Pakistan Institute of Public Finance Accountants

News

PIPFA JOURNAL

Vol.1 Reg.No. SS-112 Oct.-Dec.2009

Pakistan Institute of
Public Finance Accountants

The Words from the Noble Qur’an

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِيْمِ

اِنَّ الَّذِيْنَ يَكْتُمُوْنَ مَآ اَنْزَلْنَا مِنَ الْبَيِّنٰتِ وَالْهُدٰى مِنْۢ بَعْدِ مَا بَيَّنّٰهُ لِلنَّاسِ فِى الْكِتٰبِ اُولٰٓئِكَ يَلْعَنُهُمُ اللّٰهُ وَ يَلْعَنُهُمُ اللّٰعِنُوْنَ

In the Name of Allah, the Most Gracious, the Most Merciful

Verily, those who conceal the clear proofs, evidences and the guidance, which We have sent down, after We have made it clear for the people in the Book, they are the ones cursed by Allah and cursed by the cursers.

(Surat Al-Baqarah {The Cow} verse: 159)

PAKISTAN INSTITUTE OF PUBLIC FINANCE ACCOUNTANTS (PIPFA)

is constituted by

The Auditor General of Pakistan (AGP),

Institute of Chartered Accountants of Pakistan (ICAP)

and Institute of Cost & Management Accountants of Pakistan (ICMAP).

PIPFA is also an associate member of

International Federation of Accountants (IFAC).

MISSION STATEMENT

“Identification, development and imparting Knowledge to provide a structure for the training of accounting professionals in the specialized areas.”

PAKISTAN INSTITUTE OF PUBLIC FINANCE ACCOUNTANTS

PIPFA JOURNAL News

Karachi Head Office

Mezz. Floor, Park Avenue,
24-A, Block 6, P.E.C.H.S., Shara-e-Faisal
Karachi-75400 Tel: #021-34380451-52,
Fax: 021-34327087
E-mail: pipfa@pipfa.org.pk

Lahore Office

42-Civic Centre, Barkat Market,
New Garden Town, Lahore.
Tel #: 042-35838111, 35866896
E-mail: pipfalhr@cyber.net.pk

Faisalabad Office

Ajmal Center 1, Batala Colony,
Faisalabad.
Tel #: 041-8500791, 8530110

Editorial Office

Mezz. Floor, Park Avenue,
24-A, Block 6, P.E.C.H.S., Shara-e-Faisal
Karachi-75400 Tel: # 021-34380451-52,
Fax: 021-34327087
E-mail: pipfa@pipfa.org.pk

Publication Committee

Mr. Shahzad Ahmed Awan	Chairman
Syed Imtiaz Hussain Bukhari	Member
Mian Muhammad Shoaib	Member

CONTENTS

PIPFA's Membership entails many advantages like:

- ★ Entitlement to use Designatory letter APA or FPA and distinction of membership.
- ★ Continuing professional development through publication, seminars, workshops etc.
- ★ Eligibility for chief financial officer or company secretary of listed company.
- ★ Entitlement for qualification pay etc.to PIPFA Public Sector qualified.
- ★ Opportunities to inter-act at the national level with elite accounting community.
- ★ Exemptions in examination of ICAP, ICMAP, CIMA-UK, ACCA etc.
- ★ Professional activities like election of representatives etc.
- ★ We are also pursuing Higher Education Commission of Pakistan to grant PIPFA qualified / members equal to B.Com Graduate.
- ★ Dealing also with Federal Board of Revenue (FBR), Pakistan to allow PIPFA members for Tax Practicing.

Silent features of PIPFA Qualifications:

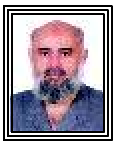
- ★ On qualifying Final stage, one may apply for the management level jobs like Financial Advisor / Financial Officer.
- ★ Entry in Auditor General of Pakistan for BPS 16 -17 is possible after qualifying PIPFA.
- ★ Students may join Audit firms as Audit Trainee or starting internship in Financial Institutes / Organizations.

Views expressed here do not necessarily represent the official policy of the Institute.

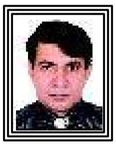
THE BOARD OF GOVERNORS

Mr. Ejaz Ali Pirzada
President
(Nominee of AGP)

Mirza Munawar Hussain
Vice President
(Nominee of ICMAP)



Mr. Rashid Rehman Mir
Secretary
(Nominee of ICAP)

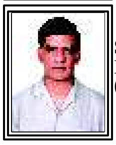


Mian Muhammad Shoaib
Treasurer / Joint Secretary
(Elected Member)

Mr. Shahzad Ahmed Awan
Member
(Nominee of ICMAP)

Mr. Sajjad Ahmed
Member
(Nominee of ICMAP)

Syed Imtiaz Hussain Bokhari
Member
(Nominee of AGP)



Syed Turab Hyder
Member
(Nominee of AGP)

Mr. Muhammad Sharif
Member
(Elected Memeber)

Mr. Sajid Hussain
Member
(Elected Member)

Mr. Adnan Zaman
Member
(Nominee of ICAP)

Mr. Rafaqatullah Baber
Member
(Nominee of ICAP)

STANDING COMMITTEES

EXECUTIVE COMMITTEE

Mr. Ejaz Ali Pirzada	Chairman
Mirza Munawar Hussain	Member
Mr. Rashid Rahman Mir	Member
Mian Muhammad Shoaib	Member
Mr. Adnan Zaman	Member
Mr. Muhammad Sharif	Member
Mr. Shahzad Ahmed Awan	Member

BOARD OF STUDIES

Mr. Sajid Hussain	Chairman
Syed Imtiaz Hussain Bukhari	Member
Syed Turab Hyder	Member
Mirza Munawar Hussain	Member
Mr. Rashid Rahman Mir	Member
Mr. Adnan Zaman	Member
Mr. Sajjad Ahmad	Member
Mian Muhammad Shoaib	Member

EXAMINATION COMMITTEE

Syed Imtiaz Hussain Bukhari	Chairman
Mr. Sajid Hussain	Member
Mr. Muhammad Sharif	Member
Mr. Rashid Rahman Mir	Member
Mr. Sajjad Ahmad	Member

REGULATION AND DISCIPLINARY COMMITTEE

Mr. Ejaz Ali Pirzada	Chairman
Mr. Shahzad Ahmed Awan	Member
Mr. Adnan Zaman	Member

PUBLICATION AND SEMINAR COMMITTEE

Mr. Shahzad Ahmed Awan	Chairman
Syed Imtiaz Hussain Bokhari	Member
Mian Muhammad Shoaib	Member

SECRETERIAT

Ms. Rana Nazir Fatima	Executive Dir./Joint Dir. Exams
Mr. Imran Ahmad	Additional Director (Members Affairs)
Mr. Atiq ur Rehman	Deputy Director Education
Mr. Jamshed Riaz	Assistant Director Examination
Mr. Shahid Mahmood	Chief Accountant & Admin Manager
Mr. Buland Iqbal	Assistant Director (Lahore)
Mr. Naeem Akhtar	Executive Incharge (Faisalabad)
Mr. Meraj Ali Jan	Education Officer (Islamabad)

INFORMATION CENTRES

Mr. M. Ahmed Shahid	Peshawar	091-5707605-7
Mr. Salman Ahmed Baig	Quetta	081-824317
M/s. Hanif & Co	Rawalpindi	051-5518384
Shaikh Mahmoodul Hassan	Multan	061-224301
Mr. Zulfiqar A Nasir	Sialkot	0432-265194,594754
Mr. Ghazanfar Mahmood	Gujranwala	0431-712499,712599
Mr. Iqbal Haider	Bahawalpur	0621-880799

President's Message

Dear Members,

I like to avail this opportunity to brief you about the new publication of PIPFA. Participating in the dissemination of knowledge and managing knowledge has been the key purpose of this publication.

Collection, summarization and presentation of economic/financial information in compliance with reporting standards promulgated by professional bodies and governmental units. Policy issues, environmental factors, ethical requirements and the regulation of accounting, including the role of such relevant institutions as the AGP, ICAP, ICMAP, IFAC, SAFA etc are the main issues of this journal.

Thank you for your interest in PIPFA, if you have any comments or suggestions please send me an email. I look forward to hearing from you soon.

Chairman
Publication Committee's Message

On behalf of Publication & Seminar committee of PIPFA, I feel pleasure to deliver my annotations through this first ever journal of the institute.

We feel pride that Publication & Seminar committee consists of competent and talented professionals with brighter acedemic background and work experience. Needless to mention the importance of team work as greater triumps can not be achieved individually but always with the support of talented group of people.

Publication & Seminar committee in its meeting dated 20 June, 2009 reviewed the performance of P&SC and resolved to further accelerate for the improvements in order to make this area more active. In line with the vision of Publication & Seminar committee, the first ever PIPFA journal is in your hands and from now onward will be published on quarterly basis. Theme of this new publication is Sharing Knowledge and Learning to reduce the gaps that hinder social and economic progress. This journal would be the voice of PIPFA members and a source of communication among our stakeholders and other professionals. It is planned to make this journal an integral source of professionals to remain updated with the profession in particular and industry, trade and business in general.

We would welcome the valuable input from the members, students, faculty and other stakeholders who may highlight the areas which need to be upgraded further. We will provide considerable space to their articles and suggestions.

I hope our mission will inspire you to contribute the knowledge sharing for the purpose of creating better world for all.

An EXCLUSIVE INTERVIEW

M.D. PEPCO: Pakistan Electric Power Company

Engineer Tahir Basharat Cheema
Managing Director PEPCO
B.E Electrical Engineering
Masters in Business Administration
Diploma in Public Administration
Post Graduate Certificate in Statistical Sciences

His education, experience, vast knowledge of energy sector and leadership qualities made him most suitable for this post. He is author of more than 50 research papers on water and power issues. On his excellent performance he was awarded Wapda's Pride of Performance shield.

Chairman Publication Committee, Mr. Shahzad Ahmad Awan, first briefed Managing Director of Pakistan Electric Power Company about PIPFA and its role as promoting Professional Accounting Education in the society, then **he requested M.D. PEPCO for an introduction of this esteemed organization.**

M.D. PEPCO: In 1958 Water & Power Development Authority (WAPDA) was established through act, whose one of the core responsibility was creation of power and its distribution. WAPDA had THREE wings,

- Water
- Power and
- Common Service
  (basically financial services)

In 1992 it was decided that reform must brought into Power Sector and Power generation & distribution wing goes into Private sector. Main theme of this bold step was to unbundled and corporate this wing sothat it becomes more efficient and accountable, therefore a complete distinct entity for power generation was established under the name of PEPCO. In the result of this privatization new power generations companies (e.g. Tapal, Hub co., Gul Ahmed etc) came into market and shared the burden of WAPDA. 5.5 k. mega watts were produced by these new firms.

Energy demand has increase dramatically due to fast running of economic wheel. What PEPCO did to mitigate these crises?

PEPCO already anticipated to the concern authorities about this issue before rising of this grave deficiency of supply & demand, but due many reasons specially the finance deficiency because power sector is highly finance intensive, need huge financing and at the same time smart return is sure. In 1987 Government notified that Public sector will not construct any new power station. In the last15 years the required finance was not provided and no new private company comes into this field. PEPCO also requested competent authority for new creating new power unit by itself but the request was not granted.

At the same time the consumerism also came into the country and the demand dramatically increased to 15% from 2-3 % previously. Due to easily available consumer finance in the market in last 5-years almost 50 million domestic appliances purchased and unfortunately most of them are energy inefficient.

PEPCO adopt new strategy to minimize the gap of supply and demand. In supply side many new power generation were invited and they will bought with 1000 mega watts by the end of 2010.

For demand side PEPCO first time in 62-years history started consumer awareness programme in print media, in School / colleges and also demonstrated at street and public places, and its really works, almost 1000M.W watts decreased in demand side.

What about high tariff of consumer bill?

87% of user are home user and used 44% of electricity and industry used only 21% of power, which is not very healthy sign because of tariff slap. Industries are charging on commercial basis and consume at other level. PEPCO subsidies 80 billions rupees to consumer of upto 300 units. One other main issue of high tariff is oil price. Other countries of world use only 7% oil for producing and main contribution is thermal, but Pakistan produced 33% through oil, which is more expensive them thermal.

Role of professional accountants in PEPCO.

They are playing very significant role in the progress of pepco.

Chairman, Publication Committee while giving the souvenir to the MD, PEPCO

BLACK HOLES IN ACCOUNTING

Black holes
areas of undesirable activities
that go unchecked --
can destroy an entire organization

By: Ron Lutka, CMA

Ron Lutka, CMA, ACIS, P.ADM, (author@blackholebook.com) is the president of Corporate Streamlining Company Inc. based in Richmond Hill, Ontario and the author of Black Holes in Organizations (www.blackholebook.com).

Scott Miller, CMA, is a senior consultant with Toronto-based Pricing Solutions Ltd. He provides pricing-related management, research, strategic and training services for North American and European clients and can be contacted at smiller@pricingsolutions.com.

Black holes in organizations can be defined as: "An area of an organization where, unbeknownst to management, an abundance of undesirable activities occur or a lack of desirable activities occur in abundance, both of which destroy organizations."

The above definition contains three important characteristics:

1. Destruction must be occurring to the organization.
2. There must be an abundance of undesirable activity or a lack of desirable activity in abundance, not merely an occasional occurrence.
3. Management must have an absence of awareness of the root cause of the destruction.

Destruction must be occurring to the organization. Fading margins, cash shortfalls, lost sales, increasing costs are typical problems one can find in organizations.

A common area for black holes to form is in the reporting function. Since accounting is heavily skewed toward reporting, there are ample opportunities for black holes to form. For example, if the margins reported to management are prepared from inaccurate cost and sales data, then of what value are the reported margins?

There must be an abundance of undesirable activity or a lack of desirable activity in abundance, not merely an occasional occurrence. For the failure of basic activities to negatively impact the performance of an organization, the failures must occur in volume. Issuing an incorrect dealer commission cheque one month is not a black hole-creating item.

However, issuing incorrect dealer commission cheques to 22 dealers each month for seven consecutive months can be. Similarly, applying the wrong discount to a customer invoice doesn't create black holes; however, applying the wrong discount to 300 customer invoices can.

In addition, the broad range of black holecreating items that are "in play" has an effect on the possibility of black holes forming. The likelihood of a black hole forming increases as more types of failures of basic activities occur. Management must have an absence of awareness of the root cause of the destruction. This is what makes black holes so vicious, and why companies often don't know the real reasons they are starting to list or have gone under.

Items that create black holes become more prevalent over time as they compound unrestrained. One black holecreating item, such as not removing the splinters from the shelving unit prior to delivery, repeated over and over each workday, causes other black hole-creating items to form — such as damages caused to returned product during the unpacking and warehousing process or reduced cash inflow. The damage can manifest, unnoticed, to the point where the survival of the organization is threatened.

Flow and formation of black holes

Actions constitute activities. Activities constitute business processes. Business processes constitute quality products produced and delivered at an affordable price. Quality products produced and delivered at an affordable price constitute profits. Profits constitute survival.

The failure of basic activities in volume leads to the formation of black holes that threaten an organization's survival. These failures cause or aggravate problems higher up the hierarchy of activities. Management often sees the problems but not their root causes.

Within the area of basic activities, repetitive actions are high in number. Therefore, someone interested in eradicating black holes from the organization must delve into such areas to eliminate the root causes.

Since black holes in organizations form when basic activities fail, the investigation into the root causes of black holes must take place in the trenches, below business processes and at the level of actions and activities.

Locating and eradicating black holes

Black holes are pervasive and elusive, having developed immense survival power, and they must be cornered before they can be eradicated. Therefore, a systematic approach is required to locate items that create black holes. The systematic approach must be designed to unearth irrational thoughts and actions that are often an integral part of, if not the genus of, black holes.

Eradicating black holes is best accomplished on a gradient, resolving small black hole-creating items as they are discovered, rather than conducting a company-wide review to find all possible black hole-creating items and then setting out to eradicate them in one dramatic swoop. If black holes are not approached on a gradient, the process required to eradicate them can overwhelm anyone attempting to do so. This gradient or "peeling back the layers of an onion" approach is fruitful because it:

- Untangles a complicated and irrational web
- Views the problem in small increments
- Makes each step less complicated and less irrational

After eradicating a handful of black holecreating items in one area, that corner of the organization could have shifted enough to render a large portion of any company-wide review irrelevant, or at least less relevant. Therefore, the review process should not get too far ahead of the repair process. In addition, after many small black holecreating items have been located and eradicated, larger items can be tackled because the organization will be more transparent and better aligned, allowing for better decision making and better execution when undertaking larger repairs.

Below are examples of the types of black hole-permitting and black hole-creating items that can cause black holes to form in the accounting process.

Holes in the net Balance sheet accounts not reconciled

Errors and fraud have an opportunity to grow when balance sheet accounts are not reconciled to sub-ledgers, supporting documentation and to physical assets.

Though a poor practice, it is not rare for large and small companies to leave a bank account not reconciled for close to a year, despite the fact that such omissions raise auditor concerns. Failure to reconcile balance sheet accounts is not in itself destructive; however, it allows destructive actions to remain unnoticed and unresolved.

Transactions not reconciled

Opportunities exist to catch errors and fraud by reconciling non-balance sheet accounts in addition to reconciling balance sheet accounts. Reconciling sales to goods shipped, reconciling work orders issued to work orders completed and reconciling raw materials purchased to raw materials used are examples of reconciliations that can help catch destructive actions.

In one instance, reconciling work orders issued to work orders completed enabled a company to catch installers "cherry picking" easy installation jobs and neglecting to perform the difficult ones. In another instance, reconciling raw materials purchased to raw materials used helped a company spot a contractor who, in collusion with a company engineer, was intentionally over billing for raw materials.

Poor audit trails

The better the audit trail between the numbers reported and source documents and physical universe assets, the less likely it is that a black hole will form in the accounting function.

Non-standardization

Errors occur more easily in a non-standardized environment; however, non-standardization is not an error. When routine work is standardized, the workers do not need to determine how a function needs to be performed. Rather, they execute what has been previously determined and set as a standard, whether by themselves or by another party. Standardized workflow makes it easy for practitioners to know what to do and when to do it. Unusual or atypical items, as well as problems and mistakes, are easier to identify by those performing routine work. They can then handle the errors, preventing them from creating black holes.

Limited knowledge of systems

In an attempt to become more efficient, some organizations employ computer generated journal entries. These journal entries are generated each month based on reprogrammed logic such as booking $100 to an expense called "damages during shipping" for each vehicle sold. These journal entries may become inaccurate over time because such journal entries usually have no owner overseeing their integrity. Unfortunately, this black holepermitting item is common within organizations. Computers are wonderful workhorses. However, like all other aspects of organizations, they equire management. Tax rates and tax eligibility change, duty rates and duty eligibility change, errors occur, procedures change.

If nobody understands the basis and calculations behind computer generated journal entries, and if the integrity of such calculations is not tested regularly, black holes can form.

Creating black holes in accounting
Transactions not captured

Customer returns not captured and entered into the management information system is an example of a black hole-creating item. Actual damage occurs because of this "lack of desirable activity" when a liability is not recorded on the company financial records and in the customer account. For instance, crediting the customer account for the return would reduce the near-cash asset "receivables" and reduce sales, which are important for management to be aware of for cash flow forecasting. Also, to not credit the customer would anger the customer and cause the customer to doubt the integrity of the company. Potentially, customer relations could weaken and the customer could be lost.

Erroneous journal entries remain uncorrected.

Erroneous journal entries left uncorrected can snowball into many misunderstood recordings on the general ledger. A problem of reversing the wrong amount out of an accrual account one period can compound when the balance remaining in the accrual account is reversed out in a subsequent period. The original incorrect reversal can lead to a subsequent incorrect reversal. Although the accrual account is now correct, the offsetting accounts likely remain incorrect. This in turn can lead to a chain of subsequent incorrect journal entries. When someone discovers that an account is incorrect, they must properly trace back the sequence of errors or they will likely create another erroneous journal entry. A black hole can begin to form in this way.

Assets and liabilities omitted from the balance sheet. A classic example of a black hole-creating item is the inaccuracy of, or absence of, recording assets and liabilities that arise because of contractual arrangements. For example, a distributor who earns a bonus when certain sales volume milestones are met acquires an asset that might erroneously be omitted from the company's financial records until a cheque is received. Conversely, violating a clause in an agreement can cause an organization to incur a liability. This liability can easily be overlooked and not be recorded on the company's books. Delayed or omitted recording of a negative tax assessment is another example of a liability that might be erroneously omitted from the balance sheet.

Recording of transactions not kept current

Fixed assets put into use during the period but not recorded accordingly render the accounting records inaccurate. As do deposits made at a bank but not entered into the general ledger during the same accounting period. Not keeping current with accruals for warranty provisions, write-offs if they become necessary, and with provisions for marketing allowances and concessions are additional time-sensitive ways accounting records can become inaccurate and lead to the creation of destructive black holes.

Mergers and acquisitions occurring
faster than the organization can absorb

Organizations have a finite ability to absorb change. No matter how many resources are applied to preventing disconnections, misalignment, confusion and other potential black hole-creating items from developing, they will develop during a complex merger or acquisition.

Cont'd From page 11

Key Elements in shaping the personality

Courtesy: www.citehr.com

Look at the key elements in shaping the personality of a person. When we explain these elements in the organizational context, we can say them to be the tips which an executive or a leader can make use of in order to give the cutting edge to his personality. These elements or tips are as follows:

1) Plan out the program
2) Application and hard work
3) Dynamism and adaptability
4) Optimism
5) Honesty and loyalty
6) Good listener
7) Avoid criticism Tolerance
9) Admit personal mistakes.

Plan out the program: To be an effective person it is necessary to plan and program the day in advance and as far as possible stick to it. Otherwise, it would be difficult to progress because of delays, overlapping and confusions. In an organization, an executive or a manager has got many resources at his disposal, like men, material, and money a part from his own time and energy. He must therefore plan out the whole pro-gram in detail so as to make the best possible use of these resources and also to avoid the other hurdles like delays and break downs. Planning one's time is also time is very important to avoid confusion and chaos.

Application and hard work: Mere planning the program is not enough. Success is not a matter of luck or genius it depends on adequate preparation and determination. Work is the beginning the middle and the end of success.

He who does not work hard cannot succeed. All successful people have toiled hard and put in enormous amount of work. It is the application which has finally led them to successful ventures. Therefore, there is no compromise on hard work. There is no substitute, for work is worship.

Dynamics and Adaptability:

It is the ability to get along well with others, whether senior, equals or juniors.

We are always exposed to groups. Man is a social animal and therefore he prefers to live in the society. The same is the case of the organization. A leader or a manager has to work in co-ordination with many other people in the organization. The manager has to adjust himself suitably so that he could fit in harmoniously in the group. He must reconcile his personal aims, likes, dislikes, hopes, aspirations and so on with those of the group as a whole.

In a nut shell it is the ability to get along well with others, whether senior, equals or juniors, that determines the effectiveness of a person. If he is unable to do so he will prove to be a social misfit.

Optimism:

Optimism and positive approach are essential and indispensable qualities for acquiring a healthy personality.

An individual endowed with optimism radiates joy, friendliness, cooperation and warmth. He does his assignments with enthusiasm, thrill and enjoyment. Though he may face setbacks, his positive thinking will enable him to try over and over again till he succeeds.

Therefore, an individual who wants to have a healthy personality should bear in mind that his optimism will help him to make full use of his opportunities and he will invariably taste success.

Honesty and Loyalty: Integrity, honesty, loyalty and selflessness are the formulations of an individual's character. It is very important, therefore, for a person to ensure that these four aspects of his character are particularly taken care of. One has to be loyal to the organization, and the fellow beings. Whenever he is given some task and also resources to accomplish the task, it means that the organization has placed its trust and belief on him. He must, therefore accomplish those tasks to the best of his ability, honesty and truthfulness.

Good listener: To be interesting one has to be interested. Be a good listener. Whenever in a conversation ask questions, draw people out, make them talk about themselves. When the other person is talking pay rapt attention, do not be impatient, do not look at the watch or yawn or interrupt.

Do not talk much. To hear and to learn more, one must keep the ears and the eyes open and not the mouth. If one listens, one has the advantage. On the other hand, if one speaks out of turn, others have the advantage.

PRICING POWER: USING PRICE STRATEGY ROADMAPS AND TOOLS TO MAXIMIZE BOTTOM-LINE RESULTS

CMAs are trained to achieve best-in-class practices that strive for continuous improvements in profitability, cost management, and efficiency. And yet, when it comes to pricing, many organizations fail to use the tools and processes that enable a best-in-class approach

By Scott Miller, CMA

More often than not, anecdotes and "gut feel" remain the key drivers for pricing decisions. Consequently, these organizations fall short of their potential for revenue and profit maximization (RPMs). In addition, lack of a pricing focus can translate into millions of dollars in hidden margin leakage, as well as an inability to support an effective growth strategy. As described in a previous article, "Is the Price Right?" (CMA Management, May 2007), neglecting pricing practices can leave an organization's RPMs stuck in first gear. But all is not lost. Pricing, too, can become an effective process when it is based on developing a pricing roadmap using sound data and pricing tools to optimize RPMs. In Sodhi and Sodhi's Harvard Business Review article "Six Sigma Pricing," they note: "Many organizations use disciplines to decrease the cost of manufacturing and service processes. They can use the same tools to increase revenues" (May 2005). CMAs, therefore, can lead the way as change agents, by leveraging the power of pricing and implementing best-in-class practices, an opportunity that translates into both short- and long-term financial gains.

Power of pricing

According to an often-referenced study by Marn and Rosiello (1992), pricing is the most effective lever for increasing profitability – more so than managing cost and volume. In fact, for the average organization, a 1 per cent increase in price can result in an 11 per cent increase in profitability. If pricing has such a major impact on net income, why do so many organizations fail to use an effective pricing strategy? "It's like throwing a dart at a dartboard," as one manager said.

"How can anyone know what price will work? Just provide a target for the sales teams and leave it to them to hit that target. That's our pricing strategy." But as time passed and margins shrank, organizations needed to dig deeper into their world of pricing. In this particular case, the management team chose to conduct a pricing diagnostic. This assessment revealed a strong need to gain control of the pricing process, to reevaluate the organization's value offering, and ultimately to strive towards optimizing profitability by focusing on pricing disciplines.

Pricing Audits

As an increasing number of boards of directors are realizing that a sound pricing process drives improved bottom-line results, there has been a corresponding increase in deployment of price audits to assess areas of improvement and opportunity. As outlined in "Is the Price Right?" an internal pricing process assessment helps determine which level within the five levels of world-class pricing (also called the world-class pricing framework) best describes an organization's current situation. This audit can help answer questions such as: how effective are the current pricing processes? and what pricing areas need improvement? The framework (Figure 1) establishes a snapshot of where an organization is today, and helps chart a vision of where it needs to navigate.

Figure 1: The Five Levels of the World-Class Pricing Framework

Each level within the Framework provides an opportunity to add new tools and processes to the CMA toolbox that sets the stage for improving an organization's bottom line. This article highlights many of these pricing tools (with a strong focus on the Level 2 toolbox) that have proven to be highly effective as organizations progress along the path to pricing improvement.

Improving pricing competency

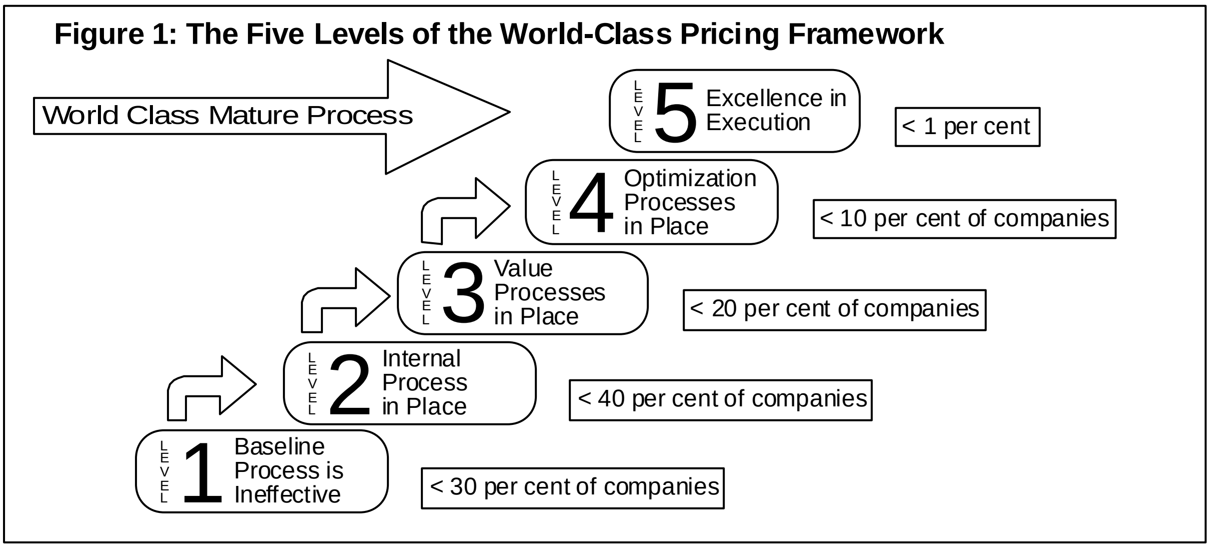
Level 1: Baseline process is ineffective

Management meetings at Level 1 companies are usually fraught with stress and tension. One manager described this level as "table-banging arguments whenever the topic of pricing comes up." At this stage, there is no defined pricing strategy; pricing processes and reports are non-existent; high margin leakage occurs at every turn; and there is a lack of understanding about the price–value relationship. Revenue changes are often explained using anecdotes rather than sound data and analytical details. As well, pricing managers find they spend a large portion of their time extinguishing internal political fires with little or no time spent investigating margin opportunities. If an organization resides within Level 1, it is important to perform a full pricing diagnostic across all departments to identify areas of pricing weaknesses that require process and tool enhancements. It is also important to meet with different levels of employees and map all potential areas for margin leakage. Once these weaknesses have been defined, it is necessary to audit and track improvements using various pricing management tools as described in Level 2.

Note that moving towards Level 2 will require a change agent, as there are internal cultural implications with pricing policy changes, as well as a need to constantly sell the advantages of using world-class pricing management practices—a perfect leadership opportunity for a CMA.

Level 2: Internal processes in place

This level is primarily defined as the "gaining control" stage for pricing. It involves tracking key pricing pitfalls, areas of margin leakage, and poor pricing practices that the company has identified as weaknesses in Level 1. It is important throughout this stage to employ pricing tools that co ntinuously audit pricing activities, track progress, and ultimately strive for improvements. It is also necessary to train and gain buy-ins from important stakeholders to ensure they use the pricing tools. A prime reason why many organizations remain locked within Level 2 is the lack of engagement and communication with such stakeholders. A majority of the price audit tools are focused within Level 2, since their key objectives are to take a snapshot of the current state and provide a target that overcomes a pricing weakness and gains control. Gaining control of pricing practices is a critical stage within



any organization, and requires the support and engagement of stakeholders in order to progress towards a higher level within the five-level framework.

Case Study: Using a competitive pricing report (Level 2) to grow margin

A large technology value-added reseller wanted to increase margins within its hardware category (e.g., printers, cables, notebooks, etc.). However, it was having trouble convincing its sales force. Negotiations were excessive, and pricing, to say the least, was out of control (Level 1). A newly formed pricing committee created a competitive price audit report (Level 2 price tool) that was routinely reviewed to assess competitors' online and print catalog pricing against the company's own. To its amazement, the company discovered it had been "giving away" seemingly irrelevant add-on accessories, items that ultimately translated into a bottom-line gain of over $1.5 million after the organization had trained sales reps to take advantage of this margin opportunity. The report ultimately helped the company gain control of pricing, and set the stage for moving to the Level 2 roadmap.

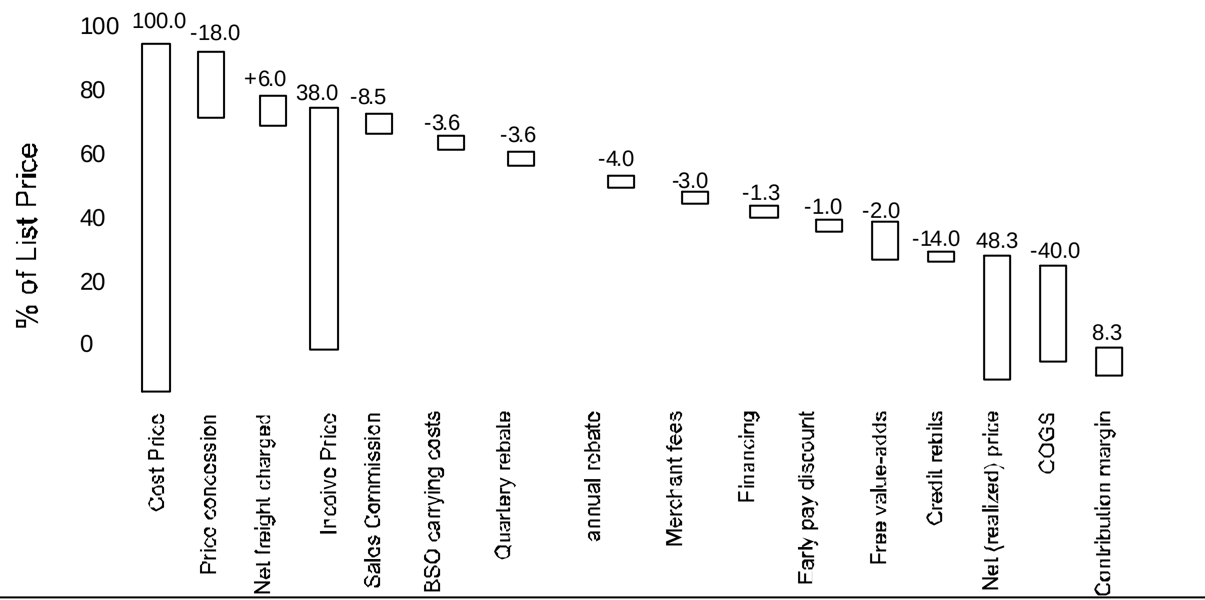
Two of the most commonly used Level 2 tools include the price waterfall and price dispersion charts. A successful Price Waterfall chart (Figure 2a) must integrate the CMA's talent for costing analysis, as well as the ability to work closely with all departments to identify areas contributing to margin leakage. Not all revenue is good revenue, and the Price Waterfall helps companies truly understand the net realized price being charged to customers after factoring in these hidden costs. A price dispersion chart is another useful pricing management tool that focuses on gaining control of pricing practices. It provides a snapshot of customer discounts based on their account size (oftenmeasured as revenue per year). One CEO experienced a highly uncomfortable situation when the company's largest multi-million-dollar account discovered that a smaller account was receiving better pricing (buyers often move around companies that are within the same industry). This created a crisis internally, but it also caused the company to try to understand the current state of discounts and use the Price Dispersion tool (Figure2b) to establish future discount boundaries. The choice of which pricing tools to use will depend on an organization's pricing-strategy roadmaps, defined within its original pricing diagnostic. Some tools will be more relevant than others, depending on your pricing needs, and it is important to use those that drive the greatest improvements in RPMs. Other Level 2 tools include: competitive analysis reports, outlier analysis/reports, deal/bid sheets, pricing process documentation – accountability & guidelines, customer profitability reports, and cost-to-serve analysis.

Level 3: Value Processes in Place

Value is a frequently used term within the B2B and B2C environments, but it's also one that is least understood. What does value have to do with price, one might ask? Everything. In fact, pricing and value go hand in hand, and drive the top-ofmind mentality at the higher levels of the world-class pricing framework. Level 3 is often considered a paradigm shift for many CMAs, especially for those who rely heavily on cost-plus pricing practices. Cost, of course, is always an important consideration for ensuring a price point drives profit. But a cost-plus pricing approach is far from an optimization practice. Value-based pricing, on the other hand, seeks to truly optimize revenue and profitability by understanding what customers are willing to pay based on the value of your offering. Historically, value has been more subjective than quantitative. But there are ways to measure how customers perceive value, their willingness to pay, and methods to relate value with pricing.

Value also plays a critical role in market segmentation and growth strategies. Many growth strategies fail, unfortunately, because they focus too much on acquiring market share with price, a tactic that often leads to lower profitability and back-and-forth market-share gains and losses. A best-practice growth strategy, by contrast, takes a more hands-on approach to help companies understand the value perceptions of different market segments. An understanding of how these market segments perceive product attributes, and their willingness to pay, is critical for value-engineering effective products and offerings. The price-value map (PVM) is an excellent Level 3 pricing tool that can help assess how customer segments perceive a company's offering and prices relative to the competition. Other Level 3 tools include: In-market research tests, pricing tests (conjoint analysis), transactional analysis, cost by SKU, cost by customer segment, and price-volumeprofit modeling.

Figure 2a: (Price Waterfall)



This price-audit tool defines direct customer costs that translate into a net realized price. The identification, tracking, and management of potential regions of margin leakage can help manage the net realized price, and is critical to improving overall profitability.

Level 4: Optimization processes in place

Level 4 is the stage in which an organization fully integrates what it has learned in Level 3 about its customer segments, as well as the purchasing behaviour driven by these segments, based on pricing and the value of an organization's offering. Level 4 pricing
experts will integrate all of this knowledge within an optimization model to drive a product offering that results in the optimal RPM. Such models estimate the impact of short-term promotional prices as well as longer-term price scenarios.

Historical transactional analysis can also play a critical role in optimization, by helping companies understand the past purchasing behaviours of their account base. This stage will require CMAs to wear their statistical and analytical hats, since they will need to build optimization and forecast models. The key to building such models is to understand the price actions and reactions as determined from both Level 3 research as well as historical transactional datasets. For a bank, this might include a model that determines which combinations of account savings rate offerings produce the most profitable outcome. Models would need to address key questions, such as how savings rates affect new-customer acquisition, as well as their impact on the current customer base. For a newspaper firm, a model could address how historical classified advertisement purchasing data can be used to determine optimal bundles that encourage these customers to upgrade to larger and more profitable classified ads.

Another key consideration for optimization modeling is the long-term optimization benefits (i.e., customer lifetime value, or CLV). In the case of a bank optimization model, a low savings rate might show a dramatic short-term increase in profitability (e.g., paying out less interest to customers). But as time passes, the bank could lose current customers and find it difficult to acquire new ones, thus lowerin optimization profitability in the long run. An optimization model would factor in a balance that strives for both short- and long-term profitability.

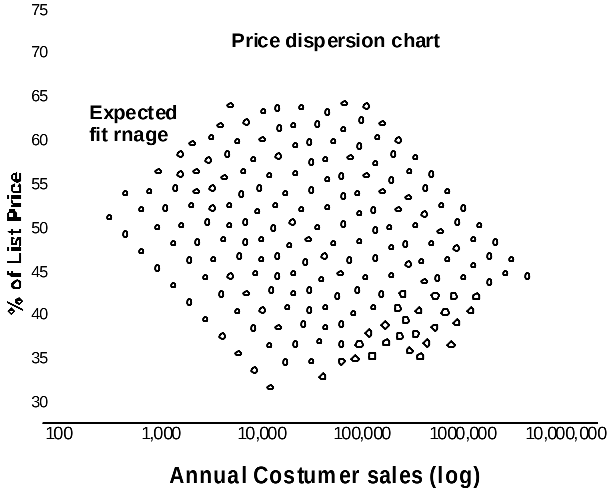
Various optimization tools available in the marketplace include the Microsoft Excel add-in Solver and SAS. It would be worthwhile as a CMA to learn Solver and begin to understand the inputs and constraints that go into optimization modeling (see Solver training link provided in the endnotes).

Level 5: Excellence in execution

As the pinnacle of the pricing framework is reached, there will be an increasingly strong sense of pricing synergy across all departments and channels. At this level, the benefits of pricing are a top-of-mind mentality for all managers and executives. Pricing is no longer considered a "battle," but rather, pricing excellence is integrated into the culture throughout the organization. marketing, sales, operations, and accounting all have a stake in the world of pricing, and regularly ensure they: (a) review and improve upon key price audit tools within Level 2; (b) continuously strive to understand customer segments and value perceptions from Level 3; and (c) optimize the organization's offerings based on understanding customer behaviour in Level 4. As well, Level 5 CEOs recognize pricing is a core capability, and ensure the pricing mindset is a priority across the entire organization.

A great example of Level 5 world-class pricing involves a well-known Fortune 100 hotel chain. This chain has over 150 revenue management analysts who are able to optimize room rates based on region, segments, room types, bookings, and forecasted vacancies. These analysts seek to optimize revenue and profitability, as well as key pricing indicators (i.e., Revenue per Available Room, or RevPAR), by measuring, analyzing, and improving both prices and the pricing process itself. In addition, the company is constantly evaluating its value offerings and making changes in product offerings that strive to fully

Figure 2b: (Price Dispersion)



This additional price-auditing tool can help determine if there is a logical relationship between price discounts and account size. Organizations that lack a pricing policy wil often see an irrational pattern, referred to as a "shotgun blast".

understand its customer segments and their purchasing behaviour. For example, various hotel regions tap into luxury segments, while others focus on conference and "guest experience" opportunities. Ultimately, the chain's pricing mindset and commitment to delivering value (price and value go hand in hand) has generated year-over-year growth in both earnings per share and return on invested capital). In its most recent financial statement, the chain said these results were "largely driven by pricing."

Building a pricing strategy roadmap, as well as expanding the CMA toolbox, is critical for pricing success and improving bottom-line results. The roadmap provides a plan of action and sets a vision for revenue and profitability improvement. However, it is important to understand that this is a step-based process that takes time. Some organizations try to rush from one level to another at the expense of not gaining internal buy-in, or not effectively integrating and implementing a new pricing process. It can take 12 to 18 months to achieve and consolidate a position at a new level before progressing to the next. Even exposure to new pricing tools requires sound training and buy-in from key stakeholders. One colleague uses what is termed "the seven times rule"– it can take seven times for stakeholders to be exposed to a new tool before they stop fighting the data and start using it to their advantage.

The benefits of using the five levels of world-class pricing are too great for any organization to ignore. Many companies are already reaping the rewards, while others remain stuck in first gear for their RPMs. CMAs have an excellent opportunity to improve their organization's pricing power and take it to the next level. As one Fortune 100 CEO mentioned: "Nothing gets me more excited than someone providing me a detailed plan to generate an extra $2 million in profitability." If an organization is stuck in first gear, now is a better time than any to rev up its RPMs by navigating the roadmap to pricing excellence.

Scott Miller, CMA, is a senior consultant with Toronto-based Pricing Solutions Ltd. He provides pricing-related management, research, strategic and training services for North American and European clients and can be contacted at smiller@pricingsolutions.com.

Cont'd From page 6

Unless sufficient time is allotted for accounting personnel to re-align the data capture and accounting process before the next big-change event occurs, a black hole can form.

Take for instance a distributor that acquires a manufacturing operation whose employees need to be set up on the distributor's payroll system. This requires analyzing each employee's eligibility for benefits. If the manufacturer has a union shop, accruals need to be determined and set up by the distributor for things such as supplemental employee benefits funding in accordance with the union agreement. The manufacturer's suppliers and customers need to be notified of the distributor's purchase of the manufacturing business. In addition, contact names and other information must be exchanged and ways of conducting business must be shared. If consolidation of operations takes place, then numerous other actions, activities and processes must be put in place, understood and aligned before the organization is functioning optimally again. Any combination of failures in the process can, potentially, create black holes.

Poor accounting system design

Too many or too few general ledger accounts can be black hole-creating. Numerous redundant balance sheet accounts, for example, can choke a thinly staffed accounting department. Staff will not have time to reconcile all the accounts. Underutilization of sub-ledgers cause valuable details to be lost and administrative tools to be absent — such as the aging ability of an accounts payable sub-ledger or the details associated with fixed assets. Anyone who has tried preparing a tax return without a proper fixed asset sub-ledger knows what a black hole looks like.

Areas outside accounting can affect accounting

Accounting's ability to produce an accurate set of records depends, to a degree, on other departments. Work orders and other documents not forwarded along the management information system in a timely manner distort information reported. Poor execution of data captured by personnel outside the accounting department weakens the value of the data that is reported. An executive who fails to approve a valid customer claim alters the integrity and usefulness of the financial statements. Just as accurate and reliable accounting and reporting are, to a degree, dependent on non-accounting employees, so too is the avoidance of black holes. In both cases, the assistance of nonaccounting personnel must be solicited. CMAs are heroes when they save the organization money and villains when they enforce accountability. CMAs have an opportunity to swing the pendulum toward the "hero" side by identifying and eradicating potential items that create black holes within the accounting department and elsewhere.

This heroic effort is important, even crucial, to the survival of the organization because black hole-creating items can threaten an organization's very existence.

★ ★ ★ ★ ★ ★ ★ ★

FINANCIAL SECTOR NEWS

SBP launches new agricultural financing Scheme for affected areas of NWFP, FATA:

On November 06, 2009The State Bank of Pakistan has launched a new Agricultural Loans Refinancing & Guarantee Scheme designed specifically for the affected areas of North West Frontier Province (NWFP) and Federal Administered Tribal Areas (FATA).

The new Scheme is designed to support the development of affected districts of NWFP (Swat, Lower Dir, Malakand, Upper Dir, Bunner and Shangla) and FATA (Bajaur Agency, Khyber Agency, Kurram Agency, Mahmand Agency, N. Waziristan Agency, Orakzai Agency and S. Waziristan Agency) and to facilitate banks and farmers of these areas for resuming agricultural activities.

This Scheme, which comes into effect immediately, will remain valid till December 31, 2012.According to a circular (SMEFD Circular No. 18) issued today, the State Bank will provide refinance facility to banks, except Zarai Taraqiati Bank Ltd. which is already providing financing facilities at subsidized rates, at 6 percent per annum under the Scheme. Banks will be permitted to charge a maximum spread of 2 percent per annum from borrowers against their seasonal agri. production/working capital loans to farmers of affected areas. Therefore, mark-up rate for farmers will be 8 percent per annum under the Scheme.

State Bank launches Refinancing Facility for Modernization of SMEs

The State Bank of Pakistan has launched a new Refinancing Facility for Modernization of Small & Medium Enterprises (SMEs) as a part of its overall strategy to focus on the development of SME sector in the country.

Initially financing under the Scheme, which is effective from November 2, 2009, will be available for import/purchase of new Rice Husking Machines, Paddy Driers and Parboiling Plants by the sponsors of Rice Husking Units / Automatic Sella Plants, says a circular (SMEFD Circular No 17) issued by SBP today. The Scheme will encourage the sponsors of Rice Husking Mills / Automatic Sella Plants to modernize their mills/units to produce quality rice. Other SME Clusters, as and when made eligible, will be announced separately. Details are available at SBP website

Economy showing gradual recovery, likely to achieve GDP growth target for FY10:
SBP Annual Report:

Pakistan's economy is showing a gradual recovery and real gross domestic product GDP) growth is likely to be close to the target of 3.3 percent during the current fiscal year 2009-10), according to State Bank's Annual Report on State of the Economy for the year 2008-09 released today.

The Report said that signs of recovery during FY10 are evident from a rise in imports during July 2009, which points towards a possible pick up in domestic demand, comparatively lower decline in large scale manufacturing (LSM) growth and resolution of circular debt problem that would support production activities in oil and energy sectors. "The anticipated recovery may also be supported by the re-stocking of inventories and a small recovery in exports as the incipient recovery in major economies gathers pace," it said and added that as a result, growth in LSM production is likely to turn positive during the first quarter of FY10. Moreover, SBP Report pointed out that a sharp fall in inflation in recent months has reduced uncertainty over relative prices and would support increase in investment demand. Although current SBP projections indicate that average annual inflation for FY10 is likely to ease, there remain significant risks to the inflation outlook. Going forward, the Report projected that GDP growth is likely to be between 2.5 - 3.5 percent in FY10, while average CPI annual inflation is expected to be 10 - 12 percent and both the fiscal and current account deficits are likely to be 4.7 - 5.2 percent.

SBP Report said that external sector too is expected to show a continuation of positive recent trends and exports are expected to pick-up a little, especially if the energy crisis eases, helped by favorable exchange rate trends. Similarly the strong growth in remittances may continue, aided by the new initiative fostering increased usage of the formal system, and the concurrent crack down on illegal activities of exchange companies. Recently, as Pakistan's macroeconomic picture stabilized, portfolio flows have also resumed. "This said, considerable risks remain, as imports are also expected to revive, and there are also risks that some anticipated foreign exchange flows may not be forthcoming or may be delayed,"

SECP NEWS

Mandatory Certification Requirements for Sales Agents of AMCs / PFMs and Brokers : Securities and Exchange Commission of Pakistan has issued circulars to assure good corporate governance & to increase investor confidence. According to new directive issued to all AMCs/ PFMs and brokers the following requirements have been laid down:

• All brokers of KSE, LSE, ISE & NCEL will nominate a "compliance officer" from amongst its employees, who shall be responsible to ensure affective implementation and compliance with relevant regulatory framework.

• AMCs, PFMs and Brokerage Houses shall have at least two persons or 20 percent of their employees (which ever is higher), undertaking activities related to sale of collective investment schemes or pension funds or providing investment advice to clients, shall obtain the Institute of Capital Markets ("ICM") Certification for Mutual Funds Sales Agents & Brokers latest by June 30, 2011.

• Existing employees of the AMCs or PFMs and Brokers who are aged 35 or above and have relevant capital market experience of at least five (5) years shall be exempt from obtaining the above certification.

• Any new professional entrants appointed by the AMCs / PFMs and Brokers for undertaking sales related activities shall obtain the ICM Certification for Mutual Funds Sales Agents within one year of his / her date of employment with the AMC / PFM.
These directives have been taken in order to ensure involvement of professional and
skilled personal in brokerage houses.
Detailed requirements are provided in Circular No. 34 and 35 which are placed on
the SECP web-site, http://www.secp.gov.pk/circulars.asp

FBR NEWS

Excise duty no cause of less cultivation of beet crop:

A spokesman of the Federal Board of Revenue (FBR) has clarified press reports published in a section of the press claiming the cultivation of beet crop in NWFP has been given up by farmers due to excess taxes.

The spokesman has described as misleading and irrelevant claims made by Anjuman-e-Kashtakaran NWFP officer-bearers who have been reported by the press as having complained that the cultivation of the beet crop in NWFP has creased due to imposition of central excise duty in 1995 and other levies in recent times.

IFAC NEWS

IASB simplifies requirements for disclosure of related party transactions:

The International Accounting Standards Board (IASB) issued today a revised version of IAS 24 Related Party Disclosures that simplifies the disclosure requirements for government-related entities and clarifies the definition of a related party. The revised standard is effective for annual periods beginning on or after 1 January 2011, with earlier application permitted.

IAS 24 requires entities to disclose in their financial statements information about transactions with related parties. In broad terms, two parties are related to each other if one party controls, or significantly influences, the other party.

The IASB has revised IAS 24 in response to concerns that the previous disclosure requirements and the definition of a 'related party' were too complex and difficult to apply in practice, especially in environments where government control is pervasive.

IAASB Staff Practice Alert Helps Auditors Plan More Effective Use of External Confirmations:

External confirmation procedures can be a compelling tool in obtaining relevant and reliable evidence for audits of financial statements. Recent experience, however, highlights the need for auditors to pay particular attention to circumstances that may affect the planned use of confirmations, including the risk of fraud and the adequacy of evidence.

To raise awareness of potential issues and to help auditors use external confirmation procedures more effectively, the staff of the International Auditing and Assurance Standards Board (IAASB) has released today a new audit practice alert.

PIPFA NEWS

Participants of 16th Annual General Meeting of PIPFA are busy in the discussion.

The Board of Governors of the Pakistan Institute of Public Finance Accountants is pleased to award the following Certificates of Merit to the candidates showed outstanding performance in the Intermediate and Final Examinations held in November 2009.

Certificate of Merit

S.No.	Roll No.	Name	Paper	Sector
		Corporate Sector		
1	1205011	Muhammad Kashif Ehsan	Management Accounting	Corporate
2	1601255	Muhammad Aleem	Financial Accounting	Corporate
		Public Sector		
3	2100464	Jaffar Hussain	Financial Audit Manual (FAM)	Public
4	2200772	Umer Farooq	Sales Tax & Federal Excise Custom & other Indirect Taxes	Public
5	2200874	Allah Ditta	Public Works Accts Rules & Proc.	Public
6	2200876	Summera Aslam	Service & Fin. Rules	Public
7	2200928	Ayesha Zahoor	Postal Account (Technical) (SB,MO,CC) (Appl)	Public
8	2300713	Sayed Mubashir Ali shah	Performance Measurement	Public
9	2300846	Muhammad Ajmal Khan	New Accounting Model (NAM)	Public
		Punjab Finance Sector		
10	3200098	Naeem Haider	Civil Service Rules (Practical)	Punjab Finance
11	3200116	Inam Ullah	Public Works Accounts Rules & Proceedure	Punjab Finance
12	3200159	Zia Ul Murtaza	Rules & Reg. for Audit & Insp. of Acc.(Practical)	Punjab Finance
13	3200177	Akhter Jamal	New Accounting Model (NAM)	Punjab Finance
14	3200218	Abdul Satter	Financial Audit Manual (FAM)	Punjab Finance

Fellow Members List

1. NESHAT AHMED FAKHRI (FPA-1287)
2. MUHAMMAD FAROOQ SIDDIQUI (FPA-1390)
3. MUHAMMAD IMRAN (FPA-1402)
4. RIZWAN ASLAM (FPA-1422)
5. MALIK ASIM PERVEZ (FPA-1483)
6. HUMAYUNE FIDA HUSSAIN (FPA-1489)
7. MUHAMMAD HUSSAIN (FPA-1689)
8. MUHAMMAD IMRAN AHMED QURESHI (FPA-1691)
9. BILAL HAMEED (FPA-1839)
10. ABDUL RAUF MIAN (FPA-1888)
11. MUJEED AHMAD MUBASHER (FPA-1903)
12. MAQBOOL AHMAD GONDAL (FPA-1912)
13. HASSAN FAYYAZ (FPA-2073)
14. DR. GHULAM RASOOL SHAH (FPA-2108)
15. MOHAMMAD HASSAN KHALID (FPA-2140)
16. ROHAIL AJMAL (FPA-2144)
17. M. JUNAID ALAM SIDDIQI (FPA-2152)
18. AHMED JAWAED KHAWAJA (FPA-2205)
19. MUHAMMAD SAOOD ALAM (FPA-2260)
20. FAISAL MUKHTAR (FPA-2319)
21. SYED SUMAIR ALAM (FPA-2342)
22. SYED ALI IRFAN SHEHZAD (FPA-2388)
23. MUHAMMAD SHAHZAD AMER (FPA-2446)
24. SARFRAZ AHMAD (FPA-2520)
25. ASIF MUBEEN (FPA-2524)
26. SYED AYAZ SALAHUDDIN (FPA-2530)
27. MUHAMMAD AKRAM (FPA-2566)
28. ASIM ASHFAQ AHMAD BHATTI (FPA-2600)
29. BASIT AHMAD (FPA-2601)
30. OMAR NASHEED AHMAD (FPA-2603)
31. KASHAN ZAFAR (FPA-2611)
32. SYED WAJAHAT AHMED (FPA-2644)
33. SAEED AKHTAR CHUGHTAI (FPA-2680)
34. WASEEM AHMED (FPA-2695)
35. MASUD ZAHID SIDDIQUI (FPA-2706)
36. SHAHZAD KHAN (FPA-2745)
37. AMIR BASHIR (FPA-2757)
38. SYED AHMED KAMAL (FPA-2762)
39. ISRAR ULLAH KHAN (FPA-2786)
40. MOBEEN AHSAN MALIK (FPA-2787)
41. TEHSEEN IQBAL (FPA-2792)
42. AROOJ ASGHAR (FPA-2802)
43. SYED MANSOOR HASSAIN JILANI (FPA-2808)
44. MUKHTAR (FPA-2810)
45. ASAD AZHAR SIDDIQUI (FPA-2827)
46. SYED TANVEER HUSSAIN (FPA-2834)
47. LUBNA SHAHZADI (FPA-2844)
48. MUHAMMAD IMRAN (FPA-2848)
49. SAJID AZMAT (FPA-2850)
50. MUHAMMAD ZAHEER IQBAL (FPA-2880)
51. MUHAMMAD JAMEEL HUSSAIN KHAN (FPA-2901)
52. SAIF ALI RASTGAR (FPA-2904)
53. MUHAMMAD AMIR (FPA-2914)
54. GHULAM HUSSAIN (FPA-2916)
55. ZEESHAN AHMAD (FPA-2920)
56. MUHAMMAD IMRAN ZIA (FPA-2930)
57. MUHAMMAD SULEMAN SALEEM (FPA-2945)
58. FARRUKH HUSSAIN (FPA-2958)
59. YOUSUF ALI (FPA-2991)
60. MUHAMMAD SHAHZAD HABIB (FPA-3000)
61. SYED MUNAWAR IQBAL (FPA-3003)
62. MUHAMMAD ISHFAQ (FPA-3039)
63. SYED AHSAN AMAN (FPA-3040)
64. PERVEZ ISMAIL (FPA-3042)
65. SYED MUHAMMAD ASIM (FPA-3062)
66. MUHAMMAD NAEEM AKHTAR (FPA-3067)
67. NAZIR HUSSAIN (FPA-3121)
68. ABDUL QAYYUM (FPA-3155)
69. MUNIR AHMAD (FPA-3163)
70. NAEEM HAIDER (FPA-3174)
71. ADNAN HAMEED KHOKHAR (FPA-3247)

★ ★ ★ ★ ★ ★ ★ ★ ★

Welcome New Members

Fellow

1. NAZIA ADEEL (FPA-4685)
2. SYED MUSLIM HASANY (FPA-4694)
3. AHSAN ALI KEHAR (FPA-4695)
4. MAHFOOZ AHMED BHATTI (FPA-4697)
5. DR. SYED TURAB HYDER (FPA-4700)
6. RANA SHAKEEL ASGHAR (FPA-4743)
7. ZAFFERULLAH KHAN SOOMRO (FPA-4744)
8. ASIF MANZOOR BUTT (FPA-4750)
9. ZAHID HABIB BHUTTA (FPA-4764)
10. MUHAMMAD SHOAIB (FPA-4800)
11. SAJJAD AHMAD (FPA-4815)
12. MUHAMMAD AZAM SHEIKH (FPA-4816)

ASSOCIATE MEMBERS

1. ABDUL GHUFFAR (APA-4622)
2. NASIR TUFAIL (APA-4623)
3. RAHEEL ANWAR (APA-4624)
4. ASAD AHMED (APA-4625)
5. SALMAN YOUSAF (APA-4626)
6. IRFAN BASHIR SHAIKH (APA-4627)
7. SHERAZ IQBAL (APA-4628)
8. SAAD AMIN (APA-4629)
9. LUBNA HAKIM ALI KHAN (APA-4630)
10. TAYYABA UMBREEN (APA-4631)
11. FAHAD TALAL (APA-4632)
12. MOBIN ALAM (APA-4633)
13. JAMIL NASIR (APA-4634)
14. WAQAS AHMED (APA-4635)
15. ABDUS SAMEE AZIM (APA-4636)
16. ZAHID HUSSAIN VASNANI (APA-4637)
17. SYED SAULAT HASSAN (APA-4638)
18. MAZHAR HUSSAIN (APA-4639)
19. HASNAIN IMAM (APA-4640)
20. ABDUL SABOOR (APA-4641)
21. ALEEM AMIN (APA-4642)
22. FARRRUKH EJAZ (APA-4643)
23. ROOFI ABDUL RAZZAK (APA-4644)
24. MUNAWAR AMIN (APA-4645)
25. MUHAMMAD RAMAZAN KHALID (APA-4646)
26. FARAZ AHMAD MEMON (APA-4647)
27. HAFIZ MUHAMMAD HUNAIN (APA-4648)
28. ZAHEER MEHMOOD (APA-4649)
29. USMAN ALI KHAN (APA-4650)
30. SYED SOHAIL ABBAS RIZVI (APA-4651)
31. SHERAZ AHMAD (APA-4652)
32. MUHAMMAD SHAHZAD LATIF (APA-4653)
33. SYED MUDASSIR HUSSAIN (APA-4654)
34. SADAF IQBAL (APA-4655)
35. IMRAN UL HAQUE (APA-4656)
36. NAYER SALEEM (APA-4657)
37. MUHAMMAD YASIR (APA-4658)
38. MUJAHID ANJUM (APA-4659)
39. IMRAN AHMED (APA-4660)
40. QASSID HUSSAIN (APA-4661)
41. BILAL FATEH ULLAH (APA-4662)
42. ABDUL QADIR (APA-4663)
43. MUHAMMAD TAUQEER KHAN (APA-4664)
44. IMRAN ZAFAR (APA-4665)
45. SAJJAD HUSSAIN (APA-4666)
46. ASHFAQ AHMED (APA-4667)
47. SAHRISH NAWAZ (APA-4668)
48. MUHAMMAD ABRAR SADIQ (APA-4669)
49. SYED BU ALI SHAH (APA-4670)
50. MUHAMMAD SHAKILUDDIN (APA-4671)
51. S. ABID RAZA RIZVI (APA-4672)
52. MUHAMMAD IMRAN NAWAZ (APA-4673)
53. MUHAMMAD MUBEEN (APA-4674)
54. NOHMAN JAVAID (APA-4675)
55. NASIR GUL SWATI (APA-4676)
56. ZULFIQAR HABIB (APA-4677)
57. OBAID UR REHMAN SIDDIQUI (APA-4678)
58. IFTIKHAR ALI (APA-4679)
59. KAMRAN ALI (APA-4680)
60. MUHAMMAD NADEEM ASLAM (APA-4681)

61. IRFAN ALI (APA-4682)
62. TAHIR ZAIB (APA-4683)
63. MUHAMMAD IBRAHIM (APA-4684)
64. ADNAN AHMED (APA-4686)
65. WAJID ALI KHAN (APA-4687)
66. ADEEL AHMAD KHAN (APA-4688)
67. MUNAWAR MUHAMMAD ISMAIL (APA-4689)
68. ANSAR ALI (APA-4690)
69. MUHAMMAD FAROOQ SADIQ (APA-4691)
70. SYED FAIZAN TARIQ (APA-4692)
71. SOHAIL AHMAD (APA-4693)
72. MUHAMMAD IMTIAZ (APA-4696)
73. MUHAMMAD IRFAN SIDDIQ (APA-4698)
74. SAJID NASEEM (APA-4699)
75. MUHAMMAD AFZAL ILYAS (APA-4701)
76. MUHAMMAD MUDDASSAR BADER (APA-4702)
77. MUHAMMAD ZARTASH (APA-4703)
78. MUHAMMAD NADEEM (APA-4704)
79. SALMAN KHURSHID (APA-4705)
80. MUHAMMAD ASHRAF (APA-4706)
81. AMER MUSHTAQ (APA-4707)
82. ZARYAB HYDER (APA-4708)
83. HUMAYUN FAREED UDDIN (APA-4709)
84. MUHAMMAD IRFAN TAHIR (APA-4710)
85. JAWAD AHMED (APA-4711)
86. ABDUL BASIT MANZOOR (APA-4712)
87. IMTIAZ AHMED CHANNA (APA-4713)
88. SAAD BIN MUHAMMAD (APA-4714)
89. IMRAN UL HAQUE (APA-4715)
90. MUHAMMAD IMRAN (APA-4716)
91. MUHAMMAD AFTAB FAZAL (APA-4717)
92. HAMEED NOMAN (APA-4718)
93. MUHAMMAD ARDLAN RANA (APA-4719)
94. MUHAMMAD AHMAD (APA-4720)
95. AWAIS IKHLAQ (APA-4721)
96. TARIQ AIZAZ TARAR (APA-4722)
97. KHALID MEHMOOD (APA-4723)
98. HAMMAD GHANI (APA-4724)
99. SALIM SIKANDER (APA-4725)
100. ROSHAN ALI (APA-4726)
101. MUHAMMAD FAISAL (APA-4727)
102. ALI ANWER ADIL (APA-4728)
103. KASHIF ZAFAR (APA-4729)
104. MUHAMMAD KHALID SIDDIQI (APA-4730)
105. BILAL MIR (APA-4731)
106. AFTAB HEMANI (APA-4732)
107. MUHAMMAD RAFIQ (APA-4733)
108. SYED WASI HAIDER BUKHARI (APA-4734)
109. MINHAJ UD DIN AHMAD SIDDIQUI (APA-4735)
110. ZULQARNAIN (APA-4736)
111. SALEEM AKHTAR (APA-4737)
112. MUHAMMAD ARIF RASHID (APA-4738)
113. SHAHID MEHMOOD (APA-4739)
114. PERVAIZ AKHTER SIDDIQI (APA-4740)
115. ZIA ULLAH NAGRA (APA-4741)
116. IBTAHAJ AHMAD HASHMI (APA-4742)
117. MALIK MUHAMMAD HANIF BHATTI (APA-4745)
118. MUHAMMAD SAEED AKHTAR (APA-4746)
119. MAHMOOD-UR- REHMAN TAHIR (APA-4747)
120. MUHAMMAD ASIF NADEEM (APA-4748)
121. ZUHAIB RIAZ (APA-4749)
122. AMIN UR RASHEED (APA-4751)
123. NAYYAR HAYAT (APA-4752)
124. SHOAIB GHAFOOR (APA-4753)
125. MUHAMMAD AHMAD QURESHI (APA-4754)
126. ZEESHAN ZAFAR KHAN (APA-4755)
127. RAZA ULLAH (APA-4756)
128. MASOOD AHMAD (APA-4757)
129. HAFIZ ABDUR REHMAN FAROOQ BUTT (APA-4758)
130. MUHAMMAD RAFAY (APA-4759)
131. IMRAN (APA-4760)
132. AMARA FAHEEN (APA-4761)
133. ARSHAD BAIG (APA-4762)
134. NAJAF ANWAR (APA-4763)
135. NASIR RAMZAN (APA-4765)
136. MUHAMMAD NADEEM (APA-4766)
137. MUHAMMAD IRSHAD (APA-4767)
138. MOHSIN ALI (APA-4768)
139. SUMERA NOREEN (APA-4769)
140. SADIA YASMIN (APA-4770)
141. AHMAD NAEEM BUTT (APA-4771)
142. MUHAMMAD SOHAIL (APA-4772)
143. SHERAZ ORANGZEB (APA-4773)
144. KHALID RIAZ (APA-4774)
145. ATEEQ UDDIN QURESHI (APA-4775)
146. GHULAM MURTAZA AWAN (APA-4776)
147. MOHAMMAD ZUBAIR KHAN (APA-4777)
148. MUHAMMAD NAVEED HUSSAIN (APA-4778)
149. SAMI ULLAH MUSA (APA-4779)
150. MUHAMMAD AHMAD SAEED (APA-4780)
151. NUSRAT BHATTI (APA-4781)
152. MUHAMMAD TAUQEER ALAM (APA-4782)
153. MOAZZAM HUSSAIN (APA-4783)
154. MUHAMMAD AZAM (APA-4784)
155. ABDUL MAJID (APA-4785)
156. MUHAMMAD SHAHZAD (APA-4786)
157. MUHAMMAD FAHAD (APA-4787)
158. MUHAMMAD WASEEM (APA-4788)
159. KASHIF RAZA (APA-4789)
160. TANVEER AHMAD (APA-4790)
161. MUHAMMAD IMRAN ANWER (APA-4791)
162. SALMAN ILYAS (APA-4792)
163. MUHAMMAD KHURRAM KHALID (APA-4793)
164. IRSHAD AHMAD MALIK (APA-4794)
165. ABDUR REHMAN (APA-4795)
166. NOMAN AKRAM (APA-4796)
167. MUHAMMAD FARHAN JAVAID (APA-4797)
168. ALI MUHAMMAD (APA-4798)
169. MUHAMMAD REHAN (APA-4799)
170. MATEEN AHMAD (APA-4802)
171. HINA ZAMAN (APA-4803)
172. KHURRAM JAVED (APA-4804)
173. SYED HASSAN RAZA RIZVI (APA-4801)
174. ALI FAIZAN KHAN (APA-4805)
175. MUHAMMAD ABDUL BASIT (APA-4806)
176. MUHAMMAD SHAHID SALEEM (APA-4807)
177. TALHA EHTESHAM (APA-4808)
178. SYED SOHAIL AHMED (APA-4809)
179. ASMAR SHAFI (APA-4810)
180. ZEESHAN AHMAD (APA-4811)
181. SAID ALI (APA-4812)
182. MUHAMMAD ZAHID BUTT (APA-4813)
183. HAMMAD RAZA JAFRI (APA-4814)
184. MUSTANSAR YASEEN (APA-4817)
185. IFTIKHAR AHMED (APA-4818)
186. MUHAMMAD ASHAR JAVED (APA-4819)
187. RIZWAN AZAM (APA-4820)
188. SYED MUMTAZ HUSSAIN SHAH (APA-4821)
189. IJAZ AHMAD (APA-4822)
190. ASIF MAHMOOD (APA-4823)
191. FARZANA JABEEN (APA-4824)
192. SHAHOOD UL HASSAN (APA-4825)
193. MUHAMMAD FARHAN NIAZ (APA-4826)
194. MUHAMMAD AMIR ANWAR (APA-4827)
195. SAAD WAQAS (APA-4828)
196. MUZZAMMIL GHULAM RAZA (APA-4829)
197. MUHAMMAD SAQIB IQBAL (APA-4830)
198. ASADULLAH KHAN (APA-4831)
199. MUHAMMAD SALEEM ZAHID (APA-4832)
200. RAJESH KUMAR PINJANI (APA-4833)
201. HANS HUSSAIN SOOMRO (APA-4834)
202. RAI MAZHAR FARID JAMI (APA-4835)
203. JAVED IQBAL KHOKHAR (APA-4836)
204. BILAL AHMAD (APA-4837)
205. MUHAMMAD FARHAN QURESHI (APA-4838)
206. KAMRAN SAEED (APA-4839)
207. USMAN ELAHI (APA-4840)
208. ADEEL KAISER (APA-4841)
209. IMRAN ZAFAR (APA-4842)
210. MUHAMMAD WAHEED (APA-4843)
211. MOHSIN ALTAF (APA-4844)
212. JEHANZEB YOUNAS (APA-4845)
213. YASIR AHMAD HASHMI (APA-4846)
214. HAMID MAHMOOD (APA-4847)
215. AMAN- UL- HAQ SIDDIQUI (APA-4848)
216. OMAR SHAMSHAD (APA-4849)

★ ★ ★ ★ ★ ★ ★ ★

LIST OF AVAILABLE PUBLICATIONS OF

PROF. DR. KHAWAJA AMJAD SAEED

Founder Principal, Hailey College of Banking & Finance, University of the Punjab, Lahore Pakistan, Mobile: 0092-333-4363363 Email: kamjadsaeed@yahoo.com - Website: www.kamjadsaeed.edu.pk Member Governing Council, International Federation of Accountants (IFAC) (1997-2000), President, South Asian Federation of Accountants (SAFA) (1997), President, Institute of Cost and Management Accountants of Pakistan (1997-2000), President, Association of Management Development Institutions of South Asia (AMDISA) (1993-96), Pro Vice-Chancellor University of the Punjab, Lahore (1994-1996), Founder Director, Institute of Business Administration (IBA), University of the Punjab, Lahore (1973-1996).

A: KHAWAJA PUBLICATIONS

S.#	BOOK TITLE	EDITION	RS.
1.	MANAGEMENT: CONCEPTS & CASES Foreword by: Prof. Danishmand, Former Dean & Director IBA, Karachi	2008	350
2.	STRATEGIC MANAGEMENT Foreword by: Prof. Danishmand, Former Dean Director IBA, Karachi	2009	350
3.	PERSONNEL MANAGEMENT: (HRM/HRD) Foreword by: Vice-Chancellor, University of the Punjab, Lahore	2009	300
4.	MARKETING CASES (With Emphasis on International Business) Edited	2009	300
5.	INFORMATION TECHNOLOGY FOR BUSINESS EXECUTIVES (Jointly Authored)	2007	300
6.	PRINCIPLES OF AUDITING	2009	350
7.	ADVANCED AUDITING	2009	450
8.	MERCANTILE & INDUSTRIAL LAWS IN PAKISTAN	2007	250
9.	COMPANY LAW IN PAKISTAN	2009	350
10.	PAKISTAN ECONOMIC & SOCIAL STATISTICS With Statistical analysis of Federal Budget 2009-10 Updated Statistical Analysis	2005	150

B: OXFORD UNIVERSITY PRESS PUBLICATIONS

Place your order directly with (B) above.

S.#	BOOK TITLE	EDITION	RS.
11.	ECONOMY OF PAKISTAN	2007	295
12.	INCOME TAX LAW OF PAKISTAN Published, Printed & Distributed by: Oxford University Press, Plot No. 38, Sector-15, Korangi Industrial Area, Karachi-74900. Tel: 111-693-673 (021) 35071580-86 Fax: 021-35055071, 3505572 Cell: 0333-2121674 Website: samuel.ray@oup.com website: www.oup.com/pk	2008-09	295

Published by:

KHAWAJA PUBLICATIONS

230-C, Tech Society, Canal Bank Road, Near New Campus, Lahore-54590-Pakistan

Fax: 042-5423045 - Cell: 0334-9982551 - 0334-9982552

Website: www.khawajapublications.com Email: kamjadsaeed@yahoo.com

SKANS
School of Accountancy

SUCCESS

Where Professional Excellence is a norm not a goal

www.skans.edu.pk

Turn Your Professional Dream into Reality

ACCA - CAT - CIMA - CA

CFA - CISA - CISM - BSC Hons

Special Exemptions for **PIPFA Members**



SKANS Achievements & Awards

- Pioneers in Professional Accountancy Education in Pakistan
- Approved ACCA/CAT Computer Based Examination (CBE) Centre
- Accredited by ICAP as Registered Accountancy Education Tutor (RAET)
- Acquired the most prestigious Platinum Status of the ACCA Approved Learning Partner (ALP)
- Awarded Gold Status by the ACCA body in recognition of Quality tuition for CAT
- Only Tuition Provider accredited by ISACA Lahore Chapter for CISA
- Authorized Tuition Provider for CIMA

SKANS KEY FACTS

- SKANS is the largest accountancy school in Pakistan
- With over 17 years of experience
- 11 campuses spanned across 7 major cities of Pakistan
- Student base of 12000+
- Offering 6 services to students (CA, ACCA, CAT, CIMA, CISA and UK Visa Consultancy)
- Nearly 250 Committed Faculty Members working under the name

For Detailed Enquiry and Career Planning; Visit Our Relevant Campus:

Lahore CAT & CIMA:
33-Shershah Block,
New Garden Town
Tel: 042-5844311-4

Lahore ACCA:
1-Tariq Block,
New Garden Town
Tel: 042-5914701-08

Lahore CA:
3-C-1 Gulberg-III, M.M. Alam Road Tel: 042-5758510
5758550 & 60

Multan:
9-B,
Officers Colony
Tel: 061-6510582-4

Faisalabad:
P-2/2 Soosan Road, Madina Town
Tel: 041-8738523, 8726604 & 9

Gujranwala:
Opposite Regional Tax Office,
G.T Road Ph: 055-3892601-2

Sialkot:
Commissioner Road, Opp. Allama Iqbal Hospital. Tel: 052-4602244 - 4590887

College of Professional Studies (CPS)

Taking Care of your future!

BE a QUALIFIED PUBLIC ACCOUNTANT of PIPFA

Modular Classes for PIPFA

- ✓ FOUNDATION
- ✓ INTERMEDIATE
- ✓ FINAL

Come & Join CPS for a successful professional career.

Be Smart & get an edge over others in your Studies

Special Features at CPS

* Week-end classes	* Placement with Audit Firms / Industries
* **Availability of study material and Notes of all subjects at No additional cost**	* Economica Fee packages and Discounts for Groups / Deserving students
* CPS prepared Special Books covering PIPFA syllabus	* Highly qualified faculty with professional environment
* Periodic Tests & their evaluation	* Quality education as per the need of the day.

Your FACULTY at CPS

NAME	Subject	At Levels	Qualification
Sajjad Arif	Financial Accounting & Auditing	All Levels	ACA, APA, MBA
Ms. Kauser Parveen	Business Taxation	Intermediate	ACA, CIMA, ACCA
Talha Shahid	Cost & Management Accounting	Foundation/Inter	APA, MA, ICMA(F)
Ms. Zehra Zafar	Basic Accounting & Economics	Foundation/Inter	ACMA, APA
Altaf Hussain	Communication & Beh. Studies	Intermediate	MBA, MA (Eco.)
Zeeshan Ahmed	Maths & Stats	Foundation	ACMA, APA, MSc.

Your FACULTY at CPS

CPS Results for Exams	Foundation		Intermediate		Final	
	Qualified	Referrals	Qualified	Referrals	Qualified	Referrals
2005 - Dec	35%	50%	58%	62%	40%	45%
2006 - Dec	40%	48%	50%	48%	55%	52%
2007 - Dec	35%	42%	47%	58%	44%	49%
2008 - Dec	46%	54%	58%	55%	55%	56%
2009 - June	38%	52%	48%	45%	40%	60%

CPS is easily accessible from any place in the city as it is located in center of city.

A - 17/1, Block-6, Gulshan-e-Iqbal,
near Gulshan Chowrangi,
behind DACCA Sweets.

Call at : 0301-8201815; 34974603; 0321-9257829; 34818235