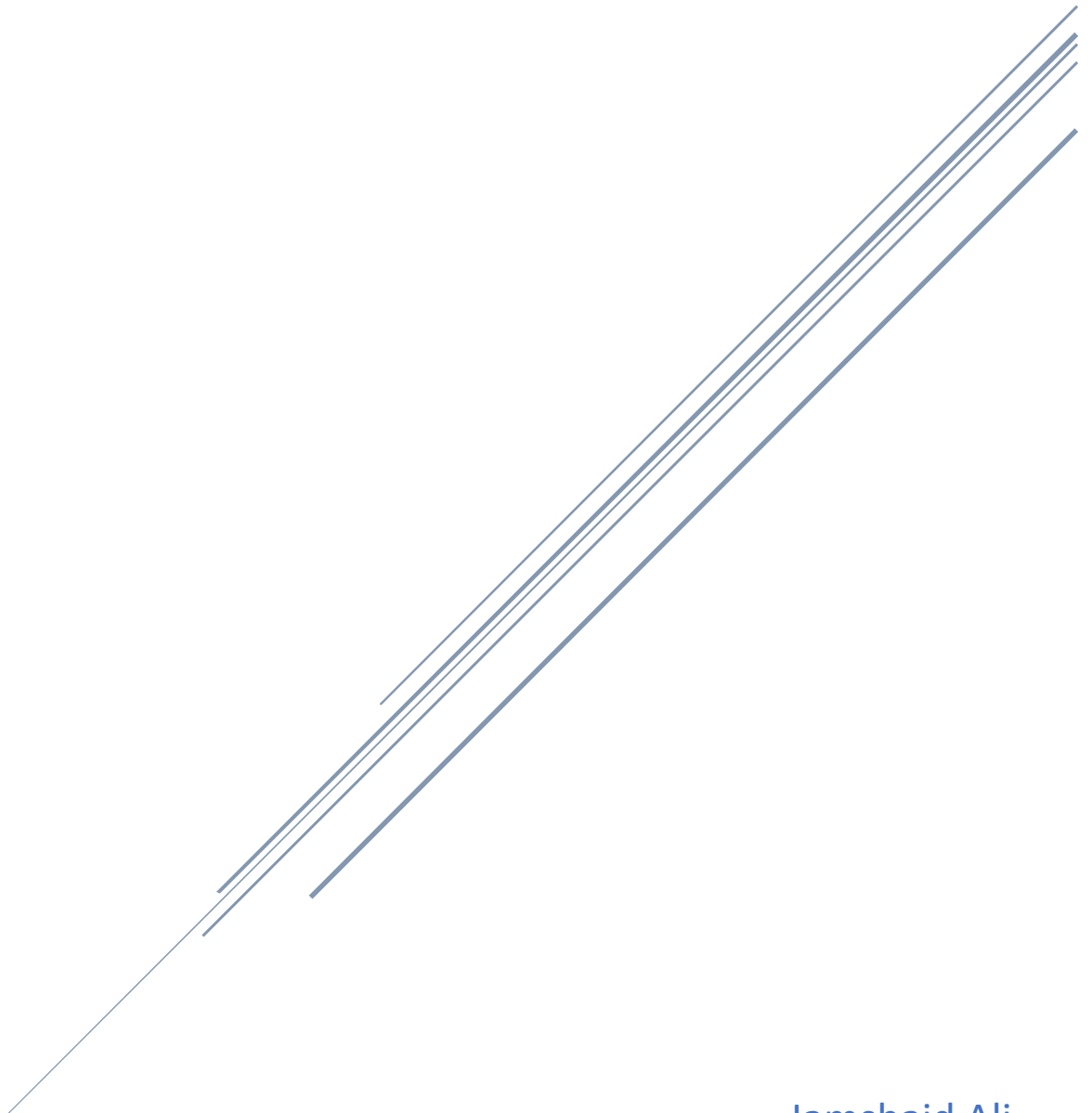


# ULTIMATE INDUCTION GUIDE

Everything about CA-articleship at one place



Jamshaid Ali  
CA Finalist, KPMG

Getting articleship in a top firm is not easy due to highly competitive market. I have taken this initiative to share my experience to help all my fellows looking for articleship. Let's get started straight way.

## **WHICH FIRM**

AF Ferguson

KPMG

EY Ford Rhodes

Deloitte

Grant Thornton

CROWE Hussain Ch

BDO

Riaz Ahmad

RSM

Tariq Abdul Ghani Maqbool - TAGM (Maqbool Haroon Shahid Safdar – MHSS)

UHY Hassan Naeem

Zulfiqar Ahmad

Shinewing Hameed Choudhary

Rizwan & co

PKF FRANTS

Riaz Ahmad Saqib Gohar

Rahman Sarfraz Rahim Iqbal

Kreston Hyder Bhimji

Ilyas Saeed & co

On basis of my research, senior's opinions, clients, environment, learning and ease of study, following should be your preferences.

1. Blue
2. Red
3. Green

NOTE: No one is certain about future. So, don't confine yourself to these firms. Be on a safe side and also apply to other firms. Don't be a victim of big4 phobia. Life does not end outside big4. Try your best and leave the rest on ALLAH Almighty.

## **INDUSTRY ARTICLES**

Industry articles have their own pros and cons. They offer higher stipend, less workload, better work place, more study time and expertise in specific industry. However, less learning, lack of exposure, no diverse experience and less grooming as a professional are cons. If you want to go for industry articles, following are good options.

- Unilever
- Allied Bank
- Nishat Group
- Habib Bank
- Sui Northern Gas Pipelines Ltd

## **HOW TO APPLY**

Some firms take online application where other accept CVs either by hand or via email. So, track all the inductions that open and apply there. Make sure that whether you are applying online or via CV, use current address of the same city because firms may reject applications of candidates which are not from the same city. Also, if you can drop CV by hand, then apply for induction by dropping CV by hand and don't use email.

## **HOW TO TRACK INDUCTIONS AND NOT TO MISS AN OPPORTUNITY**

Stay connected.

- Follow all CA related pages on Facebook and regularly check for updates
- Join induction related Facebook and WhatsApp groups
- Stay connected with your fellows
- Call firm's HR for induction updates.

## **HOW TO USE TIME B/W EXAMS AND RESULT**

Don't waste your time. Do following things to maximize your chances of top firm articles.

- Learn MS Excel skills
- Learn communication skills
- Revise technical knowledge and overview of concepts of audit, company law, taxation and financial accounting and reporting which will help you succeed in technical interviews
- Practice English speaking

## **WHAT TO DO AFTER APPLYING**

Don't sit and relax once you have applied. Actively follow up from all the firms. Call them frequently to enquire about induction updates. Don't always believe on rumors or news you hear from friends or social media. Confirm yourself.

## **IS THERE ANY TEST?**

Unfortunately, many of top audit firms hold test for induction. Test normally may contain

- Syllabus based MCQs
- Aptitude test related MCQs
- MCQs on current issues, key insights of economy and politics
- An essay on why CA and why our firm?
- General knowledge
- An essay of current issue or debatable topic

## **HOW TO PREPARE FOR TEST**

- Revise audit, taxation, company law and financial accounting & reporting. Only conceptual understanding and overview needed as your in-depth and technical knowledge has already been tested by ICAP
- For aptitude test related questions, watch YouTube tutorials to know different types of questions that may be asked and how to solve them.
- Stay connected with the news so that you could be aware of what's going on in country
- Think about why you want to be a CA. be unique and positive in answer. That's what firms are looking for. In why our firm, you just have to appreciate the quality services firm is providing, the influence it has on society and opportunities it provides to learn and grow. Don't talk about any negative thing even if exists
- In current issues essay, don't be on any side of debate. Express your view in a balanced and neutral way
- Be there on time
- For interview in other city, reach a day before.

## HOW TO DRESS UP FOR INTERVIEW AND BODY LANGUAGE

You need to see tutorials on how to dress up on YouTube. Body language is very important. In fact, more important than your answers and grades. So, learn how to crack this part of interview on YouTube.

## INTERVIEWS

Number of interviews for induction vary from firm to firm. Normally, there are three interviews.

- HR interview / Interactive interview
- Technical interview
- Partner interview

## INTERVIEW QUESTIONS & ANSWERS

Following are **mostly asked interview questions** and their answers. The objective of these answers is to give you an idea. **Don't just cram and reproduce these**

because interviewers tend to counter question which can put you in trouble. These answers are based on my research and opinion.

- **Why not engineering/medical?** *Well, initially my plan was to go for \_\_\_ but my \_\_\_ who is an \_\_\_ advised me to choose professional qualification. I thought about it and I was convinced that professional qualification provides better opportunities. Therefore, I made my decision not to do \_\_\_.*
- **Who told about CA?** *My \_\_\_ did and then I gathered all the information on my own*
- **When you qualify to become an auditor?** *A member of ICAP qualifies to become an auditor after obtaining valid certificate of practice*
- **What is GDP?** *Gross domestic product is monetary value of all the finished goods made and services rendered within a country during a specific period.*
- **Why CA?** *Because CA is best professional qualification in Pakistan that opens the door for great career opportunities. Apart from that, CA has its own prestige and recognition.*
- **Why our firm?** *You can answer this by appreciating what firm does, its environment, culture, opportunities, clientele etc.*
- **Why not Ferguson?** *This question is tricky and needs to be dealt with honestly. So just tell them that "I was not called for test/interview". If you had a test or interview in Ferguson, you can say "I had a test/interview there but could not make it further. I tried you ask them why but they won't tell me the details.*
- **NBFC stands for?** *Non-banking finance company for example, Asian leasing corporation ltd, crescent leasing corporation ltd*
- **Make sure you know**
  - *Names of governors of all provinces*
  - *President of Pakistan*
  - *Speaker national assembly*
  - *Speaker provincial assembly*
  - *Chief justice*
  - *FBR chairman*
  - *NAB chairman*
  - *State bank governor*
  - *SECP Chairman*

- *Finance minister*
  - *Education minister*
  - *Foreign minister*
  - *Communications minister*
  - *Defense minister*
  - *Law minister*
  - *Health minister*
  - *Minister for science and tech.*
  - *Minister for economic affairs*
- **What is scope limitation?** *Scope limitation arise when auditor is not able to obtain sufficient appropriate audit evidence on which his opinion is based. (learn one example of immaterial, material & pervasive scope limitation)*
  - **How auditor deals with scope limitation?** *Auditors requests management to remove scope limitation. if not done so, auditor communicates it with TCWG. If still unresolved, auditor evaluates effect and expresses opinion accordingly.*
  - **What is misstatement?** *Difference b/w amounts, presentations and disclosures reported and required to be reported by AFRF. (learn one example of immaterial, material & pervasive misstatement)*
  - **How auditor deals with misstatement?** *Auditor requests management to correct financial statements. If they don't do, auditor evaluates effect and expresses opinion accordingly.*
  - **What is impairment?** *An asset is said to be impaired when its recoverable amount is lower than it's carrying value where recoverable amount is higher of fair value and value in use. IAS 36 "Impairment of assets" requires entities to carry impairment test upon indication. (Learn an example where assets would be impaired)*
  - **What is NRV?** *Expected selling price net of repair and selling costs*
  - **Can a public company remain unlisted?** *Yes, it can.*
  - **What is deferred tax?** *Deferred tax is actually a demonstration of matching concept. There are certain transactions that relate to a current period but give rise to tax consequences in coming period, and matching concept requires such consequences to be reflected in F/S of current period. That's*

*why, we incorporate deferred tax asset//liability. (learn a few examples of transactions that result in deferred tax)*

- **What is negative goodwill?** *If FV of net assets is higher than cost of investment then the difference is negative goodwill. It is recorded as gain in P&L on date of acquisition. It refers to bargain purchase.*
- **What is Lease?** *Contract b/w lessor and lessee. Lessor provides an asset against series of payments including capital and interest.*
- **What is Performance materiality?** *Amount set by auditor lower than overall materiality of F/S for an area of F/S to obtain assurance that actual misstatement is that area does not exceed the amount set by auditor.*
- **Differentiate b/w ISAs & ISREs?** *International standards for audit engagements are ISAs where for review engagements, there are ISREs*
- **How to Introduce yourself.** *Look at following answer to learn how would you answer this. "My name is \_\_\_\_. I hail from \_\_\_\_\_. I have recently qualified CAF. I am hard working a dedicated person. I believe in discipline and sacrifice. And I like to \_\_\_\_ (hobby).*
- **What are your strengths?** *Look at yourself. Find what are your actual strengths. Have an idea from this answer. "I am disciplined. I can adapt to demanding situations. I am easy to work with. I accept criticism and always tend to improve. I can cooperate and work on a team. (think of a reason why you have any strength so that you can justify it)*
- **What are your weaknesses?** *Find your weaknesses. Don't tell weaknesses that have any negative effect on work. Have an idea from this answer. "one of the weakness that I am aware of is that I am self-critical. Another weakness is that I have trouble saying no. (interviewer will ask why you think this is your weakness. Be prepared about it. Plus, you'll be asked what efforts you are putting in to improve. Prepare an answer about it)*
- **How would you resolve a conflict?** *The important thing about conflict resolution is to make sure that we don't bring in our personalities and ego. All it takes is initiative. So, if I was in a conflict, I would reach out to the person and we'll try to figure it out. If it is not resolved this way and it is affecting my performance at work, I would request a senior to mediate.*
- **What are different types of taxes?** *Direct & indirect taxes or progressive, regressive & proportional taxes. Make sure you know one example of all.*



- **What are our clients?** *Try to search it or ask someone about clients. This will show your interest in firm.*
- **What is your favorite leader?** *My favorite leader is Muhammad Ali Jinnah because of his vision, intellect and the way he led Muslims.*
- **Where do you see yourself in 5 years?** *Well, five years is a long time and it is quite difficult for me to foresee where I would be in my professional ladder. I only have control over my efforts and my attitude. So, with right attitude, I would try to improve every day to become a competent and compliant professional.*
- **Why not this office in this city?** *Firm may have offices in different city. Just say that you are settled in this city and this office is better.*
- **Would you leave if Ferguson offers you articles?** *Irrespective of whether you expect Ferguson to call you or not, answer this carefully. See this answer.” I am a committed person. I will stay committed to your firm even if I receive an offer to join AFF because my objective is to qualify CA as soon as possible. I don’t want to waste my time switching firms.*
- **Favorite subject and why?** *Choose your own subject and reasons to like it. Mine was audit. See how I answered it. “My favorite subject is audit & assurance because it is practically quite engaging especially when you come across case studies. It involves problem solving.*
- **Why should we hire you?** *Be humble. Look at this answer. “Sir! I got to acknowledge that I am not special. I am neither a gold medalist nor a certificate holder. I am what I am. But I have that hunger, that zeal, that fire in the belly to learn and grow. I am passionate about work. I am coachable. That’s why you should hire me. And if you hire me, I’ll try to get the best out of my skills and abilities to meet your expectations and prove your selection right. (this question won’t be asked from gold medalists or certificate holders)*
- **What is your short-term goal?** *As far as my short-term goal is concerned, I just want to get into work. Start learning and growing within organization. Working on my skills and abilities and becoming an important part of organization.*
- **What is your long-term goal?** *In long-term, after qualifying, I want to be at a place where I can make a difference.*

- **What would you bring to our firm/ what value you'll add?** *Think about a unique and interesting answer that adds value to work.*
- **What do you know about our firm?** *Do your homework. You should know about their history, the services they provide and other highlights of firm. This will show your interest in firm.*
- **What makes a good leader/what are qualities of a good leader?** *A good leader has a clear vision, is courageous, acts with integrity and honesty, has a clear focus. They help people reach their goals and get the best out of them. They acknowledge the good work and appreciate.*
- **Are you a good leader?** *I am a good leader because I am passionate about leadership and helping people in getting the best out of their skills and abilities to achieve their goals and contribute towards overall objectives of organization.*
- **Can you work under pressure/stress?** *I believe that pressure/stress is inevitable at workplace and you have to deal with it whether you like it or not. The important thing is to stay calm and composed. I think I can do it even if I had to go an extra mile to do so.*
- **Any issues with late sittings/out stationing?** *No, I think work is there to be done and Afterall, it is my training. This will show your commitment.*
- **Which department you prefer?** *Answer to this question based on your interest. It may be audit, tax or advisory. They may ask you why this department? Why not this? You'll have to back it up.*
- **Why audit? Why not tax/advisory?** *Audit is a diverse experience. We are not only concerned about numbers. We understand key risks in business and they translate to F/S. we understand if controls are effective. We learn project management, how to work on a team and how to coach people. I can get this experience nowhere else. (for tax and advisory, make a unique answer)*
- **What are corporate social responsibilities-CSR?** *It is commitment by business to behave ethically and contribute towards economic development while improving quality of life of workers and their families as well as local community and society at large.*

- **Do you have any questions?** *Don't ask any stupid question. You may ask them that how they ensure work life balance, when they'll call for joining, when they'll register, how to manage studies during articles.*
- **Interviewers tend to ask about Pakistan's economy.** *So, you should know key figures updated till the date.*
  - GDP
  - INFLATION RATE
  - GROWTH RATE
  - EXPORTS
  - IMPORTS
  - SECTORS IN LOSSES
  - EASE OF DOING BUSINESS INDEX
  - MAJOR EXPORT ITEMS
  - MAJOR IMPORT ITEMS
  - INTEREST RATE OF STATE BANK
  - INTERBANK INTEREST RATE (KIBOR)
  - TYPES OF LAWS IN PAKISTAN

## **OTHER IMPORTANT SYLLABUS QUESTIONS**

- What is deferred tax?
- What is standard costing?
- What is cottage industry?
- What is small company?
- What are tax rates for small companies and other companies?
- What are tax regimes?
- What are normal, transitional and special tax years?
- What is resident person, resident AOP and resident company?
- What are different heads of income?
- What is a public company?
- What is business income?
- What is income from property?
- Returns, assessment and appeals
- What are types of audit opinion?
- What are types of audit report?

- What is difference b/w audit and review?
- What are key audit matters?
- What is emphasis on matter and other matter?
- What is sampling?
- What is performance materiality and account level?
- What are the contents of audit report?
- What is going concern assumption?
- Who appoints and removes auditor?
- What are different rates of sales tax in provinces?
- SECP, UNO, IMF, FATF, PSX, NAB, WHO, SRB, PRA, FBR, KPRA & BRA stands for?
- What are filing dates of different returns?
- What is nil return?
- What is output & input tax?
- What is extra & further tax?
- What is parent, subsidiary & associate company?
- What is agent?
- What is quorum of meeting?
- What is AGM & EGM?
- What is public & private company?
- What is concept of limited liability?
- What are types of companies?
- What is entry for normal and abnormal loss?
- What is marginal & absorption costing?
- What is entry for sale return?
- How overheads are allocated?
- What is sunk cost?
- What are different leadership styles?
- What is a bonus issue & right issue?
- What is time period to hold AGM?
- What is memorandum of association and articles of association?
- Basic variances formulas
- What is difference b/w adverse opinion & disclaimer of opinion?

- What is overall response to risk?
- What is representation letter?
- How to calculate materiality?
- What is difference b/w accounting policy & estimate?
- What is current stock market index?
- What are recent changes in tax laws & accounting standards?
- What is current GDP of Pakistan?
- What is bad debt? How it is accounted for?
- What is tax evasion & tax avoidance?
- What are subsequent events?
- What is management letter?
- What are rights and responsibilities of auditor?
- What are auditor's responsibilities in relation to fraud?
- What are steps of revenue recognition?

## **GENERAL TIPS**

- Interviewers don't expect 100% correct answers. Don't worry about not knowing the answer. Just say it that you don't know it.
- Be confident. This is most important thing.
- Don't interrupt interviewers.
- Always be positive.
- Always carry a file folder with CV and other documents.
- Behave professionally.
- Never lose hope if you are rejected. Rejection is an opportunity to learn and crack next interview.
- If you receive a joining call from a reasonable firm, just join it. You can always go for better opportunity. Otherwise, you will have backup option anyway.