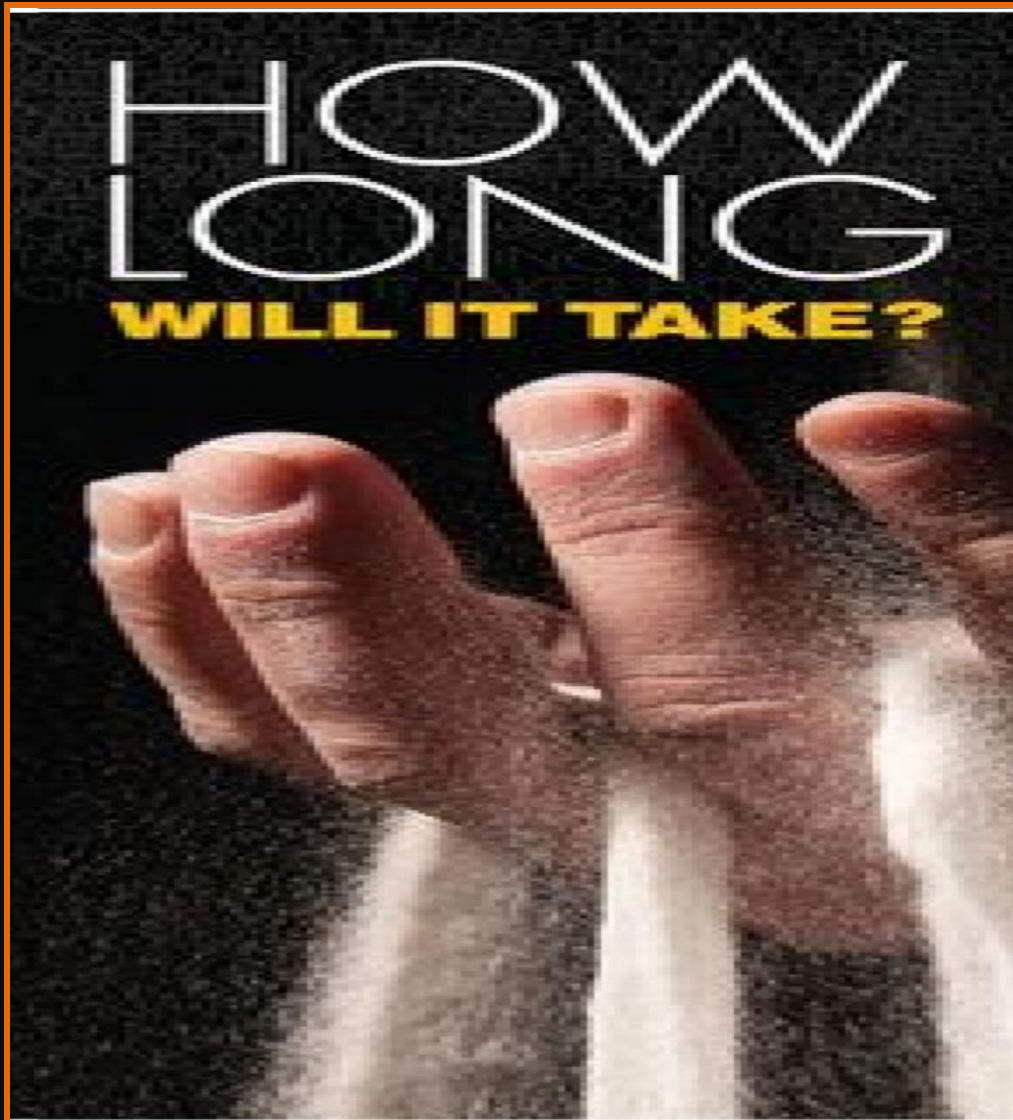




PRERNA

! I CAN AND I WILL !

**A CA STUDENT E-NEWS LETTER BY NAVI MUMBAI
BRANCH OF WIRC OF ICAI**



The Institute of Chartered Accountants of India Navi Mumbai Branch of WIRC

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Chairman's Communication...

Dear Students,

This is my first communication with you after taking over as the Chairman of WICASA Navi Mumbai. A very warm welcome to all of you. The entire country is fighting against Covid crisis. Amidst the socio-economic disruptions caused by this pandemic, the human race is simultaneously learning to adapt to the newly emerging system and processes.

The speed of the spread of the epidemic, the closure of education institutions has led to the transition to online teaching. The orders of 'Stay Home' and 'Social Distancing' have spared no one. Students have been caged in their homes since lockdown. Keeping the interest of students in mind, WICASA Navi Mumbai has started online interactive sessions for students to clear their doubts, keep them motivated and enhance their knowledge.

We have been regularly conducting webinars on various subjects of interest to students. This has helped them to broaden their skills and supplement or complement their main field of study. We have also asked students to share the topics of interest which they would like to be taught by experts.

Students and members can contribute articles by mailing us at wicasanavimumbai703@gmail.com which will be published in our WICASA E-Newsletter. I am happy to share that we have got excellent response from students and members. I look forward for similar support in future.

In this period of uncertainty, it is important not to get dejected, have a positive attitude and keep your spirits high. Take care of your health, stay safe and strictly follow the instructions laid down by the government.

The government is keen that India achieves Atmanirbhar or self-reliance. This is possible by increasing investment in areas of healthcare, education environment and rural infrastructure.

I would like to conclude by saying – *'If you are not willing to learn, no one can help you. If you are determined to learn no one can stop you.'*



CA Sanjay Bhujbal
WICASA Chairman, Navi Mumbai

Editor in chief and Creative Head

Ms. Shivani Murali

Co- editor

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Special Thanks

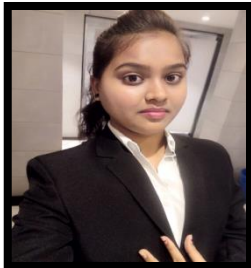
CA Sanjay Bhujbal



CA Sanjay Bhujbal
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Importance of Articleship in CA

Hello friends, in this article I will discuss some of the points which every CA student should keep in mind while pursuing articleship training. Although the list of suggestions is not exhaustive, it will give some inputs for those who will commence their articleship training in future. In the next article, I will discuss how you can capitalize it to boost your CA Final preparation. Smart use of your articleship experience will save your substantial time in CA Final exam preparation. So, let's begin.



CA Ninad Mankar
MRN 195669

Things to do for Effective Articleship

I don't know how many of you will agree with me, but it is a fact that your articleship is the foundation for your CA Final success and has a lion's share. The reason for this is that the articleship will teach us lessons for life. Also, it builds us as a Professional. The institute has specified 3 years articleship mandatory to appear for CA Final Exams. The reason for the same is that our beloved institute wants that every chartered accountant after completion of this course must have command over subjects in this course. These 3 years of articleship give us time to learn the practical aspects of the business world. This eventually leads to developing an article trainee to a Qualified Chartered Accountant. I have discussed some of the important points which will be helpful to pursue your articleship training more effectively and to learn new things.

I) Maintaining Work diary:

It is advised to students that they should maintain a work diary to note the important things they learn in the office. This will help you in studies if the said or related topic comes in the syllabus. This makes students understand the topic quickly and will save time.

II) Awareness about what's happening in the business world:

Students must keep themselves updated with the happenings of the business world. For doing this, students are advised to read the business newspapers like Economic Times, Mint. Although initially, students might find it difficult to understand the terms used in the business world, they will get familiar with it over the period of time. One more benefit students can get is that they will learn to develop a perspective to look at the business subjects. Because practical cases which you read in newspapers will make you understand the real-life application of what we learned in studies. Also, students are advised to subscribe to various newsletters of sites which give you regular updates in various fields of Finance. E.g. Newsletters of taxguru.com, cacclubindia.com or itatonline.org and many others. If somebody knows any other sites please feel free to share here.

III) Implementation of learning of classes into office work:

Most of the students have a fear of remembering the whole syllabus of CA Final? Well, again the answer lies in the articleship. For passing exams, you have to go through your study material and many other kinds of stuff but the problem is to retain them. To solve this difficulty, students should start applying their class learning in their Office work wherever possible. If you apply your learning in real life, you will be in a better position to understand those concepts. For example, in-class/ tuition, you are attending Chapter of Directors (Subject: Corporate law), try to apply those provision in your audit assignment. This exercise will save your huge time during CA Final study leaves.

IV) Attend seminars organized by the Institute or Professional bodies:

Students are advised to attend seminars/ webinars or conferences organized by the Institute and other professional bodies like BCAS (Bombay Chartered Accountants Society), Chamber of Tax Consultants (CTC) or AIFTP (All India Federation of Tax Practitioners). You will get to know thoughts of various eminent personalities, their experiences, emerging opportunities and many other insights Also, when you attend such seminars and listen to the queries raised by the members you will experience the real depth of the subjects. This will help to expand your thinking in that subject. So, try to attend such kind of seminars wherever possible.

V) Interaction with seniors and colleagues:

In the workplace, you are working with your colleagues who have more experience than you. Thus, it is advised that students should keep interacting with their seniors and other peer colleagues. Make a habit of discussing various productive topics. This knowledge sharing will develop a good professional relationship between you and your peers.

I hope this post will give guidance to those who will pursue their articleship in upcoming time and those who are pursuing currently.

All the Best!!



CA Ria Gupta
MRN 195680

Hun Main Average, Any Problem??

People often question themselves why am I only an average person, why am I only okay types? Why can't I be multi-talented like others? Why can't I do the stuff what others can? But, dear the question is what the issue in being an average person is?

There is no compulsion that you have to excel in all the fields. You need not be a scholar or a great singer or an amazing dancer or good in art. No one is going to judge you even if you are not good in any of these (because dude everyone is too busy in their own lives to have time to think about others). We are really not here in a race to compete with every second person. You are neither here to please or impress anyone nor should you be worried about what others think of you. All that matters in the end is self-satisfaction. As long as you are happy and satisfied with the way you are, no one can become a reason to bother you. Always remember, every person is indeed special in his/her own way (although a cliché line, but true it is).

Being an average person doesn't mean that you are no good at all or you are any less than others. You have your own capabilities, your own interests, your own strengths and your own weaknesses. Well, I can't even blame you because the



society which we have knitted all these years makes us questions ourselves. It sometimes puts us in such a situation that we are forced to walk on the path of self-doubt. People don't realize but sometimes such things can actually break a person from within.

But, somewhere down the line, these stereotypes are required to be broken, mindsets need to be changed. So, stop comparing yourself with others for your own sake, stop demeaning yourself because of others, believe in yourself in what you are, love yourself for the way you are, have faith in what you possess and then you will experience a different sense of pride. Stop focusing on being 'one of a kind', rather focus on being kind. You never know, maybe in that process, you will get away from your own insecurities and discover a whole new self of yours.

As you know, having an audience is equally important as having a person who has to perform for the audience. So, say with me that it's okay to be less popular; it's okay to be a part of the audience, it's okay to be an average person. It's just okay to be okay. After all dear, though there is only one moon in the sky that nowhere diminishes importance of the stars, people still fall for stars because they make them do that.

STANDARD COSTING



Sarvesh Jagdish
Kulkarni
SRN- WRO0451278

Introduction

What is Standard Costing?

- Standard costing is an accounting system used by some manufacturers to identify the differences or variances between: The actual costs of the goods that were produced, and. The costs that should have occurred for the actual goods produced.
- Standard Costing is used as performance evaluation and measurement tool as well.
- Primary Five of the benefits that result from a business using a standard cost system are:



Types of Budget

Standard Budget- These are budgeted costs / sales/ profits which are prepared the management at the start of the year.

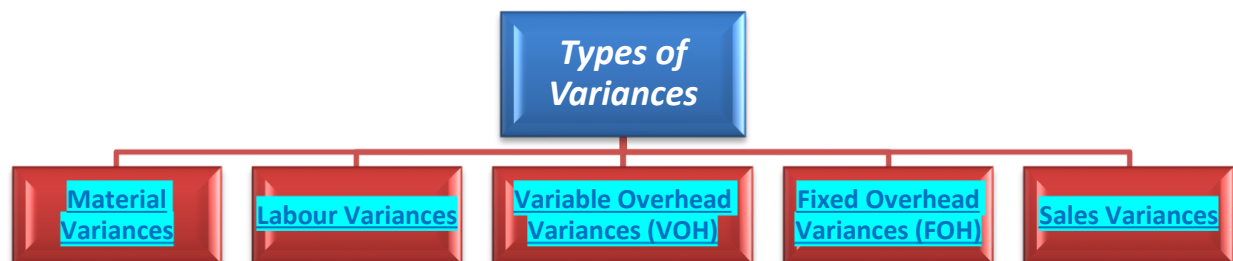
Actual Budget – It refers to Actual data in regards to actually costs incurred, sales made / profits earned for the year.

Revised Budget- It refers to modification of budgeted data in conjunction with actual data keeping standard costs/prices/rates per unit same as standard budget.

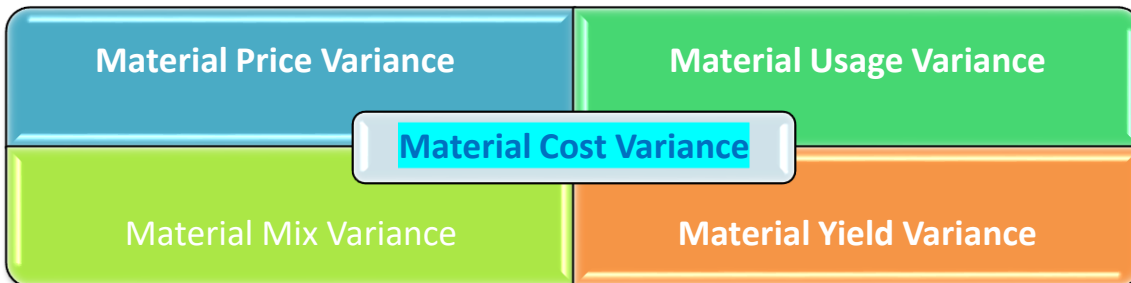
What is do you mean by Variance in Standard Costing?

Variance is the difference between a standard cost/sales/profits and an actual cost/sales/profit. This variance is used to monitor the costs incurred by a business

Interpretation of Variances



MATERIAL VARIANCES



1. Material Cost Variance:-

- ◇ This Variance highlights difference between actual material cost incurred for production and Standard material budgeted cost/revised material budgeted cost in totality
- ◇ Material cost variance is a result of, either due to the price of material or usage of material in production

Calculation- Standard cost of materials used in production – Actual cost of material used in production.

2. Material Price Variance:-

- ◇ This is difference between price at which the materials are purchased by the Purchase manager
- ◇ Manager responsible for this variance is Purchase manager of Procurement Department
- ◇ This variance highlights the negotiation skills of purchase manager to procure materials at lower cost through negotiation techniques (bulk discounts)
- ◇ Adverse Variance shows the deficiency of Purchase manager, in regards to poor purchasing procedures, deficiencies in price negotiation, etc.

Calculation- Standard price of material * Actual Quantity Purchased – Actual price of material * Actual quantity purchased

Here Actual quantity is considered rather than standard quantity, because purchase manager would buy actual quantity ordered by the production department.

3. Material Usage Variance:-

- ◇ This is difference between quantities used the production which are used by the Production manager
- ◇ Manager responsible for this variance is Production manager of Production Department
- ◇ This variance highlights the efficiency of production manager for optimum utilization materials.
- ◇ Adverse Variance displays the inefficiency of Production manager, in regards to poor utilization of material for production
- ◇ Material usage variance is be caused due to either
 - A) Purchase of Poor /deficient /substandard material purchased by purchase manager, thus resulting to higher usage of material than budgeted figure, thus in this scenario the excess of cost caused is due to Purchase department thus such excess cost is to be apportioned to Purchase manager

OR

B) Production manager in real sense is inefficient in utilization of material

Calculations:- Standard quantity used for production * Std Price - Actual Quantity used for Production* Std price

Here Standard Rate is used because production manager is concerned with utilization of material and thus has no control over price of material.

3 A. Material Mix/Composition Variance:-

- ◇ This is used when more than one materials are used for production of one product
- ◇ Variance is that portion of the materials quantity variance which is due to the difference between the actual composition of a mixture of material used in production and the standard mixture material used in production
- ◇ Change of composition of also highlights the efficiency of production manager to handle the composition mixture for production

Calculations - (Actual mix – Revised standard mix of actual input) * Standard price

3 B. Material Yield/Quantity/Sub Usage Variance –

- ◇ This is used when more than one materials are used for production of one product
- ◇ Variance occurs when the output of the final product does not correspond with the output that could have been obtained by using the actual inputs. In some industries like sugar, chemicals, steel, etc. actual yield may differ from expected yield based on actual input resulting into yield variance.

Calculations - (Actual yield – Standard Yield specified) *Standard cost per unit

LABOUR VARIANCES



1. Labour Cost Variance:-

- ◇ This Variance highlights difference between actual Labour cost incurred for production and Standard labour budgeted cost/revised labour budgeted cost in totality
- ◇ Labour cost variance is a result of, either due to the Rate at which labourer's hired or Efficiency of Labour in production (hours are considered as measure of efficiency of labour)

Calculation- Standard hours for actual production * std rate – Actual hours * Actual Rate

2. Labour Rate Variance:-

- ◇ This is difference between rate at which the labourers are hired and at which they were supposed to be hired
- ◇ Manager responsible for this variance is Personnel Manager of Human Resource Department
- ◇ This variance highlights the negotiation skills of personnel manager to hire labourer's at lower rate and hiring skilled labourers to execute work
- ◇ When actual direct labour hour rates differ from standard rates, the result is a labour rate variance

Calculation- Standard Rate * Actual hours required for production – Actual Rate * Actual hours required for production.

3. Labour Efficiency Variance:-

- ◇ This is difference between hours required for production and hours taken for production by Labour Manager
- ◇ Manager responsible for this variance is Labour Manager
- ◇ This variance highlights the efficiency of Labour manager for wise utilization of labour hours and to minimize or nullify idle time
- ◇ Adverse Variance displays the inefficiency of Labour manager, if the product is not prepared in budgeted hours or when there are idle hours for which labourer are paid (reason is due to Labour Manager)
- ◇ Labour Efficiency variance is be caused due to either
 - A) Unskilled/Semi/ Skilled labour hours not efficiently utilized – this is inefficiency of labour manager

OR

B) Inefficient Labours hired – Personnel manager is responsible, thus this cost is uncontrollable in hands of Labour manager, so this cost is to be transferred to Personnel Manager's hands

Calculation- Standard Hours for actual Production * Std Rate – Actual Hours * Standard Rate

Here Standard Rate is used as using actual rate would do injustice for Labour manager as he is not responsible for rate of hiring thus would result in an uncontrollable variance imposed in his hands ,

3A. Labour Mix Variance:-

- ◇ Labour mix variance is computed in the same manner as materials mix variance. Manufacturing or completing a job requires different types or grades of workers and production will be complete if labour is mixed according to standard proportion. Standard labour mix may not be adhered to under some circumstances and substitution will have to be made. There may be changes in the wage rates of some workers; there may be a need to use more skilled or expensive types of labour, e.g., employment of Skilled men instead of Unskilled men; sometimes workers and operators may be absent.

Calculation- (Actual labour mix – Revised standard labour mix in terms of actual total hours) x Standard rate per hour.

3B. Labour Yield Variance:-

- ◇ The final product cost contains not only material cost but also labour cost. Therefore, gain or loss (higher or lower output than the standard output) should take into account labour yield variance also. A lower output simply means that final output does not correspond with the production units that should have been produced from the hours expended on the inputs.

Calculation- (Actual output – Standard output based on actual hours) x Av. Std. Labour Rate per unit of output.

4. Labour Idle Time Variance:-

- ◇ Idle time variance occurs when workers are not able to do the work due to some reason during the hours for which they are paid
- ◇ Idle time can be divided according to causes responsible for creating idle time, e.g., idle time due to breakdown, lack of materials or power failures
- ◇ Idle time variance will be equivalent to the standard labour cost of the hours during which no work has been done but for which workers have been paid for unproductive time.

Calculation- Idle Time * Standard Rate

Here Standard rate is opted as, while preparing budget in the starting of year, no company assumes any idle time in whole year

VARIABLE OVERHEAD VARIANCES (VOH)

VOH Cost Variance

It is difference between Actual VOH and Standard VOH

Calculations- Budgeted VOH - Actual VOH

VOH Expenditure Variance

This variance indicated difference between actual variable OH and Budgeted OH based on actual hours worked

*Calculations- (Std VOH Rate per hour - Actual VOH Rate per hour) * Actual Hrs worked*

VOH Efficiency Variance

This Variance is like labour efficiency variance, and arises when actual hours worked differ from standard hours

*Calculations - (Actual Hours - Standard Hours for Actual output) * Std Variable OH per Hour*



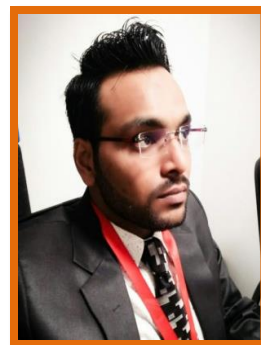
Shayari Corner –

Title - Safalta Iccha - Sangharsh Irada

Is Sangharsh Aur Safalta Ke Beach Mai,
Bechara Insaan . . .
Dabba Pada, Kaamo Taale,
Aatka Pada, Tension Ke Maare,
Pissa Pada, Mobile Aur Laptop Ke Beach,
Dhundne Pada, Jeevan Ki Nayi Door,
Aur Roone Laga, Akele Baithe Baithe . . .



Zindagi Mai Jab Bhi Dabav Padta Hai,
Iccha Humesha Kamjor Pad Jati Hai,
Aur Irada Majboot Ho Jata Hai,
Kaun Kheta Hai,
Irada Karne Se, Iccha Puri Hoti Hai,
Kaun Kheta Hai,
Iccha Karne Se, Zidagi Ban Jati Hai,
Kaun Kheta Hai,
Sangharsh Karne Se, Safalta Milti Hai,
Kaun Kheta Hai,
Safalta Insaan Ko, Akele He Milti Hai
Kaun Kheta Hai
Safalta Mai Insaan, Akela Reh Jata Hai . . .



CA Manish Kumavat
MRN 174131

Akele Baithe
Jab Bhi Vho Insaan,
Banata Ichaaye
Man Hee Man,
Ab Vho Kambakht Kya Jane,
Ki Subse Badi Samasya
Iccha He Hai . . .
Kabhi Aaj Hai, Tho Kabhi Nahi,
Iccha Ka Tho Sauda Hota Hai,
Banna Hoga
Usse Icha Se Bhi Prabhal,
Karna Hoga
Khud Se Bhi Ek Vaada,
Us Iccha Ko Puri Karne Ka
Sankalp Jo Usne Leya,
Kahe Duniya Usse, Humara Dhrud Irada,
Kyuki, Irade Ka Sauda Nahi Hota . . .



Mera Tho Ye He Khenai Hai,
Jisko Jo Bolan Hai, Bolne Do,
Haqeeqat Tho Ye He Hai,
Sangharsh Me Insaan Bhale He Akela Ho,
Safalta Mein Puri Duniya Uske Sath Hoti Hai..!

Title – Moral Boosters

प्रायः हम भविष्य को बेहतर बनाने की कोशिश में अपने आज के दिन के महत्व को नहीं समझते हैं

यदि हम केवल आज के दिन को सबसे अच्छा और उपयोगी बनाते जायें तो हमारा भविष्य अपने आप ही बेहतर होगा.

प्रतिदिन सुबह आज के काम को *डायरी में लिख कर उसे एक-एक करने से यह बहुत आराम से संभव हो जाता है.

कोशिश कर के देखें होता है

केवल तीन बातों पर ध्यान रख कर जीवन की अधिकतर समस्याओं से दूर रहा जा सकता है.

1. समय का सदुपयोग
2. स्वास्थ्य के प्रति सावधान
3. धन का संयम

अब आप खुद सोचें कि आज आप अगर किसी समस्या से परेशान हैं तो हो सकता है आप ने ही कहीं न कहीं ऊपर लिखी बातों पर उस समय ध्यान नहीं दिया होगा.

समय जीवन का ऐसा अमूल्य धन है जो सबको समान रूप से जन्म के साथ मिलता है परंतु केवल कुछ ही लोग हैं जो इसका सदुपयोग कर के सब में आगे निकल जाते हैं और कुछ पूरे जीवन struggle ही करते रहते हैं

समय का कुशल management आप की तकदीर बदल सकता है.

कोशिश करें होता है.

दुनियां में जितने भी लोगों ने अभूतपूर्व सफलताएं अर्जित की हैं उनमें किताबें पढ़ने (Book Reading) की आदत जरूर पायी गयी है. अच्छी किताबें हमारे जीवन में बदलाव लाने में बहुत सहायक होती हैं.

प्रति दिन दिन का कुछ समय के लिये ही सही अच्छी किताबों को जरूर पढ़ें, थोड़े ही समय में बदलाव दिखने लगे गा. कोशिश कर के देखें होता है.

... CA Santosh Sharma
Navi Mumbai Branch Chairman

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