



MMK: ACE
SMT.MITHIBAI MOTIRAM KUNDNANI:
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FROM THE DESK OF EDITOR...

The COVID-19 pandemic has severely impacted many industries and increasing economic hardship for Consumers, Businesses and Communities. Impact of Covid-19 has been multiple related to social, educational, economic, political, agricultural, psychological levels and many more. The ‘Lockdown’ and ‘Social Distancing’ has been recognized as the only method to control the spread of the pandemic and almost every country has adopted this method. Although the technology to facilitate remote work has been around for over a decade, COVID-19 has forced hundreds of millions of people worldwide to engage in a sudden, massive, real-time experiment with remote work arrangements.

However, this pandemic created an opportunity for change in pedagogical approaches and introduction of Virtual Education in all levels of education. Due to pandemic coronavirus schools, colleges and other educational institutions are witnessing a shift towards online learning. Education is defined more innovatively today as compared to what it was centuries ago when teaching originally began. this model built the bridge through which learning was delivered in a manner that helped create and develop the most brilliant minds and there was also a development of a whole new era of education.

Online education in India has witnessed an enhanced acceptance over a few years. It is becoming an integral part of the school, colleges and even in offices across India. Easy availability of the internet is the primary reason for the growth of online education in India. Between 2019 and 2020 the number of internet users in India increased by 128 million. For the first time, rural India has a greater number of internet users compared to urban India.

UGC and MHRD have launched many virtual platforms with online depositories, e-books and other online teaching/learning materials. Combination of the traditional technologies (radio, TV, landline phones) with mobile/web technologies to a single platform with all depositories would enhance better accessibility and flexibility to education. A large open on-line course (MOOC) is an internet course aimed toward limitless curiosity and open entry by way of the net. India is taken into account to be the largest marketplace for MOOCs after the USA.

However, digital learning is not without its challenges, since face-to-face interplay is perceived as the perfect sort of correspondence as in comparison with the relatively impersonalized nature of remote learning. The construction of the digital education infrastructure by the Government of India presently seems to be troublesome as a consequence of absence of price range. Further, remote learning more depends on the dependable energy flexibly and common Web connectivity which can be a critical factor for Tier 2 and Tier 3 cities in India.

In spite of all limitations now the time has come to push India’s economy towards solving all such Socio-economic issues. Inculcating strong Higher Education Base with Online Learning in the light of futuristic Vision laid down by New Education Policy could be the right weapon of solving many such issues which have been inherited over Generations. All such efforts require mindset towards “Continuous Research”.

Keeping all such ideas in mind and heart I feel extremely delighted to bring out the *Second Issue of E- Journal "MMK: ACE"* with the Papers included from a community of Researcher, Academicians from different strata addressing various aspects of COVID-19 which was the central theme of *Second Issue of E-Journal "MMK: ACE"*.

I extend my sincere gratitude to the Management of HSNC Board and our dear I/C Principal Dr.CA Kishore Peshori for their constant support and motivation towards strong Research foundation.

My heartfelt thanks to the Editorial Board Members Dr. Megha Somani and Mr. Manikandan Iyer for guiding me on several fronts.

Finally, big thank you to Peer-reviewers and Publishing House for helping us in publishing this E- Journal. Last but not the least I would like to sincerely thank to all the academicians' who have wholeheartedly contributed in this *Second Issue of E-Journal "MMK: ACE"*.

I invite feedback and suggestions from our Readers, Researchers and Academicians for further improvement in *E-Journal "MMK: ACE"*.

Dr. Aashish S. Jani

Executive Editor

PRINCIPAL'S MESSAGE

I am very happy to observe that our Research Committee has been very active during this lockdown period and has successfully brought out the second volume of our Ace Online Research Journal, where academicians and students are given a platform to publish their research articles. Last year, our college had the privilege of hosting a mega event, i.e. the XXVII HSNC Board's International Economics.

Convention – 2019 from December 1st December to 14th 2019, where many enthusiastic researchers from various colleges including West Georgia University from U.S.A, presented their research papers. At this Convention, we had launched the first volume of our E-journal, ACE, which was an academic initiative to encourage our young, upcoming researchers. Little did we expect at that time, that this online mode of communication would become the order of the day, as we have been witnessing in these current times. Nevertheless, we are glad that it was an initiative taken in the right direction and at the right time.

The greatest gains of all times in history has always been research driven. Whether it was discovering a vaccine for Polio, or drugs to combat HIV, these were all borne out of research projects. Therefore, Research activities are fundamental to every society, and should be especially encouraged in educational institutions. As Scientists around the world were struggling with their research to find a vaccine for the COVID 19 virus, we realize that it is highly imperative to cultivate this research culture amongst our present generation. I am glad that the editorial team has chosen to have deliberations on this very topical theme of the impact of COVID 19 on various aspects of the Economy and Education sector. I appreciate all the academicians, scholars and students for their valuable contributions and the thoughts that they have shared through this journal. I also applaud the initiative taken by my editorial board in their continuous efforts to inculcate research attitude and aptitude among our faculty and students.

I wish them all the best and hope that the ideas shared through this volume will find a way in bringing out some positive outcome and encourage many more students and teachers to become good researchers and thinkers.

Dr.CA Kishore Peshori

(I/C Principal)

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IJISRT20NOV013	IMPACT OF COVID-19 ON THE CHARTERED ACCOUNTANT FIRMS AND RELATED SURVIVAL PLANS.	DR. CA KISHORE PESHORI
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Impact of Covid-19 on the Chartered Accountant Firms and Related Survival Plans

Dr. CA. Kishore S. Peshori, I/c Principal, Smt. Mithibai. Motiram Kundnani College, Bandra, Mumbai

Abstract:- This study analyses the Chartered Accountant's firms responses against conducting their practice during these difficult times resulted due to COVID-19. A survey was carried out, based on which the responses are assessed and presented suitably. Based on the responses, the behavioral pattern is identified and results are derived. The study concludes by providing suggestions based on the 3 broad parameters of management of resources, people and clients to successfully sail through the pandemic resultant situation.

I. INTRODUCTION

Late Dr. Abdul Kalam, the former President of India, in his lecture delivered at the International Conference on *Accounting Profession: Adding Value to New Horizons of Economic Growth at New Delhi*, had focused on the role of CA fraternity as "**Chartered Accountants: Partners in National Development**" for the upliftment of poor population. Hon'ble Prime Minister Shri Narendra Modi has also lauded the role of the Chartered Accountants in the economic and social development of the country from, time to time and urged them to be partners in building the nation.

COVID-19 pandemic, a metamorphosis, which has changed lives of each and every human being. The businesses and professions have all come to a standstill, including Chartered Accountants, the partners of nation building. To manage the COVID-19 pandemic threat, a world lockdown was announced, which has now summed up to a period of more than 2 and a half month. This unprecedented situation arose for the first time in our lives and most of us were unprepared for this virus pandemic.

The Chartered Accountants in practice, offer innumerable services to their clients ranging from business advisory to assisting them in regulatory compliances. Extra-ordinary situation requires extra-ordinary solutions. COVID-19 has forced the practitioners to quickly embrace the change and leverage the technology. COVID-19 has re-jig the ways of doing business and has led us be avant-garde by embracing the technological changes, advance the skills and

reflect on diversification of services provided to clients. Accountants and lawyers have to support their clients so that they could navigate the unprecedented environment. COVID-19 has forced us to explore ways to function from the comfort (or discomfort) of our homes. Traditionally, professional firms have been at the forefront of adapting to changes in laws and regulations but when it comes to adopting new technologies, it has never been on our priority list. One of the major reasons for the same is the need and urgency was never felt as most of the firms function from a single office, undertaking assignments which can be executed through one's own office or clients office in the local region or occasionally traveling to clients location. However, COVID-19 has compelled us to think, how can we function if our team is not physically present in our office or cannot travel to the client's office?

It is obvious that our first priority must be to overcome the corona virus, but we must also start thinking about the revival of our economy with facts and not fears. To have the proper facts, it is important to reach out to as many Chartered Accountants as possible and give a listening ear to their problems and hardships.

Therefore, a survey has been conducted based on which the responses are assessed and presented suitably. Based on the responses, the behavioral pattern is identified and results are derived. The study concludes by providing suggestions based on the 3 broad parameters of management of resources, people and clients to successfully sail through the pandemic resultant situation.

II. METHODOLOGY, AIMS AND OBJECTIVE OF THE SURVEY

- The main objective of this survey is to understand the hardships faced by CAs and prepare the survival plan for the profession.
- The survey was conducted amongst the Chartered Accountant fraternity of Kalyan Dombivli branch of WIRC of ICAI, consisting of population size of 700 Chartered Accountants. The survey was responded by 35 CAs.

III. HYPOTHESIS

Sr. No.	H0	H1
1.	No need to do a succession planning	Rising need of succession planning
2.	Don't document the vision, mission and internet protocols.	Document the vision, mission and internet protocols.
3.	Capital pool for retirement benefits not required	Capital pool for retirement benefits is required
4.	Entire operations in a city is wise	Branch set up advised.
5.	Like minded firms need not join hands	Like minded firms to join hands
6.	Need not evaluate Going concern potential	Need to evaluate Going concern potential
7.	Firms don't require additional disclosure in annual reports	Firms require additional disclosure in annual reports
8.	Need not review the accounting estimates	Need to review the accounting estimates
9.	Partners not expected to take a % cut on their salaries	Partners are expected to take a % cut on their salaries
10.	Firm need not have alternate financing option	Firm needs to have alternate financing option
11.	Need not shift the firm's focus	Need to shift the firm's focus
12.	No need to have a strong online presence	Strong online presence is required
13.	Need not provide online modules	Need to provide online modules
14.	Increments are not considered this year	Increments can be considered this year
15.	No impact on Mar and April salaries	Considerable impact on Mar and April salaries
16.	Full potential of employees not expected for next 2-3 months	Full potential of employees is expected for next 2-3 months
17.	No need to terminate employees	Need to terminate employees
18.	Age group of employees is above 25 yrs	Age group of employees is less than 25 yrs
19.	Bonus need not be given	Bonus needs to be given
20.	Rehabilitation of employees not required	Rehabilitation of employees is required
21.	Additional trainings to employees is not needed	Additional trainings to employees is needed
22.	Employees connect with customers will not help in payables and receivables cycle	Employees connect with customers may help in payables and receivables cycle
23.	No clear method of communication and transparency is being followed	A clear method of communication and transparency is being followed
24.	No new recruitments after the pandemic	There can be new recruitments after the pandemic
25.	Firms were not able to provide the required services to clients in Pre - COVID era	Firms were able to provide the required services to clients in Pre - COVID era
26.	Clients have not halted key projects	Clients have halted key projects
27.	Need not reach out clients for personal help	Need to reach out clients for personal help
28.	Relief programs need not be suggested	Relief programs should be suggested
29.	Remote communication is not preferred	Remote communication is to be preferred
30.	Fees may not be viably reduced	Fees may be viably reduced
31.	Need not analyze the impact on clients	Need to analyze the impact on clients
32.	Need not relook at the scope and terms of the contract with clients	Consider relooking at the scope and terms of the contract with clients
33.	Need not review regulatory changes and compliance	Need to review regulatory changes and compliance
34.	Need not offer any new service offerings to the clients	Should offer any new service offerings to the clients
35.	Firm was not working during the pandemic	Firm was working during the pandemic
36.	Clients were not satisfied in COVID era	Clients were satisfied to an extent, in the COVID era
37.	Productivity of WFH has not increased	Productivity of WFH has acceptably increased

Table 1

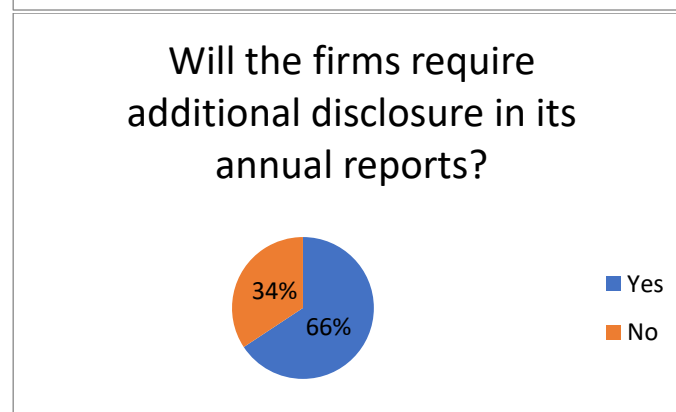
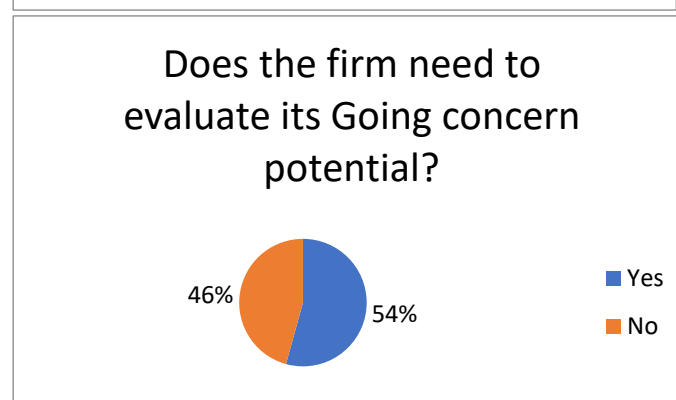
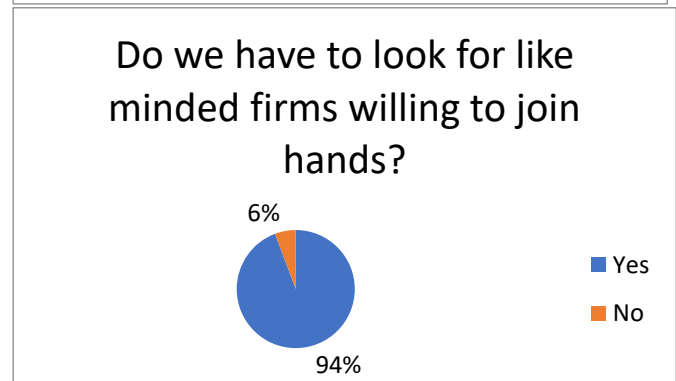
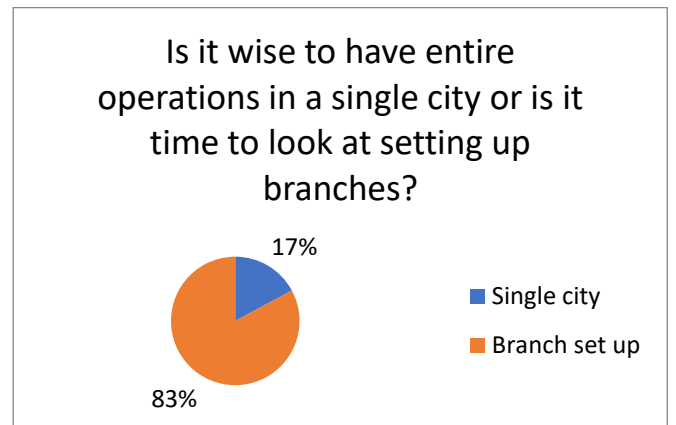
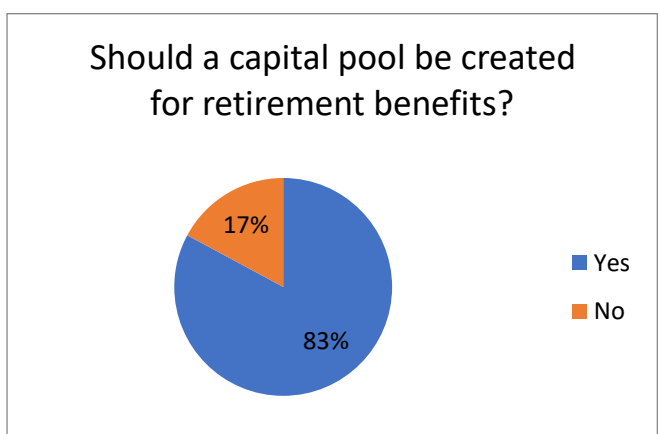
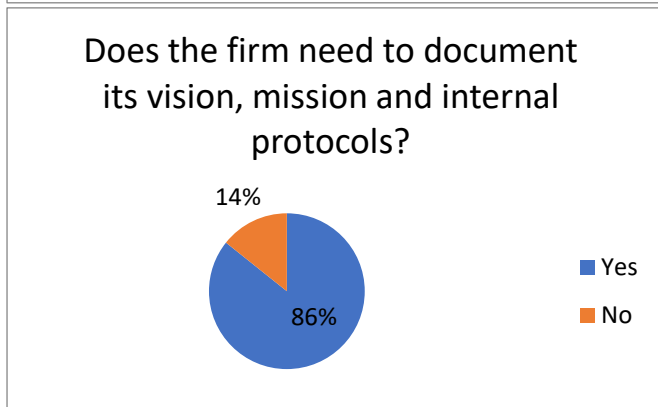
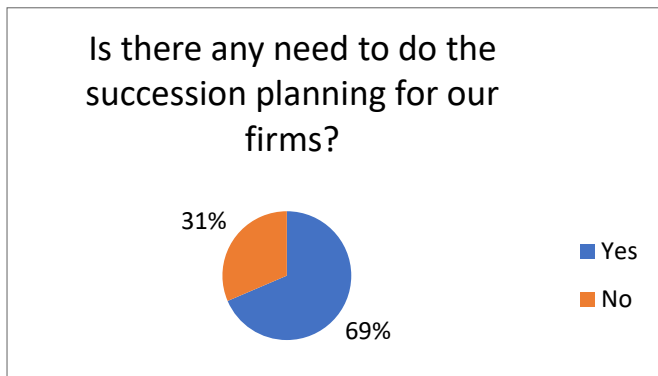
IV. REVIEW OF SURVEY

Our survey is divided into 3 broad categories:

1. Management of resources of firms
2. Managing the people function of the firm
3. Managing the clients

We have reproduced the results of the survey undertaken by us, divided in the 3 broad categories:

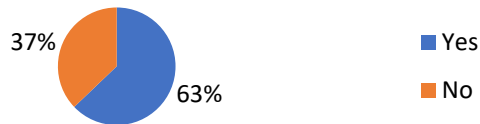
1. Management of resources of our firms:



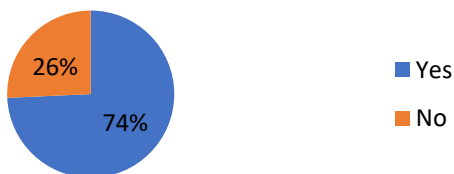
Do the firms need to review the accounting estimates made?



Are the partners of the organisation expected to take a percentage cut on their salaries?



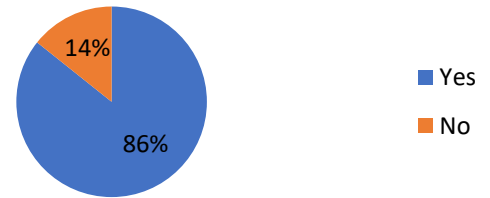
Does the firm need to consider alternate financing options?



Do the firms need to shift their focus from incremental profits to the Cash-to-Cash conversion cycle?



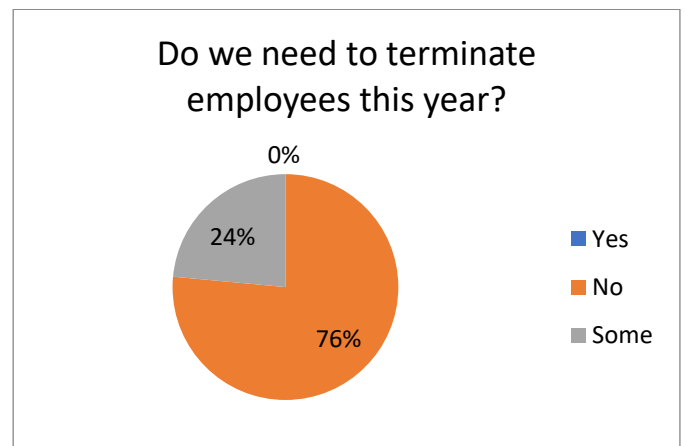
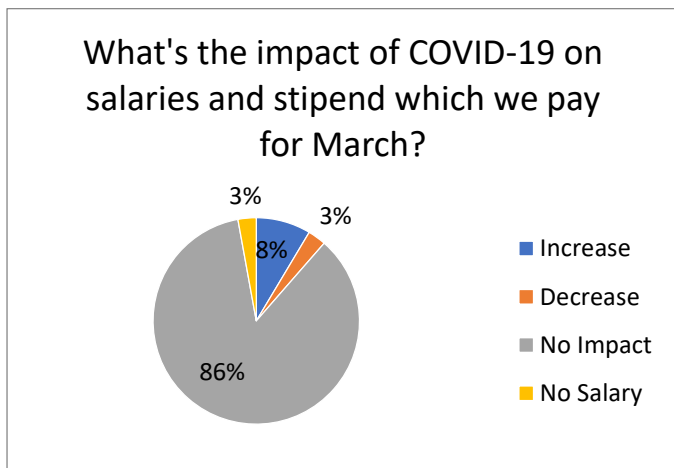
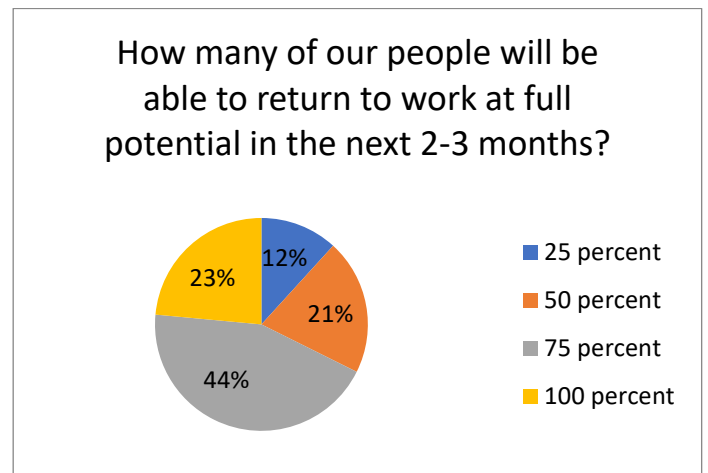
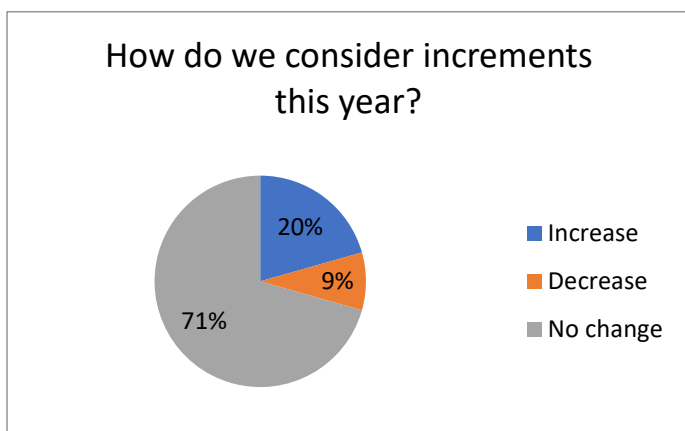
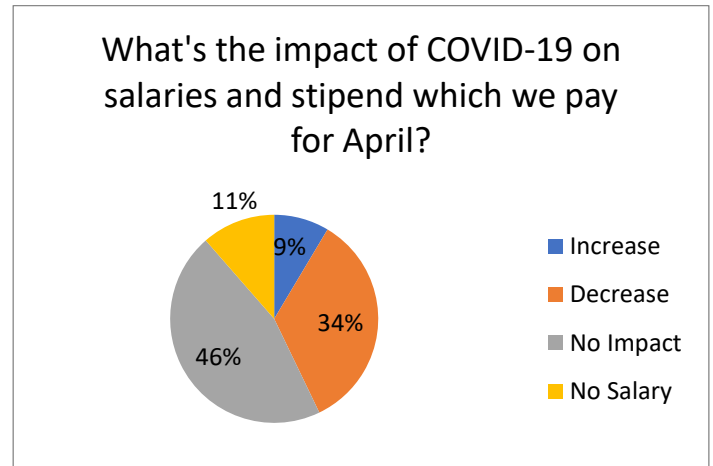
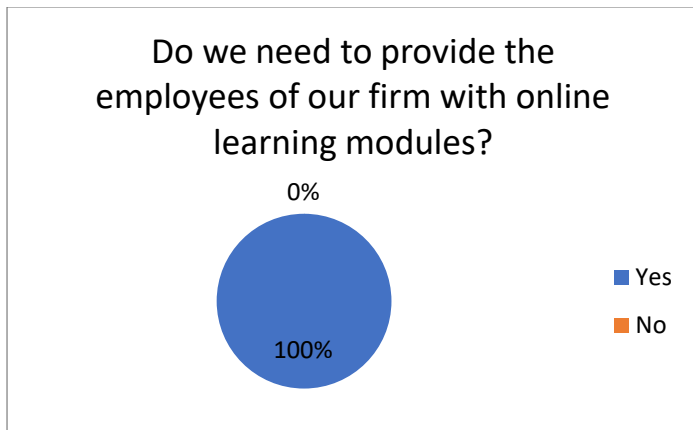
Do we need to have a strong online presence for the firm, its partners and its KMP?



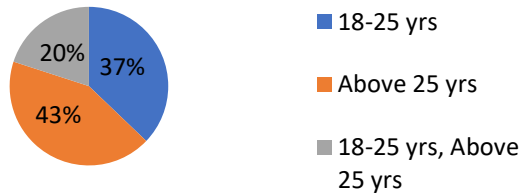
Out of all the respondents taken into consideration, it was clear that succession planning for our firms is necessary and as a documentary measure, the firms will need to document their vision, mission and internal protocols. As a precautionary measure for the times of retirements from the firms, there's a budding need to create a capital pool in the firm. Also at times, it's a wise decision to split up the entire operations in various branches, rather to have them all in one city. Like minded firms joining hands can benefit the firms to save upon the resources and infrastructure required for working. Going concern potential refers to the ability of the firm to be capable of paying off all its liabilities with the available assets. This pandemic has made a significant number of firms to evaluate their going concern potential.

The pandemic has disrupted various businesses significantly and thus creating a huge impact on the revenue collection of the firms too. Thus, the firms will have to disclose this significant revenue change in its annual report. With a change in business environment, the firms will need to review their accounting estimates made under the normal situations, and due to the revenue impact, partners of firms are also expected to take a percentage cut on their salaries to save upon the firm's costs. In order to maintain a balanced financial structure, a majority of the firms think of considering alternate financing options and shifting their focus from incremental profits to Cash-to-Cash conversion cycle can help the firms to maintain an efficient working capital. Also, the pandemic has made us realize that there's an emerging need to have a strong online presence for the firm, its partners and its KMP, for a smooth and effective communication process.

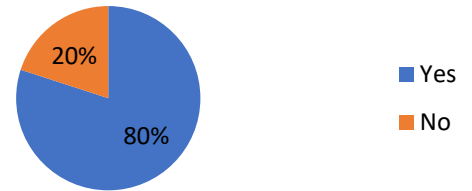
2. People of the firm



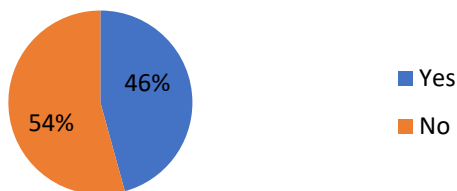
What is the age profile and agility required of our different team members to adapt to new style of working and technology usage?



Do we need to provide additional trainings to employees after the pandemic?



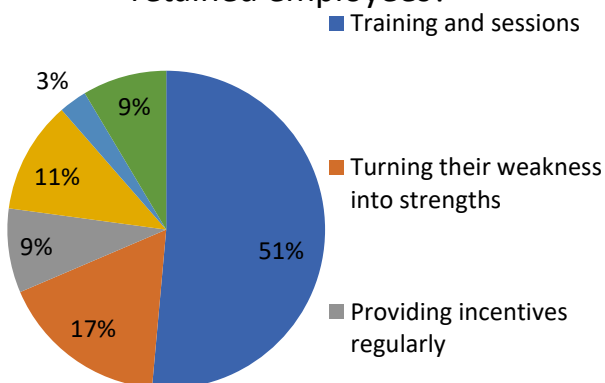
Can we assure a certain percentage of profits or billing over a threshold as a bonus pool for our people?



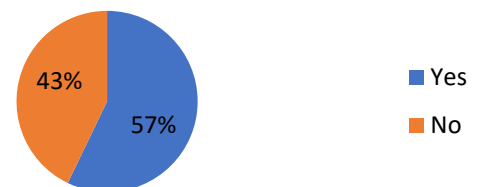
Is there a need to waive off performance and other types of bonus this year?



How do we reskill / rehabilitate the retained employees?

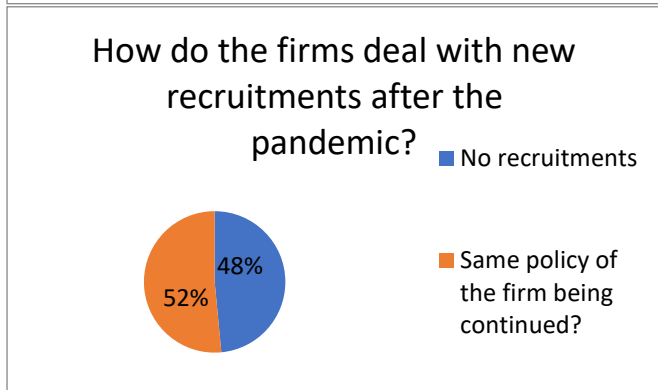
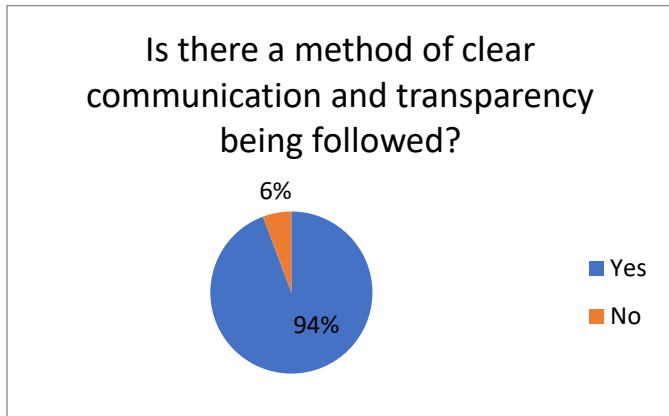


Will the employees' connect with the suppliers help to extend payables intelligently?



Will the employees' connect with the customers help to manage and expedite receivables ?

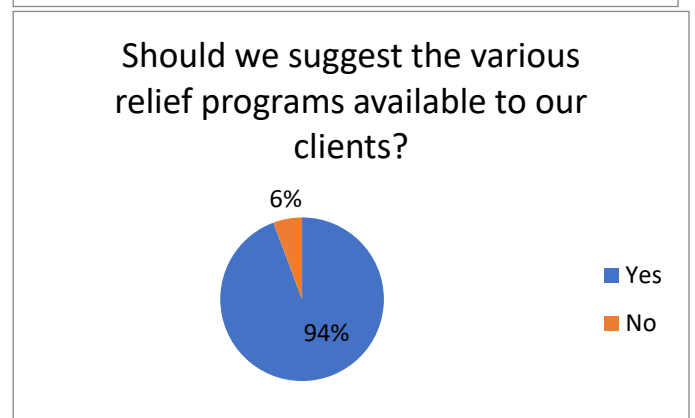
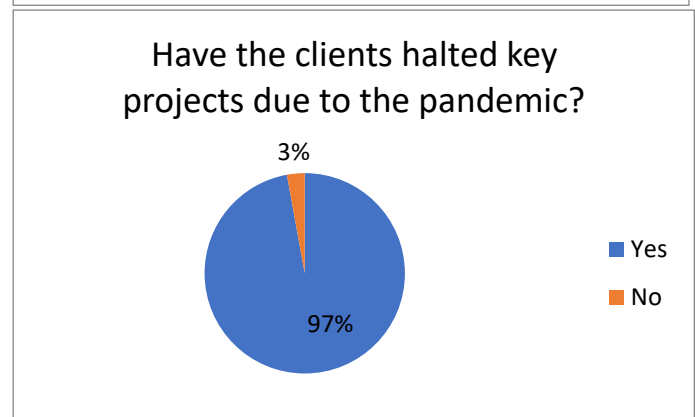
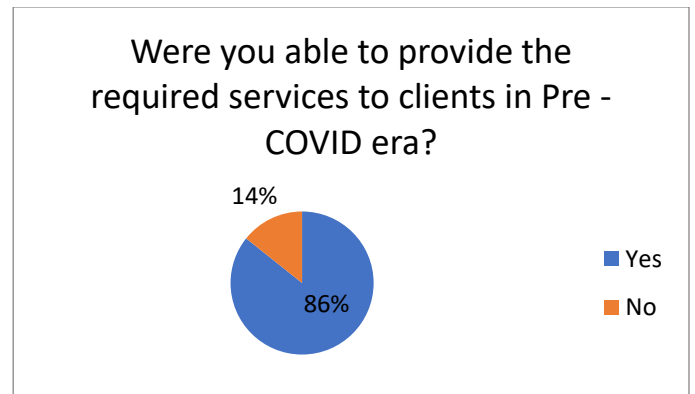


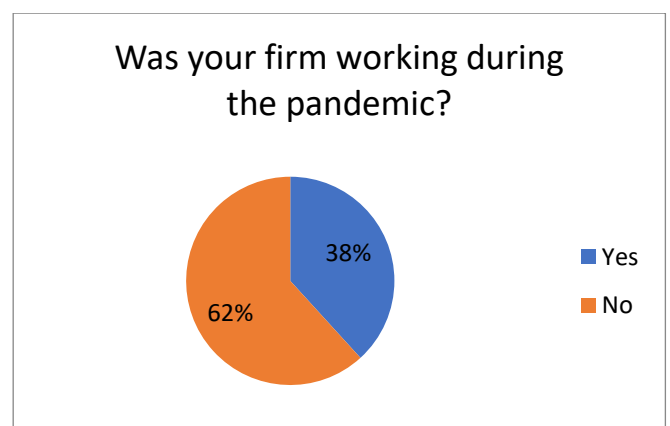
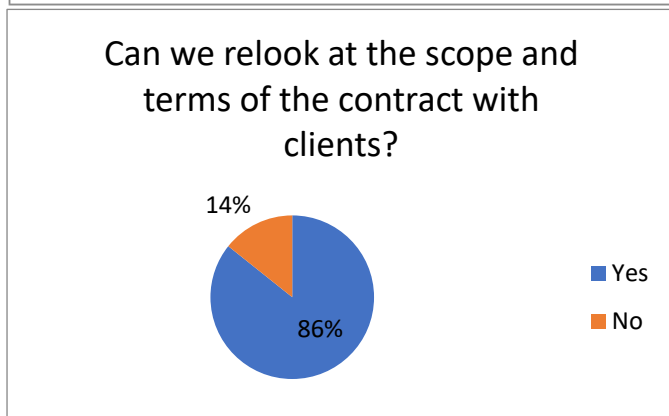
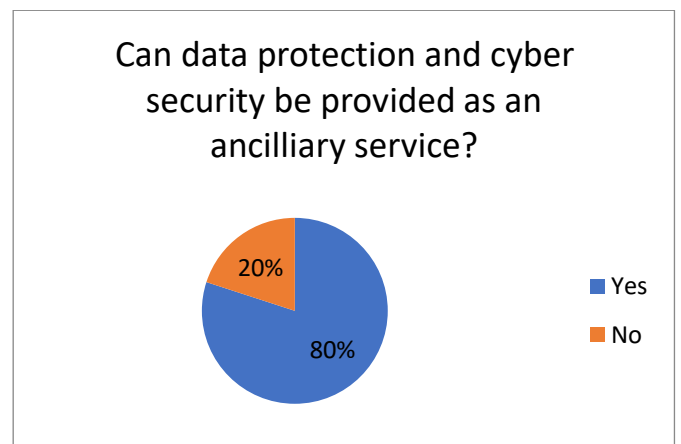
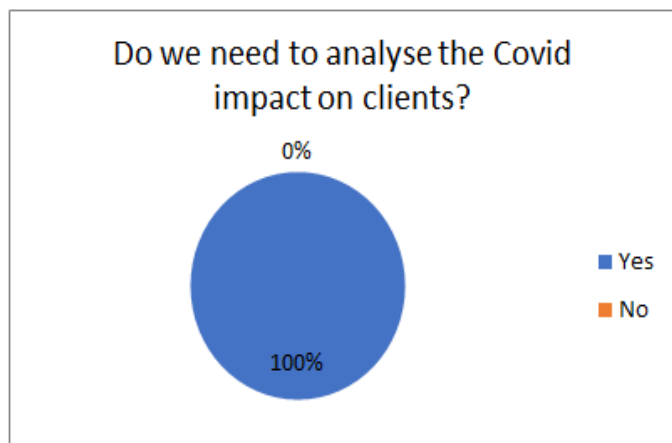
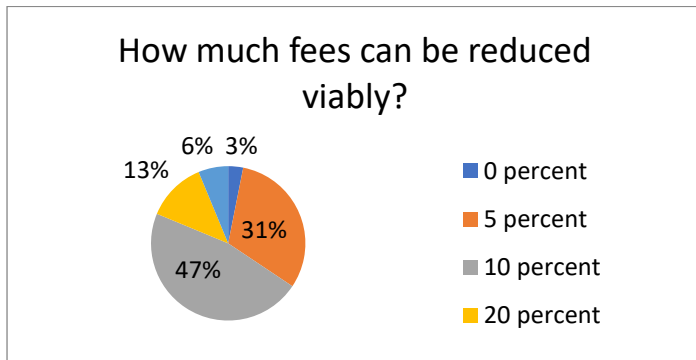
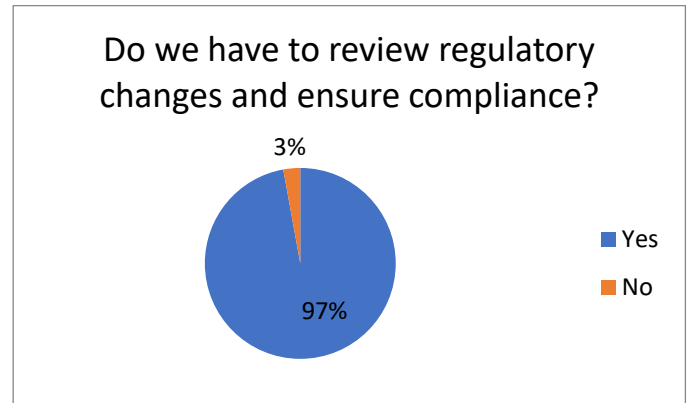
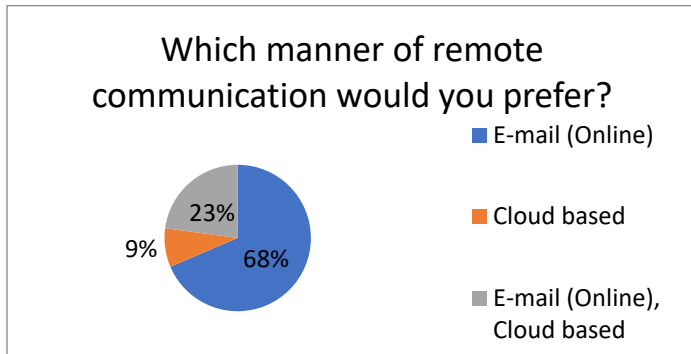


As we can see, there's a unanimous agreement of all the firms as to the need to provide the employees of our firm with online learning modules, in order to cope up with this pandemic era. Also, there's a varied payroll policy followed by the firms for the months of March and April, which includes increase, decrease, no impact and no salary. The firms expect their employees to return at different levels of potential after the pandemic. It's really heartening to know that none of the firms are thinking of terminating their employees this year. As the chart very well explains, there are different views of the way of re-skilling or rehabilitating the employees.

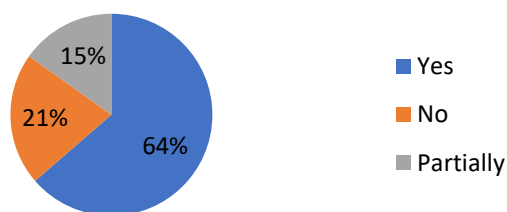
Depending upon the adaptability of team members, agility of the employees group is decided by the firms. Intelligent extension of payables and expedition of receivables also prove to be a significant measure for the firms. Additional trainings to employees will also lead to an enhanced output of work. But, as a measure of cost cuttings, there's an almost neutral view of the firms to waiving off the performance and other bonuses this year. There's a clear method of communication and transparency being followed by the firms and in addition, they are willing to continue their firm's policy in relation to new recruitments.

3. Clients concerned

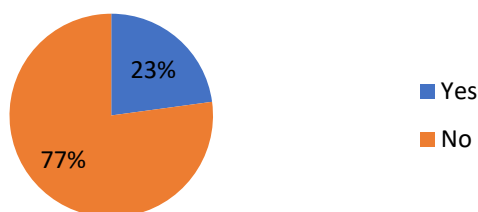




Whether your clients were satisfied in COVID era?



Whether the productivity of WFH has increased?



The pandemic has made majority of the firms adopt “Work from Home” strategy and has also affected almost every major projects of our clients. Being friendly and connected with the clients in all the aspects is an adaptive idea for everybody. Also, the various relief programs available should be suggested to the clients, so as to help them recover from this pandemic. On a basic level, some of the firms are using email method for remote communication, and on a little advanced level, some of the firms are using cloud based communication, there are also some firms using both the means. As a general idea, firms are expecting to reduce the client fees viably. Major firms are looking forward to relook at the contract terms with clients and also reviewing the regulatory changes and ensuring compliance, so as to benefit both the parties.

Being of client’s help is the best a firm can do, and hence as seen, majority firms are willing to provide additional services to client, which are of their interest. COVID- being a pandemic, requires all of the firms to initially analyze its impact on their clients, so that they can be of better help to them. As an ancillary service, firms think that data protection and cyber security services should be provided to the clients, as an availability of backup is always preferable. As we can see, there’s a significant difference between the choices of firms opting WFH during pandemic, that may depend majorly upon their client’s data availability. Working in COVID era, was in itself a boost for the clients and hence clients were satisfied for the same, exceptionally a few. Generally, the firms’ productivity has not increased during WFH, but as an exception, some firms have experienced a higher productivity during WFH.

V. CONCLUSION

Through this survey, we found out the strategy plans of recovering from this pandemic, of certain well known companies. The study also implies that the firm, its people and the client can together fight against the virus and help in faster recovery of the economy. The 3Cs of Consistency, Credibility and Continuity can also be of a great measure towards success. A firm can also adopt HIP strategy, which means to act through Humanity, Innovation and Persistence towards their clients.

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