

Changes in New Syllabus made by ICAI of Intermediate - CMA

Dear Student Friends,

ICAI has made an announcement date 24.06.2019 about a minor change in the New Syllabus of CA Intermediate. This change is applicable from November, 2019 examinations. You will be happy to note that there is a small reduction in the syllabus of Paper 3 - Cost Accounting. Let's understand those changes.

Subject : Cost & Management Accounting (Paper 3)

S.N.	Particulars
1.	<p>Material Cost Topic : ICAI Announcement Says : Consumption - Identification with products of cost centers, Basis for consumption entries in financial accounting, monitoring consumption has been excluded.</p>
	ICAI Module Reference : Please refer page 2.53 of ICAI Module. Point no. 2.11 is fully dropped. That is from page 2.53 to 2.55 is not applicable to you.
	Our Classroom Notes Reference : Though we discussed this matter in general in the classroom, but it was not specifically written in our notes, because it was not very relevant from the exam point of view. Hence, you may just ignore this change.
2.	<p>Employee Cost (Labour Cost) Topic : ICAI Announcement Says : Remuneration systems and incentive schemes - Under incentive schemes, only Premium Bonus Method and Halsey Scheme has been retained. All other incentive schemes have been removed.</p>
	ICAI Module Reference : Please refer page 3.21 of ICAI Module. There are major changes in Point no. 3.8.
	<p>Our Classroom Notes Reference : In our notes, this topic is discussed on page 76 (Volume I).</p> <p>What is Retained : Time Rate System, Straight Piece Rate System, Halsey Premium Plan, and Rowan Premium Plan.</p> <p>What is Dropped : Taylor's Differential Piece Rate System, Merrick's Differential Piece Rate System, Gantt Task Bonus Plan, Emerson's Efficiency System, Bedaux Point System, Barth System, and Accelerating Plan are deleted. Group Bonus Schemes are also deleted. You may drop these formulae and related questions given in our notes. Also drop question on Group Bonus Schemes.</p>
	Note : The above interpretation is based on the revised study material issued by ICAI on its website.

S.N.	Particulars
3.	Direct Expenses : ICAI Announcement Says : Direct Expenses, Nature of Direct or Chargeable expenses, Sub-contracting, control on material movements, Identification with the main product or service have been excluded .
	ICAI Module Reference : Please refer page 3.53 of ICAI Module. Point no. 3.12 is fully dropped. That is half page of 3.53 and half page of 3.54 is not applicable to you.
	Our Classroom Notes Reference : We have discussed in the classroom that Direct Expenses is included in the Prime Cost. There is no separate chapter on this. Direct Expense will remain in the cost sheet, but discussion is excluded from the module. There is hardly one page written on this in the module, hence ignore this change. You have to do nothing.
4.	Costing of Service Sectors : ICAI Announcement Says : The sub-topic title "Costing of services sectors" has been changed to "Costing of various service sectors" and the detailed description thereunder in the syllabus has been removed. There is no reduction in content of Study Material.
	ICAI Module Reference : Only the heading given in the syllabus has been changed without changing the contents of study material.
	Our Classroom Notes : Nothing to be changed. Everything is same as earlier.
	Note : The above interpretation is based on the revised study material issued by ICAI on its website. No change at all.

I hope that the above clarification from my side will provide some help in interpretation of ICAI announcement. To summarise, there is a major change in Labour cost topic. That is, the burden of remembering many formulae of labour remuneration systems is reduced. Other changes are very nominal and will have no significant impact.

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