



ANALYSIS
OF
CA
FINAL
EXAMS
(OLD SYLLABUS)

Class of 2009 November

.....A Prime Academy
Research Report

Prepared by:

S Satish, P Vijayalakshmi, N Malaiselvam

Source:

This document is based on sample data accessed from ICAI's website. The ICAI is in no way part of this analysis.

Caveat:

While all care has been taken to ensure that the data provided in this Report is accurate, the Academy will not take any responsibility for decisions that anyone may take on the basis of this report.

Our other Research Reports:

- Performance Analysis in CA-CPT December 2009 Exam
- Performance Analysis in All CA Exam (CPT, PCC, PE2, Final, ISA) June 2009
- Who are India's Top Auditors, 2006
- Analysis of Retail Industry, 2007
- Who are India's Top Auditors, 2008
- Attributes of a Great Teacher

Prime Academy P Ltd.

New No 20, Old No 10, Justice Sundaram Road, Mylapore,
Chennai - 600 004 (Near Sai Baba Temple) Phone : 2467 1478 /1298.
E-Mail : primeacademyindia@gmail.com. Website: www. primeacademy.com

How did “Class of 2009N (CA Final)” Fare

Like most examinations, the chartered accountancy examination is also shrouded in secrecy. While the Institute of Chartered Accountants of India (ICAI) does provide some inputs on the examination results, by and large, some of the finer details are not available for public consumption.

This Analysis of the **Nov 2009 CA Final** examination is intended to provide answers to a few pointed questions. Like:

- what the pass percentages are;
- how many failed because of “aggregate”,
- what was the quality of the candidates explained in terms of the marks scored;
- where did the candidates fail;
- did they fail marginally or spectacularly;
- which were the success subjects.

How did we do the Analysis?

We began by ascertaining how many took the exam. In statistics, this is called the “population”. To ascertain this we looked into the ICAI’s exam result website which says “Enter your five digit roll number”. So we tested out for a candidate with a Roll No 10,000; got a response and then in random checked out to find that there were no numbers beyond 38,180. Hence our ball park estimate is that about 28,000 candidates took the examination.

Random Sampling

“4% error estimate and 99% confidence level” means that if the check is repeated, then 99 out of 100 times the results would swing this way or that by a maximum of 4% in relation to the results that we get out of using this sample.

The next step was to decide the sample size. Surely it would not make sense to tap data of all the 28,000 candidates. The solution lay in applying the principles of sampling which auditors, psephologists and other analysts swear by. A software that we use suggested that for a 4% error estimate and a 99% confidence level the sample size should be 1003.

For simplicity we rounded off the number to 1,000. We then used the random number table generated by the software to decide on the candidates whose marks we would tap. Interestingly, 98 (162 LE) of the numbers selected did not appear in the ICAI exam result list. This could perhaps mean that 9.8% (16.2% LE) of the candidates did not elect to take the exams that they were supposed to take. We substituted this with a fresh set of 98 numbers, again using the Random Number Table generator.

Success Rate

Success rate is 18.9% (24.8% LE) over all, in the sense that of every 1000 candidates who took the exam, 189 (284 LE) found success in one group or the other.

What are the Findings?

We break the findings into 5 parts

PART 1: Passes-Good and Pathetic

The first critical number is the pass percentage. While it is easy to define “pass percent” in respect of candidates who took both Groups of CA final, the definition of “pass percent” of a Group can be tricky. We have chosen to look at it in two ways. One, to show the pass percent of those who take “one Group” only. And two, to show the pass percent of those who “Appeared in the Group” a k a composite results.

Table 1: Pass Percentage

Appeared	November 2009			June 2009		
	Total	Passed	Percent	Total	Passed	Percent
Group 1 and passed Group 1	163	24	14.7%	195	44	22.6%
Group 2 and passed Group 2	349	42	12.0%	273	39	14.3%
Both Groups	488			532		
Passed Group 1 only		77	15.8%		107	20.1%
Passed Group 2 only		9	1.8%		12	2.3%
Passed Both Groups		37	7.6%		82	15.4%
Total	1000	189	18.9%	1,000	284	28.4%
Composite Result						
Group 1*	651	138	21.2%	727	233	32.0%
Group 2*	837	88	10.5%	805	133	16.5%
Total	1,488	226	15.2%	1,532	366	23.8%

* Including those who wrote both groups

“Took Group 1 only” would mean that the candidate wrote that Group only and did not take the other group. “Took Group 2 only” would mean that the candidate wrote that Group only and did not take the other group.

“Appeared in Group 1” (a k a composite result) would include those who took both groups. “Appeared in Group 2” (a k a composite result) would include those who took both groups. Ditto when it comes to number of people who passed that group.

For example, if 100 candidates took Group 1 only, 150 took Group 2 only and 75 took both groups, the number of candidates who “Appeared in Group 1” would be $100 + 75 = 175$ while the number who “Appeared in Group 2” would be $150 + 75 = 225$. And if 30 passed Group 1 only, 20 passed Group 2 only and 15 passed both Groups,

Which attempt?

Unfortunately there is no way that we could find how many qualified during the current session. For, there would be some who had passed one Group earlier and now were passing the other Group.

the number passing Group 1 would be $30 + 15 = 45$, the number passing Group 2 would be $20 + 15 = 35$.

This we believe is the appropriate way of assessing pass percent of a Group.

A few quick conclusions follow from Table 1:

- The results are dramatically poor compared to June 09. The composite result is 15.2% (23.8% LE). To understand this we need to understand the number 1488 in our table. If one candidate took both groups he is counted as 2 candidates. From that stand point there are 1488 candidates. If a candidate passes both groups, it's counted as 2 passes. This gives a result of 15.2% which is a second indicator of success rate.
- At 21.2% (32.0% LE), the Group 1 result (including those who wrote both groups) is better than Group 2 result which stands at a pathetic 10.5% (16.5% LE). In both case performance is a dramatic drop over the LE.

PART 2: Success delayed, not denied

Table 2:

% of Failure	GROUP 1			GROUP 2		
	Nov 09	Nov 09	June 09	Nov 09	Nov 09	June 09
One subject	149	22.9%	24.9%	154	18.4	16.0%
Two subjects	142	21.8	16.8%	181	21.6	26.2%
Three subjects	107	16.4	13.8%	185	22.1	25.4%
Four subjects	84	12.9	5.0%	209	25.0	12.8%
Aggregate	31	4.8	7.5%	20	2.4	3.1%
Passed	138	21.2	32.0%	88	10.5	16.5%
TOTAL	651	100%	100%	837	100%	100%

Some argue that a candidate cannot be said to have failed a group when he has passed each subject in the group. Our view is that this is a faulty way of looking at things. In other words, look at the passing requirement as having two thresholds; first a 40 and then a 50.

Table 3:

% of Failure Failed in	GROUP 1			GROUP 2		
	Nov 09	Nov 09	June 09	Nov 09	Nov 09	June 09
One subject	149	29.0%	36.6%	154	20.6	19.2%
Two subjects	142	27.7%	24.7%	181	24.2	31.4%
Three subjects	107	20.9%	20.2%	185	24.7	30.4%
Four subjects	84	16.4%	7.3%	209	27.9	15.3%
Aggregate	31	6.0%	11.1%	20	2.7	3.7%
TOTAL	531	100%	100.0%	749	100%	100.0%

The pass mark per subject should be looked at as being 50 instead of 40 with the rider that the ICAI offers him a concession if he goes down by as much as 10 marks in any or many subjects so long as he compensates for the shortfall by scoring in other subjects! In other words, we look at the passing requirement as having only one threshold; namely 50 followed by a safety net of 40.

There is a very simple but very powerful message in this for ICAI. Market the examination this way, and there will be no “aggregate” complaint. In-fact, it would receive a compliment.

Here are a few observations:

- In Group 1, 6.0% (11.1% LE) of the total candidates who failed, failed because they did not get the overall

Aggregate Clause

Why did a candidate fail the exam? Was it because he failed in a subject or was it because he failed to crack the “aggregate” code? The “aggregate” clause has historically drawn a lot of flak amongst people; not just amongst the student community but amongst the academia as well.

The debate

The pass percent for Group 1 when a candidate sits for both Groups is remarkably better than that if he sits for Group 1 only. (21.2% vs. 14.7%). The pass percent for Group 2 when a candidate sits for both Groups is marginally lower this time than if he sits for Group 2 only. (10.5% vs. 12.0%). Whether this means that those writing both Groups stand a better chance of passing a Group or whether they are inherently better students is a matter of debate.

total of 200 in that Group, In other words they got their 40 in each subject but not the overall total of 200. In Group 2, 2.7% (3.7% LE) of the total candidates who failed, failed because they did not get a total 200 in that Group. We believe these percentages are too small for anyone to cry foul over the aggregate clause.

- The extent of failure in Group 2 is a lot more alarming than that in Group 1 with more than 76.8% (77.1% LE) of the failed students failing in 2 or more papers. The corresponding number in Group 1 is 65% (52.2% LE).

PART 3: The Marks Story

To understand the quality of performance it is instructive to look at the class interval of marks. This tells a very revealing story.

The range of marks scored in each subject is captured in Table 4.

Table 4: Range of Marks

Nov 09	GROUP 1				GROUP 2			
Range	ACCTS	MAFA	AUDIT	LAW	COST	MICS	DTAX	IND TAX
0-9	0	6	0	2	7	21	3	7
10-19	6	21	11	13	88	61	33	53
20-29	95	65	80	51	279	111	140	134
30-39	229	82	210	153	273	185	257	195
40-49	227	108	231	301	151	227	249	248
50-59	77	130	77	93	31	123	112	123
60-69	15	156	19	14	4	89	24	49
70-79	0	58	0	0	2	5	1	3
80-89	0	8	0	0	0	0	0	0
90-99	0	0	0	0	0	0	0	0
Absentee	2	17	23	24	2	15	18	25
Total	651	651	651	651	837	837	837	837

June 09	GROUP 1				GROUP 2			
Range	ACCTS	MAFA	AUDIT	LAW	COST	MICS	DTAX	IND TAX
0-9	0	1	3	6	2	1	3	9
10-19	10	7	22	16	49	9	59	41
20-29	79	31	77	52	178	54	202	129
30-39	194	62	168	141	263	124	280	171
40-49	202	146	372	319	217	214	200	268
50-59	186	159	64	146	70	251	44	124
60-69	50	185	9	34	23	116	11	51
70-79	5	102	0	0	1	27	0	4
80-89	0	21	0	0	0	1	0	0
90-99	0	1	0	0	0	0	0	0
Absentees	1*	12*	12*	13*	2	8	6	8
Total	727	727	727	727	805	805	805	805

*Includes one candidate in the sample whose result has been withheld

The performance is clearly best in MAFA not only in terms of the pass percent in that subject but also in the scoring rate (60 and above) though it has decreased in comparison to the June exam. The next best overall performance is in Audit, followed by Accounting and Law.

Pass Percentage and Scoring Rate

Table 5: Group 1

Subject	Accounts	MAFA	Audit	Law
Nov 09				
Pass percent	49.0%	70.7%	50.2%	62.7%
Above 60%	2.3%	34.1%	2.9%	2.2%
June 09				
Pass percent	61.1%	86.1%	62.9%	70.4%
Above 60%	7.7%	44.2%	2.9%	6.5%

When you compare the above tables you see that the percentage of students scoring past 60 remains consistent for Auditing. There has been a significant decrease in pass percent for all the subjects.

Table 6: Group 2

Subject	Cost	MICS	D Tax	Ind Tax
Nov 09				
Pass percent	22.5%	53.0%	46.1%	50.5%
Above 60%	0.7%	11.2%	3.0%	6.2%
June 09				
Pass percent	39%	76%	32%	56%
Above 60%	2.9%	17.9%	1.4%	6.8%

In Group 2, the results for Costing is pathetic with a pass percent of just 23% (39% LE). The number of people scoring over 60 is negligible except in MICS.

A slew of numbers in respect of each subject is computed to understand the quality of performance.

- The mean or the average marks (Table 7) gives a general idea of the performance of the student. This average is exactly 50 (55 LE) only in the case of MAFA. In the case of Audit, Cost and Direct Tax it is on the borderline 40. Should we then say that the class of 2009N has failed in these subjects? The average in Indirect Tax, Law and Accounts is under 42. Doesn't give scope for much joy.
- The average marks can be misleading. It can hide the overall performance on account of extremes at either end; big daddies and poor performers. The median mark is far more interesting because it tells you what was the mark which 50% of the candidates got. Very interestingly there is no material difference subject wise in the mean and the mode. Indicating that the performance of the class was generally uniform. The CA collegium is homogeneous.
- There have been zeroes scored in some subjects. Sad but true.
- It can be disappointing to get 39 in a subject. 21 candidates got just that in Accounts; in auditing the number was 24; in Direct Tax 25 and in MICS 19. It is another matter that none of these candidates did really well in other subjects to generate a sympathy factor.

Best in class
The best marks in each subject from our sample

Table 7: High, Med, Low:

Nov 09	Mean	High	Low	Med	Mode	Subject 39
Accounts	39	67	13	39	40	21
MAFA	50	89	5	52	60	5
Audit	40	69	10	40	42	24
Law	41	66	3	41	40	2
Total Group 1	165	253	16	170	200	NA
Cost	32	71	6	31	29	16
MICS	40	78	0	41	42	19
Direct Tax	38	70	8	39	45	25
Indirect Tax	39	73	0	40	40	4
Total Group 2	146	244	16	149	154	2
Grand Total	229	497	16	204	200	2

June 09	Mean	High	Low	Med	Mode	Subject 39
Accounts	43	78	15	42	50	16
MAFA	55	91	8	56	66	4
Audit	39	64	2	40	40	5
Law	42	67	0	43	40	5
Total Group 1	177	273	15	181	200	NA
Cost	36	71	5	36	43	29
MICS	48	82	0	49	51	17
Direct Tax	34	67	0	34	40	25
Indirect Tax	40	73	4	40	40	3
Total Group 2	157	259	10	160	162	NA
Grand Total	334	527	118	342	342	NA

PART 4: Super Sixty

Sixty is considered to be an important number in professional examinations. In fact if you managed 59% this November 09, you would have landed yourself in the Merit List. So a look at how many got 60 in one subject, in two subjects can be instructive. Of-course the other importance of 60 is that, if you get sixty in a paper and yet fail the Group you are exempt from writing the paper the next time around.

This could be split in terms of all candidates and in terms of candidates who passed the exam. Getting a 60 and passing an exam is more creditable than getting a 60 and tanking an exam.

Table 8: 60 counts

60s	Nov 09 Group 1	June 09 Group 1	Nov 09 Group 2	June 09 Group 2
None	410	401	686	632
In One sub	215	266	128	145
In Two Subs	23	44	20	17
In Three Subs	3	16	3	11
In Four Subs	0	0	0	0
Total	651	727	837	805

A quick study from sixty

- No candidate has scored 60 in all four subjects of a Group
- Only a handful of students have managed to score past 60 in three subjects in Group 1.
- A fairly large number of students have scored more than 60 in one subject
- The number of students managing 60 plus in one subject is significantly less in Group 2. And in Group 1 hardly many have got 60 in more than one subject.
- Candidates appearing for both groups have done better than those who have appeared for only one Group in scoring past 60.

PART 5: The non-serious player

Drop Outs: There is the propensity amongst students to apply for the exams, pay the fees for it, receive the hall ticket and then not take the exams for a variety of reasons. While we have not taken these numbers in the computation of pass percents it would be instructive to find the dropout percents. Our definition of a drop out would be someone who has not turned up for all the subjects of the Group.

No student is marked as absent in all the four subjects of the group. The fact that some numbers in the sequence are missing could mean that these numbers are withdrawn possibly because the candidates did not take up the exam. As indicated earlier this is 9.8% (12.6% LE).

Half way drop outs: There is also a propensity amongst candidates to take a paper or two in a group and then drop out either because they had done the paper poorly or in their judgment their performance was sub-par and that they felt that they had no prospects of clearing the group. There would of-course be the legitimate reason of falling sick. Whether the sickness was because of lack of performance or otherwise is debatable.

Computing the proportion of such dropouts gives one an indication of non-serious candidates or candidates lacking in self-confidence.

Non-serious: Anyone who applies for but doesn't take the exam in full or in part; anyone who gets less than 20 marks in a subject is in our definition a Non-serious player. In Group 1 the percent is 6.1% and in Group 2 is 12.5%.

The Merit List

Only one rank-holder (497 Marks 25th Rank) was thrown from the population of 1000 as against 4 in June 2009.

Table 9: Half way drop outs

Half way drop outs	Group 1		Group 2	
	Nov 09	June 09	Nov 09	June 09
Appeared	651	727	837	805
Wrote and Dropped Out				
After 1 paper	14	11	10	4
After 2 papers	8	0	7	3
After 3 papers	1	1	3	1

IN RETROSPECT

A quick summary of the findings would be

- Performance has seen a drop compared to June 09.
- The cause for failure is not the inability to get an aggregate but the inability to score 40 in each subject
- The pass percentage in each subject except MAFA and MICS is extremely low
- People scoring more than 60 in 2 subjects appears to be the exception
- Non-serious candidates, if you leave out those who did not take any paper, are negligible. and MICS is extremely low
- People scoring more than 60 in 2 subjects appears to be the exception
- Non-serious candidates, if you leave out those who did not take any paper, is negligible.

Drop outs

Students who have paid the fees and did not take up the exams for a variety of reasons stood at 98 (162 LE) out of the 1000. We then replaced those numbers with a fresh set using the software.