



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF INDIA
(Set up by an Act of Parliament)

Board of Studies
The Institute of Chartered Accountants of India

**Corrigendum to the Study Material [April, 2023 Edition]
CA Intermediate, Paper 6A Financial Management**

In the printed copy of the Study Material [April, 2023 Edition], students may note the following correction. The corrections have been carried out in the Study material hosted on the website.

Module No.	Chapter No.	Page No.	Suggested corrections
1	3	3.72	Under Question no.11, acid test ratio may be removed.
	4	4.29	Under the topic 'Cost of Retained Earning', the note for 'Personal Income' Tax may be removed.
	4	4.56	Under the Solution to Question no. 7, $K_p = 3\% + \frac{5\% - 3\%}{[3.39 - (-13.65)]}$ may be read as $K_p = 3\% + \frac{5\% - 3\%}{[-13.65 - 3.39]} \times -13.65$
	6	6.18	Under the topic 'Financial Leverage as a Double Edged Sword', 'ROI>KD = Negative/Disadvantage' may be read as 'ROI<KD = Negative/Disadvantage'.
2	7	7.29	Under the topic 'Net Present Value Technique (NPV)', Decision rule table, 'If NPV<0, Reject the Proposal' may be read as 'If NPV<0, Reject the Proposal'
		7.31	Under the topic 'Profitability Index', Decision rule table, 'If $PI \leq 1$, Reject the Proposal' may be read as 'If $PI < 1$, Reject the Proposal'
		7.38	Under the topic 'Internal Rate of Return Method (IRR)', Acceptance rule table, 'If $IRR \leq$ Cut-off rate or WACC, Reject the Proposal' may be read as 'If $IRR <$ Cut-off rate or WACC, Reject the Proposal'
		7.52	Under the topic 'Summary of decision criteria – Discounted techniques', NPV>0, PI>, IRR>K may be read as NPV≥0, PI≥, IRR≥K
		7.70	Under the Solution to Illustration no. 19, "Calculation of Adjusted Discount Rate (ADR), "x sign" may be read as "+ sign"
		7.95	Under Solution to Question no. 10, Loss of rent on storage space(opportunity cost) may be deducted from Profit after



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			tax. Further solution can be done accordingly.
		7.102	Under Working Note of Solution to Question no. 5, '6000' in qty of sugar may be read as '10' and , '6000' in qty of milk may be read as '100'
	8	8.45	Under Question no. 9, '5,000 shares' may be read as '25,000 shares'.
		8.49	Under Solution to Question no. 5, $\frac{₹209.88 \times 1.15}{(0.2 - 0.05)^1} \times \frac{1}{(1 + 0.2)^5}$ may read as $\frac{₹209.88 \times 1.05}{(0.2 - 0.05)^1} \times \frac{1}{(1 + 0.2)^4}$ accordingly solution may be modified.
			Explanation of Graham & Dodd Model has been added in summary of this chapter
	9	9.135	Under Solution to Question no. 5, Note may be added "Value of closing stock may be valued at average cost of goods available for sale".

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