit of visiting the Board of Studies Knowledge Portal. It contains all the educational inputs of the Board of Studies like latest study materials and model test papers. It also contains announcements like relevant list of publications, Accounting Standards and Standards on Auditing etc. applicable for the examination.

Students' Journal and Other Publications

The Students' Journal is another form of disseminating important information as it provides quality articles and academic updates that will help you in professional growth.

Attempt Model Test Papers

Model Test Papers are an essential tool as they help you understand the pattern of questions. Practice with as many different papers as are available. Try to arrange mock examination test on your own. Give yourself time to read through the questions before you start working out how much time you can allocate to each one. And set the same strict time limit for the whole paper, from start to finish, as the original examination allowed. It is hoped that this practice will do wonders in the preparation for your actual examination.

Time Management

A judicious management of time is a must as preparation needs to be sustained for long. This is quite challenging and calls for a very intelligent strategy to handle. Reach examination hall well in time. Plan your time so that equal time is awarded for each mark. Keep sometime for revision as well.

Moment of Reckoning: Presentation of Answers

Following points deserve a special mention:

- Avoid coming late for the examination.
- Relax before the examination; mind works well when it is in a relaxed state.
- Attempt those questions first which you are confident about.
- Read the question very carefully before you look at the answer.
- Always bear in mind that all questions carry equal marks: hence no need to waste time in attempting difficult and time taking questions first.
- Sometimes, choices given in the examination are very close and confusing, so while attempting the question carefully read all the choices before marking your answer.
- Don't ever resort to unfair and objectionable means during the examination time like consulting reading material or other students, trying to peep into other's answer books etc., which may land you into trouble. A decent and dignified behaviour by each one of you will enhance the esteem and image of the entire CA student community.
- Carefully read the Institute's rules and instructions on examination and comply with them.
- Do not make any distinguishing mark/appeal in the paper.
- Do not panic. Coolly attempt all questions and under no circumstance leave the hall in between.

A Word of Caution

A critical assessment of the performance of the students shows that they have not been very sincere and strategic with regard to the various papers in the examinations. However, the following points should serve as a warning to CA students:

- The depth of the knowledge of a large number of students is shallow and is based on short notes, booklets and oral education provided in the coaching classes in various parts of the country.
- A large number of students failed to study the "latest edition" of the Institute's study material and other materials relevant to the subject. It is a must to read the Institute's material at least 3 to 4 times and undertake practical solution for ensuring success.

- It may be noted that the Institute is committed to ensure that only those students, whose concepts are clear and who know practical application of the concepts and laws in various situations, clear the examination.
- There is no substitute to self study and unless all the theoretical and practical portions of the syllabus are gone through, success cannot be guaranteed.

An attempt has been made in the preceding paragraphs to explain to students the kind and quality of things they have to do to prepare for and perform well in CA examinations. The purpose of explaining all this is simple. It is to help students understand that passing the CA examination is within easy reach of all CA students. The road to success is straight and smooth no sharp bends, no craters, no booby-traps and not even red lights. Students have the desired amount of intellectual and professional potential for achieving early success. The educational and training inputs and other support services provided to the students by the Institute are more than adequate to prepare themselves for and fare well in the examinations.

Logically, when everything in the CA environment is so propitious and promising, why does it elude a large number of CA students? There must be a missing link and that is none other than the quality and content of preparation, presentation and performance required of CA students for success.

The suggestions, hints and tips, given in this booklet represent a modest effort to guide the students to recover the missing link and to re-discover themselves. It is hoped that they will do both and enjoy the sweet scent of success in CA examinations and later in their professional career.





5

Subject-specific Guidance

SECTION-A

FUNDAMENTALS OF ACCOUNTING

(Maximum Marks: 60) Level of Knowledge: Basic

The objective of the paper is to develop conceptual understanding of the fundamentals of financial accounting system.

The study material is divided in thirty one topics comprising nine chapters based on the curriculum. The topics have been arranged in the sequence which will help the students to understand the complete accounting cycle. Chapters 1 to 5 lay emphasis on book-keeping aspects of accounting whereas chapter 6 deals with preparation of financial statements of sole proprietors. Chapter 7 covers accounting for special transactions like consignment, joint ventures, bills of exchange and sale of goods on approval basis which can be entered into by different forms of business entities viz., sole proprietary concerns, partnership firms or companies. Chapter 8 discusses accounting of partnership firms and chapter 9 explains basic concepts of company accounts.

As one is aware, at CPT level multiple choice questions are being asked; therefore, lot of multiple choice questions have been provided at the end of each chapter/unit which will help students in appearing Common Proficiency Test. 30 Model Test Papers in two volumes are being published and provided to

the students along with the study material. These Model Test Papers will also serve as a useful and handy reference guide to students while preparing for CPT. These papers will also enhance the understanding of the students about the pattern of questions set and the manner of answering such questions within the given time.

The knowledge gained from thorough study should be translated in the form of comprehensive but concise notes. The conceptual knowledge underlying different topics may be digested within minimum time and minimum efforts with the help of these notes, without going through a number of books again. A summary of tricky points and adjustments gathered from the practice of various good illustrations may be prepared which will help in grasping the intricate practical aspects of accounting topics.

Some essential and desirable attributes of good examination preparation and performance are outlined as follows:

- (a) Finger-tip knowledge of fundamentals of Accounting is a must. Students are expected to be thorough with the basics of accounting and their application to various practical situations.
- (b) In-depth conceptual understanding of all the topics of the subject: Generally accepted accounting principles and accounting formulas form part of the conceptual background, apart from specific concepts integral to various accounting topics.

SECTION-B

MERCANTILE LAWS

(Maximum Marks: 40) Level of Knowledge: Basic

Law in a broader sense includes rules, regulations, guidelines, principles which seek to regulate relations of citizens with the state. There are also laws, which regulate business as they form an integral part of the society. The laws that govern and regulate trade and commerce are commonly known as 'Mercantile Laws'. These laws deal with rights and obligations of parties to a mercantile agreement.

At the Common Proficiency Test level, the aim of the Mercantile Laws paper is to test whether students have grasped the provisions of the statutes prescribed in the syllabus and also the level of knowledge required is only basic knowledge. The syllabus has been segregated into three chapters, covering the Indian Contract Act, 1872, The Sale of Goods Act, 1930 and The Partnership Act, 1932.

Importance should be given to understand the basic concepts/ definitions and analyzing the contents of the definition.

SECTION-C
GENERAL ECONOMICS
(Maximum Marks: 50) Level of Knowledge: Basic

Economics is considered to be the mother of all the social sciences. Therefore, an adequate knowledge of Economics is prerequisite for understanding any branch of social science be it commerce or management. Economics, therefore, has always been a part of the curricula of Chartered Accountancy course in India.

In the present course, it is being taught and tested at CPT level. This paper contains two sections, viz. (i) Micro Economics & (ii) Indian Macro Economic Environment. The objective is to develop basic understanding of concepts of Economics and the framework of the Indian economy within which the commerce and trade of the country are functioning.

The following suggestions will enable the students to prepare the subject of Economics well and tackle the paper effectively with confidence:

- One should thoroughly study the subject from the relevant study material provided by the Institute. It is advisable to make concise and comprehensive notes which could be referred at the time of final preparation. This way, the subject will get full imprinted in one's mind.
- At the end of each chapter an umpteen number of MCQs have been given. After reading each chapter, solve these questions to test your knowledge.
- Economics is a subject, which involves lots of graph work. It is not enough if the student merely looks at the graphs/diagrams in the study or books but should himself develop the diagrams on the basis of explanation given. This way, he will understand the logic behind the diagram.
- Another important feature of Economics is that it involves lots of Statistical data. It may be difficult to remember all such data exactly. But since it is MCQs based question paper students need to learn and remember such data. They should note all such data on a paper and should evolve some technique to learn such data especially important ones and the recent ones.
- Test yourself by solving the model test papers under examination conditions.
- Besides, you should regularly read some economic daily.

SECTION-D
QUANTITATIVE APTITUDE
(Maximum Marks: 50) Level of Knowledge: Basic

The basic objective of this paper is to make a student understand important quantitative tools and their elementary application to business problems.

The entire study material has been written in a simple and easy understandable language. A number of examples and illustrations have been incorporated in each chapter to explain various concepts. This will help the students to understand the entire topic in an easy manner. A reasonably good question bank included in the study material will help the students to prepare for the CPT examination.

The problems have been illustrated systematically. Students may attempt self-examination questions, which are given at the end of each chapter, after having complete understanding of the discussions made in the chapter and problems worked out therein. Do not skip discussions/ worked out problems until the rationale of the methodology followed is clear.

Should you face difficulty during the course of preparation, spare more time, tune yourself slowly with the given steps for better understanding of concepts, and techniques in solving the problems. Competence in these subjects can be achieved by mere practice in a regular manner. You are required to develop confidence of solving problems on your own.

Taking assistance should be the last resort to solve a problem. If you seek help needlessly either from a teacher or a classmate, you will not gain much benefit. The real learning lies in doing yourself. Do not get frustrated if a topic or problem completely puzzles you. If you do not seem to be making much headway after working on a problem, put it aside, and tackle it later with fresh mind. To supplement your preparation, it is right approach to solve the Model Test Papers brought out by the Board of Studies.



