Skillshort

Self-Study Preparation Pack

CS EXECUTIVE

Paper 4: Corporate Accounting and Financial Management (CAFM)

Last-Week Plan & Exam-Hall Strategy

Exam: Monday 28 December 2026, 2:00–5:15 pm (includes 15 minutes' reading time) · The last paper of the session – after P3 (Sat 26 Dec) and, for both-group students, P7 (Sun 27 Dec)

Pre-exam block 23–29 Nov | Gap day 27 Dec | Exam-day timeline | Presentation of numericals | Mistakes to avoid

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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 ICSI publication. Items marked VERIFY should be checked against the latest official material.

1. December 2026 timetable – where P4 sits

Date	Day	Paper
21 Dec 2026	Monday	P1 Jurisprudence, Interpretation and General Laws (Group 1)
22 Dec 2026	Tuesday	P5 Capital Market and Securities Laws (Group 2)
23 Dec 2026	Wednesday	P2 Company Law and Practice (Group 1)
24 Dec 2026	Thursday	P6 Economic, Commercial and Intellectual Property Laws (Group 2)
26 Dec 2026	Saturday	P3 Setting up of Business, Industrial and Labour Laws (Group 1)
27 Dec 2026	Sunday	P7 Tax Laws and Practice (Group 2)
28 Dec 2026	Monday	**P4 Corporate Accounting and Financial Management (Group 1)**

All papers are from 2:00 pm to 5:15 pm; no exam on 25 December. Confirm with the admit card and the official timetable (linked in document 03) VERIFY.

NOTE **P4 is the last paper. Group 1 students get one full day (27 December) after P3. Students writing both groups write P7 on 27 December and get only the evening before P4. Numericals need practice, not reading – so finish the full P4 practice cycle in the 23–29 November block, before the law papers take over December.**

2. The plan

Day	Session 1 (3 h)	Session 2 (3 h)	Session 3 (2 h)
Mon 23 Nov	Ch. 4 Share capital: issue, pro-rata, forfeiture and re-issue, **underwriting** (marked, unmarked, firm)	Debentures: issue, redemption, conversion, DRR; bonus shares; assets bought for shares	4 underwriting and forfeiture sums timed
Tue 24 Nov	Ch. 6 Buy-back (3 limits, CRR, escrow), ESOP accounting; redemption of preference shares	Ch. 7 Consolidation: goodwill, NCI, pre/post-acquisition, unrealised profit, mutual owings	Practice set chapters 4–6
Wed 25 Nov	Ch. 8 Ratios, DuPont, BS from ratios	Ch. 9 Cash flow (indirect), FCFF / FCFE; Ch. 10 forecasting and EFN	**Mock Test 1 – 3 hours, timed**
Thu 26 Nov	Review Mock 1	Ch. 2–3 Schedule III and AS 2, 3, 12, 14, 16, 20, 26 (one-line rules)	Ch. 11–12 TVM, annuities, Rule of 72 / 69
Fri 27 Nov	Ch. 13 Capital budgeting – NPV, IRR, PI, payback, EAC, RADR, CE, capital rationing	Ch. 14 Cost of capital – Ke, Kd, Kp, WACC, MCC; Ch. 15 leverage, EBIT–EPS, NI / NOI / MM	Formula sheet from memory
Sat 28 Nov	Ch. 16 Dividend – Walter, Gordon, MM; Ch. 17 Working capital, operating cycle, EOQ, cash budget, credit policy	Ch. 18 Security analysis (HPR, beta, CAPM, RSI, Dow); Ch. 19 CVP, key factor, make or buy	Practice set chapters 11–17
Sun 29 Nov	**Mock Test 2 – 3 hours, timed**	Review Mock 2	Start the P3 block
Sun 27 Dec (Group 1 only)	Redo the underwriting, consolidation and cash-flow answers from both mocks	Capital budgeting, leverage, WACC and WC sums from both mocks	Formula sheet; sleep by 10:30 pm
Sun 27 Dec evening (both groups)	After P7: 1.5 h formula sheet + one consolidation and one cash-flow format	–	Sleep by 10:30 pm

PLAN Daily non-negotiables

1. Write **two full numericals** a day from November to the exam – one corporate accounting, one FM – even in the law-paper weeks.
2. Keep one **formula sheet** (Last-Day Formula Sheet in document 01) and recite it every morning.
3. For theory, prepare **20 five-line answers** (AS rules, Schedule III, forecasting, FCFF / FCFE, Dow theory, RADR / CE, wealth maximisation).

3. Exam-day timeline

Time	What to do
12:30 pm	Reach the centre (gates close before 1:45 pm VERIFY)
2:00–2:15 pm	Reading time: read all six questions; choose Q4 or Q4A and Q6 or Q6A (pick the one with more numericals you know)
2:15–2:45 pm	**Q1 case study** – set up working notes first
2:45–3:15 pm	Q2
3:15–3:45 pm	Q3
3:45–4:10 pm	Q4 or Q4A
4:10–4:40 pm	**Q5 case study** (FM)
4:40–5:08 pm	Q6 or Q6A
5:08–5:15 pm	Check totals, signs and that every part has a conclusion

Rule of thumb: about **1.7 minutes per mark** – a 5-mark numerical gets 9 minutes. If a figure will not balance in 2 extra minutes, write the difference as "suspense / rounding" and move on – method marks are given.

4. How to present numericals

STRATEGY Corporate accounting

- **Working notes first**, numbered (WN 1, WN 2 ...), then the statement or journal.
- **Journal entries** with narration; ledger accounts only if asked.
- **Formats:** Schedule III for balance sheets; AS 3 for cash flow (three heads + reconciliation); analysis-of-profits table for consolidation.
- Underwriting: always the table – gross, marked, balance, unmarked, firm, net.

STRATEGY Financial management

- **Formula line** before substitution (e.g. NPV = Σ CF ÷ (1 + k)^n – outlay).
- Show **discount factors** used, to three decimals.
- **Conclude** every part: accept / reject; Plan B; optimum payout 0%; under-valued – buy.
- State assumptions (tax rate, 365 days, cost basis for debtors).

5. Mistakes that cost marks

COMMON MISTAKE Underwriting – forgetting to split **unmarked** applications in the **gross** ratio, or ignoring **firm** underwriting.

COMMON MISTAKE Forfeiture – crediting forfeited shares with **premium not received**, or transferring the whole forfeiture balance to capital reserve when only part of the shares are re-issued.

COMMON MISTAKE Buy-back – taking only the 25% resources test and missing the **2:1 debt-equity test**; forgetting the **CRR** transfer.

COMMON MISTAKE Cash flow – putting interest paid or dividend paid in operating activities (non-financial company: **financing**).

COMMON MISTAKE Capital budgeting – charging **interest** or **allocated fixed overheads** in cash flows; forgetting **working capital recovery** and **salvage** in the last year.

COMMON MISTAKE WACC – using book weights when market values are given.

6. Final-night checklist

- Admit card, ID, two pens, **simple non-programmable calculator** (check the ICSI rules on calculators) VERIFY.
- Formula sheet read twice: NPV, IRR interpolation, Ke (Gordon, CAPM), Kd approximation, WACC, DOL / DFL / DCL, EBIT–EPS indifference, Walter, Gordon, MM, EOQ, operating cycle, BEP, MoS, HPR, RSI.
- Accounting checks: underwriting table, forfeiture entries, buy-back limits, CRR, goodwill / NCI, cash-flow format.
- Sleep at least 7 hours.