NOV 2026 EDITION

CA FINAL PAPER 6
IBS 360°

Integrated Business Solutions · The Complete Open Book Reference. One volume, all seven subjects, built the way ICAI actually sets and marks this paper.

> *"Quiet consistency beats loud intensity: one small effort, every day, until the day."*

BEFORE YOU OPEN CHAPTER 1

How to actually use this book

IBS is an open-book, four-hour, integrated paper. The book only helps if you know which part to reach for, and when. Use it in this order.

WHILE YOU ARE STILL PREPARING

1. Read the Deep Dive first, chapter by chapter. It is written the way the concept is actually tested, not the way the ICAI module writes it. Do not skip to the Decision Engine before you understand why the rule exists.

2. Read the Exam Traps for every chapter you finish. These are documented mistakes that have actually cost marks, not generic warnings. Five minutes per chapter here saves far more in the hall.

3. Walk the Integrated Linkages before a mock. Case studies are marked on whether you connect subjects, not on isolated answers. Know which chapters talk to each other before you sit a paper.

INSIDE THE EXAM HALL

1. Read the case once, with a pen. Underline the fact pattern, do not re-read. The Decision Engine only works if you already know what to route.

2. Use Master Index Part B to route by keyword, not memory. Match the case's own words to a trigger row, open the page, confirm, write. This is faster than trying to recall the topic name.

3. Check the chapter's amendment flag before you trust an old answer. If the facts fall in FY 2024-25 or later, or the topic is on the Amendment Radar, the rule may have moved since the last paper that tested it.

INSIDE THE BOOK

Every chapter runs the same engine

144 chapters, seven subjects, and every single one built to the same structure below, so once you know how to read one chapter, you can read all 144 at the same speed.

▣ DEEP DIVE

The concept explained the way the examiner tests it, not the way the ICAI module writes it. Definitions, mechanics and the exact distinctions that decide marks.

▣ DECISION ENGINE

A “when you see this, open this” routing block. Every recurring fact pattern is mapped to the exact rule or computation route it triggers.

▣ EXAM TRAPS

Trap and Fix, paired. Every documented mistake that has actually cost marks on this topic, with the one-line fix next to it.

⇄ INTEGRATED LINKAGES

The cross-subject connection every IBS case study is really testing, named, explained, and pointed at the exact companion chapter.

✎ MODULE ILLUSTRATIONS

Every worked illustration the ICAI module itself carries for the topic, kept in the book so nothing from the syllabus goes missing.

◆ CASE STUDY Q&A

Real Q&A from past papers, RTPs, MTPs and the ICAI case-study bank, routed to the exact topic it tests, source-tagged.

⇄ CASE SCENARIOS

Full multi-part case scenarios for the topic, so you practise the same integrated, multi-question format the actual paper uses.

FULL SYLLABUS, ONE VOLUME

7 subjects. 144 chapters.

Every subject examinable in CA Final Paper 6, at full syllabus depth, inside a single book.

Financial Reporting	42 chapters
Advanced Financial Management	14 chapters
Advanced Auditing, Assurance & Professional Ethics	19 chapters
Corporate & Economic Laws	11 chapters
Strategic Cost Management & Performance Evaluation	12 chapters
Direct Tax & International Taxation	18 chapters
Indirect Tax Laws (GST & Customs)	28 chapters

THE MASTER INDEX, IN TWO PARTS

Part A · Per-topic index. Every chapter across all seven subjects, and every topic inside it, listed with its page number. Built to check coverage and to locate a known topic in seconds.

Part B · Trigger index. “When you see this fact pattern, open this topic” entries running across every subject, keyed to the words a case study actually uses, not the textbook heading.

Verbatim example: “GST demand, S.73, S.74, show cause notice, adjudication, DRC-01, S.62 best judgment → GST: Demand, Recovery & Assessment (S.62-74)” — you match the case's own words to the page you need.

KEPT CURRENT FOR NOV 2026

The Amendment Radar

Old suggested answers go stale the moment the law moves. IBS 360° carries a one-page Amendment Radar at the close of the book, consolidating every change that shifts an answer for the November 2026 attempt, with each item also flagged directly inside its own chapter.

Direct Tax. The Income-tax Act 2025 is flagged as NOT examinable for Nov 2026 (per ICAI BoS, 8 Dec 2025); answers go under the Income-tax Act 1961 as amended by Finance Act 2025. New s.194T is flagged where s.40(b) is tested. The 6% equalisation levy is flagged as abolished from 1 April 2025.

Indirect Tax. Section 74A is flagged, wherever the old demand chapter is tested, as replacing the bifurcated s.73/s. 74 regime for FY 2024-25 onward, with a single 42-month limitation period, effective 1 November 2024.

Corporate Law. The SEBI LODR slab-based Related Party Transaction materiality threshold (5th Amendment, effective 18 December 2025) is flagged at the related-party chapter.

This is not a separate current-affairs supplement you have to cross-check yourself. Every flag sits inside the same chapter the old answer lives in.

MASTER INDEX -PART A · DETAILED PER-TOPIC INDEX

Every chapter and the full list of topics inside it, with page. Use this to locate any topic fast and to check coverage.

FINANCIAL REPORTING

Financial Reporting, chapters 1 to 23, each with its full topic list and page number.

DECISION ENGINE

Security Analysis - Fundamental vs Technical lens

1. IDENTIFY THE ASK: 'intrinsic value / EIC (Economy-Industry-Company) / P-E / earnings' -> FUNDAMENTAL analysis; 'chart / trend / support-resistance / moving average / RSI / breakout' -> TECHNICAL analysis.
2. FUNDAMENTAL: estimate intrinsic value (top-down EIC or bottom-up DCF/relative); BUY if intrinsic value > market price, SELL if <. Anchor on earnings power, growth and risk.
3. TECHNICAL: ignore intrinsics; read price & volume patterns, trendlines, indicators to TIME entry/exit, not to value.
4. EFFICIENCY CHECK: weak-form efficiency defeats technical analysis; semi-strong defeats fundamental analysis on public information. State the assumed form before concluding either beats the market.

EXAM TRAPS

Trap -Applying technical analysis in a weak-form efficient market.
Fix -If past prices already impound information, charting cannot earn abnormal returns - say so before recommending a 'technical' trade.
Trap -Confusing intrinsic value with market price.
Fix -Fundamental analysis BUYS when intrinsic value exceeds price; do not treat the current quote as 'value'.
Trap -EMH does NOT say price = intrinsic value always; it says prices reflect available information so that abnormal RISK-ADJUSTED returns cannot be earned consistently. "Random walk" is a consequence of weak-form efficiency, not the definition.

◆ CASE STUDY Q&A

Q. Should BCL the software developer and the potential users of the software like hedge funds, mutual funds and stockbrokers give credence to the concerns raised by investor protection group about potential issues that can arise from the use of "Growing":

(a) No, both BCL and potential users of "Growing" are entities that have been established to maximize investor wealth and profitability. The concerns raised by the investor protection groups can be ignored since they are not immediate stakeholders in their business.
(b) No, the adoption is technology to improve business processes is inevitable and hence they can ignore the concerns raised by investor protection groups.
(c) Yes, but it is the sole responsibility of SEBI to assess the impact of product in the market and the society at large.
(d) Yes, it is important for every business to consider the ethical and non-financial considerations of the impact of its products in the market and society at large

Ans. (d) Yes, it is important for every business to consider the ethical and non-financial considerations of the impact of its products in the market and society at large. Reason: The correct answer is (d) Yes, it is important for every business to consider the ethical and non-financial considerations of the impact of its products in the market and society at large. Not just the market regulator SEBI, but also the developers of software and its users need ethical and non-financial considerations while conducting its business. The effect of the trading should ensure fairness and transparency in its working; this would be an ethical consideration. Similarly, corporate social responsibility to ensure fair trading practices ensuring risk management and compliance is also a non-financial consideration. These factors can impact on the ability of both BCL and its users to remain profitable in the long run and maintain sustainable business

Q. With reference to the appropriate model, calculate the Altman Z score for CYPL. Using this model, what can be your conclusion about CYPL's financial health?

(a) The Altman Z score falls in the grey area of discrimination. This indicates that the financial health of CYPL, while not in distress but caution is needed, it does need further investigation.
(b) The Altman Z score falls in the distress area of discrimination. This indicates that the financial health of CYPL is in danger and possibly heading towards bankruptcy.
(c) The Altman Z score falls in the safe area of discrimination. This indicates that the financial health of CYPL is financially sound.
(d) The Altman Z score falls in the safe area of discrimination, but with a score close to the grey area. This indicates CYPL needs to closely monitor its financial performance and proactively address any potential risks

Ans. The correct answer is (a) the Altman Z score falls in the grey area of discrimination. This indicates the financial health of CYPL, while not in distress caution, it does need further investigation. Reason: We need to use the model used for private firms. A score between 1.23 to 2.99 indicates that CYPL has to be on alert. Any score below 1.23 indicates that the company is in grave danger of becoming bankrupt

Q. How WMPL will be able to earn profit by taking position in debt and equity securities of XYZ Limited?

Ans. An investor can earn profit from distressed securities by taking long position in Debt and Short position in equity. Following are the examples of earning arbitrage profit: (i) In case company's condition improves because of priority, the investor will get his interest payment which will be more than dividend on his short position in equity shares. (ii) If company's condition further deteriorates the value of both share and debenture goes down. He will make good profit from his short position. ALTERNATIVE The WMPL will take long position in Debt and Short Position in Equity of XYZ Ltd. This strategy will be profitable because if XYZ Ltd. go bankrupt though both Debt and Equity will lose value but since debt has a priority over Equity in repayment it will be a safe bet. However, if financial position of company improves any loss on account of short position in Equity will be compensated by gain in the Debt position

Q. What strategy should be followed by WMPL Management to ensure that proposed investment in securities XYZ Ltd is profitable?

(a) Taking Long Position in Debt and Short Position in Equity (b) Taking Long Position in Equity and Short Position in Debt
(c) Taking Long Position in Debt and Long Position in Equity (d) Taking short Position in Debt and short Position in Equity

Ans. (a) Taking Long Position in Debt and Short Position in Equity Reason: Profit from distressed securities can be earned through strategic positions, such as taking a long position in the company's debt and a simultaneous short position in its equity

⇄ CASE SCENARIOS

Case Scenario

You are a financial analyst at a prominent investment firm and have been tasked with empirically verifying the weak form of Efficient Market Hypothesis (EMH) Theory for the XYZ Stock Index, a collection of diverse stocks. You decided to conduct three different tests to assess whether the stock market follows the principles of the weak form of EMH. Test 1 For the past five years, you collected daily price changes of the stocks in the XYZ Stock Index. You calculated correlation coefficients for different lag periods and analyzed whether past price changes exhibit any significant correlation with future price changes. You considered price changes to be serially independent. The results indicated that most auto correlation coefficients are close to zero and statistically insignificant, suggesting those past price changes do not predict future price changes. Test 2 You further investigated the randomness of price changes in the XYZ Stock Index. Analyzing the sequence of daily price changes, you count the number of runs where price changes are consistently positive or negative.

(1) Test 1 is ....

(a) Serial Correlation test (b) Filter Rules test (c) Run test (d) Variance Ratio test

✓ Answer: (a) Refer topic Empirical Evidence on Weak Form of Efficient Market Theory.

Decision Engine, Exam Traps, Case Study Q&A and Case Scenario for Security Analysis.

Note : the principal auditor cannot blindly rely on a component auditor; responsibility for the group opinion stays with them.

Deeper Dive -the group-audit workflow (SA 600 mechanics)

- Acceptance & planning: identify COMPONENTS (subsidiaries, associates, JVs, branches) and significant components (financial significance or significant risk); understand the consolidation PROCESS (Ind AS 110/28/111, uniform policies, same reporting dates or max 3-month gap with adjustments); set GROUP materiality and lower COMPONENT materiality to contain aggregation risk.
- Using the component auditor: evaluate professional COMPETENCE (qualifications, resources) and OBJECTIVITY/independence; communicate scope, timetable, ethical requirements, component materiality and identified risks; review a QUESTIONNAIRE/summary of the component auditor's findings; where insufficient, perform ADDITIONAL procedures or visit the component. The principal auditor's report should state the DIVISION OF RESPONSIBILITY - magnitudes of components audited by others (assets/revenues figures).
- Consolidation testing: verify elimination of intra-group balances/transactions and unrealised profits, alignment of accounting policies (CFS adjustments memo), NCI computation, goodwill/capital-reserve on each acquisition, and CURRENT/DEFERRED tax on consolidation adjustments; permanent consolidation adjustments (goodwill, pre-acquisition reserves) vs current-period adjustments (intra-group eliminations) need separate audit attention.
- Reporting judgment: a component's modified opinion must be evaluated for MATERIALITY AT GROUP level -a qualification immaterial to the group need not modify the group opinion; components NOT audited (management-certified) → assess aggregate materiality, run alternate procedures, and qualify/disclaim where they are collectively material.

▣ DECISION ENGINE

SA 299/600/610 -Group Audit & Component Auditors

1. SA 299 -JOINT AUDIT:
   - Two or more auditors jointly sign the audit report
   - JOINT AND SEVERAL liability -each firm responsible for entire audit
   - Each auditor MUST satisfy themselves (cannot rely solely on co-auditor) SA 600 -GROUP AUDITS (Using Work of Component Auditors):
   - Group auditor = PRINCIPAL; Component auditor = does work on subsidiary/division
   - Group auditor must UNDERSTAND component auditor (competence, independence, reg framework)
   - Cannot simply reference component auditor's report without sufficient involvement
   - For
2. SIGNIFICANT COMPONENTS: Group auditor should: (a) Visit component; (b) Review work papers; (c) Discuss with component auditor SA 610 -USING WORK OF INTERNAL AUDITORS:
   - External auditor evaluates: Objectivity, Competence, Systematic approach of IA function
   - External auditor retains SOLE responsibility for audit opinion -cannot delegate
   - IA work can be used but external auditor must re-perform a portion

▣ EXAM TRAPS

Trap -assuming the principal auditor must re-audit each component. Fix -SA 600: the principal auditor may use the component auditor's work and evaluates it, while retaining responsibility for the overall opinion.

Trap -applying group materiality to individual components. Fix -component materiality is set lower than group materiality to allow for aggregation.

- SA 600: Group auditor CANNOT disclaim responsibility by saying 'we relied on component auditor'
- SA 610: Internal auditors who report directly to board = more objective than those reporting to management

Trap -Principal auditor blindly relying on a component auditor.
Fix -SA 600: the principal auditor must be involved in component work, assess competence and review significant findings - responsibility for the group opinion stays with them.

Trap -Forgetting component vs group materiality.
Fix -Set component materiality below group materiality to leave room for aggregation.

Trap -Under SA 600 the principal auditor can divide responsibility and disclose the portion audited by others -distinct from the international SA 600 (revised) "no division of responsibility" approach. Intra-group unrealised profit must be eliminated in full (with NCI sharing) on consolidation.

◆ CASE STUDY Q&A

Q. With respect to information given, certain adjustments would be required to be made to account for the change in the shareholding of JML in case of consolidation. These adjustments are known as:

(a) Memorandum adjustments. (b) Current period consolidation adjustments.
(c) Permanent consolidation adjustments. (d) Temporary period consolidation adjustments

Ans. (c) Permanent consolidation adjustments. Reason: Permanent consolidation adjustments are those adjustments that are made only on the first occasion or subsequent occasions in which there is a change in the shareholding of a particular entity which is consolidated.

Q. Suggest the auditor's responsibility in respect of non-consolidation of financial statements of MKS

(a) Suraj Pharma needs to prepare consolidated financial statements by also consolidating MKS. In case this is not done, the auditors need to qualify their report on consolidated financial statements.
(b) Suraj Pharma needs to prepare consolidated financial statements by also consolidating MKS. In case this is not done, the auditors need to give emphasis of matter in their report on consolidated financial statements.
(c) Suraj Pharma's management's view is right because MKS is a foreign company and hence no consolidation may be done while preparing consolidated financial statements in India.
(d) Auditors of Suraj Pharma should have done materiality assessment in respect of non-consolidation of MKS in the consolidated financial statements. The auditors should ask the management to include a note in the consolidated financial statements and also take management representation letter for the same. II

Ans. (a) Suraj Pharma needs to prepare consolidated financial statements by also consolidating MKS. In case this is not done, the auditors need to qualify their report on consolidated financial statements. Reason: Paragraph 4 of SA 706 states that the auditor's report should modify the opinion on the financial statements if they are not prepared in accordance with the applicable financial reporting framework (Ind AS in this case). Ind AS 110 (Consolidated financial statements) requires a parent company to consolidate the financial statements of its subsidiaries unless control is temporary, or the subsidiary is insignificant. In this case, there seems to be no mention of temporary control or insignificance of MKS. The difference in financial year-ends doesn't exempt consolidation. Therefore, by not consolidating MKS, Suraj Pharma is not following the proper accounting standards. This would likely result in an audit opinion qualification by the auditors. II

⇄ CASE SCENARIOS

Case Scenario

While auditing consolidated financial statements of Gupta Industries Limited for the year 2023-24, a manufacturing company whose financial statements are required to be prepared in accordance with Division II of Schedule III of the Companies Act, 2013, CA. Akshay Shah notices as under: - (A) The notes to accounts in respect of consolidated financial statements disclose additional information pertaining to the holding company and its subsidiaries. It provides disclosure regarding percentages of consolidated net assets, of consolidated profit and loss and of total comprehensive income along with their respective amounts pertaining to holding company and its subsidiaries. (B) It is noticed by him that financial statements of one foreign subsidiary included in consolidated financial

SA 600 Group Audit: Decision Engine, Exam Traps and Case Study Q&A with reasoning shown.

- 7. Preference shareholders; and finally 8. Equity shareholders / partners.

Note By virtue of section 238 (overriding effect), the s.53 waterfall prevails over the priorities in other statutes; this is why IBC distribution overrides the old Companies Act order and many statutory dues.

D. Other Processes -Fast-Track, Voluntary & Pre-Pack

1. Fast-Track CIRP [Sections 55–58]

For small corporate persons (notified classes -e.g. small companies, start-ups, entities with assets/turnover below thresholds) a Fast-Track CIRP runs on a compressed timeline of 90 days, extendable once by up to 45 days.

2. Voluntary Liquidation [Section 59]

A SOLVENT corporate person that has committed no default may voluntarily liquidate under s.59: it requires a declaration of solvency by the majority of directors backed by an auditor's report and asset valuation, a members' special resolution, and creditor approval (representing two-thirds in value) where there is debt. This is distinct from a winding-up by the Tribunal under the Companies Act.

3. Pre-Packaged Insolvency Resolution Process (PPIRP) [Section 54A]

Introduced in 2021 for MSMEs, PPIRP is a debtor-in-possession, creditor-in-control hybrid: existing management retains control while the process runs. The corporate debtor submits a base resolution plan; the CoC may approve it or invite competing plans through a "Swiss challenge". Thresholds: a minimum default of ₹ 10 lakh, with consent of unrelated financial creditors holding ≥66% and approval of members by special resolution. PPIRP is faster (target ~120 days) and less disruptive than full CIRP.

E. Cross-Cutting Safeguards & Overrides

1. Avoidance transactions

The RP/Liquidator must scrutinise and may apply to claw back value-destroying transactions of the "relevant period" before insolvency:

- Preferential transactions [s.43]: a transfer that puts a creditor/surety in a better position than the s.53 waterfall -look-back of 1 year (2 years for related parties).
- Undervalued transactions [s.45–48]: gifts or transfers for significantly less than consideration -look-back of 1 year (2 years for related parties).
- Extortionate credit transactions [s.50–51]: exorbitant terms -look-back of 2 years.
- Fraudulent or wrongful trading [s.66]: carrying on business to defraud creditors -the AA can order contributions; no fixed look-back.

2. Section 32A -clean slate

Once a resolution plan is approved, the corporate debtor's liability for offences committed before CIRP ceases, and its property is protected from attachment for those prior offences, provided the new management was not connected with the wrongdoing. This "clean slate" protects the successful resolution applicant.

3. Overriding effect and limitation

Section 238 gives the Code overriding effect over any inconsistent law. Section 238A applies the Limitation Act, 1963 to proceedings before the AA/NCLAT -an application is barred if filed beyond 3 years from the date of default (subject to s.18 acknowledgement), so a time-barred debt cannot found a CIRP (B.K. Educational Services).

Note : a SOLVENT company exiting voluntarily uses s.59 (IBC); an INSOLVENT corporate is wound up under CIRP→liquidation; a company wound up by the Tribunal for just-and-equitable/fraud grounds uses the Companies Act s.271 -do not conflate the three routes.

▣ DECISION ENGINE

IBC 2016 -Corporate Insolvency Resolution Process (CIRP) waterfall

1. CIRP process costs + IRP/RP fees.
2. Workmen dues (24 months prior). [Pari passu with secured creditors]
3. Secured creditors (up to secured amount).
4. Other employees (12 months dues).
5. Unsecured financial creditors.
6. Government dues.
7. Remaining secured creditors (deficit portion).
8. Other unsecured creditors.
9. Equity holders.

▣ EXAM TRAPS

Trap -treating the 180-day CIRP timeline as a hard stop. Fix -s.12: CIRP must ordinarily complete in 330 days including extensions and litigation time.

Trap -giving operational creditors a vote in the Committee of Creditors. Fix -the CoC comprises financial creditors; operational creditors have no vote (they may attend if their dues are at least 10%).

- Moratorium: ALL legal proceedings suspended; no guarantees enforced; no dividends/bonus to equity.
- Personal guarantors face SEPARATE insolvency process under IBC -NOT shielded by company moratorium.
- S.53 waterfall = LIQUIDATION only; during CIRP, CoC decides distribution in resolution plan Step-by-Step Decision / Action

Trap -Filing CIRP below the default threshold.
 Fix -IBC: default of >= Rs.1 crore lets a financial/operational creditor or the corporate applicant file; NCLT admits and declares moratorium (s.14).

Trap -Missing the CIRP timeline / CoC vote.
 Fix -330 days outer limit (incl. litigation); the resolution plan needs CoC approval by >=66% voting share; failing which -> liquidation.

Trap -Applying corporate CIRP rules to individuals.
 Fix -Individual/partnership insolvency follows a separate Part III process (fresh-start/insolvency/bankruptcy) with its own thresholds.

◆ CASE STUDY Q&A

⇄ CASE SCENARIOS

Case Scenario

On 1 August 2025, the NCLT admitted a Corporate Insolvency Resolution Process (CIRP) application filed by Alpha Finance Ltd. (a financial creditor) against MAHA Infrastructures Pvt. Ltd. The petition proposed the name of Mr. Rajesh Singh, a registered Insolvency Professional (IP), to act as Interim Resolution Professional (IRP). No disciplinary proceedings were pending against him. The NCLT accordingly appointed Mr. Rajesh Singh as IRP on 1 August 2025, which is the insolvency commencement date. The following facts are relevant: 1. MAHA's Board of Directors had passed a board resolution on 15 July 2025 authorizing transfer of ₹ 60 lakh to its connected subsidiary. 2. The IRP received multiple claims after making the public announcement and began verifying them. 3. MAHA has three bank accounts, one each with SB Bank, AB Bank, and HB Bank. All banks awaited instructions on account operation. 4. Assets worth ₹ 4 crore are leased, and staff salaries worth ₹ 25 lakh per month are unpaid. 5.

(1) Who appointed Mr. Rajesh Singh as the Interim Resolution Professional in this case?

(a) Insolvency and Bankruptcy Board of India (IBBI) (b) Financial Creditor
(c) Adjudicating Authority (NCLT) (d) Committee of Creditors

✓ Answer: (c) Adjudicating Authority (NCLT) Reason: Under Section 16, the Adjudicating Authority appoints the IRP on insolvency commencement date.

(2) If the application had been filed by an operational creditor without suggesting an IRP, how would the appointment be made?

(a) The Adjudicating Authority directly appoints any IP of its choice

IBC 2016 waterfall, Exam Traps, Decision Engine and a full Case Scenario.

C. Value for Money (VFM) : the 3 Es

Because an NPO must do the most good with usually-limited money, the natural framework is Value for Money, built on three "E"s. The exam loves to test whether you can tell them apart, so anchor each to WHAT it relates to:

"E"	Question	Relates to	Nature
Economy	Are we acquiring resources cheaply (right quality, lowest cost)?	INPUTS	"Spend less"
Efficiency	Are we getting maximum output per unit of input?	INPUT → OUTPUT	"Spend well"
Effectiveness	Are we achieving the mission/objectives?	OUTPUTS / OUTCOMES	"Spend wisely" : the goal approach

Worked feel: a charity buys medicines 10% cheaper (economy), treats more patients per rupee (efficiency), but if vaccination rates in the target community do not actually rise, it has failed on EFFECTIVENESS : which is the one that matters most for the mission. Economy and efficiency without effectiveness can defeat the purpose.

D. The performance-measurement process

31. Identify the overriding mission and objectives (continuously re-evaluate mission, vision, strategy).
32. Define the problem being solved and the stakeholders served.
33. Break objectives into key strategies and map measures across stakeholder, financial, internal-process and learning dimensions (a BSC-style adaptation).
34. Measure outputs/outcomes and report accountability to fund-providers.

E. The adapted Balanced Scorecard for not-for-profit organisations (Kaplan)

In a business the financial perspective sits at the top of the scorecard; Kaplan re-orders it for an NPO so that the MISSION sits at the apex (the reason the organisation exists), and the four perspectives are arranged to serve it : who are the beneficiaries we must serve and how do they see us, how do our funders / donors see our stewardship, what internal processes must we excel at to deliver the mission, and how must we learn and grow to keep delivering it. Success is the mission delivered to beneficiaries within the funds entrusted : not a financial return.

F. Other measures, and the three measurement challenges

NPO measurement turns on OUTPUTS vs OUTCOMES : an output (meals served) is easy to count, but the OUTCOME that truly matters (lives improved, disease reduced) is hard to quantify and often appears only after a long delay. Useful supplements include benchmarking against comparable NPOs and stakeholder feedback. The module names three recurring challenges : difficulty in quantifying costs and benefits, dependence on the commitment of the state or donors (which the NPO cannot control), and the problem of measuring the UTILITY of funds spent rather than a profit earned.

DECISION ENGINE

COMPARISON: VFM vs Balanced Scorecard vs KPI Dashboards

- VFM (VALUE FOR MONEY) -PUBLIC/NOT-FOR-PROFIT SECTOR: • 3 Es: Economy (minimise input cost), Efficiency (maximise output per input), Effectiveness (achieve objectives) • 4th E: Equity (fair distribution of services) • Use when: Public sector entity, NPO, charity, government programme evaluation BALANCED SCORECARD

Value Chain Analysis vs VFM Framework - Manufacturing vs Services/Public Sector

- VFM; value for money; public sector; not-for-profit; service organisation; economy efficiency effectiveness; value chain in services; which framework for non-commercial entity

EXAM TRAPS

Trap -judging an NPO by profit/ROI
Fix -NPOs have non-profit missions : use VFM (3 Es) and outcome measures. measure effectiveness against the mission.

Trap -confusing the three Es
Fix -economy = inputs (spend less); efficiency = input-to-output (spend well); effectiveness = outcomes (spend wisely). classify each measure by what it relates to.

Trap -equating low cost with good NPO performance
Fix -economy without effectiveness defeats the mission. balance all three Es.

◆ CASE STUDY Q&A

Q. [IBS Sept 2025 Exam] As a management accountant of the company, list some areas for preparing a report evaluating company's performance using Triple Bottom Line (TBL) (4 Marks) Framework.

Ans. Areas for Preparing Triple Bottom Report 1. Economic Performance • Strong market presence: AFL has established itself as a leading manufacturer, wholesaler, and exporter of shirts and T-shirts for men, women, and children. • Operational efficiency: Through continuous process improvements and workforce training, the company has minimized rework, reduced costs, and enhanced product quality. • Diversification: By entering the poly clothing segment, AFL has successfully captured a 5% market share in just two years, showing adaptability to market trends. • • • Sustainable practices as a competitive edge: Use of durable, high- quality materials ensures longer product life, strengthening customer loyalty and brand reputation. Increase in operating revenue: AFL recorded an increase in operating income by ₹ 710 lakhs. Increase in export turnover: AFL's export turnover in 2024-25 reached USD 7 million, marking an increase from the three financial years. Overall: AFL demonstrates healthy financial growth, cost efficiency, and market adaptability, while aligning profitability with sustainability. 2. Environmental Performance • Water stewardship: o Installed a 50 MLD sewage treatment plant, recycling 6 billion litres of water annually for internal use. o Developed rainwater harvesting ponds, enhancing water availability in a water-scarce region. • Materials management: o Transitioning towards organic cotton (less pesticide use, but 29 water-intensive - AFL must balance trade-offs). o Uses high-quality, durable fabrics to reduce consumption cycles. • Waste management: 75% of textile waste diverted from landfills via reuse and recycling programs. • Energy and climate commitments: o Installed solar panels, cutting energy use by 25%. o Conducted carbon audit and pledged net zero by 2030. • Afforestation: Planted 100,000 trees in FY 2024–25. Overall: AFL shows strong environmental responsibility, with innovative water reuse, renewable energy adoption, and climate commitments. The main challenge lies in addressing the water intensity of organic cotton. 3. Social Performance • Community development: o o o Trained 9,000 farmers, offering on-field assistance, productivity support, and access to government schemes. 60% of workforce drawn from local communities, strengthening rural livelihoods. Employee welfare programs cover food, clothing, education, and healthcare, supporting holistic development. • • Labour standards: Ensures compliance with labour laws, provides fair wages, and conducts regular HR training for skill enhancement. Social equity: Residential facilities for workers near plants improve quality of life and reduce migration stress. Overall: AFL demonstrates strong social responsibility, improving livelihoods, skill development, and local community welfare. Conclusion Evaluated through the Triple Bottom Line framework: • Economic Bottom Line: AFL maintains competitiveness, efficiency, and 30 growth while innovating into new product lines. • • Environmental Bottom Line: The company is a leader in sustainable water management, waste reduction, renewable energy, and climate commitments -though organic cotton's water use remains a concern. Social Bottom Line: AFL creates inclusive growth through farmer support, local employment, fair labour practices, and community welfare programs. Final Assessment: AFL reflects a balanced and sustainable business model, aligning profitability with environmental stewardship and community well- being. It can further strengthen its TBL performance by addressing the water intensity of organic cotton and scaling sustainable raw material sourcing.

⇄ CASE SCENARIOS

Case Scenario

Value for Money framework, Exam Traps, and a real IBS Sept 2025 exam question with its answer.

Same structure, all 144 chapters.

Deep Dive, Decision Engine, Exam Traps, Integrated Linkages, Module Illustrations, Case Study Q&A, Case Scenarios, and the Amendment Radar. One reference, kept current for Nov 2026.

casparshdodani.in

t.me/ibsbysparshdodani

t.me/casparshdodani

instagram.com/sparsh_dodani