FINAL EXAMINATION

ANSWERS TO PRACTICE TEST PAPER **TERM – JUNE 2026**

PAPER – 17 **SYLLABUS 2022**

COST AND MANAGEMENT AUDIT

Time Allowed: 3 Hours **Full Marks: 100**

The figures in the margin on the right side indicate full marks.

SECTION – A (Compulsory)

1. Choose the correct option: **[15 x 2=30]**

(i) Cost Audit was first introduced in the year _______.

A) 1944
B) 1959
C) 1965
D) 1969

(ii) In Cost Audit Report, General Information is reported in

A) Part – A–1
B) Part – A- 2
C) Part – A-3
D) Part – A- 4

(iii) CAS-17 deals with _______ .

A) Royalty and Technical Knowhow fee
B) Interest & Financing charges
C) Research & Development Cost
D) Material Cost

(iv) Which Cost Auditing Standard requires Cost Auditor to prepare audit documentation on timely basis?

A) 101
B) 102
C) 103
D) 104

(v) Who has issued Cost Auditing Standards?

A) Cost Auditing & Assurance Standards Board
B) Cost Accounting Standards Board
C) Technical Cell
D) Internal Auditing and Assurance Standards Board

(vi) Arrange the following stages of an audit of cost statement in the correct sequence:

a. Performing
b. Planning
c. Reporting

A) a,c,b

B) a,b,c
C) b,a,c
D) b,c,a

(vii) XBRL is a language based on:
A) XBL family of languages
B) XRL family of languages
C) XML family of languages
D) XGL family of languages

(viii) Which of the following statements is not true about a continuous audit?
A) It is conducted at regular intervals.
B) It may be carried out on daily basis.
C) It is needed when the organisation has a good internal control system.
D) It is expensive.

(ix) Internal audit is conducted
A) Periodically
B) Throughout the year
C) Once in a year
D) Once in Five years

(x) If your actions are the result of misleading, intentional actions or inaction (including misleading statements and the omission of relevant information to gain an advantage, then you have committed:
A) Perjury
B) Contempt
C) Treason
D) Fraud

(b) Choose the correct option: [2 X 5 = 10]
Vikash Ltd., which is manufacturing consumer products, has two divisions: Assembling and Finishing. The two divisions are operating as Cost Centres. Present activities and costs involved in the Assembling Division and Finishing Division in a year are as under:

Number of Sets Assembled	14,000
Cost of Manufacturing of parts (including material)	₹ 9,00,000
Parts purchased from the market	₹ 5,00,000
Other variable overhead: Welding Cost	₹ 6,50,000

Assembling Cost	**₹ 9,50,000**
Fixed Cost for the unit	**₹ 12,00,000**

25% of the production of the Assembling Division is sold in the market for ₹ 400 per set and 75% is transferred to Finishing Division at ₹ 370.
The Cost incurred in Finishing Division:
Painting Cost - ₹ 6,00,000
Polishing Cost - ₹ 1,50,000
Fixed Cost - ₹ 4,50,000
The selling price per set ₹ 550
Find out the correct option in respect of the following items:

(xi) Total Sales Value for the Assembly Division:
A) ₹ 62,85,000
B) ₹ 10,85,000
C) ₹ 52,85,000
D) None of the above

(xii) Profit for Assembly Division:
A) ₹ 10,85,000
B) ₹ 52,85,000
C) ₹ 42,15,000
D) None of the above

(xiii) Total Sales Value for Finishing Division:
A) ₹ 37,75,000
B) ₹ 42,15,000
C) ₹ 48,25,000
D) ₹ 57,75,000

(xiv) Total Profit for the Company:
A) ₹ 17,75,000
B) ₹ 8,65,000
C) ₹ 9,10,000
D) ₹ 6,90,000

(xv) Profit for Finishing Division:
A) ₹ 3,70,000
B) ₹ 17,75,000
C) ₹ 6,90,000
D) ₹ 57,75,000

Answer:

(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)	(x)	(xi)	(xii)	(xiii)	(xiv)	(xv)
C	A	B	B	A	C	C	C	B	D	C	A	D	A	C

SECTION – B
(Answer any 5 questions out of 7 questions given. Each question carries 14 marks.)
[5 x 14 = 70]

2. (a) State the General Objectives of Cost Audit? [7]

(b) Explain the applicability criteria for cost audit as per the companies (Cost Records and Audit) Rules, 2014 along with exemption provided under these rules.

[7]

Answer:

. **(a)** The General Objectives of Cost Audit are:

i. Verification of cost accounts with a view to ascertaining that these have been properly maintained and compiled according to the cost accounting system followed by the enterprise.
ii. Ensuring that prescribed procedures of the cost accounting records rules are duly adhered to.
iii. Detection of errors and fraud
iv. Verification of the cost of each "Cost unit" and "Cost Centre" to ensure that these have been properly ascertained.
v. Determination of inventory valuation
vi. Facilitating the fixation of prices of goods and services
vii. Periodical reconciliation between cost accounts and financial accounts
viii. Ensuring optimum utilization of human, physical and financial resources of the enterprise.
ix. Detection and correction of abnormal loss of material and time.
x. Advising management, based on inter-unit/inter-firm comparison of cost records, as regards the areas where performance calls for improvement.
xi. Promoting corporate governance through various operational disclosures to the directors.
xii. Helping the entity in matters of Anti-Dumping Duty, valuation of cost of production of goods and services, anti-profiteering (e.g. GST), price controls (e.g. Pharma industry in the past), etc**.**

(b)

1. Every company specified in item (A) of rule 3 shall get its cost records audited in accordance with these rules if the overall annual turnover of the company from all its products and services during the immediately preceding financial year is rupees fifty crore or more and the aggregate turnover of the individual product or products or service or services for which cost records are required to be maintained under rule 3 is rupees twenty-five crore or more.

2. Every company specified in item (B) of rule 3 shall get its cost records audited in accordance with these rules if the overall annual turnover of the company from all its products and services during the immediately preceding financial year is rupees one hundred crore or more and the aggregate turnover of the individual product or products or service or services for which cost records are required to be maintained under rule 3 is rupees thirty-five crore or more.
3. The requirement for cost audit under these rules shall not apply to a company which is covered in rule 3; and
   i. whose revenue from exports, in foreign exchange, exceeds seventy-five per cent of its total revenue; or
   ii. which is operating from a special economic zone
   iii. which is engaged in generation of electricity for captive consumption through Captive Generating Plant. For this purpose, the term "Captive Generating Plant" shall have the same meaning as assigned in rule 3 of the Electricity Rules, 2005.

3. (a) Identify the duties of the Cost Auditor to report Fraud as per provisions of the Companies Act, 2013. [7]

(b) Describe the stages of an Audit of cost statements. [7]

Answer:

(a) The cost auditor is not subordinate to the financial auditor. Cost audit has its own scope, standards, and statutory backing under Section 148 of the Companies Act. Therefore, failure by the financial auditor does not relieve the cost auditor from performing their own due diligence. (Cost Audit happens post conclusion of Financial Audit). Cost Auditing Standard (CAS) 103 – Planning an Audit stipulates:

The cost auditor should design audit procedures to detect material misstatements due to fraud or error.

- According to Section 143(12) of the Companies Act 2013, if an auditor of a company, including a Cost Auditor, in the course of the performance of his duties as auditor, has reason to believe that an offence of fraud involving such amount or amounts as may be prescribed, is being or has been committed in the company by its officers or employees, the auditor shall report the matter to the Central Government within such time and in such manner as may be prescribed:
- Provided that in case of a fraud involving lesser than the specified amount, the auditor shall report the matter to the audit committee constituted under section 177 or to the Board in other cases within such time and in such manner as may be prescribed:
- Provided further that the companies, whose auditors have reported frauds under this sub-section to the audit committee or the Board but not reported to the Central Government, shall disclose the details about such frauds in the Board's report in such manner as may be prescribed."
- It does not apply if the Auditor has acted in good faith.
- If the Cost auditor, among others, does not comply with the provisions of sub-section (12)
  a) in case of a listed company, be liable to a penalty of up to five lakh rupees; and
  b) in case of any other company, be liable to a penalty of one lakh rupees
- Matters are required to be reported immediately but not later than 2 days of his knowledge specifying:
  a) Nature of Fraud with description;
  b) Approximate amount involved; and

c) Parties involved.

- Following disclosures are required to be made in Board's Report:
  a) Nature of Fraud with description;
  b) Approximate Amount involved;
  c) Parties involved, if remedial action not taken; and
  d) Remedial actions taken

(b) The stages of an audit of cost statements are:

1. Planning
2. Performing
3. Reporting

Once the entity's acceptance or continuation decision has been made, the first stage is planning the audit. Broadly, the planning stage involves:

i. gaining an understanding of the client,
ii. identifying factors that may impact the risk of a material misstatement in the cost statements,
iii. performing a risk and materiality assessment, and
iv. developing an audit strategy.

The risk of a material misstatement is the risk that the cost statements include a significant error or fraud.
The execution stage (or performing stage) of the audit involves the performance of detailed testing of internal controls and substantive testing of cost accounting policies & procedures.
The reporting stage involves evaluating the results of detailed testing in light of the cost auditor's understanding of the entity and forming an opinion on the fair presentation of the entity's cost statements as a whole.

- Planning an Audit - First Stage
  "It is well said that a well-planned audit is almost half way done" The planning stage involves determining the audit strategy as well as identifying the nature and the timing of the procedures to be performed. This is done to optimize efficiency and effectiveness when conducting an audit. Efficiency refers to the amount of time spent gathering audit evidence. Effectiveness refers to the minimization of audit risk. A well-planned audit will ensure that sufficient appropriate evidence is gathered to minimize risk of material misstatement at the cost statement level.
- Performing an Audit – Second Stage
  The performance, or execution, stage of the audit involves detailed testing of internal controls, material consumptions, cost accumulation, allocation, apportionment, and absorption. If an auditor plans to rely on their client's system of internal controls, they will conduct tests of controls. Cost auditor will conduct detailed substantive tests of audit procedures for the period and detailed substantive tests of consumptions and balances recorded at the period end. This detailed testing provides the evidence that the cost auditor requires to determine whether the cost statements have been fairly presented.
- Concluding and Reporting on an Audit – Final Stage
  The final stage of the audit involves drawing conclusions based on the evidence gathered and arriving at an opinion regarding the fair presentation of cost statements. The cost auditor's opinion is expressed in the cost audit report. At this stage of the audit, a cost auditor will draw on their understanding of the

client, their detailed knowledge of the risks faced by the client, and the conclusions drawn when testing the entity's controls, transactions, cost heads, item of cost and related disclosures.

4. (a) The following information pertains to Rakesh Cement Ltd., a manufacturing cement company for the year that ended as follows:

The year ended March 31	2025-26	2024-25
Rated Capacity per Hr. (in MT)	80	80
Break down (Hrs.)	2,177	1,015
Planned Maintenance (Hrs.)	247	422
Power restrictions (Hrs.)	1,237	1,481
Shortfall (there are no orders) (Hrs.)	792	677
Want of wagons (Hrs.)	495	635
Total stoppage (Hrs.)	4,948	4,230
Total running (Hrs.)	3,888	4,582
Total available Hours	8,836	8,812
Production during the year (in MT)	2,48,844	3,29,928
Hourly Rate of Production (in MT)	64	72
Capacity Utilization (%)	62.21	82.48
Annual Installed Capacity (in MT)	4,00,000	4,00,000

Analyze the information provided above and, acting as a Cost Auditor, discuss with reason:

(i) The performance of the company

(ii) Your suggestion for improvement.

[7]

(b) A Steel Company which produces Iron Casting Pipes and rod iron is covered under the Cost Audit according to the Companies (Cost Records and Audit) Rules 2014. From the expenditure data relating to 2025-26, Calculate the employees cost according to CAS -7.

		₹ Lakh
(i)	Salary, wages and other allowances	750
(ii)	Bonus	100
(iii)	Contribution to Provident Fund	90
(iv)	Wages to contractor's employees	100
(v)	Employees welfare	40
(vi)	Abnormal cost due to strike	80
(vii)	VRS payment for closure of Rod Iron section of the plant	62
(viii)	Arrear Salary (2020-21)	210
(ix)	Compensation paid against the past periods against Court order	67

Answer:

(a) Rakesh Cement Ltd.

Performance analysis

(i) (1) Rated capacity = 80 MT/Hr:

Rated capacity achieved in 2024-25 = (72/80) × 100 = 90%

Rated capacity achieved in 2025-26 = (64 /80) × 100 = 80%.

The capacity achievement as % of rated capacity has declined from 90% to 80% in 2025-26.

Further the Capacity Utilization has gone down to 62.21% in 2025-26 from 82.48% of previous year; a reduction of 20.27%.

(2) From the data available the following observations are noted: -

i. Breakdown hours have gone up from 1,015 hours to 2,177 hrs, an increase by 114.48%
ii. Planned Maintenance hrs have reduced from 422 hrs to 247 hrs i.e. by 41.47%
iii. Shortfall hrs due to lack of orders have increased from 677 hrs to 792 hrs i.e. by 16.99%
iv. The total stoppage hrs. have increased from 4,230 hrs to 4,948 hrs i.e. by 16.97%
v. The total running hrs has come down from 4,582 hrs to 3,888 hrs i.e. by 15.15%
vi. The production has come down from 3,29,928 MT to 2,48,844 MT i.e. by 24.58% From the above findings, it can be pointed out that the underutilization of capacity to the extent of little over 20% can be attributed mainly to:
   - Increased total stoppage hours of 4,948 of 2025-26 as against that of 4,230 hrs in 2024-25 and
   - The net increase of 718 hrs (4,948-4,230) is again due to increase of break down by 1,162 hrs (2,177-1,015) in the year 2025-26

(ii) Suggestion: Therefore, the Company should look into the aspect of proper maintenance, securing sufficient orders to avoid lost time. Better utilization of capacity can also be achieved by improving availability of wagons. The company may also carry out a cost-benefit analysis to have captive source of power.

(b) The following items will not be included according to CAS-7:

i. VRS paid for closure of an unit
ii. Abnormal cost charges to Profit and Loss A/C
iii. Arrear salary not related to the current year
iv. Compensation paid against past periods
v. Wages paid to contractor employees.

[As per explanation (1) of CAS-7 under para-4.7: Contract employees include employees directly engaged by the employer on contract basis but does not include employees of any contractor engaged in the organisation.]

Thus, employees cost:

		₹ Lakh
(i)	Salary and wages	750
(ii)	Contribution to PF	90
(iii)	Employees welfare	40
(iv)	Bonus	100
	Total	980

5. (a) Auto Parts Manufacturing Company Ltd. showed a profit for the year 2025-26 as ₹ 35,46,700. During Cost Audit, the followings transactions were noticed:

i. an old machine with net value of ₹ 6,54,000 was sold off for ₹ 9,30,000,

ii. dividend income was received amounting to ₹ 84,500 from investments,

iii. a sum of ₹ 58,000 was spent towards CSR commitment,

iv. the company was engaged in trading activity where purchase of goods was ₹ 13,50,000 and sales was ₹13,42,300, after incurring ₹ 40,800 as expenditure,

v. some renovation work was carried out at a cost of ₹ 7,75,000 and its useful life was only for five years, and

vi. the closing inventory of raw material was undervalued ₹ 29,600 and that of finished goods was overvalued ₹ 65,400 in the financial records.

Calculate the Profit as per the Cost Accounts. [7]

(b) Describe the constituents of Forensic Audit. [7]

Answer:

(a) Reconciliation of Profit between Cost Accounts and the Financial Accounts of Auto Parts Manufacturing Company Ltd. for the year 2025-26

Particulars	₹	₹
Profit as per the Financial Accounts		35,46,700
Add: Trading Loss	48,500	
4/5th of Renovation Expenses Amortized	6,20,000	
CSR Contribution	58,000	7,26,500
Less: Profit on Sale of Assets	2,76,000	
Income from Investments	84,500	
Net overvaluation of closing inventory in the financial records (65,400-29,600)	35,800	(-) 3,96,300
Profit as per the Cost Accounts		38,76,900

(b) The constituents of Forensic Audit are given below:

(i) Assessment of fraud risk factors and evaluating internal controls and standards.
(ii) Comparison and contrast of various fraud schemes to devise the appropriate internal controls.
(iii) Developing off-setting internal controls that would limit or prevent these fraud schemes.
(iv) Using data analysis techniques to identify high-risk transactions for further review and investigation.
(v) Evaluating internal controls and identifying ways to plan audits to take advantage of available information systems resources.
(vi) Evaluating financial and program risk for potential fraud.
(vii) Applying various evidence-gathering techniques used to detect fraud.
(viii) Justifying the auditor's conclusion of fraud by providing the evidence needed to support legal and investigative staff.
(ix) Documenting the evidence and data-gathering process.
(x) Sharing the findings with the agency and advise them on how to avoid the fraud in the future.

6. (a) Describe the circumstances under which a person can be searched under Section 18 of the PMLA. Additionally, explain the prerequisites for arresting an individual under Section 19, highlighting the authorities involved and the procedural steps that must follow post-arrest. **[7]**

(b) Describe the functions of the Management Audit. **[7]**

Answer:

(a) Section 18 of the PMLA deals with power to search a person

If an authority has reason to believe, the reason for such belief to be recorded in writing that any person has

- secreted about his person or
- in anything under his possession, ownership, or control any record or proceeds of crime which may be useful for or relevant to any proceedings under this Act,

the authority may search that person and seize such record or property which may be useful for or relevant to any proceedings under this Act.

Arrest under PMLA (Section 19)

Under Section 19 of PMLA, the Deputy Director, Assistant Director, or any other officer authorized on this behalf by the Central Government by general or special order, has the power to arrest a person.

A person can be arrested by the concerned authority, if such authority, is based on material in his possession,

- Has reason to believe that such a person has been guilty of an offence punishable under PMLA, and
- The reason for such belief has been recorded in writing. After arresting such a person, the authority is bound to: -
  - Inform the arrested person about the ground for his arrest
  - Forward a copy of the arrest order along with the material in his possession to the Adjudicating Authority
  - Produce such person, within 24 hours, before the Special Court or Judicial Magistrate or a Metropolitan Magistrate, as the case may be, having jurisdiction

(b) Management audit is a difficult and complex task. It performs the following functions:

- Management audit requires a tight rope walking with clear, identified roles to perform while dealing with top management.
- It examines all the scope of work with respect to areas for review. In this regard, the auditor should help management in pinning down and inter-relating the performance standards and measurements with the ownership of responsibilities.
- Management audit provides valuable suggestions to the management after proper evaluation.

The aim of management audit is apprising a function or department or activity with a view to judge how effectively and efficiently these are discharged with reference to:

- The narrower departmental goals or objectives
- In the broader and larger context of the company as a whole

Management audit is concerns with apprising / judging the effectiveness / efficiency of following functions / departments / activities (List is Illustrative and not exhaustive)

- Marketing including selling and distribution
- Manufacturing including Planned Maintenance, Capacity Utilisation Procurement including Development of New Vendors
- Project Management including its timely cost-effective implementation
- Inventory Control to ensure sustainable production / sales
- Finance including arranging finance for working capital and for project capital
- Research and Development to contribute to new product, process improvement, cost reduction etc.
- Insurance including adequate insurance for all assets against insurable perils
- Personnel management including selection, recruitment, training, developments, motivation and retention of human resources.

7. (a) Analyse the role of Cyber Security in protecting data used in an organization. [7]

(b) Explain the approaches for developing Manpower Planning. [7]

Answer:

(a) Cybersecurity is the practice of protecting computer systems, networks, and data from unauthorized access, use, disclosure, disruption, modification, for businesses, organizations, and individuals to maintain operational continuity, protect sensitive information, and prevent financial and reputational damage.

Cyber security is a professional discipline that is about creating defensive measures to protect against cyberattacks. One important note about cyber security is that it is almost entirely about prevention.

To keep "cyber hygiene" in good condition, Cyber security encompasses many protocols that are used in the real world to protect data vital for the organization. There are the basics which will drastically improve the online safety. These cybersecurity basics apply to both individuals and organization. Examples are:

- Things like using strong passwords, updating software setting, user permissions, establishing file transfer protocols (FTP).
- Requiring secure, frequently changing passwords, turning on multi-factor authentication are all vital elements of cyber security.

It's not just up to one individual, everyone in an organization needs to be trained for thinking before click on suspicious links, data backups, and incident management, while also considering VPNs, firewalls, and Zero Trust architecture for safe computer usage for security

(b)

i. Planning for the Status Quo: Planning involves steps to replace any employees who are either promoted or who leave the firm.

ii. Thumb Rule: This is based on the firm's beliefs about forecasting human resource needs.

iii. Markov Analysis (MA): Markov chains are a powerful analysis technique that, used in manpower planning, can help it successfully achieve its goal. Markov chains make it possible to predict the size of manpower per category as well as transitions occurring within a given period in the future (resignation, dismissal, retirement, death, etc.).

iv. Unit Forecasting: This refers to the estimate of supervisors and managers about forecasting Human resource needs for the next year unit-wise – this approach is called the "Bottom-up approach" for forecasting as the selections are made by lower-level management and added together at a higher level of the organisation.

v. Ratio Trend Analysis: The basic principle here is to say if it takes six people, for example, to perform an existing amount of work, it will take twelve people to do twice as much.

vi. Delphi Method: This method relies on expert opinion in making long-range forecasts-this involves obtaining independent judgments from a panel of experts usually through a questionnaire or interview schedule on certain issues affecting the nature and magnitude of demand for an organisation's products and services.

vii. Computer Simulation: This is one of the most sophisticated methods of forecasting human resource needs. A computer is a mathematical representation of major organisational processes, policies, and human resource movement through organisation-computer simulations are useful in forecasting for human resources by pinpointing any combination of organisational and environmental variables.

viii. Time and Motion Study: Here the Industrial Engineer observes records and movement of workman and productivity vis-a-vis time required to conduct specific activities.

ix. MOST - Maynard Operation Sequence Technique: This method is well accepted in automobile industries where lots of manual activities are involved. It is based on the walking and moving of the workmen to conduct the specific activity. MOST is an activity-based work measurement system that enables us to calculate the length of time required to perform a task i.e., a system to measure work.

8. (a) You are appointed to conduct an Operational Audit for a company. How do you prepare for such an Operational Audit and discuss the objectives of Operational Audit?

[7]

(b) Discuss the steps involved in the Audit of Hospitals. [7]

Answer:

(a) Preparation for Operational Audit:

There are two kinds of approaches Active and Passive approach in all types of assignments and especially for Operational Audit for a paradigm shift to „beyond compliance‟. The active zone of „operational audit‟ is to prevent „wasteful activities‟ with a view „to reduce revenue leakages and cost‟. This in turn having a positive impact on business performance.

The contemporary approaches of „Risk Based Audit‟ are not in total sync with „Operational Audit‟. Risk pertaining to „Operations" is prioritized for „Risk Based Audit‟ and recommended mitigation, fails to provide a holistic coverage for the entire gamut of risk associated with the „Operation‟ and improvement in „value chain‟ through a set of corrective measures.

Objectives:

Operational Audit objective has been coined here after the name of connoisseur of TQM (Total Quality Management) W.E. Deming. To define the objective the word „DEMING‟ is used, where each of the word stands for a definitive objective accomplishment

D – Detailed understanding for existing process to suggest improvement

E – Eliminate Waste, Duplication of work

M –Merge Operations/Processes to reduce Turn Around Time

I- Improve/Increase Quality, Volume, Revenue
N – New Methods, Techniques, Devices for better result/throughput
G – Govern Man, Machine, Methods and Money
To carry out the heightened expectations of „stakeholders" on their shoulder, Auditors can no longer spend their time looking down at financial controls and compliances rather to spend much more time in operation reviews.
To support the accomplishment of aforesaid objective, the audit process to tend appropriate support. Process provides a methodology for intelligently and efficiently integrating People, Tools, Procedures and Technology for the best results/outcome.

(b) The following points are to be considered necessary for conducting an audit of Hospital.

- Check the letter of appointment to ascertain the scope of responsibilities.
- Ownership and control of the institution.
- Process (e.g. admission, release, outdoor check-up, pathology and other test facilities, Operation Theatre facility, vaccination etc.) and related controls till revenue generation. Normally facilities not provided for other than cash terms.
- Donation, Special Grant, Interest and/ or dividend income etc. to be validated through necessary supporting documents, should be vouched with reference to the Investment Register and Interest and Dividend warrants.
- Ensure purposive donations, grants etc. spent for the particular purpose only.
- Clear distinction should be made between the items of capital and revenue nature.
- Adherence to Standard Operating procedure w.r.t Expenses (Capex and Op.ex)
- Verify the system of internal check as regards purchases and issue of stores, medicines, medical equipment etc.
- Examine that the appointment of the staff, visiting specialist doctors, payment of salaries etc. for expenditure booking validation.
- Physically verify the investments, fixed assets and inventories.
- Check appropriateness of capitalization and depreciation rates charged and value in Books.