



PUNE BRANCH OF WICASA OF ICAI

**The Institute of Chartered Accountants of India
(Set up by an Act of Parliament)**

NEWSLETTER

Issue No. 12 - December 2019
(Subscribers copy not for sale)



Mr. Hrishikesh Dhagekar
Treasurer
Pune Branch of WICASA of ICAI.

It is indeed an honour to communicate for December Month with you.

Congratulation to all the CA Students from all the Corners of the Countries for “Beyond Borders”-An International Conference For Ca Students.

Every human being is unique in every way, but to excel in whatever we do is a very essential element of our lives. Ambitions & Aspirations, Imagination & Inspiration are the backbones of our progress.

The month of December witness a mega event for the students in the form of International students conference wherein students from even the SAARC countries shall be participating. You will be happy to know that 2600 Students Registered and attended the Event. The Pune WICASA is very proud to have been selected to host this event.

It was an honour for Pune Branch to feel the presence of our Hon. President of ICAI: CA. Prafulla Chhajed Sir, Hon. Vice President of ICAI: CA. Atul Kumar Gupta Sir, Chairperson of the Board of Studies of ICAI: CA. Kemisha Soni Ma’am, Vice Chairman of the Board of Studies of ICAI: CA. Durgesh Kabra Sir at one common Platform Beyond Borders “Path for Success- Learn, Adapt and Accelerate” was the 2nd International Seminar for CA Students to be held in Pune. This conference provide some unique insights to the participants who in retrospect will elevate the benchmark of their performance and think of global careers.

I would like to thank all the student volunteers who have taken lot of efforts in the last few months to make this conference a successful one. I would also like to thank the committee members of Pune ICAI, senior members of ICAI, past WICASA members, CA member coordinators who have been always there with us guiding us in all that we do.

Happy learning

Thank you for your support.



Jitendra Pawar
WRO 0480210

BITCOIN

What is Bitcoin?

Small wonder that Bitcoin emerged in 2008 just after Occupy Wall Street accused big banks of misusing borrowers' money, duping clients, rigging the system, and charging boggling fees. Bitcoin pioneers wanted to put the seller in charge, eliminate the middleman, cancel interest fees, and make transactions transparent, to hack corruption and cut fees. They created a decentralized system, where you could control your funds and know what was going on.

Where do you get bitcoins?

Bitcoins are available on bitcoin exchanges. In India some popular bitcoin exchanges are Coindelta, Coinsecure, and Zebpay. You could also purchase bitcoins from other users. A bitcoin exchange traded fund could be another source in the near future. You can buy bitcoins from these exchanges using your debit/credit card or other various payment options provided by the respective exchanges. Due to easy payment policy and independent working platform bitcoin is gaining popularity in today's digital world.

What's this Block Chain Business?

A Blockchain is essentially the cloud-based hub of Bitcoin. All transactions, Bitcoins being released, and mining goes back to a distributed ledger called a blockchain. Since Bitcoin is decentralized, the blockchain allows for the sharing of vital transactional information that would otherwise be stored at a centralized location. Each time a new transaction takes place, a Bitcoin is mined, or any piece of information is recorded – it's referred to as a block that gets added onto the blockchain. So the blockchain is theoretically endless. But don't get the idea that this is something unique to Bitcoin. Getting Bitcoin What if you don't own a server farm that can mine Bitcoin all day? Then what? Well, there's seemingly an infinite amount of crypto exchanges out there setup to facilitate the exchange of one currency or another for different cryptocurrencies like Bitcoin. Do a Google search for "Bitcoin exchange" if you dare and spend a few days of your life reviewing them all at your own peril. Think of it like those little booths at the airport, only all online. These have not been without their share of drama and intrigue, with thefts and frauds happening all over And there's even Bitcoin ATMs, if you want to physically interact with a machine in order to get your virtual asset, or weirder yet, exchange some of your Bitcoin for dollars to spend somewhere, which sort of goes against the whole purpose of the Bitcoin in the first place.

Mining Bitcoin:

If there's no bank or government issuing this digital money where does it come from? This is the part where most people's eyes gloss over. It's digitally "mined." We like to think of it like this: When you mine gold, you get a bunch of machines and dig in the ground until you find the gold. With Bitcoin, there is no ground... there is an equation instead. So instead of Gold hidden under tons and tons of dirt and rock, Bitcoin is hidden under tons and tons of math. To mine it, you set your machines (computing power) to "dig" through that equation until it hits the "bottom" and finds the Bitcoin. But there's not an unlimited supply of Bitcoin out there. In fact, Bitcoin's volume is determined by an equation – with the limit of the most Bitcoin that can be mined equal to 21 million.

Conclusion:

Bitcoin, and all of the other cryptocurrencies which have followed are exciting because they are at the intersection of finance, technology, equality, anonymity, and independence. It has the potential to dramatically change the way transactions take place, to depower banks in favor of individuals, to drastically lower fees and layers of access to people's own worth. If nothing else, it will have ushered in the age of Block chain technology which has applications outside of the digital currency. Time will only tell whether Bitcoin will be a winner take all winner like Google or Amazon, or whether all of the cryptocurrencies can co-exist in some manner. Not to mention what will happen when we've reached the upper bounds of limit on the amount of Bitcoin in the world (perhaps that will stabilize the market and make it a real currency). Are we going to 25,000 on Bitcoin, or zero as it's exposed as a scam? Both sides are passionate about it. But we'll greedily grab a seat and watch the show, given the launch of futures on Bitcoin, which would benefit from the volatility and pushes one way or the other.



Divya Prajapati
WRO 0701789

SA 240: The Auditor's Responsibility related to Fraud in an Audit of Financial Statements (REVISED)

Definitions:

- a. **Fraud** - An intentional act by one or more individuals among management, those charged with governance, employees, or third parties, involving the use of deception to obtain an unjust or illegal advantage.
- b. **ERROR** – it's nothing but An “unintentional act”
- c. **Fraud risk factors** - Events or conditions that indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud.

Characteristics of Fraud

The auditor is concerned with fraud that causes a material misstatement in the financial statements. Two types of intentional misstatements are relevant to the auditor:

- Misstatements resulting from fraudulent financial reporting
- Misstatements resulting from misappropriation of assets

Objective

The objectives of the auditor are:

1. To identify and assess the risks of material misstatement in the financial statements due to fraud;
2. To obtain sufficient appropriate audit evidence about the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and
3. To respond appropriately to identified or suspected fraud.

Responses to Assessed Risks of Material Misstatement Due to Fraud

The auditor shall:

- a. Assign and supervise personnel taking account of the knowledge, skill and ability of the individuals to be given significant engagement responsibilities
- b. Evaluate the selection and application of accounting policies by the entity
- c. Incorporate an element of unpredictability in the selection of the nature, timing and extent of audit procedures.

- d. Test the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements. For this, the auditor shall:
 - i. Make inquiries of individuals involved in the financial reporting process about inappropriate or unusual activity relating to the processing of journal entries and other adjustments;
 - ii. Select journal entries and other adjustments made at the end of a reporting period; and
 - iii. Consider the need to test journal entries and other adjustments throughout the period.

Auditor Unable to Continue the Engagement

If the auditor encounters exceptional circumstances that bring into question the auditor's ability to continue performing the audit, the auditor shall:

- a. Determine the professional and legal responsibilities
- b. Consider whether it is appropriate to withdraw from the engagement, where withdrawal from the engagement is legally permitted. If the auditor withdraws:
 - i. Discuss with the appropriate level of management and those charged with governance
 - ii. Determine whether there is a professional or legal requirement to report to any authority

International Conference for CA Students 2019





Pune Branch of WICASA of ICAI

Plot No.8, Parshwanath Nagar, CST
No. 333, Sr.No.573, Munjeri,Opp.
Kale hospital,
Near Mahavir Electronics,Bibwewadi, Pune 411037
Tel: (020) 24212251 / 52
Web: www.puneicai.org
Email: wicasa@puneicai.org