ESSENTIAL UNDERPINNING FOR OPTIONS PAPERS

PAPER P4
Paper F9 to Paper P4 – essential knowledge
D Investment appraisal
All subheadings

E Business finance
1 Sources of, and raising, short-term finance
2 Sources of, and raising, long-term finance
4 Internal sources of finance and dividend policy
5 Gearing and capital structure considerations

F Cost of capital
All subheadings

G Business valuations
2 Models for the valuation of shares
3 The valuation of debt and other financial assets
4 Efficient market hypothesis (EMH) and practical considerations in the valuation of shares

H Risk management
All subheadings

Paper P3 to Paper P4 – essential knowledge
G Financial analysis
2 Finance decisions to formulate and support business strategy
4 Financial implications of making strategic choices and of implementing strategic actions

PAPER P5
Paper F5 to Paper P5 – essential knowledge
A Specialist cost and management accounting techniques
All subheadings

B Decision-making techniques
6 Dealing with risk and uncertainty in decision making

C Budgeting
2 Budgetary systems
3 Types of budget
5 Behavioural aspects of budgeting

D Standard costing and variances analysis
All subheadings excluding:
2 Basic variances and operating statements

E Performance measurement and control
All subheadings

Paper P3 to Paper P5 – essential knowledge
B Strategic position
2 Environmental issues affecting the strategic position of an organisation
3 Competitive forces affecting an organisation
4 Marketing and the value of goods and services
6 The expectations of stakeholders and the influence of ethics and culture

B Strategic choices
1 The influence of corporate strategy on an organisation
3 Alternative directions and methods of development

C Strategic action
1 Organising and enabling success

G Financial analysis
3 The role of cost and management accounting in strategic planning and implementation

Paper P1 to Paper P5 – essential knowledge
B Internal control and review
1 Management control systems in corporate governance

C Identifying and assessing risk
1 Risk and the risk management process
2 Categories of risk
3 Identification, assessment and measurement of risk

D Controlling risk
3 Risk avoidance, retention and modelling

PAPER P6
Paper F6 (UK) to Paper P6 (UK) – essential knowledge
B Income tax liabilities
2 Income from employment
h) Compute the amount of benefits assessable
3 Income from self-employment
e) Compute assessable profits on commencement and cessation
b) Relief for trading losses
5 The comprehensive computation of taxable income and income tax liability

6 The use of exemptions and reliefs in deferring and minimising income tax liabilities
a) Explain and compute the relief given for contributions to personal pension schemes, using the rules applicable from 6 April 2011

C Corporation tax liabilities
2 Taxable total profits
e) Explain the treatment of interest paid and received under the loan relationship rules
f) Understand how trading losses can be carried forward
h) Understand how trade losses can be claimed against income of the current or previous accounting periods
i) Recognise the factors that will influence the choice of loss relief claim
k) Explain how relief for a property business loss is given

3 The comprehensive computation of corporation tax liability
a) Compute the corporation tax liability and apply marginal relief

4 The effect of a group corporate structure for corporation tax purposes
a) Define an associated company and recognise the effect of being an associated company for corporation tax purposes
b) Define a 75% group, and recognise the reliefs that are available to members of such a group

THE ACCA EXAMS ARE DESIGNED TO BE ACHIEVABLE EVEN IF YOU HAVE NO RELEVANT EXPERIENCE AT ALL
c) Define a 75% capital gains group, and recognise the reliefs that are available to members of such a group.
d) Compare the UK tax treatment of an overseas branch to an overseas subsidiary.
e) Calculate double taxation relief.

D Chargeable gains
1 The scope of the taxation of capital gains:
b) Explain how the residence and ordinary residence of an individual is determined.

2 The basic principles of computing gains and losses:
a) Compute capital gains for both individuals and companies.
3 Gains and losses on the disposal of movable and immovable property.
d) Compute the exemption where a principal private residence is disposed of.
5 The computation of capital gains tax payable by individuals.
a) Compute the amount of capital gains tax payable.

6 The use of exemptions and reliefs in deferring and minimising the tax liabilities arising on the disposal of capital assets:
a) Explain and apply entrepreneurs’ relief as it applies to individuals.
b) Explain and apply rollover relief as it applies to individuals and companies.
c) Explain and apply holdover relief for the gift of business assets.
d) Explain and apply the incorporation relief that is available upon the transfer of a business to a company.

E Inheritance tax
2 The basic principles of computing transfers of value:
a) State, explain and apply the meaning of transfer of value, chargeable transfer and potentially exempt transfer.

3 Gains and losses on the disposal of movable and immovable property.
d) Compute the exemption where a principal private residence is disposed of.

5 The computation of capital gains tax payable by individuals:
a) Compute the amount of capital gains tax payable.

6 The use of exemptions and reliefs in deferring and minimising the tax liabilities arising on the disposal of capital assets:
a) Explain and apply entrepreneurs’ relief as it applies to individuals.
b) Explain and apply rollover relief as it applies to individuals and companies.
c) Explain and apply holdover relief for the gift of business assets.
d) Explain and apply the incorporation relief that is available upon the transfer of a business to a company.

G Value added tax
2 The VAT registration requirements:
a) Recognise the circumstances in which a person must register for VAT.
b) Explain the advantages of voluntary VAT registration.
d) Explain how and when a person can deregister for VAT.
e) Explain the conditions that must be met for two or more companies to be treated as a group for VAT purposes, and the consequences of being so treated.

3 The computation of VAT liabilities:
a) Explain the treatment of imports, exports and trade within the European Union.
b) Describe the annual accounting scheme, and recognise when it will be advantageous to use the scheme.
c) Describe the flat rate scheme, and recognise when it will be advantageous to use the scheme.

F Review
1 Subsequent events.
2 Going concern.
4 Audit finalisation and the final review.

G Reporting
1 Audit reports.

IT IS IMPORTANT YOU MAKE THE RIGHT CHOICE OF WHICH TWO OPTIONS PAPERS TO TAKE. YOU WILL HAVE A GREATER CHANCE OF SUCCESS IF YOU CHOOSE THE OPTIONS PAPERS BASED ON WHAT YOU FEEL MOST COMFORTABLE WITH.