



CMA VIDYARTHI

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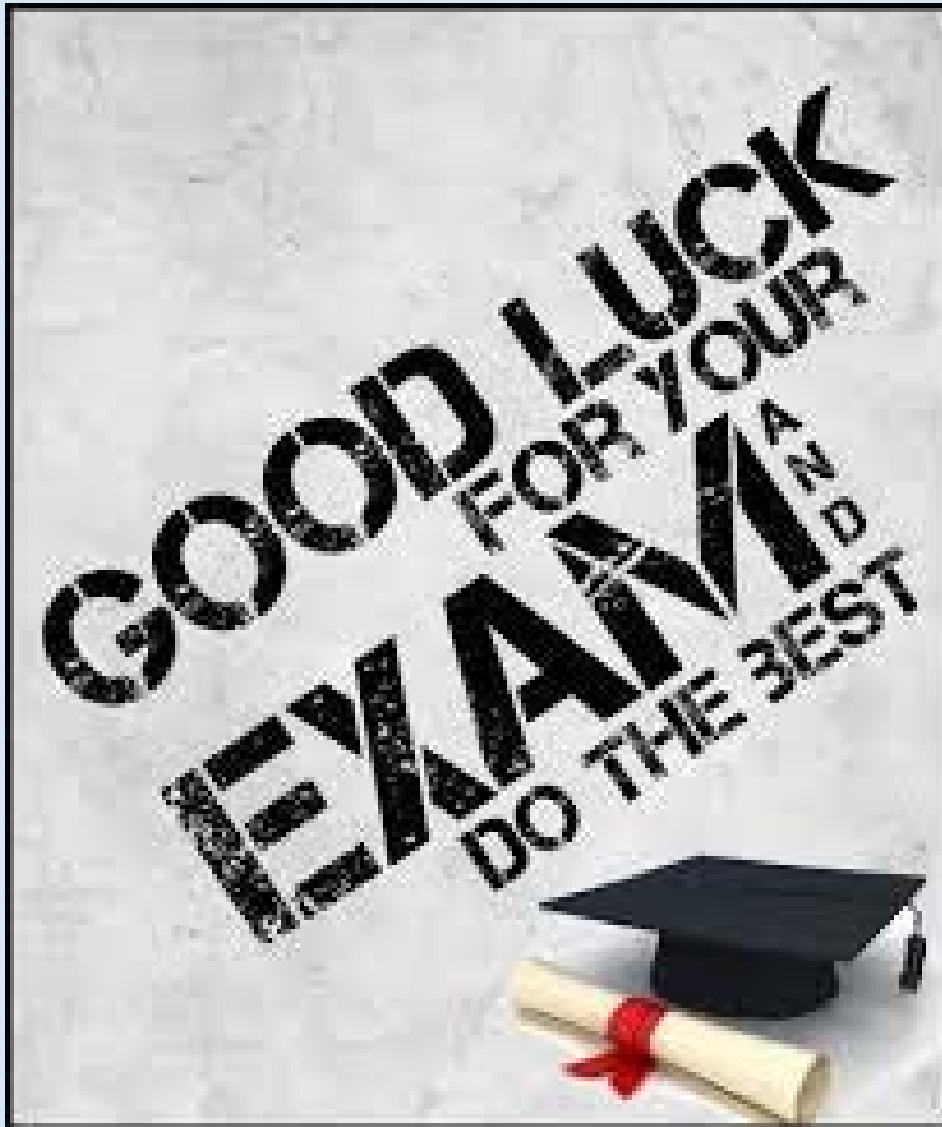
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E-Bulletin Vol. 2 For CMA Students Only November 2019



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From the Desk of Chairman



Dear CMA Students,

I am pleased to note that CMA Vidyarthi has received positive response from all the student fraternity from WIRC. The attempt by the WIRC Team to start an e-bulletin for the Students is admired and appreciated by all in the Institute. I am glad to note that WIRC Students have also responded well to our appeal of submitting of write-ups for the WIRC Bulletin. I hope that the enthusiasm will continue and rather spread across the region and the students will keep on contributing to their own e-bulletin and in the process will get a chance to improve their written communication skills.

Various Chapters of our Region has a very good practice of felicitating the students after the exam results are out and such programs of student felicitation are scheduled by many chapters. I congratulate all the chapters for such wonderful initiative and appeal to all the students to participate in such programs. These programs will offer you an opportunity to meet fellow CMA Students and also have acquaintance with senior members of our profession. As a budding professional you have to learn and understand the power of 'contacts'. In professional world your personal relations, contacts, rapport with colleagues will take you a long way. I am confident that you all will make best of these opportunities made available to you.

The Institute, Region & Chapters arrange many programs / seminars for the benefit of members & students. All such programs are meant for deliberations on technical topics and latest developments in the profession of CMAs. I sadly note that the attendance for such programs by our student fraternity is very poor. I sincerely appeal to all the students not to miss on such learning opportunities. These programs will help you acquire that extra piece of knowledge which will you make stand apart and counted in the competitive world. One such opportunity is presented by the Institute on 20th December 2019 in Mumbai. A National Symposium on Cost Audit

is organised in Mumbai on that date. This event is organised after a gap of around 6 years and as such is a rare opportunity to attend. I appeal to all the students who will not be busy with their exams to try and attend this event. This is also an opportunity for students, especially from Mumbai, to be part of the organising team. This will help you improve on your management and organisational skills. From my personal experiences, I can guarantee you that all these exposures are very handy to grow in your professional career.

The exams are upon us, to help you in your preparation, WIRC has planned to organise Crash Course for Final Students. I am sure that many of you will take benefit of this opportunity. WIRC will be introducing the Crash Course for Inter from next exam attempt. I appeal all the students to respond to these initiatives of the WIRC positively. If we do not get good response, then continuing with such initiatives becomes increasingly difficult.

I am sure that all of you, who are appearing for the exams, are putting all the required efforts. Give your Whatsapp, Insta, Twitter, Facebook, etc. rest for some time now and focus completely on the studies. I also suggest that take care of your health while you work hard, do spare some time on daily basis for relaxation and if possible some physical exercise, both healthy mind and body are required to achieve your goals in life. Finally be ready for that one extra push that will take you a long way. I wish all the students Best of Luck for the Exams, I am sure you all will make team WIRC Proud.

"Recipe for success : Study while others are sleeping; work while others are loafing; prepare while others are playing; and dream while others are wishing - William A. Ward"

CMA Neeraj Dhananjay Joshi
Chairman, ICAI-WIRC

24th November 2019



Planning for preparation of Exam

CMA P. D. Modh

Chairman - Oral Coaching Committee - ICAI-Ahmedabad Chapter
Mob.: 97277 67574

Now, there are hardly 15 to 20 days aheading of your exam of December 2019. I know you may be trapped one of the following.

1. Worries about exam, feeling shortage of time.
2. You are stuck, what to read and how to prepare for exam
3. You are reading but memories are a problem.
4. Vulnerability - consent changing mind from hope to hopelessness.

Solution is not difficult. Certain tips definitely help you.

1. Mild worries say positive stress is required to concentration. Wondering mode turn to focus mode. This is natural.
 2. When you are stuck, scheduling with priorities will help you.
 3. Don't much think about long term memories only working memory to write in exam is enough.
 4. Be decisive and vulnerability will not much affect you.
- Here is detailed sequence & material and guidelines, how to prepare subject-wise for exam in few days. I am confident, you will follow it, and result will be in favour.

Intermediate-Group I

Paper 5 - Financial Accounting.

Theory - Proper preparation of theory will help to solve 25 marks. Objective questions and one question of short note.

Practical Problems - Sequence of preparation.

1. Fire claim, Joint Venture & Consignment
2. Depreciation, Bad-Debts and Bill of Exchange
3. Branch & Department
4. Royalty & Hire Purchase
5. Single Entry & Non-trading
6. Self-Balancing
7. Accounting Standards
8. Partnership (Partnership is last, because there are 8 sub-topics, which are very lengthy).

Paper 6 - Law & Ethics

1. Ethics - 10% Marks
2. Company Law - Meetings, Directors, Independent directors, Audit Committee, Share (Buy-back, Right shares, Preference Shares, Debenture conversion, Sweat equity) Meeting (Types, notice, Proxy, courts, minutes). Directors (Rights, responsibilities, removal, remuneration) Accounts & audit.
3. Industrial Laws
4. Sales of Goods

5. Limited liabilities partnership
6. Negotiable Instrument
7. Contract Act (Special contract)

Paper 7 - Direct Taxation

1. Part 'C' Theory
Advance Tax, TDS, Assessment, Returns & PAN, (20% marks) - Entire theory.
2. Residence - Non Residence (10% marks)
3. Practical Problems (70% marks)
 - Business and profession profit & gain
 - House Property
 - Capital gain
 - Interest
 - Other income
 - Agricultural Income
 - Set off and carry forward
 - Various entity - Partnership, Co-operative society, Trust

Reading - Study notes, scanner and multiple choice of last 3 terms of CS-Executive exam.

Paper 8 - Cost Accounting

Theory will help you for 40 marks (25 marks objective questions and 15 marks Question-Answers).

Practical Problems

1. Contract, Job, Batch, Process, Joint product and Operating Costing - 30% marks
2. Standard Costing (Materials & Labour only)
3. Budgetary Control (Flexible, production and cash flow)
4. Overhead
5. Reconciliation and Integral.
6. Employee cost
7. Material Costing
8. Marginal Costing
9. Unit Costing

Material - Study Notes, Scanner (Papers since June 2014)

Intermediate-Group II

Paper 9 - Operation Management & Strategic Management

- 1) Strategic Management (30% marks)
 - Model - BCQ, ASnogg ADL
 - Concepts - SWOT, BPR, 7S Model
 Strategic Management, Strategic Planning
 - Environment, Process of Strategic Management, Production, Marketing, Human Resources &

Research strategies.

- 2) Operation Management
Practical problems - LLP Techniques, PERT/CPM, Simulation, Queuing
Comm. - Location, Layout, Scheduling, Break-even, Requirement of M/c., selection of machine, EOQ & EBQ

Paper 10 - Cost & Management Accounting & Finance Management

1. Transfer price
 2. Learning curve
 3. Budgetary controls
 4. Standard Costing
 5. Marginal Costing
- Finance Management

1. Leverage
2. Ratio
3. Working Capital
4. Capital Budget
5. Cost of Capital
6. Capital Structure
7. Dividend
8. Theory

Preparing theory will help for 40 marks. (20 marks in Costing & 20 Marks in FM).

Materials - Scanner since June 2014 & Study Notes

Paper 11 - Indirect Tax

1. Custom Act (20% Marks)
2. GST (from 1st to last)

Material - Scanner of CMA, CS & CA of last 3 term exams.

Paper 12 - Company Accounts & Audit

Company Accounts

1. Final Accounts of Companies
2. Cash Flow statement
3. Accounting standards
4. Share capital, Debentures & Redemption of Preference shares, underwriting shares
5. Accounts of Banking, Electricity & Insurance

Auditing

1. Study Notes 7, where 50% (i.e. 25 marks) question set from this study notes
2. Types of Audit
3. Internal Audit including CARO
4. Fundamental & basic of Audit

Refer study notes and scanner

Final Group III

Paper 13 - Corporate Laws

1. Company Act
2. Corporate Governance
3. Competition Act

4. Laws related to Banking sector & Insurance
5. FEMA
6. SEBI

Refer study notes and scanner of CMA, CS & CA and refer reference book of Munish Bhandari of Corporate Law.

Paper 14 - Advance Finance Management

1. Security Analysis & Portfolio Management
2. Financial Derivate
3. Financial Risk in International Operations
4. Mutual Funds
5. Capital Markets
6. Investment Decisions, Evaluation of Risks, Proposal & Leasing decisions
7. Commodity exchanges

Refer study note, scanner of CMA, Last 3 term paper of CA final.

Paper 15 - Strategic Cost Management

1. Application of Operations Research (Theory & Practical problems)
2. Standard Costing
3. Business strategy - (Life Cycle Costing, Target costing, Throughput costing and theory)
4. Decision making Team. (Marginal Costing, pricing decisions, ABC, Transfer Price)
5. Cost of Quality & TQM

Refer study note, scanner of CMA and 3 term paper of CA

Paper 16 - Direct Tax Laws & International Tax

1. International Taxation (30%)
2. Case study Analysis (20%)
3. Advance Tax Management.

Tax Planning, Tax Management, e.comm and all the topics

Refer study note CMA, Scanner of CMA and in addition CA Final at least 3 terms paper. Must refer in addition CA Final study notes and one good book on Taxation must refer. This paper required more attention.

Paper 17 - Corporate Finance

1. Holding companies including chairman holding
2. Amalgamation - Absorption and reconstruction
3. IndAS
4. Accounting Standards
5. Government Accounting
6. Theory - Recent trends

Paper 18 - Indirect Taxation

1. Custom law (20%)
2. Foreign Trade Policy
3. GST - 50%
4. Case study

Theory, Practical - Study should be in sequence.

Refer CMA study notes. Scanner of CMA and CA-Final and CS-Final atleast 3 term exam papers.

Paper 19 - Cost Audit & Management Audit

1. Management Audit in Diff. functions, corporate service Audit, Consumer Service Audit, Energy Audit, Productivity Audit, Corporate social responsibility audit.

2. Internal Control & Operational Audit
3. Basic of Management Audit
4. Cost Auditor (Professional Ethics & resp)
5. Cost Accounting Standards
6. Study Note 2
7. Basic of Cost Audit

Cost Audit - Practical Problems

1 Related with para	2 Related with Cost Acc. Std.	3 Related with Cost Acc. Principles	4 Related with Industries	5 Performance Related
1. Reconciliation 2. Value added 3. Ratio	1. CAS.2 2. CAS 7 3. CAS 4. CAS	Abnormal Loss	1. Waste 2. Multiplier 3. Sugar	Improvement profit

Practical problems are repeated. Scanner of CMA is more than enough for since 2014. This subject is highly scoring.

Paper 20 - (A) Strategic Performance Management

1. Economic Efficiency (including practical problem)
2. Enterprise Risk Management
3. Concepts of Performance Management

4. Tools of Performance Management

(B) Business Valuation

1. Valuation in Merger and acquisition
2. Valuation Models
3. Valuation of Assets & Liabilities
4. Business valuation basics

Refer study notes and scanner of CMA Strategic paper.

Report on Extended Campus Placement Held at Ahmedabad

Date : 11th & 12th November, 2019

Sr. No.	Name of Organization	Selected/Shortlisted
1	Astral Polytechnik Ltd	3
2	Befree (KPO)	9
4	Highly Electrical Appliances India (P) Ltd.	1
5	J Gupta & Co. LLP	2
6	Khimji Ramdas India Pvt. Ltd.	2

QUESTIONS FOR COSTING TEMPER

1. HAL is a PSU under Defence Sector and is under Cost Audit. State whether it is true or false.
2. IND AS-2 is related to _____.
3. A _____ cost refers to money that has already been spent and which cannot be recovered.
4. HSN is an abbreviation. Please expand it.
5. Direct Tax Code Committee Members has proposed new tax slabs for Income Tax Payers. What is the maximum rate they have proposed?
6. NCLT has approved Insolvency Proceedings against Jet Airways. Which is the section of IBC 2016 which states for such proceedings?
7. PNB will be merged with _____ and _____ as per the Government's direction.
8. BCG matrix has segmented into _____ categories.
9. Propriety Audit is also called _____ Audit
10. Alpha and Beta are common jargons used in _____ Markets

Answers will be provided in Next issue of E Bulletin



Positive thinking

CMA Abhay Deodhar

Vice Chairman, ICAI-Pune Chapter

Long long years ago there lived a king. He was very brave and was care taking of the people in his kingdom. However, he had physical disability in form of not having left eye and his right leg amputated below the knee. Probably on account his disabilities, he used to become angered on petty issues. Court members, ministers, advisors even family members were afraid of his sudden losing the temperament and firing the people.

The king was very much interested in art, music, sculpture, as such lot many exhibitions, concerts used to happen as well as lot many illustrative structures were constructed. So many artists performed in royal arena in front of royal family and dignitaries of the court and were handsomely felicitated by the king.

Once upon time, the king called upon some artists to draw his own portrait. However, looking to the disabilities of the ruler and knowing his occasional rudeness, all the artists but one indicated inability to draw the portrait.

The one artist who courageously came forward completed the portrait of the ruler and showed to the king. The king was pleased to see his portrait and handsomely rewarded the artist who ventured to finish the job. What was a magic in the picture, everybody wondered and the king showed the picture to all the people present in the court.

The picture portrayed the king in the position of the hunter ready to shoot an arrow on bow with one eye closed (to hide the lost eye), bent on the left knee (to hide the removed portion of the right leg).

Morale of the story : The king had disabilities, however the artist drew the picture in such a way that those are skilfully covered up and the king was depicted in full action to show his vigour, energy and bravery. This is how negative points / traits can be presented in positive way in order to produce best out of it.



Mandatory Law !

Paridhi Agrawal

Stage: Final

We, CMA students are well versed with the cost accounting standards, various laws that our gigantic syllabus offers and today I want to share a very famous law but it's use is still very uncommon.

It Stands for "The Power Of Subconscious Mind." According to the theorists, our surrounding is a mixture of emotions & particles. Our aura represents different positive-negative vibes that we attract from our surroundings. Have you ever wondered why it is always said "Think Positive" because these vibes multiply every second and we never know when our stars will fetch the positive multiplication and we get our desired result.

Sometimes we fail before our result is declared as we loose the battle against our mind. The most crucial organ

of our body is MIND which stands for "Moving In New Direction." We have the map but we fail to do the mapping of our objective. Nobody is a failure until the final result is declared, so whatever the scenario may be, train your mind to think the best possible that can happen and also avoid the usage of words like 'no', 'never' instead replace them with "I will", "I can."

Nobody is a perfect person, we all are imperfectly perfect. Life stands for dealing with the imperfections perfectly and that's all we need to do.

Remember that:-

Dreams will come true, always you should say... Mind is capable of turning things in our way...



A Study on - Impact of Capital Structure on profitability of Commercial Vehicle Companies

Mr. Sourabh Kuiya

Stage : Final

Introduction

The present era is the era of intense competition and survival of the fittest is the slogan of the corporate world. In such a scenario decision making has emerged as one of the toughest tasks as it decides the fate of every firm. Therefore, managers have to take into consideration the cause effect relationship while making a particular decision. The managers of present corporate world have to follow systems approach in their decision making because a decision taken in isolation can bring a firm to the verge of a disaster.

Of all the aspects of capital investment decision, capital structure decision is the vital one, since the profitability of an enterprise is directly affected by such decision. Hence, proper care and attention need to be given while making the capital structure decision. There could be hundreds of options but to decide which option is best in firm's interest in a particular scenario needs to have deep insight in the field of finance as use of more proportion of Debt in capital structure can be effective as it is less costly than equity but it also has some limitations because after a certain limit it affects company's leverage. Therefore, a balance needs to be maintained.

Objectives

The main objective is to find out the impact of capital structure on the profitability of the selected companies. Some other specific objectives are:

- To identify the profitability of listed Commercial Vehicle Companies over the period of study.
- To identify and analyse the relationship between profitability and capital structure.

Data Base and Methodology

The data-base is completely based on secondary data which has been collected from various web sites and annual financial reports of the sample firms. The reference period of the study is of three years which is from the financial year 2015-16 to 2018-19. In this study three (3) companies of commercial vehicle industry has been taken. The companies include (1) Ashok Leyland (2) Tata Motors (3) Eicher Motors.

In order to achieve the set objectives of the study, we have employed Ratio Analysis. These ratios are employed so as to confirm the relationship between capital structure and profitability.

Extract of Financials

Income Statement

(Figures in MINR)	Ashok Leyland			TATA Motors			Eicher		
	2015-16	2016-17	2018-19	2015-16	2016-17	2018-19	2015-16	2016-17	2018-19
Revenue	189,373	201,401	262,479	428,455	443,640	588,000	61,469	70,030	89,209
EBITDA	22,546	22,025	27,390	417,763	369,124	369,730	16,891	21,740	28,076
Depreciation	4,879	5,179	5,546	167,108	179,050	215,536	1,366	1,538	2,233
Other Income	1,176	1,363	1,898	11,189	-42,702	991	1,781	2,273	2,801
EBIT	17,667	16,847	21,844	250,655	190,074	154,194	15,525	20,201	25,843
Interest	2,476	1,554	1,312	48,891	42,380	46,818	21	36	53
PBT	16,367	16,655	22,429	141,258	93,148	111,550	17,285	22,439	28,591
PAT	11,998	15,585	15,748	111,007	60,636	68,131	11,895	15,236	19,232

Statement of Funds

(Figures in MINR)	Ashok Leyland			TATA Motors			Eicher		
	2015-16	2016-17	2018-19	2015-16	2016-17	2018-19	2015-16	2016-17	2018-19
Equity Shares	2,846	2,846	2,927	6,792	6,792	6,792	272	272	273
Reverses	52,296	58,415	68,721	782,732	573,827	947,487	36,259	53,179	70,028
Shareholder Fund	55,142	61,261	71,648	789,524	580,619	954,279	36,531	53,451	70,301
Long Term	19,951	13,922	5,172	619,612	744,891	779,944	226	444	1,508
Total Debts	19,951	13,922	5,172	619,612	744,891	779,944	226	444	1,508
Net Block Assets	47,920	49,708	49,742	1,064,720	952,708	1,238,826	7,707	8,453	15,017
Working Capital	-1,542	-4,414	-9,598	-110,965	-158,027	-89,309	-5,371	-7,389	-927
Application of funds	81,504	83,106	88,516	1,458,212	1,341,782	1,759,145	37,115	54,673	73,230

Key Financial Ratios

Particulars	Ashok Leyland			TATA Motors			Eicher		
	2015-16	2016-17	2018-19	2015-16	2016-17	2018-19	2015-16	2016-17	2018-19
Debt to Equity Ratio	0.36	0.23	0.07	0.78	1.28	0.82	0.01	0.01	0.02
Debt to Assets Ratio	0.42	0.28	0.10	0.58	0.78	0.63	0.03	0.05	0.10
Interest coverage ratio	7.14	10.84	16.65	5.13	4.48	3.29	739.29	561.14	487.60
Net Profit Ratio	8.6%	8.3%	8.5%	33.0%	21.0%	19.0%	28.1%	32.0%	32.0%
Operating Profit Ratio	10.0%	9.0%	9.0%	61.1%	33.2%	26.4%	28.2%	32.1%	32.1%
Return on Capital Employed(ROCE)	21.7%	20.3%	24.7%	17.2%	14.2%	8.8%	41.8%	36.9%	35.3%
Return on Equity	21.8%	25.4%	22.0%	14.1%	10.4%	7.1%	32.6%	28.5%	27.4%

Results and Discussion

Debt to Equity Ratio

(Figures in Times)

Company	2015-16	2016-17	2018-19	Mean	Std. Dev
Ashok Leyland	0.36	0.23	0.07	0.22	0.14
Tata Motors	0.78	1.28	0.82	0.96	0.28
Eicher	0.01	0.01	0.02	0.01	0.01

The above table depicts that most of the companies usually employee debt relatively low than their equity. Among these companies the ratio of Tata Motors as compared to other companies is relatively higher with a mean of 0.96 which indicates that this company is aggressive in financing its growth with debt. In case of Eicher this ratio is very low with a mean of 0.01 indicating that the

company wants to retain much control over the company .In addition, this company has minimum standard deviation 0.01 as compared to other companies during the period of study. Considering the above results Tata Motors is having maximum standard deviation of 0.28 which is relatively higher as compared to the standard deviation of other companies.

Debt to Assets Ratio

(Figures in Times)

Company	2015-16	2016-17	2018-19	Mean	Std. Dev
Ashok Leyland	0.42	0.28	0.10	0.27	0.16
Tata Motors	0.58	0.78	0.63	0.66	0.10
Eicher	0.03	0.05	0.10	0.06	0.04

The above table depicts that almost all the companies' use debt in financing their assets. Most of the companies use more debt in proportion to their equity. As depicted by table, we can clearly see that Eicher is using less debt in proportion to equity in financing their assets. This company is using debt with the mean of 0.06 indicating that the company finances its most of assets by equity. On the other hand the Tata Motors is using high debt than equity with an average of 0.66 in financing their

assets which also indicates that the company is highly leveraged one. Considering the Eicher their standard deviation is 0.04 respectively which implies that the companies have been using debt in relatively same proportion over the last three years in relation to their respective equities and also taken in consideration Ashok Leyland with an high standard deviation 0.16 which indicates that the companies are using debt in different proportions in different years in relation to their equity.

Interest coverage ratio

(Figures in Times)

Company	2015-16	2016-17	2018-19	Mean	Std. Dev
Ashok Leyland	7.14	10.84	16.65	11.54	4.80
Tata Motors	5.13	4.48	3.29	4.30	0.93
Eicher	739.29	561.14	487.60	596.01	129.41

The above table depicts that Eicher is having maximum interest coverage ratio as compared to other companies with a mean of 596.01 which indicates that the companies are having less burden of debt expenses. In addition to this these firms are highly debt attractive companies. On the other hand the companies like Ashok Leyland and Tata Motors are having minimum interest coverage ratio with a mean of 11.54 and 4.30 respectively indicating that these companies are much burdened with financial charges as compared to other companies under study.

Furthermore, it also means that these companies are not very much attractive enough in terms of debt financing. Taking into consideration the standard deviation of the companies under study, it is clear that the Eicher is having maximum standard deviation of 129.41 implying that the company is paying interest at a huge fluctuating rate and Tata Motors is having lower standard deviation of 0.93 as compared to other companies indicating that the company is constantly paying its interest dues in an average fashion.

Net Profit Ratio

(Figures in %)

Company	2015-16	2016-17	2018-19	Mean	Std. Dev
Ashok Leyland	8.6%	8.3%	8.5%	8.5%	0.2%
Tata Motors	33.0%	21.0%	19.0%	24.3%	7.6%
Eicher	28.1%	32.0%	32.0%	30.7%	2.3%

From the above table it is clear that Eicher and Tata Motors are having maximum net profit ratio with the mean of 30.7% and 24.3% respectively as compared to other companies taken under study which indicates that these companies are in better position to cope up market challenges like price, competition, low demand etc., and also implies that these companies enjoy high profitability. Taking into consideration other companies, Ashok Leyland is having minimum net profit ratio with the mean of 8.5% comparing with the other companies under study indicating that this company is not in a better position to stand as compared to other companies with

prevailing economic conditions because of its low profitability. Taking into account the standard deviation of the companies under study it is clearly depicted from the table that Tata Motors enjoy highest standard deviation of 7.6% indicating that the company is earning their net profits at a fluctuating pace, while as taking a look on companies like Ashok Leyland and Eicher, these are the companies with lowest standard deviation of 0.2% and 2.3% as against other companies under study, indicating that these companies are enjoying net profit in a quite average manner.

Operating Profit Ratio

(Figures in %)

Company	2015-16	2016-17	2018-19	Mean	Std. Dev
Ashok Leyland	10.0%	9.0%	9.0%	9.3%	0.5%
Tata Motors	61.1%	33.2%	26.4%	40.2%	18.4%
Eicher	28.2%	32.1%	32.1%	30.8%	2.3%

From the above table it is clear that Tata Motors and Eicher are having maximum operating profit ratio with the mean of 40.2% and 30.8% as compared to other companies under study, indicating that these companies are bringing much efficiency in their operations. Whereas, Ashok Leyland is having lowest operating ratio 9.3% as compared to other companies under study implying that these companies are lacking efficiency in their operations. Considering the standard deviation of the companies

under study, as shown in the table in the table, Tata Motors is having maximum standard deviation of 18.4% explaining that the companies are earning their operating profits at highly fluctuating pace. On the other hand Ashok Leyland is with the lowest standard deviation of 0.5% when compared to other companies, implying that the company is earning its operating profits in an average fashion.

Return on Capital Employed(ROCE)

(Figures in %)

Company	2015-16	2016-17	2018-19	Mean	Std. Dev
Ashok Leyland	21.7%	20.3%	24.7%	22.2%	2.3%
Tata Motors	17.2%	14.2%	8.8%	13.4%	4.3%
Eicher	41.8%	36.9%	35.3%	38.0%	3.4%

From the above table it is clear that Eicher and Ashok Leyland are having the highest return on their capital employed with the mean of 38% and 22.2% respectively indicating that these companies are employing their invested capital more efficiently and economically. These companies are obtaining a satisfactory return on their capital over the period of study. On the contrary, the Tata Motors is obtaining less return on their invested capital

over the period of study with the mean of 13.4% indicating that these companies are very weak as compared to other companies when it comes to earning of profit on the capital employed. Taking into account the standard deviation of the companies under study, the companies with highest standard deviation Tata Motors implying that the company have earned at a good pace on their capital invested over the period of study.

Return on Equity

(Figures in %)

Company	2015-16	2016-17	2018-19	Mean	Std. Dev
Ashok Leyland	21.8%	25.4%	22.0%	23.1%	2.1%
Tata Motors	14.1%	10.4%	7.1%	10.5%	3.5%
Eicher	32.6%	28.5%	27.4%	29.5%	2.7%

The above table reveals that Eicher and Ashok Leyland are having maximum return on their investment with the mean of 29.5% and 23.1% respectively explaining that these companies are very efficient in employing their owner's funds and are providing due honour to the funds of shareholders'. Moreover these companies have earned much return on their investment as compared to other companies under study. On the contrary, the Tata Motors having least return on their investment with the mean of 10.5% indicating that the company is not very much efficient in earning that much of return on their investment as compared to other companies under study. Taking the standard deviation of the companies under study into account, Tata Motors is having maximum standard deviation of 3.5%. The companies Ashok Leyland is having minimum standard of 2.1% as compared to other companies under study indicating that these companies have earned the returns on their investment in a constant average fashion over the period of study.

Conclusion

The overall company wise conclusions of companies under study are given as under:

- Considering Ashok Leyland: its debt to equity ratio is in improving trend from 0.36 to 0.07 in 2018-19 company has significantly reduced its debts and also the company is serving its debt in an efficient manner. This has improved the profitability of the company. Company is having balanced capital structure and this shows effectiveness in employing its equity and debt capital. The company's capital structure is mostly composed of equity capital as compared to debt which

is less in proportion. Also the company is very good in employing its overall capital and that is one of the main reasons for this company to be very efficient in serving its debt as well as equity, which also implies that the company is accruing good profits and thus ensuring that its overall profitability is up to the mark. Thus it can be concluded for this company that it has a good mix of capital which is contributing to its profitability in an efficient manner.

- Considering Tata Motors: its debt to equity ratio highest among company under review and this company has increased its debt capital since last two years but its profitability has not increased in the manner in which the debt portion of the capital has been increased indicating that this company is not so effective in employing its capital and also points out that there is not a perfect mix of capital which should have otherwise contributed to profitability as expected. Company interest coverage ratio is also lower among all the companies under study and is unable to serving its debt in an efficient manner.
- Considering Eicher Motors: its debt to equity ratio is best among the company under study, company is cash rich with very low debt in its capital structure and its interest coverage ratio is best among other companies. This company is also among the most profitable companies under study which indicates its effectiveness in employing its equity and debt capital. Thus it can be concluded for this company that it has a good mix of capital which is contributing to its profitability in an efficient manner.

Costing Temper - Answers for October 2019

1. Continuous Improvement
2. Total Quality Management
3. Process Industry
4. 30th September
5. Unique Document Identification Number
6. Transport
7. True
8. Ture
9. Oil Industry
10. More



Insider Trading – A Grey Patch

Vishaka Nandkishore Sharma

Stage : Intermediate

Every economy has a parallel economy run by black money. Everyone knows but no one likes to talk about it. Similarly, insider trading in stock markets is a truth not spoken about much. Insider trading is the illegal practice of trading on the stock market to one's own advantage by having access to confidential information.

According to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, an insider is, "any connected person and/or any person in possession of or having access to unpublished price sensitive issue." A connected person could be a promoter, relative, director, etc.

Among the very first known cases of insider trading, one is of the 1920s where the public had invested their sum in a company that was built to fall apart. Albert H. Wiggin, an American banker, the head of Chase National Bank at the time, took cover of his wholly owned family corporations to hide the trade which doomed the company investors. Wiggin had sold 40000 shares of his company with his interest vested in the company's bankruptcy. This was like a boxer betting on his opponent—a serious conflict of interest. But during those days' insider trading was not illegal. Ironically, he made \$4 million doing something that would, down the years, become a serious economic offense.

Anything written about insider trading is incomplete without mentioning the likes of Harshad Mehta and Ketan Parekh of our country.

The Harshad Mehta Case from 1992, rose questions on the security and regulations of the Indian Market. Harshad Mehta, a well-known broker back in the days, took bonds of one bank and promised to find a buyer for their bonds. He then approached a second bank and accepted a cheque in his name and promised to find a seller for them. In Ready forward deals, brokers were merely supposed to be mediators between banks and the bank buying bonds of the other bank was supposed to draw a cheque in the favor of the bank and not the broker.

The money that he received from the bank was used to speculate in the market. Being a very reputed broker, it was not difficult for him to have access to confidential information of various listed companies. He used this to manipulate the market in ways that generated huge profits.

When the first bank approached him for their money, he took money from a third bank entirely to settle claims of first bank. For instance, the share price of ACC went from Rs. 200 to Rs. 9000 within a few months. Seeing the drastic rise in the market, people were tempted to invest their money in these shares. After all, who does not want to make a little extra? When the market prices were at their peak, Mehta sold all his shares. This continued until

a bullish sentiment prevailed the markets. When the market began to face bearish trends, the share prices started decreasing. In this phase, Harshad Mehta incurred huge losses and lost all the money that he was supposed to return to the banks.

A journalist, Sucheta Dalal, exposed Mehta's scam in the Times of India journal. In some people's opinion, Harshad Mehta did not do anything illegitimate. He was just able to make his way through loopholes of the system. We might instinctively disagree, but it certainly is a thought to ponder upon. The Central Bureau of Investigation arrested Harshad Mehta on 9th November, 1992 and kept him in Thane Jail. He later passed away on 31st December, 2001 due to cardiac arrest.

As if to continue from where his guru, Harshad Mehta, had left off, Ketan Parekh made the headlines as the second most important scam that rocked the stock market. It was believed that Parekh single handedly drove the stock market and was able to create a 200% annual return on some stocks. Similar to the fallout of Harshad Mehta, Ketan Parekh had lost the investors' money worth Rs. 2000 crores.

Both these scams happened in an era when digital trading systems were being set up in the country. The ignorance and unawareness of the investors made them bait for scamsters like Mehta and Parekh who chose to rank money above morality.

After the exposure of these scams, the Government of India, passed the Securities and Exchange Board of India Act, 1992 and conferred statutory powers to it. A few measures taken after these scams were:

- Rolling settlement systems, where all traders and brokerage firms were compulsorily supposed to settle all trades during the prescribed period.
- Trading cycle was cut short from a week to a day.
- It allowed banks to offer collateralized lending only through BSE and NSE to increase liquidity.
- It imposed a 10% circuit limit to stock prices, meaning, stock prices could not move in one direction after the 10% limit, if so, trading in that scrip would be frozen.

The basic motivation behind insider trading is to take advantage of something that you know but others do not. The feeling of dominance over all drives our minds to ignore the harm caused to people by our actions. The investors who suffered due to these scams lost a lot of hard-earned money and the scamsters lost their trustworthiness. These scams did good to no one.

The occurrence of this phenomenon will continue to loom large on financial markets throughout as the human mind always figures out better ways to bend rules. Possibly, the frequency could reduce, if ably regulated.



Roadmap to CMA : A Guidance from the Personal Experience and Observations

Akash Ramvijay Gupta

Stage: Final

CMA (Cost and Management Accountant) is a professional course which offered in India by Institute of Cost Accountants (ICAI). The eligibility for the joining the course is the students can join after 10+2 study or after graduation degree (for more detail refer www.icmai.in).

Scope of CMA

In current scenario every organizations want professional person for their business working environment who provides an additional value to the organizations growth and development. So one can be getting hired easily if they can fulfill their requirements. The CMA is one of the professional field of study which provides specialized knowledge on business strategy and value creation.

"Once you gain thorough knowledge of everything required to present yourself as professional (CMA) no one can stop you to grow in your career." (My opinion)

Scope for CMA: CMAs are great demanding in;

- Government sector
- Private sector
- Banking and Finance sector
- Development agencies
- Service and Utility sector
- Education, Training and Research sector
- Foreign Countries and more

Why to pursue CMA?

As many students pursue the professional courses because they think there is no option for them to get better job with the bachelor's degree only. These thinking are somewhat true in current scenario. So one can pursue the professional courses with these thinking.

Let understand, professional course means the courses which make the person professional or specialized in their field of study. Like this CMA is one of the profession in commerce and management studies which makes the person professional in cost audit and reporting, managerial accounting, cost reduction and controlling, financial planning, budgeting and many other. So choose the CMA as profession if you have strong desire or can build the desire to work with dedication in the related field.

Don't compare the profession, Be the best yourself

Many students compares the CMA profession with CA, CS, Actuaries, MBA which is not good at all from any perspective. In short professions are not comparable as every professionals perform their specialized area of job/work related to their profession. For example; a doctor provides clinical related service not be comparable with nurse which provides care services to patient and aid to doctors for performing their work.

Is there need of personality development?

As CMA is the great profession in the field of commerce and management which have demand world wide. Every professionals need a good personality development i.e. soft skills (communication, body language etc.) and hard skills (computer knowledge, etc.), disciplines and moral conducts. A CMA inspired students need to acquire each and every skills from the very first day of joining the course.

"If you possess the right skills, You can use it anywhere required." (My opinion)

As I observed many students don't possess the right skills which required for the profession even after the attempting exams or completion of exams. And same they are blaming for not getting placed in placements or outside with higher salaried job.

"Acquire every skills which required by organization, Then let them decide why should they hire you." (My opinion)

How to advance your learnt knowledge with practical working knowledge?

- Join the Industrial Training (Internship) for gaining knowledge and competencies required in the field for working in organizations.
- As I experienced the many CMA students join industrial training for completion of period which is mandatory and many of them join the large organizations directly but sometime they don't gain proper experience there due to lack of skills required. So every students need to choose the right place for their industrial training to gain knowledge and competencies which help them in future for career building.
- Try to learn from the others experience and their mistakes which help you a lot for professional venue in future.
- Share your knowledge and experience with the others as much you can which help the others for their development.

"Sharing of knowledge is best way to enhancing your knowledge." (My opinion)

How to be updated with the happenings in the field?

As everyone want to have the new version of updated software in their mobile likewise organizations want a professionals with updated knowledge about what is happening in external environment.

Nowadays one of the important challenge in the professional field is that to be updated with current happenings and changes in external environment. So keeping yourself updated is need of professionalism.

One can use various ways to keep them updated which are listed as follow;

- News papers (printed)/ e-newspapers
- Magazines/journals
- Internet sites
- News channels and more.

Suggestions

Some suggestions are listed below which might be helpful;

- Make efforts to gain good theoretical and practical knowledge as much possible.
- Make efforts to gain proper required soft skills and hard skills.
- Build self confidence and make positive attitude towards the things.
- Dedicate yourself to achieve your goal whatever it might be.
- Divide your goal in steps i.e. short term, medium term and long (actual) term.
- Always try to be updated with current happenings in the related field.
- Learn from the others experience and share your knowledge and experience with the others.
- Do the activities which help you to make your future bright not for the survival of today only. (relate this with acquiring of soft skills, hard skills and internship i.e. industrial training and overall professional development)

STUDENTS ACTIVITIES

AHMEDABAD

Celebration of 150th Birth Anniversary of Mahatma Gandhi on 02-10-2019.

Chapter had organized Hindi Essay Competition and Drawing Competition for students, family members of chapter's members, staff and faculties. CMA Haren Bhatt, Chairman welcomed CMA Ashish Bhavsar, Hon. Secretary of WIRC, office bearers, members, family members, staff, participants & their parents and gave brief about Essay competition and Drawing competition.

In Essay competition, subject given to participants were as under:

- Where cleanliness is sovereignty
- From Mohandas to Mahatma Gandhi
- Thoughts of Mahatma Gandhi in 21st Century.

The Chapter also organized drawing competition for students and spouse of members & staff on theme based on swatchhata & Mahatma Gandhi. CMA Ashish Bhavsar explained about Mahatma Gandhi's vision on Swatchhata. He also advised to contribute towards clean and healthy environment not only to present but also for our future generation. The Program concluded by distributing prizes to winners of both competitions and certificate of participation to all participants in hands of dignitaries on dias and judge of competition. CMA Malhar Dalwadi, Secretary proposed vote of thanks.

Rangoli Competition and Dhanteras Pooja

Ladies wing of ICAI-Ahmedabad Chapter has organized Rangoli Competition on 25th October 2019. In total 13 candidates including members and students had participated in Rangoli Competition.

ICAI-Ahmedabad Chapter has organized Dhanteras Pooja at chapter office on auspicious festival of Diwali on 25th October 2019. Members & Staff members had participated in Pooja.

PUNE

Sports Events 2019

Trekking -

To enhance the importance of sports and fitness in one's life Chapter conducted Sports Events 2019. As a part of Sports Events 2019 Chapter arranged - Trekking at Parvati Paytha on Saturday 12th October 2019 on early morning at 07.00 am to 08.00 am. CMA Neeraj Joshi, CCM, ICAI & Chairman WIRC, CMA Nagesh Bhagane, Treasurer, CMA Nilesh Kekan & CMA Prasad Joshi, Managing Committee Member, Mr. Jaydeep Mane Deshmukh, Student Representative of ICAI-Pune Chapter participated in 'Trekking'. More than 25 students & staff members attended the event enthusiastically & enjoyed "Trekking Event". Mr. Shubham Jadhav & Ms. Aditi Mokashi were the winners of Trekking Competition 2019.

Drawing, Rangoli & Carrom competitions

ICAI-Pune Chapter organized Drawing, Rangoli & Carrom competitions on Sunday 13th October 2019- at

CMA Bhawan, Pune between 09.00 am to 01.00 pm. Many students participated in this competition.

Student's Day Programme

Student's Day programme celebrated by ICAI-Pune Chapter on 20th October 2019 at PVG College of Engineering & Technology's Auditorium, Pune to felicitate the students who excelled in ICAI Examinations held in Dec. 2018 and June 2019.

The Padma Shri. Murlikant Rajaram Petkar was the Chief Guest for the function. Other dignitaries on the dais were CMA Dr. Dhananjay V Joshi, Past President ICAI, CMA Amit Apte, Past President ICAI, CMA Neeraj Joshi, CCM ICAI & CMA Chaitanya Mohrir, RCM, WIRC.

CMA Sujata Budhkar, Chairperson, ICAI-Pune Chapter, CMA Abhay Deodhar, Vice Chairman ICAI-Pune Chapter, CMA Smita Kulkarni Secretary ICAI-Pune Chapter & CMA Rahul Chincholkar, Chairman Student's Co-ordination Committee of ICAI-Pune Chapter.

A large number of students attended this program. The parents of prize winner students, faculties of the Chapter & Managing Committee Members of ICAI-Pune Chapter were present for this program. CMA Chaitanya Mohrir RCM-WIRC, congratulated newly qualified CMAs & Inter complete students & their parents.

CMA Neeraj Joshi, CCM & Chairman WIRC-ICAI congratulated newly qualified CMAs & Inter complete students. He also explained importance of communication & soft skill, practical training for CMA students.

Pune Chapter is the one of the Chapter who takes initiative to enhance the knowledge of CMA students by allowing them to attend the CEP & other programs arranged only for the members also.

Past President of ICAI CMA Dr. Dhananjay V Joshi congratulated the students & parents for their achievements. He expressed about global importance of CMA course. CMA Amit Apte, Past President of ICAI also congratulated successful students & their parents. He also gave important tips to CMA complete students.

Padmashri Murlikant Rajaram Petkar is experience in Army training. He explained his struggle in his life & how he wins the medals & Padmashri award.

On this occasion CMA Rahul Chincholkar, explained Scholarship and loan scheme of ICAI-Pune Chapter for Intermediate and Final students. Scholarship of Chapter and in fond memory of Late Mrs. Malati Madhav Sheode scholarship for economically backward student (Declared by CMA Amit Sheode-Practicing Cost Accountant) were given by Chief Guest Padma Shri. Murlikant Rajaram Petkar to students.

Merit & rank holder students of December 2018 and June 2019 examinations were felicitated with certificates, cash prizes. Students who completed Intermediate & Final exams of December 2018 and June 2019 were also felicitated with prizes. Total 126 students were awarded the prizes. Students' day programme followed by Motivational Programme by Dr. Umesh Kankavlikar "Mi Vijeta Honarach".

THE INSTITUTE OF COST ACCOUNTANTS OF INDIA

(STATUTORY BODY UNDER AN ACT OF PARLIAMENT)

INTERMEDIATE AND FINAL EXAMINATION TIME TABLE & PROGRAMME - DECEMBER 2019

Day & Date	INTERMEDIATE (Time: 2.00 P.M. to 5.00 P.M.)		FINAL (Time: 2.00 P.M. to 5.00 P.M.)	
	(Group - I)	(Group - II)	(Group - III)	(Group - IV)
Tuesday, 10th December, 2019	Financial Accounting (P-05)	-----	Corporate Laws & Compliance (P-13)	-----
Wednesday, 11th December, 2019	-----	Operations Management & Strategic Management (P-09)	-----	Corporate Financial Reporting (P-17)
Thursday, 12th December, 2019	Laws & Ethics (P-06)	-----	Strategic Financial Management (P-14)	-----
Friday, 13th December, 2019	-----	Cost & Management Accounting & Financial Management (P-10)	-----	Indirect Tax Laws & Practice (P-18)
Saturday, 14th December, 2019	Direct Taxation (P-07)	-----	Strategic Cost Management - Decision Making (P-15)	-----
Sunday, 15th December, 2019	-----	Indirect Taxation (P-11)	-----	Cost & Management Audit (P-19)
Monday, 16th December, 2019	Cost Accounting (P-08)	-----	Direct Tax Laws and International Taxation (P-16)	-----
Tuesday, 17th December, 2019	-----	Company Accounts & Audit (P-12)	-----	Strategic Performance Management and Business Valuation (P-20)

EXAMINATION TIME TABLE & PROGRAMME - DECEMBER 2019

Day & Date	Foundation Course Examination Syllabus-2016 Time : 2.00 p.m. to 5.00 p.m.
Tuesday, 10th December, 2019	Fundamentals of Economics & Management
Wednesday, 11th December, 2019	Fundamentals of Accounting
Thursday, 12th December, 2019	Fundamentals of Laws & Ethics
Friday, 13th December, 2019	Fundamentals of Business Mathematics & Statistics



The Institute of Cost Accountants of India

(Statutory body under an Act of Parliament)

organizes Symposium on “Cost Audit – Stakeholders’ Value Proposition”

20th December 2019, YB Chavan Auditorium, Mumbai



- INDUSTRY
- INDUSTRY ASSOCIATIONS
- GOVERNMENT DEPARTMENTS
- DIRECT & INDIRECT TAX AUTHORITIES
- BANKS AND FINANCIAL INSTITUTIONS
- REGULATORS
- STOCK EXCHANGE AUTHORITIES
- CONSUMERS’ FORUM
- INVESTORS’ FORUM
- ECONOMISTS
- SOCIAL ECONOMISTS

India has a mechanism of Cost Audit in place since 1965. The Cost Audit mechanism which is applicable for both manufacturing & service industry has a great potential to add value to all its stakeholders. Over the years, the cost audit has benefited corporates by providing productivity measurement and improvement models; Proper utilization of scarce resources & waste minimization; providing industry wide benchmarks for corporate competitiveness and so on. The Cost Audit has very important social and economic objectives like Consumer protection and fair pricing; Ensuring delivery of essential products and services at affordable price; Fair tariff fixation for utilities like, electricity, telecommunication etc.; Investors’ protection; Forewarning for industrial sickness to control NPAs and protect stakeholders’ interests; Validation of cost database for fighting anti-dumping measures or lodging dumping complaints in WTO regime; Check mechanism for tax evasion and ensuring proper payment of Direct & Indirect Taxes by corporate sector and many more...

Thus Cost Audit offers significant value addition to various stakeholders. It is a continuous endeavour of the Institute to get feedback from various stakeholders regarding their expectations, which guides and shapes the future developments in this mechanism.

Participation Fee: For Members: Rs. 100 Incl. GST

About the Symposium : We are inviting the dignitaries from various Ministries of Govt. of India, the Industry Captains, the Industry Associations, the Regulators, Economists, Social Economists, Social Thinkers, Forums engaged in protecting the interests of Consumers & Investors, Academicians, and Professional Institutes, to express their views on strengthening this unique mechanism of Corporate Governance of Indian origin.

The Technical Cell of the Institute is organizing this symposium to bring all stakeholders of the Cost Audit Mechanism together to evaluate the efficacy and highlight further expectations from this Mechanism for making India \$5 Trillion Economy.

For Registration, please send email to : wirc@icmai.in