

ACCA Syllabus (F1-F3) February 2013 to January 2014

This syllabus and study guide is designed to help with teaching and learning and is intended to provide detailed information on what could be assessed in any examination session.

THE STRUCTURE OF THE SYLLABUS AND STUDY GUIDE

Relational diagram with other papers

This diagram shows direct and indirect links between this paper and other papers preceding or following it. Some papers are directly underpinned by other papers. These links are shown as solid line arrows. The links between papers where there is only an indirect link and no required underpinning are shown as dotted line arrows. The relational diagram therefore indicates where you are expected to have underpinning knowledge and where it would be useful to review previous learning before undertaking study.

Overall aim of the syllabus

This explains briefly the overall objective of the paper and indicates in the broadest sense the capabilities to be developed within the paper.

Main capabilities

This paper's aim is broken down into several main capabilities which divide the syllabus and study guide into discrete sections.

Relational diagram of main capabilities

This diagram illustrates the flows and links between the main capabilities (sections) of the syllabus and should be used as an aid to planning teaching and learning in a structured way.

Syllabus rationale

This is a narrative explaining how the syllabus is structured and how the main capabilities are linked. The rationale also explains in further detail what the examination intends to assess and why.

Detailed syllabus

This shows the breakdown of the main capabilities (sections) of the syllabus into subject areas. This is the blueprint for the detailed study guide.

Approach to examining the syllabus

This section briefly explains the structure of the examination and how it is assessed.

Study Guide

This is the main document that students and learning and content providers should use as the basis of their studies, instruction and materials respectively.

Examinations will be based on the detail of the study guide which comprehensively identifies what could be assessed in any examination session. The study guide is a precise reflection and breakdown of the syllabus. It is divided into sections based on the main capabilities identified in the syllabus. These sections are divided into subject areas which relate to the sub-capabilities included in the detailed syllabus. Subject areas are broken down into sub-headings which describe the detailed outcomes that could be assessed in examinations. These outcomes are described using verbs indicating what exams may require students to demonstrate, and the broad intellectual level at which these may need to be demonstrated (*see intellectual levels below).

Learning Materials

ACCA's Approved Learning Partner - content (ALP-c) is the programme through which ACCA approves learning materials from high quality content providers designed to support study towards ACCA's qualifications.

ACCA has one Platinum Approved Learning Partner-content which is BPP Learning Media. In addition, there are a number of Gold Approved Learning Partners - content.

For information about ACCA's Approved Learning Partners - content, please go ACCA's Content Provider Directory.

The Directory also lists materials by Subscribers, these materials have not been quality assured by ACCA but may be helpful if used in conjunction with approved learning materials. You will also

find details of Examiner suggested Additional Reading which may be a useful supplement to approved learning materials.

ACCA's Content Provider Directory can be found here –
http://www.accaglobal.com/learningproviders/alpc/content_provider_directory/search/.

Relevant articles will also be published in Student Accountant.

LEVEL OF ASSESSMENTS – INTELLECTUAL DEMAND

ACCA qualifications are designed to progressively broaden and deepen the knowledge and skills demonstrated by the student at a range of levels on their way through each qualification.

Throughout, the study guides assess both knowledge and skills. Therefore a clear distinction is drawn, within each subject area, between assessing knowledge and skills and in assessing their application within an accounting or business context. The assessment of knowledge is denoted by a superscript^k and the assessment of skills is denoted by the superscript^s.

VALUE OF ASSESSMENTS – GUIDED LEARNING HOURS AND EDUCATION RECOGNITION

As a member of the International Federation of Accountants, ACCA seeks to enhance the education recognition of its qualification on both national and international education frameworks, and with educational authorities and partners globally. In doing so, ACCA aims to ensure that its qualifications are recognized and valued by governments, regulatory authorities and employers across all sectors. To this end, ACCA qualifications are currently recognized on the education frameworks in several countries. Please refer to your national education framework regulator for further information about recognition.

GUIDE TO EXAM STRUCTURE

The structure of examinations varies within and between modules and levels.
The FIA examinations contain 100% compulsory questions to encourage candidates to study across the breadth of each syllabus.
All FIA examinations are assessed by two-hour paper based and computer based

examinations.
The pass mark for all FIA examination papers is 50%.

GUIDE TO EXAMINATION ASSESSMENT

ACCA reserves the right to examine anything contained within any study guide at any examination session. This includes knowledge, techniques, principles, theories, and concepts as specified.

For the financial accounting, audit and tax papers, except where indicated otherwise, ACCA will publish *examinable documents* once a year to indicate exactly what regulations and legislation could potentially be assessed within identified examination sessions.

Examinations regulation *issued* or legislation *passed* on or before 30th September annually, will be assessed from June 1st of the following year to May 31st of the year after. Please refer to the examinable documents for the paper (where relevant) for further information.

Regulation issued or legislation passed in accordance with the above dates may be examinable even if the *effective* date is in the future. The term issued or passed relates to when regulation or legislation has been formally approved.

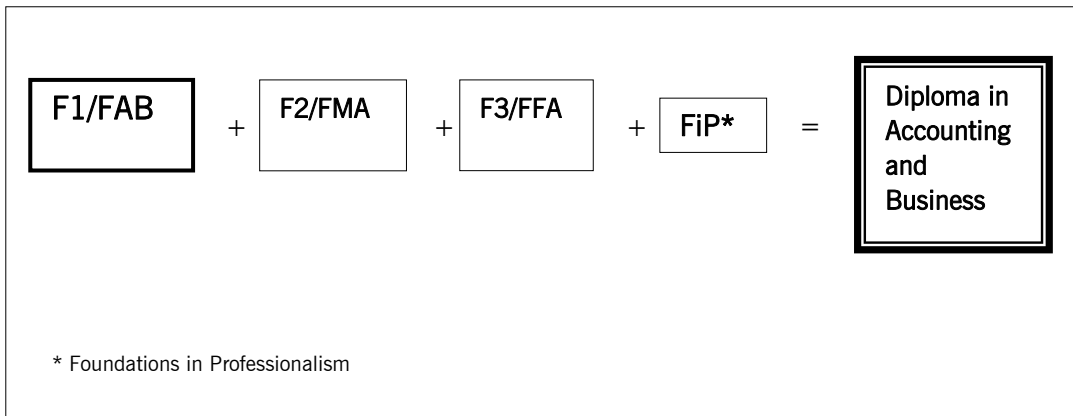
The term effective relates to when regulation or legislation must be applied to entity transactions and business practices.

The study guide offers more detailed guidance on the depth and level at which the examinable documents will be examined. The study guide should therefore be read in conjunction with the examinable documents list.

Accountant in Business (F1/FAB)

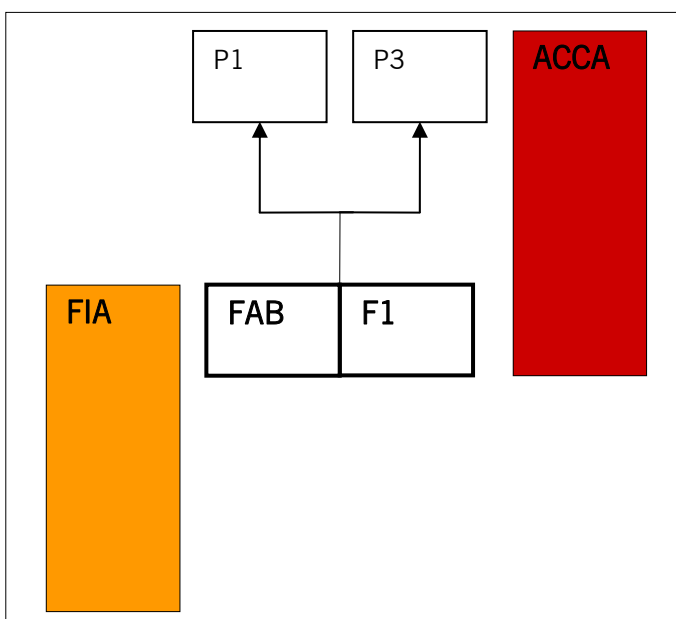
Qualification structure

The qualification structure requires candidates who wish to be awarded the Diploma in Accounting and Business to pass the F1/FAB, F2/FMA and the F3/FFA examinations and successfully complete the Foundations in Professionalism module.



Syllabus structure

The Foundations in Accountancy suite of qualifications is designed so that a student can progress through three discrete levels; Introductory Certificate level, Intermediate Certificate level and the Diploma level. Students are recommended to enter FIA at the level which is most appropriate to their needs and abilities and to take examinations in order, but this is not a requirement.



Syllabus

AIM

To introduce knowledge and understanding of the business and its environment and the influence this has on how organisations are structured and on the role of the accounting and other key business functions in contributing to the efficient, effective and ethical management and development of an organisation and its people and systems.

RATIONALE

The syllabus for FAB/F1, *Foundations of Accounting in Business* introduces students who may not have a business background, to the business, which as an entity is made up of people and systems which interact with the environment and with each other. The syllabus begins with examining the purpose and types of business which exist, the key stakeholders and the rights and responsibilities that businesses have in connection with them, exploring the external influences that affect the business in its environment, including economic, legal, social and technological factors. The syllabus then examines the structure and functions of business, focusing on corporate governance and the specific accounting related roles in this process, particularly in financial reporting, assurance, control and compliance. The syllabus then introduces key leadership, management and people issues such as effective individual and team behaviour, motivation and personal effectiveness.

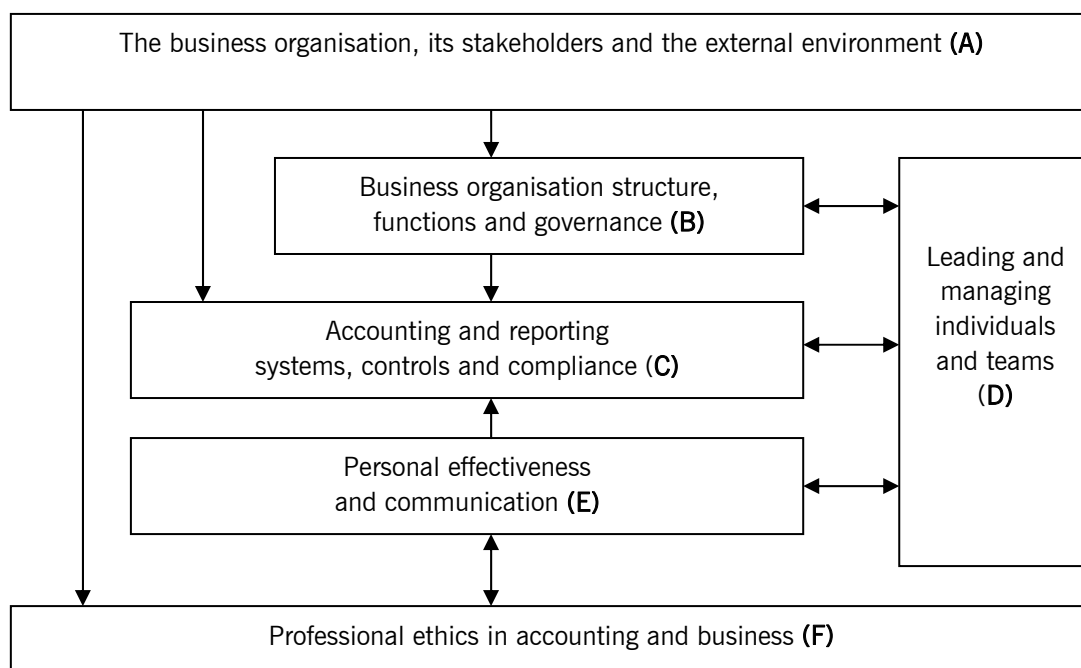
The final section of the syllabus examines how behaviour at all levels within business should be underpinned by accepted professional ethics and professional values.

MAIN CAPABILITIES

On successful completion of this paper, candidates should be able to:

- A** Understand the purpose and types of businesses and how they interact with key stakeholders and the external environment.
- B** Understand business organisation structure, functions and the role of corporate governance
- C** Recognise the function of accountancy and audit in communicating, reporting and assuring financial information and in effective financial control and compliance
- D** Recognise the principles of authority and leadership and how teams and individuals are recruited, managed, motivated and developed.
- E** Understand the importance of personal effectiveness as the basis for effective team and organisational behaviour.
- F** Recognise that all aspects of business and finance should be conducted in a manner which complies with and is in the spirit of accepted professional ethics and professional values

RELATIONAL DIAGRAM OF MAIN CAPABILITIES



DETAILED SYLLABUS

A The business organisation, its stakeholders and the external environment

1. The purpose and types of business organisation
2. Stakeholders in business organisations
3. Political and legal factors affecting business
4. Macro economic factors
5. Micro economic factors
6. Social and demographic factors
7. Technological factors
8. Environmental factors
9. Competitive factors

B Business organisational structure, functions and governance

1. The formal and informal business organisation
2. Business organisational structure and design
3. Organisational culture in business
4. Committees in business organisations
5. Governance and social responsibility in business

C Accounting and reporting systems, controls and compliance

1. The relationship between accounting and other business functions
2. Accounting and finance functions within business organisations
3. Principles of law and regulation governing accounting and auditing
4. The sources and purpose of internal and external financial information, provided by business

5. Financial systems, procedures and related IT applications
6. Internal controls, authorisation, security of data and compliance within business
7. Fraud and fraudulent behaviour and their prevention in business, including money laundering.

D Leading and managing individuals and teams

1. Leadership, management and supervision
2. Recruitment and selection of employees
3. Individual and group behaviour in business organisations
4. Team formation, development and management
5. Motivating individuals and groups
6. Learning and training at work
7. Review and appraisal of individual performance.

E Personal effectiveness and communication

1. Personal effectiveness techniques
2. Consequences of ineffectiveness at work
3. Competence frameworks and personal development
4. Sources of conflicts and techniques for conflict resolution and referral
5. Communicating in business.

F Professional ethics in accounting and business

1. Fundamental principles of ethical behaviour
2. The role of regulatory and professional bodies in promoting ethical and professional standards in the accountancy profession
3. Corporate codes of ethics
4. Ethical conflicts and dilemmas

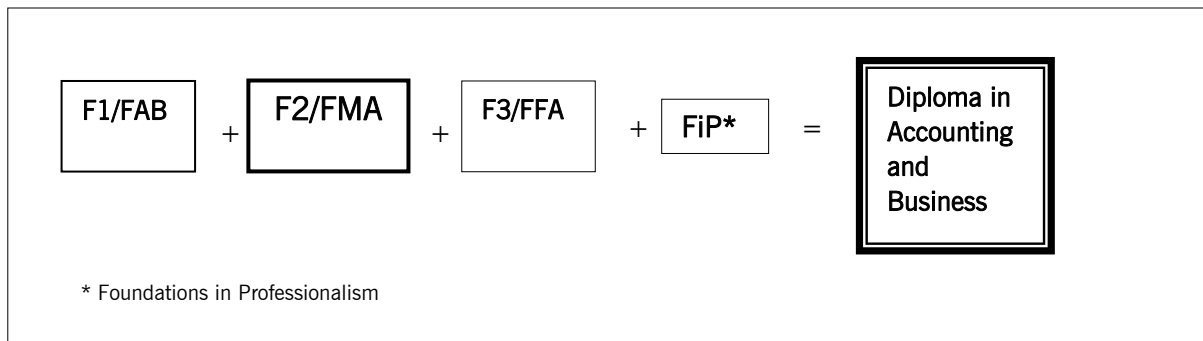
APPROACH TO EXAMINING THE SYLLABUS

The syllabus is assessed by a two hour paper-based or computer-based examination. Questions will assess all parts of the syllabus and will test knowledge and some comprehension or application of this knowledge. The examination will consist of 50 two mark questions. ACCA will introduce longer style questions in the future and as such approved learning content materials will contain some of these longer style questions. ACCA will provide sufficient notice on when the longer style questions will be introduced.

Management Accounting (F2/FMA)

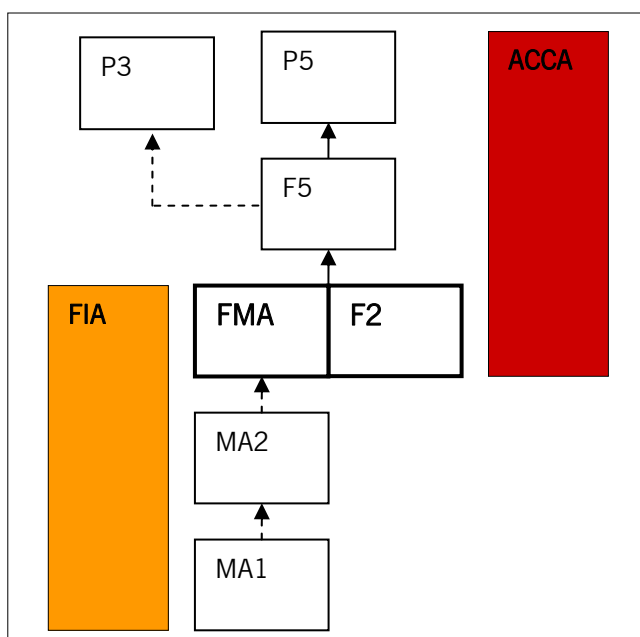
Qualification structure

The qualification structure requires candidates who wish to gain the Diploma in Accounting and Business to pass the F1/FAB, the F2/FMA and the F3/FFA examinations and successfully complete the Foundations in Professionalism module.



Syllabus structure

The Foundations in Accountancy suite of qualifications is designed so that a student can progress through three discrete levels; Introductory Certificate level, Intermediate Certificate level and the Diploma level. Students are recommended to enter FIA at the level which is most appropriate to their needs and abilities and to take examinations in order, but this is not a requirement.



Syllabus

AIM

To develop knowledge and understanding of providing basic management information in an organisation to support management in planning and decision-making.

RATIONALE

The syllabus for Paper FMA/F2, *Management Accounting*, introduces candidates to elements of management accounting which are used to make and support decisions.

The syllabus starts by introducing the nature, the source and purpose of cost accounting and the costing techniques used in business which are essential for any management accountant .

The syllabus then looks at the preparation and use of budgeting and standard costing and variance analysis as essential tools for planning and

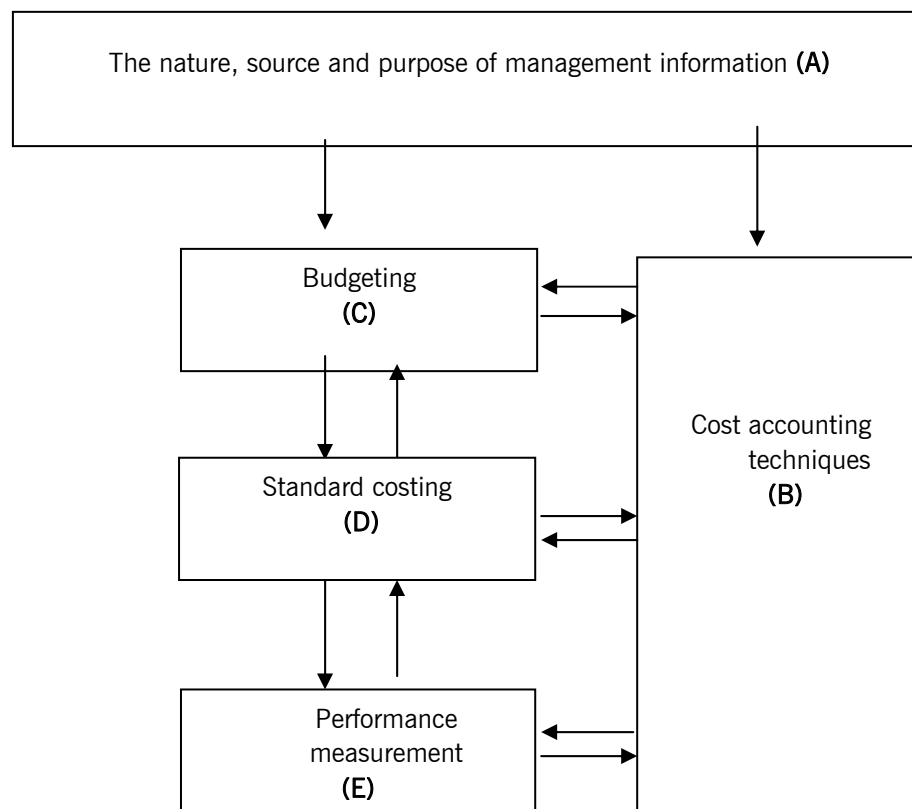
controlling business costs. The syllabus concludes with an introduction to measuring and monitoring the performance of an organisation

MAIN CAPABILITIES

On successful completion of this paper, candidates should be able to:

- A Explain the nature, source and purpose of management information
- B Explain and apply cost accounting techniques
- C Prepare budgets for planning and control
- D Compare actual costs with standard costs and analyse any variances
- E Explain and apply performance measurements and monitor business performance.

RELATIONAL DIAGRAM OF MAIN CAPABILITIES



DETAILED SYLLABUS

A The nature, source and purpose of management information

1. Accounting for management
2. Sources of data
3. Cost classification
4. Presenting information

B Cost accounting techniques.

1. Accounting for material, labour and overheads
2. Absorption and marginal costing
3. Cost accounting methods
4. Alternative cost accounting principles

C Budgeting

1. Nature and purpose of budgeting
2. Statistical techniques
3. Budget preparation
4. Flexible budgets
5. Capital budgeting and discounted cash flow
6. Budgetary control and reporting
7. Behavioural aspects of budgeting

D Standard costing

1. Standard costing system
2. Variance calculations and analysis
3. Reconciliation of budgeted and actual profit

E Performance measurement

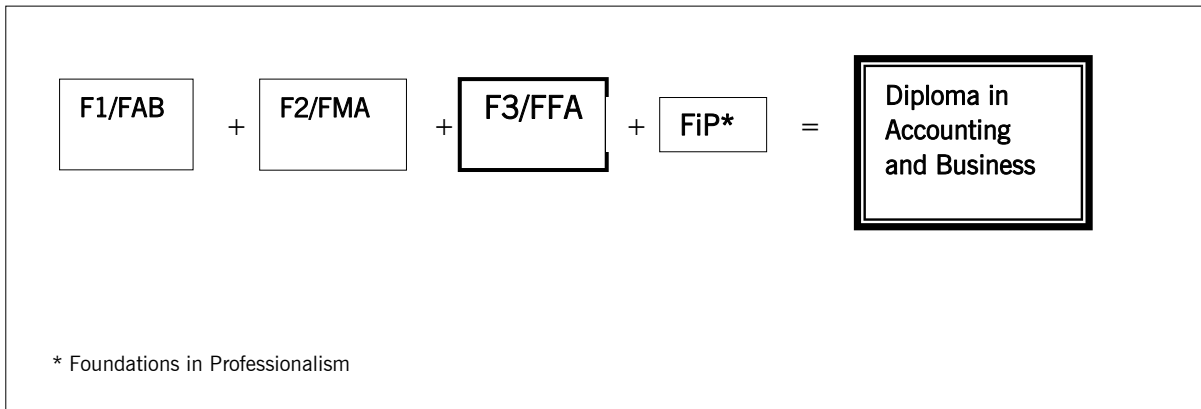
1. Performance measurement - overview
2. Performance measurement - application
3. Cost reductions and value enhancement
4. Monitoring performance and reporting

APPROACH TO EXAMINING THE SYLLABUS

The syllabus is assessed by a two hour paper-based or computer-based examination. The examination will consist of 50 two mark questions.

Financial Accounting (F3/FFA) Qualification Structure

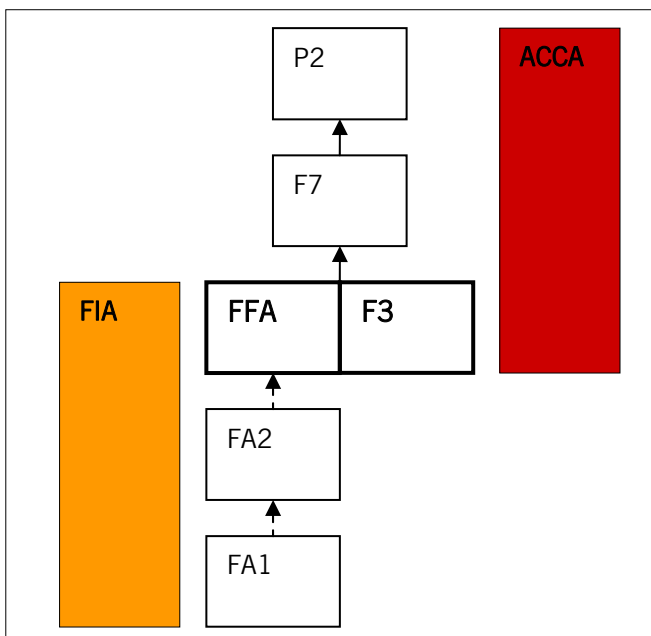
The qualification structure requires candidates who wish to be awarded the Diploma in Accounting and Business to pass the F1/FAB, F2/FMA and the F3/FFA examinations and successfully complete the Foundations in Professionalism module



Syllabus Structure

The Foundations in Accountancy suite of qualifications is designed so that a student can progress through three discrete levels; Introductory Certificate level, Intermediate Certificate level and the Diploma level.

Students are recommended to enter FIA at the level which is most appropriate to their needs and to take examinations in order, but this is not a mandatory requirement



Syllabus

AIM

To develop knowledge and understanding of the underlying principles and concepts relating to financial accounting and technical proficiency in the use of double-entry accounting techniques including the preparation of basic financial statements for single entities and simple groups. The syllabus also introduces basic techniques of interpretation of financial statements.

RATIONALE

The syllabus for Paper FFA/F3, *Foundations of Financial Accounting*, introduces the candidate to the fundamentals of the regulatory framework relating to accounts preparation and to the qualitative characteristics of useful information. The syllabus then covers drafting financial statements and to principles of accounts preparation. The syllabus then concentrates in depth on recording, processing, and reporting business transactions and events. The syllabus then covers the use of the trial balance and how to identify and correct errors, and then the preparation of financial statements for incorporated and unincorporated entities. The syllabus then moves in two directions, firstly requiring candidates to be able to conduct a basic interpretation of financial statements; and secondly requiring the preparation of simple consolidated

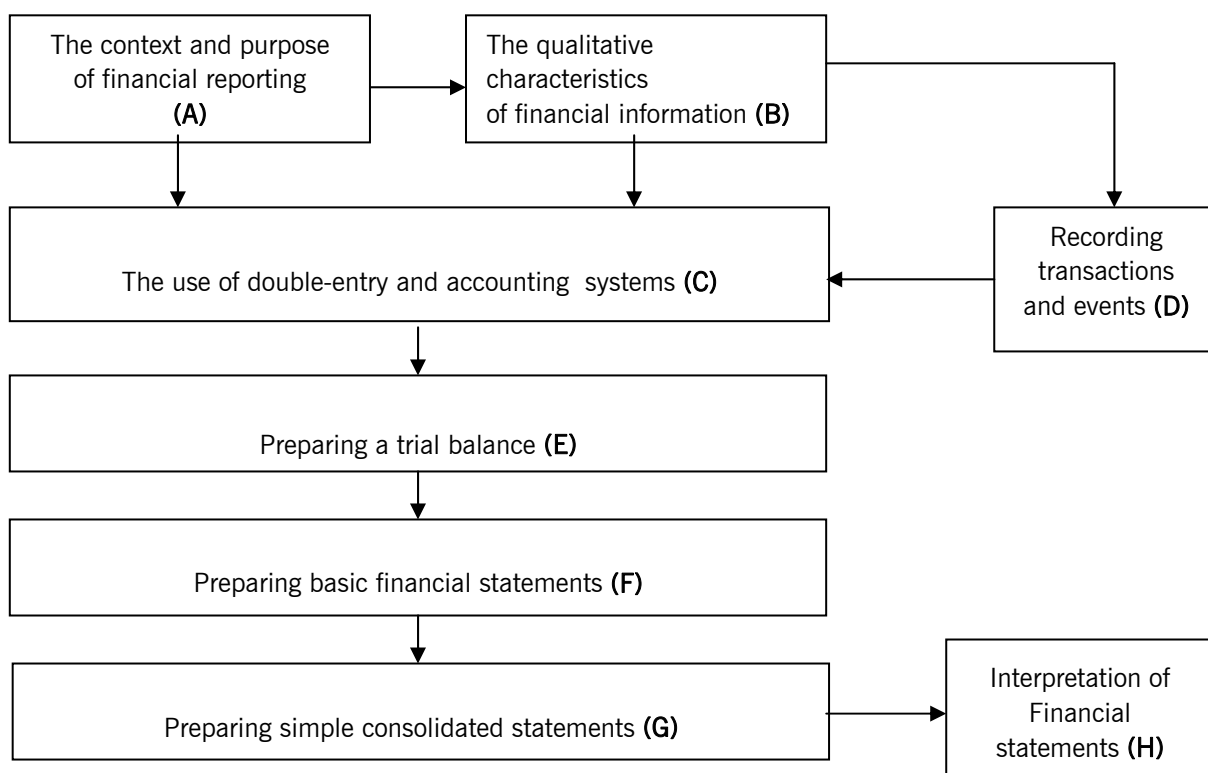
financial statements from the individual financial statements of group incorporated entities

MAIN CAPABILITIES

On successful completion of this paper, candidates should be able to:

- A. Explain the context and purpose of financial reporting
- B. Define the qualitative characteristics of financial information
- C. Demonstrate the use of double-entry and accounting systems
- D. Record transactions and events
- E. Prepare a trial balance (including identifying and correcting error)
- F. Prepare basic financial statements for incorporated and unincorporated entities.
- G. Prepare simple consolidated financial statements
- H. Interpretation of financial statements

RELATIONAL DIAGRAM OF MAIN CAPABILITIES



DETAILED SYLLABUS

A The context and purpose of financial reporting

1. The scope and purpose of, financial statements for external reporting
2. Users' and stakeholders' needs
3. The main elements of financial reports
4. The regulatory framework (legislation and regulation, reasons and limitations, relevance of accounting standards)
5. Duties and responsibilities of those charged with governance.

B The qualitative characteristics of financial information

1. The qualitative characteristics of financial information

C The use of double-entry and accounting systems

1. Double-entry book-keeping principles including the maintenance of accounting records and sources of accounting information
2. Ledger accounts, books of prime entry, and journals

D Recording transactions and events

1. Sales and purchases
2. Cash
3. Inventory
4. Tangible non-current assets
5. Depreciation
6. Intangible non-current assets and amortisation
7. Accruals and prepayments
8. Receivables and payables
9. Provisions and contingencies

10. Capital structure and finance costs

E Preparing a trial balance

1. Trial balance
2. Correction of errors
3. Control accounts and reconciliations
4. Bank reconciliations
5. Suspense accounts

F Preparing basic financial statements

1. Statements of financial position
2. Income statements and statements of comprehensive income
3. Disclosure notes
4. Events after the reporting period
5. Statements of cash flows (excluding partnerships)
6. Incomplete records

G Preparing simple consolidated financial statements

1. Subsidiaries
2. Associates

H Interpretation of financial statements

1. Importance and purpose of analysis of financial statements
2. Ratios
3. Analysis of financial statements

APPROACH TO EXAMINING THE SYLLABUS

THE SYLLABUS IS ASSESSED BY A TWO HOUR PAPER-BASED OR COMPUTER-BASED EXAMINATION.

The syllabus is assessed by a two hour paper-based or computer-based examination. Questions will assess all parts of the syllabus and will include both computational and non-computational elements. The examination will consist of 50 two mark questions

ACCA Syllabus (F4-P7) June & December 2013 & June 2014.

This syllabus and study guide is designed to help with planning study and to provide detailed information on what could be assessed in any examination session.

THE STRUCTURE OF THE SYLLABUS AND STUDY GUIDE

Relational diagram of paper with other papers

This diagram shows direct and indirect links between this paper and other papers preceding or following it. Some papers are directly underpinned by other papers such as Advanced Performance Management by Performance Management. These links are shown as solid line arrows. Other papers only have indirect relationships with each other such as links existing between the accounting and auditing papers. The links between these are shown as dotted line arrows. This diagram indicates where you are expected to have underpinning knowledge and where it would be useful to review previous learning before undertaking study.

Overall aim of the syllabus

This explains briefly the overall objective of the paper and indicates in the broadest sense the capabilities to be developed within the paper.

Main capabilities

This paper's aim is broken down into several main capabilities which divide the syllabus and study guide into discrete sections.

Relational diagram of the main capabilities

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Syllabus rationale

This is a narrative explaining how the syllabus is structured and how the main capabilities are linked. The rationale also explains in further detail what the examination intends to assess and why.

Detailed syllabus

This shows the breakdown of the main capabilities (sections) of the syllabus into subject areas. This is the blueprint for the detailed study guide.

Approach to examining the syllabus

This section briefly explains the structure of the examination and how it is assessed.

Study Guide

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Learning Materials

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Relevant articles will also be published in Student Accountant.

INTELLECTUAL LEVELS

The syllabus is designed to progressively broaden and deepen the knowledge, skills and professional values demonstrated by the student on their way through the qualification.

The specific capabilities within the detailed syllabuses and study guides are assessed at one of three intellectual or cognitive levels:

Level 1: Knowledge and comprehension
Level 2: Application and analysis
Level 3: Synthesis and evaluation

Very broadly, these intellectual levels relate to the three cognitive levels at which the Knowledge module, the Skills module and the Professional level are assessed.

Each subject area in the detailed study guide included in this document is given a 1, 2, or 3 superscript, denoting intellectual level, marked at the end of each relevant line. This gives an indication of the intellectual depth at which an area could be assessed within the examination. However, while level 1 broadly equates with the Knowledge module, level 2 equates to the Skills module and level 3 to the Professional level, some lower level

skills can continue to be assessed as the student progresses through each module and level. This reflects that at each stage of study there will be a requirement to broaden, as well as deepen capabilities. It is also possible that occasionally some higher level capabilities may be assessed at lower levels.

LEARNING HOURS AND EDUCATION RECOGNITION

The ACCA qualification does not prescribe or recommend any particular number of learning hours for examinations because study and learning patterns and styles vary greatly between people and organisations. This also recognises the wide diversity of personal, professional and educational circumstances in which ACCA students find themselves.

As a member of the International Federation of Accountants, ACCA seeks to enhance the education recognition of its qualification on both national and international education frameworks, and with educational authorities and partners globally. In doing so, ACCA aims to ensure that its qualifications are recognized and valued by governments, regulatory authorities and employers across all sectors. To this end, ACCA qualifications are currently recognized on the education frameworks in several countries. Please refer to your national education framework regulator for further information.

Each syllabus contains between 23 and 35 main subject area headings depending on the nature of the subject and how these areas have been broken down.

GUIDE TO EXAM STRUCTURE

The structure of examinations varies within and between modules and levels.

The Fundamentals level examinations contain 100% compulsory questions to encourage candidates to study across the breadth of each syllabus.

The Knowledge module is assessed by equivalent two-hour paper based and computer based examinations.

The Skills module examinations are all paper based three-hour papers. The structure of papers varies from ten questions in the *Corporate and Business Law* (F4) paper to four 25 mark questions in *Financial Management* (F9). Individual questions within all Skills module papers will attract between 10 and 30 marks.

The Professional level papers are all three-hour paper based examinations, all containing two sections. Section A is compulsory, but there will be some choice offered in Section B.

For all three hour examination papers, ACCA has introduced 15 minutes reading and planning time.

This additional time is allowed at the beginning of each three-hour examination to allow candidates to read the questions and to begin planning their answers before they start writing in their answer books. This time should be used to ensure that all the information and exam requirements are properly read and understood.

During reading and planning time candidates may only annotate their question paper. They may not write anything in their answer booklets until told to do so by the invigilator.

The Essentials module papers all have a Section A containing a major case study question with all requirements totalling 50 marks relating to this case. Section B gives students a choice of two from three 25 mark questions.

Section A of both the P4 and P5 Options papers contain one 50 mark compulsory question, and Section B will offer a choice of two from three questions each worth 25 marks each.

Section A of each of the P6 and P7 Options papers contains 60 compulsory marks from two questions; question 1 attracting 35 marks, and question 2 attracting 25 marks. Section B of both these Options papers will offer a choice of two from three questions, with each question attracting 20 marks.

All Professional level exams contain four professional marks.

The pass mark for all ACCA Qualification examination papers is 50%.

GUIDE TO EXAMINATION ASSESSMENT

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For the financial accounting, audit and assurance, law and tax papers except where indicated otherwise, ACCA will publish *examinable documents* once a year to indicate exactly what regulations and legislation could potentially be assessed within identified examination sessions..

For paper based examinations regulation *issued* or legislation *passed* on or before 30th September annually, will be assessed from June 1st of the following year to May 31st of the year after. . Please refer to the examinable documents for the paper (where relevant) for further information.

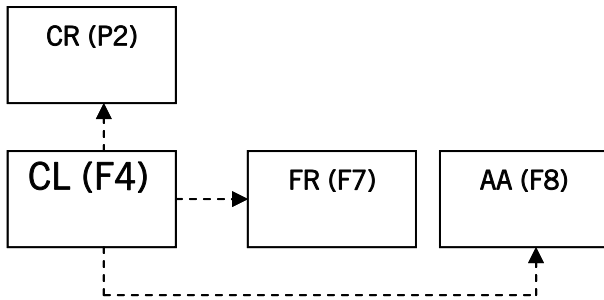
Regulation issued or legislation passed in accordance with the above dates may be examinable even if the *effective* date is in the future.

The term issued or passed relates to when regulation or legislation has been formally approved.

The term effective relates to when regulation or legislation must be applied to an entity transactions and business practices.

The study guide offers more detailed guidance on the depth and level at which the examinable documents will be examined. The study guide should therefore be read in conjunction with the examinable documents list.

Corporate and Business Law (ENG) (F4)



AIM

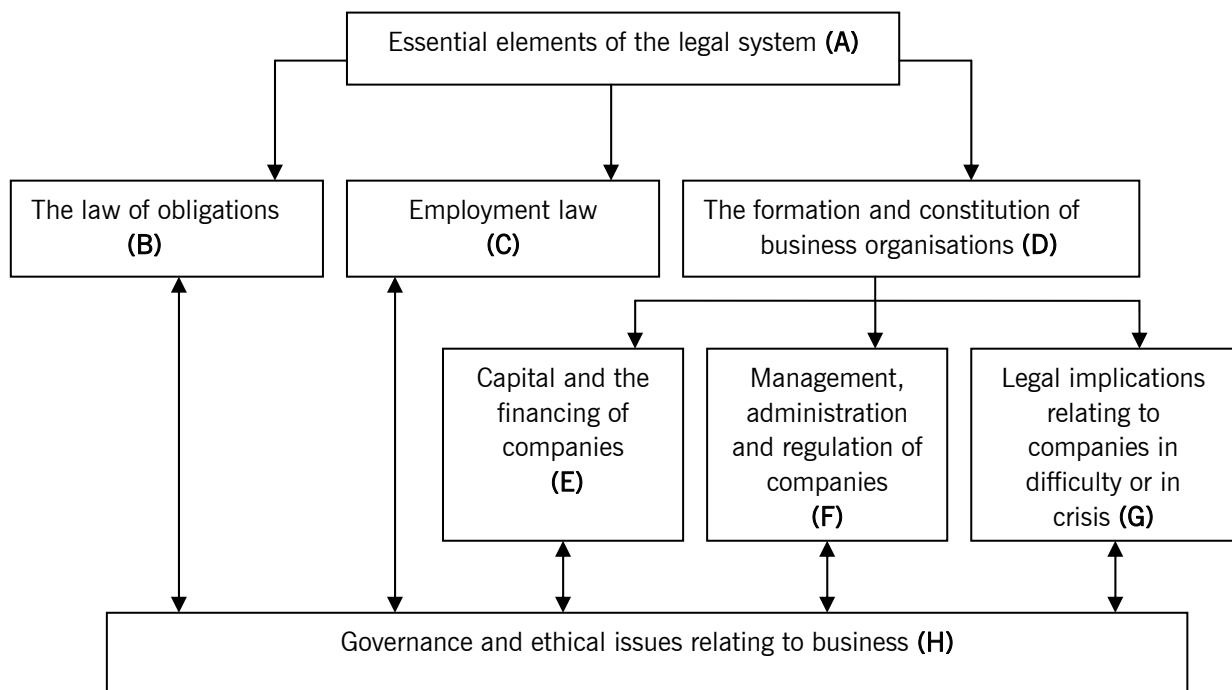
To develop knowledge and skills in the understanding of the general legal framework, and of specific legal areas relating to business, recognising the need to seek further specialist legal advice where necessary.

MAIN CAPABILITIES

On successful completion of this paper candidates should be able to:

- A Identify the essential elements of the legal system, including the main sources of law
- B Recognise and apply the appropriate legal rules relating to the law of obligations
- C Explain and apply the law relating to employment relationships
- D Distinguish between alternative forms and constitutions of business organisations
- E Recognise and compare types of capital and the financing of companies
- F Describe and explain how companies are managed, administered and regulated
- G Recognise the legal implications relating to companies in difficulty or in crisis
- H Demonstrate an understanding of governance and ethical issues relating to business.

RELATIONAL DIAGRAM OF MAIN CAPABILITIES



RATIONALE

Corporate and Business Law is divided into eight areas. The syllabus starts with an introduction to the overall English legal system such as the court system and sources of law – including – human rights legislation. It then leads into the area of the law of obligations including contract and tort, which underpin business transactions generally.

The syllabus then covers a range of specific legal areas relating to various aspects of business of most concern to finance professionals. These are the law relating to employment and the law relating to companies. These laws include the formation and constitution of companies, the financing of companies and types of capital, and the day-to-day management, the administration and regulation of companies and legal aspects of companies facing difficulty or in crisis.

The final section links back to all the previous areas. This section deals with corporate governance, ethics and ethical behaviour relating to business including criminal law.

DETAILED SYLLABUS

A Essential elements of the legal system

1. Court structure
2. Sources of law
3. Human rights

B The law of obligations

1. Formation of contract
2. Content of contracts
3. Breach of contract and remedies
4. The law of torts
5. Professional negligence

C Employment law

1. Contract of employment

2. Dismissal and redundancy

D The formation and constitution of business organisations

1. Agency law
2. Partnerships
3. Corporations and legal personality
4. Company formations

E Capital and the financing of companies

1. Share capital
2. Loan capital
3. Capital maintenance and dividend law

F Management, administration and regulation of companies

1. Company directors
2. Other company officers
3. Company meetings and resolutions

G Legal implications relating to companies in difficulty or in crisis

1. Insolvency
2. Administration

H Governance and ethical issues relating to business

1. Corporate governance
2. Fraudulent and criminal behaviour

APPROACH TO EXAMINING THE SYLLABUS

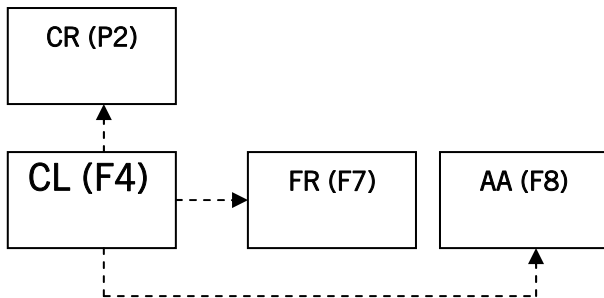
The syllabus is assessed by a three hour paper-based examination.

The examination consists of seven 10 mark questions assessing knowledge of the law, and three 10 mark application questions. All questions are compulsory.

NOTE ON CASE LAW

Candidates should support their answers with analysis referring to cases or examples. There is no need to detail the facts of the case. Remember, it is the point of law that the case establishes that is important, although knowing the facts of cases can be helpful as sometimes questions include scenarios based on well-known cases. Further it is not necessary to quote section numbers of Acts.

Corporate and Business Law (GLO) (F4)



AIM

To develop knowledge and skills in the understanding of the general legal framework within which international business takes place, and of specific legal areas relating to business, recognising the need to seek further specialist legal advice where necessary.

MAIN CAPABILITIES

On successful completion of this paper candidates should be able to:

A Identify the essential elements of different legal systems including the main sources of law, the relationship between the different branches of a state's constitution, and the need

for international legal regulation, and explain the roles of international organisations in the promotion and regulation of international trade, and the role of international arbitration as an alternative to court adjudication

B Recognise and apply the appropriate legal rules applicable under the United Nations Convention on Contracts for the International Sale of Goods, and explain the various ways in which international business transactions can be funded

C Recognise different types of international business forms

D Distinguish between the alternative forms and constitutions of business organisations

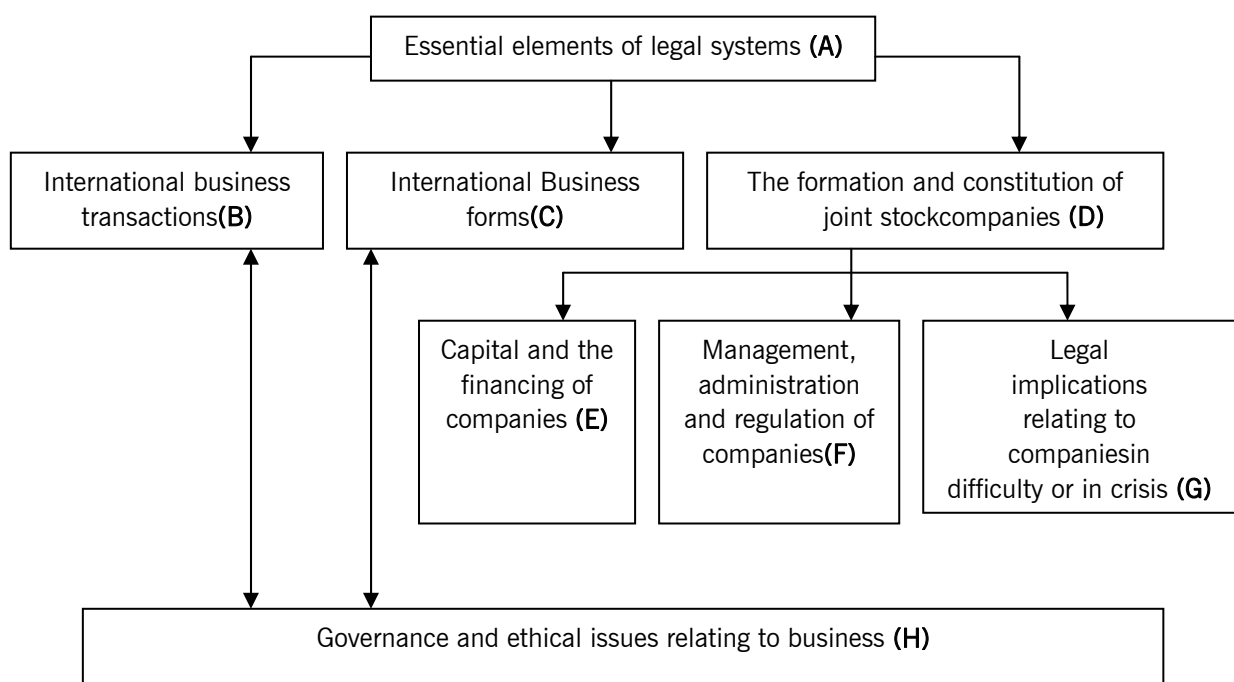
E Recognise and compare types of capital and the financing of companies

F Describe and explain how companies are managed, administered and regulated

G Recognise the legal implications relating to companies in difficulty or in crisis

H Demonstrate an understanding of governance and ethical issues relating to business

RELATIONAL DIAGRAM OF MAIN CAPABILITIES



RATIONALE

Corporate and Business Law Global is divided into eight areas. The syllabus starts with an introduction to different legal systems, different types of law and those organisations which endeavour to promote internationally applicable laws. It also introduces arbitration as an alternative to court adjudication. It then leads into an examination of the substantive law as stated in United Nations Convention on Contracts for the International Sale of Goods, which relates to the formation, content and discharge of international contracts for the sale of goods.

The syllabus then covers a range of specific legal areas relating to various aspects of international business of most concern to finance professionals. These are the law relating to the financing of international transactions, and the various legal forms through which international business transactions may be conducted. Particular attention is focused on the law relating to companies. Aspects examined include the formation and constitution of companies, the financing of companies and types of capital, and the day to day management, the administration and regulation of companies and legal aspects of companies facing difficulty or in crisis.

The final section links back to all the previous areas. This section deals with corporate governance, ethics and ethical behaviour relating to business including the criminal law.

DETAILED SYLLABUS

A Essential elements of legal systems

1. Economic, Political and Legal Systems
2. Different legal systems
3. International trade, international legal regulation and conflict of laws
4. Alternative Dispute Resolution mechanisms and the UNCITRAL Model Law on International Commercial Arbitration

B International business transactions

1. Introduction to the United Nations Convention on Contract for the International Sale of Goods and ICC Incoterms
2. Formation of contract
3. Obligations of the seller
4. Obligations of the buyer
5. Provisions common to both the seller and the buyer, the passage of risk
6. Transportation documents
7. Means of payment

C International business forms

1. Agency
2. Partnerships

D The formation and constitution of joint stock companies

1. Corporations and legal personality
2. The formation of the company
3. The constitution of the company

E Capital and the financing of companies

1. Share capital
2. Loan capital
3. Capital maintenance and dividend law

F Management, administration and regulation of companies

1. Company directors
2. Other company officers
3. Company meetings and resolutions

G Legal implications relating to companies in difficulty or in crisis

1. Insolvency
2. Administration

H Governance and ethical issues relating to business

1. Corporate governance
2. Fraudulent and criminal behaviour

APPROACH TO EXAMINING THE SYLLABUS

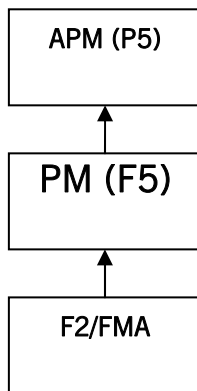
The syllabus is assessed by a three hour paper-based examination.

The examination consists of seven 10 mark questions assessing knowledge of the law, and three 10 mark application questions. All questions are compulsory.

NOTE ON CASE LAW

Candidates should support their answers with analysis referring to cases or examples. There is no need to detail the facts of the case. Remember, it is the point of law that the case establishes that is important, although knowing the facts of cases can be helpful as sometimes questions include scenarios based on well-known cases. Further it is not necessary to quote section numbers of Acts.

Performance Management (F5)



AIM

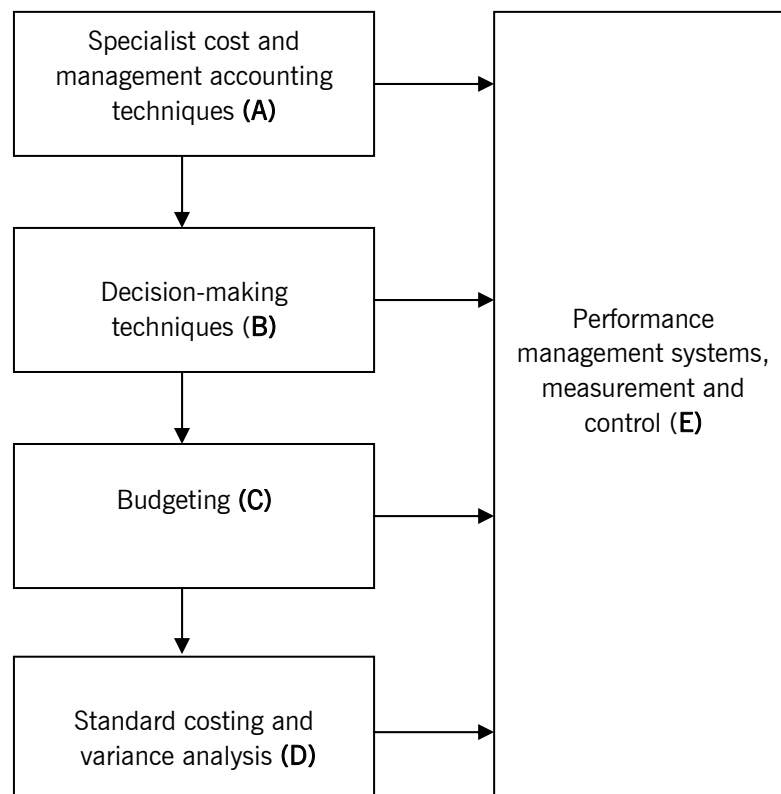
To develop knowledge and skills in the application of management accounting techniques to quantitative and qualitative information for planning, decision-making, performance evaluation, and control

On successful completion of this paper, candidates should be able to:

- A** Explain and apply cost accounting techniques
- B** Select and appropriately apply decision-making techniques to facilitate business decisions and promote efficient and effective use of scarce business resources, appreciating the risks and uncertainty inherent in business and controlling those risks
- C** Identify and apply appropriate budgeting techniques and methods for planning and control
- D** Use standard costing systems to measure and control business performance and to identify remedial action
- E** Identify and discuss performance management information systems and assess the performance of a business from both a financial and non-financial viewpoint, appreciating the problems of controlling divisionalised businesses and the importance of allowing for external aspects

MAIN CAPABILITIES

RELATIONAL DIAGRAM OF MAIN CAPABILITIES



RATIONALE

The syllabus for Paper F5, *Performance Management*, builds on the knowledge gained in Paper F2, *Management Accounting*. It also prepares candidates for more specialist capabilities which are covered in P5 *Advanced Performance Management*.

The syllabus begins by introducing more specialised management accounting topics. There is some knowledge assumed from Paper F2 – primarily overhead treatments. The objective here is to ensure candidates have a broader background in management accounting techniques.

The syllabus then considers decision-making. Candidates need to appreciate the problems surrounding scarce resource, pricing and make-or-buy decisions, and how this relates to the assessment of performance. Risk and uncertainty are a factor of real-life decisions and candidates need to understand risk and be able to apply some basic methods to help resolve the risks inherent in decision-making.

Budgeting is an important aspect of many accountants' lives. The syllabus explores different budgeting techniques and the problems inherent in them. The behavioural aspects of budgeting are important for accountants to understand, and the syllabus includes consideration of the way individuals react to a budget. The preparation of fixed, flexible and incremental budgets is assumed knowledge from F2.

Standard costing and variances are then built on. All the variances examined in Paper F2 are assumed knowledge in F5. Mix and yield variances, and planning and operational variances are explored here and the link is made to performance management. It is important for accountants to be able to interpret the numbers that they calculate and ask what they mean in the context of performance.

The syllabus concludes with performance management systems, measurement and control. This is a major area of the syllabus. Accountants need to understand how a business should be managed and controlled and how information systems can be used to facilitate this. They should appreciate the importance of both financial and non-financial performance measures in

management. Accountants should also appreciate the difficulties in assessing performance in divisionalised businesses and the problems caused by failing to consider external influences on performance. This section leads directly to Paper P5.

All of the subject areas covered in this syllabus could be examined in either a public sector or private sector context.

DETAILED SYLLABUS

A Specialist cost and management accounting techniques

1. Activity-based costing
2. Target costing
3. Life-cycle costing
4. Throughput accounting
5. Environmental accounting

B Decision-making techniques

1. Relevant cost analysis
2. Cost volume analysis
3. Limiting factors
4. Pricing decisions
5. Make-or-buy and other short-term decisions
6. Dealing with risk and uncertainty in decision-making

C Budgeting

1. Budgetary systems
2. Types of budget
3. Quantitative analysis in budgeting
4. Behavioural aspects of budgeting

D Standard costing and variances analysis

1. Budgeting and standard costing
2. Mix and yield variances
3. Planning and operational variances
4. Behavioural aspects of standard costing

E Performance management systems, measurements and control

1. Performance management information systems
2. Sources of management information
3. Management reports
4. The scope of performance measurement
5. Divisional performance and transfer pricing
6. Performance analysis in not-for-profit organisations and the public sector
7. External considerations and behavioural aspects

APPROACH TO EXAMINING THE SYLLABUS

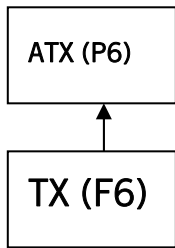
Paper F5, *Performance Management*, seeks to examine candidates' understanding of how to manage the performance of a business.

The paper builds on the knowledge acquired in Paper F2, *Management Accounting*, and prepares those candidates who choose to study Paper P5, *Advanced Performance Management*, at the Professional level

The syllabus is assessed by a three-hour paper-based examination.

The examination will contain five compulsory 20-mark questions. There will be calculation and discursive elements to the paper with the balance being broadly in line with the pilot paper. The pilot paper contains questions from four of the five syllabus sections. Generally, the paper will seek to draw questions from as many of the syllabus sections as possible.

Taxation (UK) (F6)



AIM

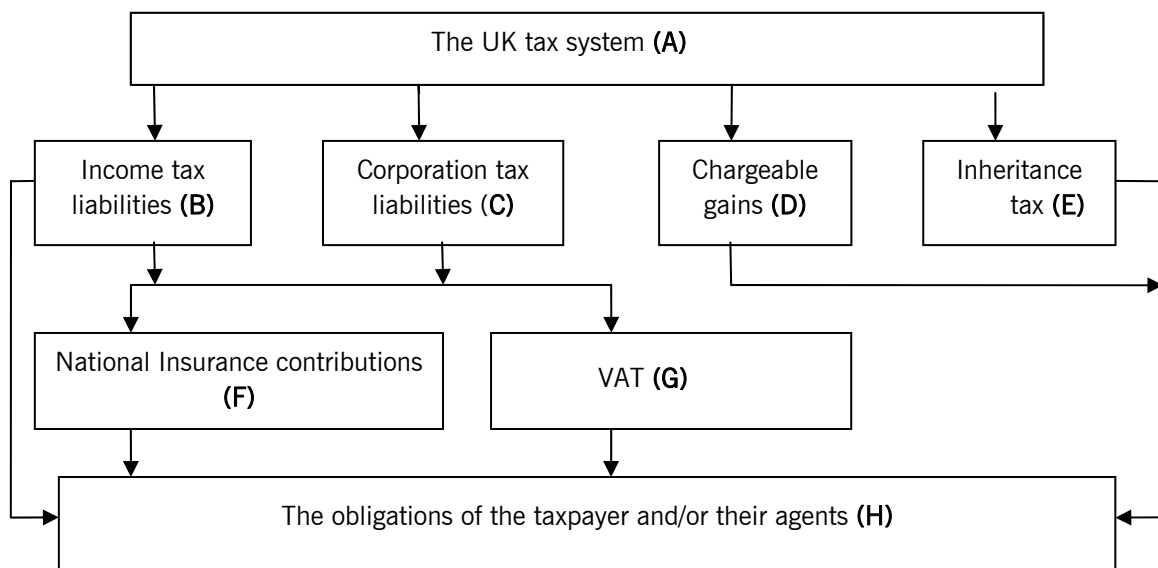
To develop knowledge and skills relating to the tax system as applicable to individuals, single companies, and groups of companies.

MAIN CAPABILITIES

On successful completion of this paper candidates should be able to:

- A** Explain the operation and scope of the tax system
- B** Explain and compute the income tax liabilities of individuals
- C** Explain and compute the corporation tax liabilities of individual companies and groups of companies
- D** Explain and compute the chargeable gains arising on companies and individuals
- E** Explain and compute the inheritance tax liabilities of individuals
- F** Explain and compute the effect of national insurance contributions on employees, employers and the self employed
- G** Explain and compute the effects of value added tax on incorporated and unincorporated businesses
- H** Identify and explain the obligations of tax payers and/or their agents and the implications of non-compliance

RELATIONAL DIAGRAM OF MAIN CAPABILITIES



RATIONALE

The syllabus for Paper F6, *Taxation*, introduces candidates to the subject of taxation and provides the core knowledge of the underlying principles and major technical areas of taxation as they affect the activities of individuals and businesses.

Candidates are introduced to the rationale behind – and the functions of – the tax system. The syllabus then considers the separate taxes that an accountant would need to have a detailed knowledge of, such as income tax from self-employment, employment and investments, the corporation tax liability of individual companies and groups of companies, the national insurance contribution liabilities of both employed and self employed persons, the value added tax liability of businesses, the chargeable gains arising on disposals of investments by both individuals and companies, and the inheritance tax liabilities arising on chargeable lifetime transfers and on death.

Having covered the core areas of the basic taxes, candidates should be able to compute tax liabilities, explain the basis of their calculations, apply tax planning techniques for individuals and companies and identify the compliance issues for each major tax through a variety of business and personal scenarios and situations.

DETAILED SYLLABUS

A. The UK tax system

1. The overall function and purpose of taxation in a modern economy
2. Different types of taxes
3. Principal sources of revenue law and practice
4. Tax avoidance and tax evasion

B. Income tax liabilities

1. The scope of income tax
2. Income from employment
3. Income from self-employment
4. Property and investment income

5. The comprehensive computation of taxable income and income tax liability
6. The use of exemptions and reliefs in deferring and minimising income tax liabilities

C. Corporation tax liabilities

1. The scope of corporation tax
2. Taxable total profits
3. The comprehensive computation of corporation tax liability
4. The effect of a group corporate structure for corporation tax purposes
5. The use of exemptions and reliefs in deferring and minimising corporation tax liabilities

D. Chargeable gains

1. The scope of the taxation of capital gains
2. The basic principles of computing gains and losses.
3. Gains and losses on the disposal of movable and immovable property
4. Gains and losses on the disposal of shares and securities
5. The computation of capital gains tax payable by individuals
6. The use of exemptions and reliefs in deferring and minimising tax liabilities arising on the disposal of capital assets

E. Inheritance tax

1. The scope of inheritance tax
2. The basic principles of computing transfers of value
3. The liabilities arising on chargeable lifetime transfers and on the death of an individual
4. The use of exemptions in deferring and minimising inheritance tax liabilities

5. Payment of inheritance tax

F. National insurance contributions

1. The scope of national insurance
2. Class 1 and Class 1A contributions for employed persons
3. Class 2 and Class 4 contributions for self-employed persons

G. Value added tax

1. The scope of value added tax (VAT)
2. The VAT registration requirements
3. The computation of VAT liabilities
4. The effect of special schemes

H. The obligations of taxpayers and/or their agents

1. The systems for self-assessment and the making of returns
2. The time limits for the submission of information, claims and payment of tax, including payments on account
3. The procedures relating to compliance checks, appeals and disputes
4. Penalties for non-compliance

APPROACH TO EXAMINING THE SYLLABUS

The syllabus is assessed by a three-hour paper-based examination.

Assessment: Taxation (UK)

The paper will be predominantly computational and will have five questions, all of which will be compulsory.

- Question one will focus on income tax and question two will focus on corporation tax. The two questions will be for a total of 55 marks, with one of the questions being for 30 marks and the other being for 25 marks.
- Question three will focus on chargeable gains (either personal or corporate) and will be for 15 marks.
- Questions four and five will be on any area of the syllabus, can cover more than one topic, and will be for 15 marks.

There will always be at a minimum of 10 marks on value added tax. These marks will normally be included within question one or question two, although there might be a separate question on value added tax.

There will always be between 5 and 15 marks on inheritance tax. Inheritance tax can be included within questions three, four or five.

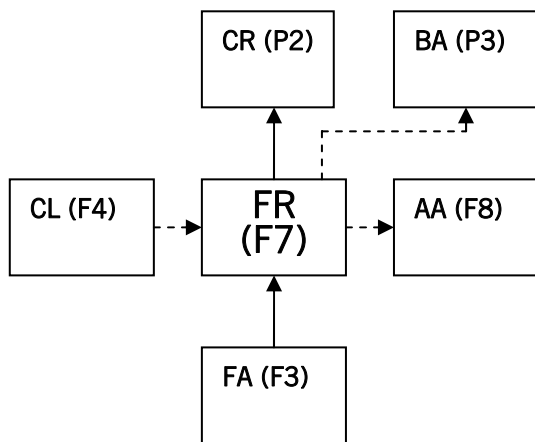
National insurance contributions will not be examined as a separate question, but may be examined in any question involving income tax or corporation tax.

Groups and overseas aspects of corporation tax may be examined in either question two, question four or question five.

A small element of chargeable gains may be included in questions other than question 3.

Any of the five questions might include the consideration of issues relating to the minimisation or deferral of tax liabilities.

Financial Reporting (INT) (F7)



AIM

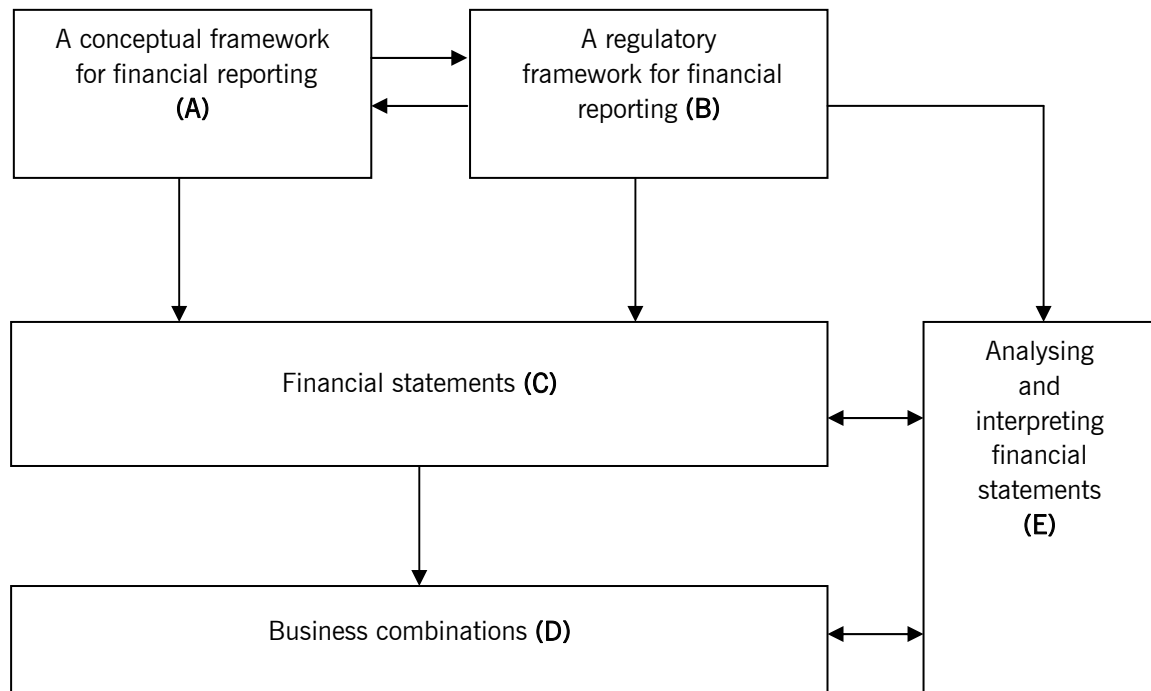
To develop knowledge and skills in understanding and applying accounting standards and the theoretical framework in the preparation of financial statements of entities, including groups and how to analyse and interpret those financial statements.

MAIN CAPABILITIES

On successful completion of this paper candidates should be able to:

- A** Discuss and apply a conceptual framework for financial reporting
- B** Discuss a regulatory framework for financial reporting
- C** Prepare and present financial statements which conform with International accounting standards
- D** Account for business combinations in accordance with International accounting standards
- E** Analyse and interpret financial statements.

RELATIONAL DIAGRAM OF MAIN CAPABILITIES



RATIONALE

The financial reporting syllabus assumes knowledge acquired in Paper F3, *Financial Accounting*, and develops and applies this further and in greater depth.

The syllabus begins with the conceptual framework of accounting with reference to the qualitative characteristics of useful information and the fundamental bases of accounting introduced in the Paper F3 syllabus within the Knowledge module. It then moves into a detailed examination of the regulatory framework of accounting and how this informs the standard setting process.

The main areas of the syllabus cover the reporting of financial information for single companies and for groups in accordance with generally accepted accounting principles and relevant accounting standards.

Finally, the syllabus covers the analysis and interpretation of information from financial reports.

DETAILED SYLLABUS

A A conceptual framework for financial reporting

1. The need for a conceptual framework
2. The fundamental concepts of relevance and faithful representation ('true and fair view')
3. The enhancing characteristics of comparability, verifiability, timeliness and understandability
4. Recognition and measurement
5. The legal versus the commercial view of accounting
6. Alternative models and practices

B A regulatory framework for financial reporting

1. Reasons for the existence of a regulatory framework
2. The standard setting process
3. Specialised, not-for-profit, and public sector entities

C Financial statements

1. Statements of cash flows
2. Tangible non-current assets
3. Intangible assets
4. Inventory
5. Financial assets and financial liabilities
6. Leases
7. Provisions, contingent liabilities, and contingent assets
8. Impairment of assets
9. Taxation
10. Regulatory requirements relating to the preparation of financial statements
11. Reporting financial performance

D Business combinations

1. The concept and principles of a group
2. The concept of consolidated financial statements
3. Preparation of consolidated financial statements including an associate

E Analysing and interpreting financial statements

1. Limitations of financial statements
2. Calculation and interpretation of accounting ratios and trends to address users' and stakeholders' needs

3. Limitations of interpretation techniques
4. Specialised, not-for-profit, and public sector entities

Candidates will be expected to have an appreciation of the need for specified accounting standards and why they have been issued. For detailed or complex standards, candidates need to be aware of their principles and key elements.

APPROACH TO EXAMINING THE SYLLABUS

The syllabus is assessed by a three-hour paper-based examination.

All questions are compulsory. It will contain both computational and discursive elements.

Some questions will adopt a scenario/case study approach.

Question 1 will be a 25 mark question on the preparation of group financial statements and/or extracts thereof, and may include a small discussion element. Computations will be designed to test an understanding of principles.

Question 2, for 25 marks, will test the reporting of non-group financial statements. This may be from information in a trial balance or by restating draft financial statements.

Question 3, for 25 marks, is likely to be an appraisal of an entity's performance and may involve statements of cash flows.

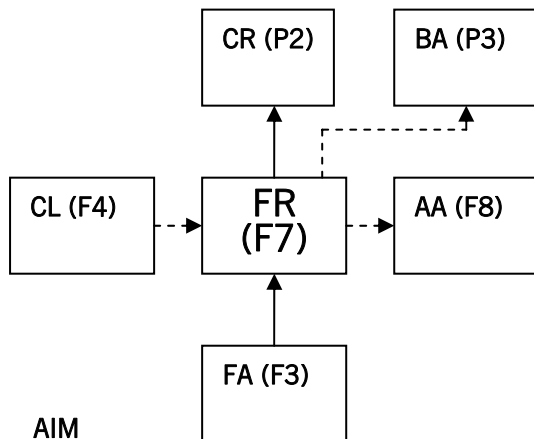
Questions 4 and 5 will cover the remainder of the syllabus and will be worth 15 and 10 marks respectively.

An individual question may often involve elements that relate to different subject areas of the syllabus. For example the preparation of an entity's financial statements could include matters relating to several accounting standards.

Questions may ask candidates to comment on the appropriateness or acceptability of management's opinion or chosen accounting treatment. An understanding of accounting principles and concepts and how these are applied to practical examples will be tested.

Questions on topic areas that are also included in Paper F3 will be examined at an appropriately greater depth in this paper.

Financial Reporting (UK) (F7)



AIM

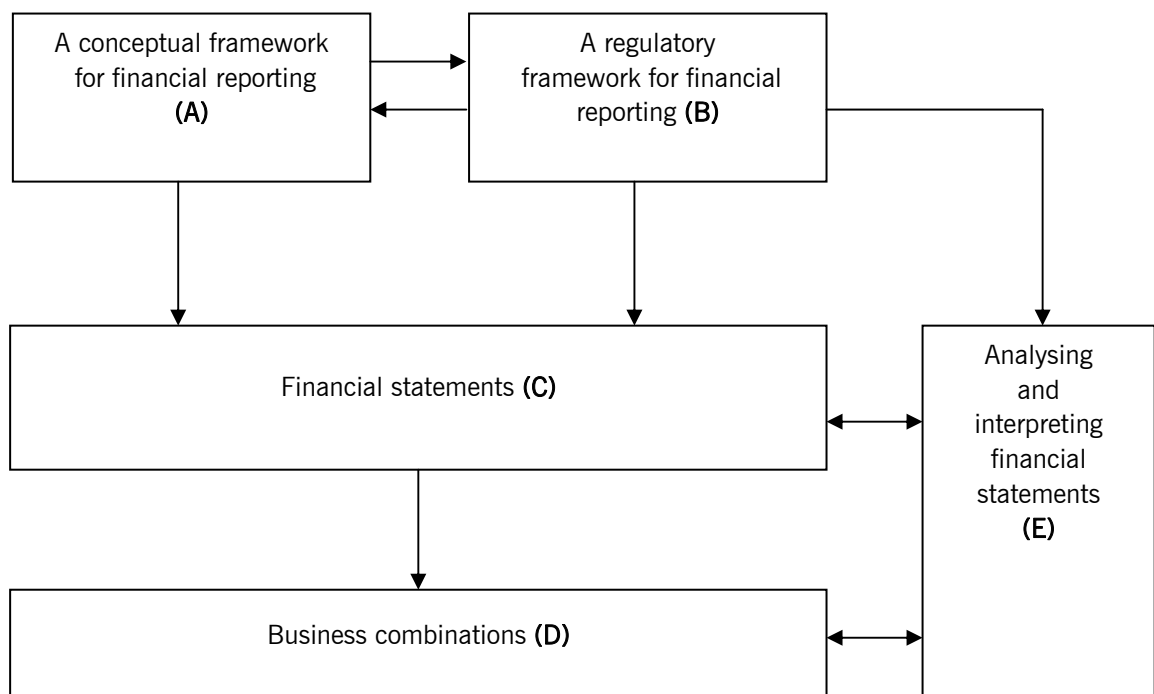
To develop knowledge and skills in understanding and applying accounting standards and the theoretical framework in the preparation of financial statements of entities, including groups and how to analyse and interpret those financial statements.

MAIN CAPABILITIES

On successful completion of this paper, candidates should be able to:

- A** Discuss and apply a conceptual framework for financial reporting
- B** Discuss a regulatory framework for financial reporting
- C** Prepare and present financial statements which conform with International accounting standards
- D** Account for business combinations in accordance with International accounting standards
- E** Analyse and interpret financial statements.

RELATIONAL DIAGRAM OF MAIN CAPABILITIES



RATIONALE

The financial reporting syllabus assumes knowledge acquired in Paper F3, *Financial Accounting*, and develops and applies this further and in greater depth.

The UK syllabus is primarily based on International accounting standards together with elements of UK legislation governing the preparation of financial statements both for individual and group entities. Selected differences between UK and International accounting standards will also be tested.

The syllabus begins with the conceptual framework of accounting with reference to the qualitative characteristics of useful information and the fundamental bases of accounting introduced in the Paper F3 syllabus within the Knowledge module. It then moves into a detailed examination of the regulatory framework of accounting and how this informs the standard setting process.

The main areas of the syllabus cover the reporting of financial information for single companies and for groups in accordance with generally accepted accounting principles and relevant accounting standards.

Finally, the syllabus covers the analysis and interpretation of information from financial reports.

DETAILED SYLLABUS

A A conceptual framework for financial reporting

1. The need for a conceptual framework
2. The fundamental concepts of relevance and faithful representation ('true and fair view')
3. The enhancing characteristics of comparability, verifiability, timeliness and understandability
4. Recognition and measurement
5. The legal versus the commercial view of accounting
6. Alternative models and practices

B A legal and regulatory framework for financial reporting

1. Reasons for the existence of a regulatory framework
2. The standard setting process
3. Specialised, not-for-profit, and public sector entities
4. Legal requirements relating to the preparation of single entity financial statements

C Financial statements

1. Statements of cash flows
2. Tangible non-current assets
3. Intangible assets
4. Inventory
5. Financial assets and financial liabilities
6. Leases
7. Provisions, contingent liabilities, and contingent assets
8. Impairment of assets
9. Taxation
10. Regulatory requirements relating to the preparation of financial statements
11. Reporting financial performance

D Business combinations

1. The concept and principles of a group
2. The concept of consolidated financial statements
3. Preparation of consolidated financial statements including an associate

E Analysing and interpreting financial statements

1. Limitations of financial statements
2. Calculation and interpretation of accounting ratios and trends to address users' and stakeholders' needs
3. Limitations of interpretation techniques
4. Specialised, not-for-profit, and public sector entities

APPROACH TO EXAMINING THE SYLLABUS

The syllabus is assessed by a three-hour paper-based examination.

All questions are compulsory. It will contain both computational and discursive elements. Some questions will adopt a scenario/case study approach.

Question 1 will be a 25 mark question on the preparation of group financial statements and/or extracts thereof, and may include a small discussion element. Computations will be designed to test an understanding of principles.

Question 2, for 25 marks, will test the reporting of non-group financial statements. This may be from information in a trial balance or by restating draft financial statements.

Question 3, for 25 marks, is likely to be an appraisal of an entity's performance and may involve statements of cash flows.

Questions 4 and 5 will cover the remainder of the syllabus and will be worth 15 and 10 marks respectively.

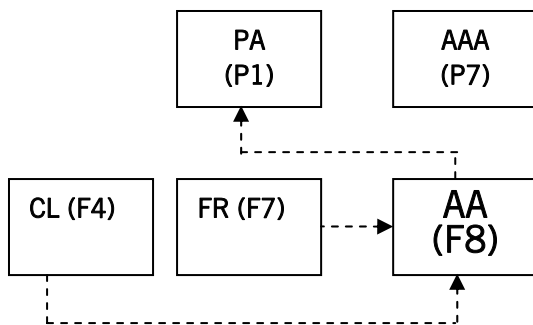
An individual question may often involve elements that relate to different subject areas of the syllabus. For example the preparation of an entity's financial statements could include matters relating to several accounting standards.

Questions may ask candidates to comment on the appropriateness or acceptability of management's opinion or chosen accounting treatment. An understanding of accounting principles and concepts and how these are applied to practical examples will be tested.

Questions on topic areas that are also included in Paper F3 will be examined at an appropriately greater depth in this paper.

Candidates will be expected to have an appreciation of the need for specified accounting standards and why they have been issued. For detailed or complex standards, candidates need to be aware of their principles and key elements.

Audit and Assurance (INT) (F8)



AIM

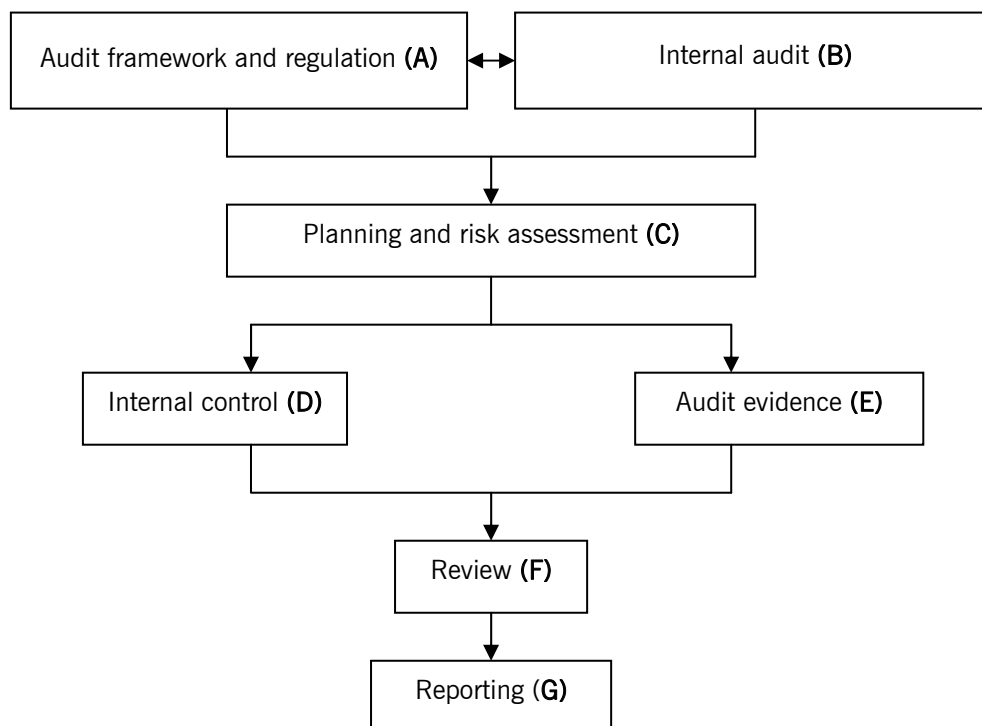
To develop knowledge and understanding of the process of carrying out the assurance engagement and its application in the context of the professional regulatory framework.

MAIN CAPABILITIES

On successful completion of this paper, candidates should be able to:

- A** Explain the nature, purpose and scope of assurance engagements including the role of the external audit and its regulatory and ethical framework
- B** Explain the nature of internal audit and describe its role as part of overall performance management and its relationship with the external audit
- C** Demonstrate how the auditor obtains an understanding of the entity and its environment, assesses the risk of material misstatement (whether arising from fraud or other irregularities) and plans an audit of financial statements
- D** Describe and evaluate information systems and internal controls to identify and communicate control risks and their potential consequences, making appropriate recommendations
- E** Identify and describe the work and evidence required to meet the objectives of audit engagements and the application of the International Standards on Auditing
- F** Evaluate findings and modify the audit plan as necessary
- G** Explain how the conclusions from audit work are reflected in different types of audit report, explain the elements of each type of report.

RELATIONAL DIAGRAM OF MAIN CAPABILITIES



RATIONALE

The Audit and Assurance syllabus is essentially divided into seven areas. The syllabus starts with the nature, purpose and scope of assurance engagements, including the statutory audit, its regulatory environment, and introduces professional ethics relating to audit and assurance. It then leads into internal audit, including the scope of internal audit as well as the differences between internal audit and external audit. The syllabus then covers a range of areas relating to an audit of financial statements. These include planning and risk assessment, evaluating internal controls, audit evidence, and a review of the financial statements. The final section then deals with reporting, including statutory audit reports, management reports, and internal audit reports.

DETAILED SYLLABUS

A. Audit framework and regulation

1. The concept of audit and other assurance engagements
2. Statutory audits
3. The regulatory environment and corporate governance
4. Professional ethics and ACCA's Code of Ethics and Conduct

B. Internal audit

1. Internal audit and corporate governance
2. Differences between the external auditor and the internal audit function
3. The scope of the internal audit function
4. Outsourcing the internal audit function
5. Internal audit assignments

C. Planning and risk assessment

1. Objective and general principles
2. Assessing the risks of material misstatement

3. Understanding the entity and its environment
4. Materiality, fraud, laws and regulations
5. Analytical procedures
6. Planning an audit
7. Audit documentation

D. Internal control

1. Internal control systems
2. The use of internal control systems by auditors
3. Transaction cycles
4. Tests of control
5. The evaluation of internal control components
6. Communication on internal control

E. Audit evidence

1. The use of assertions by auditors
2. Audit procedures
3. The audit of specific items
4. Audit sampling and other means of testing
5. Computer-assisted audit techniques
6. The work of others
7. Not-for-profit organisations

F. Review

1. Subsequent events
2. Going concern
3. Written representations
4. Audit finalisation and the final review

G. Reporting

1. Audit reports
2. Reports to management
3. Internal audit reports

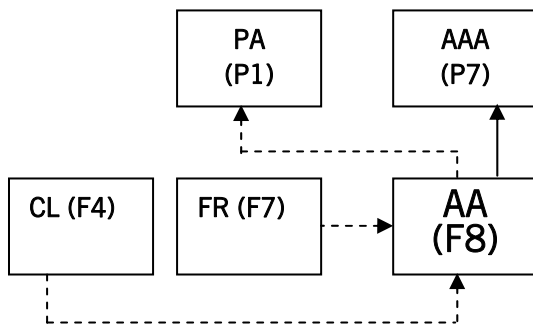
APPROACH TO EXAMINING THE SYLLABUS

The syllabus is assessed by a three-hour paper-based examination, consisting of five compulsory questions. The bulk of the questions will be discursive but some questions involving computational elements will be set from time to time.

The questions will cover all areas of the syllabus.

Question 1 will be a scenario-based question worth 30 marks. Question 2 will be a knowledge-based question worth 10 marks. Questions 3, 4 and 5 will be worth 20 marks each.

Audit and Assurance (UK) (F8)



AIM

To develop knowledge and understanding of the process of carrying out the assurance engagement and its application in the context of the professional regulatory framework.

MAIN CAPABILITIES

On successful completion of this paper, candidates should be able to:

A Explain the nature, purpose and scope of assurance engagements including the role of

the external audit and its regulatory and ethical framework

B Explain the nature of internal audit and describing its role as part of overall performance management and its relationship with the external audit

C Demonstrate how the auditor obtains an understanding of the entity and its environment, assesses the risk of material misstatement (whether arising from fraud or other irregularities) and plans an audit of financial statements

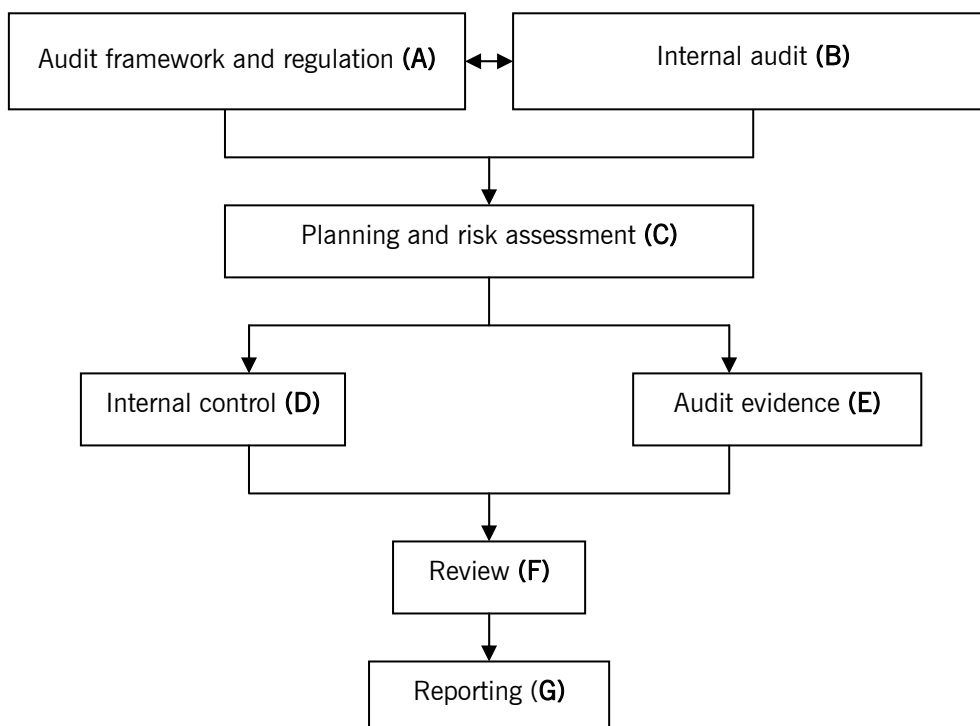
D Describe and evaluate information systems and internal controls to identify and communicate control risks and their potential consequences, making appropriate recommendations

E Identify and describe the work and evidence required to meet the objectives of audit engagements and the application of the International Standards on Auditing (UK and Ireland)

F Evaluate findings and modify the audit plan as necessary

G Explain how the conclusions from audit work are reflected in different types of audit report, explaining the elements of each type of report

RELATIONAL DIAGRAM OF MAIN CAPABILITIES



RATIONALE

The syllabus for Paper F8, *Audit and Assurance*, is divided into seven areas. The syllabus starts with the nature, purpose and scope of assurance engagements, including the statutory audit, its regulatory environment, and introduces professional ethics relating to audit and assurance. It then leads into internal audit, including the scope of internal audit as well as the differences between internal audit and external audit. The syllabus then covers a range of areas relating to an audit of financial statements. These include planning and risk assessment, evaluating internal controls, audit evidence, and a review of the financial statements. The final section then deals with reporting, including statutory audit reports, management reports, and internal audit reports.

DETAILED SYLLABUS

A Audit framework and regulation

1. The concept of audit and other assurance engagements
2. Statutory audits
3. The regulatory environment and corporate governance
4. APB ethical standards and ACCA's Code of Ethics and Conduct

B Internal audit

1. Internal audit and corporate governance
2. Differences between the external auditor and the internal audit function
3. The scope of the internal audit function
4. Outsourcing the internal audit function
5. Internal audit assignments

C Planning and risk assessment

1. Objective and general principles
2. Assessing the risks of material misstatement

3. Understanding the entity and its environment
4. Materiality, fraud, laws and regulations
5. Analytical procedures
6. Planning an audit
7. Audit documentation

D Internal control

1. Internal control systems
2. The use of internal control systems by auditors
3. Transaction cycles
4. Tests of control
5. The evaluation of internal control components
6. Communication on internal control

E Audit evidence

1. The use of assertions by auditors
2. Audit procedures
3. The audit of specific items
4. Audit sampling and other means of testing
5. Computer-assisted audit techniques
6. The work of others
7. Not-for-profit organisations

F Review

1. Subsequent events
2. Going concern
3. Written representations
4. Audit finalisation and the final review

G Reporting

1. Audit reports

2. Reports to management
3. Internal audit reports

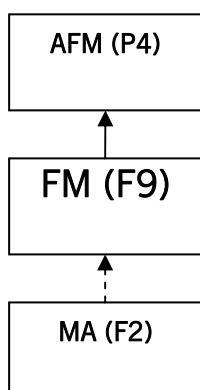
APPROACH TO EXAMINING THE SYLLABUS

The syllabus is assessed by a three-hour paper-based examination, consisting of five compulsory questions. The bulk of the questions will be discursive but some questions involving computational elements will be set from time to time.

The questions will cover all areas of the syllabus.

Question 1 will be a scenario-based question worth 30 marks. Question 2 will be a knowledge-based question worth 10 marks. Questions 3, 4 and 5 will be worth 20 marks each.

Financial Management (F9)



AIM

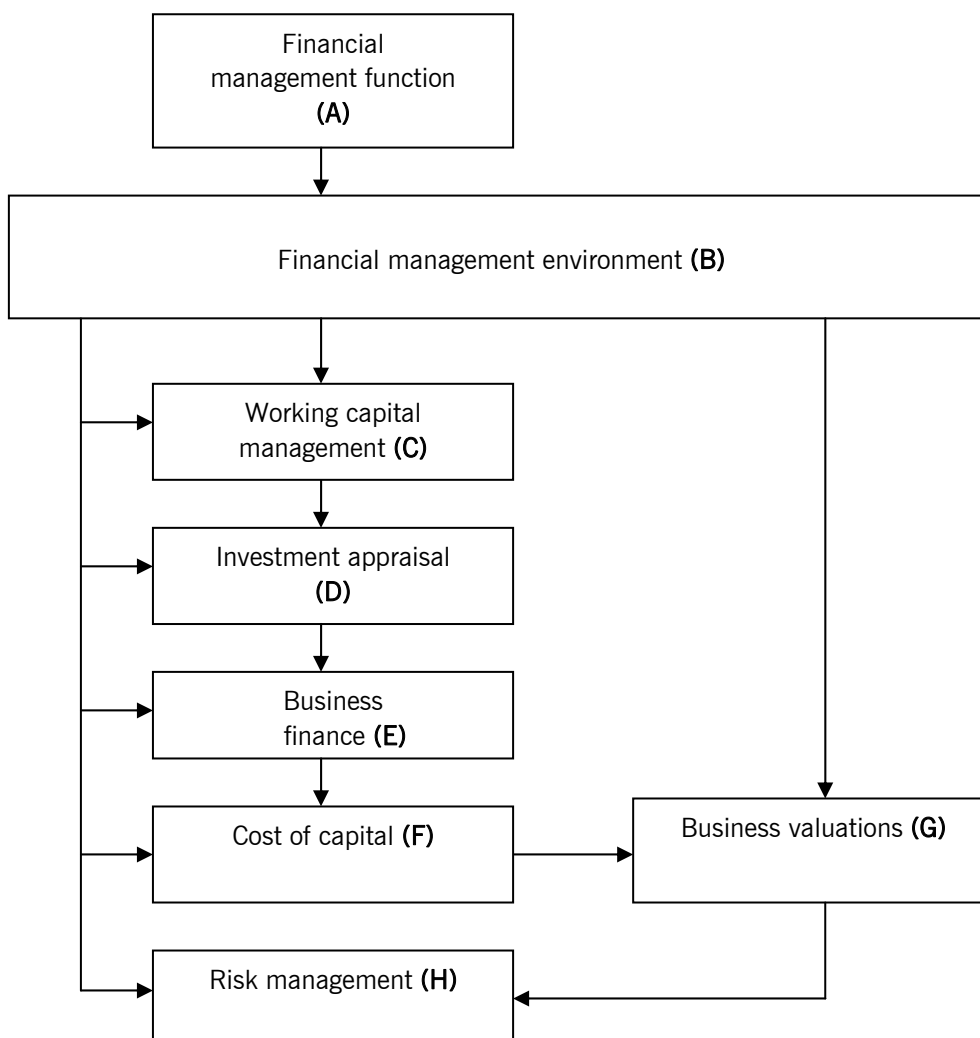
To develop the knowledge and skills expected of a finance manager, in relation to investment, financing, and dividend policy decisions.

MAIN CAPABILITIES

On successful completion of this paper candidates should be able to:

- A** Discuss the role and purpose of the financial management function
- B** Assess and discuss the impact of the economic environment on financial management
- C** Discuss and apply working capital management techniques
- D** Carry out effective investment appraisal
- E** Identify and evaluate alternative sources of business finance
- F** Explain and calculate the cost of capital and the factors which affect it
- G** Discuss and apply principles of business and asset valuations
- H** Explain and apply risk management techniques in business.

RELATIONAL DIAGRAM OF MAIN CAPABILITIES



RATIONALE

The syllabus for Paper F9, *Financial Management*, is designed to equip candidates with the skills that would be expected from a finance manager responsible for the finance function of a business. The paper, therefore, starts by introducing the role and purpose of the financial management function within a business. Before looking at the three key financial management decisions of investing, financing, and dividend policy, the syllabus explores the economic environment in which such decisions are made.

The next section of the syllabus is the introduction of investing decisions. This is done in two stages - investment in (and the management of) working capital and the appraisal of long-term investments.

The next area introduced is financing decisions. This section of the syllabus starts by examining the various sources of business finance, including dividend policy and how much finance can be raised from within the business. Cost of capital and other factors that influence the choice of the type of capital a business will raise then follows. The principles underlying the valuation of business and financial assets, including the impact of cost of capital on the value of business, is covered next.

The syllabus finishes with an introduction to, and examination of, risk and the main techniques employed in the management of such risk.

DETAILED SYLLABUS

A Financial management function

1. The nature and purpose of financial management
2. Financial objectives and relationship with corporate strategy
3. Stakeholders and impact on corporate objectives
4. Financial and other objectives in not-for-profit organisations

B Financial management environment

1. The economic environment for business
2. The nature and role of financial markets and institutions
3. The treasury function

C Working capital management

1. The nature, elements and importance of working capital
2. Management of inventories, accounts receivable, accounts payable and cash
3. Determining working capital needs and funding strategies

D Investment appraisal

1. Investment appraisal techniques
2. Allowing for inflation and taxation in investment appraisal
3. Adjusting for risk and uncertainty in investment appraisal
4. Specific investment decisions (lease or buy; asset replacement, capital rationing)

E Business finance

1. Sources of, and raising short-term finance
2. Sources of, and raising long-term finance
3. Raising short and long term finance through Islamic financing
4. Internal sources of finance and dividend policy
5. Gearing and capital structure considerations
6. Finance for Small and Medium-size Entities (SMEs)

F Cost of capital

1. Sources of finance and their relative costs
2. Estimating the cost of equity

3. Estimating the cost of debt and other capital instruments
4. Estimating the overall cost of capital
5. Capital structure theories and practical considerations
6. Impact of cost of capital on investments

G Business valuations

1. Nature and purpose of the valuation of business and financial assets
2. Models for the valuation of shares
3. The valuation of debt and other financial assets
4. Efficient market hypothesis (EMH) and practical considerations in the valuation of shares

H Risk management

1. The nature and types of risk and approaches to risk management
2. Causes of exchange rate differences and interest rate fluctuations
3. Hedging techniques for foreign currency risk
4. Hedging techniques for interest rate risk

APPROACH TO EXAMINING THE SYLLABUS

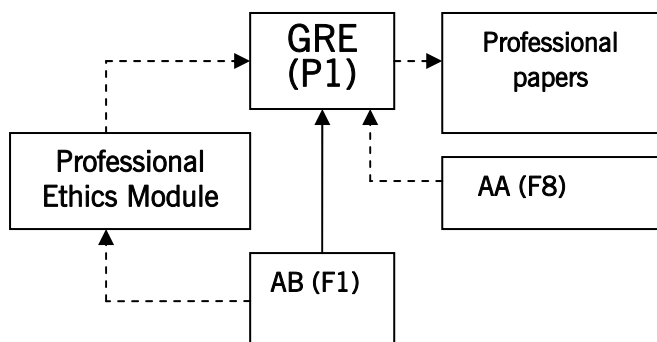
The syllabus for Paper F9 aims to develop the skills expected of a finance manager who is responsible for the finance function of a business.

The paper also prepares candidates for more advanced and specialist study in Paper P4, *Advanced Financial Management*.

The syllabus is assessed by a three-hour paper-based examination consisting of four compulsory 25-mark questions. All questions will have computational and discursive elements. The balance between computational and discursive content will continue in line with the pilot paper.

Candidates are provided with a formulae sheet and tables of discount and annuity factors.

Governance, Risk & Ethics (P1)



AIM

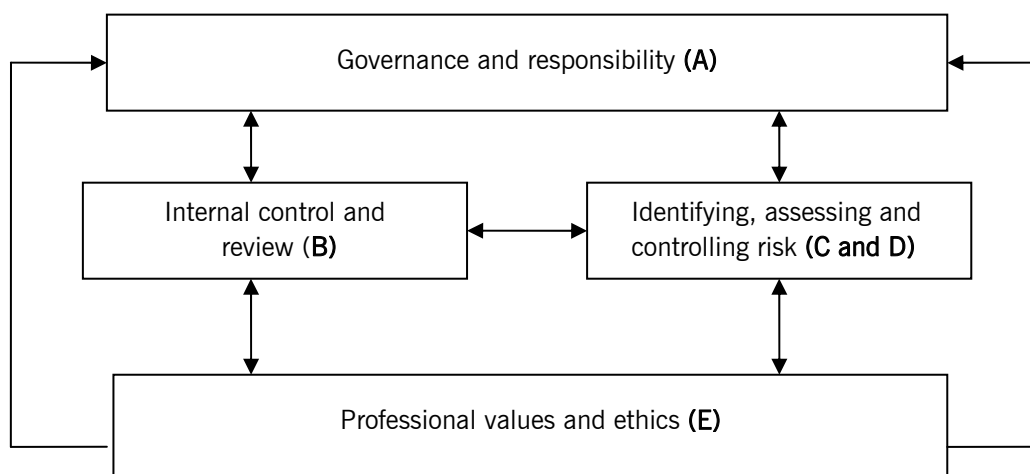
To apply relevant knowledge, skills and exercise professional judgement in carrying out the role of the accountant relating to governance, internal control, compliance and the management of risk within an organisation, in the context of an overall ethical framework.

MAIN CAPABILITIES

On successful completion of this paper, candidates should be able to:

- A** Define governance and explain its function in the effective management and control of organisations and of the resources for which they are accountable
- B** Evaluate the Governance, Risk and Ethics's role in internal control, review and compliance
- C** Explain the role of the accountant in identifying and assessing risk
- D** Explain and evaluate the role of the accountant in controlling and mitigating risk
- E** Demonstrate the application of professional values and judgement through an ethical framework that is in the best interests of society and the profession, in compliance with relevant professional codes, laws and regulations.

RELATIONAL DIAGRAM OF MAIN CAPABILITIES



RATIONALE

The syllabus for Paper P1, *Governance, Risk and Ethics*, acts as the gateway syllabus into the professional level. It sets the other Essentials and Options papers into a wider professional, organisational, and societal context.

The syllabus assumes essential technical skills and knowledge acquired at the Fundamentals level where the core technical capabilities will have been acquired, and where ethics, corporate governance, internal audit, control, and risk will have been introduced in a subject-specific context.

The GRE syllabus begins by examining the whole area of governance within organisations in the broad context of the agency relationship. This aspect of the syllabus focuses on the respective roles and responsibilities of directors and officers to organisational stakeholders and of accounting and auditing as support and control functions.

The syllabus then explores internal review, control, and feedback to implement and support effective governance, including compliance issues related to decision-making and decision-support functions. The syllabus also examines the whole area of identifying, assessing, and controlling risk as a key aspect of responsible management.

Finally, the syllabus covers personal and professional ethics, ethical frameworks – and professional values – as applied in the context of the accountant's duties and as a guide to appropriate professional behaviour and conduct in a variety of situations.

DETAILED SYLLABUS

A Governance and responsibility

1. The scope of governance
2. Agency relationships and theories
3. The board of directors
4. Board committees
5. Directors' remuneration
6. Different approaches to corporate governance

7. Corporate governance and corporate social responsibility

8. Governance: reporting and disclosure

B Internal control and review

1. Management control systems in corporate governance

2. Internal control, audit and compliance in corporate governance

3. Internal control and reporting

4. Management information in audit and internal control

C Identifying and assessing risk

1. Risk and the risk management process

2. Categories of risk

3. Identification, assessment and measurement of risk

D Controlling risk

1. Targeting and monitoring risk

2. Methods of controlling and reducing risk

3. Risk avoidance, retention and modelling

E Professional values and ethics

1. Ethical theories

2. Different approaches to ethics and social responsibility

3. Professions and the public interest

4. Professional practice and codes of ethics

5. Conflicts of interest and the consequences of unethical behaviour

6. Ethical characteristics of professionalism

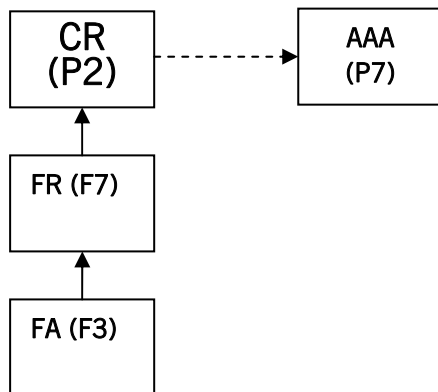
7. Social and environmental issues in the conduct of business and of ethical behaviour

APPROACH TO EXAMINING THE SYLLABUS

The syllabus will be assessed by a three-hour paper-based examination. The examination paper will be structured in two sections. Section A will be based on a case study style question comprising a compulsory 50 mark question, with requirements based on several parts with all parts relating to the same case information. The case study will usually assess a range of subject areas across the syllabus and will require the candidate to demonstrate high level capabilities to evaluate, relate and apply the information in the case study to several of the requirements.

Section B comprises three questions of 25 marks each, of which candidates must answer two. These questions will be more likely to assess a range of discrete subject areas from the main syllabus section headings, but may require application, evaluation and the synthesis of information contained within short scenarios in which some requirements may need to be contextualised.

Corporate Reporting (INT) (P2)



AIM

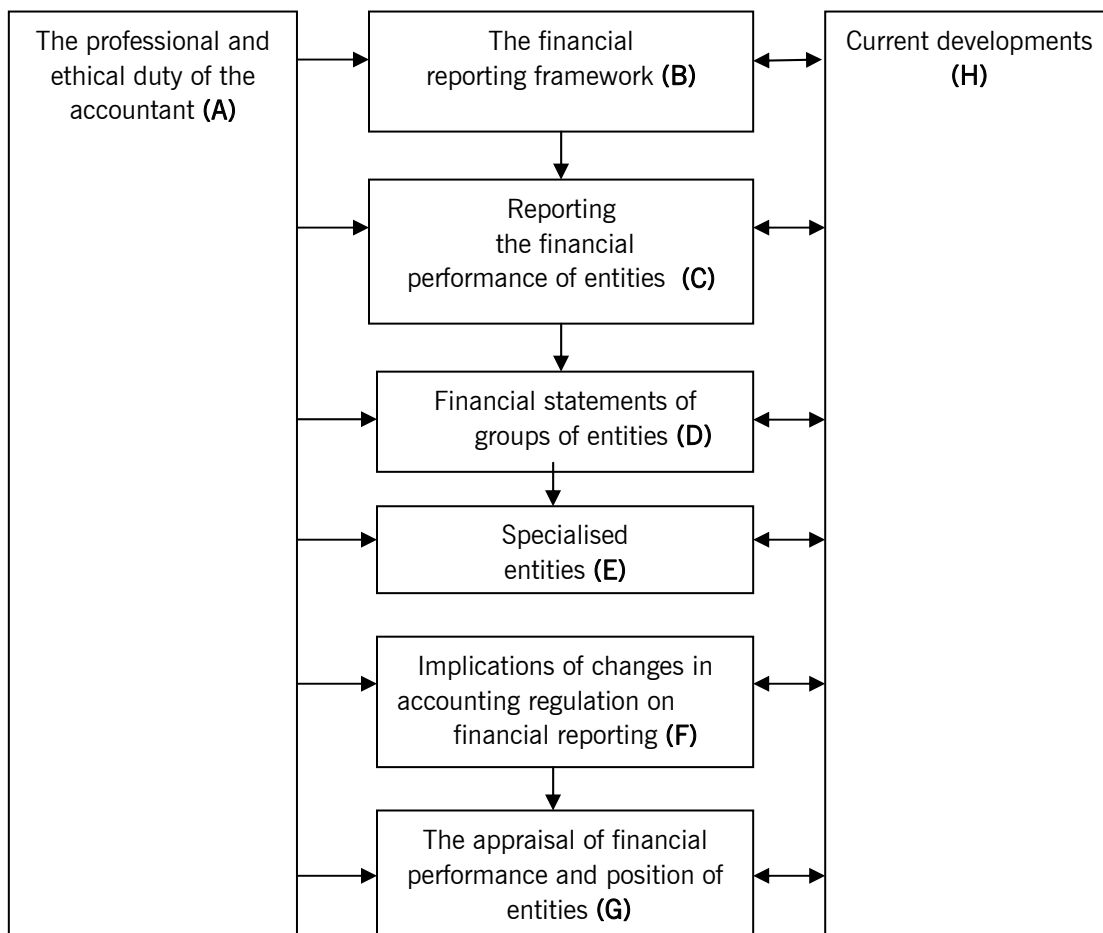
To apply knowledge, skills and exercise professional judgement in the application and evaluation of financial reporting principles and practices in a range of business contexts and situations.

MAIN CAPABILITIES

On successful completion of this paper candidates should be able to:

- A** Discuss the professional and ethical duties of the accountant
- B** Evaluate the financial reporting framework
- C** Advise on and report the financial performance of entities
- D** Prepare the financial statements of groups of entities in accordance with relevant accounting standards
- E** Explain reporting issues relating to specialised entities
- F** Discuss the implications of changes in accounting regulation on financial reporting
- G** Appraise the financial performance and position of entities
- H** Evaluate current developments

RELATIONAL DIAGRAM OF MAIN CAPABILITIES



RATIONALE

The syllabus for Paper P2, *Corporate Reporting*, assumes knowledge acquired at the Fundamentals level including the core technical capabilities to prepare and analyse financial reports for single and combined entities.

The Paper P2 syllabus takes the subject into greater depth and contextualises the role of the accountant as a professional steward and adviser/analyst by initially exploring the wider professional duties and responsibilities of the accountant to the stakeholders of an organisation.

The syllabus examines the financial reporting framework within which the accountant operates and examines detailed financial reporting requirements for entities leading to the preparation of group financial reports in accordance with generally accepted accounting practice and relevant standards.

The syllabus then deals with the nature of reporting for specialised entities including not-for-profit and small and medium-sized enterprises.

The final sections of the syllabus explore – in more depth – the role of the accountant as financial analyst and adviser through the assessment of financial performance and position of entities, and the accountant's role in assessing and advising on the implications of accounting regulation on corporate reporting.

Finally, the syllabus covers the evaluation of current developments and their implications for financial reporting.

DETAILED SYLLABUS

A The professional and ethical duty of the accountant

1. Professional behaviour and compliance with accounting standards
2. Ethical requirements of corporate reporting and the consequences of unethical behaviour
3. Social responsibility

B The financial reporting framework

1. The applications, strengths and weaknesses of an accounting framework
2. Critical evaluation of principles and practices

C Reporting the financial performance of entities

1. Performance reporting
2. Non-current assets
3. Financial instruments
4. Leases
5. Segment reporting
6. Employee benefits
7. Income taxes
8. Provisions, contingencies and events after the reporting date
9. Related parties
10. Share-based payment
11. Reporting requirements of small and medium-sized entities (SMEs)

D Financial statements of groups of entities

1. Group accounting including statements of cash flows
2. Continuing and discontinued interests
3. Changes in group structures
4. Foreign transactions and entities

E Specialised entities and specialised transactions

1. Financial reporting in specialised, not-for-profit and public sector entities
2. Entity reconstructions

F Implications of changes in accounting regulation on financial reporting

1. The effect of changes in accounting standards on accounting systems
2. Proposed changes to accounting standards

G The appraisal of financial performance and position of entities

1. The creation of suitable accounting policies
2. Analysis and interpretation of financial information and measurement of performance

H Current developments

1. Environmental and social reporting
2. Convergence between national and international reporting standards
3. Current reporting issues

APPROACH TO EXAMINING THE SYLLABUS

The syllabus is assessed by a three-hour paper-based examination. It examines professional competences within the corporate reporting environment.

Students will be examined on concepts, theories, and principles, and on their ability to question and comment on proposed accounting treatments.

Students should be capable of relating professional issues to relevant concepts and practical situations. The evaluation of alternative accounting practices and the identification and prioritisation of issues will be a key element of the paper. Professional and ethical judgement will need to be exercised, together with the integration of technical knowledge when addressing corporate reporting issues in a business context.

Global issues will be addressed via the current issues questions on the paper. Students will be required to adopt either a stakeholder or an external focus in answering questions and to demonstrate personal skills such as problem solving, dealing with information and decision making.

The paper also deals with specific professional knowledge appropriate to the preparation and presentation of consolidated and other financial statements from accounting data, to conform with accounting standards.

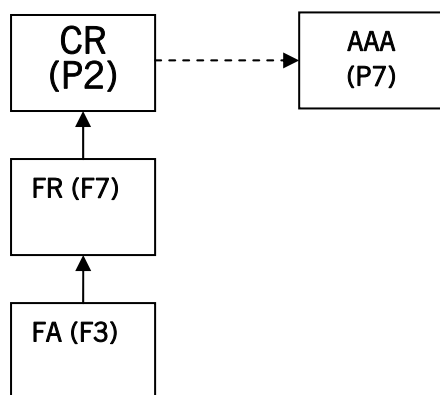
The paper will comprise two sections.

Section A Compulsory question	50 marks
Section B 2 from 3 questions of	
25 marks each	<u>50 marks</u>
	<u>100 marks</u>

Section A will consist of one scenario based question worth 50 marks. It will deal with the preparation of consolidated financial statements including group statements of cash flows and with issues in financial reporting.

Students will be required to answer two out of three questions in Section B, which will normally comprise two questions which will be scenario or case-study based and one essay question which may have some computational element. Section B could deal with any aspects of the syllabus.

Corporate Reporting (UK) (P2)



AIM

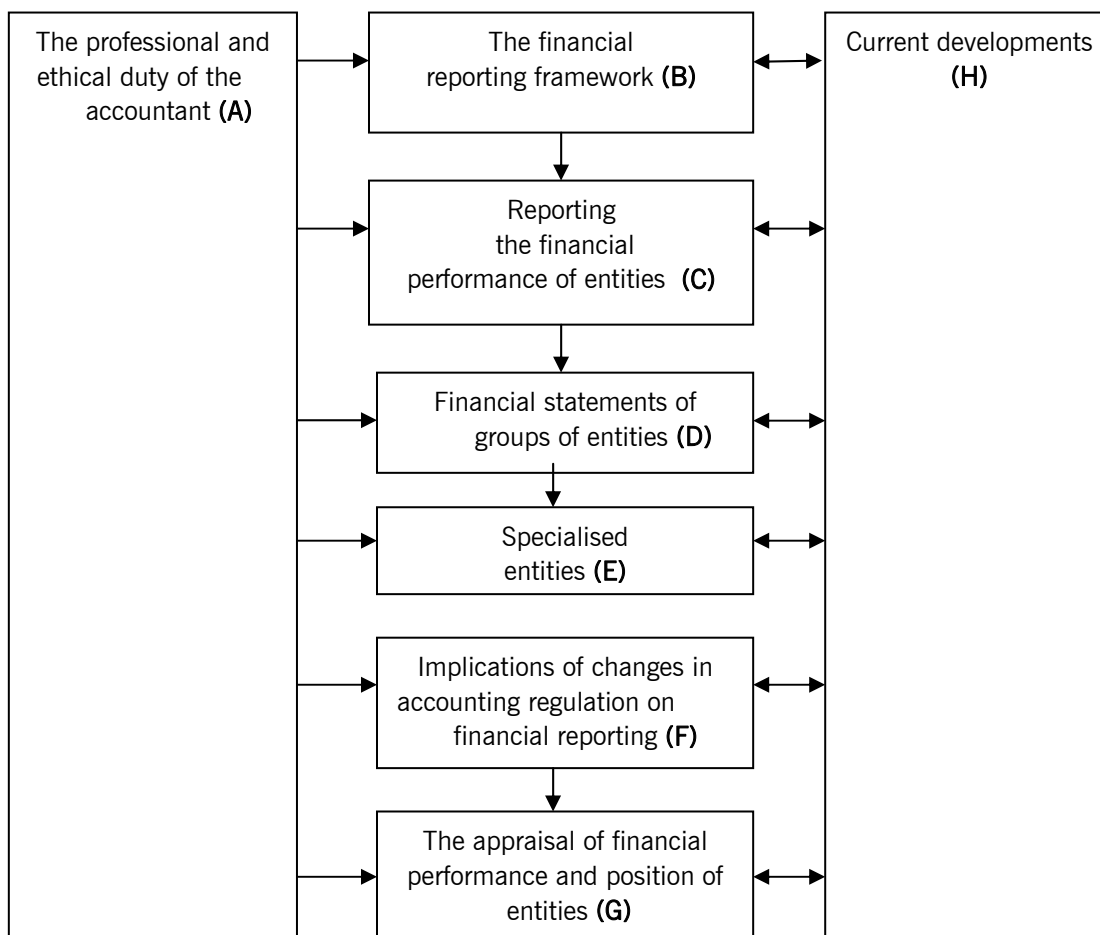
To apply knowledge, skills and exercise professional judgement in the application and evaluation of financial reporting principles and practices in a range of business contexts and situations.

MAIN CAPABILITIES

On successful completion of this paper candidates should be able to:

- A** Discuss the professional and ethical duties of the accountant
- B** Evaluate the financial reporting framework
- C** Advise on and report the financial performance of entities
- D** Prepare the financial statements of groups of entities in accordance with relevant accounting standards
- E** Explain reporting issues relating to specialised entities
- F** Discuss the implications of changes in accounting regulation on financial reporting
- G** Appraise the financial performance and position of entities
- H** Evaluate current developments

RELATIONAL DIAGRAM OF MAIN CAPABILITIES



RATIONALE

The syllabus for paper P2, *Corporate Reporting*, assumes knowledge acquired at the Fundamentals level including the core technical capabilities to prepare and analyse financial reports for single and combined entities.

The Paper P2 syllabus takes the subject into greater depth and contextualises the role of the accountant as a professional steward and adviser/analyst by initially exploring the wider professional duties and responsibilities of the accountant to the stakeholders of an organisation.

The syllabus examines the financial reporting framework within which the accountant operates and examines detailed financial reporting requirements for entities leading to the preparation of group financial reports in accordance with generally accepted accounting practice and relevant standards.

The syllabus then deals with the nature of reporting for specialised entities including not-for-profit and small and medium-sized enterprises.

The final sections of the syllabus explore – in more depth – the role of the accountant as financial analyst and adviser through the assessment of financial performance and position of entities, and the accountant's role in assessing and advising on the implications of accounting regulation on corporate reporting.

Finally, the syllabus covers the evaluation of current developments and their implications for financial reporting.

For the purpose of this exam, International Financial Reporting Standards (IFRS) are the main accounting standards examined in the preparation of financial information. The key differences between UK GAAP and International Financial Reporting Standards are looked at on a subject by subject basis.

DETAILED SYLLABUS

A The professional and ethical duty of the accountant

1. Professional behaviour and compliance with accounting standards
2. Ethical requirements of corporate reporting and the consequences of unethical behaviour
3. Social responsibility

B The legal and financial reporting framework

1. The applications, strengths and weaknesses of an accounting framework
2. Critical evaluation of principles and practices
3. The legal requirements relating to the preparation of single entity financial reporting statements

C Reporting the financial performance of entities including key differences between IFRS and UK GAAP

1. Performance reporting
2. Non-current assets
3. Financial instruments
4. Leases
5. Segment reporting
6. Employee benefits
7. Taxation
8. Provisions, contingencies and events after the reporting date
9. Related parties
10. Share-based payment
11. Reporting requirements of small and medium-sized entities (SMEs)

D Financial statements of groups of entities including key differences between IFRS and UK GAAP

1. Group accounting including cash flow statements
2. Continuing and discontinued interests
3. Changes in group structures
4. Foreign transactions and entities

E Specialised entities and specialised transactions

1. Financial reporting in specialised, not-for-profit and public sector entities
2. Entity schemes of arrangement and reconstructions

F Implications of changes in accounting regulation on financial reporting

1. The effect of changes in accounting standards on accounting systems
2. Proposed changes to accounting standards

G The appraisal of financial performance and position of entities

1. The creation of suitable accounting policies
2. Analysis and interpretation of financial information and measurement of performance

H Current developments

1. Environmental and social reporting
2. Convergence between national and international reporting standards
3. Current reporting issues

APPROACH TO EXAMINING THE SYLLABUS

The syllabus is assessed by a three-hour paper-based examination. It examines professional competences within the corporate reporting environment.

Students will be examined on concepts, theories, and principles, and on their ability to question and comment on proposed accounting treatments.

Students should be capable of relating professional issues to relevant concepts and practical situations. The evaluation of alternative accounting practices and the identification and prioritisation of issues will be a key element of the paper. Professional and ethical judgement will need to be exercised, together with the integration of technical knowledge when addressing corporate reporting issues in a business context.

Global issues will be addressed via the current issues questions on the paper. Students will be required to adopt either a stakeholder or an external focus in answering questions and to demonstrate personal skills such as problem solving, dealing with information and decision making.

The paper also deals with specific professional knowledge appropriate to the preparation and presentation of consolidated and other financial statements from accounting data to conform with accounting standards.

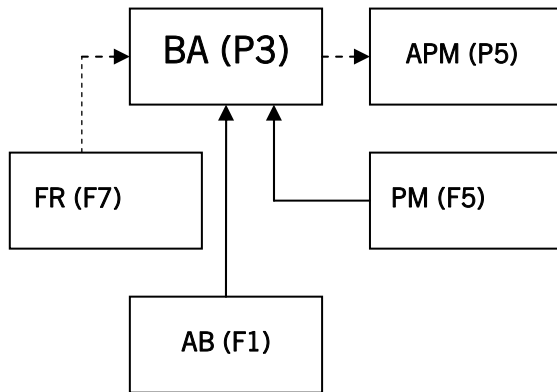
The paper will comprise two sections.

Section A Compulsory question	50 marks
Section B 2 from 3 questions of 25 marks each	<u>50 marks</u> <u>100 marks</u>

Section A will consist of one scenario-based question worth 50 marks. It will deal with the preparation of consolidated financial statements including group cash flow statements and with issues in financial reporting.

Students will be required to answer two out of three questions in Section B, which will normally comprise two questions which will be scenario or case-study based and one essay question which may have some computational element. Section B could deal with any aspects of the syllabus.

Business Analysis (P3)



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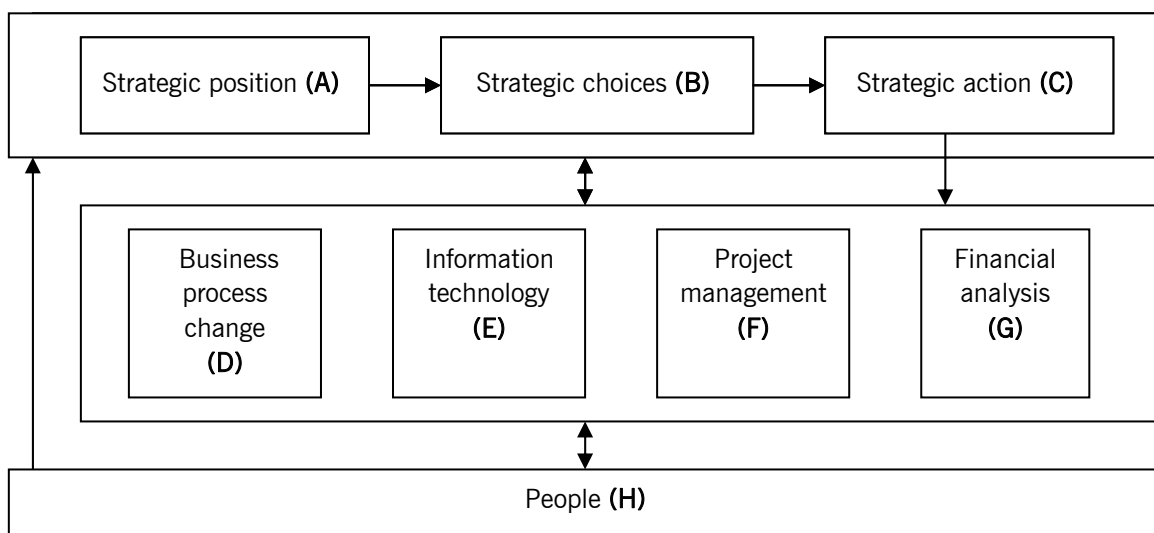
To apply relevant knowledge, skills, and exercise professional judgement in assessing strategic position, determining strategic choice, and implementing strategic action through beneficial business process and structural change; coordinating knowledge systems and information technology and by effectively managing processes, projects, and people within financial and other resource constraints.

MAIN CAPABILITIES

On successful completion of this paper, candidates should be able to:

- A Assess the strategic position of an organisation
- B Evaluate the strategic choices available to an organisation
- C Discuss how an organisation might go about its strategic implementation
- D Evaluate and redesign business processes and structures to implement and support the organisation's strategy taking account of customer and other major stakeholder requirements
- E Integrate appropriate information technology solutions to support the organisation's strategy
- F Advise on the principles of project management to enable the implementation of aspects of the organisation's strategy with the twin objectives of managing risk and ensuring benefits realisation
- G Analyse and evaluate the effectiveness of a company's strategy and the financial consequences of implementing strategic decisions
- H Assess the role of leadership and people management in formulating and implementing business strategy.

RELATIONAL DIAGRAM OF MAIN CAPABILITIES



RATIONALE

The syllabus for Paper P3, *Business Analysis*, is primarily concerned with two issues. The first is the external forces (the behaviour of customers, the initiatives of competitors, the emergence of new laws and regulations) that shape the environment of an organisation. The second is the internal ambitions and concerns (desire for growth, the design of processes, the competences of employees, the financial resources) that exist within an organisation. This syllabus looks at both of these perspectives, from assessing strategic position and choice to identifying and formulating strategy and strategic action. It identifies opportunities for beneficial change that involve people, finance and information technology. It examines how these opportunities may be implemented through the appropriate management of programmes and projects.

The syllabus begins with the assessment of strategic position in the present and in the future using relevant forecasting techniques, and is primarily concerned with the impact of the external environment on the business, its internal capabilities and expectations and how the organisation positions itself under these constraints. It examines how factors such as culture, leadership and stakeholder expectations shape organisational purpose. Strategic choice is concerned with decisions which have to be made about an organisation's future and the way in which it can respond to the influences and pressures identified in the assessment of its current and future strategic position.

Strategic action concerns the implementation of strategic choices and the transformation of these choices into organisational action. Such action takes place in day-to-day processes and organisational relationships and these processes and relationships need to be managed in line with the intended strategy, involving the effective coordination of information technology, people, finance and other business resources.

Companies that undertake successful business process redesign claim significant organisational improvements. This simply reflects the fact that many existing processes are less efficient than they could be and that new technology makes it possible

to design more efficient processes. Strategic planning and strategy implementation has to be subject to financial benchmarks. Financial analysis explicitly recognises this, reminding candidates of the importance of focusing on the key management accounting techniques that help to determine strategic action and the financial ratios and measures that may be used to assess the viability of a strategy and to monitor and measure its success.

Throughout, the syllabus recognises that successful strategic planning and implementation requires the effective recruitment, leadership, organisation and training and development of people.

DETAILED SYLLABUS

A Strategic position

1. The need for, and purpose of, strategic and business analysis
2. Environmental issues affecting the strategic position of an organisation
3. Competitive forces affecting an organisation
4. Marketing and the value of goods and services
5. The internal resources, capabilities and competences of an organisation
6. The expectations of stakeholders and the influence of ethics and culture

B Strategic choices

1. The influence of corporate strategy on an organisation
2. Alternative approaches to achieving competitive advantage
3. Alternative directions and methods of development

C Strategic action

1. Organising and enabling success
2. Managing strategic change

3. Understanding strategy development

D Business process change

1. The role of process and process change initiatives
2. Improving the processes of the organisation
3. Software solutions

E Information technology

1. Principles of e-business
2. E-business application: upstream supply chain management
3. E-business application: downstream supply chain management
4. E-business application: customer relationship management

F Project management

1. The nature of projects
2. Building a business case
3. Managing and leading projects
4. Planning, monitoring and controlling projects
5. Concluding a project

G Financial Analysis

1. The link between strategy and finance
2. Finance decisions to formulate and support business strategy
3. The role of cost and management accounting in strategic planning and implementation
4. Financial implications of making strategic choices and of implementing strategic actions

H People

1. Strategy and people: leadership

2. Strategy and people: job design
3. Strategy and people: staff development

APPROACH TO EXAMINING THE SYLLABUS

The syllabus is assessed by a three-hour paper-based examination.

Section A

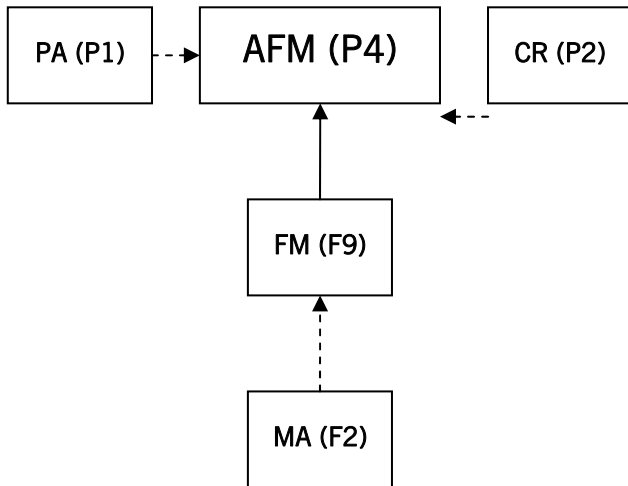
Section A contains one multi-part question based on a case study scenario. This question is worth 50 marks.

Section B

Section B will consist of three discrete questions each worth 25 marks. Candidates must answer two questions from this section.

Total: 100 marks

Advanced Financial Management (P4)



AIM

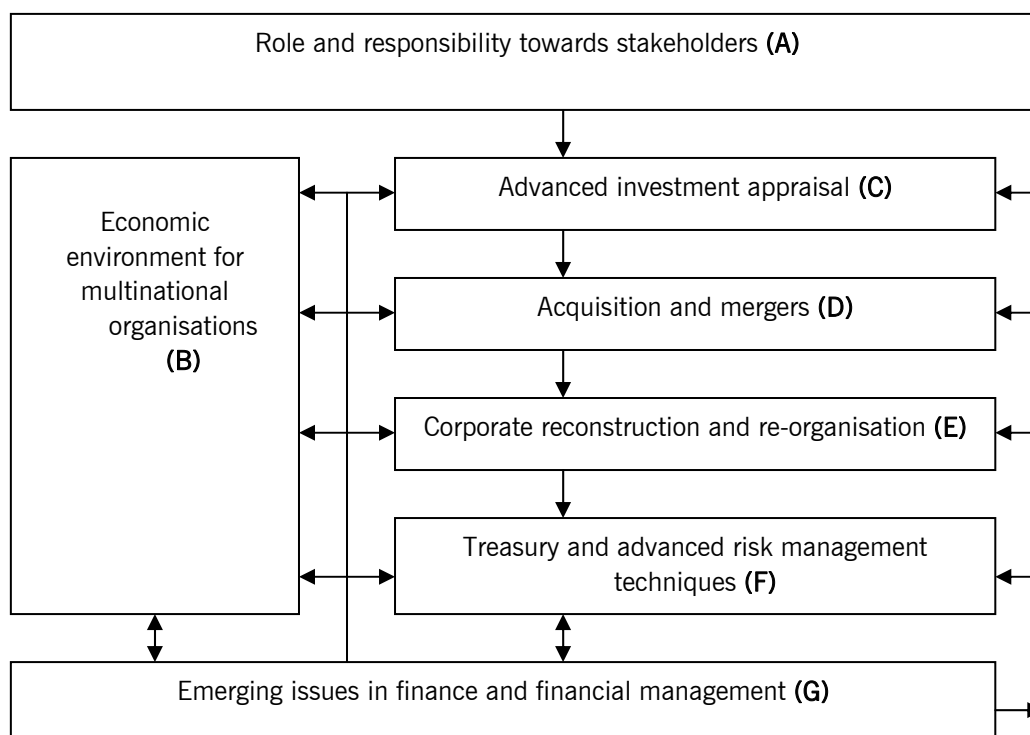
To apply relevant knowledge, skills and exercise professional judgement as expected of a senior financial executive or advisor, in taking or recommending decisions relating to the financial management of an organisation.

MAIN CAPABILITIES

On successful completion of this paper, candidates should be able to:

- A** Explain and evaluate the role and responsibility of the senior financial executive or advisor in meeting conflicting needs of stakeholders
- B** Evaluate the impact of macro economics and recognise the role of international financial institutions in the financial management of multinationals
- C** Evaluate potential investment decisions and assessing their financial and strategic consequences, both domestically and internationally
- D** Assess and plan acquisitions and mergers as an alternative growth strategy
- E** Evaluate and advise on alternative corporate re-organisation strategies
- F** Apply and evaluate alternative advanced treasury and risk management techniques
- G** Identify and assess the potential impact of emerging issues in finance and financial management.

RELATIONAL DIAGRAM OF MAIN CAPABILITIES



RATIONALE

This syllabus develops upon the core financial management knowledge and skills covered in the F9, *Financial Management*, syllabus at the Fundamentals level and prepares candidates to advise management and/or clients on complex strategic financial management issues facing an organisation.

The syllabus starts by exploring the role and responsibility of a senior executive or advisor in meeting competing needs of stakeholders within the business environment of multinationals. The syllabus then re-examines investment and financing decisions, with the emphasis moving towards the strategic consequences of making such decisions in a domestic, as well as international, context. Candidates are then expected to develop further advisory skills in planning strategic acquisitions and mergers and corporate re-organisations.

The next part of the syllabus re-examines, in the broadest sense, the existence of risks in business and the sophisticated strategies which are employed in order to manage such risks. It builds on what candidates would have covered in the F9, *Financial Management*, syllabus and the P1, *Governance, Risk and Ethics*, syllabus. The syllabus finishes by examining the impact of emerging issues in finance.

DETAILED SYLLABUS

A Role and responsibility towards stakeholders

1. The role and responsibility of senior financial executive/advisor
2. Financial strategy formulation
3. Conflicting stakeholder interests
4. Ethical issues in financial management
5. Impact of environmental issues on organisational objectives and on governance

B Economic environment for multinational organisations

1. Management of international trade and finance

2. Strategic business and financial planning for multinational organisations

C Advanced investment appraisal

1. Discounted cash flow techniques
2. Application of option pricing theory in investment decisions
3. Impact of financing on investment decisions and adjusted present values
4. Valuation and the use of free cash flows
5. International investment and financing decisions

D Acquisitions and mergers

1. Acquisitions and mergers versus other growth strategies
2. Valuation for acquisitions and mergers
3. Regulatory framework and processes
4. Financing acquisitions and mergers

E Corporate reconstruction and re-organisation

1. Financial reconstruction
2. Business re-organisation

F Treasury and advanced risk management techniques

1. The role of the treasury function in multinationals
2. The use of financial derivatives to hedge against forex risk
3. The use of financial derivatives to hedge against interest rate risk
4. Dividend policy in multinationals and transfer pricing

G Emerging issues in finance and financial management

1. Developments in world financial markets
2. Developments in international trade and finance
3. Developments in Islamic financing

APPROACH TO EXAMINING THE SYLLABUS

The P4, *Advanced Financial Management*, paper builds upon the skills and knowledge examined in the F9, *Financial Management*, paper. At this stage candidates will be expected to demonstrate an integrated knowledge of the subject and an ability to relate their technical understanding of the subject to issues of strategic importance to the organisation. The study guide specifies the wide range of contextual understanding that is required to achieve a satisfactory standard at this level.

Examination Structure

The examination will be a three-hour paper in two sections:

Section A:

Section A will contain a compulsory question, comprising of 50 marks.

Section A will normally cover significant issues relevant to the senior financial manager or advisor and will be set in the form of a case study or scenario. The requirements of the section A question are such that candidates will be expected to show a comprehensive understanding of issues from across the syllabus. The question will contain a mix of computational and discursive elements. Within this question candidates will be expected to provide answers in a specified form such as a short report or board memorandum commensurate with the professional level of the paper in part or whole of the question.

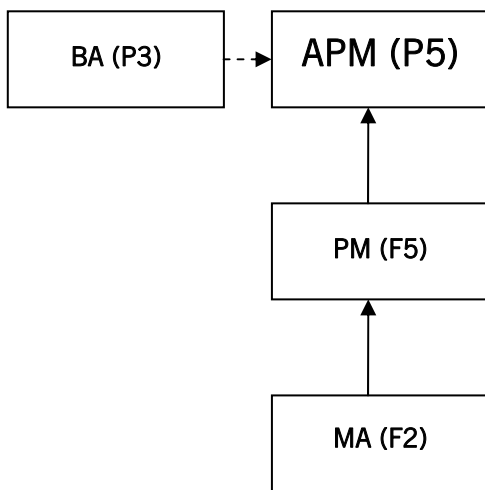
Section B:

In section B candidates will be asked to answer two from three questions, comprising of 25 marks each.

Section B questions are designed to provide a more focused test of the syllabus. Questions will normally contain a mix of computational and discursive elements, but may also be wholly discursive or evaluative where computations are already provided.

Total 100 marks

Advanced Performance Management (P5)



AIM

To apply relevant knowledge, skills and exercise professional judgement in selecting and applying strategic management accounting techniques in different business contexts and to contribute to the evaluation of the performance of an organisation and its strategic development.

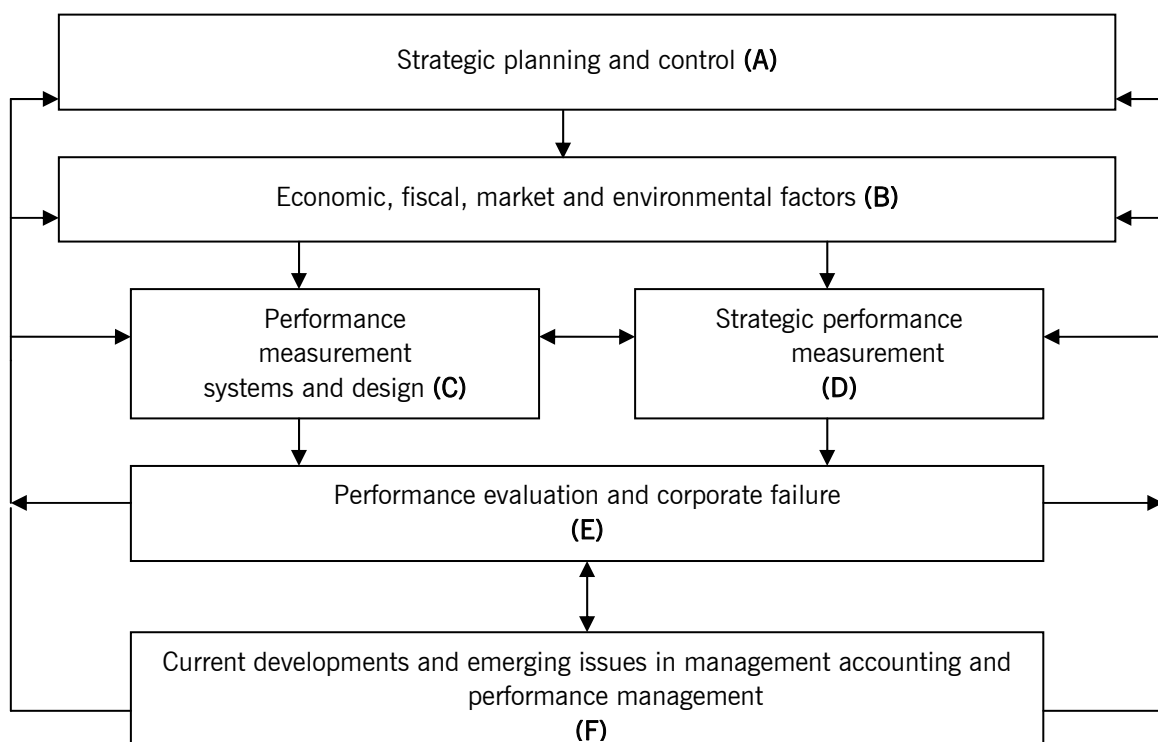
MAIN CAPABILITIES

On successful completion of this paper, candidates should be able to:

On successful completion of this paper, candidates should be able to:

- A** Use strategic planning and control models to plan and monitor organisational performance
- B** Assess and identify relevant macro economic, fiscal and market factors and key external influences on organisational performance
- C** Identify and evaluate the design features of effective performance management information and monitoring systems
- D** Apply appropriate strategic performance measurement techniques in evaluating and improving organisational performance
- E** Advise clients and senior management on strategic business performance evaluation and on recognising vulnerability to corporate failure
- F** Identify and assess the impact of current developments in management accounting and performance management on measuring, evaluating and improving organisational performance

RELATIONAL DIAGRAM OF MAIN CAPABILITIES



RATIONALE

The Advanced Performance Management syllabus further develops key aspects introduced in Paper F5, *Performance Management*, at the skills level and draws on aspects of the material covered from a more strategic and operational planning perspective in Paper P3, *Business Analysis*.

The syllabus introduces candidates to the strategic role of management accounting as a discipline for planning and controlling performance so that strategic objectives can be set, monitored and controlled. It also covers the impact of external factors on strategic management issues, such as macro economic, fiscal, market and environmental impacts on performance. From appreciating the strategic context of performance management and the impact of wider factors, the syllabus examines, at an operational level, the issues relating to performance measurement systems and their design.

The syllabus then moves from performance management systems and their design to the scope and application of high-level performance measurement techniques in a variety of contexts, including not-for-profit organisations and multi-national businesses. Having covered the strategic aspects of performance management and operational systems for the measurement and control of performance in a variety of contexts, candidates are then expected to synthesise this knowledge in the role of an advisor to senior management or independent clients on how to assess and control the performance of an entity, including the recognition of whether a business is facing difficulties or possibly failure.

Finally, the syllabus deals with current developments in performance management and with emerging issues as they might affect or influence the management of performance within organisations.

DETAILED SYLLABUS

A. Strategic planning and control

1. Introduction to strategic management accounting
2. Performance management and control of the organisation
3. Changes in business structure and management accounting
4. Effect of Information Technology (IT) on strategic management accounting
5. Other environmental and ethical issues

B. External influences on organisational performance

1. Changing business environment
2. Impact of external factors on strategy and performance

C. Performance measurement systems and design

1. Performance management information systems
2. Sources of management information
3. Recording and processing methods
4. Management reports

D. Strategic performance measurement

1. Performance hierarchy
2. Strategic performance measures in private sector
3. Divisional performance and transfer pricing issues
4. Strategic performance measures in not-for-profit organisations
5. Non- financial performance indicators

6. The role of quality in management information and performance measurement systems
7. Performance measurement and strategic human resource management issues
8. Performance measurement and the reward systems
9. Other behavioural aspects of performance measurement

E. Performance evaluation and corporate failure

1. Alternative views of performance measurement and management
2. Strategic performance issues in complex business structures
3. Predicting and preventing corporate failure

F. Current developments and emerging issues performance management

1. Current developments in management accounting techniques
2. Current issues and trends in performance management

APPROACH TO EXAMINING THE SYLLABUS

Paper P5 builds on paper F5, *Performance Management*, and candidates are expected to have a thorough understanding of the paper F5 syllabus. In addition, candidates will also be required to apply the principles and techniques covered in paper F2, *Management Accounting*.

Paper P5 has a link with Paper P3, *Business Analysis*, in the areas of strategic planning and control and performance measurement

EXAMINATION STRUCTURE

The examination will be a three hour paper in two sections:

Section A

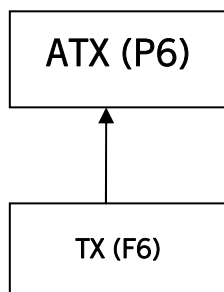
Section A will contain one compulsory question comprising of 50 marks

Section B

In section B candidates will be asked to answer two from three questions comprising of 25 marks each

Total 100 marks

Advanced Taxation (UK) (P6)



AIM

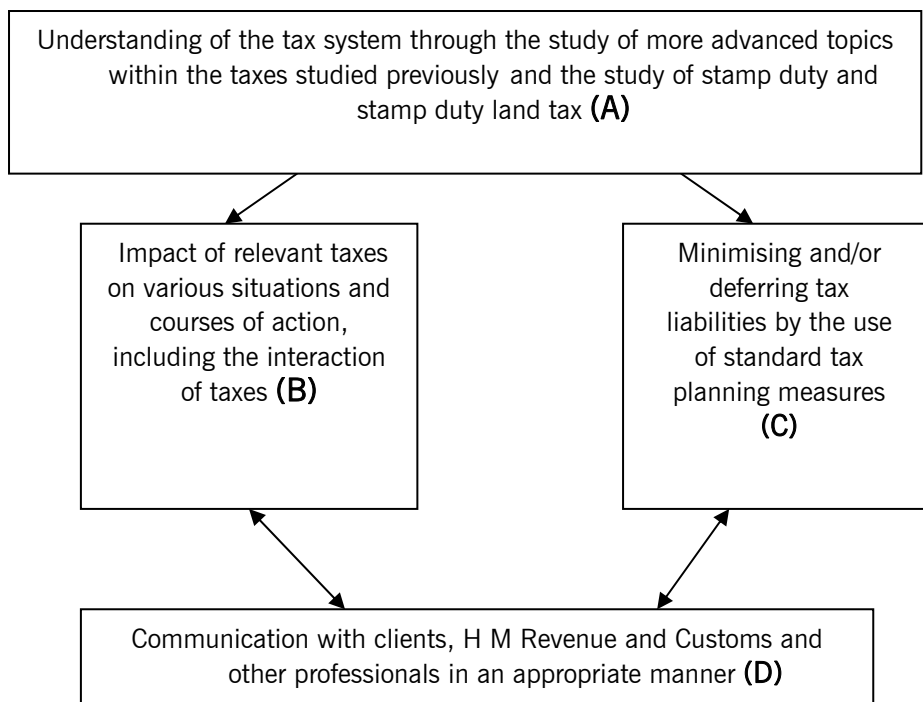
To apply relevant knowledge and skills and exercise professional judgement in providing relevant information and advice to individuals and businesses on the impact of the major taxes on financial decisions and situations.

MAIN CAPABILITIES

On successful completion of this paper candidates should be able to:

- A** Apply further knowledge and understanding of the UK tax system through the study of more advanced topics within the taxes studied previously and the study of stamp duty and stamp duty land tax
- B** Identify and evaluate the impact of relevant taxes on various situations and courses of action, including the interaction of taxes
- C** Provide advice on minimising and/or deferring tax liabilities by the use of standard tax planning measures
- D** Communicate with clients, HM Revenue and Customs and other professionals in an appropriate manner.

RELATIONAL DIAGRAM OF MAIN CAPABILITIES



RATIONALE

The Advanced Taxation syllabus further develops the key aspects of taxation introduced in the compulsory Taxation syllabus within the Skills module and extends the candidates' knowledge of the tax system, together with their ability to apply that knowledge to the issues commonly encountered by individuals and businesses, such that successful candidates should have the ability to interpret and analyse the information provided and communicate the outcomes in a manner appropriate to the intended audience.

The syllabus builds on the basic knowledge of core taxes from the earlier taxation paper and introduces candidates to stamp duty and stamp duty land tax. As this is an optional paper, aimed at those requiring/desiring more than basic tax knowledge for their future professional lives, the syllabus also extends the knowledge of income tax, corporation tax, capital gains tax and inheritance tax to encompass, further overseas aspects of taxation, the taxation of trusts and additional exemptions and reliefs.

Computations will normally only be required in support of explanations or advice and not in isolation.

Candidates are not expected to concentrate on the computational aspects of taxation. Instead this paper seeks to develop candidates' skills of analysis, interpretation and communication. Candidates are expected to be able to use established tax planning methods and consider current issues in taxation.

DETAILED SYLLABUS:

A Knowledge and understanding of the UK tax system through the study of more advanced topics within the taxes studied previously and the study of stamp duty and stamp duty land tax.

1. Income and income tax liabilities in situations involving further overseas aspects and in relation to trusts, and the application of additional exemptions and reliefs.
2. Corporation tax liabilities in situations involving further overseas and group aspects and in relation to special types of company, and the

application of additional exemptions and reliefs.

3. Chargeable gains and capital gains tax liabilities in situations involving further overseas aspects and in relation to closely related persons and trusts, and the application of additional exemptions and reliefs.
4. Inheritance tax in situations involving further aspects of the scope of the tax and the calculation of the liabilities arising, the principles of valuation and the reliefs available, transfers of property to and from trusts, overseas aspects and further aspects of administration
5. Stamp duty and stamp duty land tax
6. National Insurance, value added tax and tax administration

B The impact of relevant taxes on various situations and courses of action, including the interaction of taxes

1. Taxes applicable to a given situation or course of action and their impact.
2. Alternative ways of achieving personal or business outcomes may lead to different tax consequences.
3. Taxation effects of the financial decisions made by businesses (corporate and unincorporated) and by individuals.
4. Tax advantages and/or disadvantages of alternative courses of action.
5. Statutory obligations imposed in a given situation, including any time limits for action and the implications of non-compliance.

C Minimising and/or deferring tax liabilities by the use of standard tax planning measures

1. Types of investment and other expenditure that will result in a reduction in tax liabilities for an individual and/or a business.

2. Legitimate tax planning measures, by which the tax liabilities arising from a particular situation or course of action can be mitigated.
3. The appropriateness of such investment, expenditure or measures, given a particular taxpayer's circumstances or stated objectives.
4. The mitigation of tax in the manner recommended, by reference to numerical analysis and/or reasoned argument.
5. Ethical and professional issues arising from the giving of tax planning advice.
6. Current issues in taxation.

D Communicating with clients, HM Revenue and Customs and other professionals

1. Communication of advice, recommendations and information in the required format.
2. Presentation of written information, in language appropriate to the purpose of the communication and the intended recipient.
3. Conclusions reached with relevant supporting computations.
4. Assumptions made or limitations in the analysis provided, together with any inadequacies in the information available and/or additional information required to provide a fuller analysis.
5. Other non-tax factors that should be considered.

APPROACH TO EXAMINING THE SYLLABUS

The paper consists of two sections:

Section A consists of two compulsory questions. Question 1 has 35 marks, including 4 professional marks, and question 2 has 25 marks

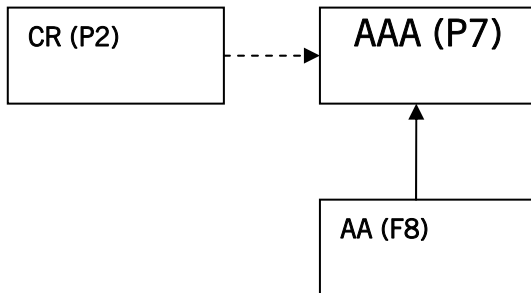
Section B consists of three 20-mark questions, two of which must be answered.

Questions will be scenario based and will normally involve consideration of more than one tax, together with some elements of planning and the interaction of taxes. Computations will normally only be required in support of explanations or advice and not in isolation.

The examination is a three hour paper, with 15 minutes additional reading and planning time.

Tax rates, allowances and information on certain reliefs will be given in the examination paper.

Advanced Audit and Assurance (INT) (P7)



AIM

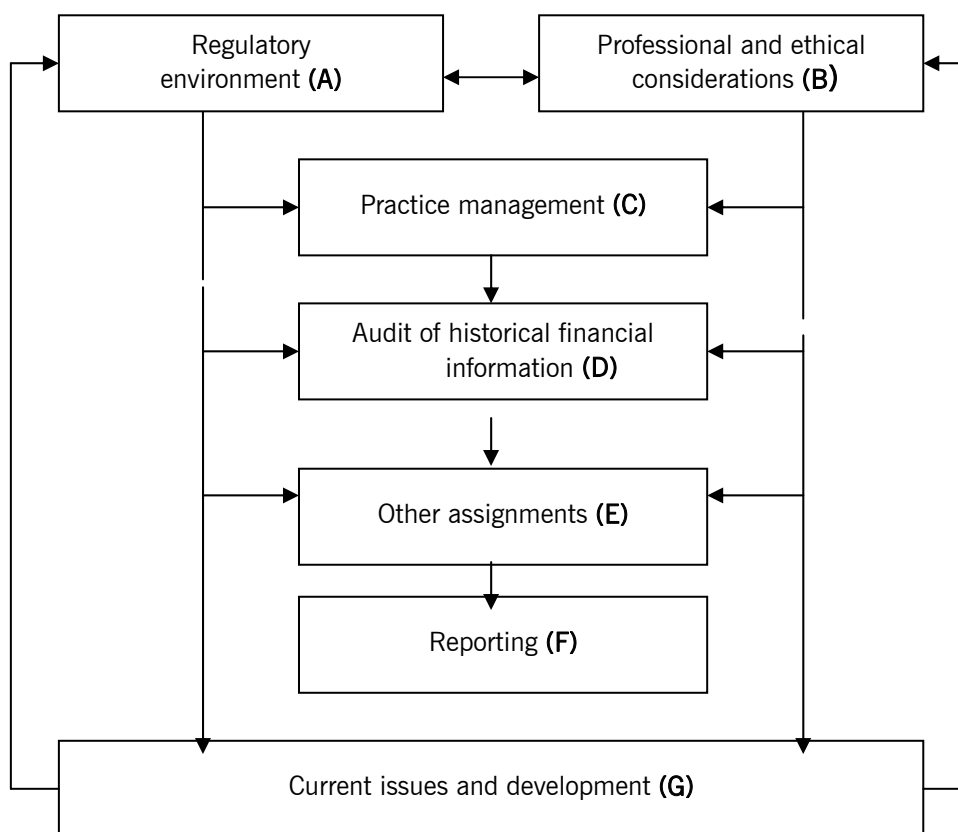
To analyse, evaluate and conclude on the assurance engagement and other audit and assurance issues in the context of best practice and current developments.

MAIN CAPABILITIES

On successful completion of this paper candidates should be able to:

- A** Recognise the legal and regulatory environment and its impact on audit and assurance practice
- B** Demonstrate the ability to work effectively on an assurance or other service engagement within a professional and ethical framework
- C** Assess and recommend appropriate quality control policies and procedures in practice management and recognise the auditor's position in relation to the acceptance and retention of professional appointments
- D** Identify and formulate the work required to meet the objectives of audit assignments and apply the International Standards on Auditing
- E** Identify and formulate the work required to meet the objectives of non-audit assignments
- F** Evaluate findings and the results of work performed and draft suitable reports on assignments
- G** Understand the current issues and developments relating to the provision of audit-related and assurance service

RELATIONAL DIAGRAM OF MAIN CAPABILITIES



RATIONALE

The Advanced Audit and Assurance syllabus is essentially divided into seven areas.

The syllabus starts with the legal and regulatory environment including money laundering, and professional and ethical considerations, including the Code of Ethics and professional liability. This then leads into procedures in practice management, including quality control and the acceptance and retention of professional engagements.

The syllabus then covers the audit of financial statements, including planning, evidence and review. It then covers other assignments including prospective financial information, and other assurance assignments, as well as the reporting of these assignments.

The final section covers current issues and developments relating to the provision of audit-related and assurance services.

DETAILED SYLLABUS

A Regulatory Environment

1. International regulatory frameworks for audit and assurance services
2. Money laundering
3. Laws and regulations

B Professional and Ethical Considerations

1. Code of Ethics for Professional Accountants
2. Fraud and error
3. Professional liability

C Practice Management

1. Quality control
2. Advertising, publicity, obtaining professional work and fees
3. Tendering

4. Professional appointments

D Audit of historical financial information

1. Planning, materiality and assessing the risk of misstatement
2. Evidence
3. Evaluation and review
4. Group audits

E Other assignments

1. Audit-related services
2. Assurance services
3. Prospective financial information
4. Forensic audits
5. Internal audit
6. Outsourcing

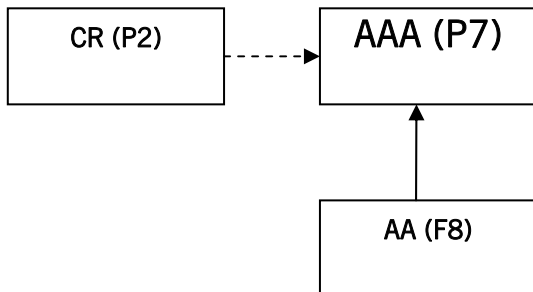
F Reporting

1. Auditor's reports
2. Reports to those charged with governance and management
3. Other reports

G Current Issues and Developments

1. Professional and ethical
2. Information technology
3. Transnational audits
4. Social and environmental auditing
5. Other current issues

Advanced Audit and Assurance (UK) (P7)



AIM

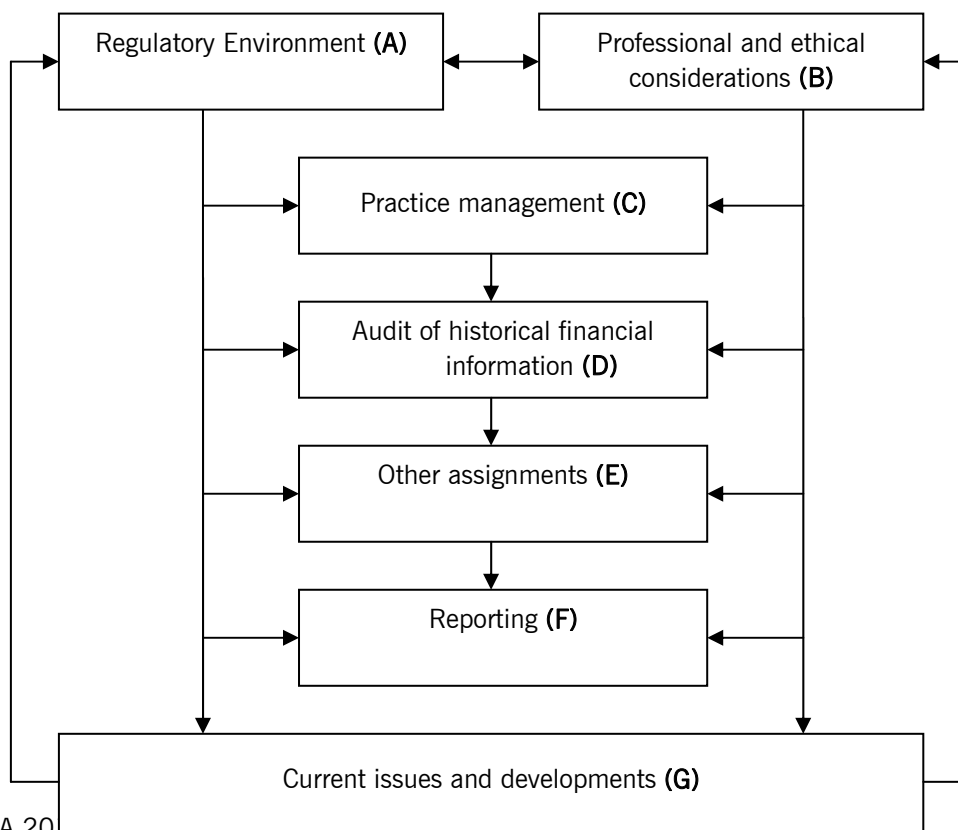
To analyse, evaluate and conclude on the assurance engagement and other audit and assurance issues in the context of best practice and current developments.

MAIN CAPABILITIES

On successful completion of this paper candidates should be able to:

- A** Recognise the legal and regulatory environment and its impact on audit and assurance practice
- B** Demonstrate the ability to work effectively on an assurance or other service engagement within a professional and ethical framework
- C** Assess and recommend appropriate quality control policies and procedures in practice management and recognise the auditor's position in relation to the acceptance and retention of professional appointments
- D** Identify and formulate the work required to meet the objectives of audit assignments and apply the International Standards on Auditing (UK and Ireland)
- E** Identify and formulate the work required to meet the objectives of non-audit assignments
- F** Evaluate findings and the results of work performed and draft suitable reports on assignments
- G** Understand the current issues and developments relating to the provision of audit-related and assurance services

RELATIONAL DIAGRAM OF MAIN CAPABILITIES



RATIONALE

The Advanced Audit and Assurance syllabus is essentially divided into seven areas.

The syllabus starts with the legal and regulatory environment including money laundering, and professional and ethical considerations, including the Code of Ethics and professional liability. This then leads into procedures in practice management, including quality control and the acceptance and retention of professional engagements.

The syllabus then covers the audit of financial statements, including planning, evidence and review. It then covers other assignments including prospective financial information, and other assurance assignments, as well as the reporting of these assignments.

The final section covers current issues and developments relating to the provision of audit-related and assurance services.

DETAILED SYLLABUS

A Regulatory Environment

1. International regulatory frameworks for audit and assurance services
2. Money laundering
3. Laws and regulations

B Professional and Ethical Considerations

1. Code of Ethics and Conduct
2. Fraud and error
3. Professional liability

C Practice Management

1. Quality control
2. Advertising, publicity, obtaining professional work and fees
3. Tendering
4. Professional appointments

D Audit of historical financial information

1. The audit of historical financial information including;
 - i) Planning, materiality and assessing the risk of misstatement
 - ii) Evidence
 - iii) Evaluation and review
2. Group audits

E Other assignments

1. Audit-related services
2. Assurance services
3. Prospective financial information
4. Forensic audits
5. Internal audit
6. Outsourcing
7. Auditing aspects of insolvency (and similar procedures)

F Reporting

1. Auditor's reports
2. Reports to those charged with governance and management
3. Other reports

G Current Issues and Developments

1. Professional and ethical
2. Information technology
3. Transnational audits
4. Social and environmental auditing
5. Other current issues

APPROACH TO EXAMINING THE SYLLABUS

The examination is a three hour paper constructed in two sections. Questions in both sections will be almost largely. However, candidates will be expected, for example, to be able to assess materiality and calculate relevant ratios where appropriate.

Section A questions will be based on 'case study' type questions. That is not to say that they will be particularly long, rather that they will provide a setting within a range of topics, issues and requirements can be addressed. Different types of question will be encountered in Section B and will tend to be more focussed on specific topics, for

example 'auditor's reports', 'quality control' and topics of ISAs (UK and Ireland) which are not examinable in Paper F8, *Audit and Assurance*. (This does not preclude these topics from appearing in Section A). Current issues will be examined across a number of questions.

Number of marks

Section A: 2 compulsory questions	
Question 1	35 marks
Question 2	25 marks
Section B: Choice of 2 from 3	40 mark
questions 20 marks each	
	100

