

Foundations Level syllabuses - 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 – EDUCATION RECOGNITION

ACCA seeks to enhance the education recognition of its qualifications 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 www.accaglobal.com/en/discover/public-value/education-learning/recognition-acca.html for further information

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.

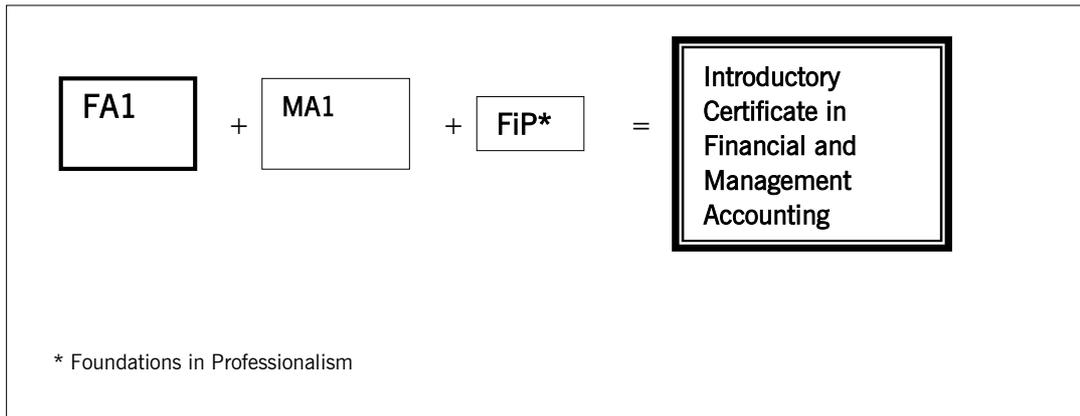
The study guide offers more detailed guidance on the depth and level at which the examinable documents will be examined. The study guide should therefore be read in conjunction with the examinable documents list.

INTRODUCTORY CERTIFICATE

Recording Financial Transactions (FA1)

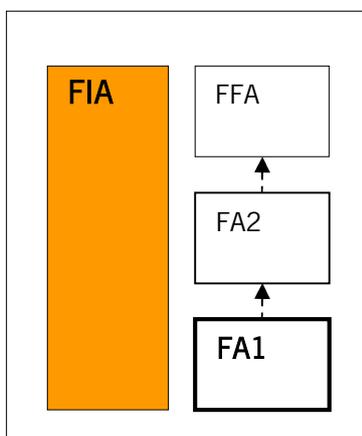
QUALIFICATION STRUCTURE

The qualification structure requires candidates who wish to be awarded the Introductory Certificate in Financial and Management Accounting to pass both the FA1 and MA1 examinations and successfully complete the Foundations in Professionalism module.



Syllabus structure

The FIA suite of qualifications is designed so that a student can progress through three discrete levels; Introductory, Intermediate and Advanced, However, entry is possible at any point. 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 the main types of business transactions and documentation and how these are recorded in an accounting system up to the trial balance stage.

RATIONALE

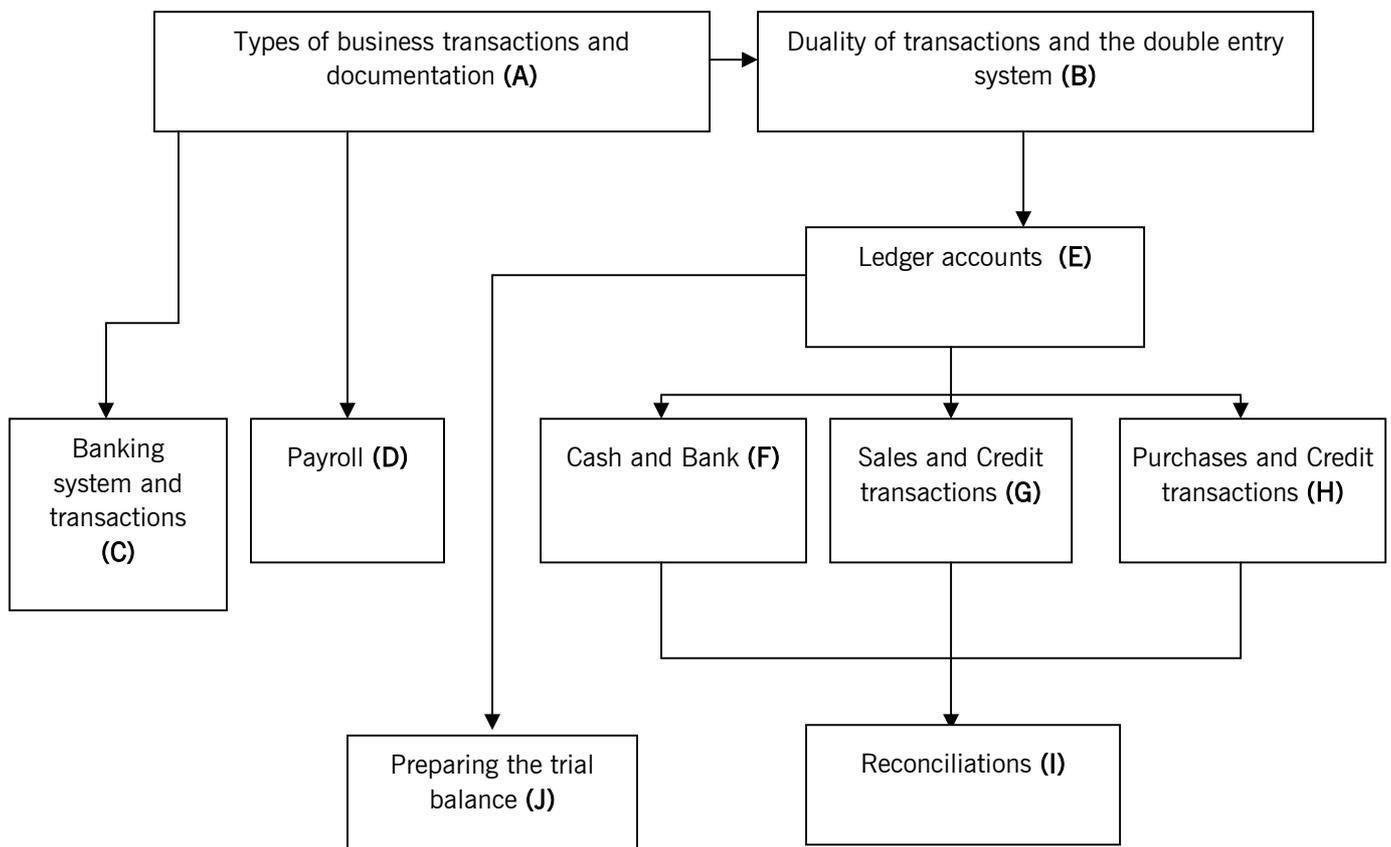
The syllabus for Paper FA1, *Recording financial transactions*, introduces the candidate to the fundamentals of preparing and recording financial documentation from originating documents and processing ledger transactions up to the trial balance stage. It also covers relevant banking procedures associated with bookkeeping, maintaining and reconciling cash and petty cash records and preparing the journal and relevant control accounts and identifying and correcting errors.

MAIN CAPABILITIES

On successful completion of this paper, candidates should be able to explain and understand the following:

- A. Types of business transactions and documentation
- B. Duality of transactions and the double entry system
- C. Banking system and transactions
- D. Payroll
- E. Ledger accounts
- F. Cash and Bank
- G. Sales and Credit transactions
- H. Purchases and Credit transactions
- I. Reconciliation
- J. Preparing the trial balance

RELATIONAL DIAGRAM OF MAIN CAPABILITIES



DETAILED SYLLABUS

A Types of business transactions and documentation

1. Types of business transaction
2. Types of business documentation
3. Process of recording business transactions within the accounting system

B Duality of transactions and the double entry system

1. Books of prime entry
2. Double entry system
3. The journal
4. Elements of financial statements

C Banking system and transactions

1. The banking process
2. Documentation

D Payroll

1. Processing payroll transactions into the accounting system

E Ledger accounts

1. Prepare ledger accounts

F Cash and Bank

1. Maintaining a cashbook
2. Maintaining petty cashbook

G Sales and Credit transactions

1. Recording sales
2. Customer account balances and control accounts

H Purchases and credit transactions

1. Recording purchases
2. Supplier balances and reconciliations

I Reconciliation

1. Purpose of control accounts and reconciliation
2. Reconcile the cashbook
3. Reconcile the receivables control account
4. Reconcile the payables control account

J Preparing the Trial Balance

1. Prepare the trial balance
2. Correcting errors

APPROACH TO EXAMINING THE SYLLABUS

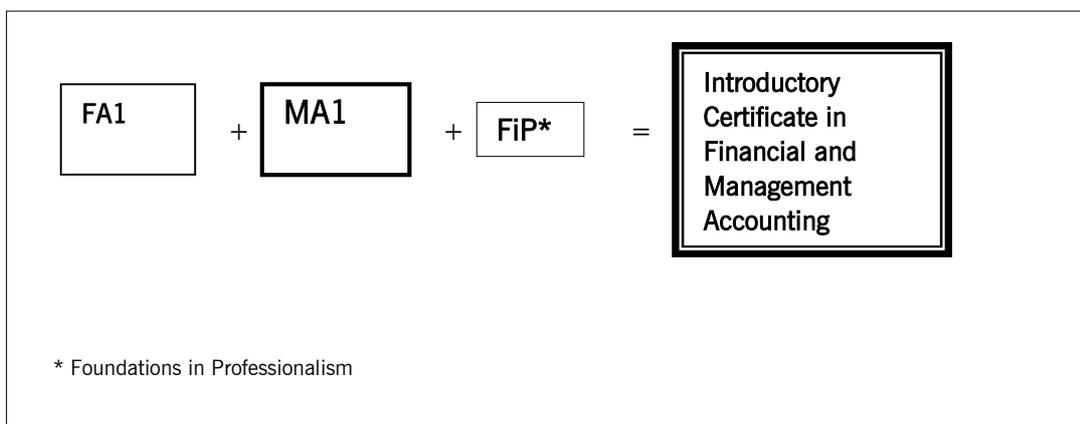
The syllabus is assessed by a two hour paper-based or computer-based examination. Questions will assess all parts of the syllabus and will include both computational and non-computational elements. The examination will consist of 50 two mark questions.

INTRODUCTORY CERTIFICATE

Management Information (MA1)

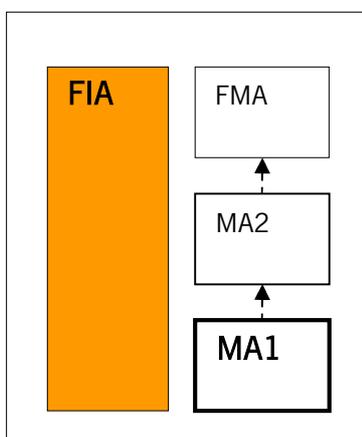
QUALIFICATION STRUCTURE

The qualification structure requires candidates who wish to be awarded the Introductory Certificate in Financial and Management Accounting to pass both the FA1 and MA1 examinations and successfully complete the Foundations in Professionalism module.



Syllabus structure

The FIA suite of qualifications is designed so that a student can progress through three discrete levels; Introductory, Intermediate and Advanced, However, entry is possible at any point. 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 MA1, Management Information, introduces candidates to basic costing principles and techniques and the tools with which to use these principles and techniques. The syllabus starts by introducing business organisations and the specific role of management accountant within the organisation. The next section deals with cost classification followed by the identification of sources of information and coding, to ensure that cost information is properly classified. The syllabus then introduces basic techniques for recording costs followed by how to provide information.

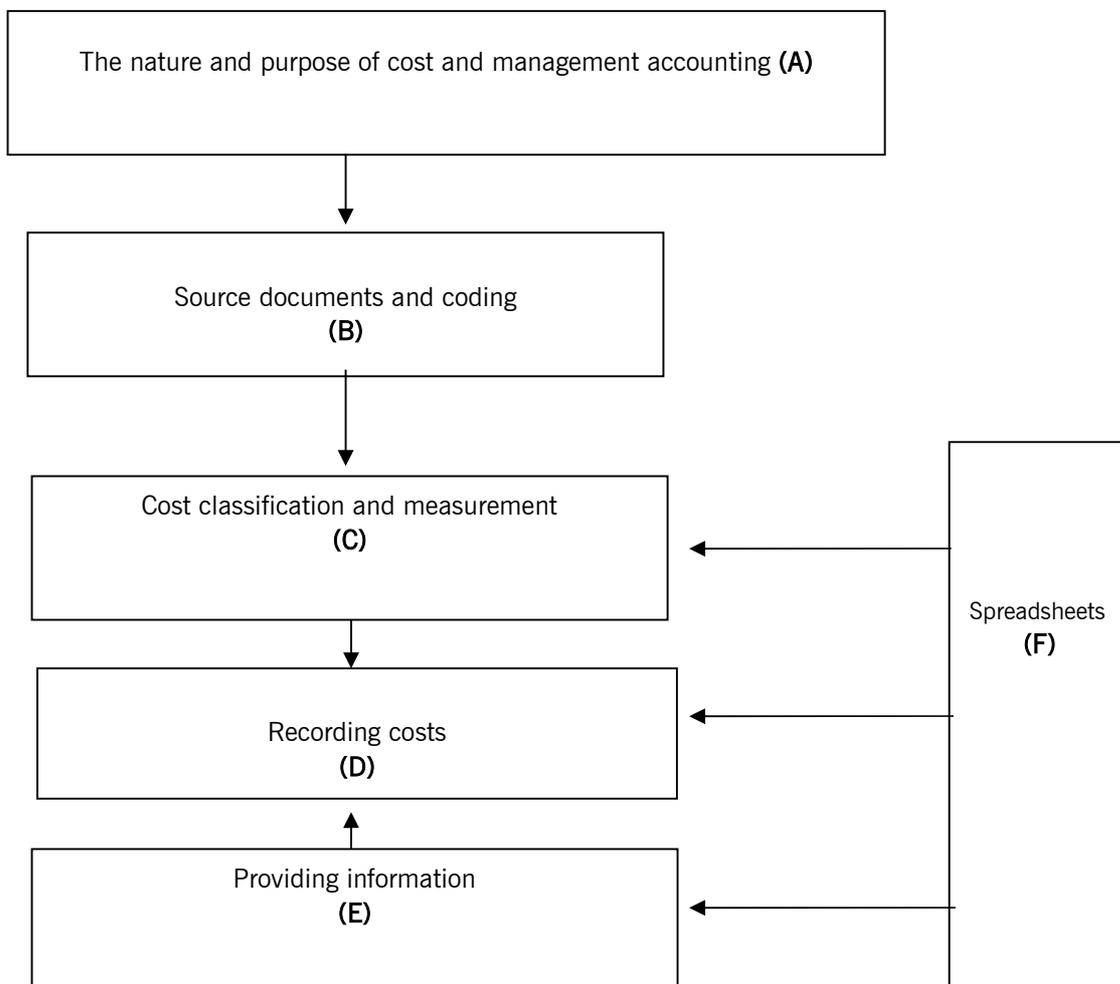
It finally introduces candidates to spreadsheets as an important tool in supporting cost and management accounting.

MAIN CAPABILITIES

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

- A** Explain the nature and purpose of cost and management accounting
- B** Identify source documents in a costing systems and correctly code data
- C** Classify costs by nature, behaviour and purpose
- D** Record costs for material, labour and expenses
- E** Provide information on actual and expected costs
- F** Use the spreadsheet system in Microsoft excel

RELATIONAL DIAGRAM OF MAIN CAPABILITIES



DETAILED SYLLABUS

A The nature and purpose of cost and management accounting

1. Nature of business organisation and the accounting systems
2. Nature and purpose of management information

B Source documents and coding

1. Sources of information
2. Coding system

C Cost classification and measurement

1. Cost classification and behaviour
2. Cost units, cost centres, profit centres and investment centres

D Recording costs

1. Accounting for materials
2. Accounting for labour
3. Accounting for other expenses
4. Accounting for product costs

E Providing information

1. Information for comparison
2. Reporting management information

F The spreadsheet system

1. Spreadsheet system overview
2. Using computer spreadsheets
3. Presenting information in spreadsheets

APPROACH TO EXAMINING THE SYLLABUS

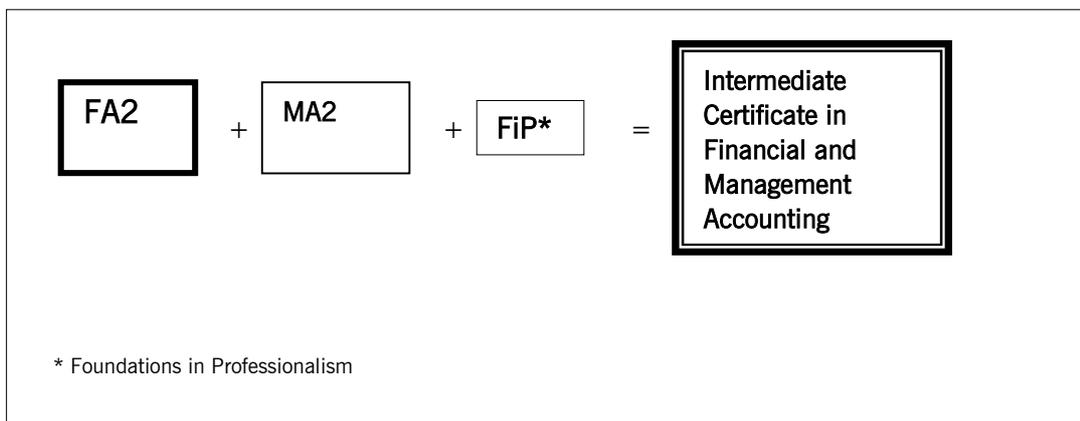
The syllabus is assessed by a two hour computer-based or paper based examination. Questions will assess all parts of the syllabus and will include both computational and non computational elements. The examination will consist of 50 two-mark questions.

INTERMEDIATE CERTIFICATE

Maintaining Financial Records (FA2)

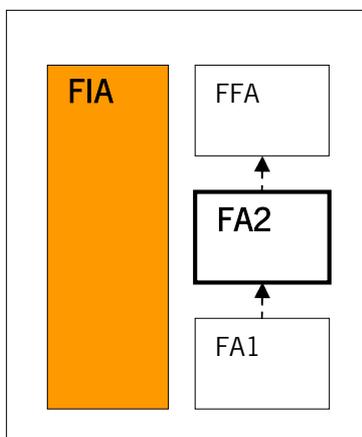
QUALIFICATION STRUCTURE

The qualification structure requires candidates who wish to be awarded the Intermediate Certificate in Financial and Management Accounting to pass both the FA2 and MA2 examinations and successfully complete the Foundations in Professionalism module.



Syllabus structure

The FIA suite of qualifications is designed so that a student can progress through three discrete levels; Introductory, Intermediate and Advanced, However, entry is possible at any point. 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 the underlying principles and concepts relating to Maintaining Financial Records and technical proficiency in the use of double-entry accounting techniques including the preparation of basic financial statements

RATIONALE

The syllabus for Paper FA2, *Maintaining Financial Records*, introduces the candidate to the fundamentals of Maintaining Financial Records, explaining its context and purpose with reference to accounts preparation. The syllabus then concentrates in depth on the double-entry system and on recording, processing, and reporting business transactions and events, including the specific accounting for fixed assets. The syllabus then covers the use of the extended trial balance and how to identify and correct errors, including the reconciliation of the control accounts, and the posting of period end adjustments. The syllabus also

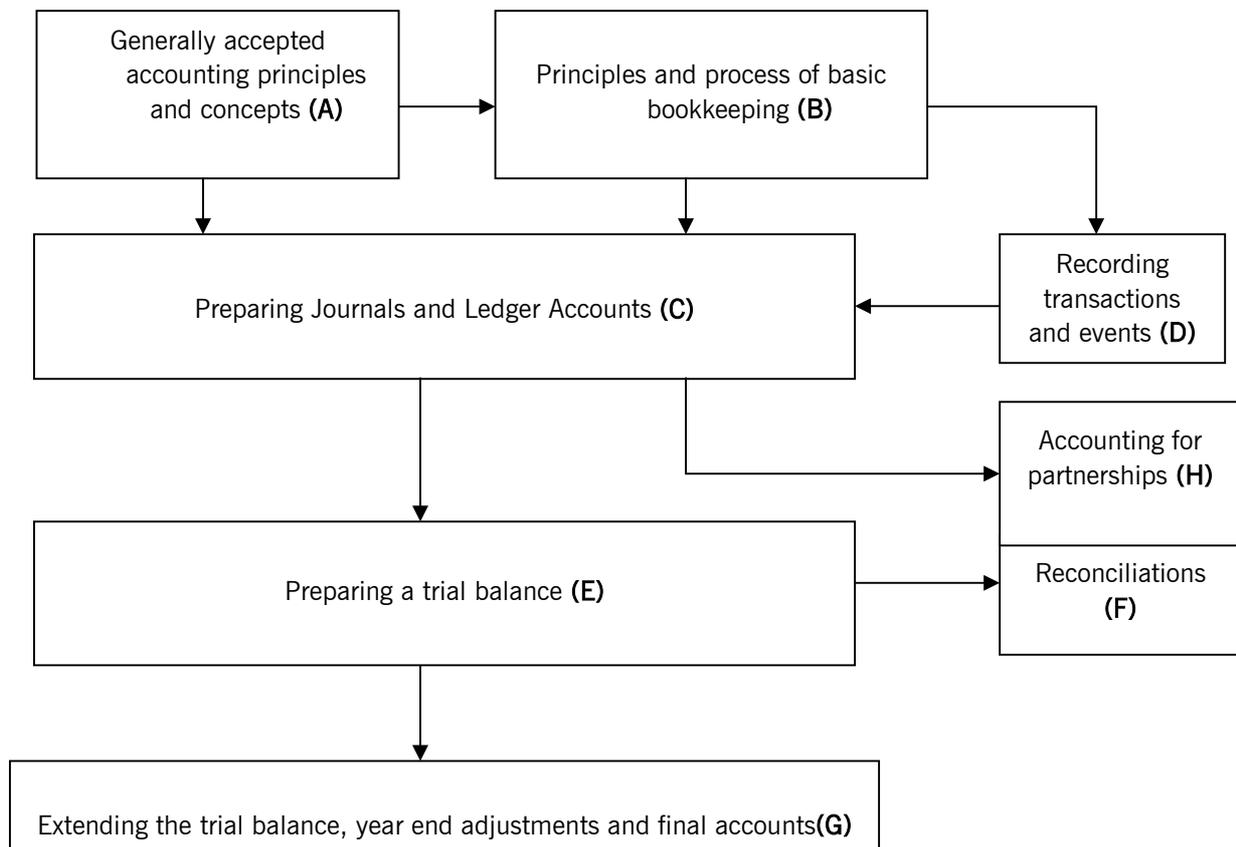
covers the preparation of final accounts for sole traders and for partnerships.

MAIN CAPABILITIES

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

- A. Explain generally accepted accounting principles and concepts
- B. Outline the principles and process of basic bookkeeping
- C. Preparing journals and ledger accounts
- D. Record transactions and events
- E. Prepare a trial balance (including identifying and correcting errors)
- K. Reconcile the control accounts and cashbook
- L. Extending the trial balance, year end adjustments and final accounts
- M. Account for partnerships.

RELATIONAL DIAGRAM OF MAIN CAPABILITIES



DETAILED SYLLABUS

A Generally accepted accounting principles and concepts

1. The key accounting principles and characteristics
2. Maintaining Financial Records
3. The regulatory framework

B The principles and process of basic bookkeeping

1. The elements of the financial statements
2. The books of prime entry and flow of accounting information in the production of financial statements

C The preparation of journals and ledger accounts

1. Preparation of journals from the books of prime entry
2. Preparation of ledger accounts

D Recording transactions and events

1. Sales and purchases
2. Cash
3. Inventory
4. Tangible non-current assets and depreciation
5. Accruals and prepayments
6. Receivables, payables and provisions
7. Capital and finance costs

E Preparing a trial balance and errors

1. Trial balance
2. Correction of errors

F Reconciliations

1. Control account reconciliations
2. Bank reconciliation

G Extending the trial balance

1. Preparation of the extended trial balance
2. Preparation of the final accounts

H Partnerships

1. Partnership agreement
2. Partnership financial statements and accounting records
3. Change in partnership

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

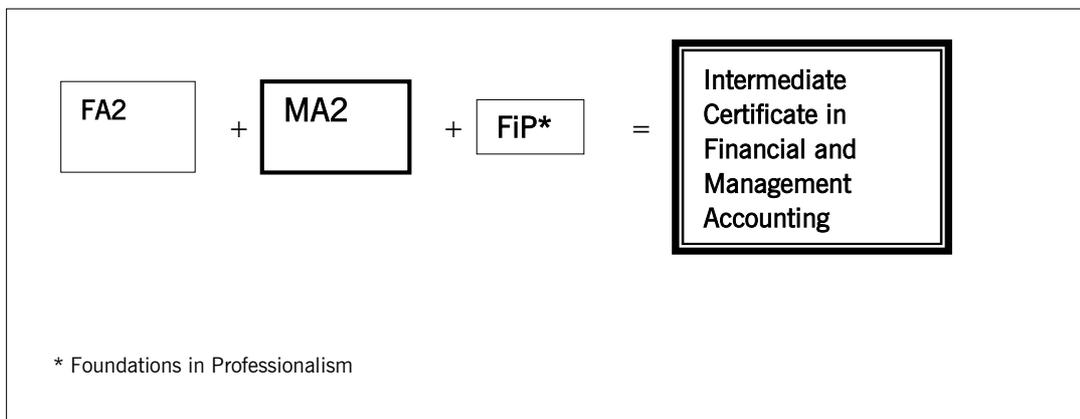
INTERMEDIATE CERTIFICATE

Managing Costs and Finances (MA2)

QUALIFICATION STRUCTURE

The qualification structure requires candidates who wish to gain the Intermediate Certificate in Financial

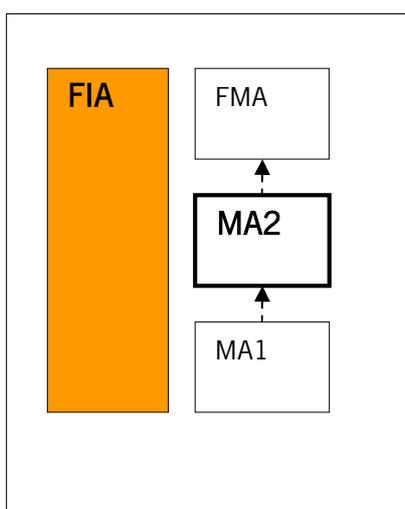
and Management Accounting to pass both the FA2 and MA2 examinations and successfully complete the Foundations in Professionalism module.



Syllabus structure

The FIA suite of qualifications is designed so that a student can progress through three discrete levels; Introductory, Intermediate and Advanced, However, entry is possible at any point. 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 how to prepare, process and present basic cost information to support management in planning and decision-making in a variety of business contexts.

RATIONALE

The syllabus for Paper MA2, *Managing costs and finances*, introduces candidates to costing and financing principles and techniques, and elements of management accounting which are used to make and support decisions.

The syllabus starts by introducing candidates to management information clearly distinguishing it from financial accounting information. The next section introduces the basics of recording costs in management accounting.. This is followed by coverage of a variety of costing techniques used in business.

The next area of the syllabus introduces candidates to the use of management accounting in support of decision making. The syllabus then introduces the

concept of cash management as an essential element for planning.

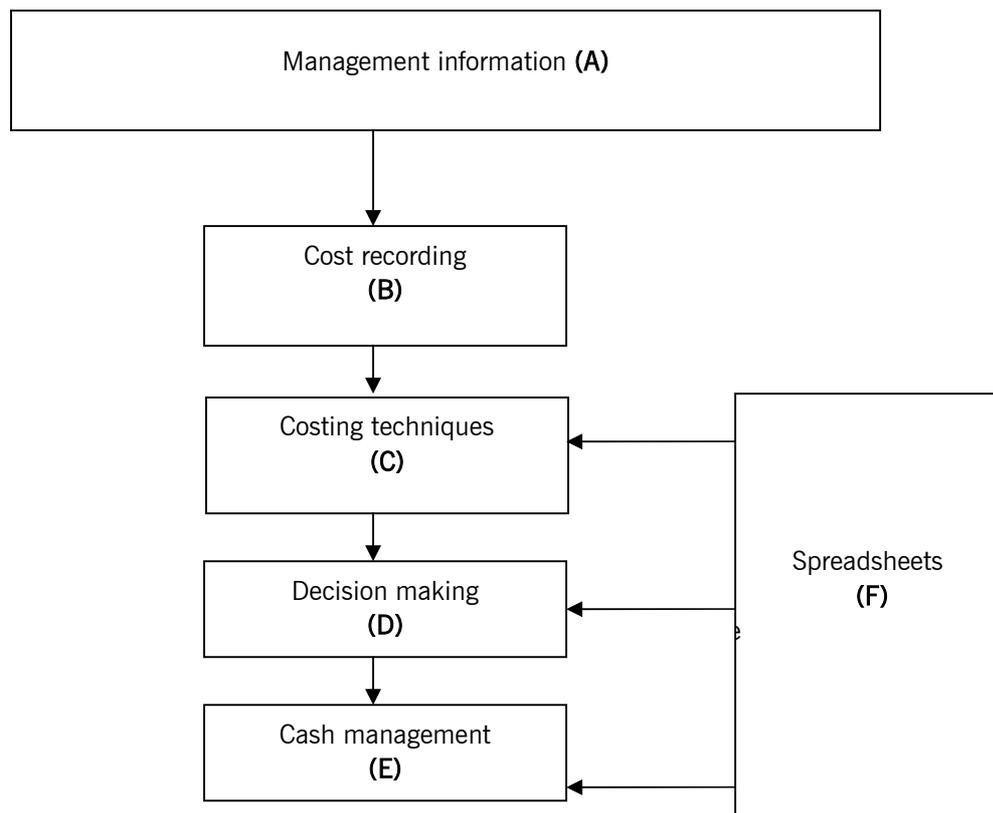
The syllabus also includes a section on the use of spreadsheets an important tool in the preparation, provision, analysis and interpretation of management information

MAIN CAPABILITIES

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

- A Explain the role of costing within the organisation and how costs are classified
- B Describe and record costs by classification
- C Explain and apply cost accounting techniques
- D Use management accounting techniques to make and support decision-making.
- E Explain principles of cash management
- F Apply and use computer spreadsheets in Microsoft excel

RELATIONAL DIAGRAM OF MAIN CAPABILITIES



DETAILED SYLLABUS:

A Management information

1. Management information requirements
2. Cost accounting systems
3. Cost classification

B Cost recording

1. Accounting for materials
2. Accounting for labour
3. Accounting for other expenses

C Costing techniques

1. Absorption costing
2. Marginal costing
3. Job and batch costing
4. Process costing
5. Service costing

D Decision making

1. Cost- volume- profit analysis
2. Factors affecting short term decision making
3. Principles of discounted cash flow

E Cash management

1. Nature of cash and cash flow
2. Cash management
3. Cash budgets
4. Investing and financing

F SPREADSHEETS

1. Spreadsheet system overview
2. Using computer spreadsheets
3. Presenting information in spreadsheet

APPROACH TO EXAMINING THE SYLLABUS

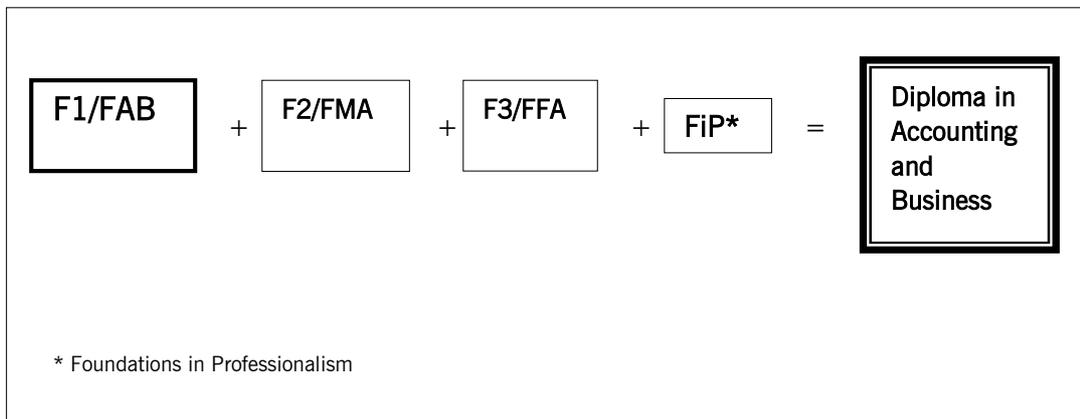
The syllabus is assessed by a two hour computer-based or paper based examination. Questions will assess all parts of the syllabus and will include both computational and non computational elements. The examination will consist of 50 two-mark questions

DIPLOMA IN ACCOUNTING AND BUSINESS

Accountant in Business (FAB/F1)

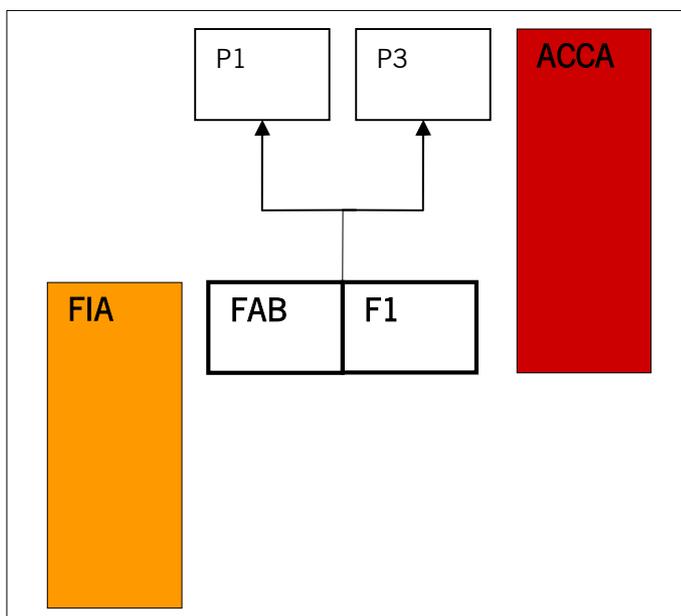
QUALIFICATION STRUCTURE

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.

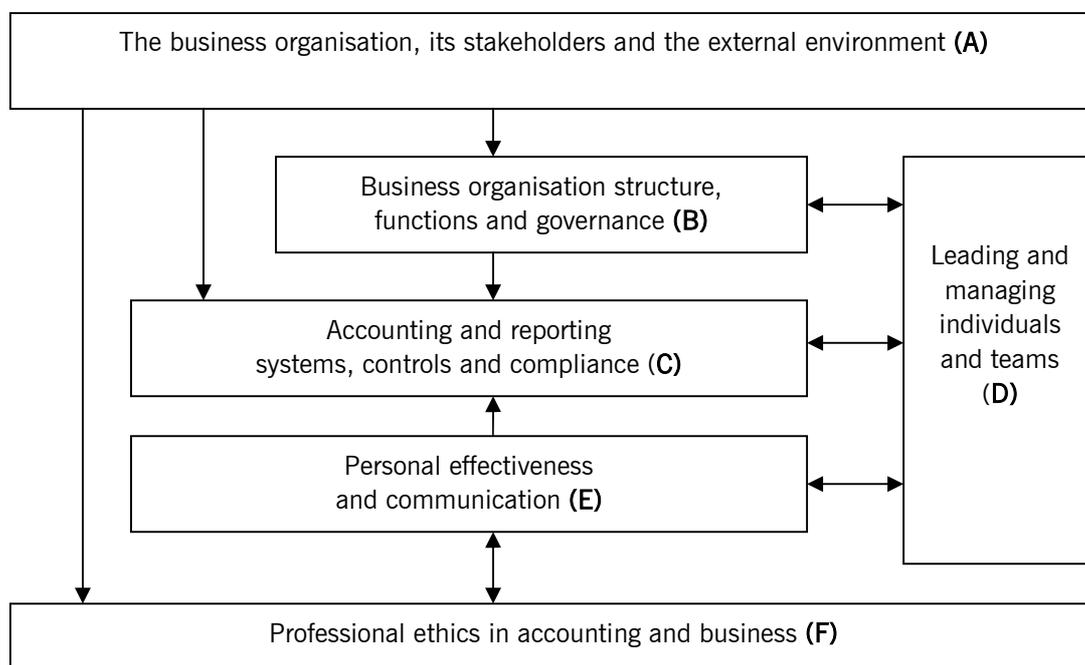
The final section of the syllabus examines how behaviour at all levels within business should be underpinned by accepted professional ethics and professional values.

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

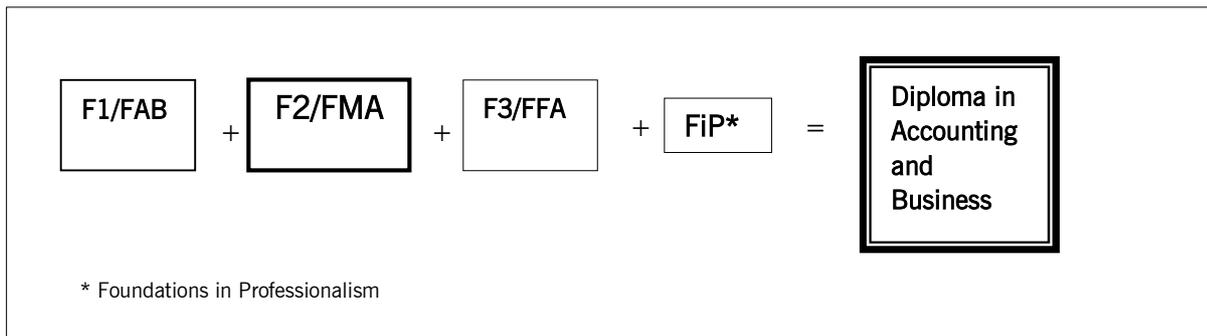
The syllabus is assessed by a two hour paper-based or computer-based examination. Questions will assess all parts of the syllabus and will test knowledge and some comprehension or application of this knowledge. The examination will consist of 50 two mark questions.

DIPLOMA IN ACCOUNTING AND BUSINESS

Management Accounting (F2/FMA)

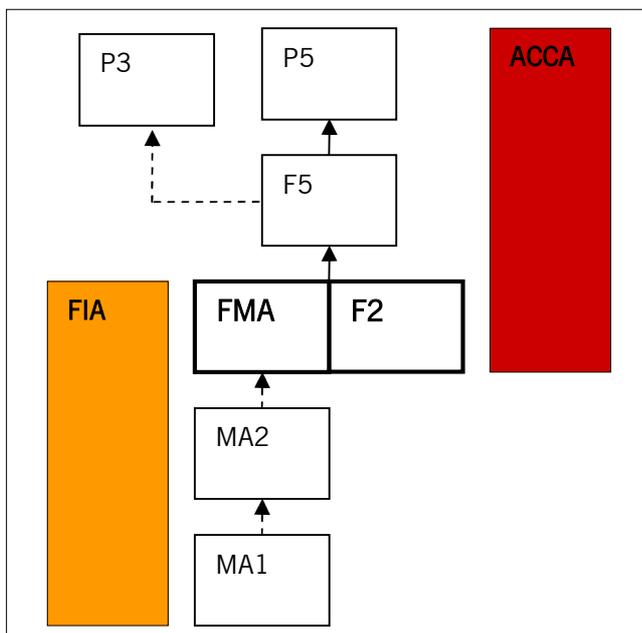
QUALIFICATION STRUCTURE

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

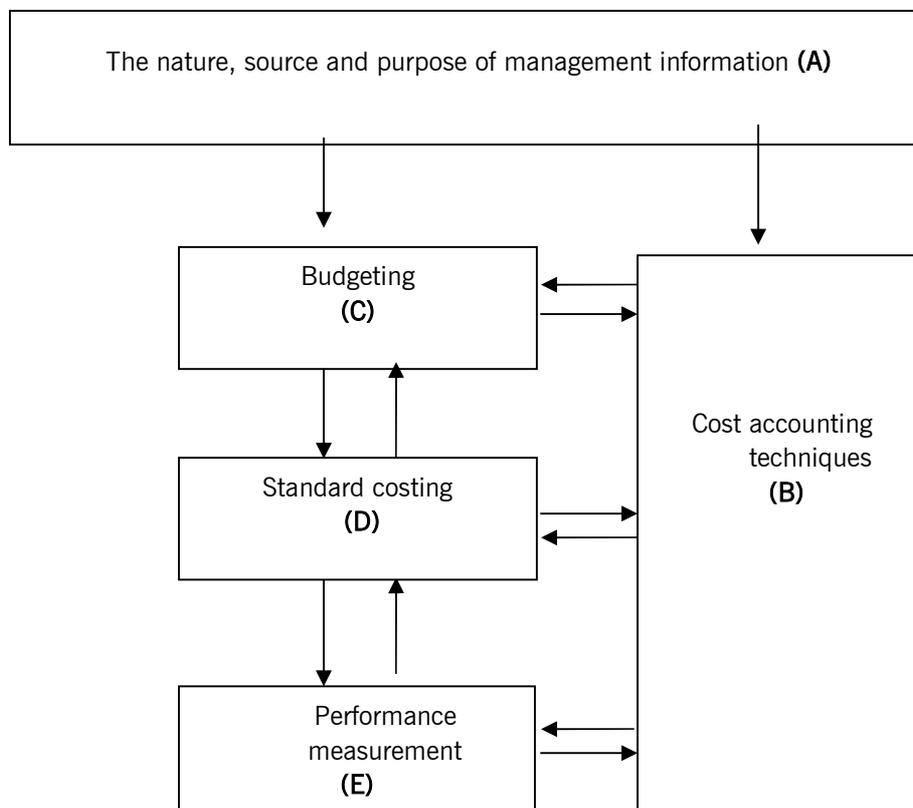
controlling business costs. The syllabus concludes with an introduction to measuring and monitoring the performance of an organisation

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

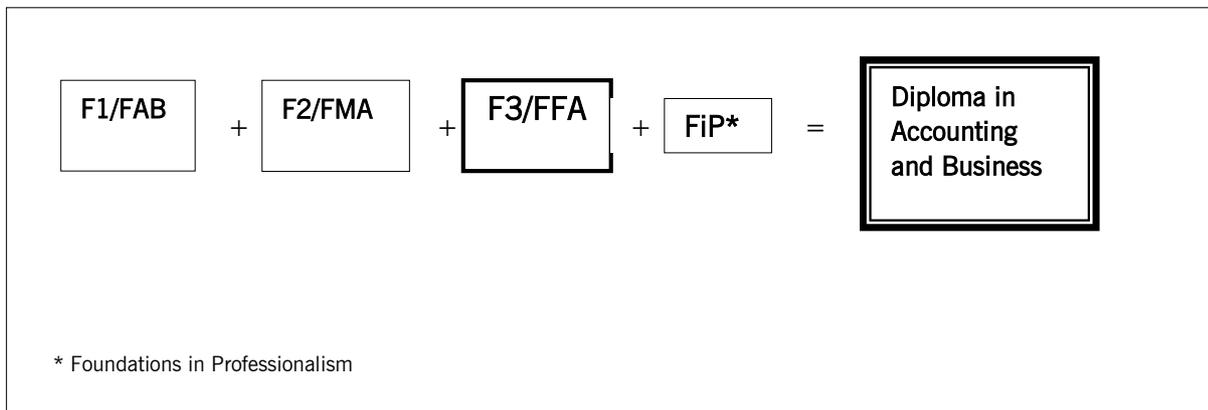
The syllabus is assessed by a two hour paper-based or computer-based examination. The examination will consist of 50 two mark questions.

DIPLOMA IN ACCOUNTING AND BUSINESS

Financial Accounting (F3/FFA)

QUALIFICATION STRUCTURE

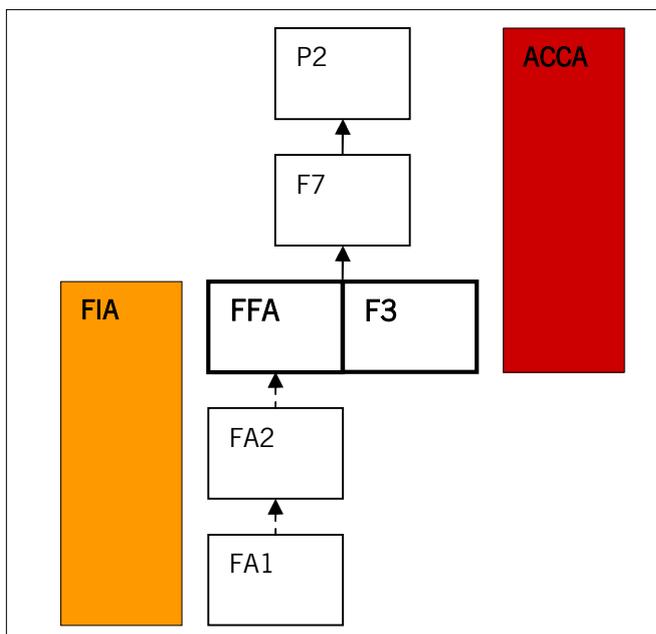
The qualification structure requires candidates who wish to be awarded the Diploma in Accounting and Business to pass the F1/FAB, F2/FMA and the F3/FFA examinations and successfully complete the Foundations in Professionalism module



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.

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

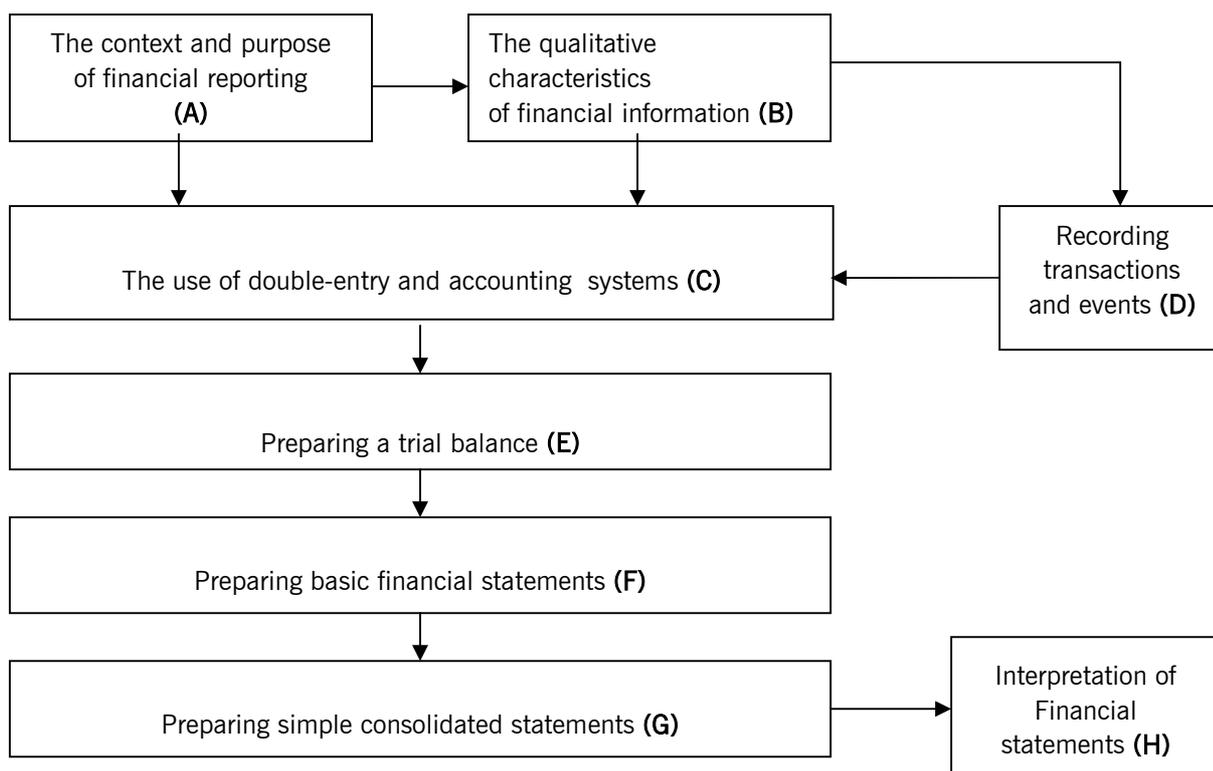
financial statements from the individual financial statements of group incorporated entities

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.

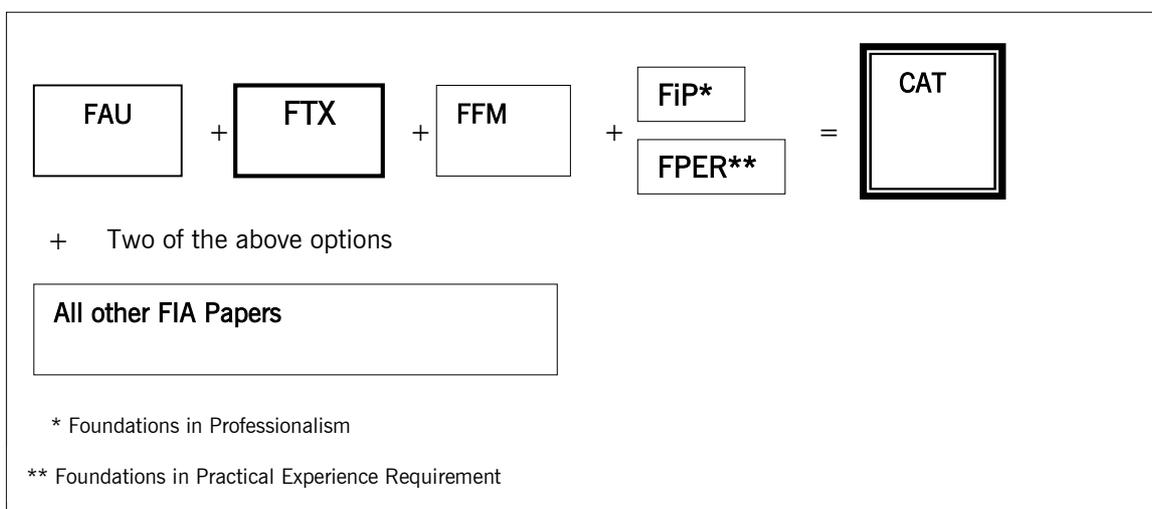
The syllabus is assessed by a two hour paper-based or computer-based examination. Questions will assess all parts of the syllabus and will include both computational and non-computational elements. The examination will consist of 50 two mark questions.

SPECIALIST FOUNDATION CERTIFICATES AND OPTIONS FOR CERTIFIED ACCOUNTING TECHNICIAN (CAT)

Foundations in Taxation (UK) (June & Dec 2013)

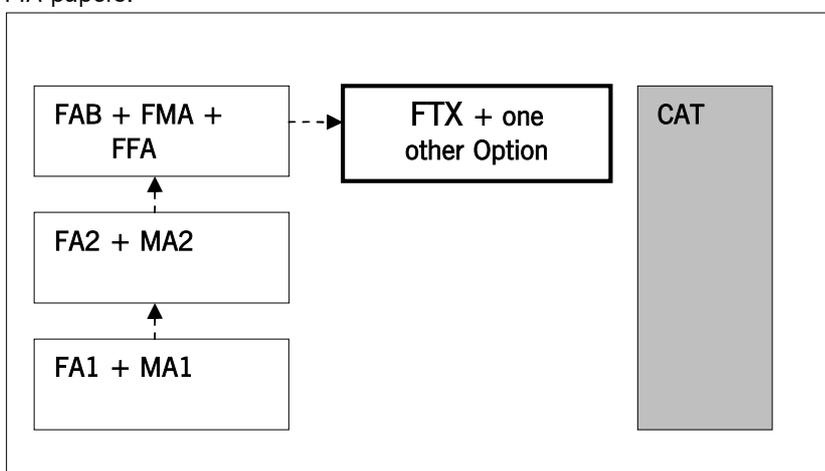
QUALIFICATION STRUCTURE

The Certified Accounting Technician (CAT) Qualification consists of nine papers which include seven of the FIA examination papers, at all three levels, plus two examinations from three of the specialist options papers. The CAT qualification also requires the completion of the Foundations in Professionalism (FiP) module and 12 months relevant work experience, including the demonstration of 10 work based competence areas. Exemptions can be claimed from a maximum of the first four FIA papers for relevant work experience.



Syllabus structure

The CAT syllabus is designed at three discrete levels. To be awarded the CAT qualification, students must either pass or be exempted from all nine examinations including two specialist options papers. Exemptions based on relevant work experience can be claimed from up to the first four FIA papers.



Syllabus

AIM

To develop the ability to prepare computations of tax liability for both individuals and businesses resident in the UK for the purposes of income tax, corporation tax, capital gains tax and value added tax. In addition, to develop knowledge and understanding of the manner in which dealings must be conducted with HM Revenue and Customs, including knowledge of the statutory timescales for the submission of claims and returns and the due dates for the payment of tax liabilities.

RATIONALE

The syllabus for the foundation in taxation paper introduces candidates to the subject of taxation and provides the core knowledge of the underlying principles and the major technical areas of taxation, as they affect the activities of individuals and businesses, at a level appropriate for someone working at technician level.

Candidates are introduced to the rationale behind – and the functions of – the tax system. The syllabus then considers the separate taxes that a technician accountant would need to have knowledge of, such as income tax from self-employment, employment and investments, the corporation tax liability of individual companies, the national insurance

contribution liabilities of both employed and self employed persons, the value added tax liability of businesses, and the chargeable gains arising on disposals of investments by both individuals and companies. In addition an understanding of the administration aspects of these taxes should be gained, such as knowledge of the statutory timescales for the submission of claims and returns and the due dates for payment of tax liabilities.

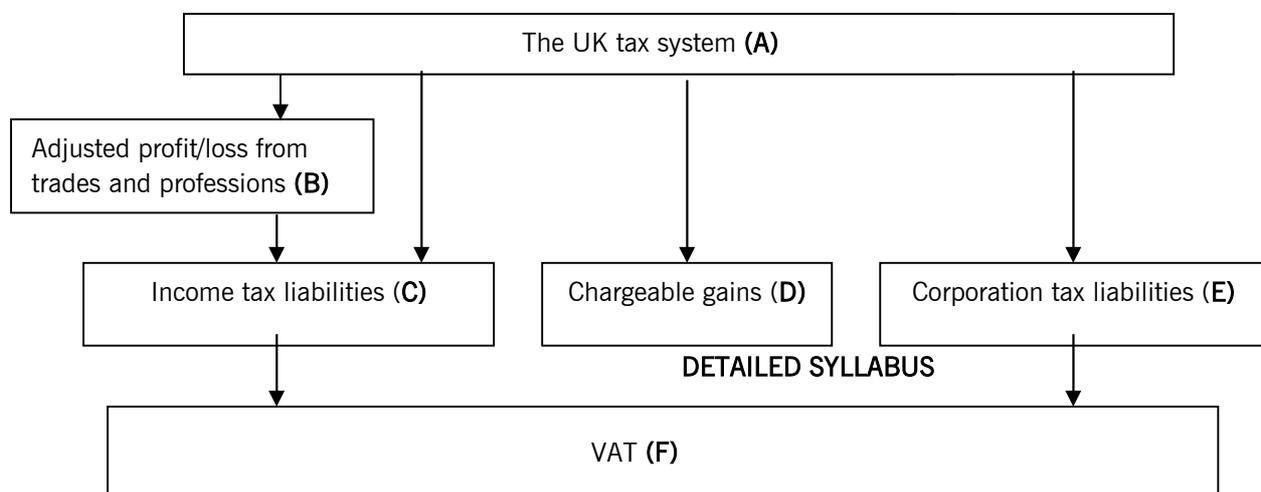
Having covered the core areas of the basic taxes, candidates should be able to compute tax liabilities, explain the basis of their calculations, complete the tax returns and identify the compliance issues for each major tax through a variety of business and personal scenarios and situations.

MAIN CAPABILITIES

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

- A** Explain the basic operation and scope of the UK tax system
- B** Prepare adjusted profit / loss computations for trades and professions
- C** Compute the income tax liability of individuals, and prepare the income tax return
- D** Explain and compute the chargeable gains and capital gains tax liability arising on individuals
- E** Compute the corporation tax liability of a company, including any chargeable gains, and prepare the corporation tax return
- F** Explain and compute the effects of value added tax on incorporated and unincorporated businesses and prepare returns

RELATIONAL DIAGRAM OF MAIN CAPABILITIES



1. Principal sources of revenue law and practice
2. Different types of taxes

B. Adjusted profit / loss computations for trades and professions

1. Adjustment of trading profits / losses for tax purposes
2. Capital allowances
3. Basis of assessments
4. Relief for trading losses
5. Partnerships
6. National insurance contributions for self-employed
7. Prepare relevant pages of a tax return

C. Income tax liabilities

1. Introduction to personal taxation
2. Income from employment and Class 1 National Insurance Contributions
3. Income from property, savings and investments
4. The comprehensive computation of taxable income and income tax liability
5. The use of pension contributions in deferring and minimising income tax liabilities
6. Income tax administration

D. Capital gains tax

1. The scope of the taxation of capital gains for individuals
2. The basic principles of computing gains and losses
3. Gains and losses on the disposal of shares and securities
4. Gains and losses on the disposal of movable and immovable property

5. The computation of capital gains tax payable by individuals and the completion of the self assessment tax return

6. The use of exemptions and reliefs in deferring and minimising tax liabilities arising on the disposal of capital assets

E. Corporation tax liabilities

1. The scope of corporation tax
2. Taxable total profits
3. The comprehensive computation of corporation tax liability
4. Chargeable gains for companies
5. Relief for losses
6. The use of exemptions and reliefs in deferring and minimising corporation tax liabilities
7. Complete the corporation tax return
8. Corporation tax administration

F. Value added tax (VAT)

1. The scope of value added tax (VAT)
2. The VAT registration requirements
3. The basic principles of VAT
4. VAT invoices and records
5. Administration of VAT
6. The effect of special schemes
7. Preparing and completing VAT returns
8. Communicate VAT information

APPROACH TO EXAMINING THE SYLLABUS

The syllabus is assessed by a two hour paper-based examination. Questions will assess all parts of the syllabus.

The examination will consist of two sections structured as follows:

| | Marks |
|--|-----------|
| Section A – 10 compulsory multiple choice questions worth 1, 2 or 3 marks each | 20 |
| Section B – Nine compulsory questions | |
| Q1 +2 (15 marks each) | 30 |
| Q3 +4 (10 marks each) | 20 |
| Q5 to Q9 (6 marks each) | <u>30</u> |
| | 100 |

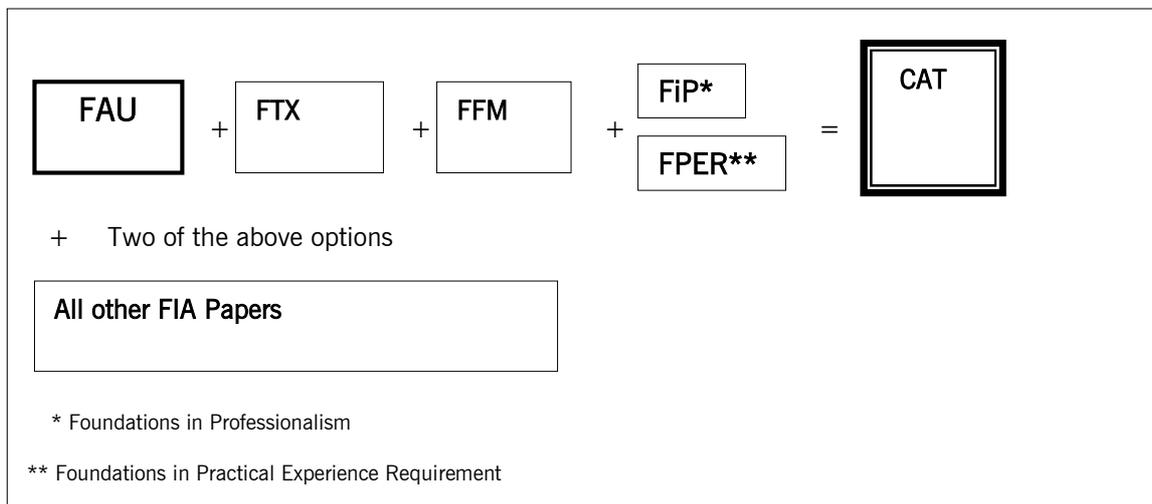
Question 1 will focus on income tax and question 2 will focus on corporation tax. The remaining questions will examine topics from any area of the syllabus.

SPECIALIST FOUNDATION CERTIFICATES AND OPTIONS FOR CERTIFIED ACCOUNTING TECHNICIAN (CAT)

Foundations in Audit (FAU) INT (Jun & Dec 2013)

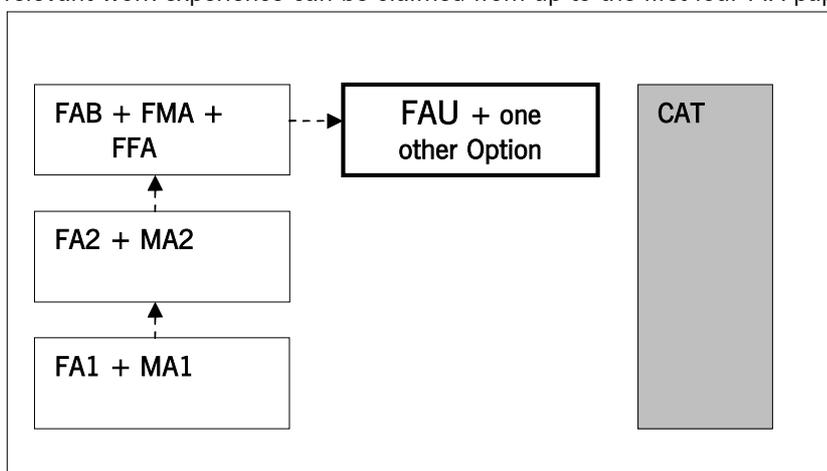
QUALIFICATION STRUCTURE

The Certified Accounting Technician (CAT) Qualification consists of nine papers which include seven of the FIA examination papers, at all three levels, plus two examinations from three of the specialist options papers. The CAT qualification also requires the completion of the Foundations in Professionalism (FiP) module and 12 months relevant work experience, including the demonstration of 10 work based competence areas. Exemptions can be claimed from a maximum of the first four FIA papers for relevant work experience.



Syllabus structure

The CAT syllabus is designed at three discrete levels. To be awarded the CAT qualification students must either pass or be exempted from all nine examinations including two specialist options papers. Exemptions based on relevant work experience can be claimed from up to the first four FIA papers.



Syllabus

AIM

To develop knowledge and understanding of the principles of external audit and the audit process and technical proficiency in the skills used for auditing financial statements.

RATIONALE

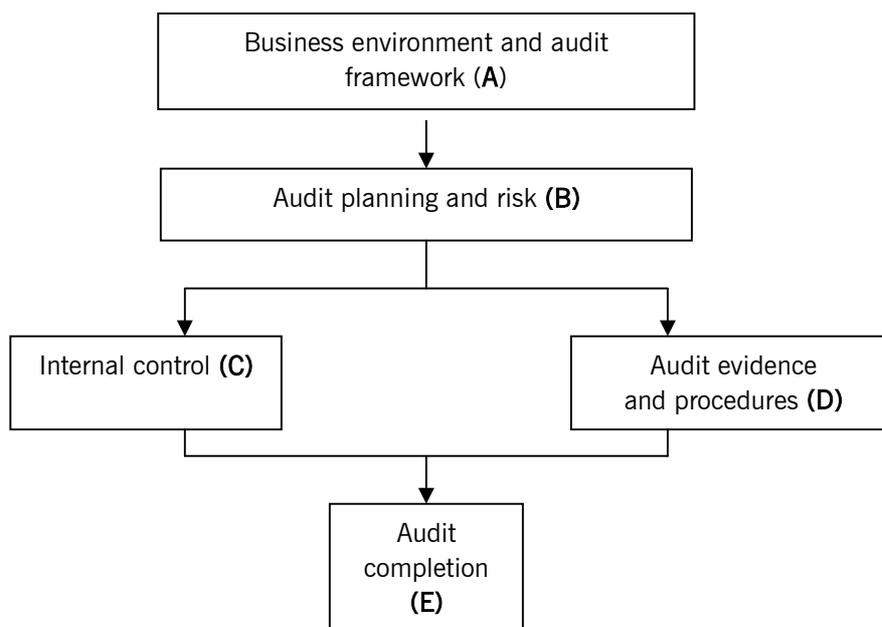
The syllabus for Paper FAU starts with an introduction to the nature and purpose of an audit, including the duties and liability of auditors, and the regulation that auditors must adhere to. The syllabus then covers the areas relating to the process of an audit of financial statements starting at audit planning and risk assessment, recording and evaluating internal control, as well as tests of controls, audit evidence and the use of substantive procedures. The final section deals with audit completion including the audit report.

MAIN CAPABILITIES

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

- A. Explain the purpose and scope of an audit and its regulatory framework
- B. Explain how an auditor assesses risk and plans an audit
- C. Identify the principles of internal control and describe and evaluate the features of information systems
- D. Identify and describe audit evidence and audit procedures required to meet the objectives of an audit and apply International Standards on Auditing (ISAs)
- E. Explain how the audit is completed and reflected in the different types of audit report

RELATIONAL DIAGRAM OF MAIN CAPABILITIES



DETAILED SYLLABUS

A Business environment and audit framework

1. The purpose and scope of an audit
2. The legal duties of auditors
3. Professional ethics
4. The liability of auditors
5. Audit regulation

B Audit planning and risk

1. Audit risk and risk assessment
2. Understanding the entity and its environment
3. Audit strategy and the audit plan
4. Audit documentation

C Internal control

1. General principles of internal control
2. Techniques to record and evaluate accounting systems
3. Tests of controls
4. Communicating control deficiencies

D Audit evidence and procedures

1. Audit evidence
2. Audit procedures
3. Substantive procedures
4. Audit sampling
5. Computer-assisted audit techniques (CAATs)

E Audit completion

3. Going concern
4. Written representations
5. Recording significant and material errors

6. Audit reports

APPROACH TO EXAMINING THE SYLLABUS

The syllabus is assessed by a two hour paper-based examination. Questions will assess all parts of the syllabus.

The examination will consist of two sections structured as follows:

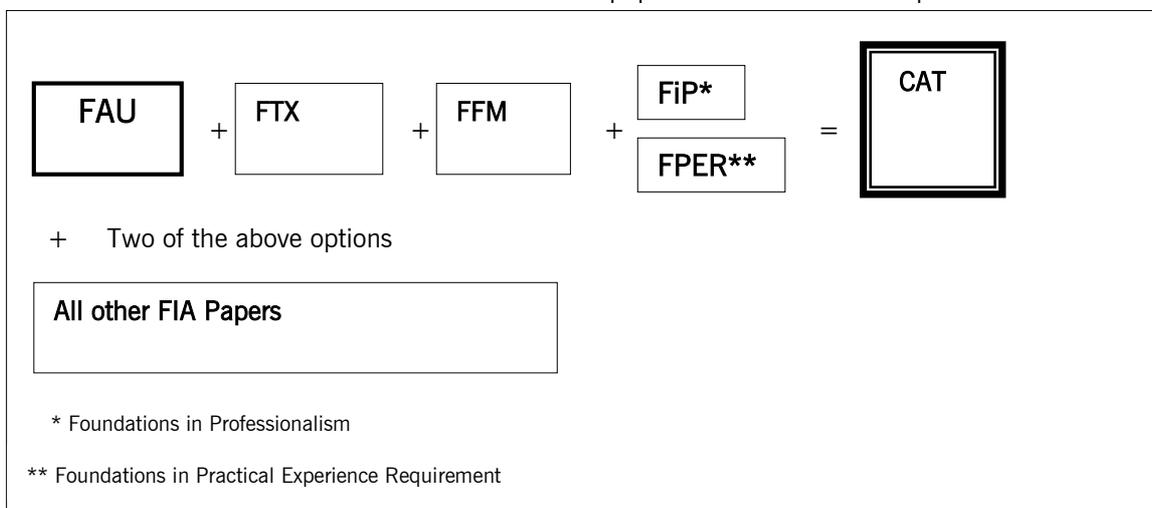
| | Marks |
|---|-----------------------|
| Section A – 10 compulsory multiple choice Questions of 1, 2 and 3 marks | 20 |
| Section B Nine compulsory questions Q1 & 2 (15 marks each) Q3 & 4 (10 marks each) Q5 – 9 (6 marks each) | 30 20 <u>30</u> |
| | <u>100</u> |

SPECIALIST FOUNDATION CERTIFICATES AND OPTIONS FOR CERTIFIED ACCOUNTING TECHNICIAN (CAT)

Foundations in Audit (FAU) UK (Jun & Dec 2013)

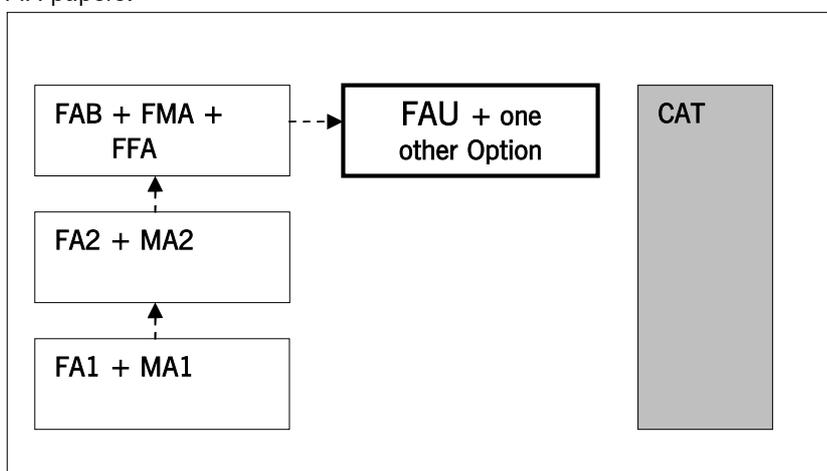
QUALIFICATION STRUCTURE

The Certified Accounting Technician (CAT) Qualification consists of nine papers which include seven of the FIA examination papers, at all three levels, plus two examinations from three of the specialist options papers. The CAT qualification also requires the completion of the Foundations in Professionalism (FiP) module and 12 months relevant work experience, including the demonstration of 10 work based competence areas. Exemptions can be claimed from a maximum of the first four FIA papers for relevant work experience.



Syllabus structure

The CAT syllabus is designed at three discrete levels. To be awarded the CAT qualification students must either pass or be exempted from all nine examinations including two specialist options papers. Exemptions based on relevant work experience can be claimed from up to the first four FIA papers.



Syllabus

AIM

To develop knowledge and understanding of the principles of external audit and the audit process and technical proficiency in the skills used for auditing financial statements.

RATIONALE

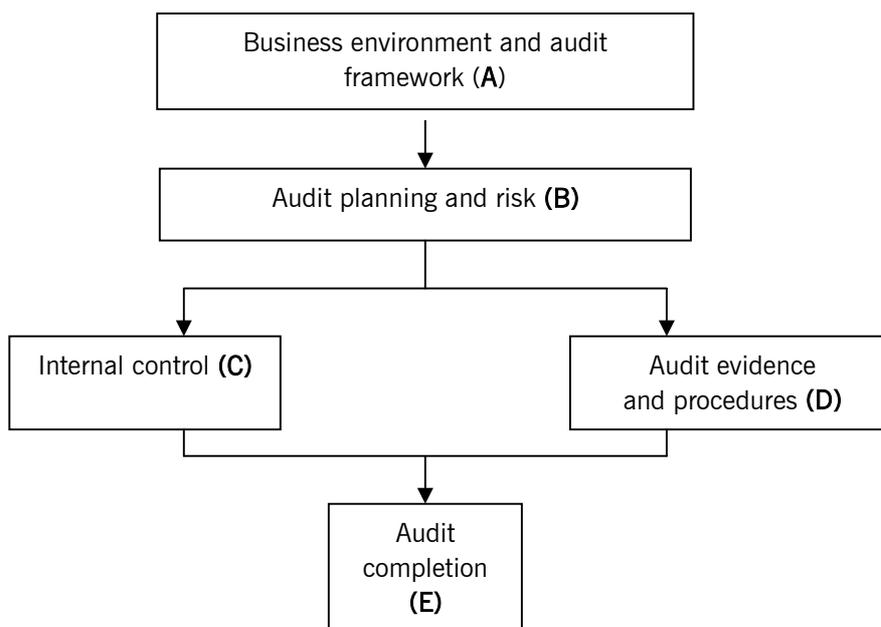
The syllabus for Paper FAU starts with an introduction to the nature and purpose of an audit, including the duties and liability of auditors, and the regulation that auditors must adhere to. The syllabus then covers the areas relating to the process of an audit of financial statements starting at audit planning and risk assessment, recording and evaluating internal control, as well as tests of controls, audit evidence and the use of substantive procedures. The final section deals with audit completion including the audit report.

MAIN CAPABILITIES

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

- A. Explain the purpose and scope of an audit and its regulatory framework
- B. Explain how an auditor assesses risk and plans an audit
- C. Identify the principles of internal control and describe and evaluate the features of information systems
- D. Identify and describe audit evidence and audit procedures required to meet the objectives of an audit and apply International Standards on Auditing (ISAs) (UK and Ireland)
- E. Explain how the audit is completed and reflected in the different types of audit report

RELATIONAL DIAGRAM OF MAIN CAPABILITIES



DETAILED SYLLABUS

A Business environment and audit framework

1. The purpose and scope of an audit
2. The legal duties of auditors
3. Professional ethics
4. The liability of auditors
5. Audit regulation

B Audit planning and risk

1. Audit risk and risk assessment
2. Understanding the entity and its environment
3. Audit strategy and the audit plan
4. Audit documentation

C Internal control

1. General principles of internal control
2. Techniques to record and evaluate accounting systems
3. Tests of controls
4. Communicating control deficiencies

D Audit evidence and procedures

1. Audit evidence
2. Audit procedures
3. Substantive procedures
4. Audit sampling
5. Computer-assisted audit techniques (CAATs)

E Audit completion

7. Going concern
8. Written representations
9. Recording significant and material errors

10. Audit reports

APPROACH TO EXAMINING THE SYLLABUS

The syllabus is assessed by a two hour paper-based examination. Questions will assess all parts of the syllabus.

The examination will consist of two sections structured as follows:

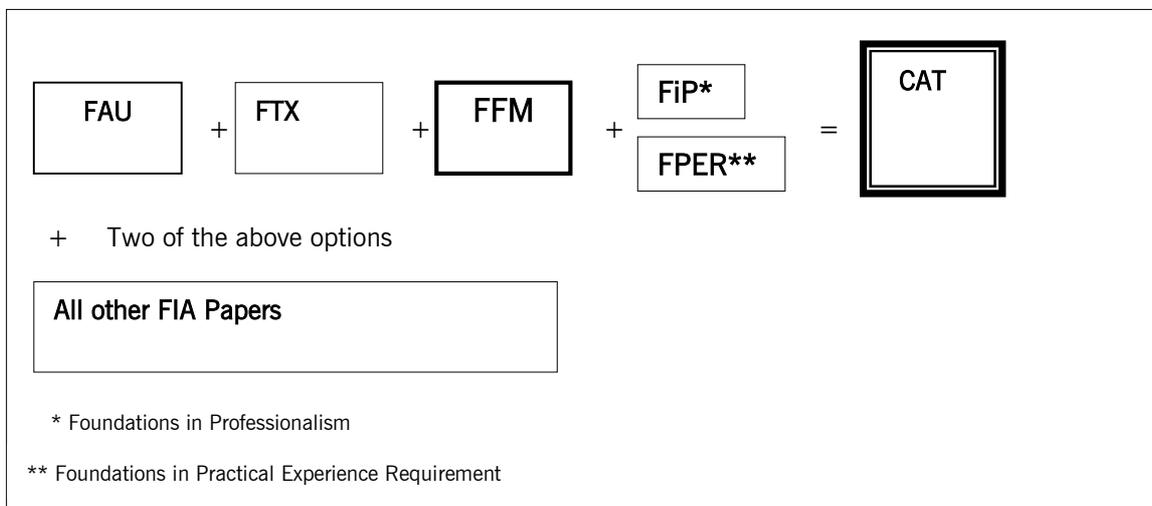
| | Marks |
|---|-----------------------|
| Section A – 10 compulsory multiple choice Questions of 1, 2 and 3 marks | 20 |
| Section B Nine compulsory questions Q1 & 2 (15 marks each) Q3 & 4 (10 marks each) Q5 – 9 (6 marks each) | 30 20 <u>30</u> |
| | <u>100</u> |

CERTIFIED ACCOUNTING TECHNICIAN (CAT)

Foundations in Financial Management (FFM) (Jun & Dec 2013)

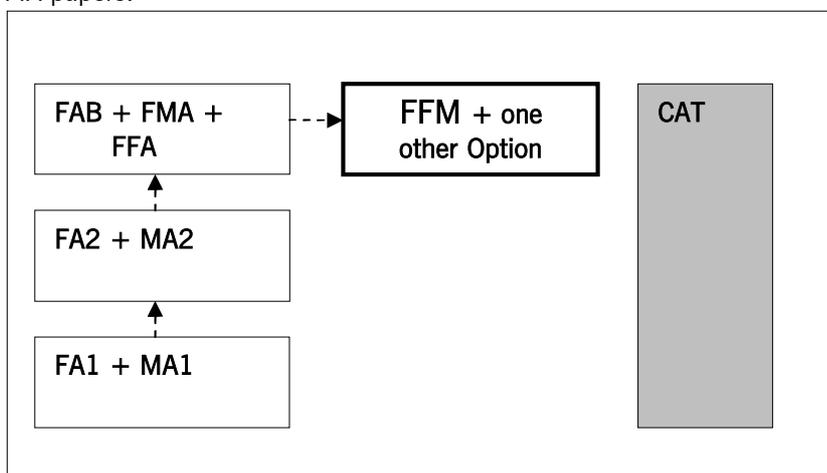
QUALIFICATION STRUCTURE

The Certified Accounting Technician (CAT) Qualification consists of nine papers which include seven of the FIA examination papers, at all three levels, plus two examinations from three of the specialist options papers. The CAT qualification also requires the completion of the Foundations in Professionalism (FiP) module and 12 months relevant work experience, including the demonstration of 10 work based competence areas. Exemptions can be claimed from a maximum of the first four FIA papers for relevant work experience.



Syllabus structure

The CAT syllabus is designed at three discrete levels. To be awarded the CAT qualification students must either pass or be exempted from all nine examinations including two specialist options papers. Exemptions based on relevant work experience can be claimed from up to the first four FIA papers.



Syllabus

AIM

To develop knowledge and understanding of ways organisations finance their operations, plan and control cash flows, optimise their use of working capital and allocate resources to long term investment projects.

RATIONALE

The syllabus for FFM, Managing Finances, introduces students to different ways of managing finance within an organisation with the aim of enhancing business performance. This includes planning and controlling of cash flow in both the short and long term, how to manage capital investment decisions and managing trade credit for an efficient flow of cash.

The syllabus starts by introducing the principles of effective working capital management, and the impact working capital has on an organisation's cash flow. It then looks at the techniques for forecasting cash to aid an organisation in planning its cash needs.

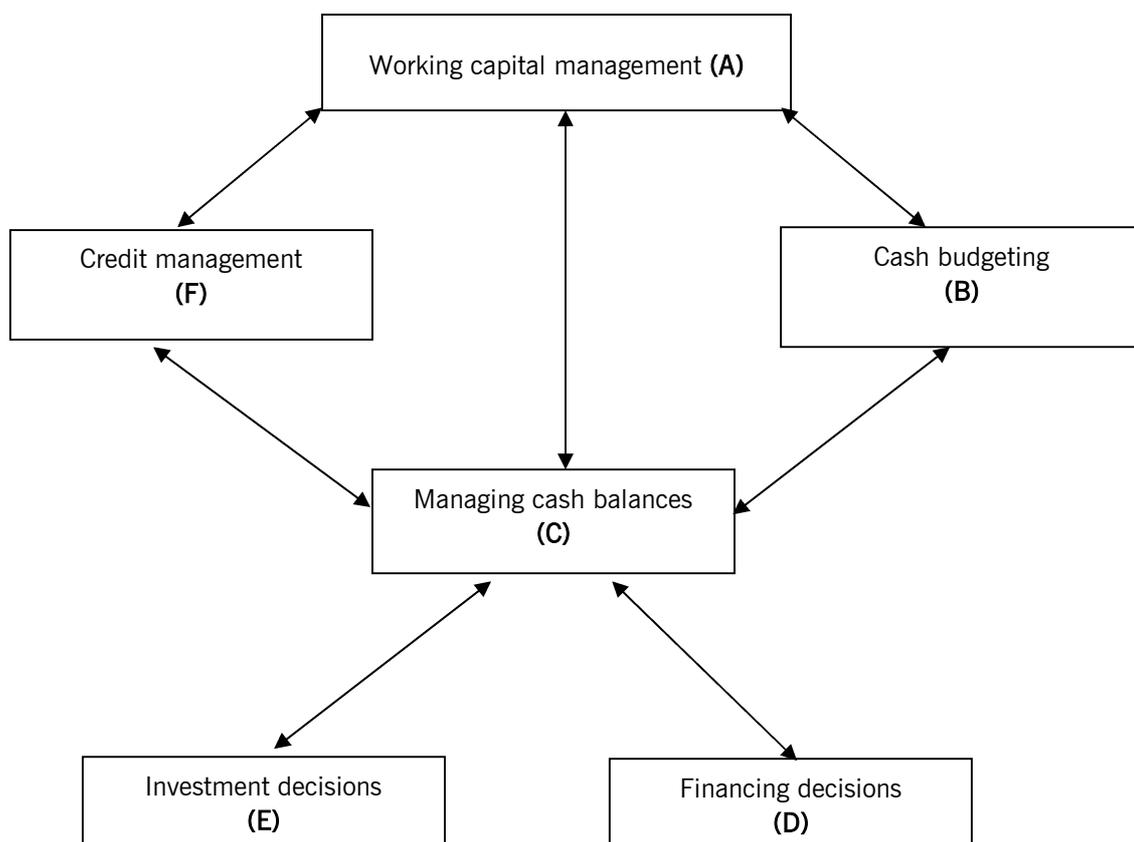
The next area of the syllabus looks at the different ways of managing cash in the short, medium and long term, including investing funds in capital projects. It finally looks at procedures for effective credit management to maximise flow of cash to the business.

MAIN CAPABILITIES

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

- A Explain and apply the principles of working capital management
- B Apply a range of accounting techniques used to forecast cash within the organisation
- C Describe methods and procedures for managing cash balances
- D Explain principles in making medium to long term financing decisions
- E Explain and apply principles in making capital investment decisions
- F Describe credit management methods and procedures

RELATIONAL DIAGRAM OF MAIN CAPABILITIES



DETAILED SYLLABUS

A Working capital management

1. Working capital management cycle
2. Inventory control
3. Accounts payables and receivables control

B Cash budgeting

1. Nature and sources of cash
2. Cash budgeting and forecasting

C Managing cash balances

1. Treasury function
2. Overview of financial markets
3. Managing deficit cash balances
4. Managing surplus cash balances

D Financing decisions

1. Money in the economy
2. Medium term financing
3. Long term financing
4. Financing for small and medium sized enterprises

E Investment decisions

1. Financing concepts
2. Capital budgeting
3. Capital investment appraisal

F Credit management

1. Legal issues
2. Credit granting
3. Monitoring accounts receivables
4. Debt collection

APPROACH TO EXAMINING THE SYLLABUS

The syllabus is assessed by a two hour paper based examination. Questions will assess all parts of the syllabus and will include both computational and non computational elements.

The examination will consist of two sections structured as follows:

| | Marks |
|---|--------------|
| Section A | |
| Ten compulsory multiple choice questions each worth 1, 2 or 3 marks | 20 |
| Section B | |
| Six compulsory questions | |
| Q1 (20 marks) | 20 |
| Q2, 3 & 4 (10 marks each) | 30 |
| Q5 & 6 (15 marks each) | <u>30</u> |
| Total | <u>100</u> |