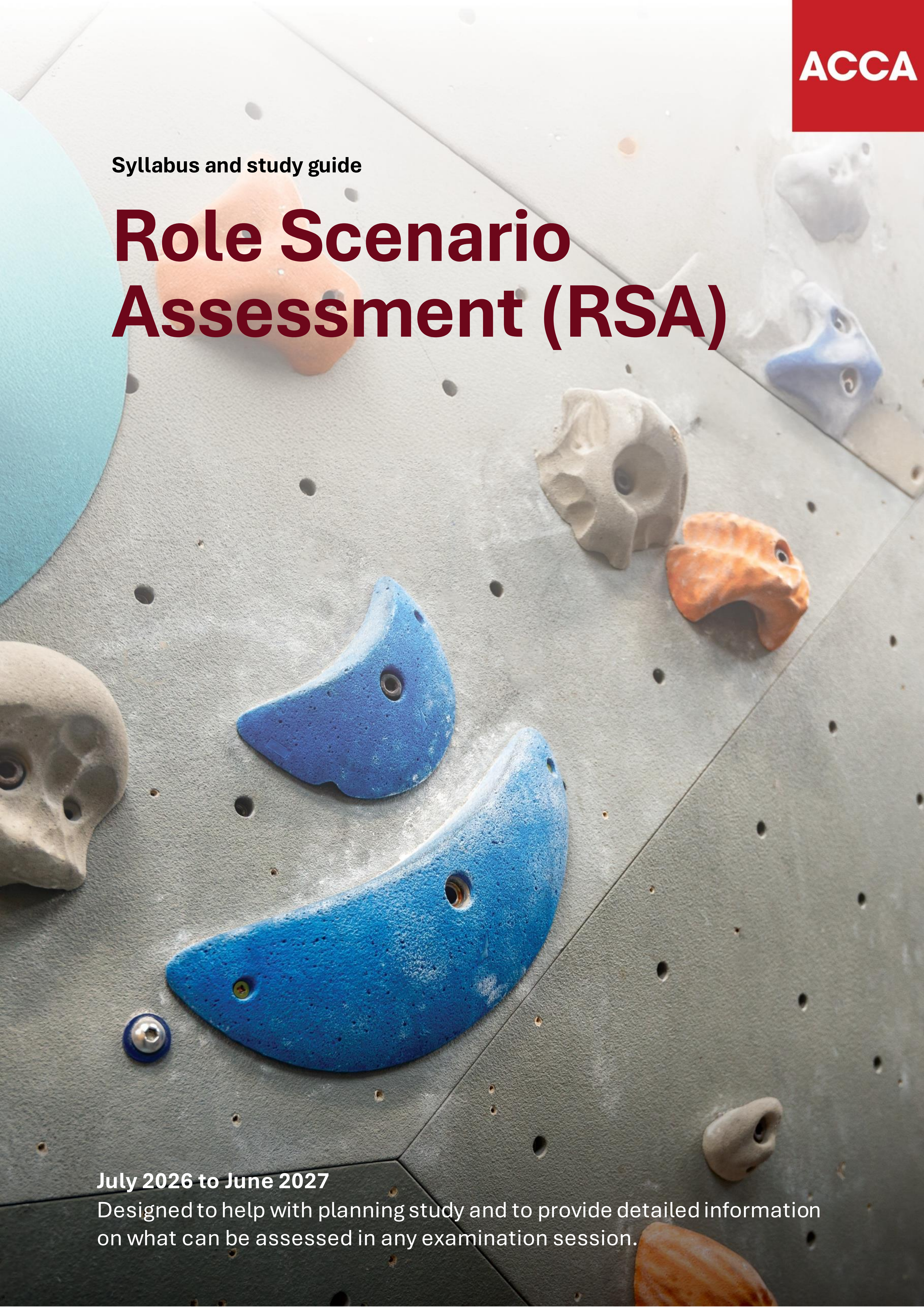

ACCA

Syllabus and study guide

Role Scenario Assessment (RSA)

July 2026 to June 2027

Designed to help with planning study and to provide detailed information on what can be assessed in any examination session.

Contents

1. Overall aim of the syllabus

This syllabus introduces knowledge and understanding of the business, its environment and its people. The syllabus considers the influence of the environment on how organisations operate, and how risks and ethical issues are managed.

This syllabus develops knowledge and understanding of the underlying principles and concepts relating to financial accounting and technical proficiency in the use of double-entry bookkeeping, including the preparation of basic financial statements.

This syllabus also develops knowledge and understanding of management accounting techniques to support management in planning, costing and decision making in a variety of business contexts.

This syllabus is based on selected areas from the Financial Accounting (FA), Business and Technology (BT) and Management Accounting (MA) courses. It also incorporates knowledge gained from the Foundations in Professionalism (FiP) module.

This syllabus covers the Knowledge and Skills detailed in the Level 4 Professional Accounting Technician apprenticeship end-point assessment plan. This syllabus is appropriate for learners on Version 1.2 of the Level 4 Professional Accounting Technician apprenticeship. A mapping of the syllabus to the Level 4 Professional Accounting Technician apprenticeship knowledge (K) and skills (S) is included in section 6.

2. Introduction to the syllabus

The syllabus starts by introducing the concepts behind business organisations and the environments in which they operate. It then moves onto focus on financial accounting areas, ultimately culminating in the preparation of financial statements and the interpretation of financial information.

The syllabus then covers management accounting. It starts by introducing the principles of management accounting, including budgeting and investment appraisal, before focusing on cost accounting.

Penultimately, the syllabus covers risk management, including the internal controls an organisation can put in place to reduce the risk of fraud and money laundering.

Finally, the syllabus focuses on professional ethics, including the fundamental principles that accountants must adhere to and the actions that can be taken in response to ethical conflicts.

3. Main capabilities

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

A Explain different types of organisations and their stakeholders and demonstrate an understanding of the impact of the environment in which they operate

B Define accounting principles, concepts and qualitative characteristics of useful financial information, using double-entry booking to record transactions and events and correct errors

C Prepare financial statements and conduct a basic interpretation of financial statements

D Prepare budgets for planning and control and perform investment appraisal

E Explain and apply cost accounting techniques and compare actual costs with standard costs and analyse any variances

F Recognise the regulations, systems, controls and technologies which affect organisations

G 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

4. The syllabus

A The business organisation and its external environment

1. Purpose and types of business organisations
2. Stakeholders in business organisations
3. External factors and competition

B Financial reporting concepts and recording transactions

1. The scope and purpose of financial statements for external reporting
2. The main elements of financial statements
3. The regulatory framework
4. Key principles and concepts of accounting
5. Qualitative characteristics of useful financial information
6. Double entry bookkeeping
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C Preparation and interpretation of financial statements

1. Statement of financial position
2. Statement of profit or loss and other comprehensive income
3. Statement of cash flows
4. Interpretation of financial statements

D Principles of management accounting

1. Management information and systems
2. Budgeting
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E Cost accounting

1. Cost classification
2. Cost accounting techniques
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F Risk management

1. Regulation and financial crime
2. Internal controls

G Professional ethics

1. Business ethics and codes of conduct
2. The role of the accountant and fundamental principles
3. Ethical conflicts and dilemmas

5. Detailed study guide

A The business organisation and its external environment

1. Purpose and types of business organisations

a) Define 'business organisations' and explain why they are formed.

b) Describe common features of business organisations.

c) Describe how business organisations differ.

d) List the sectors in which business organisations operate.

e) Identify the different types of business organisation and their main characteristics:
   i) Commercial
   ii) Not-for-profit
   iii) Public sector
   iv) Non-governmental organisations
   v) Cooperatives.

2. Stakeholders in business organisations

a) Define stakeholders and explain the agency relationship and how it may vary in different types of business organisations.

b) Define internal, connected and external stakeholders and explain their impact on the organisation.

c) Identify the main stakeholder groups and the objectives of each group.

d) Explain how the different stakeholder groups interact and how their objectives may conflict with one another.

e) Compare the power and interest of various stakeholder groups and how their needs should be accounted for, such as under the Mendelow matrix.

3. External factors and competition

a) Explain how the political system and government policy affect the organisation.

b) Describe the sources of legal authority, including supra-national bodies, national and regional governments.

c) Explain the medium and long-term effects of social and demographic trends on business outcomes and the economy.

d) Identify and explain the measures that governments may take in response to the medium and long-term impact of demographic change.

e) Identify a business's strengths, weaknesses, opportunities and threats (SWOT) in a market and the main sources of competitive advantage.

f) Explain the factors or forces that influence the level of competitiveness in an industry or sector using Porter's Five Forces model.

g) Describe the key activities of an organisation that affect its competitiveness.

B. Financial reporting concepts and recording transactions

1. The scope and purpose of financial statements for external reporting

a) Define financial reporting: recording, analysing and summarising financial data.

b) Identify and define types of business entity: sole trader, partnership, limited liability company.

c) Explain the legal differences between a sole trader, partnership and a limited liability company.

d) Identify the advantages and disadvantages of operating as a sole trader, partnership or limited liability company.

e) Define the nature, principles and scope of financial reporting.

2. The main elements of financial statements

a) Describe the purpose of each of the financial statements:
- i) Statement of financial position
- ii) Statement of profit or loss and other comprehensive income
- iii) Statement of changes in equity
- iv) Statement of cash flows.

b) Identify and define assets, liabilities, equity, income and expenses.

3. The regulatory framework

a) Explain the purpose and objectives of the regulatory system, including the roles of the:
- i) IFRS Foundation®
- ii) International Accounting Standards Board (IASB®)
- iii) IFRS® Advisory Council
- iv) IFRS Interpretations Committee (IFRIC®)
- v) International Sustainability Standards Board (ISSB™).

b) Explain the role of IFRS® Accounting Standards in preparing financial statements.

4. Key principles and concepts of accounting

a) Define and apply key principles and concepts of accounting:
- i) Going concern
- ii) Accrual accounting
- iii) Materiality
- iv) Offsetting
- v) Consistency
- vi) Prudence
- vii) Duality
- viii) Business entity
- ix) Historical cost and current value
- x) Substance over form.

5. Qualitative characteristics of useful financial information

a) Define and apply the qualitative characteristics of useful financial information:
- i) Relevance
- ii) Faithful representation
- iii) Comparability
- iv) Verifiability
- v) Timeliness
- vi) Understandability.

6. Double entry bookkeeping

a) Identify and explain the function of the main data sources in an accounting system.

b) Summarise the contents and purpose of different types of business documentation, including:
   i) Quotation
   ii) Sales order
   iii) Purchase order
   iv) Goods received note
   v) Goods despatched note
   vi) Customer (sales) invoice
   vii) Supplier (purchase) invoice
   viii) Supplier statement
   ix) Credit note
   x) Debit note
   xi) Remittance advice
   xii) Receipt.

c) Explain and apply the accounting equation.

d) Describe the key features of a computerised accounting system, including the use of external servers to store data (the cloud).

e) Describe how an accounting system contributes to providing useful accounting information and complies with organisational policies and deadlines.

f) Identify the main types of business transactions, for example, sales, purchases, payments, receipts.

7. Recording transactions and events

a) Sales and purchases
   i) Record sale and purchase transactions in the general ledger accounts.
   ii) Record sales returns and purchase returns in the general ledger accounts.
   iii) Describe the principles of the operation of a sales tax.
   iv) Calculate sales tax on transactions and record it in the sales tax general ledger account.
   v) Account for discounts received.
   vi) Account for the following discounts allowed to customers in accordance with IFRS Accounting Standards:
      - trade discounts
      - settlement discounts.

b) Cash
   i) Record cash transactions in the bank general ledger account.
   ii) Describe the need for a record of petty cash transactions.

c) Inventories
   i) Describe the need for adjustments to inventories in preparing financial statements.
   ii) Record cost of sales and closing inventories.
   iii) Apply the requirements of IFRS Accounting Standards for valuing inventories.
   iv) Identify which costs should be included in valuing inventories.
   v) Explain the use of continuous and period-end inventories records.
   vi) Calculate the value of closing inventories using 'FIFO' (first in, first out) and 'AVCO' (average cost) – both periodic weighted average and continuous weighted average.

vii) Identify the impact of inventory valuation methods on profit and on assets.

d) Tangible non-current assets
- i) Define non-current assets.
- ii) Compare the difference between current and non-current assets.
- iii) Explain the difference between asset (capitalised) and expense items.
- iv) Classify expenditure as asset expenditure or expenses charged to profit or loss.
- v) Record the acquisition and disposal of tangible non-current assets in the general ledger accounts in accordance with IFRS Accounting Standards.
- vi) Calculate and record gains or losses on disposal of tangible non-current assets in the statement of profit or loss, including part exchange transactions.
- vii) Record the revaluation of a tangible non-current asset in the general ledger accounts and illustrate how it is presented in the statement of profit or loss and other comprehensive income and in the statement of financial position.
- viii) Calculate the gain or loss on disposal of a revalued tangible non-current asset.
- ix) Illustrate how tangible non-current asset balances and movements are disclosed in financial statements.
- x) Explain the purpose and function of a non-current asset register.

e) Depreciation
- i) Explain the purpose of depreciation.
- ii) Calculate the charge for depreciation using straight-line and diminishing-balance (reducing-balance) methods.
- iii) Identify the circumstances where different methods of depreciation would be appropriate.
- iv) Illustrate how the depreciation charge and accumulated depreciation are recorded in the general ledger accounts.
- v) Calculate and update the general ledger accounts to record the depreciation on a revalued tangible non-current asset, including the transfer of excess depreciation between the revaluation surplus and retained earnings.
- vi) Calculate the adjustments to depreciation necessary if changes are made in the estimated useful life and/ or residual value of a tangible non-current asset.
- vii) Record depreciation in the statement of profit or loss and statement of financial position.

f) Intangible non-current assets and amortisation
- i) Compare the difference between tangible and intangible non-current assets.
- ii) Identify types of intangible assets.
- iii) Identify the definition and treatment of “research” and “development” i n accordance with IFRS Accounting Standards.
- iv) Calculate and account for amounts to be capitalised as development expenditure or to be recognised as an expense from given information.
- v) Explain the purpose of amortisation.

- vi) Calculate and account for amortisation.

g) Accrued expenses (accruals), prepaid expenses (prepayments), accrued income, and deferred income
- i) Apply accrual accounting to accruals, prepayments, accrued income and deferred income.
- ii) Calculate the adjustments needed for accruals, prepayments, accrued income and deferred income when preparing financial statements.
- iii) Illustrate the process of adjusting for accruals, prepayments, accrued income and deferred income when preparing financial statements.
- iv) Prepare manual journal entries and update the general ledger accounts for the creation and reversal of accruals, prepayments, accrued income and deferred income.
- v) Identify the impact of accruals, prepayments, accrued income and deferred income on profit and net assets.
- vi) Report accruals, prepayments, accrued income and deferred income in the financial statements.

h) Receivables and payables
- i) Identify and explain examples of receivables and payables.
- ii) Identify the benefits and costs of offering credit facilities to customers.
- iii) Describe the purpose of an aged receivables analysis.
- iv) Describe the purpose of customer credit limits.
- v) Prepare manual journal entries to write off an irrecoverable debt.
- vi) Prepare manual journal entries to recognise an irrecoverable debt that is subsequently recovered.
- vii) Demonstrate the impact of irrecoverable debts on the statement of profit or loss and on the statement of financial position.
- viii) Prepare manual journal entries to create and adjust an allowance for irrecoverable debts.
- ix) Illustrate how to include movements in the allowance for irrecoverable debts in the statement of profit or loss and how the closing balance of the allowance should appear in the statement of financial position.
- x) Account for contras between receivables and payables.
- xi) Prepare, reconcile and explain the purpose of supplier statements.

i) Provisions and contingencies
- i) Define a provision, contingent liability and contingent asset in accordance with IFRS Accounting Standards.
- ii) Distinguish between and classify items as provisions, contingent liabilities or contingent assets.
- iii) Illustrate the different methods of accounting for provisions, contingent liabilities and contingent assets.
- iv) Calculate provisions and changes in provisions.
- v) Prepare manual journal entries for the movement in provisions.
- vi) Report provisions in the financial statements.

j) Capital structure and finance costs

i) Describe the capital structure of a limited liability company including:
- Ordinary (equity) shares
- Preference shares (redeemable and irredeemable)
- Borrowings.

ii) Describe the nature of equity, including retained earnings and other components of equity.

iii) Identify and record the other components of equity which may appear in the statement of financial position.

iv) Record movements in the share capital and share premium accounts.

v) Define an issue of bonus shares and its advantages and disadvantages.

vi) Define a rights issue and its advantages and disadvantages.

vii) Calculate and record an issue of bonus shares in the statement of financial position.

viii) Calculate and record a rights issue in the statement of financial position.

ix) Calculate and record dividends in the general ledger accounts and the financial statements.

x) Calculate and record interest expenses in the general ledger accounts and the financial statements.

xi) Identify the components of the statement of changes in equity.

k) Events after the reporting period

i) Define an event after the reporting period in accordance with IFRS Accounting Standards.

ii) Classify events as adjusting or non-adjusting.

iii) Distinguish between how adjusting and non-adjusting events are reported in the financial statements.

8. Suspense accounts and the correction of errors

a) Identify the types of error which may occur in accounting systems.

b) Identify errors which would be highlighted by the extraction of a trial balance and those which would not.

c) Prepare manual journal entries to correct errors.

d) Calculate the impact of errors on the statement of profit or loss and other comprehensive income and the statement of financial position.

e) Explain the purpose of a suspense account.

f) Identify errors leading to the creation of a suspense account.

g) Record entries in a suspense account.

h) Prepare journal entries to clear a suspense account.

C. Preparation and interpretation of financial statements

1. Statement of financial position

a) Explain how the accounting equation, IFRS Accounting Standards and the business entity concept underlie the statement of financial position.

b) Prepare a statement of financial position or extracts as applicable.

2. Statement of profit or loss and other comprehensive income

a) Calculate revenue, cost of sales, gross profit, operating profit, profit before financing and income taxes, profit before income taxes, profit (for the year) and total comprehensive income (for the year) from given information.

b) Prepare a statement of profit or loss and other comprehensive income or extracts as applicable.

c) Record the income tax expense in the statement of profit or loss, including the under-/ over-provision of tax in the prior year.

d) Identify items requiring separate disclosure on the face of the statement of profit or loss.

e) Explain the interrelationship between the statement of financial position and the statement of profit or loss and other comprehensive income.

3. Statement of cash flows

a) Differentiate between profit and cash flow.

b) Describe the need for management to control cash flow.

c) Explain the benefits and drawbacks to users of the financial statements of a statement of cash flows.

d) Classify the effect of transactions on cash flows.

e) Calculate the figures needed for the statement of cash flows in accordance with IFRS Accounting Standards, including:
   i) Cash flows from operating activities (direct and indirect methods for calculating cash from operating activities before income taxes)
   ii) Cash flows from investing activities
   iii) Cash flows from financing activities.

f) Prepare a statement of cash flows or extracts as applicable.

g) Identify the treatment of given transactions in a statement of cash flows.

4. Interpretation of financial statements

a) Describe how the interpretation and analysis of financial statements is used in a business environment.

b) Explain the purpose of interpretation of ratios.

c) Calculate key accounting ratios related to:
   i) Profitability
   ii) Liquidity
   iii) Efficiency
   iv) Position.

d) Explain the interrelationships between ratios.

e) Calculate and interpret the relationship between the elements of the financial statements regarding profitability, liquidity, efficient use of resources and financial position.

f) Draw valid conclusions from the information contained within the financial statements and present these to the appropriate user of the financial statements.

D. Principles of management accounting

1. Management information and systems

a) Describe the purpose and role of cost and management accounting within an organisation.

b) Compare and contrast financial accounting with cost and management accounting.

c) Outline the managerial processes of planning, decision-making and control.

d) Explain the difference between strategic, tactical and operational planning.

e) Distinguish between data and information.

f) Identify and explain the attributes of good information.

g) Explain the limitations of management information in providing guidance for managerial decision-making.

2. Budgeting

a) Explain why organisations use budgeting.

b) Describe the planning and control cycle in an organisation.

c) Explain the administrative procedures used in the budgeting process.

d) Describe the stages in the budgeting process (including sources of relevant data, planning and agreeing draft budgets and purpose of forecasts and how they link to budgeting).

e) Explain the importance of the principal budget factor in constructing a budget.

f) Prepare sales budgets.

g) Prepare functional budgets (production, raw materials usage and purchases, labour, variable and fixed overheads).

h) Prepare cash budgets.

i) Prepare master budgets (statement of profit or loss and statement of financial position).

j) Explain and illustrate ‘what if’ analysis and scenario planning.

k) Describe the impact of the general economic environment on costs/revenue in budgeting.

l) Explain the importance of considering sustainability in budget preparation.

m) Explain the importance of flexible budgets in control.

n) Explain the disadvantages of fixed budgets in control.

o) Identify situations where fixed or flexible budgetary control would be appropriate.

p) Flex a budget to a given level of volume.

q) Discuss the importance of investment planning and control.

r) Define and distinguish between asset and expense items.

s) Outline the issues to consider and the steps involved in the preparation of an asset expenditure budget.

t) Calculate simple variances between flexed budget, fixed budget and actual sales, costs and profits.

u) Discuss the relative significance of variances.

v) Explain potential action to eliminate variances.

w) Define the concept of responsibility accounting and its significance in control.

x) Explain the concept of controllable and uncontrollable costs.

y) Prepare control reports suitable for presentation to management (to include recommendation of appropriate control action).

3. Investment appraisal

a) Explain and illustrate the difference between simple and compound interest, and between nominal and effective interest rates.

b) Explain and illustrate compounding and discounting.

c) Explain the distinction between cash flow and profit and the relevance of cash flow to investment appraisal.

d) Identify and evaluate relevant cash flows for individual investment decisions.

e) Explain and illustrate the net present value (NPV) and internal rate of return (IRR) methods of discounted cash flow.

f) Calculate present value using annuity and perpetuity formulae.

g) Calculate NPV, IRR and payback (discounted and non-discounted).

h) Interpret the results of NPV, IRR and payback calculations of investment viability.

E. Cost accounting

1. Cost classification

a) Explain and illustrate production and non-production costs.

b) Describe the different elements of non-production costs - administrative, selling, distribution and finance.

c) Describe the different elements of production costs - materials, labour and overheads.

d) Explain the importance of the distinction between production and non-production costs when valuing output and inventories.

e) Explain and illustrate with examples classifications used in the analysis of product/service costs including by function, direct and indirect, fixed and variable, stepped fixed and semi variable costs.

f) Explain and illustrate the use of codes in categorising transactions.

g) Identify and interpret graphical representations of different types of cost behaviour.

h) Explain and illustrate the concept of cost objects, cost units and cost centres.

i) Distinguish between cost, profit, investment and revenue centres.

j) Describe the differing needs for information of cost, profit, investment and revenue centre managers.

2. Cost accounting techniques

a) Accounting for materials
   - i) Describe the systems necessary for the ordering, receiving and issuing of materials from inventory.
   - ii) Describe the control procedures used to monitor physical and 'book' inventory and to minimise discrepancies and losses.
   - iii) Interpret the entries and balances in the material inventory account.
   - iv) Identify, explain and calculate the costs of ordering and holding inventory (including buffer inventory).
   - v) Calculate and interpret optimal reorder quantities.
   - vi) Calculate and interpret optimal reorder quantities when discounts apply.
   - vii) Produce calculations to minimise inventory costs when inventory is gradually replenished.
   - viii) Describe and apply appropriate methods for establishing reorder levels where demand in the lead time is constant.
   - ix) Calculate the value of closing inventory and material issues using LIFO, FIFO and average methods.
   - x) Explain Just in Time (JIT) as an inventory management approach.

b) Accounting for labour
   - i) Calculate direct and indirect costs of labour.
   - ii) Explain the systems used to capture and record labour effort.
   - iii) Prepare the journal and ledger entries to record labour cost inputs and outputs.
   - iv) Describe different remuneration methods: time-based systems, piecework systems and individual and group incentive schemes.
   - v) Calculate the level and analyse the costs and causes of labour turnover.
   - vi) Explain and calculate labour efficiency, capacity and production volume ratios.
   - vii) Interpret the entries in the labour account.

c) Accounting for overheads
   - i) Explain the different treatment of direct and indirect expenses.
   - ii) Describe the procedures involved in determining production overhead absorption rates.
   - iii) Allocate and apportion production overheads to cost centres using an appropriate basis.
   - iv) Reapportion service cost centre costs to production cost centres (including using the reciprocal method where service cost centres work for each other).

- v) Select, apply and discuss appropriate bases for absorption rates.
- vi) Prepare journal and ledger entries for manufacturing overheads incurred and absorbed.
- vii) Calculate and explain the under and over absorption of overheads.

d) Explain the importance of, and apply, the concept of contribution.

e) Demonstrate and discuss the effect of absorption and marginal costing on inventory valuation and profit determination.

f) Calculate profit or loss under absorption and marginal costing.

g) Reconcile the profits or losses calculated under absorption and marginal costing.

h) Describe the advantages and disadvantages of absorption and marginal costing.

i) Job and batch costing:
- i) Describe the characteristics of job and batch costing.
- ii) Describe the situations where the use of job or batch costing would be appropriate.
- iii) Prepare cost records and accounts in job and batch costing situations.
- iv) Establish job and batch costs from given information.

j) Process costing
- i) Describe the characteristics of process costing.
- ii) Describe the situations where the use of process costing would be appropriate.
- iii) Explain the concepts of normal and abnormal losses and abnormal gains.
- iv) Distinguish between by-products and joint products.
- v) Value by-products and joint products at the point of separation.
- vi) Evaluate the benefit of further processing.

k) Service/operation costing
- i) Define the characteristics of service organisations.
- ii) Identify situations where the use of service/operation costing is appropriate.
- iii) Illustrate suitable unit cost measures that may be used in different service/operation situations.
- iv) Carry out service cost analysis in simple service industry situations.

3. Standard costing

a) Explain the purpose and principles of standard costing.

b) Explain and illustrate the difference between standard, marginal and absorption costing.

c) Establish the standard cost per unit under absorption and marginal costing.

d) Calculate sales price and volume variances.

e) Calculate materials total, price and usage variances.

f) Calculate labour total, rate and efficiency variances.

g) Calculate variable overhead total, expenditure and efficiency variance.

h) Calculate fixed overhead total, expenditure and, where appropriate, volume, capacity and efficiency variance.

i) Interpret the variances.

j) Explain factors to consider before investigating variances, explain possible causes of the variances and recommend control action.

k) Explain the interrelationships between the variances.

l) Calculate actual or standard figures where the variances are given.

m) Reconcile budgeted profit with actual profit under standard absorption costing.

n) Reconcile budgeted profit or contribution with actual profit or contribution under standard marginal costing.

F. Risk management

1. Regulation and financial crime

a) Explain the circumstances under which fraud is likely to arise.

b) Identify different types of fraud in the organisation.

c) Explain the implications of fraud for the organisation.

d) Explain the role and duties of individual managers in the fraud detection and prevention process.

e) Explain why it is important to adhere to policies and procedures for handling clients' money.

f) Define the term money laundering.

g) Give examples of recognised offences under money laundering regulations.

h) Identify methods for detecting, preventing and reporting money laundering.

2. Internal controls

a) Explain internal control and internal checks.

b) Explain the importance of internal financial controls in an organisation.

c) Describe the responsibilities of management for internal financial control.

d) Describe the features of effective internal financial control procedures in an organisation, including authorisation.

e) Describe general and application systems controls in business.

G. Professional ethics

1. Business ethics and codes of conduct

a) Define corporate codes of ethics.

b) Describe the typical contents of a corporate code of ethics.

c) Explain the benefits of a corporate code of ethics to the organisation and its employees.

2. The role of the accountant and fundamental principles

a) Define business ethics and explain the importance of ethics to the organisation and to the individual.

b) Describe and demonstrate the following principles from the IFAC (IESBA) code of ethics, using examples.
   - i) Integrity
   - ii) Objectivity
   - iii) Professional competence
   - iv) Confidentiality
   - v) Professional behaviour.

c) Describe organisational values which promote ethical behaviour using examples.
   - i) Openness
   - ii) Trust
   - iii) Honesty
   - iv) Respect
   - v) Empowerment
   - vi) Accountability.

d) Explain the concept of acting in the public interest.

e) Explain the purpose of international and organisational codes of ethics and codes of conduct, IFAC (IESBA), ACCA etc.

f) Describe how professional bodies and regulators promote ethical awareness and prevent or punish illegal or unethical behaviour.

g) Identify the factors that distinguish a profession from other types of occupation.

h) Explain the role of the accountant in promoting ethical behaviour.

i) Explain when and to whom illegal, or unethical conduct by anyone within or connected to the organisation should be reported.

3. Ethical conflicts and dilemmas

a) Describe situations where ethical conflicts can arise.

b) Identify the main threats to ethical behaviour.

c) Describe situations at work where ethical dilemmas may be faced.

d) List the main safeguards against ethical threats and dilemmas.

6. Mapping to Level 4 Knowledge and Skills

A	**The business organisation and its external environment**	
1	Purpose and types of business organisations	K2
2	Stakeholders in business organisations	K2
3	External factors and competition	K2
B	**Financial reporting concepts and recording transactions**	
1	The scope and purpose of financial statements for external reporting	K4
2	The main elements of financial statements	K4
3	The regulatory framework	K2
4	Key principles and concepts of accounting	K4
5	Qualitative characteristics of useful financial information	K4
6	Double entry bookkeeping	K4
7	Recording transactions and events	K4 / S2
8	Suspense accounts and the correction of errors	K5 / S3
C	**Preparation and interpretation of financial statements**	
1	Statement of financial position	K5 / S2
2	Statement of profit or loss and other comprehensive income	K5 / S2
3	Statement of cash flows	K5 / S2
4	Interpretation of financial statements	K7 / S4
D	**Principles of management accounting**	
1	Management information and systems	K6
2	Budgeting	K6 / K7 / S1
3	Investment appraisal	K6 / K7 /S1
E	**Cost accounting**	
1	Cost classification	K6
2	Cost accounting techniques	K6
3	Standard costing	K6
F	**Risk Management**	
1	Regulation and financial crime	K8
2	Internal controls	K8
G	**Professional Ethics**	
1	Business ethics and codes of conduct	K1
2	The role of the accountant and fundamental principles	K1 / S7
3	Ethical conflicts and dilemmas	K1 / S7

7. Approach to examining the syllabus

The syllabus is assessed by a two and a half hour, closed book, computer-based examination. Candidates will be given access to pre-seen information in advance of the assessment. This pre-seen information cannot be brought into the assessment, a copy of the pre-seen information will be included as exhibits within the assessment.

The examination will consist of four tasks and will be marked out a total of 100.

The pass mark of the assessment is 60%. Candidates achieving a mark of 80% or greater will be awarded a distinction.

8. Guide to ACCA examination assessment

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

Regulation issued, or legislation passed on or before 31 August annually, will be assessed from 1 September of the following year to 31 August of the year after.

The legislation examinable within this syllabus period (July 2026 – July 2027) is listed in the examinable documents.