

Prime WORD

Some of you must be kick starting your road to CA with a PE1 and some with a PE 2. Others would have already cracked your PE 2 and would have ventured into Final. Whichever way it is, the road ahead would depend on what you decide to do. You can achieve only that which you can imagine. In today's world, anything is possible if you have the hunger to walk your dream. You don't have to trust me. Read the super racer, Lance Armstrong's book, **"It's not about the Bike, My journey back to Life"** for proof.

Suddenly the country is faced with the Reservation issue. Whether we should have it in the upper echelons of education is the debate. Will it compromise on our global competitiveness is another question. But most fundamentally is it morally right? Graffiti covered this in its Oct 05 issue, long before it had become a national potboiler; an indication that your Newsletter is ahead of time.

Graffiti hopes to be your platform for creative writing.

Winning Strategies

It is important to succeed. Today's world recognises only the winners. In a world full of opportunities it is necessary to do well in exams, build the right skill set for success in life and make the right career choice. The Academy's popular program **"Winning Strategies"** walks you through these and covers:

- | | |
|---------------------------------------|--|
| ▣▣▣▣ Winning Attitudes | ▣▣▣▣ Study skills... |
| ▣▣▣▣ How to plan, prepare and execute | ▣▣▣▣ Life skills to build |
| ▣▣▣▣ 3 P's and 3 I's of success | ▣▣▣▣ Getting the best out of Articleship |
| ▣▣▣▣ Winners' tales | ▣▣▣▣ Global Qualifications |
| ▣▣▣▣ Examination strategies | ▣▣▣▣ Global Opportunities |
| ▣▣▣▣ How to Manage Time | ▣▣▣▣ Personal Action Plan |

Presentation	:	Audio Visual
Date	:	29th June 2006
Time	:	5.30 pm (Please be seated by 5.15 pm)
Register with	:	Prime Academy Office
Registration Fee	:	Rs.75/-

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LISTEN



Coming Up.. Workshops

- Definition of Income – 8th June 06
- Career Strategies – 20th July 06

Global **Qs**

From Bean Counter to Business Strategist

Parvatha Vardhini C

In today's fast changing corporate world, the quality of strategic decision making is becoming important. Management accounting skills are influencing all areas of business and are valued in every sector.

World over, CIMA, offered by the Chartered Institute of Management Accountants, London has gained wide recognition as the leading management accounting award.

Entry Route

The basic entry requirement is a graduate degree with proficiency in English and Mathematics.

Syllabus Talks

CIMA CERTIFICATE IN BUSINESS ACCOUNTING

This is the foundation level. It consists of five subjects:

- C1 Management Accounting Fundamentals
- C2 Financial Accounting Fundamentals
- C3 Business Mathematics
- C4 Economics for Business
- C5 Business Law

If you have a relevant degree in accountancy or business, or if you have done CS or CWA, you are entitled to an exemption from this level. A CA is exempt from papers C1, C2 and C4.

CIMA PROFESSIONAL QUALIFICATION

You must complete or be exempt from the foundation level before progressing to the CIMA Professional Qualification.



There are 6 exams at Managerial level, 3 at the Strategic level and a final Test of Professional Competence in Management Accounting (TOPCIMA).

The syllabus comprises three 'learning pillars' – the Business Management pillar, Management Accounting pillar and the Financial Management pillar.

At **Managerial level** you can study the subjects in each pillar separately or you can study a selection of subjects across pillars. An Indian CA is exempt from Paper 7. On successful completion of the Managerial level, you will be awarded the **Advanced Diploma In Management Accounting**.

All three **Strategic level** papers must be taken together at your first attempt.

TOPCIMA has no specific syllabus. It is based upon a case study and set within a simulated business context.

Practical Experience Requirements

You must gain at least three years' relevant practical experience before you attempt TOPCIMA.

Registration and Fees

● The CIMA Certificate in business accounting is a computer based assessment (CBA). You must be registered with CIMA prior to taking the assessments.

● Registration can be done online (www.cimaglobal.com). The registration fee is £ 50 and the annual subscription is £ 75.

Examinations

● The paper based exams are three hour written exams. The pass mark is 50%.

● Exams are held twice a year, in May and November.

● Students can appear for the examinations at British Council Libraries in Bangalore, Chennai, Delhi, Kolkata and Mumbai.

Membership for CIMA should be applied within five years of completing TOPCIMA.

The Movers and Shakers

The management, analytical and decision making skills that you acquire through doing CIMA will give you many more career options, not necessarily in Finance.

In India, CIMA has professionals work in a variety of organisations including Leo Burnett, Cadbury India Ltd., Johnson & Johnson, KPMG, PwC, BG India, E & Y, EMI Virgin, Tarmac, Orange and Tatas. ▀

Auditing Salaries and Wages

When you audit, you need a check list. So that you look professional. So that you do not miss a trick or two. Here is the third of our many check lists designed by **Shivanand Pandit**.

NO.	QUERIES	YES	NO	N.A.	EXPLANATORY NOTE
1.	Are the pay scales approved?				
2.	Are the employment and fixation of salary approved by a competent Official?				
3.	Are such written authorities communicated to Accounts Department?				
4.	Are records kept for each employee exhaustive?				
5.	Are identity cards issued to all the employees?				
6.	Are time keeping and attendance recording functions separated from payroll preparation?				
7.	Is there adequate supervision of employees checking in and out?				
8.	Is overtime working authorised by a competent Official?				
9.	Are payrolls checked independently by another person and the same is approved by an authorised Official?				
10.	If payment is made in cash, is the net amount withdrawn from the bank?				
11.	Does the existing system prevents the inclusion of fictitious names in the wage sheet?				
12.	Are employees identified at the time of payment and their signatures are obtained?				
13.	Is written authority from an employee required for someone else to collect his wages?				
14.	Are surprise checks made at the time of wage payment by a responsible Official independent of the wages department?				
15.	Does the paying Official make an immediate record of all unclaimed wages handed to the cashier?				
16.	Are the unpaid wages periodically re-deposited in the bank?				
17.	Are deductions from wages properly recorded in control accounts?				
18.	Are employees advised of their gross pay, deductions and net pay?				
19.	Is the pay-roll completed in ink or other permanent form before it is approved for payment?				

A "NO" is unsatisfactory and calls for an explanation.



invites contributors. Cartoonists welcome. Send in cross-words. Inspiring stories from real life. Humour from the world of accounting. Your article should not exceed 1,000 words and should be original. Win recognition. And receive honorarium. Mail to: graffiti@primeacademy.com



Lessons from a **WINNER**

*Anthony Robbins, Motivational
Guru speaks to Dominick A.
Miserandino*

Motivational Guru Anthony Robbins goes over his coaching techniques and theories, and explains why people put themselves in bad states, and how to get out of them.

DM: *Do you ever have a bad day where you aren't as productive as you'd like to be?*

AR: That's the most commonly asked question anybody ever asks me! Honestly, I have times where I get frustrated, or I feel a bit overwhelmed, or whatever the case may be, but I just don't stay there. Those are normal human emotions, and you certainly experience them. They used to be the dominant force in my life. And when they happen, I just don't live in that place. That's really my message for people. I think all human emotions are valuable—disappointment is a valuable emotion if it's invested—but painful emotions are destined to call us out, to find something within us we're not using. To try to ignore them, to sit and dwell with them can be disastrous. I try to find the message, use it, and move on.

DM: *Is there that much of a similarity between training yourself mentally as you would physically?*

AR: You can't separate the two. The mind and the body are totally related. If I'm going to help anybody, whether it's a child or an athlete, the first thing I do with everybody is put them in a peak state of mind.

The state you're in is directly related to the way you use your physiology, your body. If you take somebody who's depressed, and you look at their body, they always have similar physiology:

Their head and shoulders are down. Their breathing is shallow. They talk slowly, they don't punctuate their words, and their voice trails off. If you take that same person and stand them up, put their shoulders back, and talk to them with an explosive breath, you will have them talking quicker, they will start to punctuate their words or their gestures, and you will see an instant change in their biochemistry.

It's not just the way they feel in the moment; it's knowing the triggers in the body that will put the person in that state. That's why when people work out, they tend to be in a much stronger emotional state, which they will become physically as well. That's why the two cannot be separated.

DM: *How long does such a process take?*

AR: Well, you can do something in a matter of seconds and change somebody in a moment. I was just dealing recently with a woman who was on Prozac and two other anti-depressants. The ultimate change can happen in your body. The best drugs in the world are inside your body. You can change in a matter of seconds.

There was a study done at Harvard University, where they took people and didn't give them placebos—they gave them Barbiturates instead, but told them they were amphetamines in a convincing manner. The people's bodies sped up (even though the drugs were telling them to slow down) and the same effect happened in the other direction.

People often say, "How long does it take to get good at something?"

I always tell them, "How long do you want it to take?" If you do it once a month, maybe it will take you twelve months; if you do it once a week, maybe it will take you four weeks. If you do it a couple of times a day, maybe it will take you two weeks. If you do it all day long, you can do it in two or three days and anchor it in.

The ability to instantly change your state of mind, so that you're absolutely certain and get yourself to take action in that moment when everything in your body is freaking out—it's what it's all about. It's being in the emotional state to get yourself to step through anything you're afraid of, and storm through it. People can use it for the rest of their lives. And they come to that end and condition their body, so they can use it at will.

DM: *Why do you think people get stuck in these negative states at times? Wouldn't it be natural for the body to want to be in a more natural state?*

AR: No, here's the truth. Your body chemistry, way of life, and way of breathing will reflect your emotional states. We live in a society that doesn't exactly encourage us to be in the fittest state physically, mentally, or emotionally. Closer to none of the above.

Here's another reason: We are a culture that rewards people for pain and failure with attention; and initially we reward people for success, but then our favorite thing is to jab them back down. If they are so successful, and we don't feel we are, we begin to feel insignificant.

The goal for us in life requires the fear of failure. If you fail, you're going to feel like you're rejected, you're not enough, and you won't be loved. People feel like they're worthless, and they won't be loved. These are unconscious fears in everybody, so it's much easier to have a big reason why you can't do something. It's easier to claim it's not your fault than it is to acknowledge you're gutless and don't want to put something on the line. ▀

Edited excerpts from the celebrity cafe.

Prime CASELET 5

Governance Gourmet

GreyCell was scowling as he sipped his coffee. FreeCell spoke up: "What's up dude?"

FreeCell looked at DryCell and grinned. They ordered an espresso each and took up the Café News letter to scan through it.

DryCell liked to look at the "singles" column while FreeCell loved to see what the astro said for his week ahead.

GreyCell looked up at them through his glasses and said, "Its high time the youth came into reckoning."

FreeCell was a bit startled. He had just read that Leos were going to have a pleasant surprise in the next three days. "What do you mean?"

GreyCell growled, "Everywhere I read, there is nothing but false promises, and tall stories. Politics isn't making our lives any better."

FreeCell: "So what's new about that?"

GreyCell: "So I say the youth need to pick up the line and get into politics"

FreeCell: "You think they can survive in this horrid world of politics?"

GreyCell: "Why not? Unless it was challenged that the world was round, didn't everyone think it was flat? It needs a circumnavigation of the globe to find out that its not flat after all"

FreeCell: "But those bigwigs will have their own ways of treating meddling youngsters"

GreyCell: "When you start taking things for granted, they will leap on top of your head and bang you good. Only when you put the foot on the brake will the juggernaut stop its ugly run."

FreeCell: "Yeah, else you will see mindless pursuits by the current crop hitting against each other, spreading the money boxes around their own kith and kin."

GreyCell: "Not to forget the crazy ideas to increase reservation limits. I mean,

you study well, you get a seat."

FreeCell: "Yes, it makes sense to have equality to education only when everyone has an equal chance of making it to the big stage. Not the back door entry to a few and others stuck up with their nose on the walls".

GreyCell: "This healthy growth rate of the nation has nothing absolutely to do with the governing bodies. The corporate world did their hard work and reaped the benefits by way of Forex. Employment rates peaked, the money power increased, it naturally led us northward."



FreeCell: "So how do you suggest the youth make their entries?"

GreyCell: "Unless we open the doors and windows, the air won't come in. If we expect the air to creep in through the keyhole, we will only suffocate and die."

"How do you expect those with dirty hands to clean the dirty stuff in this country? Only those with clean hands can clean the stuff."

"Either we need to change the entire system or one amongst us has to put up his hands with the soap and the bucket of water to clean it. And that can only be done by the youth."

DryCell suddenly put down his cup and said, "Dudes, I just have the answer to your questions. Lok Paritran! Just look at them, educated intelligent guys

out of IIT have enrolled themselves for the elections."

GreyCell: "Gimme that paper. Its true mates. Its so true!"

He went on to read the segment about Lok Paritran. It was about six men with good academic background who were exasperated with the rotten political system and wanted to make a change to this world.

Even though they were inexperienced, somehow their resolve to make things happen caught the attention of the media and the press.

FreeCell exclaimed, "That's great! Now we are talking. Guys like these should be coming in good numbers, so that we can really look forward to a good governance."

DryCell: "All those movies like Yuva and Rang De Basanti did have some effect.

GreyCell: "There is nothing that the youngsters cannot do for this country."

DryCell: Three Cheers for Lok Paritran and welcome more youth in to clean out this mire murky world"

FreeCell: "Here's to that! Cheers!" and they clinked their coffee mugs.

GreyCell: "If our youth answer the call to serve the country, it would be the most wonderful thing to happen in this country. That is when we really shall have the Gourmet of Governance to our liking"

FreeCell: "Don't worry, I am sure our future shall stand secure if they do come in, that is a promise I can keep unlike many that I hear of on television!" and he winked.

Hear ye hear ye, all youth out there... let's get together to bring the blossoms to this great nation that has seen many a great battle for freedom.

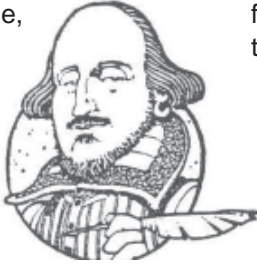
Let us hoodwink the hoodoo that the hoodlums have hooded unto us.

– **Karthik Narayan**

Shakespeare & Auditor...

Shakespeare:

if you love someone,
Set her free
If she ever comes
back, she's yours,
(if she doesn't,
she never was)
If she doesn't,
here's the poison,
commit suicide.



Optimist:

If you love someone,
Set her free
Don't worry, she will come back.

Suspicious:

If you love someone,
Set her free
If she ever comes back, ask her why.



Impatient:

If you love someone,
Set her free
If she doesn't come back within some
time forget her.

Patient:

If you love someone,
Set her free
If she doesn't come back, continue to
wait until she comes back.

C++ Programmer:

```
if(you-love(m_she))
m_she.free()
if(m_she == NULL)
m_she= new CSHe;
```



Lawyers:

If you love someone,
Set her free,
Clause 1a of Paragraph 13a-1 in the
second amendment of the Matrimonial
Freedom Act clearly states that....



Bill Gates:

If you love someone, Set
her free,
If she comes back, I think

we can charge her for re-installation
fees but tell her that she's also going
to get an upgrade.

Statisticians:

If you love
someone, Set
her free,
If she loves
you, the
probability of her
coming back is
high If she doesn't, the Weibull
distribution and your relation was
improbable anyway.



Physics Professor

If you love someone,
Set her free
If she ever comes back, it's the law of
gravity,
If she doesn't, either there's friction
higher than the force or the angle
of collision between two objects did not
synchronize at the right angle.

Mathematician:

If you love someone,
Set her free
If she ever comes
back, $1 + 1 = 2$ (peanuts!),
If she doesn't, $Y = 2X - \log(0.46Y^2 +$
 $(\cos(52/34X)) \times 5Y^{(-0.5)c}$ where c
is the infinite constant of no turning
point.



Chartered Accountant:

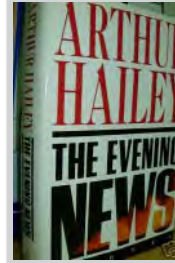
If u love someone, set
her free...
If she doesn't come
back, file a Disciplinary
Complaint, for
NOC against the other
who accept her!!
And If She comes back, Raise your
fee!As if she is not your love
but an audit!
But audit is, after all, our first love,
isn't it ??



The Evening NEWS

By Arthur Hailey

This spectacular novel "The Evening News" written by the veteran storyteller Arthur Hailey is set in the backdrop of the newsrooms of the CBA news network and portrays the cruelty and brutality of terrorism.



My heart leapt to the hero, Harry who loses his life in a rescue mission headed by him to save the kidnapped wife, son and father of the TV news anchor and celebrity and his rival Crawford Sloan.

Arthur's narration is at such pace that I got the feel of having watched a movie and one simply could not keep the book down. In this novel, Arthur sketches out the work culture in a news industry, the ego clashes, battles between news ethics and profit motives and hardships in the life of a newsman, the love and family bonding in such a fascinating style. Hats off to the author.

Finally it is one of the various great works of Hailey, which is surely worth reading. *- N.T. Veena*

Know some interesting facts...

The word "listen" contains the same letters as the word "Silent".

The **cockroach** is the first animal on 6 legs covering a **meter a second**.



The only two animals that can see behind itself without turning it's head are the **rabbit** and the **parrot**.

The names of the **continents** all end with the **same letter** with which they start.

- Anish Dey

When you are **right** no one remembers.
When you are **wrong** no one forgets.



LEGAL JUDGEMENTS

Important Decisions in PGBP

R Bupathy, FCA

1 Provision for liability towards leave encashment for that year:

Under the mercantile system of accounting all expenses incurred during the year are required to be booked in ascertaining the income for the year. The Supreme Court held that the provision for encashment of earned leave during the year was eligible for deduction, as not being a contingent liability in *Bharat Earth Movers v CIT* [2000] 245 ITR 428.

2 Provision for warranty liability for sales:

The assessee provided for liability on account of warranty, given for customers. The Delhi High Court held, where the reasonableness of the quantum of provision was proved by past transactions, such provision was an admissible expenditure. - *CIT vs. Vinitee Corporation Private Ltd.*, [2005] 278 ITR 337

3 Depreciation eligibility where leasing is the business:

The fact that the asset is not actually used by the assessee does not come in the way of depreciation for the lessor, since handing over of the leased asset during the course of leasing business would mean that it has been brought into use. The lease rent may fall to be assessed in the next year, but this should not make any difference to the claim of depreciation, as decided in *Multican Builders Ltd., v Cit* [2005] 278 ITR 142. (Kolkotta).

To elucidate, the asset could have been given on lease on 31st March, entitling 50% of the depreciation, while lease rent may accrue in the next financial year.

4 Manufacture - computer stationery:

Production of computer stationery is manufacture, since the end product

is commercially different commodity which cannot be brought back to its original shape, so such activity amounts to manufacture for purposes of section 80-IA as decided in *ITO v Punchline Forms* [2005] 278 ITR (AT) 165.

5 Can a claim for deduction of expenditure be made at the assessment stage?

The facts: The assessee had omitted to claim an expenditure in the return of income. The AO argued that that there was time limit for filing a belated return under sec. 139(4) / 139(5), for filing belated / revised return respectively and contended a fresh claim for expense after this time cannot be allowed.

Decision: "Had the Legislature intended to disentitle the assessee to make any claim of deduction/exemption after the expiry of the period specified under section 139(4)/139(5), for filing belated/ revised return respectively, it could do so by making a specific provision in this regard. Therefore, in the absence of such provision, the assessee was entitled to make

any claim of deduction/exemption in the course of the assessment proceedings and consequently AO was duty bound to adjudicate upon such claim, even though it was filed after the prescribed period under section 139 (5)" *Deputy CIT vs. Lab India Instruments P. Ltd.*, [2005] 277 ITR (AT) 39 (Pune)

6 Fee for advice on taxation-Deductible?

The case and findings: The assessee was retained by a company for advising on a demerger proposal. He received Rs.15000 as fees and paid Mr. R Rs.7500 for seeking an opinion on tax implications. Held that it was not necessary that the expenditure incurred must have been obligatory. It was enough to show that the money was expended voluntarily and out of commercial expediency and in order to facilitate the making or earning of income. Also held that there was no application of income but was spent wholly and exclusively for the purpose of making or earning income *CIT v Bhagwatilal G. Shah* [2005] 277 ITR 277 (Gujarath). ▀



Balance Sheet of Life

Our birth is our Opening Balance
Our death is our Closing Balance
Our prejudiced views are Liabilities
Our creative ideas are our Assets

Heart is our Current Asset
Soul is our Fixed Asset
Brain is our Fixed Deposit
Thinking is our Current Account

Achievements are our Capital
Character our Stock-in-Trade
Friends are our General Reserves
Behaviour are our Goodwill

Patience is our Interest Earned
Love is our Dividend
Children are our Bonus Issues
Education is Brands / Patents
Knowledge is our Investment
Experience is our Premium Account

The Aim should be to Tally the Balance Sheet Accurately, and The Goal should be to get the Best Presented Accounts Award. ▀

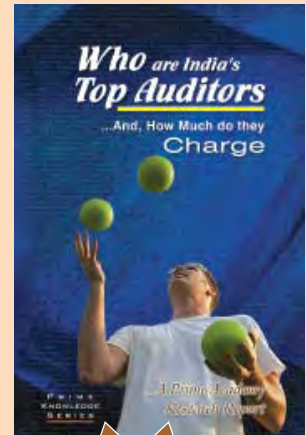
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SERIES

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