

Sreeram Coaching Point

Advanced accounting of CA Final November 2008

The paper is very much time consuming and exhibits gloomy picture to the students' community as a whole. There is no solace whatsoever in the paper. A review is made from the students' point of view, question wise.

1. This is a chain holding problem with lots of adjustments involved. The catch of the entire problem lies in the classification of reserves and surplus as pre acquisition and post acquisition and the treatment of pre acquisition dividend in the hands of subsidiary company (Bolt Company Ltd).
2. Though amalgamation problem is seeming to be a tough problem but it is not so. But it would take a lot of time to understand that the solution is very simple. It is a straight lift from the Institute study material of PEII.
3. (a) For 8 marks, computation of Basic EPS itself will be consuming lots of time with previous years' information cramping the space. With details of potential equity shares given, it is for sure that students would be attempting the computation of Diluted EPS also for the current year as well as the previous years. Current year's tax rate is not given so as to add back interest after tax. A big loss of time is imminent
(b) Fund based accounting area is the only area where students would have felt easier, but here too there is a small twist. Interest on loans for loan fund is only an item of income; possibly some students would have taken this as expenditure. A careful study could have prevented that mistake. The problem is blessed with closing balance wherein it would involve reverse working to find out opening balance.
4. (a) It is simply a past exam question on Gross value added statement. Figures are doubled of May 1999.
(b) It is a surprise but an easier problem on NBFC. It is picked up from one of the past years RTP.
5. (a) Standard question on Revenue recognition, can be a cool zone for the students.
(b) A general question on cost vs Fair value basis of accounting in Indian AS. Pretty tough for the students.
(c) Logic of HRA is a cake walk for the students.
(d) Many practitioners are finding AS 15 a hard nut to crack but puzzling many students.
6. (a) A simple question on the applicability of Companies (AS) rules, 2006 was posted would have surprised many. One more surprise in the question is that if the enterprise is a partnership firm will the exemption of companies (AS) rules would be applicable?
(b) Three short notes questions were asked on IFRS, NACAS and convergence of ICAI on IFRS show dynamism in the question paper.

Over all paper, unexpected areas, lengthy question (time consuming) have placed students in a tight spot. 4 Hours would be a tight is what a student lamented. Another one commented that it is a morale disaster paper.

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