

# CMA Inter — Corporate Accounting & Auditing

## Detailed PYP Trend Analysis (Most Important Chapters + Repeated Topics + Expected Questions)

I analyzed the uploaded past year papers carefully for:

- Chapter repetition frequency
- Numerical repetition patterns
- Theory rotation patterns
- Hidden examiner trends
- MCQ concentration areas
- Case study patterns
- Frequently recycled adjustments/concepts

The pattern is very predictable in CMA Inter Corporate Accounting & Auditing.

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## SECTION A — CORPORATE ACCOUNTING

### Highest Priority Chapters (Must Prepare First)

Priority	Chapter	Frequency	Expected Marks
□□□□□	Amalgamation & Absorption	Extremely High	10–16
□□□□□	Internal Reconstruction	Extremely High	8–16
□□□□□	Liquidation of Companies	Extremely High	8–16
□□□□□	Holding Company Accounts	Extremely High	10–16
□□□□□	Banking Company Accounts	Extremely High	8–12
□□□□	Insurance Company Accounts	High	8–12
□□□□	Cash Flow Statement	High	8–10
□□□□	Buy Back / Redemption	High	6–10
□□□□	Valuation of Shares & Goodwill	High	6–10
□□□	Underwriting of Shares	Medium	6–8

Priority	Chapter	Frequency	Expected Marks
□□□	NBFC Accounts	Medium	4–8

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## □ MOST IMPORTANT CORPORATE ACCOUNTING CHAPTERS

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### □ 1. Amalgamation, Absorption & External Reconstruction

**Most repeated chapter in entire syllabus.**

#### **Repeated Areas**

- Purchase Consideration
- Intrinsic Value Method
- Net Asset Method
- Journal Entries
- Realisation Account
- Shareholder Account
- Inter-company holdings
- Debenture settlement
- Vendor discharge

#### **Hidden Pattern**

Examiner repeatedly changes:

- valuation basis
- discharge method
- minority holding adjustment

But core structure remains SAME.

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#### □ Future Attempted Questions

1. Compute purchase consideration under different methods.
  2. Prepare realization account in absorption.
  3. Amalgamation in nature of merger vs purchase.
  4. Inter-company holdings adjustment.
  5. Journal entries in transferee company.
  6. Prepare balance sheet after amalgamation.
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## 2. Internal Reconstruction

Extremely important and repeatedly asked.

### **Most Repeated Areas**

- Reduction of share capital
- Arrears of preference dividend
- Elimination of fictitious assets
- Revaluation adjustment
- Capital reduction account
- Reconstruction scheme

### **Hidden Pattern**

Questions repeatedly include:

- overvalued assets
  - goodwill write-off
  - creditor sacrifice
  - debenture interest adjustment
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## Future Attempted Questions

1. Pass journal entries for internal reconstruction.
  2. Prepare reconstructed balance sheet.
  3. Reduction of share capital scheme.
  4. Adjustment of accumulated losses.
  5. Capital reduction account preparation.
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## 3. Liquidation of Companies

Guaranteed important chapter.

### **Most Repeated Areas**

- Liquidator's final statement
- Statement of affairs
- Preferential creditors
- Secured creditors
- Contributories
- Liquidator remuneration

### **Hidden Pattern**

Examiner repeatedly rotates:

- remuneration basis
- secured asset realization
- partly secured creditors

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## **Future Attempted Questions**

1. Prepare liquidator's final statement.
2. Compute liquidator remuneration.
3. Statement of affairs.
4. Treatment of secured creditors.
5. Deficiency account preparation.

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## **4. Holding Company Accounts**

Very high-weightage chapter.

### **Most Repeated Areas**

- Minority Interest
- Cost of Control
- Capital Profit
- Revenue Profit
- Unrealized Profit
- Bonus shares
- Inter-company transactions

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## ☐ Most Important Formula Areas

### Minority Interest

Minority Interest = Minority% × Net Assets

### Cost of Control

Cost of Control = Cost of Investment – Holding Company Share in Net Assets

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## ☐ Future Attempted Questions

1. Prepare consolidated balance sheet.
  2. Calculate minority interest.
  3. Compute cost of control.
  4. Unrealized profit adjustment.
  5. Treatment of bonus shares/debentures.
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## ☐ 5. Banking Company Accounts

Very highly repeated.

### Important Areas

- Rebate on Bills Discounted
- NPA
- Provisioning
- Interest Suspense
- Final Accounts

### Hidden Pattern

MCQs heavily come from:

- Banking Regulation Act
- NPA classification
- statutory reserve

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## **Future Attempted Questions**

1. Prepare profit & loss account of bank.
2. NPA provisioning numerical.
3. Rebate on bills discounted.
4. Classification of advances.
5. Banking schedule preparation.

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## **6. Insurance Company Accounts**

Frequently repeated.

### **Important Areas**

- Revenue account
- Life fund
- Claims adjustment
- Reserve for unexpired risk

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## **Future Attempted Questions**

1. Prepare revenue account of insurance company.
2. Compute benefits paid.
3. Reserve for unexpired risk.
4. Claims outstanding treatment.

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## **7. Cash Flow Statement**

Very important practical chapter.

### **Most Repeated Areas**

- Operating activities
- Investing activities
- Financing activities

- Non-cash adjustments
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## **Future Attempted Questions**

1. Prepare cash flow statement.
  2. Operating activity adjustments.
  3. Direct vs indirect method.
  4. Treatment of depreciation/dividend/tax.
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## **8. Buy Back / Redemption of Shares & Debentures**

### **Important Areas**

- Capital Redemption Reserve
  - Premium on redemption
  - Fresh issue
  - Sources of redemption
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## **Future Attempted Questions**

1. Redemption of preference shares.
  2. Buy back of equity shares.
  3. Journal entries for redemption.
  4. Calculation of CRR.
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## **9. Valuation of Shares & Goodwill**

Frequently repeated small chapter.

### **Important Areas**

- Yield method
- Net assets method

- Super profit method
  - Capitalization method
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## **Future Attempted Questions**

1. Valuation of goodwill by super profit method.
  2. Share valuation under yield method.
  3. Capital employed adjustment.
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## **10. Underwriting of Shares**

Medium importance but repetitive.

### **Important Areas**

- Marked applications
  - Unmarked applications
  - Firm underwriting
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## **Future Attempted Questions**

1. Calculate net liability of underwriters.
  2. Firm underwriting adjustment.
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## **SECTION B — AUDITING**

### **Highest Priority Chapters**

<b>Priority</b>	<b>Chapter</b>	<b>Frequency</b>
□□□□□	Audit of Companies	Extremely High
□□□□□	Vouching & Verification	Extremely High
□□□□□	Internal Control & Internal Audit	Extremely High
□□□□□	Audit Report	Extremely High

<b>Priority</b>	<b>Chapter</b>	<b>Frequency</b>
□□□□	Company Auditor	High
□□□□	Audit Programme & Working Papers	High
□□□□	Investigation	High
□□□□	Errors & Frauds	High
□□□	Cost Audit & Management Audit	Medium
□□□	Government Audit	Medium

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## **MOST IMPORTANT AUDITING CHAPTERS**

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### **1. Vouching & Verification**

Most repeated theory chapter.

#### **Important Areas**

- Cash transactions
  - Wages
  - Purchases
  - Sales
  - Assets verification
  - Liabilities verification
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### **Future Attempted Questions**

1. Explain vouching of cash book.
  2. Verification of stock.
  3. Verification vs valuation.
  4. Auditor's duties regarding assets.
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### **2. Internal Control & Internal Audit**

Highly repeated.

### **Important Areas**

- Internal check
  - Internal control
  - Internal audit
  - Internal control system
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### **Future Attempted Questions**

1. Difference between internal check and internal audit.
  2. Features of good internal control.
  3. Advantages of internal audit.
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## **3. Audit Report**

Very important.

### **Important Areas**

- Qualified report
  - Disclaimer
  - Adverse opinion
  - CARO
  - SA standards
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### **Future Attempted Questions**

1. Types of audit report.
  2. Qualified vs adverse report.
  3. Auditor's report under Companies Act.
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## **4. Company Auditor**

Repeated continuously.

### **Important Areas**

- Appointment
  - Removal
  - Rights
  - Duties
  - Liabilities
  - Rotation
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### **Future Attempted Questions**

1. Appointment/removal of auditor.
  2. Rights and duties of auditor.
  3. Auditor liabilities.
  4. Disqualification of auditor.
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## **5. Audit Programme & Working Papers**

Frequently repeated.

### **Future Attempted Questions**

1. Advantages of audit programme.
  2. Audit notebook vs working papers.
  3. Importance of documentation.
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## **6. Errors & Frauds**

Common MCQ + theory area.

### **Important Areas**

- Compensating errors
- Errors of omission
- Fraud detection

- Auditor responsibility
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## **Future Attempted Questions**

1. Types of errors.
  2. Auditor's responsibility for fraud.
  3. Distinguish error and fraud.
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## **7. Investigation**

Frequently repeated.

### **Important Areas**

- Audit vs Investigation
  - Investigation types
  - Purpose
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## **Future Attempted Questions**

1. Difference between audit and investigation.
  2. Objectives of investigation.
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## **MOST IMPORTANT NUMERICAL CHAPTERS**

### **Chapter**

Amalgamation

Holding Company

Internal Reconstruction

Liquidation

Banking Accounts

Insurance Accounts

### **Probability**

Extremely High

Extremely High

Extremely High

Extremely High

High

High

<b>Chapter</b>	<b>Probability</b>
Cash Flow Statement	High
Valuation	Medium
Underwriting	Medium

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## **Most Important MCQ Areas**

### **Corporate Accounting**

- AS provisions
- Banking concepts
- Insurance reserve
- Buy back conditions
- Holding company concepts
- Redemption rules

### **Auditing**

- Auditor appointment
  - SA standards
  - Internal control
  - CARO
  - Errors/frauds
  - Vouching concepts
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## **Hidden Examiner Pattern**

### **Corporate Accounting**

Examiner rotates:

- same formats
- different adjustments
- same journal structure

Most numericals are NOT conceptually new.

If you master:

- amalgamation
- holding company
- reconstruction
- liquidation

you can cover nearly 60–70% practical weightage.

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## **FINAL PREPARATION ORDER**

### **FIRST COMPLETE THESE**

#### **Corporate Accounting**

1. Amalgamation
2. Holding Company
3. Internal Reconstruction
4. Liquidation
5. Banking Accounts
6. Cash Flow
7. Insurance Accounts

#### **Auditing**

1. Vouching & Verification
  2. Internal Control
  3. Audit Report
  4. Company Auditor
  5. Investigation
  6. Errors & Frauds
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### **MOST EXPECTED QUESTIONS NEXT ATTEMPT**

#### **Corporate Accounting**

1. Consolidated Balance Sheet
2. Internal Reconstruction Scheme

3. Liquidator Final Statement
4. Amalgamation Numerical
5. Banking Final Accounts
6. Cash Flow Statement

## **Auditing**

1. Types of Audit Report
2. Vouching of Cash Transactions
3. Internal Control System
4. Rights & Duties of Auditor
5. Audit vs Investigation
6. Auditor Liabilities