Skillshort

Self-Study Preparation Pack

CMA FOUNDATION

Paper 4: Fundamentals of Business Economics and Management (FBEM)

Last-Week Plan, One-Liner Sheet & Exam Strategy

Exam on Sunday 13 December 2026, 2:00–4:00 pm (Papers 3 and 4) · 7-day plan · one-liner sheet · exam-hall plan

7 days | 3 mocks | No negative marking

Contents

7-day revision plan 2
One-liner sheet – Economics 2
One-liner sheet – Management 2
Exam-hall strategy 3

This subject pack has 6 parts

1 Chapter-wise notes
2 Important topics & weightage
3 Past papers: trends & links
4 Mock tests + solutions
5 Chapter practice questions
6 Last-week plan & strategy

Prepared by Skillshort for self-study. Original explanations and questions; not an official ICAI/ICMAI/ICSI publication. Items marked VERIFY should be checked against the latest official material.

7-day revision plan

Day	Morning (2 h)	Afternoon (2 h)	Evening (1 h)
7	Module 1 – basic concepts	Module 2 – markets	Practice sets 1–2
6	Module 3 – money and banking	Module 4 – environment	Practice sets 3–4
5	Module 5 – management	**Mock Test 1** + analysis	One-liner sheet
4	Paper 3 numericals (same session)	Practice set 5	Mistake log
3	**Mock Test 2** + analysis	Weak modules	One-liner sheet
2	**Mock Test 3** + analysis	ICMAI June 2026 paper (file 03 link)	One-liner sheet
1	One-liner sheet only	Paper 3 formula sheet	Sleep early

One-liner sheet – Economics

Topic	Remember
Definitions	Wealth – Adam Smith (1776); welfare – Marshall (1890); scarcity – Robbins (1932); growth – Samuelson
Demand	Exceptions: Giffen goods, Veblen goods, expectations, necessities; inferior good – income elasticity negative
Elasticity	Ep = (% change in Qd) ÷ (% change in P); MR = AR (1 – 1/e)
Utility	DMU; equi-marginal utility = Gossen's 2nd law; consumer surplus – Marshall
Production	Law of variable proportions – short run, 3 stages, rational stage II; returns to scale – long run
Costs	MC cuts AVC and AC at their minimum; LAC = envelope curve
Markets	Perfect – AR = MR; monopoly – MR < AR; monopolistic – Chamberlin, selling costs; oligopoly – interdependence, kinked demand (Sweezy)
Duopoly	Cournot – quantity; Bertrand – price; Stackelberg – leader–follower
Price discrimination	1st perfect; 2nd **block pricing**; 3rd separate markets (higher price where demand is less elastic)
Money	Gresham: bad money drives out good; Fisher MV = PT (V and T constant); contingent functions – basis of credit, distribution of income
Banking	Primary – deposits, loans; secondary – agency and utility; principles – liquidity, profitability, safety, solvency
Credit control	Quantitative – bank rate, repo, OMO, CRR, SLR; qualitative – margins, rationing, moral suasion, direct action
Money market	Up to 1 year; call (1 day), notice (2–14 days); T-bills 91/182/364 days; CP; CD
Institutions	RBI 1935; IFCI 1948; IDBI 1964; NABARD 1982; SIDBI 1990; SWIFT – international messaging
Environment	PESTEL – Political, Economic, Social, Technological, Environmental, Legal; VUCAFU – Volatility, Uncertainty, Complexity, Ambiguity, Fear of unknown, Unprecedentedness

One-liner sheet – Management

Topic	Remember
Definitions	Fayol – forecast, plan, organise, command, co-ordinate, control; Follett – getting things done through people; Terry – planning, organising, actuating, controlling; Koontz – designing and maintaining an environment
Theories	Agency – Jensen & Meckling (1976), costs = monitoring + bonding + residual loss; stewardship – Donaldson & Davis
Fayol	14 principles; unity of command (one boss) vs unity of direction (one plan); gang plank
Planning	Primary function; premises = assumptions about the future; standing plans – policies, procedures, rules
Organising	Line (military) – oldest; functional – Taylor; delegation – authority can be delegated, accountability cannot
Motivation	Maslow (5 needs); Herzberg (hygiene vs motivators); McGregor (X, Y); Vroom (expectancy); McClelland (achievement, affiliation, power)

Topic	Remember
Leadership	Needs followers; styles – autocratic, democratic, laissez-faire
Coordination	Essence of management; Follett – direct contact, early stage, reciprocal relations, continuity
Control	Steps – standards, measure, compare, correct; feedforward (before), concurrent (during), feedback (after)

Exam-hall strategy

Time	Action
Paper 4 first (about 40 minutes)	Theory MCQs go fast – answer them while your mind is fresh, then move to Paper 3
Last 10 minutes of the session	Fill every bubble for both papers (no negative marking)

STRATEGY Rules that save marks

- Read "NOT" and "EXCEPT" questions twice.
- For who-said-what questions, recall the key word (Follett – people; Terry – actuating; Fayol – command).
- Order of the two papers inside the session is your choice VERIFY – practise the order you will use.