

My dear friends,

This article (A compilation of tips) is written to help students who are weak in CA IPCC Accounts & Advanced Accounts to score good marks.

However the relevant part of this article is also applicable for all PRACTICAL SUBJECTS like Costing & Financial Management & Taxation.

The purpose of this article is to help the students in CA IPCC Accounts & Advanced Accounts subjects & other practical subjects & not to take any credit in any manner.

**I have got 62 Marks in PCC Advanced Accounts & 63 Marks in PCC Costing & Financial Management following some of these tips.**

It has been prepared in **15** pages.

Thus I would require that the students should read it in **free time & with free mind.**

The subjects Accounts & Advanced Accounts are the key things to the Chartered Accounts.

Thus I would require that IPCC students should prepare it in a perfect manner.

These 2 subjects are scoring.

Students only needs are the good strategy to Study, Writing Practice, Revision & Presentation Skills.

This article has been prepared in 7 parts.

These are as follows:

**Part I – The Mind Set ;**

**Part II – The Motivation ;**

**Part III – The Concept Clarity (Study Plan) ;**

**Part IV – Solving, not just reading ;**

**Part V – The Question Paper solving (Mock Tests) ;**

**Part VI – The Presentation ; &**

**Part VII – The Feedback.**

## **Part I – The Mind Set**

There are two types of subjects in CA IPCC & Final as well.

1. Practical (Calculation wale subjects) ; &
2. Theory Subjects (Including IT – SM).

Every students is not same.

Every students has different likes, dislikes & Interest as well.

For some students Practical subjects is strong point.

While for others Theory is easy.

You decide your strong & week point.

**Level of knowledge required in this subject is “WORKING KNOWLEDGE”**

**I personally believe that when you are studying something, if you understand its objectives & purposes behind introducing the subjects & concepts, you have done half study.**

**Thus students should understand the objectives first.**

**The Learning Objectives of the Accounts Subjects are as follows**

**Objectives :**

- (a) To lay a foundation for the preparation and presentation of financial statements,
- (b) To gain working knowledge of the principles and procedures of accounting and their application to different practical situations,
- (c) To gain the ability to solve simple problems and cases relating to sole proprietorship, partnership and companies and
- (d) To familiarize students with the fundamentals of computerized system of accounting.

**The Learning Objectives of the Advanced Accounts Subjects are as follows**

**Objectives:**

- (a) To have an understanding of the conceptual framework for the preparation and presentation of financial statements,
- (b) To gain working knowledge of the professional standards and application of accounting principles to different practical situations, and
- (c) To gain the ability to solve advanced problems in the case of different entities.

Note : - These objectives are copied from ICAI study Material.

## **Part II – The Motivation**

**Meaning – If you think only & only Positive, the Negativity can NOT at all look at you.**

# **Part III – The Concept Clarity (Study Plan)**

All of us know that the Accounts & Advanced Accounts subjects are practical based question.

Thus there is a **misunderstanding** among students that students should **only solve** the problems.

**Yes it is true that solving is necessary, in order to solve the problems the reading of theory is MUST.**

**Thus before start solving problems, you should understand the concept by reading theory.**

Prepare theory notes regarding steps to solve, logics etc.

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## **STUDY PLAN – KEY TO EFFECTIVE LEARNING**

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The paper of Accounting at Intermediate (IPC) level aims to lay a foundation for the preparation and presentation of financial statements of sole proprietors, partnerships and companies and also expects students to have working knowledge of the principles and procedures of accounting and their application to different practical situations.

### **Know your syllabus**

The study material of Paper 1 'Accounting' is divided in fifteen chapters/topics based on the curriculum. The topics covered under this paper include Accounting Standards; Financial Statements of Companies, Profit or Losses Prior to Incorporation, Bonus issue, Amalgamation and Internal Reconstruction (excluding problems on inter- company holding); Average Due Date, Account Current; Self Balancing Ledgers; Financial Statements of Not for Profit Organizations; Accounts from Incomplete Records; Hire Purchase and Instalment Sale Transactions; Investment Accounts; Insurance Claims for Loss of Stock and Loss of Profit; Issues in Partnership Accounts; Accounting in Computerized Environment.

The syllabus of Accounting has an appropriate mix of various topics of sole proprietorship, partnership and companies as the objective of the paper is to gain ability to solve simple problems related to different businesses entities.

### **Be familiar with the Knowledge inputs provided by the BoS**

Once you are aware of the syllabus, the next step is to find and assimilate the knowledge inputs which have been provided by the ICAI / Board of Studies, to study the paper. For better understanding of the paper, Board of Studies has provided following knowledge inputs:

1. Study Material
2. Practice Manual
3. Suggested Answers
4. Revision Test Papers
5. Mock Test Papers
6. Students' Journal for academic updates

Now, after knowing the various knowledge inputs provided by the Board of Studies, you should plan your studies.

## Planning – Time Management

You are advised to plan your studies on the basis of availability of time and the course contents. Planning for study of the paper 'Accounting' should be done in a manner which makes you go through the subject at least three times.

In Accounting, examination paper is purely practical based. Therefore, one has to do written practice of good number of questions on each topic. So, at the time of planning the study for accounting you should keep into mind the written practice of practical questions also. Considering the practical nature of the paper, start your studies from the day you receive the course material. As at Intermediate (IPC) level you do not have to undergo articleship training, therefore, it is suggested that you should study at least two hours a day. By doing so, you will be able to manage first round of complete study and two rounds of revision well before time. Your first round of study should be completed well in advance, that is, at least 3 months before your exam.

This is macro level planning about how to study but you should also plan at micro level i.e. time planning for each and every chapter in detail - when to start and by what time the chapter should be completed. Keep some time leverage as assimilation of the chapters may take more time than expected or planned.

Your second round of study i.e. your first revision should be over before one month of your exam. Your second revision should be in the last month before exam so that you will be in the position to remember all the concepts. These three rounds of study will help in boosting the confidence level for the subject and will make you mentally prepared to appear in the examination.

### First round of study

As you are aware that the syllabus of 'Accounting' covers Accounting Standards as well as other topics, so your planning should be divided in two parts namely-

1. Accounting Standards
2. Other chapters of the course curriculum.

Every day when you start your study, first go through the concepts which you have read last day then start learning new concepts. Remember, out of sight, out of mind. Ideally your first study should be within 24 hours of initial reading, the second within 1 week of reading.

### Part I- Accounting Standards

As accounting standards have been introduced to you for the first time in detail at this level, therefore, it is felt that we should give you an insight on accounting standards and how to study them.

Accounting standards are written policy documents issued by the ICAI. It covers the aspects of

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- recognition,
- measurement,
- presentation and
- disclosure

of accounting transactions in the financial statements:

It is not necessary that each accounting standard deals with all the above aspects. There are some standards which deal only with disclosure part like AS 1, while AS 3 deals with the presentation aspect only. However, AS 2, 6, 7, 9, 10, 13 and 14 as specified in the syllabus deal with recognition and measurement principles in specific along with certain disclosure requirements.

**Note:** The examples mentioned above are with reference to accounting standards which form part of the syllabus of Intermediate (IPC) Paper 1 'Accounting'. Only nine accounting standards are included at Intermediate (IPC) level even though there are in effect 31 accounting standards.

Each accounting standard has certain paragraphs in bold and italics which deal with the main provisions. Other paragraphs which are not in bold and italics are explanation to the paragraphs in bold and italics. Together the bold and italics paragraphs and normal paragraphs constitute an Accounting standard.

Some accounting standards are generally applied to any business like AS 1, 2, 6, 9, 10 and 13 while some are industry/segment specific for example AS 7 (which will be applied only in case of construction contracts) and some situational like AS 14 'Accounting for Amalgamation' which states set of procedures to be followed at the time the company opt for merger.

In unit 2 of chapter 1 of our study material of 'Accounting', we have given the explanation/interpretation of the accounting standards specified in your syllabus. Also at the end of the study material, we have reproduced the bare text of these accounting standards for your reference. It is advised that after studying each standard explained in chapter 1 refer the bare text of accounting standard for building strong conceptual knowledge on the accounting standards specified in the syllabus.

## Part II- Other Chapters

Once you study your accounting standard portion, you may study those chapters which are purely based on accounting standard. Such chapters are

Chapter 2 unit 2: Cash Flow Statement

Chapter 6: Amalgamation

Studying these chapters will revise your concepts on accounting standards which you have already studied in chapter 1 and will also make you understand and apply the provisions in the questions dealing with such standards.

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Since, Intermediate (IPC) level is the second level of chartered accountancy course and we have a paper on 'Fundamentals of Accounting' at CPT level also, therefore, the chapters which apply the provisions studied at CPT level (to an extent) may be studied next. Such chapters are:

Chapter 9: Financial Statements of Not-for-Profit Organisations

Chapter 10: Accounts from Incomplete Records

Chapter 14: Issues in Partnership Accounts

You can then proceed studying other important chapters on company's accounts viz Preparation of financial statements of companies, Profit or loss prior to incorporation, Accounting for bonus issue and Internal reconstruction; one question on which is generally asked in the question paper. At the end, study small chapters on which question ranging from 4 to 8 marks are generally asked in the examination. Such chapters include average due date, account current, self balancing ledgers, hire-purchase and instalment sale transactions, investment accounts, insurance claims for loss of stock and loss of profit and lastly accounting in computerized environment.

Chapter on 'Accounting in Computerized Environment' is a theory based chapter but question asked in the question paper is not a straight forward question. Your study should be application based so that you may analyse the requirements of the question and answer them in a desired manner.

## Use of BoS Knowledge inputs in a systematic pattern

### Step 1 Study material

To lay a strong foundation of the understanding of any particular topic, study material explains the concepts of each and every topic in detail with adequate illustrations. Study the underlying concepts and accounting treatment specified therein analytically before proceeding towards illustrations. Keep questioning yourself until you are absolutely clear on the topic. Solve the illustrations after understanding the topic. For example, in the chapter of Profit or loss prior to incorporation, one has to understand the reason why profit prior to incorporation is transferred to capital reserve and not to profit and loss account, what will be the treatment of loss prior to incorporation etc.

### Step 2 Practice Manual

After solving the illustrations given in the study material, solve the questions given in the practice manual. Practice Manual is highly useful for the students appearing in the examination as it includes questions from past examinations which would facilitate in thorough understanding of the chapters explained in the study material. In accounting paper, it is very necessary that one should practice a good number of questions dealing with different adjustments. Practice Manual will help serve this purpose. Your first round of study should cover both Study Material and Practice Manual.

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## Important points to be kept in mind:

### 1. Preparation of notes

Prepare concise notes in the first round of study itself. Your notes should be prepared in a manner, which supplements your understanding of the concept and the illustrations you have solved. You may either make a separate copy where you write down the important concepts of the chapter or can underline the important concepts in the book itself and read those underlined portion at the time of revision. You should also shortlist the illustrations to be revised again in your second and third round of study. Short listing of illustrations should be

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based on the difficulty you faced while solving the question. Besides preparation of important points of the topic (which will help you to recapitulate the whole concepts), a summary of tricky points and adjustments gathered from the practice of various good illustrations may also be prepared which will help in grasping the intricate practical aspects. Such tricky points or adjustments should be cross linked with the concerned illustration number so that at the time of revision you not only study the accounting treatment but also refer the whole solution again. These notes may also be accompanied by the proforma of relevant accounts and diagrams so that at the later stages of preparation, the conceptual knowledge underlying different topics may be gained within minimum time and efforts without going through a number of books again.

## **2. Use of proper and prescribed format for presentation of accounts**

There are some chapters which require the solution or financial statements to be presented in particular format. You should make it a practice to adopt the prescribed formats while solving and presenting the accounts of particular topics. For example: Financial Statements of companies should be in the format prescribed in the Schedule III to the Companies Act, 2013.

## **3. Recapitulation of previously read topics**

The chapter of Partnership accounts was also there in the paper of 'Fundamentals of Accounting' at CPT level. Therefore, here at Intermediate (IPC) level, you are required to whet your skills on this topic. Also the concepts and provisions read at CPT level lays down the foundation for studying and understanding the topics specified at the Intermediate (IPC) level. For example, concept of revenue and capital receipt and expenditure is applied in every topic while preparing the financial statements of an entity. Similarly, valuation of inventory, accounting for depreciation etc. are some of the topics the concepts of which are applied in general to all entities.

## **4. Keep yourself continuously updated**

We at Board of studies endeavor to update you with the latest amendments or notifications as and when they are issued. One of the sections in the Students' Journal is on 'Academic Update' which contains recent amendments in accounting also. You should develop a habit to read this continuously as it will help you in avoiding last moment pressure to acquaint yourself with all the relevant amendments. Also list of publication comprising of all relevant accounting standards and guidance notes are published well in time in the Students' Journal and the institute's website to apprise you with the applicability part of the same in the particular examination.

## **5. Keep in mind the inter-linking of various topics**

The provisions of accounting standards have to be kept in mind and applied while studying the related chapter based on the particular accounting standard. If your concepts are clear relating to a particular standard, you should not face any problem in applying the same to solve

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problems in an inter-connected chapter. Sometimes even though the chapter may not directly relate to an accounting standard, it may contain adjustments involving application of one or more standards.

We have made an attempt to explain with the help of tabular format given here under the manner in which concepts contained in the particular chapter of the study material have to be interlinked with the related provision in another chapter of the study material and read together:

Chapter / Unit No.	Name of the chapter/unit	Inter-linking
Chapter 1	Accounting standards	<ul style="list-style-type: none"> <li>• Nine Accounting standards have been specified in this paper viz AS 1, 2, 3, 6, 7, 9, 10, 13 and 14.</li> <li>• AS 3 is on Cash Flow Statement. There is a separate unit in chapter 2 which deals with Cash Flow Statement. All the provisions of AS 3 will be applied while preparing the cash flow statement of a company.</li> <li>• Similarly, provisions of AS 14 'Accounting for Amalgamations' will be applied in chapter 6 'Amalgamation'.</li> <li>• Provisions of AS 13 'Accounting for Investments' will be applied to an extent in chapter 12 Investment Accounts. For example value of closing balance of investment at the end of the accounting period will be cost or fair value whichever is less is as per para 14 of AS 13.</li> </ul>
Chapter 2	Financial statements of companies	<ul style="list-style-type: none"> <li>• Format of Schedule III to the Companies Act explained in this chapter is to be applied in the financial statements of companies required to be prepared in chapter 4 'Accounting for Bonus Issue', chapter 5 'Internal Reconstruction' and chapter 6 'Amalgamation'.</li> <li>• Cash flow statement is to be prepared as per AS 3 explained in chapter 1</li> </ul>

Chapter 3	Profit or loss prior to incorporation	This chapter applies the principle of periodicity read at CPT level in the paper of Fundamentals of Accounting.
Chapter 6	Amalgamation	Provisions of AS 14 should be kept in mind while studying this chapter.
Chapter 9 and 10	Financial Statements of Not - for - Profit organizations and Accounts from Incomplete Records	These chapters apply the provisions studied in the chapter 'Preparation of Final Accounts for Sole Proprietors' at CPT level.
Chapter 12	Investment Accounts	Provisions of AS 2 and 13 should also be remembered while valuing the closing balance of investment at the end of the accounting period.
Chapter 14	Issues in Partnership Accounts	In 'Fundamentals of Accounting' at CPT level, we had a chapter on partnership which dealt with profit and loss appropriation account of partnership firm, admission, retirement and death of a partner.

Other chapters though not specifically interlinked with any chapter but still apply the provisions already read earlier.



## **Part IV - SOLVING, not just reading**

### **Second round of study**

#### **Step 3 Suggested answers**

Your second round of study i.e. your first revision should cover practice of suggested answers of recent two to three examinations. Suggested answers of past few examinations give you an idea of what type of questions are asked in the examination and how to solve and present the solution for such questions in the examination. Solving the question paper in the examination situation will help you, not only in time management but will also give you the confidence to attempt different types of questions in the examination.

#### **Step 4 Revision Test Papers (RTP)**

After you complete revision of whole syllabus atleast once, you should solve the questions given in the RTP. For every examination, Board of Studies comes out with a Revision Test Paper. Revision Test Paper is issued for every attempt containing a fresh set of questions which will help you to evaluate your preparation level. RTP of Accounting is divided into two parts namely Part I: Recent amendments, notifications and announcements which are relevant for that particular examination and is not given in the study material or was not applicable in the immediate past examination. You will be able to know all such relevant information applicable for the exam at one place. Part II carries questions and answers for your practice. In Accounting, questions on each topic are given with full solution to enable you to get an insight on how to present the solutions in an orderly manner. In Accounting paper, RTP of past few attempts can also be referred subject to amendments for which you have to refer the latest Study Material and RTP.

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## **Part V – The Question Paper Solving (Mock Tests)**

Every faculty in practical subjects says to solve the problems & not just to read it.

I have already mentioned that the subjects Accounts & Advanced Accounts are practical based question.

After you finish your reading, close down your books & try to write solve the problems.

It may happen that your answer in first time is not correct.

It has happen to me also.

But if you have finished your class seriously or reading seriously, you will surely remember how to solve it.

The Chanakya said “Unless & Untill you dare to run in the competition, you can’t win”.

### **Third round of study**

#### **Step 5 Mock Test Papers**

After second revision of the complete syllabus, you may assess your preparation by taking mock tests conducted by various branches at their end. Also Mock test papers are hosted on the institute's website [www.icai.org](http://www.icai.org) which you may download and solve within a time period of three hours.

The While solving, your objectives should be

- On first solving – Accurate Answers with all the steps,
- On second solving – Accurate answers with all the steps ;
  - Within time ; &
  - Good presentation & Handwriting.

**VERY IMPORTANT TO NOTE THAT the first solving may be after reading theory without setting time & without sitting in examination condition.**

**While during second solving – it should be under examination condition.**

The question may arise in your mind that why problem solving practice.

The answer is the problem solving practice suggest you

- **Writing speed;**
- **Handwriting; &**
- **Presentation skills.**

Note that the handwriting needs not to be beautiful but at least it should be readable.

**Conclusion – Problem solving teaches you to have a balance between Handwriting & writing speed.**

**Most Important –**

- A) Practice more & more problem solving.**
- B) Even if your final answer is wrong, but you have solved all the steps or mentioned all the steps, you will get proportionate marks for it.**

### **Tips for examination**

General tips are already given in the first part of this booklet. However, we would like to also focus on following accounting related examination tips which you should keep in mind at the time of appearing for the examination:

#### **1. Use of proper formats**

Certain statutes prescribe specific formats for presentation of the accounts. You should take care of the same at the time of solving the questions in the exam. Accounts presented in the prescribed manner will help you in scoring due marks.

#### **2. Adequate Working Notes**

In accounts, your solution is generally divided in two parts viz- main solution and working notes. Working notes form part of your solution and carries marks. Therefore, it is advised that calculations made on your calculator should also be written in your answer sheet as working note, wherever required, neatly and precisely. Also your working note should be cross referenced with the figure used in the main solution so that examiner can easily understand that how you have arrived at the particular figure.

**3. Answer the questions with due emphasis on the provisions of Accounting Standards**

Support your answers/conclusions with proper reasoning. Answers for questions based on accounting standards should be supported with provisions of that accounting standard rather than a mere common sense or guess work. It is not required to quote paragraph number of Accounting standard but you are expected to quote accounting standard number alongwith the name of the standard. However, if you state, paragraph number of accounting standard, then it will add value to the solution and will also help create a good impression in the mind of the examiner. You should quote number of accounting standard or name only when you are sure. It is better not to quote than to misquote the accounting standard number.

**4. State the assumption clearly**

In case a question leaves room for making an assumption and there is a possibility of more than one assumption, it is important to clearly state the assumption you have taken and solve the question accordingly.

## **Part VI – The Presentation**

Note down some tips –

**It is NOT necessary to draw the ledger accounts by drawing lines.**

**You can write down in particulars column imagining one below another.**

**You can write down in amount column imagining one below another.**

**When you write a heading like Revaluation Account or anything, DON NOT use short cut words like A/c., if you don't have time to write, the examiner don't have time to evaluate your paper.**

**It is not possible that the practical papers covers full 120 marks of practicals.**

**ICAI know that for some students theory is easy while for some students practical is easy, thus few marks are allotted for theory questions.**

**Thus do not avoid theory in practical papers.**

**Some expert students & Famous faculties have given following tips that will help you.**

1. Write answer **pointwise** & avoid Paragraph writing answers.
2. **Avoid short cut words.**
3. **Leave a seprate line** between two points.
4. Each **seprate sentence** should start in a **seprate line**.
5. **Underline with a pencil** the main body of the answer & also the conclusion.
6. Each **sub – question** should begin on a **seprate page**,
7. There should be **Heading** to the answer & that heading of the answer should be **BOLD & UNDERLINED**.
8. **The vertical line on the Right hand of the page needs not to be drawn.**  
**It may be Imaginary. So you leave some space before your line comes to an end.**

**Moral – The presentation has good Marks.**

**Note - Part V of the article is also useful for all theory papers.**

# Part VII - The Feedback

I request you to kindly respond whether you like the above mentioned tips or not on the below mentioned e mail id.

It is ultimately beneficial for the students.

Also if you require any explanations on any of the above tips, you can feel free to ask me on my below mentioned e mail id.

You might have observed the presentation in this article.

Best of Luck for your EXAMINATIONS & FUTURE.

Note :- Some part of this article has been followed by me while some other taken from ICAI study material (Initial Pages).

Thanks & Regards,

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