THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA

(SETUP BY AN ACT OF PARLIAMENT)

KOZHIKODE BRANCH OF SICASA

YUKTHI

E-NEWSLETTER - MARCH, 2021 | Volume-IV | Issue-3 | Pages : 12

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CA INTER/IPCC – AUDITING AND ASSURANCE EXAMINATION TIPS

- CA. REVATHY RAJA

► Students should identify those topics which are frequently asked for the exam and give due weightage to these portions.

► Those topics which are regularly asked in examination, should be prepared very strongly.

► Followings are topics of auditing where you must be very strong.

- Company Audit - including sections and sub sections
- SA 230
- SA 240
- SA 300
- SA 315
- SA 500
- SA 530
- Types of Opinion.
- Special Audits / Audit of Different types of entities ***(New Syllabus)***
- Audit in CIS Environment/ Audit in Automated Environment ***(New Syllabus)***
- Audit of advances ***(in Audit of Banks for New Syllabus)***
- Vouching and Verification / Audit of Items of Financial Statements ***(New Syllabus)***

► Topic of vouching and verification /Audit of items in Financial Statements (New Syllabus)

- Is good for scoring marks but you will not get good marks by writing only basic points.
- Old syllabus students can go through the practice manual issued by the institute and new syllabus students and go through the material.
- By doing so u will be able to cover lots of items.
- Never prepare in a single sitting.
- Try to cover 2 items on daily basis.

- SAs can be prepared in key words form or question answer form. Identify questions in SA then prepare. For the old syllabus students the first three chapters in the practice manual covers mainly the SA and for New syllabus Chapter number 1,2 ,3 ,5,7,8,11 are SA's.

- You must be very strong in content and presentation of answer. So if your content is good but presentation is not proper you may not get good marks in exam.

- Some other important topics of audit are,

  - Inherent Limitation of Audit
  - Inherent Limitation of Internal control
  - Tools to review Internal control- Narrative Record, Check List, IC Questionnaire, Flow Chart
  - Analytical Procedures
  - Audit Materiality
  - SA 701
  - SA 706
  - SA 299
  - SA 570

- In exam read carefully MCQs. Never attempt and MCQ in hurry.

- In Correct or Incorrect question refer SA/ Section. Give reason in detail, 2 or 3 sentence. Correct or Incorrect question is scoring, try to score maximum marks in that, then definitely you will pass audit paper with good marks.

- Time management will be a main key for success, especially since from Nov 2020 integrated MCQ's are to be introduced.

  - Initial 15 mins reading time is crucial and a student may use it to eliminate the question from the option.
  - Do not read MCQ in this time as MCQ's are compulsory and have to be attempted.
  - Take time to read the MCQ before going to the option, arrive at then possible answer. If you cannot strike on the correct MCQ choice, use the elimination technique and arrive at the most appropriate.

"There are no secrets to success. It is the result of preparation, hard work and learning from failures."

Wishing you all the very best

God bless you

CA Revathy Raja

NEED OF CFC LEGISLATION IN INDIA

Pushp Kumar Sahu
CRO0553317

There is a great need and importance of introducing CFC i.e. controlled foreign corporation legislation in Indian tax law, as it is one of the biggest measures to avoid payment of income tax in India by the resident persons of India. In the current scenario, there are no such provisions existing in income tax act, 1961 but the same has been introduced in Direct tax code in lines with the Action Plan 3 of OCED tax avoidance model.

Tax avoidance has been accepted as an area of concern in international tax arena, which is the reason why several countries have been legislating anti-avoidance measures. Taxation of foreign passive income is at heart of CFC regulations.

Meaning of Controlled Foreign Corporations;

CFC's are corporate entities incorporated in an overseas low tax jurisdiction and controlled directly or indirectly by residents of a higher tax jurisdiction (Parent State). Since each corporate entity is treated as a separate legal entity, the profits earned by such CFC's are not taxed at the owner level until they are distributed. CFCs tend to earn passive income; such income is not distributed, thereby resulting in tax deferral in the parent state.

Detailed analysis of above mentioned definition:

CFC's are those corporate entities which are incorporated in low tax jurisdictions like Tax Haven Countries say Bermuda, Singapore and many more with a intention to evade and avoid payment of tax in high tax jurisdiction by diverting the income accrued or earned to low tax jurisdiction by creating or incorporating companies or any other form of entities in that jurisdictions which is ultimately controlled by person resident in high tax jurisdiction. This lead to tax evasion which is completely unlawful and bad in the eyes of law and also the high tax jurisdictions like India suffered huge loss of tax revenues which ultimately results in unfair tax collection from honest taxpayers. Such income can only be taxed in India after it has been repatriate to India in the form of distributable profits like dividend, which is usually not done so as to avoid tax liability.

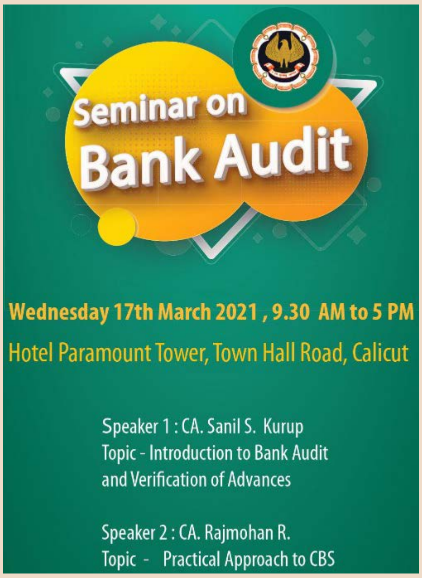
After, considering the above mentioned facts and unfair practices of tax evasion and avoidance, there is a great need of introducing CFC's legislation in India.

Author can be reached at Pushpkumarsahu44@gmail.com and 7694905887.

Art Corner

- SRO 0632628
Abhishek P Raj

ACTIVITIES - MARCH, 2021




Kozhikode
Branch of ICAI
and SICASA
MIYAWAKI
AFFORESTATION
PROGRAMME
Sunday
14th March 2021
9.30 AM
Urban Forestation planting at
Regional Science Centre &
Planetarium, Calicut
Under the
Corporate Social Responsibility Scheme (CSR)
of ICAI, Kozhikode Branch.
All Members and Students are invited


Let's just go out and explore the
mysterious beauty of Munnar
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2 night One Day Tour
PRICE: RS 1600/-
PER PERSON
HURRY UP LIMITED
SEATS ONLY (35)
Seats are confirmed on payment only
Gpay is also available
For more details contact : 994 713 2747
Gpay Number : 799 422 0759
Date : On 20 March Sat Night 8 pm


KOZHIKODE BRANCH OF SICASA OF
THE INSTITUTE OF
CHARTERED ACCOUNTANTS OF INDIA
INDUSTRIAL VISIT 2021


KDHP Co.Pvt.Ltd.

At the Health Club

Word Search

DIRECTIONS: Find and circle the vocabulary words in the grid. Look for them in all directions including backwards and diagonally.

D	J	I	M	C	S	F	G	D	F	U	M	V	E	J	L	B	C	T
H	E	K	L	F	I	T	N	E	S	S	N	J	O	K	Z	Y	V	C
B	U	O	Z	K	I	Y	H	E	A	L	T	H	Y	A	I	T	R	B
W	O	H	V	W	D	I	U	G	Y	P	P	C	I	U	O	B	U	D
P	B	T	R	A	I	N	E	R	I	Q	K	Y	A	C	A	T	X	X
T	J	B	N	Q	R	H	O	I	A	E	R	O	B	I	C	S	O	Z
A	B	Q	N	C	K	W	H	L	N	W	W	G	S	W	E	A	T	H
L	E	W	O	T	I	L	S	R	O	U	W	A	H	J	U	R	K	M
A	G	X	X	N	I	L	A	N	T	D	U	M	B	B	E	L	L	F
Z	N	D	G	F	V	E	U	E	Q	D	K	P	T	M	V	I	W	A
A	U	U	G	A	S	B	Q	Q	N	W	S	E	U	J	E	N	C	C
E	O	E	V	D	T	R	S	S	F	P	Z	T	O	E	G	S	A	M
N	L	S	J	F	I	A	E	O	T	S	Q	S	K	B	A	T	R	Y
I	H	R	I	K	Q	B	U	W	A	R	M	R	R	W	S	R	D	Z
H	R	L	E	P	B	F	Z	U	O	P	E	C	O	T	S	U	I	F
C	D	T	L	O	T	F	N	N	F	H	A	N	W	N	A	C	O	M
A	D	W	D	X	C	A	D	M	W	D	S	N	G	J	M	T	D	G
M	U	Y	A	D	R	A	B	K	C	A	N	S	P	T	G	O	H	B
Y	E	S	I	C	R	E	X	E	C	L	H	T	B	I	H	R	A	D

AEROBICS
BARBELL
BIKE
BODY
CARDIO
DUES
DUMBBELL
EXERCISE
FITNESS
HEALTHY
INSTRUCTOR
LIFT
LOUNGE
MACHINE
MASSAGE
POOL
ROWING
SAUNA
SHOWERS
SNACK BAR
SQUASH
STEP
STRENGTH
SWEAT
TOWEL
TRAINER
WEIGHTS
WORKOUT
YMCA
YOGA

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thank you
for your support