



EIRC NEWS

The Institute of Cost Accountants of India
(Statutory body under an Act of Parliament)

UNION BUDGET 2017-18

The Indian Rupee (in paise)

Comes from

Corporation-tax
Income-tax
Customs
Excise
Service Tax & Other taxes
Non-tax revenue
Non-debt Capital receipts
Borrowings & Other liabilities

Goes to

Central Plan
Interest
Defence
Subsidies
Other Non-Plan Expenditure
States Shares
Non Plan Grants
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CMA Bibekananda Mukhopadhyay, Chairman, presenting a memento to His Excellency the Governor of West Bengal. CMA P. K. Chakraborty, Vice-Chairman and Sri Prabir Banerjee, (PD & EO), EIRC are also seen



CMA Arundhati Basu, CMA B. Mukhopadhyay, Sri Prabir Banerjee & CMA Pranab Kr. Chakraborty are seen presenting bouquet to his Excellency the Governor of West Bengal.

On 6th February 2017 EIRC arranged A Panel Discussion On Union Budget 2017-18. Where distinguished speakers, like S/Shri K.L. Maheshwari (Chief Commissioner of Income Tax), Prof. P. K. Roy, N. P. Jain, eminent tax practitioner, Kalyan Kar, Mriyunjay Acherjee (Associate Vice President, Balmer Lawrie), Dr. Suman Mukherjee (noted economist), S. K. Sanyal graced the programme.



A Panel Discussion On Union Budget 2017-18



CMA Arundhati Basu Chairperson-PD Committee-EIRC presenting memento S/Shri K. L. Maheshwari



CMA Bibekananda Mukhopadhyay Chairman-EIRC presenting memento Dr. Suman Mukherjee



CMA Bibekananda Mukhopadhyay Chairman-EIRC presenting memento Kalyan Kar

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EIRC NEWS

EIRC OF ICAI, CMA BHAWAN, 84, HARISH MUKHERJEE ROAD, KOLKATA-700 025

4th Cover	:	Rs. 20,000/- Per Insertion
2nd/3rd Cover	:	Rs. 16,000/- Per Insertion
Colour Page	:	Rs. 13,000/- (inside)
Ordinary full page	:	Rs. 10,000/- Per Insertion
Ordinary half page	:	Rs. 7,000/- Per Insertion

A discount of 10% would be offered for booking of six insertions at a time.

A/C. Payee Cheque is to be issued favouring "The Institute of Cost Accountants of India - Eastern India Regional Council."

Technical Details : Language—English, overall size—24cms. x 18 cms. Printed Area—21 cms. x 16 cms.—Screen up to 85.

◆ CHAIRMAN'S COMMUNIQUE ◆



Respected Professional Colleagues,

After quite long time I am communicating you through this journal as the publication of December 2016 and January, 2017 could not be published owing to some unavoidable reasons.

During the last two months and also in February we are providing our effort to explore areas where CMA professionals can wander with their expertise. For this we are also conducting back to back seminar and workshop guided by reputed resource persons.

On 26th Nov.'16 we organized a program on Ind AS where resource person was CMA Abhijit Agarwal, Associate Director of KPMG Ltd., on 6th Dec.'16 program was held on "Cost Managing – Mission Make in India" on 23rd Dec. program was on "Overview on Insolvency & Bankruptcy Code 2016", on 3rd Janury, 2017 EIRC organised CEP on Cost Governance.

On 7th January, a seminar on "Corporate Social Responsibility" was held at J N Bose Auditorium jointly with other two sister institutes viz. CS and CA under the aegis of MCA, GoI. Regional Director (East) of MCA Shri Alok Samantarai, ROC, W.B., Shri B. Mohanty and Ms. Seema Rath, Dy. Director, MCA were also present apart from the office bearers of the three institute.

As IBC 2016 is a new opportunity for the CMA Professionals a seminar was organized on 13th January, 2017 at J N Bose Auditorium where Shri M. S. Sahoo, Chairperson of Insolvency and Bankruptcy Board of India was the Chief Guest and Dr. Dilip Kr. Dutta, Director & CEO, Sayantan Consultants was the speakers apart from other speakers of the Institute. A workshop on IBC 2016 was also arranged on 21st and 22nd January to facilitate the aspirant CMAs to appear before the Limited Insolvency Exam.

This year Union Budget for 2017-18 was tabled on 1st February instead of 28th February like previous years. Moreover, Rail Budget was included with the finance budget unlike previous years. To have analytical view of budget a Panel discussion was arranged on 6th Feb.'17 at J N Bose Auditorium where galaxy of panelists included S/Shri K L Maheshwari, Chief Commissioner of Income Tax, Prof. P. K. Roy, Principal, JCC College, Dr. Suman Mukherjee, noted economist, Prof. S. K. Sanyal, President of Howrah Chamber of Commerce, N. P. Jain, renowned tax practitioner, Kalyan Kar, industrialist and moderator CMA Mrityunjay Acharjee, VP, Balmer Lawrie.

On 7th Feb., 2017 we also met the President of NCLT at MCC at Merchants' Chamber of Commerce & Industry, Kolkata where he was felicitated by NCLT Kolkata Bar Association.

A workshop was arranged on 18th & 19th Feb at EIRC on GST where resource persons were CMA Ashok B. Nawal, CCM & Chairman-Taxation Committee, ICAI, CMA Surraj Prakash, GM, BHEL and CA Vivek Mehta from Deloitte . We have also planned many more programs in March 2017.

In the mean time team EIRC, comprising me, Vice-Chairman CMA Pranab Kr. Chakraborty, Chairperson of PD & Seminar Committee CMA Arundhati Basu and PD & Education Officer Shri Prabir Banerjee met His Excellency the Governor of West Bengal and invited him to one of our ensuing programs.

By the time this book will be published, result for ICAI examination will be out. Let me congratulate all the candidates who would come out successful and wish them all a bright future. And those who could not succeed this time are advised not to worry but to concentrate and appear again with full confidence.

With warm regards to my professional colleagues and love & affection to students,



CMA Bibekananda Mukhopadhyay
Chairman, EIRC of ICAI

◆ SECRETARY'S COMMUNIQUE ◆



Respected Professional Colleagues.

Central Budget has been placed by Honourable Finance Minister Sri Arun Jaitley. It is remarkable that budget for financial year 2017-18 has merged with the railway budget, which was placed separately till last year.

After Demonetization this budget is a crucial one to keep the growth of the Country in a positive manner. However, this budget has touched all the issues relevant to Country's growth.

It is presumed that GST Act will come into force from next financial year, so that there are no remarkable changes, proposed on Indirect Taxation. However, Direct Taxes has been proposed to take changes in the following areas.

Government has emphasized on Digital Transaction which is very good step towards transparency of transaction and to prevent revenue leakage. Rates of tax has reduced in case of MSME and Individual ,& HUF Assessees, which also provide surplus money in hands of the different Assessees. For Startup of business CGTMSE scheme will be rescheduled .Tax payers base is going to be widen by offering lower tax rates up to income of first Rs 5 lakhs.

However, One Major proposal has been made by Honourable Finance Minister "It is further proposed to define the expressions "accountant", "merchant banker" and "registered valuer". I believe that our Central Council has taken positive step towards this proposal. I appeal to all of you please come forward and provide suggestion in this regard.

With regards.

CMA Ashis Banerjee
Secretary, EIRC of ICAI



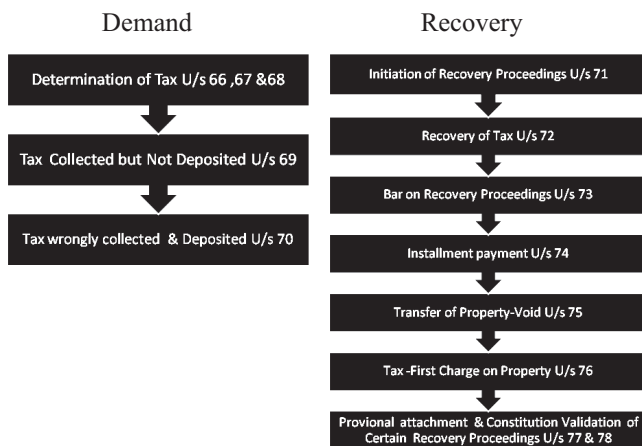
Demands and Recovery Provisions under GST Law

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After due deliberations and also after taking into consideration comments/ suggestions from various stakeholders the revised GST Model Act has been published on 26 Nov. 2016. In GST, tax is payable on self-assessment basis. Hence, there are possibilities where taxable person may pay lesser tax or there may be incidence of tax evasion or claim incorrect refund amount and input tax credit. In these circumstances department can initiate Show cause Notice (SCN) or initiate recovery procedure. In this revised GST Model Act, Sections 66 to 78 deals with Demand and Recovery of Taxes which enfolded in Chapter XVII. These demand and recovery provisions have number of similarity with provisions stipulated under Finance Act, 1994 and Central Excise Act. The basic structure of Demand and Recovery Provisions of GST Model Act, 2016 are as follows



Sections 66, Section 67 and Section 68 deals with Determination of Tax Demand.

U/s 66 of GST Model Act deals with to determine tax not paid or short paid or erroneously refunded or input tax wrongly availed or utilized without fraud or will full misstatement or suppression of facts.

- Proper officer will issue show cause notice (SCN) calculating demand, interest and penalty at least three months prior to the time limit before issuance of final order.
 - In case grounds are remain identical in the subsequent years then mere statement having details of tax not paid or short paid can be served instead of giving detailed SCN.
 - If the Tax payer pays complete tax along with applicable interest before issuance of SCN, then proper officer shall not serve any SCN. This will increase voluntary compliance and reduce number of litigations.
 - In case any Tax payer pays tax along with applicable interest U/s 45 within 30 days of issue of SCN, then, no penalty is payable and the proceedings in respect of the said SCN shall be deemed to be concluded.
 - In other cases Proper officer shall determine tax including interest and penalty after considering representation made by the tax payer. The penalty should be restricted to 10% of disputed tax or Rs 10000 which ever is higher.
 - Time limit for issue of order - The proper officer shall issue the order under section 66(8) within three years from the due date for filing of annual return for the year to which the tax not paid or short paid or input tax credit wrongly availed or utilized relates or within three years from the date of erroneous refund.
2. U/s 67 of GST Model Act, applicable to determine tax not paid or short paid or erroneously refunded or input tax wrongly availed or utilized with fraud or will full misstatement or suppression of facts.
- Proper officer will issue show cause notice(SCN) calculating demand, interest and penalty equivalent to tax amount at least six months prior to the time limit before issuance of final order.

- In case any assessee voluntarily pays tax along penalty @15% and applicable interest U/s 45, then, no SCN to be issued.
- In case tax payer pays tax, interest and 25% of the penalty amount within thirty days of issue of notice, then all proceedings in respect of the said notice deemed to be concluded.
- The proper officer shall issue the order under section 67(8) within five years from the due date for filing of annual return for the year to which the tax not paid or short paid or input tax credit wrongly availed or utilized relates.
- In case any tax payer pays tax, interest and 50% of the penalty amount from the communication of the Order, then all proceedings to be concluded.

This is relevant to mention that in the revised GST law the word "Suppression" has been explained explicitly. Suppression means Non disclosure of facts or information which a taxable person is statutorily required to declare in the return, statement, report or any other documents furnished under the Act or rules made there after or failure to furnish any information as asked by any officer in writing. However, the word fraud or willful misstatement is very much subjective may lead to increase number litigation like past years.

3. General Provision on Determination of Tax :(U/S68): These Provisions are applicable for both types of demands raised U/s 66 & 67 with / without fraud, willful misstatement or suppression of facts to evade tax.
 - In case period of issuance of order is stayed by court, the period stay is to be excluded from computing the limitation of three / five years.
 - In case court concludes SCN issued vide Section 67 is not sustainable for fraud or willful misstatement or suppression of facts then Order to be issued within three years
 - Interest to be paid whether it is mentioned in the notice or not.
 - Demand can not be confirmed in the order based on the grounds which is not mentioned in the show cause notice.
 - In case any modification of Tax demand by court, then related interest and penalty will be modified accordingly.
 - Proceedings shall be concluded for non issuance of Order within three / five years.
 - Order should be speaking order. The grounds specified

in the order should be mentioned in the SCN.

- Tax demand, interest and penalty mention in the order shall not exceed SCN amount.

This is to be noted in above mentioned section it is specifically stated that order issued by the adjudicating authority ought to be based on the grounds mentioned in the SCN. This is welcoming change and it will reduce number of litigation.

4. Tax Collected but not deposited with the central or a State Government (Section 69)

- According to Section 69 of Model GST Act, every person who has collected from any other person any amount as representing "the tax" under this Act, shall deposit the said amount to the credit of the Central or a State Government, irrespective of the fact such amount was collected are taxable or not.

- Notice to be issued by proper officer.
- Adjudicating officer after considering representation of Tax payer, appropriate order to be issued.
- The order to be issued within year from the date of issue of notice.
- There is no time limit to serve the notice.

It is relevant to mention that in the Model GST Act there is no time limitation provided for making above said recoveries.

5. Tax wrongly collected and Deposited with the State or Central Government (Section 70).

- In case Tax payer pays CGST /SGST by wrongly treating as Intra state supply then on payment IGST read with Section 19(1) Model IGST Act can claim refund of excess payment of tax CGST /SGST. Similarly provision exist in case IGST is paid wrongly in place of CGST /SGST then on payment of CGST /SGST, refund of IGST is permitted. Here Refund will be paid subject to the provisions and conditions as prescribed.

- No interest is payable for delayed payment IGST or CGST /SGST as mentioned as above.

- Rather than giving an option for adjustment of excess payment of tax.

This provision will increase blockage of working capital and double taxation

6. Recovery

According to Section 71 of Model GST Act, 2016, post Completion of Demand proceedings and order, Taxable person shall pay the demand with ninety days of from

the date receipt of Order.

If the amount payable is not paid and stay has not been obtained, officer may recover the due in any of the following ways (Section 72)

Recovery from Defaulter

- a) Deduction from Refund :Deduction from money owing to defaulter by the proper officer or any other specified officer.
- b) Detaining and Selling Goods :By detaining and selling the goods belonging to Taxable person .
- c) Issue of Recovery Certificate: Recovery through District Collector by issuing recovery certificate ..
- e) Detaining Moveable/ immovable property :The proper officer may detain/distrain any movable or immovable property of defaulter until the amount is paid with in thirty days. Post thirty days the above said immovable/movable property can be sold and sale proceeds to be adjusted with tax dues.
- e) Application to Magistrate: Application can be filed to the Magistrate for recovery of unpaid amount from collector of the district where defaulter resides or owns property or carries on business.
Recovery through any other person -Garnishee Proceedings :
 - a) The proper officer or any other specified officer may recover from any other person who owes money or may owes money to the defaulter.
 - d) Recover from the person including Post office , Bank, insurer who holds or may be subsequently hold money on account of such defaulter .
 - c) Compliance of Recovery notice is mandatory . The person to whom the Notice is served would be personally liable to state govt /Central Govt if he fails to comply this notice . In Case of any non compliance , the person concern would be treated as defaulter .
 - d) Any person discharging payment post receipt of the notice , the said payment will be considered as discharge of statutory liability .
 - e) Revocation of Notice :Notices Can be revoked or extended or extended time to time by proper officer .
 - g) Person to whom notices is served may not be liable if
 - Money demanded was not due or likely to be to the defaulter .
 - Does not hold the money of the defaulter .

- h) Proper officer may issue notice to pay to the government with in the time specified in the notice not before money is becoming due .
 - i) Notice for arrear dues should be issued mentioning amount due from defaulter regardless amount receivable by defaulter to others .
 - j) SGST officer at the time of recovery of SGST, may recover CGST Dues and credit to the central government
 - k) CGST officer at the time of recovery of CGST, may recover SGAT Dues and credit to the state government.
According to Section 73 it is to be noted where a person has filed appeal U/s 98 or U/s 101 the proper officer may not enforce the payment of demand until appeal is resolved.
7. Payment of Tax and other amount in Installment :U/s74-
On the basis of application filed by a taxable person ,
- Commissioner or chief commissioner can allow a taxable person to pay any amount due in installments .
 - Installment period can not exceed 24 months .
 - Applicable interest to be paid along installments .
 - In case any default is made in paying any installment then taxable person would be required to pay balance whole outstanding dues on such date without any further notice .
8. Transfer of property is void in certain cases (U/s 75)
In Case any tax has become due from a taxable person and afterwards the person creates a charge or parts with the property belonging to him by way of sale , mortgage or exchange will be void if there is a intention to defraud the government . The transaction would be void to extent tax dues against such property .
- Here intention to defraud the government has to be proved .
 - There are some exceptions ,
 - If it is made for adequate consideration and without notice of pendency of tax dues .
 - Transfer is made with the permission of proper officer .
9. Tax to be first charge on property (U/s 76)
- In Case any tax , interest and penalty is payable by Taxable person or any other person is due to government then these tax , interest and penalty amount payable will have first charge on the property of such persons .
According this Section Tax to be first Charge on the

property irrespective others dues .

10. Provisional attachment to protect revenue in certain cases (U/s 77)

With a intention to protect revenue, in case any proceedings is pending, the commissioner may order provisional attachment of the property for

- Non filers of returns U/S 60
- Assessment of Unregistered persons U/s 61
- Summary Assessment U/s 62
- Tax Not paid or short paid or input tax wrongly availed (U/s 66&67)
- Tax collected but not deposited U/s 69
- Power , inspection , search & Seizure .U/s 79

Conclusion : Revised GST Model Act , 2016 has made number of changes in the Demand & Recovery procedures but still now there are few issues which may be taken in to consideration at the time of framing Final GST Act , 2016 .

- According to Section 66 & 67 of GST Model Act , 2016 the proper officer shall issue an adjudication order with in three /Five years from the due date of filing annual return for the financial year in which any dispute may arise U/s 66& 67 respectively. It is to be noted that the proper officer shall issue a SCN 3/6 Months prior to the time limit of issuing adjudicating order stated as above. There are possibility that departments will issue SCN at the fag end of completion of limitation period. It is violation of principal of natural justice.
- Section 70 of GST Model Act does not provide any adjustment facility for wrong payment of Tax in CGST/SGST in lieu of IGST or vice versa. Instead, it provides a refund facility subject to payment of tax at the IGST Or State CGST/ SGST as the case may be. It will block working capital of the dealer for a long time.
- It is possible that a dealer can receive SCN on the same issue from two authority . In Case on the same issue state authority / central authority takes different view on same transaction, it will add more complexity.



Behavioural Finance: Identifying Biases And Anomalies

Pinky Mistri

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Abstract

Behavioural finance denotes the study of psychological element in financial decision making. Traditional Financial Model like the Capital Asset Pricing Model (CAPM), the Efficient Market Hypothesis (EMH), the Option-pricing theory and other financial theory are proving to be deficient as they do not answer all questions of finance. One of the most important conflicts comes from the traditional assumption of 'rationality'. Human tendency of taking sub-rational decisions consequences to market anomalies. This paper tries to identify investor's biases and market anomalies and also tries to build a conceptual framework of Behavioural finance. The financial markets sometimes suffer from anomalies and hence markets turn out inefficient. This paper sheds light on various components of behavioural finance which help us to develop certain remedial measures that can be used to correct market inefficiencies.

Key words: Behavioural Finance, Rationality, Behavioural Biases, Market Anomalies, Market Inefficiencies.

Introduction : Individuals are always expected to act rationally of make decision based on all available information. In real world the decisions of Individuals are affected by many behavioural biases. Traditional Financial Model are going through a paradigm shift as these model like Capital Asset Pricing Model (CAPM), the Efficient Market Hypothesis (EMH), the option-pricing theory and other financial theories are proving to be deficient as they do not depict real scenario of financial world. Behavioural finance aims to use both psychological and economic factor for sound financial decision. Behavioural finance is quite large research field as it not only considers traditional financial theories but also incorporates psychology in the study. Biases are certain tendencies of investors to take abrupt decision. The financial market suffers from anomalies and market turns out inefficient. These biases and anomalies are not explained by traditional financial model. Hence researchers and investors have identified the role of Behavioural finance. This research paper tries to give theoretical insight of behavioural finance to identify different behavioural biases and market anomalies. This paper has also proposed a Conceptual Framework of Behavioural finance depicting its major themes and concepts.

Review of literature : Chen and LaI (2013) helped in exploring the post announcement performance from a behavioural finance perspective. Their empirical result indicated that there is significant stock of the presentation framing with different degree of certainty prospect whereas there is negative effect on stock of presentation framing with certainty prospect.

Fong (2013) argued that individuals are attracted to lottery stocks and lottery stock Investors are indeed risk seekers and sentiment prone. Lottery stock puzzles can be understood only by incorporating unusual risk preference and the propensity for individual investors to track on sentiment. Sentiment has a significant positive impact on the return spread between lottery and non-lottery stock. The author has used a model-free approach based on stochastic dominance to infer aggregate risk preference.

Adam and Shauki (2012) studied that investors' decision-making behaviour concerning socially Responsible Investment (SRI) is influenced by intention perceived behaviour control and moral norm. They used Structural Equation model (SEM) to ascertain the causal relation between the variables and whether these relationship could be improved by intention as a mediator. They have taken Malaysia as their survey area.

Ren-di li and Chang-shuai Li (2012) analysed the Behaviour of Chinese Security Analysts. They suggestion were to 1) Establish a perfect regulatory system for the interest conflict of the security analyst. 2) Strengthen the regulations and self-discipline of the securities consulting Industry and 3) Strengthen the integrity management of the consultants.

Sarangaranjan (2012) empirically proved that many investors investing cared much more than simply weighting the risk and expected return of various Investment asset at their disposal. Investors took investing as nice free-time activity and also suffered from conformity bias

Subramanyam (2007) in his paper gave review and synthesis on Behavioural Finance presenting normative implication for individuals and CEOs. He discussed on topic like empirical and theoretical analysis of pattern in cross-section of average stock returns trading activities and research on corporate finance.

Statman (1999) in his paper mentioned about the tools of Behavioural finance i.e. susceptibility to frames and other cognitive errors, varying attitude toward risk, aversion to regret, imperfect self-control, preference as to both utilitarian and value-expressive characteristics.

Olsen (1998) gave a detail origin content and rationale of Behavioural Finance. He argued that new theories of chaos and adaptive decision making in behavioural finance can help in solving the puzzle of stock-price volatility.

Objective of the study : This study aims to provide general outline of the area of behavioural finance along with certain major concept and to establish a relation among them. Another objective of this study is identifying the critical areas of behavioural finance in which certain suggestive corrective measures can be applied which can help in controlling redundancy in financial decision making.

Research Methodology : This paper based on purely secondary data which were collected from different Journals, Magazines, Books, Websites, reports etc. Literature Review Method has been followed in this research paper to find out the below mentioned conclusion.

Conceptual Framework : The Conceptual Framework depicts major concept of Behavioural Finance and it also tries to establish a relationship among them. With this conceptual framework we can make out that Behavioural Biases tend to market anomalies and hence it turn the market to be inefficient. If we aim to correct the market we can do so by targeting the psychological factor which is influencing the decision making process and applying the corrective measures to Behavioural biases of investors (Fig. 1). This conceptual framework is being portrayed graphically by the following Figure 1:

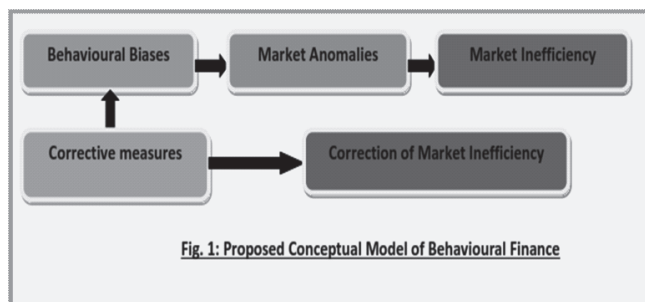


Fig. 1: Proposed Conceptual Model of Behavioural Finance

Behavioural Biases : This paper has identified certain psychological factors that affect investors' decision making process. Investors' tendency to take sub-rational decision is termed as Behavioural Biases.

Noise Traders : One of the most puzzling facts about modern financial market is the sheer volume of trade that occur. Noise traders first appeared in the finance literature as a possible escape clause for the inability of standard model to explain the occurrence of any trade at all (Grossman & Stokey 1982). Given this volume of trading in financial securities and the

sometimes less than transparent relation between investors demand and traditional metrics of asset value a central part of the behavioural finance literature explores the behaviour of those who trade despite having no new information to impound into the stock price. In the words of Fisher Black, these 'noise' (non-fundamental value) based traders. Shefrin and Statman (1994) in their Behavioural Asset Pricing Model (BAPM) have mentioned Noise traders as those who commit cognitive errors and do have strict mean variance preference as per Capital Asset Pricing Model (CAPM)

Overconfidence Bias : In such behavioural pattern investors overestimate their financial intelligence and underestimate risk and uncertainties. Kahneman and Riepe (1998) argue that overconfidence causes people to overestimate their knowledge, undervalue risk and overestimate their ability to control events. Griffin and Tversky (1992) claim that over confidence originate in people's biased evaluation of evidence. Evidence has two dimensions: strength and weight. 'Strength' refers to the extremity of the evidence, while weight refers to the predictive validity of the evidence. Griffin and Tversky suggest that overconfident people tend to focus on the strength of the evidence and then adjust if adequately for its weight. People tend to be overconfident in situations of high strength and low weight. They tend to be under confident in reverse situation. Overconfidence affects not only behaviour of secondary market traders but also investors in primary market. Overconfidence leads to erroneous bids at some auction.

Overoptimism Bias : Optimism denotes an exaggeration of the asset value relative to that which is reasonable or rational given later outcomes. According to Ramnath et al. (2008) overoptimism is the tendency to overvalue the possibility of desired outcome and undervalue the occurrence of unfavourable events.

Herd Behaviour : It is tendencies of individuals to mimic the actions (rational or irrational) of a large group. As humans are social being and have a social pressure of conformity people become a part of herd. Also the common belief of herd members that such a large group could be wrong. The members of herd believe that the other know something that they do not. This is especially prevalent in situations in which an individual have very little experience.

Representativeness Bias : According to Tversky and Kahneman (1974) the representative heuristic involves making judgement based on stereotypes rather than on underlying characteristics of decision task. Soltand Statman (1989) have argued that investors tend to believe that good stocks are stocks of good companies because the fall preys to the representativeness heuristic.

Familiarity Bias : People are always resistant to change and have a fear of unknown. Hence investors prefer to hold shares with which they are familiar. Such tendencies of familiarity in domestic setting are known as 'local bias' and at international

setting is termed as 'home bias'.

Limited Attention : People do not pay equal attention to all information available to them. Dellavigna and Pollet(2009) argued that although limited attention has initiative appeal there is scarcity of evidence on how much the equality of decision making by investors is deteriorated as a result of distraction. There is always a correlation between the above mentioned biases. Investor's decision is driven by many biases at a same point of point.

Framing : Framing refers to the mental accounting structure of investors. It shows that the investors' decision is influenced by frames or arrangement in which the problem is presented. Frames are the part of Kahneman and Tversky's (1979) Prospect theory. Statman (1999) analysed the dividend puzzle with consideration of frames.

Anomalies : Often it is seen that market anomalies are consequence of participation of ignorant individual investors.

Small firm outperform : The first stock market anomaly is the smaller firms (that is, smaller capitalization) tend to outperform large companies. As anomalies go, the small-firm effect makes sense. A company's economic growth is ultimately the driving force behind its stock's performance, and smaller companies have much longer runways for growth than larger companies. Smaller firms typically are able to grow much faster than larger companies and the stock reflect this.

The Winner's curse : One assumption found in finance and economics is that investors and traders are rational enough to be aware of the true value of an asset and will bid or pay accordingly. However, anomalies such as the winner's curse or the tendency for winning bid in an auction to exceed the intrinsic value of the item purchased suggest that this is not the case. Rational based theories assume that all participants involved in a bidding process will have access to all relevant information and will all come to same valuation. Any difference in the pricing would suggest the some other factor not directly tied to the asset is affecting the bidding. According to Robert Thaler(1998) article on the winner's curse there are two primary factors that undermine the rational bidding.

Reversals : Some evidence suggests that stocks at either end of the performance spectrum over period of time (generally a year), do tend to reverse course in the following period yesterday's top performances become tomorrow's underperformers, and vice-versa. De Bondt and Thaler (1985) argued that the anomaly of past losers becoming future winner is the reflection of the cognitive error of overreaction. Not only does statistical evidence back this up, the anomaly makes

fundamentals. If a stock is a top performance has made it expensive, likewise, the reverse is true for underperformers. It would seem like common sense, then, to expect that the overpriced stocks then underperform(bringing their valuation back more in line) while the under-priced stocks outperform. Reversals also likely work in part because people expect them to work. If enough investors habitually sell last year's winner and buy last year's losers that will help move the stocks in exactly the expected directions, making if something of a self-fulfilling anomaly.

Days of the week : Efficient market supporters hate the days of the week anomaly because it not only appears to be true; it makes no sense. Research has shown the stock tends to more and more on Fridays than Mondays, and that there is a bias toward positive market performance on Friday. It is not a huge discrepancy, but it is a persistent one. On a fundamental level, there is no particular reason that this should be true. Some psychological factors could be at work here, though. Perhaps an end-of-week optimism permeates the market as traders and investors look forward to the weekend. Alternatively perhaps the weekend gives investors a chance to catch up on their reading stew and fet about the market and develop pessimism going into Monday.

Corrective measures : Most of the time investors are not even aware that financial decisions are influenced by psychological factor. Investors' decisions are influenced by one or more behavioural biases. Making investors aware of behavioural biases will help curtail such factors which is negatively affecting their financial decision making process. Applying corrective measures will help investors in making sound financial decision. Like limited attention bias can be corrected by right professional knowledge and training. Noise Trading can be corrected by self-control attitude of investors.

Conclusion : On the basis of this study, it may be suggested as a part of concluding observations that some certain corrective measures are there which can be applied to curb Behavioural Biases which further helps us to reduce market inefficiencies. Hence it can be concluded that first and the foremost making investors aware of their cognitive error in decision making process is crucial. So, corrective measures can be targeted to the behavioural biases of investors which can be done by some Awareness Generation Programme (AGP) in which some professional knowledge and training can be imparted to investors for overall benefit of the economy. Hence the financial decision making process of investors can be improved if investors realise and learn from their behavioural biases and apply certain corrective measures.



Entrepreneurial Tendencies amongst Poor Women - A study based on West Bengal

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Abstract: Entrepreneurship, in general and rural entrepreneurship, in particular, has become an active field of study in the last two-three decades. Rural entrepreneurs specifically women entrepreneurs play an imperative role in the overall economic development of the country. This study attempts to highlight the influence of three demo-graphic factors i.e., Marital Status, Family Background and Educational Qualification on the entrepreneurial characteristics of rural women. For the purpose of the study a sample of 110 rural women of Maheshtala Municipality area (a particular municipality of South 24 Parganas district) was selected. With the help of self-administered questionnaire, six entrepreneurial properties i.e., Locus of Control, Need for Success, Tendency about the Risk, Uncertainty Tolerance Power, Self-Confidence, Creativity and their association with socio-demographic factors were measured. Interesting findings were derived regarding dependence of tendency about risk and self-confidence on marital status and educational qualification respectively. The study is based on primary data as well as secondary data collected from the published reports of newspapers, journals, websites, review of past researches and other reports etc. Therefore, the government should initiate and provide some credit and infrastructure facilities to the rural women entrepreneurs for their inclusive growth. Government should also opt for review of rural entrepreneurship development schemes and programs with the intention to fortify rural areas and in so doing increasing economic development.

Keywords: Rural Entrepreneurship; Entrepreneurial Characteristics; Socio-demographic Factors; Inclusive growth.

Introduction: Rural woman constitutes the family, which leads to society and Nation. Social and Economic development of women is necessary for overall economic development of any society or a country. This is very unfortunate that entrepreneurship is the state of mind which every woman has in her but has not been capitalized in India in way in which it should be. Entrepreneurship refers to the act of setting up a new business or reviving an existing business

so as to take advantages from new opportunities. Thus, entrepreneurs shape the economy by creating new wealth and new jobs and by inventing new products and services. Entrepreneurship is considered as one of the most important factors contributing to the economic development of the society. Entrepreneurs have been considered instrumental in initiating and sustaining socio-economic development.

Women Entrepreneurs may be defined as the women or a group of women who initiate, organize and operate a business enterprise. Like a male entrepreneurs a women entrepreneur has many functions. In India, concept of women entrepreneurship is of recent origin. Women have become aware about their rights and situations and entered in different fields of business. They have established their own successful business empires. They are contributing towards the growth of economy and improvement of their socio-economic conditions. Government of India has given due importance to women empowerment in the country and several schemes has been introduced for the upliftment of women entrepreneurs. Starting up a new firm is very much an individual's decision, which is why the individual's characteristics as an entrepreneur are central in the investigation of entrepreneurship (Littunen, 2000). This study is targeted towards the poor rural women who are yet not entrepreneurs. Through this study we try to investigate entrepreneurial prominences of these women of rural Bengal as well as rural India.

Position of women entrepreneurs in rural India:

According to government of India, "An enterprise owned and controlled by a women having a minimum financial interest of 51% of capital and giving at least 51% of the employment generated by the enterprise to women." "Women Entrepreneurship" means an act of business ownership and business creation that empowers women economically increases their economic strength as well as position in society. Empirical evidence shows that women contribute significantly to the running of family businesses mostly in the form of unpaid effort and skills. The value of this effort is underestimated both by the families that take it for granted

and in academic studies. On the other hand, many of the enterprises defined as being run by women (that is, enterprises in which women hold the controlling share) are in fact run in their names by men who control operations and decision-making but this is not true specially in case of retail businesses like vegetable selling, fish selling, flower selling, tea shop, hotel etc.. Programmes meant to reach women entrepreneurs can succeed only if they take note of this paradox as well as of the familial and social conditioning that reduces the confidence, independence and mobility of women. Promoting entrepreneurship for women will require an even greater modern attitudes than the mere creation of jobs for women would.

Position of women entrepreneurs in rural West Bengal:

From the existing literature and practical experiences, it can be said that they are very poor not having sufficient fund, infrastructure and support from any hands. They have very small businesses and a good number of women entrepreneurs come daily from the neighbouring states as well as country (Bangladesh) and engage themselves in entrepreneurial activities. Still they are fighting for their livelihood. If we study the following literature then we can easily understand the position of women entrepreneurs in rural West Bengal. P.K. Bardhan (1979)¹ pointed out the determinants of women's labour force participation rate in rural West Bengal. He empirically proved that women's labour force participation rate in rural West Bengal was negatively influenced by increase in number of dependents in the household, number of adult males in the household, the village unemployment rate and standard of living for the household. Women's labour force participation rate was positively affected by the harvesting-transplanting season (July-September). He also found out that low caste and tribal women participate more in the labour force than higher caste women even in rural areas. In rural area, the importance of women entrepreneurs is very high but they are negligible. Sharmistha Bhattacharjee² highlighted the initiative of women made in rural Birbhum, West Bengal to empower them by making and marketing of popular handicraft Kantha (type of embroidery popular in West Bengal) work. Despite, of various difficulties women use this opportunity to establish a network and make contacts to enhance their social status. The overall work performed by them to make the product or to delegate the same to women folk gives them a sense of empowerment. From here, we can perceive that they are able to enhance their skills and develop the art by sharing and marketing. Even though commuting

becomes a problem as customers are not always available locally. These women use this opportunity as outing and contributing to the family structure economically and empower themselves by acquiring a status of an earning member.

Brief description of Entrepreneurial Prominences: In the present study, six entrepreneurial prominences or characteristics i.e., Locus of Control, Need for Success, Tendency about the Risk, Uncertainty Tolerance Power, Self-Confidence, and Creativity are chosen as they are frequently cited in different existing studies in entrepreneurial literature. These prominences are being discussed below:

Locus of Control: This refers to the source where a person places responsibility for the events in their life. A locus, by definition, is a source or place of something, such as power or activities. So it's not too hard to see where the entire term 'locus of control' came from. There are two specific forms of locus of control that people may have. Having an external locus of control implies that an individual with such a locus of control believes the outcome of their life, life events, success, and failure is determined by factors out of their control. Individuals with an external locus should be contrasted with people who have an internal locus of control. This refers to an individual who believes they are in control of their destiny, successes, failures, and life.

Need for Success: According to David McClelland's theory of need achievement, a constellation of personality characteristics which are indicative of high need achievement is the major determinant of entrepreneurship development. Therefore, if the average level of need achievement in a society is relatively high, one would expect a relatively high amount of entrepreneurship development in that society. McClelland gives the psychological concept of achievement motivation to account for the differences in response to similar conditions. Referring to the encouraging impact of achievement motivation training programmes organised by the Small Industries Extension Training Institute (SIET), Hyderabad McClelland argues that the need achievement can be developed through the intensive training programmes³.

Tendency about the Risk: The risk-taking is defined as "the perceived possibility of receiving the rewards associated with success of a proposed situation", required before embarking on a venture (Brockhaus, 1980)⁴. According to the trait approach one characteristic an entrepreneur should have is the ability of taking risk. Colton and Udell (1976)⁵ proposed

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2. Dr. Sharmistha Bhattacharjee, (2013), *Empowerment of Women through Entrepreneurship: A Study in Birbhum, West Bengal*, Journal of Small Business and Entrepreneurship Development, Vol. 1 No. 2, December 2013.

3. *What are factors influencing Entrepreneurial development in India?* <http://www.bms.co.in/what-are-factors-influencing-entrepreneurial-development-in-india>.

4. Brockhaus, R. H. (1980), *Risk taking propensity of entrepreneurs*, *Academy of Management Journal*, 23, 509-520.

5. Colton, R. M., G. G. Udell, (1976). "The National Science Foundation's Innovation Centers: An experiment in training potential entrepreneurs and innovators", *Journal of Small Business Management*, 14, 2, 11 to 20.

that the trait risk-taking, along with creativity and flexibility, is a better indicator of the likelihood of starting a business than is achievement motivation. Studies generally support the notion that risk-taking is pre-dispositional and not simply a situational variable (Jackson, Hourany & Vidmar, 1972)⁶ and (Plax & Rosenfeld 1976)⁷, and there is strong evidence for a propensity for risk-taking (Jackson, Hourany & Vidmar, 1972). Differently put, an entrepreneur must take risk to establish a business venture. Types of risk, an entrepreneur faces are financial risk, management risk and personal risk (Gartner, 1990)⁸.

Uncertainty Tolerance Power: When there is insufficient information to structure a situation, an ambiguous situation is said to exist. The manner in which a person perceives ambiguous situation and organizes the available information to approach it reflects his/her tolerance of ambiguity (Koh, 1996)⁹. Entrepreneurs have a higher tolerance of ambiguity than middle as well as top level managers (Scherer, 1981)¹⁰.

Self-Confidence: Self-confidence refers to the belief in one's own actions. An entrepreneur initiates and takes actions individually; hence self-confidence is one of the most required traits for an entrepreneur.

Creativity: Creativity affects the tendency to be an entrepreneur. Creativity is necessary not just to identify business opportunities, but also to figure out how to obtain resources to pursue them. Moreover, over time, the conditions facing businesses change and entrepreneurs need to come up with creative responses to those changes (Shane, 2003)¹¹. Parallel to perseverance and proclivity, the entrepreneur sparks innovation by altering the economic characteristics of products, markets or industries. Decades of research and theorizing about the entrepreneur indicate the confluence of these factors in distinguishing entrepreneurs from their corporate counterparts. The results of this study reinforce this conceptualization of the entrepreneur as an achieving, creative risk-taker (Stewart, Watson, Carland and Carland, 1999)¹². Entrepreneurship is the sum of qualities and activities

of a person who establishes, and assumes the risk for, a new or innovative business venture. Entrepreneurs have special skills and talents, which include management skills and give them a sixth sense for business. Those personality traits and characteristics as well as imagination, creativity, and long-term vision can probably be enhanced with experience (Gartner, 1990). For these reasons, an entrepreneur perceives risk differently than other individuals and therefore can take a higher degree of risk¹³. Entrepreneurship literature provides a mixed review on the impact of demographic factors on the entrepreneurial characteristics.

Development of Hypotheses: The research primarily aims to study the intensity of entrepreneurial characteristics of rural women on the basis of the data collected in late 2015.

Taking trait approach and physiological characteristic school of thought into consideration, it is also important to study the relation between the demographic variables and entrepreneurial characteristics of the women, for the purpose of which, the following hypothesis are formulated:

H₁: There is no significant relation between marital status and entrepreneurial prominences of women.

H₂: There is no significant relation between family background and entrepreneurial prominences of women.

H₃: There is no significant relation between educational qualification and entrepreneurial prominences of women.

Sample Selection: This study had been carried out on one specific purposively selected district of West Bengal namely South 24 Parganas. This district is agriculturally advanced showing highest cropping intensity and the chief reason for selecting the district of South 24 Parganas for case study is the easy access of the researcher to the sample respondents in this district and the problem of time and resources provided to an individual researcher.

In the next stage, from this district, Maheshtala Municipality under Alipur-Sadar subdivision was chosen because this is the home town of researcher. Thereafter, eleven nearest villages from that municipality area were selected purposively. This was done in consultation with the Municipality officials considering concentration of small markets (like fish market, vegetable market etc.), convenience and costs. The focused villages under study comprise the villages namely; Sonamukhi-Shibrampur, Moynagarh, Banerjeehat, Dakhghar-Jalkhura, Akra, Chatta-Kalikapur, Chandannagar, Mehmanpur, Sontoshpur, Batanagar and Roypur. Finally, 10 (ten) rural women entrepreneurs from each gram Panchayats were selected randomly as sample stakeholders in order to avoid any bias in sample selection process. Thus a total of 110 sample members have been interviewed with the help of structured questionnaire of which 4 were rejected due to incomplete

13. Ilse de Haan, Bachelor Thesis Organization & Strategy Characteristics of entrepreneurs and risk taking, University of Tilburg, June, 11 2010.

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filling up. In respect to this study, Age is also an important factor, so, it has been tried to maintain a particular age range at the time of selection. The middle age respondents have been considered here. The average of the respondents was 26 years. No responses were found to have any deficiencies, hence all 106 responses were considered for further analysis.

Research Instrument: A close-ended, self-administered questionnaire was given to the respondents. The questionnaire consists of two sections. The first section measures the demographic profile of the respondents as these variables have been associated with entrepreneurship.

The second section measures the six entrepreneurial characteristics mentioned in the conceptual framework with the help of the Entrepreneurial Self-Assessment Scale¹⁴, first published in the Entrepreneurs' Handbook, a journal produced by the Institute of small scale Industries, University of Philippines in 1981. This questionnaire has been used in the previous research and tested for its reliability (Koh, 1996; Patel, 2007). The six entrepreneurial characteristics are measured with the help of 36 statements (six statements for each characteristic) for which a five-point Likert scale is used from (1) for strongly disagree to (5) for strongly agree. Some statements are reverse scored and intermingled with other statements so as to reduce the bias. The scoring sheet for compiling scores of each characteristic was developed accordingly.

Statistical Methods: To compare the intensity of various entrepreneurial characteristics in rural women Descriptive Statistics (Mean, Standard Deviation, Cross Tabulation and Frequency Distribution) was used. Chi square test of independence was done to check the independence or dependence of entrepreneurial characteristic with respect to various demographic variables.

Analysis and Interpretation of Data: Descriptive Statistics of the sample including the Frequency Distribution and Percentage is presented in Table-I. The study has nearly equal representation of both types of marital status (55.7% married & 44.3% unmarried). A large proportion of the respondents (nearly 81%) are from family business background whereas parent's occupation of the remaining respondents is service or profession. As we know that education is considered to be an important factor for the development of an individual, especially in building one's professional career. Education enables a man or Woman to acquire desired knowledge and skill for exploring the future possibilities of individual growth, for establishing business units and for communicating diversified knowledge in different fields. But in a developing country like India, generally the well-qualified people, particularly women, prefer to do service than to accept any business proposition

due to the fact that in our society service commands more respect and provides assured stable income. Since entrepreneurship is the only area where literate, semi-literate or illiterate women find their way of earning, some women from all segment of the society choose entrepreneurship for their livelihood of self-establishment in the society. Here the educational qualification of respondents has been divided into four categories like Illiterate, Class I - X, Higher Secondary and Graduation & Above.

Table - I : Marital Status, Family Background and Educational Qualification of the Respondents

Socio-Demographic Factors	Particulars	No. of respondents	%
Marital Status	Married	59	55.7
	Unmarried	47	44.3
	Total	106	100
Family Background	Business	86	81.1
	Service/Professional	20	18.9
	Total	106	100
Educational Qualification	Illiterate	18	17.0
	Class I - X	44	41.5
	Higher Secondary	30	28.3
	Graduation & Above	14	13.2
	Total	106	100

Descriptive statistics of the variables including the Mean, Standard Deviation, Co-efficient of Variation as well as minimum and maximum score is presented in Table - II. For this analysis, firstly I generated the Mean score of each entrepreneurial characteristic of every respondent by dividing their total score for that characteristic by six. Further, intensity of each characteristic was calculated by taking the Mean of Mean scores of all respondents for that particular characteristic. Among all the characteristics, women have higher need for success and locus of control (Mean = 3.77 & 3.71 respectively) whereas uncertainty tolerance power was found to be least (Mean = 3.01). The scores of self-confidence had maximum variation (CV = 19.53%) whereas need for success had least variation (CV = 14.04%).

Table - II : Descriptive Statistics of Entrepreneurial Prominences

Prominences	n	Mean(\bar{x})	Standard Deviation (s)	Co-efficient of Variation (CV)	Minimum	Maximum
Locus of Control	106	3.73	0.52	14.06	2.33	4.83
Need for Success	106	3.82	0.48	12.83	2.67	4.83
Tendency about the Risk	106	3.29	0.46	14.08	2.17	4.83
Uncertainty Tolerance Power	106	3.01	0.46	15.27	1.67	4.67
Self-confidence	106	3.55	0.69	19.53	2.00	4.83
Creativity	106	3.64	0.61	16.74	2.17	4.83

Hypothesis Testing : All three hypotheses were tested using Chi Square Test for independence to investigate whether the demographic variables and entrepreneurial characteristics have statistically significant relation. To construct bi-variate

14. http://centralpt.com/upload/482/sbdc/resources/articles/9951_8stepentrepreneurialselfassessment.pdf.

Frequency Distribution entrepreneurial characteristic scores were classified into four categories i.e, 1-3, 3-3.5, 3.5-4, & 4-5 which signifies Mean score of less than 60%, 60-70%, 70-80%, & 80% or above respectively. As shown Table - III, at 0.1 significance level, all the Null Hypothesis were accepted except impact of marital status on tendency about the risk and educational qualification on creativity.

Table - III : Chi Square Test of Independence

Prominences		Marital Status	Family Background	Educational Qualification
Locus of Control	χ^2 - value	1.179	4.666	9.354
	p - value	0.754	0.198	0.405
	Null Hypothesis	Accept	Accept	Accept
Need for Success	χ^2 - value	0.015	5.226	8.483
	p - value	0.994	0.156	0.487
	Null Hypothesis	Accept	Accept	Accept
Tendency about the Risk	χ^2 - value	12.062	1.051	7.440
	p - value	0.002	0.789	0.591
	Null Hypothesis	Reject	Accept	Accept
Uncertainty Tolerance Power	χ^2 - value	3.641	0.956	10.174
	p - value	0.162	0.620	0.337
	Null Hypothesis	Accept	Accept	Accept
Self-confidence	χ^2 - value	4.320	3.111	6.651
	p - value	0.229	0.375	0.673
	Null Hypothesis	Accept	Accept	Accept
Creativity	χ^2 - value	2.497	4.681	15.642
	p - value	0.287	0.197	0.075
	Null Hypothesis	Accept	Accept	Reject

Findings: No statistically significant relation was found between demographic variables and locus of control as well as need for success but relatively low p - value (0.198 & 0.156 respectively) indicates that family background might impact these two characteristics to some extent. Statistically significant relation was found between marital status and tendency about the risk. Married women had higher tendency to take risk than unmarried women. Family background and educational qualification had no impact on tendency about the risk. No statistically significant relation was found between demographic variables and uncertainty tolerance power but low p - value (0.162) provides little evidence that marital

status might impact uncertainty tolerance power. Also Mean scores indicated that married women have higher uncertainty tolerance power than unmarried women. Self-confidence was not found to be statistically related to any of the demographic variable. Statistically significant relation was found between educational qualification and creativity. Women having higher educational qualification were found have higher scores on creativity.

Concluding Observation: The main objective of the research was to study the intensity of entrepreneurial characteristics in women which was derived with the help of Mean scores. Women were found to have high need for success is a positive indication for the better prospective entrepreneurs. The research also aimed at studying the impact of demographic variables on entrepreneurial characteristics. Overall there was not very significant impact of demographic variables on the six entrepreneurial characteristics under study. This result is also in consensus with various previous researches (Kumara & Saharranam, 2009¹⁵; and others). The present research has some limitations. The survey was carried out on a sample of rural women from only one very small area of West Bengal and sample size is very small. Also, majority of the women in our research come from very poor family hence we have not been able to get a balanced representation from both the categories of women i.e., those coming from comparatively affluent family (middle class family) as well as wealthy family and the findings may be different in that case. The research opens several possibilities for future research. The present study can be replicated in a more comprehensive manner, covering a large group of women from different areas as well as from different districts of West Bengal.

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Budget 2017-18 and Security

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Following the Mumbai terror attacks of November 2008, the Ministry of Home Affairs has been witnessing a steady increase in its allocations over the years. In the last three years too, allocations have increased from Rs. 61,401.78 crore in 2014-15 to 65,651.10 crore in 2015-16, and to 73,406.37 crore in 2016-17. For the upcoming financial year 2017-18 as well, this upward trend has persisted with allocations reaching Rs. 83,823 crore, a hike of around 11.5 per cent over that of the previous year.

Of the total allocations to the MHA, allocation made under the head 'Police' which includes security such as the central armed police forces (CAPFs), central police organisations (CPOs), border infrastructure, intelligence, disaster and emergency management, etc. The increased budgetary allocations under the 'Police' head over the years reflect the growing concerns over various internal security challenges plaguing the country as well as a firm intent to tackle them.

As per data, presently about 106 districts in 10 states of our country are affected by Naxalism. The Union government assists states by providing battalions of central armed police forces to counter the subversive activities of left wing extremists and maintain public order. Given that the Central Reserve Police Force (CRPF) is the primary force deployed in the naxal affected states, the Government of India had, in 2009, sanctioned funds for raising 39 additional battalions of the CRPF. As a result, the CRPF has been receiving the highest allocations in successive budgets since then. In the previous fiscal year, the force received Rs. 16,228.18 crore, which has been increased by another 1635.35 crore to Rs. 17,868.53 crore for 2017-18.

Apart, the Union government reimburses the expenditure incurred by naxal-affected states in training and operational requirements of the security forces, insurance of police personnel, ex gratia payments to the families of civilian or security forces personnel killed in violence, compensation to surrendered left wing extremist cadres under the surrender and rehabilitation policy of the respective states, etc. In the last two financial years, i.e. 2015-16 and 2016-17 (until 15 November 2016), funds released to the states under these schemes were Rs. 258.65 crore and 111.49 crore, respectively. For the upcoming fiscal year, the budgetary allocation under SRE has been pegged at Rs. 1,222 crore, an increase of Rs. 380 crore from the previous year. Since SRE also comprises expenditures incurred by Jammu and Kashmir and insurgency affected states in the North East, the rise of almost 45 per cent under this head could be because of the deteriorating security situation and the expectation of a consequent rise in spending under SRE in these states.

Border management is the area that has witnessed a substantial increase in budgetary allocations for the fiscal year 2017-18. The need to effectively secure the country's international borders against infiltration, trafficking and irregular crossings has become even more pressing following a series of successful infiltration attempts by Pakistani terrorists through the India-Pakistan international border and subsequent attacks on strategic installations in the past couple of years.

The Union government has also decided to enhance surveillance and detection by building ditch cum fence barriers, putting up laser walls along specific stretches, employing sensors, cameras and tunnel detection gadgets,

building roads and other infrastructures along the borders. The implementation of the comprehensive integrated border management systems (CIBMS) along the India-Pakistan border on a pilot basis is a step in this direction. Accordingly, Rs. 2,600 crore has been allocated for border infrastructure; of which 2,355 crore is for capital expenditure i.e., spending on fences, electronic surveillance gadgets, etc. This amount is, however, lower than the Rs. 2,490 crore provisioned for 2016-17. One of the reasons for the lower allocation could be the under or non-utilization of funds due to various reasons, a fact revealed by the revised budget of 2016-17, where the expenditure under capital outlay has been reduced to Rs. 1,722.33 crore.

Similarly, budgetary allocations for the Border Guards have been substantially increased to improve their strength and efficiency. Allocations under this sub-head are made for raising additional battalions, training, procurement of weapons and ammunition, administrative requirements, etc. The Border Security Force (BSF), which has responsibility for the India-Pakistan and India-Bangladesh borders, received the highest amount of Rs. 15,569.11 crore, an increase of Rs. 917 crores from the previous year. Furthermore, the Land Port Authority of India (LPAI), entrusted with the mandate to build and manage integrated check posts (ICPs), received Rs. 300 crore for 2017-18, an increase of 241 per cent from the previous year. This highlights the government's commitment towards greater regional integration by ensuring the smooth and efficient cross border movement of people and goods. Likewise, the Border Area Development Programme (BADP), a scheme to meet the infrastructural requirements of the border people, received an enhanced allocation of Rs. 1100 crore, an increase

of 11 per cent from 2016-17.

The third segment which received a substantial increase in allocations is police modernisation and infrastructure. Under police modernization, Rs. 800 crore has been allocated for modernization of the state police forces. This sum includes grants by the Union government to states to strengthen police infrastructure in terms of training, weaponry, mobility and communication, and the establishment of secure police stations. Further, it also includes the establishment and upkeep of the crime and criminal network tracking system (CCTNS). Building projects, both residential and office, for CAPFs and COPs received Rs. 4008.06 crore, indicating the seriousness of the Union government to improve the living and working conditions of these police organizations.

The Intelligence Bureau (IB), which in recent years has been augmenting its strength, has also received an allocation of Rs. 1,577 crore, an increase of 11 per cent from the previous year. Most of the expenditure, however, will be revenue outlay indicating an increase in spending on salaries and perks of personnel. In the past, the IB was functioning at a reduced strength with a shortfall of around 2000 agents, but in the aftermath of the Mumbai terror attack, calls were made to strengthen the IB in a comprehensive manner through increased recruitments, among other things. The IB has been recruiting personnel since 2009 but this is yet to reflect accurately in the manpower strength since full induction of operatives would only happen after the completion of their training. Last but not the least, Delhi Police, the National Emergency Response System for crimes against women and national disaster schemes also received increased budgetary allocations for the fiscal year 2017-18.

Role of CMAs in Performance Management

Pranab Kumar Sikdar

M.Com; PGDBM; FCMA; MBA (Finance)

Corporate Trainer, Sr. Faculty of EIRC-ICAI; EIRC-ICSI; BBA and MBA Courses

Performance management systems are the systems in an organization by which the performance of an organization is measured, controlled and improved. Performance management is a management process that enables managers to maintain and improve organizational, team and individual performance. It provides a systematic link between organizational strategy, resources, and processes. It is a comprehensive management process framing the continuous improvement journey, by ensuring that everyone understands where the organization is and where it needs to go to meet stakeholder needs. Performance measurement is an integral part of performance management, but it is not enough simply to measure. Performance measurement in isolation is incomplete.

Performance is achieved through managers understanding and managing performance within an agreed framework of planned goals and objectives, performance standards and competence requirements. Performance Management is more than the end of year appraisal. It's about translating goals into results.

The following are the parameters used to measure the performance in an Organization:

- ✓ Does the company have a mission and strategic plan?
- ✓ Is it clearly articulated?
- ✓ Does the organization understand how its activities contribute to mission success?
- ✓ Does understanding of the mission extend vertically throughout the organization?
- ✓ Are the measures of success focused (at least in part) on outcomes?
- ✓ Are the measures related to the mission and goals as reflected in the strategic plan?
- ✓ Are the performance data reliable?
- ✓ Are appropriate measures reported to individuals at different levels of the organization, and to external Stakeholders?
- ✓ Are Performance Measures used to influence and/or inform resource allocation decisions?
- ✓ Is there any relationship between organizational

performance and individual or group incentives to contribute to organizational performance?

The role of the CMAs is more concerned with providing complex analysis and information to support business management than with providing routine reports, since much routine work is now computerized. Developments in technology have also made it easier to provide accounting information to non-financial managers. At the same time the areas covered by management accounting have extended and broadened to include strategic information and non-financial information, and information to support risk management. Developments in technology have also made it easier to provide accounting information to non-financial managers.

The CMA reports directly to the controller and assists in preparing information used for decision making within the organization. Reports prepared by CMAs include operational budgets, cost estimates for existing products, budgets for new product lines, and profit and loss reports by division. CMAs contribute to the company's decisions about strategy, planning, and control, by problem solving, scorekeeping, and attention directing.

Primary duty of CMA's is to help management in taking correct policy-decisions and improving the efficiency of operations. Cost and Management Accountants (CMAs) are poised to become the key management team member to link the company's strategic objectives to financial and performance management information.

The Balanced Scorecard's focus on customer, operations, and learning objectives changed the finance department's role from an accounting focus to a performance management focus. CMAs have the challenge and the opportunity of changing the culture of organizations to link strategy, objectives, and performance measurement like never before. CEOs and boards of directors want financial professionals to steer the ship and identify objectives and strategies. Past emphasis on reporting historical data will not give finance organizations' the credibility needed to become valued business advisors. CMAs can improve their personal brands and drive organizational success by following these steps:

1. Identify key organizational drivers - Every business must

monitor a small number of key metrics and performance indicators. CFOs and the CMAs will identify these drivers and build planning models around the impact of these drivers.

2. Paint the strategic picture with numbers - Strategic objectives will span several years. CMAs can help track progress to achieving these objectives by creating models to track measurable results. CMAs bring the appropriate data analysis to the planning process and ground business planning with a healthy dose of fact-based measurements.

CMAs understand how the planning process is about identifying trends, problems, and opportunities. A planning process focused on organization objectives and drivers will allow the organization to learn progress and react more quickly to events.

Three major factors are causing changes in management accounting today:

1. Shift from a manufacturing-based to a service-based economy
2. Increased global competition
3. Advances in technology

So, CMAs are the persons, who can accept the challenges, causing changes in management accounting.

Financial professionals are expected to be more forward looking and strategic. Executive leaders demand more financial accountability and also need more financial expertise themselves. All of these demands make the CMA designation the key source of differentiation between the financial professionals who keep score and those who will lead their organizations forward.

CMAs as Managers play a critical role in delivering performance. Effective performance management enables employees and teams to understand the goals of the organization and to identify how individual and team outputs contribute to the achievement of organizational objectives in line with organizational values. The integration of people, planning and performance with organizational objectives develops individual, team and organizational capability leading to higher performance.

An effective performance management process helps to establish and support the link between strategic business objectives and people's day-to-day actions and tasks. An effective goal setting system, combined with a process for tracking progression can contribute significantly to individual, team and organizational performance and this can be done by the CMAs. A proper performance management process enables CMAs to evaluate and measure individual and team performance and to optimize performance and productivity.

Management of costs or Cost Management is considered to be an activity of CMA related to effective planning and control of costs. CMAs are required to take important decisions

regarding consumption of materials, extent of labour to be used in production processes, particularly with reference to method of costing to be followed and also to make effective cost planning to support the operating plan of the Company is concerned. Cost management system has to ensure that a cost is incurred with the expectation of profit and it is the prime responsibility of CMAs. The role of CMAs is also described as problem solving, score keeping and attention directing.

A value chain is a set of activities that a firm operating in a specific industry performs in order to deliver a valuable product or service for the market. CMAs provide decision support for managers in each activity of value chain to result enhanced profitability or maintained profitability for the organization and this is perhaps the most crucial role of CMAs, in the context of Performance Management. Cost & Management Accountant is an officer who is entrusted with Management Accounting function of an organization. He plays a significant role in the decision making process of an organization.

Cost of the product, product quality, time element and innovation are crucial and considered to be the important key success factors, in the context of intense competition and management accounting systems should have provisions for tracking the performance of the organization on this success factors. Continuous improvement or kaizen is a popular concept. Innovation related to this area in costing is kaizen costing and the CMAs have to play a very crucial role in this context.

The role of CMAs in Performance Management also can be emphasized further from the following important points:

- CMAs are to establish, coordinate and administer, as an integral part of management, an adequate plan for the control of operations.
- The CMAs can suggest Key Performance Indicators (KPIs) that properly measure progress toward improving operational efficiency.
- Value creation is a central focus for contemporary CMAS and can refer to both customer value and shareholder value.
- In many organizations in the 21st century CMAS play an important strategic role by contributing to the organization's formulation and implementation of strategy and by helping managers improve the organization's competitive advantage.

Today's economic environment places a premium on sound financial management. Financial professionals can no longer simply report past results and prepare historical information. We must lead our companies to new channels of growth and more productive use of our scarce resources. We do not have the luxury of easy financing as in past years. Every rupee counts. Every management decision is crucial. Yesterday's financial skills will not help the companies deliver value in today's increasingly complex business world and for this CMAs are very much needed.



FDI in the Education Sector of West Bengal : Challenges and Prospects

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Introduction:

Education, Research and training are suppose to be the three pillars of Human Resource Development. An appreciable increase in life expectancy as well as the Human population has meant a strong pressure on the resources of Governments world over; for Educating a large population and ensuring employability is a daunting task for the public exchequer. Necessity is the mother of invention. So Academia-Industry collaboration is dictated by necessity. Over the last decade and a half, the world has become a global village. West Bengal has the attention of world players for investment and expansions. Due to this arises a need for ready-for-the-job people. But contradictory to this, there is a large set of employees who need to be skilled, re-skilled and up-skilled to meet the needs of the changing environment. This is only possible through the active role of industry in sharing the know-how and expertise and academia in developing programmes and solutions to fill the void.

FDI (Foreign Direct Investment) :

Foreign direct investment (FDI) is direct investment by a company located in another Country either by buying a company in the country or by expanding operations of an existing business in the country. Foreign direct investment has mainly two forms. In broader sense: foreign direct investment includes "mergers and acquisitions, building new facilities, reinvesting profits earned from overseas operations and intra company loans". In a narrow sense: foreign direct investment refers just to building new facilities Government of India vide Press Note 2 (2000 series) dated 11.2.2000 of the Ministry of Commerce and Industry (department of Industrial Policy and Promotion) has allowed FDI up to 100%, on the automatic route in the Education Sector.

Types of FDI:

- Horizontal FDI arises when a firm duplicates its home country-based activities at the same value chain stage in a host country through FDI.
- Vertical FDI takes place when a firm through FDI moves upstream or downstream in different value chains i.e., when firms perform value-adding activities stage by stage in a vertical fashion in a host country

FDI and Indian Education :

FDIs from across the globe are gushing towards India .FDI has been in the news for one or the other reason having seen acceptance as well as opposition from last few years. Basically this word became famous after the year 2000 when the Indian govt. has approved FDI. India's education sector has witnessed significant expansion since the government approved FDI in April 2000, thus providing a huge opportunity for investment. Yet FDI remained zero in the first three years, increased till 2008-09 and then kept falling again. In the past 11 years, the total FDI in education has stood at Rs 2,051 crore, the yearly average of Rs 186 crore being one-tenth of one per cent of what the Centre and state governments annually spends in this sector. Government has proposed 100 percent foreign direct investment in higher education and hinted at making reservation mandatory in the institutions to be set up by foreign universities in the country Around the time of its conceptualization, India was going through a wave of protests on FDI and its impact on the Indian economy. There are individuals who are wholeheartedly supporting the move of the Government to allow FDI in various sectors, especially Multi-brand retail and aviation, while there are a great number of others who vehemently

oppose any such move, citing various reasons. India will require 1,000 more universities and 50,000 more colleges in the coming decade to accommodate 50 million college-age students. The governments will find it extremely difficult to fund higher education in future due to huge investments required to establish large number of higher education institutes of global standard to full fill its needs. The only option left is to deregulate the Higher Education sector and encourage Foreign Direct Investment in this sector.

Challenges relating to FDI in Education Sector of West Bengal

- a. Procedural delays in getting clearances and licenses
- b. Eradicating regional disparity
- c. Improve infrastructural facilities (i.e roads, public transport etc.)
- d. Supplying uninterrupted power to education institutions
- e. Weeding out bureaucracy, red-tapism and corruption

Key Issue on FDI:

- ❖ "Not-for-Profit": entry barrier for private capital.
- ❖ Regulatory framework is a major barrier. Multiple approvals are required. Policies are also inconsistent.
- ❖ UGC not open to recognizing Foreign Universities
- ❖ Limitations on intake of students (quotas, foreign students, mode of admission etc.)
- ❖ Limited choice of entity - Trust, Society or Section 25 company
- ❖ Lack of availability of trained faculty

- ❖ Course content not in line with the expectations of the industry leading to poor employability
- ❖ Excessive and multiple regulators and regulations
- ❖ High capital expenditure requirements for setting up Higher Education sector

Prospects relating to FDI in Education Sector of West Bengal

Ensuring enhanced flow of Foreign Direct Investment (FDI) in the educational sector of West Bengal may proffer a three-pronged benefit.

First and foremost, it may bring world class and job oriented educational courses with pin-point specialization and cutting edge technology.

Secondly, it may bring high level training for teachers/instructors and students. In valid fields, and ensure better employability.

Last but not least, it may bring to the sector better management practices in terms of flexibility, cost effectiveness and width and depth of penetration.

Conclusion:

Govt. of West Bengal badly needs funds for the development of education sector as it is beyond the capability of its government to cater to the need of finance. In order to tackle this situation 100% FDI has been allowed by the Govt India but besides its advantages and it is having certain severe disadvantages which needs strict action on the part of the govt. A regulatory body should be framed otherwise Bengal might face some bad consequences in context of culture and autonomy of foreign education providers.

Proposed GST IN INDIA

Key Issues – Industry’s perspective

Proposed to be Rolled out from 1st July 2017 ??

Suraj Prakash
General Manager (Fin)
BHEL
New Delhi

Key pending decisions/issues

HSN code wise GST Rates for Goods

Rates for Services

Final GST law with finalised Rules, Forms etc

Place of Supply of Goods (other than Import/Export)

S. No	Particulars	Place of Supply of Goods
1	Where the supply involves movement of goods	Location at which movement of goods terminates for <i>delivery to the recipient</i> (Recipient means a person liable to pay consideration for supply of goods)
2	Where goods are delivered by supplier to a recipient or any other person on the direction of a third person before or during their movement either by way of transfer of documents of title to the goods or otherwise, it shall be deemed that said third person has received the goods	Principal place of business of such person (The place which is mentioned in the registration certificate).
3	Where the goods are assembled or installed at site	Place of such installation or assembly
4	Where the supply does not involve movement of goods	Location of such goods at the time of the delivery to the recipient

Time - when liability to pay GST arises

Goods - Forward Charge

Earliest of following date :

1. Date of Invoice or last date on which invoice is required to be issued.
(Invoice to be issued before or at time of removal of goods)
2. Date of receipt of payment

Input Tax Credit (ITC)

Conditions for taking Input Tax Credit :

Possession of tax invoice/debit note or such other prescribed tax paying document

Receipt of the goods and/or services

Actual payment of tax to Govt. charged by Supplier in respect of such supply

Furnishing of GST Return by Buyer of goods/services

Tax invoice –Time limit for issue of invoice

Goods

Tax invoice shall be issued before or at the time of :

- Ø Removal of goods (where supply involves movement of goods)
- Ø Delivery of goods or making available to the recipient (in other cases)

Supplementary Invoice for price revision:-

1. for contracts already entered into and supplies before appointed day -
“within 30 days of such price revision”
2. Other cases – no time line but credit restriction

Input Tax Credit (ITC)

Time Restriction for ITC : ITC for any invoice/debit note (includes supplementary invoice) to be claimed at earliest of the following dates :

Date of Filling of Return for the month of September *following the end of Financial Year to which such invoice or invoice relating to such debit note pertains* (Due date –20th Oct)

Date of Filling of Annual Return (Due date 31st Dec) .

Scope of Supply

Supply includes

All forms of supply of **goods/services** such as:

1. **Sale, Transfer, Barter, Exchange**, license, rental, lease or disposal made or agreed to be made **for a consideration** by a person **in the course or furtherance of business**,
2. Importation of service, for a consideration, **whether or not** in the course or furtherance of business, and
3. Supply of goods or services **between related person or between distinct persons** in the course or furtherance of business **without consideration**.

- ✓ **Any transfer of goods or of right in goods or of undivided share in goods without the transfer of title is deemed service**
- ✓ **Hence inter branch transfers/services also taxable in GST**
- ✓ **Scope of “service” between distinct persons**
- ✓ **Valuation issues as branch transfers are to be treated as “deemed service”**

Works Contracts

“**Workscontract**” means a **contract** wherein transfer of property in goods is involved in the **execution of such contract** and **includes contract** for building, construction, fabrication, completion, erection, installation, fitting out, improvement, modification, repair, maintenance, renovation, alteration or commissioning **of any immovable property**

Works contract including transfer of property in goods (whether as goods or in some other form) involved in the execution of a works contract – **To be treated as service**

Scope of works contract not very explicit.

Contradiction with inclusive part

Contradiction with Constitution

Place of supply & Location of supplier

Different rates for goods and services would cause problems

Lack of clarity on divisible vs. indivisible concept

Anti-profiteering Measure

- Authority nominated/constituted by GOI to examine **whether** :-
 - input tax credits availed by any registered taxable person or
 - the reduction in the price on account of any reduction in the tax rate
 have actually resulted in a commensurate reduction in the price of the said goods and/or services supplied by him.
- Such Authority shall have powers, including imposition of penalty, where it finds that the price

Transitory Credit of Cenvat/VAT

Carry forward the balance of unutilized CENVAT/VAT credit under the current law to GST regime (section 167)

CGST & SGST :-

- As reflected in the Return filed for the period ending immediately preceding the appointed date
- Carried forward credits must qualify as ITC under GST law.

SGST:-

- Such Return should be furnished within 90 days from appointed date.
- Mandatory submission of Sales tax declarations form for availing transitory VAT credit as ITC in GST regime*
- If Forms submitted later, the amount equivalent to such ITC shall be refunded.

Transitional provision

Credit in respect of inputs or input services during Transit (Section 171):-

Credit of eligible duties and taxes may be taken in respect of inputs or input services received on or after the appointed day but the duty or tax in respect of which has been paid before the appointed day

However, Invoice or any other duty/tax paying document of the same is to be recorded in the books within a period of thirty days from the appointed day or extended period of 30 days.

Impact on On-going contracts - Transitional provision

Progressive or periodic supply of goods or services (Section 187)

- Notwithstanding anything contained in section 12 or 13**, no tax shall be payable on the supply of goods and/or services made on or after the appointed day:
 - Where the consideration, whether in full or in part for the said supply has been received prior to the appointed day and
 - Tax payable** thereon has already been paid under the earlier law.

Taxability of supply of goods in certain cases (Section 189)

- ✓ ***Notwithstanding anything contained in section 12 or 14***, the tax in respect of the taxable goods shall be payable under the earlier law to the extent the point of taxation in respect of such goods arose before the appointed day.
- ✓ Where the portion of the supply of goods is not covered by this section, such portion shall be liable to tax under this Act.

Impact on On-going contracts - Transitional provision

- ✓ **Treatment of long term construction / works contracts (Section 186)**
- ✓ The goods and/or services supplied on or after the appointed day in pursuance of a contract entered into prior to the appointed day shall be liable to GST.

Impact on On-going contracts - Transitional provision

Import of service or Inter State supply of goods/Services (Section 21 IGST)

- ✓ IGST payable on above supplies made after appointed day regardless of whether transaction initiated before appointed day.
- ✓ However, no GST on these supplies **if tax on such import or inter state supply of goods/services paid in full under earlier law**
- ✓ **However, if tax paid in part under earlier law, balance tax payable under IGST Act**
- ✓ Transaction deemed to be initiated before appointed day if:
 - ✓ Either invoice received before appointed day
 - ✓ Or payment in full or part made before appointed day

Actionable Claim

- ✓ "actionable claim" *means a claim to any debt*, other than a debt secured by mortgage of immovable property or by hypothecation or pledge of movable property, *or to any beneficial interest in movable property not in the possession*, either actual or constructive, of the claimant, *which the civil courts recognise as affording grounds for relief*, whether such debt or beneficial interest be existent, accruing, conditional or contingent;
- ✓ Presently specifically excluded from definition of service
- ✓ Now part of definition of goods
- ✓ Scope not explicit.
- ✓ Valuation not clear
- ✓ Contradiction with deemed service
- ✓ Status of claims arising out of services contract.

Instruction

F. NO. 206/01/2017-CX 6
GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF REVENUE
CENTRAL BOARD OF EXCISE AND CUSTOMS

North Block, New Delhi
Dated the 16th of February, 2017

To,
Principal Chief Commissioners/ Chief Commissioners of Central Excise (All)
Principal Chief Commissioners/ Chief Commissioners of Central Excise and Service Tax
(All)
Directors General, DGCEI

Sub: Periodicity of CAS-4 certificates-reg.

Madam/ Sir,

Kind attention is invited to Board's Circular No. 692/08/2003-CX dated 13th February, 2003 by which it was clarified that cost of production of captively consumed goods shall be done strictly in accordance with CAS-4.

2. Instances have been highlighted during C &AG audit that some assesseees are not preparing CAS-4 certificates even after substantial time lapse from ending of financial year and filing of Tax Audit reports and therefore these assesseees could not calculate the differential duty.
3. In this regard, it is directed that assesseees should be requested that CAS-4 certificate of the financial year ending on 31st March shall be issued by 31st December of the next financial year. For example, for the Financial Year 2016-17, CAS-4 certificate should be issued by 31.12.2017. The assessing officer shall thereafter finalize the provisional assessment expeditiously. Jurisdictional Commissioners shall suitably issue the trade facility in this regard.
4. Difficulty, if any, in the implementation of this instruction may be brought to the notice of the Board. Hindi version will follow.

Yours faithfully,

Shankar Prasad Sarma
Under Secretary to the Govt. of India

◆ STUDENT'S SECTION ◆



Quiz Master Page

CMA Ajay Deep Wadhwa, *Former Chairman, EIRC of ICAI*

1. What is CAS 23?
2. Expand OTP in relation to banking sector.
3. What is the maximum limit of gratuity to be paid?
4. Which former RBI Governor has written the book titled – “Who moved my interest rate”?
5. Who was the first Indian woman graduate from the Harvard Business School?
6. How many Cost Auditing Standards have been issued by the Institute of Cost Accountants of India?
7. If North Block is related with Ministry of Finance, who did Mint Road relate to?
8. On which date note monetization was announced in the country?
9. What is the difference between CAS and SCA?
10. Presently who is the Chairman of Tata group of companies?

- Answers:**
1. It is Cost Accounting Standards on OBR (Over Burden Removal) accounting. Over burden (OB), in the form of soil, boulders, stone etc, is removed before the actual production of minerals. OBR cost is ultimately charges to the cost of production of actual minerals. CAS 23 explains the accounting of OBR cost.
 2. One Time Password
 3. Rs. 20 lakhs
 4. Duvvuri Subbarao
 5. Naina Lal Kidwai
 6. 4
 7. RBI
 8. Announced on 8th November 2016 to be effective from midnight of the same date.
 9. Both are same – Cost Auditing Standards and Standards on Cost Auditing
 10. Ratan Tata

Chapter Activities

BHUBANESWAR CHAPTER

1. Observance of 67th Republic Day and a health camp for the members, staff, students and their family members for a practical healing, treatment camp -26.01.17

This Chapter has observed the 68th Republic Day at its premises. CMA Bibhu Prasad Mahapatra, Director (Finance), OPTCL & GRIDCO Ltd unfurled the National Flag as Chief Guest and advised the students about their roles and responsibilities to build a vibrant India. Managing Committee Members of the Chapter, Faculties, Students and Staffs/Officers of the Chapter participated in large numbers very enthusiastically.

After Flag Hosting a health camp for the members, staff, students and their family members for a practical healing, treatment camp of 3 hours duration held at Chapter from 8:30 AM to 11:30 AM.

2. Observance of silence on 30th January in the memory of those who gave their lives in the struggle for India's freedom-30.01.2017

This Chapter has observed two minutes silence in presence of Chairman & Vice-Chairman, staffs & students of the Chapter at 11:00hrs on 30th January, 2017 at Conference hall of the Chapter to commemorate the great sacrifice of those who laid down their lives in the struggle for India's freedom.

3. Celebration of Goddess Saraswati Puja-01.02.2017

Like every year this Chapter has celebrated the "SARASWATI PUJA" on 1st February, 2017 at its premises in a grand way. Members and their family members, students and staffs participated in large numbers in the puja and Prasad Sevan. Managing Committee Members and staffs had given their efforts for smooth celebration and management of the said puja. Near about 350 numbers of members, faculty, staffs and students had participated in the celebration of GODDESS SARASWATI PUJA

4. Observance of Cost Synergy Week by the Institute - 1st to 7th February 2017.

This Chapter organised a Seminar on " Fixation of Products and Services prices at affordable rate with optimum quality " on 5th February 2017 (Sunday) at Chapter premises for observance of "Cost Synergy Week" (1st to 7th February, 2017). CMA S.P.Kar, Chairman of the Chapter & CMA Bikram Keshari Das, Dy. General Manager (Finance), OHPC Ltd. deliberated on the said topic to the participants.

Around 102 numbers of Members & Students were actively participated in the Seminar and make it a grand success. Some Photographs of the Seminar enclosed for your kind information.

5. Career Awareness Programme held at Salipur Autonomous College, Salipur on 11.02.2017

This Chapter has organized one Career Awareness Programme at Salipur Autonomous College, Salipur on 11.02.2017. CMA Siba Prasad Kar, Chairman of the Chapter and CMA Bikram Keshari Das, Chairman, Career Counseling & Student Facilitation Committee conducted the programme and interacted with the students. More than 75 students participated the programme and clarified their doubts.

6. Panel discussion on "UNION BUDGET -2017"

This Chapter has organized a panel discussion on "Union Budget-2017" on 20th February, 2017 (Monday) at its Conference hall at CMA Bhawan, Nayapalli, Bhubaneswar.

The following dignitaries were deliberated to the Participants on the said occasion:

- CAA.K.Sabat, a leading Tax Consultant and Budget Analyst in Odisha was the Guest Speaker and made a critical analysis on "Direct Taxation and Union Budget-2017 & its impact on individual and industry". He highlighted the various budget provisions in respect to income tax in detail with lot of examples. He also shared his opinion and apprehensions from the

prospective of an Assesses.

- Shri Dillip Satapathy, Resident Editor, Business Standard, Bhubaneswar was another resource person and delivered on "Economic Proposals & Union Budget-2017"
- CMA Niranjan Swain, Sr. G.M (Finance), OPGC Ltd, Bhubaneswar was other Resource Person on the occasion and deliberated on "Indirect Taxation & Union Budget -2017 & its impact on Indian Economy".
- CMA Bibhuti Bhusan Nayak, Chairman, PD Committee of the Chapter delivered the welcome address and introduced the Guests.
- CMA Siba Prasad Kar, Chairman of the Chapter delivered the Key Note Address.
- CMA Damodara Mishra, Secretary of the Chapter extended the formal vote of thanks.

In a nut shell deliberation were made on major changes proposed in the Union Budget-2017 with respect to direct and indirect taxes and its impact on industries and individuals.

The program was attended by more than 200 members & Managing Committee Members & Invitees. The session was quite interactive and lively.

SOUTH ODISHA CHAPTER

Evening Talk programme at Hotel Jyoti Residency on dated 18.01.2017 on “Maintenances of Cost Records and Cost Audit under companies Act – 2013” by 06:00 pm by ICAI - South Odisha Chapter, Berhampur.

The following personnel have occupied the Dias:

CMA S. S. Sonthalia, Chief Guest/Chief Speaker

CMA B.B. Nayak, Chairman, ICAI-South Odisha Chapter

CMA Ananda Sahu, Vice-Chairman, ICAI-South Odisha Chapter

CMA Prasanta Kumar Pani, Secretary, ICAI-South Odisha Chapter

CMA G.V.S. Rajendra, Director-Oral Coaching, ICAI-South Odisha Chapter

CMA G.V.S. Rajendra welcomed the guests on to the Dias and distributed Bouquets to the guests

After lighting the lamp; CMA B. B. Nayak, Chairman given a brief introduction about cost records and cost audit under companies Act 2013 to the audience.

Then CMA S. S. Sonthalia the Chief Speaker spoke up to 09:00 pm about Maintenance of Cost Records and Cost Audit under Companies Act – 2013. He spoke on salient features of companies cost records and audit records. He said that 11 lakhs companies under Financial Audit and 3 lakhs companies of Cost Audit. He spoke about application of cost audit and reporting of frauds by audit under the company Act. He spoke on reconciliation of excise duty and Indirect Taxes. He spoke uninterruptedly for about two and half hours.

The doubts of the members attended were also satisfactorily clarified.



On 21st & 22nd January 2017 EIRC arranged the workshop on IBC-2016 for Aspirant Professionals Appearing In Ltd. Insolvency Exam. The workshop was conducted by CMA Sumit Biani. Some of the delegates who appeared in the workshop have cleared the Examination. CMA Prnanab Kr. Chakraborty Vice-Chairman-EIRC presenting memento CMA Sumit Binani



Evening Talk programme at Hotel Jyoti Residency on dated 18.01.2017 on "Maintenances of Cost Records and Cost Audit under companies Act – 2013" - South Odisha Chapter, Berhampur Vote of thanks was given by CMA Ananda Sahu, Vice-Chairman.



CMA S.P.Kar, Chairman of the Chapter & CMA Bikram Keshari Das, Dy. General Manager (Finance), OHPC Ltd. deliberated on a Seminar on "Fixation of Products and Services prices at affordable rate with optimum quality" to the participants



A view on Panel discussion on "Union Budget-2017" on 20th February, 2017 (Monday) at Chapter. On the Podium: CMA Bibhuti Bhusan Nayak, Chairman, PD Committee of the Chapter delivering welcome address. On Dais from Left to Right sitting: Shri Dillip Satapathy, Resident Editor, Business Standard, Bhubaneswar, CA A.K.Sabat, a leading Tax Consultant and Budget Analyst in Odisha, CMA Niranjan Swain, Sr. G.M (Finance), OPGC Ltd, Bhubaneswar, CMA Siba Prasad Kar, Chairman of the Chapter CMA Damodara Mishra, Secretary of the Chapter



CMA Bibhu Prasad Mahapatra, Director (Finance), OPTCL & GRIDCO hoisting the National Flag on 68th Republic Day



A view on Health Awareness Camp at Chapter

On 7th February 2017 EIRC participated in the programme organised by NCLT Kolkata Bar Council Association. Chairman-EIRC CMA Bibekananda Mukhopadhyay, Vice-Chairman-EIRC CMA Pranab Kr. Chakraborty, Chairperson-PD Committee-EIRC CMA Arundhati Basu, RCM CMA Shyamal Kr. Bhattacharjee & PD & Education Officer Shri Prabir Banerjee along with some members of Institute had attended the programme to felicitate the President of NCLT Shri M.M.Kumar.



CMA Pranab Kr. Chakraborty, Vice-Chairman-EIRC presenting Memento



CMA Bibekananda Mukhopadhyay, Chairman-EIRC Addressing

On 18th & 19th February 2017 EIRC organised a 2days workshop on GST. Eminent speakers like CMA Ashok B Nawal (CCM & Chairman Taxation Committee, ICAI), CMA Suraj Prakesh (GM- BHEL), & CA Vivek Meheta (Manager Indirect Tax Delloitte). There was a over whelming response from the delegates.



RCM CMA Shyamal Kr. Bhattacharjee presenting Memento CA Vivek Meheta



RCM CMA Shyamal Kr. Bhattacharjee presenting Memento CMA Ashok B Nawal



CMA Dr. Umar Farooque presenting Memento CMA Suraj Prakesh



CMA Bibekananda Mukhopadhyay, Chairman-EIRC Addressing

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