



The Botswana Institute of Chartered Accountants (BICA) 2012 Examination Syllabus



Introduction

This document contains the 2012 BICA Professional Qualification syllabus and associated documents.

It should be noted a new syllabus is required each year to reflect annual changes.

The 2012 Syllabus relates to the syllabus for students commencing the course in 2012.

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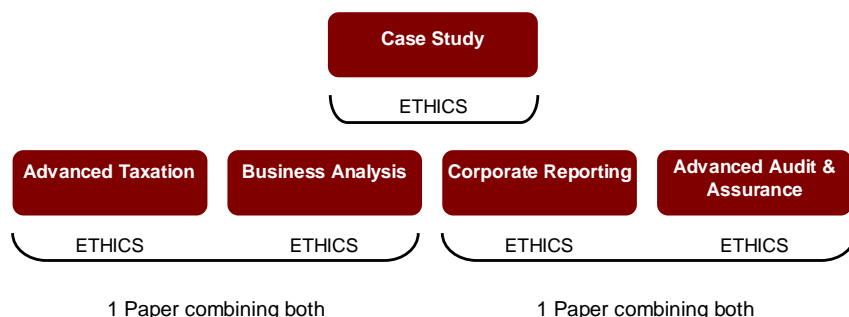
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BICA Qualification

BICA EXAMINATION STRUCTURE

ADVANCED STAGE



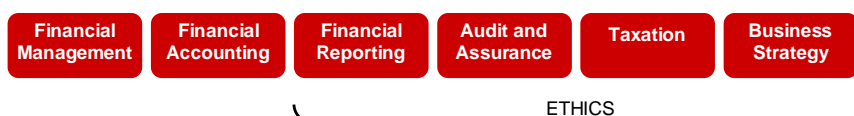
Integrated ethics training throughout to support business decision-making

Work experience puts your learning into context

IPD – initial professional development enables skills progression in five key areas

PROFESSIONAL STAGE

Application modules



Knowledge modules



Aim

The BICA qualification aims to ensure all newly qualified chartered accountants have the technical and professional skills to begin their career and from which to build their ongoing professional development.

Structure

The syllabus has been designed to develop core technical, commercial, and ethical skills and knowledge in a structured and rigorous manner. Progression through the modules, in combination with integrated and monitored work experience, will equip and prepare students for the demanding multi-disciplinary case study. This final module assesses the highest level of analysis, synthesis and communication skills, commercial and ethical awareness and the application of professional judgement.

The diagram above shows the twelve modules at the Professional Stage, where the focus is on the acquisition and application of technical skills and knowledge, and the Advanced Stage which comprises four technical modules and the Case Study.

Ethics is embedded throughout the qualification and there are specific learning outcomes included in a number of the modules. The syllabus has been designed to ensure students understand the fundamental principles of ethics, can apply relevant ethical guidance, and are able to recommend actions to resolve ethical issues.

1 BICA Professional Stage Syllabus

Aim

The Professional Stage of the BICA qualification forms the first stage of formal learning and assessment and, as such, aims to provide students with the technical skills and underpinning knowledge to perform their work as trainee chartered accountants in a variety of environments.

The Professional Stage syllabus has been constructed with the following aims:

- to ensure that the required technical knowledge and skills can be learnt and assessed in a comprehensive and rigorous manner;
- to allow the timing of exam study to be aligned with the knowledge and skills needed in the work place;
- to enable appropriate educational progression and reinforcement during the study and assessment process.

Structure and progression

There are twelve modules in total. Six 'Knowledge' modules focus on the introduction and development of core knowledge and skills. The other six 'Application' modules further develop the knowledge and skills and assess practical technical application.

The Professional Stage as a whole forms the foundation of technical knowledge that is further developed and integrated at the Advanced Stage.

Syllabus

This document presents the learning outcomes for the twelve Professional Stage modules. The learning outcomes in each module should be read in conjunction with the relevant knowledge tables in Appendix 1.

Assessment

The six 'Knowledge' modules will be examined using computer based assessments. Each computer based assessment will be 1.5 hours in length.

The six 'Application' modules will be examined using traditional paper based assessments. Each paper based exam will be 2.5 hours in length.

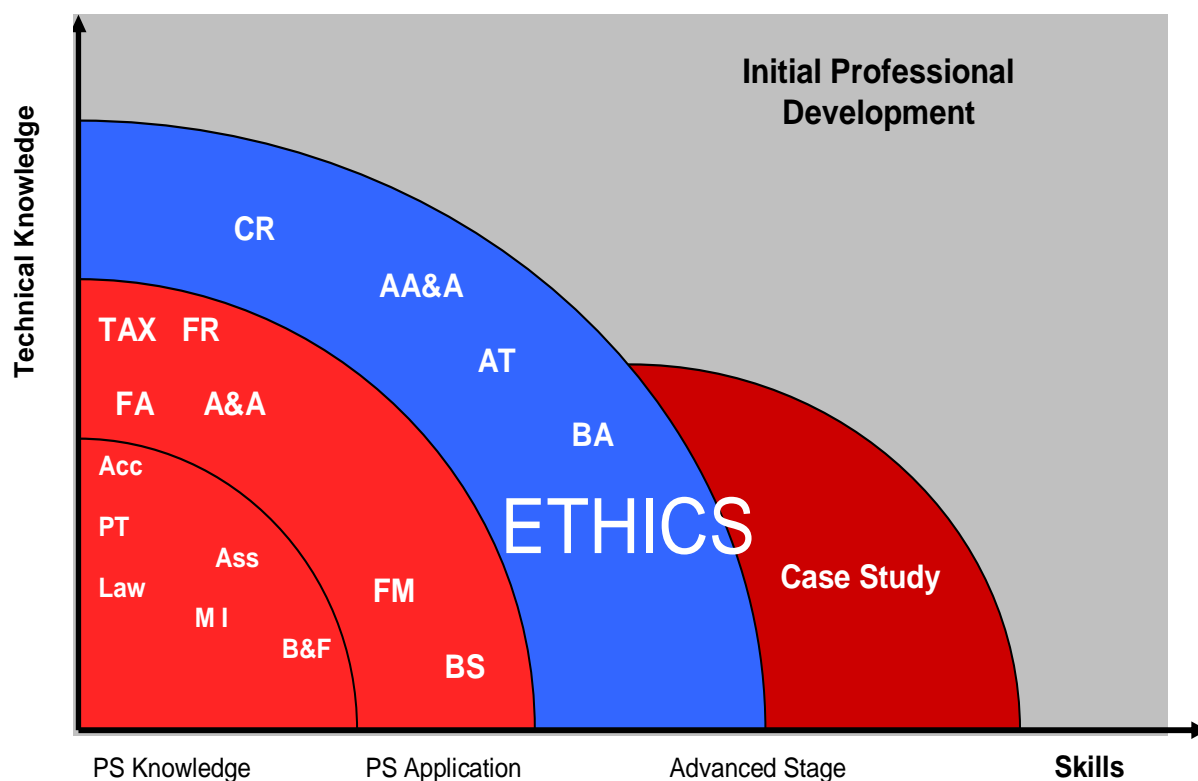
Flexibility

There will be no regulations stipulating the order in which students must attempt the Professional Stage modules, allowing employers to design training programmes according to business needs. Students will be permitted a maximum of four attempts at each module.

Credit for prior learning

Students with accounting and business related qualifications should visit the BICA website for further information on applying for credit against one or more of the BICA modules.

The Link to Work Experience



Key:

| Professional Stage (PS) | | Advanced Stage |
|--|-----------------------------------|---|
| Acc: Accounting | A&A: Audit & Assurance | AA&A: Advanced Audit & Assurance |
| Ass: Assurance | BS: Business Strategy | AT: Advanced Taxation (Botswana) |
| B&F: Business & Finance | FA: Financial Accounting | BA: Business Analysis |
| Law: Botswana Law | FM: Financial Management | CR: Corporate Reporting |
| MI: Management information | FR: Financial Reporting | |
| PT: Principles of Taxation (Botswana) | TAX: Botswana Tax | |

The work experience requirements for students provide a framework to develop appropriate work experience, completion of which is essential in order to qualify for membership. Work experience is also an essential component for examination preparation.

The work experience framework is built around five key skills:

- Business awareness – being aware of the internal and external issues and pressure for change facing an organisation and assessing an organisation’s performance.
- Technical and functional expertise – applying syllabus learning outcomes and where appropriate, further technical knowledge to real situations.
- Ethics and professionalism – recognising issues, using knowledge and experience to assess implications, making confident decisions and recommendations.
- Professional judgement – making recommendations and adding value with appropriate, targeted and relevant solutions.
- Personal effectiveness – developing, maintaining and exercising skills and personal attributes necessary for the role and responsibilities.

The examinations, and in particular the Advanced Stage, embrace all of these skills.

The link between work experience and the examinations is demonstrated by the skills development grids produced by the examiners – see below.

This will help students see that their practical knowledge and skills gained in the workplace feed back into the exam room and vice-versa.

The message is clear – students should use the work experience framework and skills development grids to ensure success in exam performance and success in their workplace performance.

Skills Progression through the BICA qualification

| Assessed skills | Professional Stage | | Advanced Stage | |
|---|---|---|--|---|
| | Knowledge modules | Application modules | Advanced modules | Case Study |
| Assimilating and using information | | | | |
| Understanding the subject matter and identifying issues | Specific issues | Simple scenarios | Complex scenarios | Unstructured complex business scenarios |
| Accessing, evaluating and managing information | Information/data as provided | Single information source provided | Multiple information sources provided | Multiple information sources including own research |
| Using technical knowledge and professional experience | Highly structured application of non-integrated knowledge | Structured application of non-integrated knowledge | Structured application of knowledge and experience | Unstructured application of integrated knowledge and experience |
| Structuring problems and solutions | | | | |
| Using analytical tools | Specified tools | Specified tools | Tools inferred by nature of problem | Unspecified tools |
| Analysing and evaluating problems | Highly specified tasks | Specified non-integrated problems | Specified integrated and non-integrated problems | Defined output but unspecified problems |
| Applying judgement | | | | |
| Assessing quality of information | Objective testing | Specified in simple scenario | Specified in complex scenario | Underlying requirement within complex scenario |
| Assessing options and priorities including ethical issues | Options given | Options included in simple scenario | Options included in complex scenario | Balanced judgement of priorities and risks in unstructured scenario |
| Considering other perspectives | Not assessed | Possible alternative provided | Alternative(s) provided | Alternatives identified using professional experience |
| Conclusions and recommendations and communication | | | | |
| Drawing conclusions and making recommendations | Not assessed | Specified conclusions and recommendations in simple scenarios | Specified conclusions and recommendations in complex scenarios | Conclusions and recommendations supported by own evidence |
| Presenting data and written work | Prescribed exam format | Exam requirements, including some professional presentation | Short written professional presentations | Professional report with appendices and executive summary |

1.1 Accounting

Module aim

To ensure that students have a sound understanding of the techniques of double entry accounting and can apply its principles in recording transactions, adjusting financial records and preparing non-complex financial statements.

On completion of this module, students will be:

- proficient in the use of double entry accounting techniques and the maintenance of accounting records
- able to identify and correct omissions and errors in accounting records and financial statements
- able to specify the components of financial statements and prepare and present non-complex accounts for sole traders, partnerships and limited companies.

Specification grid

This grid shows the relative weightings of subjects within this module and should guide the relative study time spent on each. Over time the marks available in the assessment will equate to the weightings below, while slight variations may occur in individual assessments to enable suitably rigorous questions to be set.

| Syllabus area | Weighting (%) |
|--|---------------|
| 1 Maintaining financial records | 30 |
| 2 Adjustments to accounting records and financial statements | 35 |
| 3 Preparing financial statements | 35 |
| | 100 |

The following learning outcomes should be read in conjunction with the Financial Reporting table in Appendix 1.

1 Maintaining financial records

Candidates will be proficient in the use of double entry accounting techniques and the maintenance of accounting records.

In the assessment, candidates may be required to:

- a. specify why an entity maintains financial records and prepares financial statements;
- b. identify the sources of information for the preparation of accounting records and financial statements;
- c. record and account for transactions and events resulting in income, expenses, assets, liabilities and equity in accordance with the appropriate basis of accounting and the laws, regulations and accounting standards applicable to the financial statements;
- d. record and account for changes in the ownership structure and ownership interests in an entity;
- e. prepare a trial balance from accounting records and identify the uses of the trial balance.

2 Adjustments to accounting records and financial statements

Candidates will be able to identify and correct omissions and errors in accounting records and financial statements.

In the assessment, candidates may be required to:

- a. identify omissions and errors in accounting records and financial statements and demonstrate how the required adjustments will affect profits and/or losses
- b. correct omissions and errors in accounting records and financial statements using control account reconciliations and suspense accounts
- c. prepare an extended trial balance
- d. prepare journals for nominal ledger entry and to correct errors in draft financial statements.

3 Preparing financial statements

Candidates will be able to specify the components of financial statements, and prepare and present non-complex accounts for sole traders, partnerships and limited companies.

In the assessment, candidates may be required to:

- a. identify the main components of a set of financial statements and specify their purpose and interrelationship
- b. specify the key aspects of the accrual basis of accounting, cash accounting and break-up basis of accounting
- c. prepare and present a statement of financial position, income statement and statement of cash flows (or extracts therefrom) from the accounting records and trial balance in a format which satisfies the information requirements of the entity.

1.2 Assurance

Module aim

To ensure that students understand the assurance process and fundamental principles of ethics, and are able to contribute to the assessment of internal controls and gathering of evidence on an assurance engagement.

On completion of this module, students will be able to:

- explain the concept of assurance, why assurance is required and the reasons for assurance
- engagements being carried out by appropriately qualified professionals
- explain the nature of internal controls and why they are important, document an organisation's internal controls and identify weaknesses in internal control
- systems
- select sufficient and appropriate methods of obtaining assurance evidence and recognise when
- conclusions can be drawn from evidence obtained or where
- issues need to be referred to a senior colleague
- understand the importance of ethical behaviour to a professional and explain
- issues relating to integrity, objectivity, conflicts of interest, conflicts of loyalty,
- confidentiality and independence.

Specification grid

This grid shows the relative weightings of subjects within this module and should guide the relative study time spent on each. Over time the marks available in the assessment will equate to the weightings below, while slight variations may occur in individual assessments to enable suitably rigorous questions to be set.

| Syllabus area | Weighting (%) |
|---|---------------|
| 1 The concept, process and need for assurance | 20 |
| 2 Internal controls | 25 |
| 3 Gathering evidence on an assurance engagement | 35 |
| 4 Professional ethics | 20 |
| | 100 |

The following learning outcomes should be read in conjunction with the Assurance and Audit and Ethics Standards tables in Appendix 1.

1 The concept, process and need for assurance

Candidates will be able to explain the concept of assurance, why assurance is required and the reasons for assurance engagements being carried out by appropriately qualified professionals.

In the assessment, candidates may be required to:

- a. define the concept of assurance
- b. state why users desire assurance reports and provide examples of the benefits gained from them such as to assure the quality of an entity's published corporate responsibility or sustainability report.
- c. compare the functions and responsibilities of the different parties involved in an assurance engagement
- d. compare the purposes and characteristics of, and levels of assurance obtained from, different assurance engagements
- e. identify the issues which can lead to gaps between the outcomes delivered by the assurance engagement and the expectations of users of the assurance reports, and suggest how these can be overcome
- f. define the assurance process, including:
 - obtaining the engagement
 - continuous risk assessment
 - engagement acceptance
 - the scope of the engagement
 - planning the engagement
 - performing the engagement
 - obtaining evidence
 - evaluation of results of assurance work
 - concluding and reporting on the engagement
 - reporting to the engaging party
 - keeping records of the work performed
- g. recognise the need to plan and perform assurance engagements with an attitude of professional scepticism
- h. define the concept of reasonable assurance.

2 Internal controls

Candidates will be able to explain the nature of internal controls and why they are important, document an organisation's internal controls and identify weaknesses in internal control systems.

In the assessment, candidates may be required to:

- a. state the reasons for organisations having effective systems of control
- b. identify the fundamental principles of effective control systems
- c. identify the main areas of a business that need effective control systems
- d. identify the components of internal control in both manual and IT environments, including:
 - the overall control environment
 - preventative and detective controls
 - internal audit
- e. define and classify different types of internal control, with particular emphasis upon those which impact upon the quality of financial information
- f. show how specified internal controls mitigate risk and state their limitations

- g. identify internal controls for an organisation in a given scenario
- h. identify internal control weaknesses in a given scenario
- i. identify, for a specified organisation, the sources of information which will enable a sufficient record to be made of accounting or other systems and internal controls.

3 Gathering evidence on an assurance engagement

Candidates will be able to select sufficient and appropriate methods of obtaining assurance evidence and recognise when conclusions can be drawn from evidence obtained or where issues need to be referred to a senior colleague.

In the assessment, candidates may be required to:

- a. state the reasons for preparing and keeping documentation relating to an assurance engagement
- b. identify and compare the different methods of obtaining evidence from the use of tests of control and substantive procedures, including analytical procedures
- c. recognise the strengths and weaknesses of the different methods of obtaining evidence
- d. identify the situations within which the different methods of obtaining evidence should and should not be used
- e. compare the reliability of different types of assurance evidence
- f. select appropriate methods of obtaining evidence from tests of control and from substantive procedures for a given business scenario
- g. recognise when the quantity and quality of evidence gathered from various tests and procedures is of a sufficient and appropriate level to draw reasonable conclusions on which to base a report
- h. identify the circumstances in which written confirmation of representations from management should be sought and the reliability of such confirmation as a form of assurance evidence
- i. recognise issues arising whilst gathering assurance evidence that should be referred to a senior colleague.

4 Professional ethics

Candidates will be able to understand the importance of ethical behaviour to a professional and identify issues relating to integrity, objectivity, professional competence and due care, confidentiality, professional behaviour and independence.

In the assessment, candidates may be required to:

- a. state the role of ethical codes and their importance to the profession
- b. recognise the differences between a rules based ethical code and one based upon a set of principles
- c. recognise how the principles of professional behaviour protect the public and fellow professionals
- d. identify the key features of the system of professional ethics adopted by IFAC and BICA
- e. identify the fundamental principles underlying the IFAC and the BICA code of ethics
- f. recognise the importance of integrity and objectivity to professional accountants, identifying situations that may impair or threaten integrity and objectivity

- g. suggest courses of action to resolve ethical conflicts relating to integrity and objectivity
- h. respond appropriately to the request of an employer to undertake work outside the confines of an individual's expertise or experience
- i. recognise the importance of confidentiality and identify the sources of risks of accidental disclosure of information
- j. identify steps to prevent the accidental disclosure of information
- k. identify situations in which confidential information may be disclosed
- l. define independence and recognise why those undertaking an assurance engagement are required to be independent of their clients
- m. identify the following threats to the fundamental ethical principles and the independence of assurance providers:
 - self-interest threat
 - self-review threat
 - management threat
 - advocacy threat
 - familiarity threat
 - intimidation threat
- n. identify safeguards to eliminate or reduce threats to the fundamental ethical principles and the independence of assurance providers

1.3 Business and Finance

Module aim

To provide students with an understanding of how businesses operate and how accounting and finance functions support businesses in achieving their objectives.

On completion of this module, students will be able to:

- identify the general objectives of businesses and the functions and tasks that businesses perform in order to meet their objectives
- specify the nature, characteristics, advantages and disadvantages of different forms of business and organisational structure
- identify the purpose of financial information produced by businesses, specify how accounting and finance functions support business operations, and identifying sources and methods of financing for businesses and individuals
- specify the role of the accountancy profession and why the work of the profession is important
- identify the role that governance plays in the management of a business and specify how a business can promote corporate governance, sustainability, corporate responsibility and an ethical culture
- specify the impact on a business of the economic environment in which it operates.

Specification grid

This grid shows the relative weightings of subjects within this module and should guide the relative study time spent on each. Over time the marks available in the assessment will equate to the weightings below, while slight variations may occur in individual assessments to enable suitably rigorous questions to be set.

| Syllabus area | Weighting (%) |
|---|---------------|
| 1 Business objectives and functions | 30 |
| 2 Business and organisational structures | |
| 3 The role of finance | 25 |
| 4 The role of the accountancy profession | 15 |
| 5 Governance, sustainability, corporate responsibility and ethics | 15 |
| 6 External environment | 15 |
| | 100 |

The following learning outcomes should be read in conjunction with the Ethics Standards table in Appendix 1.

1 Business objectives and functions

Candidates will be able to identify the general objectives of businesses and the functions and tasks that businesses perform in order to meet their objectives.

In the assessment, candidates may be required to:

- a. state the general objectives of businesses
- b. state the general objectives of strategic management and specify the strategic management process and interrelationship between a business's vision, mission and strategic objectives
- c. identify the various functional areas within businesses and show how the functions assist the achievement of business objectives
- d. identify the nature and functions of organisational management, human resources management and operations management and show how these are influenced by human behaviour
- e. identify the relationship between a business's overall strategy and its functional strategies
- f. identify the nature and purpose of strategic plans, business plans and operational plans
- g. specify how a strategic plan is converted into fully-integrated business and operational plans
- h. identify the main components of the risk management process and show how they operate
- i. identify the key issues in relation to risk and crisis management.

2 Business and organisational structures

Candidates will be able to specify the nature, characteristics, advantages and disadvantages of different forms of business and organisational structure.

In the assessment, candidates may be required to:

- a. identify the differences between businesses carried out by sole traders, partnerships, limited liability partnerships, alliances and groups, and show the advantages and disadvantages of each of these business structures;
- b. identify the differences between unincorporated businesses and companies, and show the advantages and disadvantages of incorporation;
- c. identify different organisational structures and specify their advantages and disadvantages.

3 The role of finance

Candidates will be able to identify the purpose of financial information produced by businesses, specify how accounting and finance functions support business operations, and identify sources and methods of finances for businesses and individuals.

In the assessment, candidates may be required to:

- a. specify the extent to which financial information:
 - provides for accountability of management to shareholders and other stakeholders
 - reflects business performance
 - is useful to users in making economic decisions
 - meets the information needs of national, social and economic contexts (e.g. national statistical information)
- b. specify how accounting and finance functions support businesses in pursuit of their objectives
- c. identify the main considerations in establishing and maintaining accounting and financial reporting functions and financial control processes

- d. identify, in the context of accounting and other systems, the issues surrounding:
 - information processing
 - information security
 - information management
- e. specify why the management of a business require information about performance measurement including non-routine areas such as in supporting an entity's sustainability management
- f. identify the accountant's role in preparing and presenting information for the management of a business
- g. specify the relationship between a business and its bankers and other providers of financial products
- h. identify the characteristics, terms and conditions and role of alternative short, medium and long term sources of finance available to different businesses
- i. identify the processes by which businesses raise equity, capital and other long term finance
- j. identify appropriate methods of financing exports, including:
 - bills of exchange
 - letters of credit
 - export credit insurance
- k. specify the general objectives of personal financial management
- l. identify the principles of personal financial management and the personal financial management process

4 The role of the accountancy profession

Candidates will be able to specify the role of the accountancy profession and why the work of the profession is important.

In the assessment, candidates may be required to:

- a. identify the importance to the public interest of high quality, accurate financial reporting and assurance
- b. specify the rationale for key parts of the profession's work and the links between technical competence and professional responsibility, including accounting principles, accounting standards, sound business management and the public interest
- c. specify the key features of the structure of the accountancy profession, the regulatory framework within which professional accountants work and the ways in which the accountancy profession interacts with other professions.

5 Governance, corporate responsibility and ethics

Candidates will be able to identify the role that governance plays in the management of a business and specify how a business can promote corporate governance, sustainability, corporate responsibility and an ethical culture.

In the assessment, candidates may be required to:

- a. state the reasons why governance is needed and identify the role that governance plays in the management of a business
- b. identify the key stakeholders and their governance needs for a particular business

- c. identify and show the distinction between the roles and responsibilities of those charged with corporate governance and those charged with management including the basics of the combined code on corporate governance
- d. specify how differences in national and business cultures affect corporate governance
- e. identify the roles and responsibilities of the members of the executive board, any supervisory board, the audit committee and others charged with corporate governance, internal audit and external audit
- f. identify the roles and responsibilities of those responsible within a business for internal audit and for the external audit relationship
- g. specify the nature of ethics, business ethics, sustainability and corporate responsibility
- h. specify the policies and procedures a business should implement in order to promote an ethical culture.

6 External environment

Candidates will be able to specify the impact on a business of the environment in which it operates including the potential effects of sustainability issues

In the assessment, candidates may be required to:

- a. specify the signalling, rewarding and allocating effects of the price mechanism on business (including the concept of price elasticity)
- b. specify the potential types of failure of the market mechanism and their effects on business
- c. identify the key macroeconomic factors that affect businesses
- d. specify the principal effects of regulation upon businesses
- e. show how the needs of different stakeholders in a business (e.g. shareholders, the local community, employees, suppliers, customers) impact upon it
- f. specify the effects of key international legislation (including the Sarbanes- Oxley Act and trade restrictions) on businesses.

1.4 Law

Module aim

To provide students with an understanding of the principles of Botswana law

On completion of this module, students will be able to:

- explain the nature of contractual agreements, the agency relationship and the consequences of negligence
- understand the legal implications of incorporation, including the roles of shareholders, directors, members of a close company, and the main implications of insolvency law
- identify instances of criminal behaviour that may be encountered by professional accountants
- identify other key areas in which the law affects the role and work of the professional accountant.

Specification grid

This grid shows the relative weightings of subjects within this module and should guide the relative study time spent on each. Over time, the marks available in the assessment will equate to the weightings below, while slight variations may occur in individual assessments to enable suitably rigorous questions to be set.

| Syllabus area | Weighting (%) |
|--|---------------|
| 1 The impact of civil law on business and professional services | 35 |
| 2 Company and insolvency law | 40 |
| 3 The impact of criminal law on business and professional services | 10 |
| 4 The impact of law in the professional context | 15 |
| | 100 |

1 The impact of civil law on business and professional services

Candidates will be able to explain the nature of contractual agreements, the agency relationship and the consequences of negligence

In the assessment, candidates may be required to:

Contract

- a. recognize when a legally binding contract exists between two parties and how a contract may be enforced
- b. identify the circumstances under which a contract can be terminated and possible remedies for breach of contract

Agency

- a. identify the methods by which agency can be created
- b. identify the duties and rights of agents
- c. recognize the authority an agent has to enter into contracts on behalf of a principal, including express, implied and apparent authority; and that given to members of a close company by legislation

Negligence and liability

- a. identify instances and consequences of negligence (particularly negligent misstatement) in a given scenario
- b. identify instances and consequences of vicarious liability in a given scenario.

2 Company and insolvency law

Candidates will be able to understand the implications of incorporation, including the roles of shareholders, directors and members in the case of a close company and the implications of insolvency law.

In the assessment, candidates will be required to:

- a. identify the differences between partnerships and registered companies and recognize the circumstances when the veil of incorporation may be lifted
- b. identify the procedures required to form various types of registered companies including the requirements for membership of a close company, an exempt private company and its characteristics and identify the advantages and disadvantages of each type of company
- c. identify the administrative consequences of incorporation or the formation of a company including requirements regarding statutory books, accounts, meetings and the role of the Company Secretary
- d. identify the statutory and Roman-Dutch law requirements for pre-incorporation contracts and their warranties
- e. identify the capacity of a company, powers, validity of actions and what the Companies Act stipulates in relation to the common law doctrine of constructive notice
- f. Identify the contents of and the effect of a company's constitution and the application of the Companies Act 2003 to companies not having a constitution.
- g. identify the procedures for the issue and transferability of shares including the types of shares, rights and powers attached to shares, no par value shares, and compulsory conversion of par value shares to no par value shares and the discretion of the Registrar of Companies on the issue of par value shares
- h. Identify the requirements for the acquisition and disposal of a member's interest in a close company
- i. identify the requirements for the solvency test and the consequences for its contravention.
- j. Identify the requirements relating to shares and share capital including the reduction of stated capital, dividends, and restrictions placed on financial assistance, shareholder discounts and redemption of shares.
- k. recognize the limitation of liability of a shareholder and how management decisions can be influenced by the shareholder through meetings, resolutions, approval of major transactions and powers specifically reserved for the shareholder
- l. identify the statutory rights of a shareholder, director or other entitled person to institute or intervene in any proceedings on behalf of the company and identify the common law remedies of a shareholder against a company
- m. identify the rights and duties possessed by a member of a close company and the consequences of major breach of duties
- n. identify the ways in which a director may be appointed or removed
- o. identify the directors' duties, their delegation of authority and matters that are non-delegable in terms of Companies Act 2003 explaining the consequences of any major breach of duty including breach discovered during liquidation or judicial management of a company

- p. identify the circumstances in which directors will bind the company in a contract with third parties
- q. identify the distinction between shares and debentures, the issue of fixed and floating charges and the procedure for registering them
- r. identify the nature and function of receivership, judicial management, voluntary, creditors and compulsory winding up
- s. identify the main implications of insolvency law, including:
 - the principal means of terminating companies and other business entities including unregistered associations
 - voidable and undue preferences
 - priorities on distribution including the rights of creditors and employees (including secured assets)
 - sequestration and other responses to personal insolvency

3 The impact of criminal law on business and professional services

Candidates will be able to identify instances of criminal behaviour that may be encountered by professional accountants.

In the assessment, candidates will be required to:

- a. identify circumstances where an accountant will be protected from dismissal and victimization if he raises concerns about malpractice in the workplace
- b. identify instances and consequences of fraud in a given scenario
- c. identify instances and consequences of bribery and corruption
- d. identify instances and consequences of money laundering and select appropriate courses of action for a professional accountant in accordance with international and national regulations and law
- e. recognise the relationships and interaction between legal principles, legislation, case law, ethics and ethical codes.

4 The impact of law in the professional context

Candidates will be able to identify other key areas in which the law affects the role and work of the professional accountant.

In the assessment, candidates may be required to:

Information and its legal environment

- a. identify the meaning of key terms in the Cybercrime and Computer Related Crimes Act 2007 including 'access', 'computer' or 'computer system', 'electronic', 'service provider' and 'data' and identify the various ways in which computer or computer system information is protected by the Act and by the common law.

Employment law

- b. identify who is an employee and the main legal consequences of employment status
- c. identify the key features of employment contracts and recognise circumstances in which an employment contract may be terminated and the consequences arising
- d. identify when dismissal constitutes:
 - e. a wrongful dismissal
 - f. an unfair dismissal

1.5 Management Information

Module aim

To enable students to prepare essential financial information for the management of a business.

On completion of this module, students will be able to:

- establish the costs associated with the production of products and provision of services and use them to determine prices
- select appropriate budgeting approaches and methods and prepare budgets
- identify key features of effective performance management systems, select appropriate performance measures and calculate differences between actual performance and standards or budgets
- identify and calculate relevant data for use in management decision making.

Specification grid

This grid shows the relative weightings of subjects within this module and should guide the relative study time spent on each. Over time the marks available in the assessment will equate to the weightings below, while slight variations may occur in individual assessments to enable suitably rigorous questions to be set.

| Syllabus area | Weighting (%) |
|------------------------------|---------------|
| 1 Costing and pricing | 25 |
| 2 Budgeting and forecasting | 25 |
| 3 Performance management | 25 |
| 4 Management decision making | 25 |
| | 100 |

1 Costing and pricing

Candidates will be able to establish the costs associated with the production of products and provision of services and use them to determine prices.

In the assessment, candidates may be required to:

- a. recognise the use of cost information for different purposes
- b. classify costs as fixed, variable, direct or indirect
- c. calculate unit costs from information provided, using:
 - direct costing
 - absorption costingand reconcile the differences between the costs obtained
- d. select the most appropriate method of costing for a given product or service
- e. calculate the sales price for a given product or service using cost based pricing
- f. calculate transfer prices for specified sales to internal customers which take account of appropriate costs.

2 Budgeting and forecasting

Candidates will be able to select appropriate budgeting approaches and methods and prepare budgets.

In the assessment, candidates may be required to:

- a. apply forecasting techniques to assist management in performance measurement and planning
- b. prepare budgets, or extracts therefrom, from information supplied
- c. select the most appropriate of the following budgeting approaches and methods, taking into account their advantages and disadvantages for planning, control and motivation:
 - bottom-up and top-down approaches to generating and managing budgets
 - activity-based, responsibility-based and product-based budget structures
 - zero-based and incremental budgeting
- d. prepare and/or comment upon a cash budget for a business which highlights the quantity and timing of cash surpluses and deficits
- e. calculate the cash cycle for a business and recognise its significance
- f. identify the constituent elements of working capital and treasury and specify the methods by which each element can be managed to optimise working capital and cash flows
- g. recognise how a business manages surpluses and deficits predicted in cash budgets.

3 Performance management

Candidates will be able to identify key features of effective performance management systems, select appropriate performance measures and calculate differences between actual performance and standards or budgets.

In the assessment, candidates may be required to:

- a. identify the reasons for and key features of effective performance management systems
- b. select appropriate financial and non-financial performance measures which effectively encourage the business as a whole to meet its objectives
- c. identify the role of controls in ensuring effective performance management
- d. identify how performance measures and compliance measures are integrated into the general systems of control in businesses
- e. calculate differences between actual performance and standards or budgets in terms of price and volume effects and identify possible reasons for those differences
- f. calculate profits under direct, absorption or marginal costing and reconcile the results under these different methods.

4 Management decision making

Candidates will be able to identify and calculate relevant data for use in management decision making.

In the assessment, candidates may be required to:

- a. calculate the break even point, contribution and margin of safety for a given product or service

- b. allocate scarce resource to those products or services with the highest contribution per limiting factor
- c. calculate the net present value, internal rate of return, payback period or accounting rate of return for a given project
- d. identify and comment upon the advantages and disadvantages of the investment appraisal techniques specified in 4(c) above.

1.6 Principles of Taxation

Module aim

To enable students to appreciate general principles of tax and to make computations for income tax, company tax, taxation of non corporate businesses, disposal gains tax and VAT in straightforward basic scenarios.

Specification grid

This grid shows the relative weightings of subjects within this module and should give guidance on the amount of study time spent on each. Over time the marks available in the assessment will equate to the weightings below, while slight variations may occur in individual assessments to enable suitably rigorous questions to be set.

| Syllabus area | Weightings (%) |
|---|----------------|
| 1 Objectives and types of tax | 26% |
| 2 Ethics and Administration | |
| 3 Income Tax – individuals and partnerships | 15% |
| 4 Net Aggregate Gains Tax for individuals and Companies | 14% |
| 5 Company Tax | 25% |
| 6 VAT | 20% |
| | 100% |

1 Objectives and types of tax

Candidates will be able to explain the general objectives of tax, the different types of taxes charged in Botswana and the contribution tax makes on the economy.

In the assessment, candidates may be required to:

- a. Recognise ethical issues arising in the course of performing tax work, the role played by taxpayers as identified by the tax acts and implications of non compliance by taxpayers.
- b. Calculate income tax liability for sole traders and other individuals
- c. Understand tax administration rules and measures undertaken when taxpayers do not comply.
- d. Recognise the impact of government policies and SACU regulations on tax objectives and policies.
- e. Classify entities as individuals, companies, partnerships, trusts for tax purposes and establish their basis of taxation.
- f. Identify who is liable for the following taxes, how the taxes apply to income, transactions and assets, and determine when taxpayers become chargeable persons:
 - Company Tax
 - Income Tax
 - Disposal Gains Tax
 - VAT

- g. Recognise the importance of the government budget cycle, tax year and the following sources of Botswana tax law and practice:
- Legislation
 - Case Law
 - BURS DGN's, Statutory Instruments and tax regulations

2 Ethics and Administration

Candidates will be able to recognise ethical issues arising in the course of performing tax work and identify the obligations the Botswana tax system imposes on taxpayers and the implications of non compliance.

In the assessment, candidates may be required to:

- a. Identify the guidance given in the IFAC code of ethics for professional Accountants and BICA code of Ethics in relation to a tax practice with regard to:
- Disclosure of information
 - Conflict of interest
 - Confidentiality
 - BURS errors
 - Money laundering
 - Tax avoidance and tax evasion
- b. Identify the records which companies and individuals must retain for tax purposes and state the periods for which such records must be retained.
- c. Identify the key features of the PAYE system.
- d. Identify key features of self assessment system for both companies and individuals
- e. Determine, in straight forward cases, due dates for:
- Companies, sole traders, partners and individual tax returns, tax payments and payments on statement of account.
 - Business VAT returns and payments and payments
 - Employers' PAYE returns and payments
- f. Identify and calculate the interest and penalties due for:
- Late submission of and / or incorrect returns, and
 - Late and/or incorrect payments of tax.
- g. Identify the periods in which BURS can enquire into returns of taxpayers or other information and tax liabilities and recognize the taxpayer's right of appeal and the process for dealing with disputes.

3 Income Tax

- a. Recognise the main sources of taxable and non taxable income
- b. Calculate the chargeable employment income for an employee, including taxable and exempt benefits
- c. Recognize badges of trade
- d. Make profit adjustment for a sole trader by allocating items of business expenditure as either allowable or disallowable for tax purposes.
- e. Apportion adjusted profits of partnerships to partners and calculate the taxable income of each partner for a given tax year.

- f. Calculate the final assessable profits for unincorporated business when they cease to trade.
- g. Calculate the final taxable income and income tax payable or refund for employees and self employed persons.

4 Tax on Net Aggregate Gains

Candidates will be able to calculate the capital gains tax payable by individuals and the net aggregate gain chargeable to company tax.

- a. Classify persons, assets and disposals as either chargeable or exempt for capital gains tax purposes.
- b. Calculate the chargeable gain or loss on disposal of chargeable assets, indexing where appropriate.
- c. Calculate the net aggregate gain) and tax payable, utilising capital losses brought down to reduce the liability.

5 Company tax

- a. Identify due dates for payment of self assessment by a company.
- b. Allocate given items of business expenditure as allowable or disallowable for tax purposes and calculate the adjusted trading profits (chargeable income) after capital allowances on plant and machinery.
- c. Calculate taxable income and tax payable or refundable for a single company, taking into accounts tax credits for tax paid in advance.

6 VAT

- a. Classify supplies in a given straight forward situations as exempt, zero rated, standard rated or falling outside the scope of VAT.
- b. Recognise the implications of having supplies classified as standard rated, zero rated or exempt.
- c. Identify when a business should or could register or deregister for VAT and state the time limits.
- d. Determine that tax point for a supply of goods and services.
- e. State the principles of VAT payable or refund on the supply of goods or services by a taxable person and calculate the VAT payable for a business in accordance with their VAT period.

1.7 Audit & Assurance

Module aim

To develop students' understanding of the critical aspects of managing an assurance engagement (including audit engagements): acceptance, planning, managing, concluding and reporting.

On completion of this module, students will be able to:

- understand and advise on the regulatory, professional and ethical issues relevant to those
- carrying out an assurance engagement
- understand the processes involved in accepting and managing assurance engagements, and
- how quality assurance processes mitigate the risks to those conducting the engagement
- plan assurance engagements in accordance with the terms of the engagements and appropriate standards
- conclude and report on assurance engagements in accordance with the terms of the engagements and appropriate standards.

Specification grid

This grid shows the relative weightings of subjects within this module and should guide the relative study time spent on each. Over time the marks available in the assessment will equate to the weightings below, while slight variations may occur in individual assessments to enable suitably rigorous questions to be set.

| Syllabus area | Weighting (%) |
|---|---------------|
| 1 Legal, ethical and current issues | 20 |
| 2 Accepting and managing engagements | 15 |
| 3 Planning assurance engagements | 40 |
| 4 Concluding and reporting on assurance engagements | 25 |
| | 100 |

The following learning outcomes should be read in conjunction with the Assurance and Audit and Ethics tables in Appendix 1.

For clarity, learning outcomes applicable to all types of assurance engagements (including audit) are separated from those that are relevant only to audit engagements.

1 Legal, ethical and current issues

Candidates will be able to understand and advise on the regulatory, professional and ethical issues relevant to those carrying out an assurance engagement.

In the assessment, candidates may be required to:

All assurance engagements

- a. identify and advise upon the professional and ethical issues that may arise during an assurance engagement
- b. recognise the professional and ethical issues that may arise during an assurance engagement, explain the relevance and importance of these issues and evaluate the relative merits of different standpoints taken in debate

- c. judge when to raise legal and ethical matters arising from assurance work with senior colleagues for review and possible referral to external parties
- d. discuss the purpose of laws, standards and other requirements surrounding assurance work
- e. explain the standard-setting process used by national and international (IAASB) bodies and the authority of the national and international standards
- f. explain, in non-technical language, significant current assurance issues being dealt with by the national standard-setting body and the IAASB
- g. explain, using appropriate examples, the main ways in which national legislation affects assurance.

Audit engagements

- h. explain the main ways in which national legislation affects the scope and nature of the audit and the appointment and removal of auditors (including the relationship between the law and audit standards)
- i. explain the principles behind different auditing requirements in different jurisdictions and describe how national and international bodies are working to harmonise auditing requirements, including requirements to report on internal controls (Sarbanes-Oxley Act)
- j. describe the principal causes of audit failure and their effects and the gap between outcomes delivered by audit engagements and the expectations of users of audit reports.

2 Accepting and managing engagements

Candidates will be able to understand the processes involved in accepting and managing assurance engagements and how quality assurance processes mitigate the risks to those conducting the engagement.

In the assessment, candidates may be required to:

All assurance engagements

- a. identify the legal, professional and ethical considerations that an individual or firm must consider before accepting a specified assurance engagement
- b. identify the sources of liability (including professional negligence) arising from an assurance engagement and their impact upon the conduct of the engagement
- c. discuss the issues which underlie the agreement of the scope and terms of an assurance engagement (new or continuing)
- d. formulate the approach suitable for management of the assurance engagement
- e. discuss the principles and purpose of quality control of assurance engagements
- f. demonstrate how the assurance function within an organisation can be monitored procedures for review
- g. describe how quality can be monitored and controlled through procedures external to the organisation.

Audit engagements

- h. discuss the process by which an auditor obtains an audit engagement
- i. discuss the issues and risks that an individual auditor or audit firm must consider with regard to the acceptance of an audit engagement (new or continuing) with a client, including terms of engagement and their documentation
- j. identify the legal, professional and ethical considerations that an individual auditor or audit firm must consider before accepting a specified audit engagement.

3 Planning assurance engagements

Candidates will be able to plan assurance engagements in accordance with the terms of the engagements and appropriate standards.

In the assessment, candidates may be required to:

All assurance engagements

- k. explain, in the context of a given scenario, why it is important to have a knowledge and understanding of the business when planning an engagement
- l. identify ways of gaining knowledge and understanding of a client's business
- m. recognize the need on occasion to bring in expertise from other parties such as experts in sustainability management to support assurance processes
- n. identify the risks arising from, or affecting, a given set of business processes and circumstances and assess their implications for the engagement
- o. identify the risks arising from error, fraud and non-compliance with law and regulations and assess their implications for the engagement
- p. assess significant business risks identified for their potential impact upon an organisation, in particular their potential impact on performance measurement
- q. identify the components of risk for a specified assurance engagement
- r. assess the impact of risk and materiality on the engagement plan, including the nature, timing and extent of assurance procedures, for a given organisation
- s. discuss the benefits and limitations of analytical procedures at the planning stage
- t. determine an approach appropriate for an engagement for a specified organisation which addresses:
 - possible reliance on controls (including those within IT systems)
 - possible reliance on the work of internal audit or other experts
 - possible reliance on the work of another auditor
 - probable extent of tests of control and of substantive procedures, including analytical procedures
 - nature and extent of client-generated information
 - probable number, timing, staffing and location of assurance visits
 - the assurance of entities' published sustainability and corporate responsibility reports.

Audit engagements

- u. identify the components of audit risk for a specified audit engagement, including the breakdown of audit risk into inherent risk, control risk and detection risk
- v. outline the aspects of employment and social security law which are relevant to statutory audit
- w. discuss the differences between the audit of a non-specialised profit oriented entity and the audit of a given specialised profit oriented entity
- x. discuss the differences between the audit of a non-specialised profit oriented entity and the audit of a given not-for-profit entity
- y. specify and explain the steps necessary to plan, perform and conclude and report on the audit of the financial statements of a non-specialised profit oriented entity in accordance with the terms of the engagement including appropriate auditing standards.

4 Concluding and reporting on assurance engagements

Candidates will be able to conclude and report on assurance engagements in accordance with the terms of the engagements and appropriate standards.

In the assessment, candidates may be required to:

All assurance engagements

- a. describe the nature and timing of specific procedures designed to identify subsequent events that may require adjustment or disclosure in relation to the matters being reported on
- b. evaluate, quantitatively and qualitatively (including use of analytical procedures), the results and conclusions obtained from assurance tests and procedures
- c. draw conclusions on the ability to report on an assurance engagement which are consistent with the results of the assurance work
- d. draft suitable extracts for an assurance report (including any report to the management issued as part of the engagement) in relation to a specified organisation on the basis of given information, including in the extracts (where appropriate) statements of facts, their potential effects, and recommendations for action relevant to the needs and nature of the organisation being reported upon
- e. advise on reports to be issued to those responsible for governance in accordance with International Standards on Auditing, legislation, regulation and codes of corporate governance
- f. judge when to refer reporting matters for specialist help.

Audit engagements

- a. draw conclusions on the ability to report on an audit engagement, including the opinion for a statutory audit, which are consistent with the results of the audit work
- b. explain the elements (both explicit and implicit) of the auditor's report issued in accordance with the International Standards on Auditing and statutory requirements and recommend the nature of an audit opinion to be given in such a report
- c. draft suitable extracts for an audit report (including any report to the management issued as part of the engagement) in relation to a specified organisation on the
- d. basis of given information, including in the extracts (where appropriate) statements of facts, their potential effects, and recommendations for action relevant to the needs and nature of the organisation being reported upon.

1.8 Business Strategy

Module aim

To provide students with an understanding of how businesses develop and implement strategy.

On completion of this module, students will be able to:

- identify and analyse the consequences of a business's current objectives, market position and direction
- evaluate the likely consequences of strategic choices and recommend strategies to meet the objectives of a business
- develop a business plan to achieve a business's strategic objectives, recommend an appropriate organisational structure and explain the process of effective change management.

Specification grid

This grid shows the relative weightings of subjects within this module and should guide the relative study time spent on each. Over time the marks available in the assessment will equate to the weightings below, while slight variations may occur in individual assessments to enable suitably rigorous questions to be set.

| Syllabus area | Weighting (%) |
|---|---------------|
| 1 Strategic analysis | 35 |
| 2 Strategic choice | 35 |
| 3 Implementation and monitoring of strategy | 30 |
| | 100 |

1 Strategic analysis

Candidates will be able to analyse and identify the consequences of a business's current objectives, market position and direction.

In the assessment, candidates may be required to:

- evaluate a business's purpose, in terms of its stated mission, objectives and critical success factors, highlighting omissions, inconsistencies and weaknesses in its strategic management systems and considering the different objectives of stakeholders
- analyse for a given situation the external factors which may impact upon a business's performance and position, identifying significant issues in areas such as:
 - sustainability issues
 - global macroeconomic forces
 - international trade and financial systems
 - government policies
 - industry developments
 - cultural environment
 - stakeholder impact
 - current markets
 - markets for finance, labour and other resources
- analyse a business's current markets and competitive strategy in sufficient detail for decisions to be made, drawing conclusions consistent with the data and results and highlighting relevant issues in terms of their likely impact on the strategy of the business

- d. identify the significance and effect of the internal factors in a given situation which affect or may influence a business's ability to achieve its chosen strategy, including its:
 - current resources
 - product/service portfolio
 - organisational and operational capabilities (including core competencies existing business processes, human resource capabilities and information systems capabilities)
- e. analyse the governance structure of a business identifying strengths and weaknesses
- f. identify the risk attached to a business's present position, considering all relevant factors (including attitudes to risk).
- g. assess a business' current position and performance from both a financial perspective and a non-financial perspective, using a variety of information sources and data analysis.

2 Strategic choice

Candidates will be able to evaluate the likely consequences of strategic choices and recommend strategies to meet the objectives of a business.

In the assessment, candidates may be required to:

- a. identify and describe in a given scenario the alternative strategies available to a business
- b. analyse financial and other data in order to provide information for strategic decision making
- c. identify the implications for stakeholders, including shareholder value, of choice between strategies
- d. identify the risks attached to proposed courses of action in a given situation, considering all relevant factors (including attitudes to risk) stating all assumptions made and identifying strategies for managing risk
- e. show, in a given scenario, how a business chooses from competing strategies in order to maximise the achievement of its key objectives, including those relating to corporate responsibility and sustainability
- f. evaluate the ethical implications of a business's strategies and operations including those for the organisation and for individuals
- g. choose for a given scenario a strategy or combination of strategies which will achieve the business's objectives and take account of known constraints, including stakeholder risk preferences
- h. explain, in a given scenario, how products and services must evolve in the face of changing consumer demand
- i. explain, using information provided, how to position particular products and services in the market place to maximise competitive advantage and develop a marketing strategy.

3 Implementation and monitoring of strategy

Candidates will be able to develop a business plan to achieve a business's strategic objectives, demonstrate how data and information can be used to help implement and monitor strategy recommend an appropriate organisational structure and explain the process of effective change management.

In the assessment, candidates may be required to:

- a. evaluate, in a given scenario, the functional strategies necessary to achieve a business's overall strategy
- b. evaluate the different types of organisational structure and recommend an appropriate structure for a given strategy

- c. identify the steps needed for a given business to enable it to meet the appropriate regulations, codes of conduct and disclosure requirements in respect of its governance
- d. identify methods of further developing a specific business which take account of positional analysis and risk and would be most likely to achieve the business's strategic objectives, and justify the methods selected
- e. draft a simple business plan, or extracts therefrom, which will achieve given or implied objectives
- f. critically assess an entity's business plan
- g. explain and demonstrate how financial and non financial data can be analysed in order to implement and manage a business's strategy and to monitor the performance of its projects, divisions and other strategic units
- h. explain and demonstrate how a business can use an information system to implement and monitor a strategy in order to create competitive advantage
- i. identify in a given situation the key issues which should be addressed by the management of a business during the planning and implementation of change.

1.9 Financial Accounting

Module aim

To enable students to prepare a complete set of financial statements for single entities and for groups in conformity with International Financial Reporting Standards (IFRS).

On completion of this module, students will be able to:

- explain the contribution and inherent limitations of financial statements in meeting stakeholders' needs for financial information and apply the International Accounting Standards
- Board's (IASB) conceptual framework for financial reporting
- prepare and present financial statements from accounting data for single entities, whether organised in corporate or in other forms, in conformity with IFRS
- identify the circumstances in which entities are required to present consolidated financial statements and prepare and present them in conformity with IFRS.

Learning outcomes apply to non-specialised profit-oriented entities unless otherwise specified.

Specification grid

This grid shows the relative weightings of subjects within this module and should guide the relative study time spent on each. Over time the marks available in the assessment will equate to the weightings below, while slight variations may occur in individual assessments to enable suitably rigorous questions to be set.

| Syllabus area | Weighting (%) |
|--|---------------|
| 1 Accounting and reporting concepts | 10 |
| 2 Preparation of single company financial statements | 55 |
| 3 Preparation of consolidated financial statements | 35 |
| | 100 |

The following learning outcomes should be read in conjunction with the Financial Reporting table in Appendix 1.

1 Accounting and reporting concepts

Candidates will be able to explain the contribution and inherent limitations of financial statements in meeting stakeholders' needs for financial information and apply the International Accounting Standards Board's conceptual framework for financial reporting.

In the assessment, candidates may be required to:

- a. discuss the purpose of accounting regulations, standards and other requirements
- b. explain the objectives of financial statements, giving appropriate examples
- c. explain the qualitative characteristics of financial information and the constraints on such information, using appropriate examples to illustrate the explanation
- d. identify the financial effects of transactions in accordance with the IASB Framework
- e. explain the differences between financial statements produced using the accrual basis and those produced using the bases of cash accounting and break-up, performing simple calculations to illustrate the differences

- f. explain, in non-technical language, the different bases of measurement of the elements of the financial statements and the different definitions of capital and capital maintenance used in accrual basis financial statements, illustrating the explanation with simple calculations and examples
- g. explain and demonstrate the concepts and principles surrounding the consolidation of financial statements.

2 Preparation of single entity financial statements

Candidates will be able to prepare and present financial statements from accounting data for single entities, whether organised in corporate or in other forms, in conformity with IFRS requirements.

In the assessment, candidates may be required to:

- a. identify and describe the circumstances in which an entity is required to prepare and present statutory financial statements
- b. identify the laws, regulations, accounting standards and other requirements applicable to the statutory financial statements of an entity
- c. prepare and present the financial statements, or extracts therefrom, of an entity according to its accounting policies and appropriate international financial reporting standards
- d. identify the circumstances in which the use of IFRS, and International Public Sector Accounting Standards (IPSASs) for not-for-profit entities might be required
- e. calculate from financial and other data the amounts to be included in the equity section of the statement of financial position of a not-for-profit entity in accordance with its accounting policies and the appropriate financial reporting framework.

3 Preparation of consolidated financial statements

Candidates will be able to identify the circumstances in which entities are required to present consolidated financial statements and prepare and present them in conformity with IFRS.

In the assessment, candidates may be required to:

- a. identify and describe the circumstances in which an entity is required to prepare and present consolidated financial statements
- b. identify the laws, regulations, accounting standards and other requirements applicable to the legal entity and consolidated financial statements of an entity
- c. identify from financial and other data any subsidiary or associate of an entity according to the international financial reporting framework
- d. calculate from financial and other data the amounts to be included in an entity's consolidated financial statements in respect of its new, continuing and discontinuing interests in subsidiaries and associates (excluding partial disposals of subsidiaries and disposals of associates) according to the international financial reporting framework
- e. prepare and present the consolidated financial statements or extracts therefrom, of an entity in accordance with its accounting policies and the international financial reporting framework, using calculated amounts and other information.

1.10 Financial Reporting

Module aim

To enable students to prepare and present extracts from financial statements, including accounting policies, for entities undertaking a wide range of accounting transactions, and to conduct financial analysis.

On completion of this module, students will be able to:

- explain the current issues in the regulatory framework for reporting and identify key ethical issues for an accountant undertaking work in accounting and reporting
- formulate accounting and reporting policies for single entities and groups
- prepare and present extracts from the single entity and consolidated financial statements for entities undertaking a wide range of accounting transactions in conformity with IFRS and accounting policies
- analyse and interpret financial statements and other financial information and draw appropriate conclusions.

This module builds on the skills acquired in the Financial Accounting module.

Specification grid

This grid shows the relative weightings of subjects within this module and should guide the relative study time spent on each. Over time the marks available in the assessment will equate to the weightings below, while slight variations may occur in individual assessments to enable suitably rigorous questions to be set.

| Syllabus area | Weighting (%) |
|--|---------------|
| 1 Current issues in the reporting framework | 10 |
| 2 Formulation of accounting and reporting policies | 30 |
| 3 Preparation and presentation of extracts from financial statements | 30 |
| 4. Analysis and interpretation of financial information | 30 |
| | 100 |

The following learning outcomes should be read in conjunction with the Financial Reporting table in Appendix 1.

1 Current issues in the reporting framework

Candidates will be able to explain the current issues in the regulatory framework for reporting and identify key ethical issues for an accountant undertaking work in accounting and reporting.

In the assessment, candidates may be required to:

- a. explain the standard-setting process used by national and international bodies (IASB) and the authority of the national and international standards, using appropriate examples as illustration
- b. explain the main ways in which national and international requirements (including the FRSSE) affect financial reporting, performing simple calculations to illustrate the effects
- c. explain, in non-technical language and with appropriate examples, the current work to achieve convergence between UK GAAP and international reporting standards
- d. explain the sources of reporting requirements in different jurisdictions and the principles behind different reporting treatments, illustrating the principles with suitable calculations

- e. recognise the ethical and professional issues for a professional accountant undertaking work in and giving advice on accounting and financial reporting; explain the relevance and importance of these issues and evaluate the relative merits of different standpoints taken in debate.

2 Formulation of accounting and reporting policies

Candidates will be able to formulate accounting and reporting policies for single entities and groups.

In the assessment, candidates may be required to:

- a. formulate accounting and reporting policies in accordance with laws, regulations, accounting standards and other requirements for use in the single entity and consolidated financial statements
- b. illustrate how different methods of recognising and measuring assets and liabilities can affect the financial performance of the single entity or group
- c. discuss the concepts of “fair presentation” and “true and fair view” and the circumstances in which these concepts may override the detailed provisions of legislation or of accounting standards.

3 Preparation and presentation of extracts from financial statements

Candidates will be able to prepare and present extracts from the single entity and consolidated financial statements for entities undertaking a wide range of accounting transactions in conformity with IFRS requirements and accounting policies.

In the assessment, candidates may be required to:

- a. prepare and present extracts from the financial statements of a single entity undertaking a wide range of transactions according to its accounting policies, subject to the international financial reporting framework
- b. identify from financial and other data any subsidiary, associate or joint venture of a single entity according to the international financial reporting framework
- c. calculate, from financial and other data, the amounts to be included in an entity's consolidated financial statements in respect of its new, continuing and discontinuing interests (excluding partial disposals) in subsidiaries, associates and joint ventures, according to the international financial reporting framework
- d. prepare and present extracts from the consolidated financial statements of an entity undertaking a wide range of transactions in accordance with its accounting policies and the international financial reporting framework
- e. define and calculate from information provided the distributable profits of an entity and allocations of distributable profit
- f. identify financial and operational information in documents containing audited financial statements (for example reports on operations by management or those responsible for governance, financial summaries and highlights) that could be relevant to the legal entity or consolidated financial statements, and assess whether those financial statements adequately reflect that information.

4 Interpretation of financial information

Candidates will be able to analyse and interpret financial statements and other financial information, and draw appropriate conclusions.

In the assessment, candidates may be required to:

- a. explain, in non-technical language and with suitable examples, the application of IFRS, UK GAAP and other accounting and disclosure requirements to information provided in single entity and consolidated financial statements
- b. select and calculate relevant indicators, including ratios (for example stock market ratios), trends and interrelationships, to analyse a single entity's or group's financial position, performance and changes in financial position
- c. identify the choice of accounting treatments adopted in financial statements and other financial information and assess how they affect the view presented
- d. identify and compare significant features in the information supplied for a given entity or entities, including inconsistencies between the results of analysis and the information supplied
- e. specify any additional information required for a meaningful analysis
- f. draw conclusions and make inferences from an analysis which take account of significant features in the information supplied, and which allow for the limitations of the information supplied and the analytical methods used, economic conditions and the business's circumstances.

1.11 Financial Management

Module aim

To enable students to recommend relevant options for financing a business, recognise and manage financial risks and make appropriate investment decisions.

On completion of this module, students will be able to:

- identify capital requirements of businesses, assess financing options and recommend relevant methods of financing
- identify the financial risks facing a business and the principal methods of managing those risks
- apply appropriate investment appraisal techniques taking into account other factors affecting investment decisions

Specification grid

This grid shows the relative weightings of subjects within this module and should guide the relative study time spent on each. Over time the marks available in the assessment will equate to the weightings below, while slight variations may occur in individual assessments to enable suitably rigorous questions to be set.

| Syllabus area | Weighting (%) |
|--------------------------------------|---------------|
| 1 Financing options | 35 |
| 2 Managing financial risk | 30 |
| 3 Investment decisions and valuation | 35 |
| | 100 |

1 Financing options

Candidates will be able to identify capital requirements of businesses and assess financing options.

In the assessment, candidates may be required to:

- a. explain the general objectives of financial management and describe the financial strategy process for a business
- b. describe the impact of financial markets and other external factors on a business's financial strategy, using appropriate examples to illustrate the impacts
- c. describe the implications of terms included in loan agreements in a given scenario (e.g. representations and warranties; covenants; guarantees)
- d. explain the roles played by different stakeholders, advisors and financial institutions in the financial strategy selected by a business
- e. identify the possible conflicts of objectives between different stakeholders in a business
- f. compare the features of different means of making returns to owners and lenders, explain their effects on the business and its stakeholders, and recommend appropriate options in a given scenario
- g. identify and calculate a business's future requirements for capital, taking into account current and planned activities referring to levels of uncertainty and making reasonable assumptions which are consistent with the situation
- h. assess the suitability of different financing options for a given business
- i. identify in the business and financial environment factors that may affect financing for investment in a different country

- j. compare the financing costs and benefits (including those that are not separately quantifiable) of various courses of action, using appropriate appraisal techniques
- k. calculate and interpret the costs of different financing methods (before and after tax) and the weighted average cost of capital
- l. explain, in non-technical terms and using appropriate examples, the effect of capital gearing/leverage on investors' perception of risk and reward
- m. describe options for reconstruction (e.g. group reconstruction, spin-off, purchase of own shares, use of distributable profits).

2 Managing financial risk

Candidates will be able to identify the financial risks facing a business and the principal methods of managing those risks.

In the assessment, candidates may be required to:

- a. identify and describe the key financial risks facing a business in a given scenario
- b. explain how financial instruments (e.g. derivatives, hedging instruments) can be utilised to manage financial risks and describe the characteristics of those instruments
- c. explain different methods of managing interest rate exposure appropriate to a given situation and perform non-complex calculations to determine the cost of the hedge
- d. explain different methods of managing currency risks appropriate to a given situation and perform non-complex calculations to determine the cost of the hedge
- e. explain methods of managing other key financial risks and perform non-complex calculations to determine the cost of particular methods.

3 Investment decisions and valuation

Candidates will be able to apply appropriate investment appraisal techniques and calculate the value of shares and businesses

In the assessment, candidates may be required to:

- a. select and justify investment appraisal techniques which are appropriate to the objectives and circumstances of a given business
- b. explain the investment decision making process
- c. select and justify an appropriate discount or interest rate for use in selected investment appraisal techniques from information supplied
- d. choose appropriate values to be used in selected appraisal techniques from information supplied, taking account of inflation and tax
- e. apply appraisal techniques and demonstrate how the interpretation of results from the techniques can be influenced by an assessment of risk
- f. recognise how the results of the appraisal of projects or groups of projects are affected by the accuracy of the data on which they are based and factors which could not be included in the computational analysis
- g. calculate the optimal investment plan when capital is restricted
- h. recommend and justify a course of action which is based upon the results of investment appraisal and consideration of relevant non-financial factors such as sustainability and which takes account of the limitations of the techniques being used
- i. draft a straightforward investment and financing plan for a given business scenario.
- j. value shares and businesses using income and asset based approaches (including performing appropriate sensitivity calculations).

1.12 Taxation

Module aim

To enable students to prepare computations and provide tax advice to individuals and companies in straightforward basic scenarios.

On completion of this module, students will be able to:

- Calculate the amount of tax that businesses owe to or are owed by BURS and provide practical tax advice.
- Calculate the amount of tax that individuals owe to or are owed by BURS and provide practical tax advice.

Taxes covered in this module are as follows:

- Company tax
- Income tax for individuals
- Capital Transfer Tax
- Disposal Gains Tax (Tax on Net Aggregate Gains)
- Value Added Tax

Specification grid

This grid shows the relative weightings of subjects within this module and should give guidance on the amount of study time spent on each. Over time the marks available in the assessment will equate to the weightings below, while slight variations may occur in individual assessments to enable suitably rigorous questions to be set.

| Syllabus area | Weightings (%) |
|---|----------------|
| Application of the principles of tax to businesses [sole traders, partnerships and companies] | 60% |
| Application of tax principles to individuals | 40% |
| | 100% |

The following learning outcomes should be read in conjunction with the Taxation table in Appendix 1.

1 Application of principles of tax to Businesses

Candidates will be able to calculate the amount of tax that businesses owe to or are owed by BURS and provide practical advice.

In the assessment, candidates may be required to:

Taxation of Net Aggregate Gains

- a. Calculate the Chargeable gains and losses on chargeable assets, including shares and securities and assets acquired before July 1982, taking into account indexation where appropriate.
- b. Describe the circumstances in which Rollover relief applies and calculate the amount of relief available for a given scenario.
- c. Explain and illustrate the use of capital losses brought down from previous years.
- d. Calculate net aggregate gain [NAG] and tax payable thereon, utilising Reliefs and losses available. To reduce the overall liability.

Trading Profits

- a. Explain the relevance of the distinction between revenue and capital for both receipts and expenses and apply it in a given scenario.
- b. Recognise the impact on trading profits of the treatment of:
 - Provisions
 - Intangible assets
- c. Calculate the adjusted profits or losses for the business after adjustments and allowable deductions, including capital allowances on plant and machinery and buildings.

Unincorporated businesses

- a. Calculate chargeable trading profits or losses of a partnership including scenario where the profit sharing ratio had changed during the year or partners have changed or the variation was agreed between the existing partners.
- b. Allocate the profit or loss to each partner and explain the loss reliefs available to partners.
- c. Calculate the chargeable income for an unincorporated business that ceases to trade.
- d. Calculate the chargeable income of a continuing unincorporated business that has changed its accounting period.
- e. Explain and illustrate the possible uses of trading losses in a new or continuing business or business ceasing to trade.

Company tax

- a. Recognise the effect of the following issues on company tax payable:
 - Having a financial year that is less than or more than 12 months in length;
 - Having a manufacturing development approval order
 - Being a member of the BDC group of companies
 - Being a closed company
 - Being a small company
 - Having been certified as an IFSC company
- b. Explain and illustrate how losses may be utilised by a company.
- c. Calculate income chargeable to company tax, utilising losses to reduce the tax liability where appropriate.
- d. Calculate company tax payable or refund, taking into account any withholding tax on dividends and restrictions on Additional Company Tax (ACT), where appropriate.

Application of VAT principles to business entities

- a. Explain the VAT consequences of a transaction being classified as a transfer of a business as a going concern.
- b. Explain the VAT consequences of companies with a manufacturing warehouse certificate
- c. Explain the VAT consequences of imports and exports of goods and services to and from VAT registered and non-VAT registered entities in the SACU, SADC and EU region.
- d. Evaluate the VAT implications of various courses of action, and provide practical and relevant tax advice in compliance with statutory obligations to help businesses achieve their stated objectives.

Tax planning and advice

- a. Identify legal and ethical issues arising from tax work undertaken, explain the significance of these issues and provide guidance in given scenarios.
- b. Identify investments which produce non taxable income and or taxable income and or chargeable gains and recognise when they might be appropriate for businesses.

- c. Identify investments and expenditure which reduce tax liability and recognise when they might be appropriate for businesses.
- d. Evaluate and quantify the tax implications of different courses of action and provide practical and relevant tax advice to help businesses achieve their stated objectives.
- e. Compare the tax implications and consequences of trading as a sole trader, partnership or company.
- f. Provide practical and relevant tax planning advice, supporting it with reasonable arguments, stating any assumptions made and limitations on the advice given.
- g. Discriminate between tax avoidance and tax evasion.
- h. Judge when to refer matters to a tax specialist.

2 Application of principle of tax to individuals

Candidates will be able to the amount of tax that individuals owe to or are owed by BURS and provide practical advice.

In the assessment, candidates may be required to:

Taxation of income

- a. Calculate the chargeable employment income for employee or director, taking into account expenses, allowable deductions and benefits in kind.
- b. Calculate taxable income upon termination of employment.
- c. Calculate taxable savings, income from property, dividend income, taxed income and investment income.
- d. Describe the principal aspects of the taxation of property income, including loss reliefs available to taxpayers.
- e. Explain alternative ways in which individuals can provide for retirement and calculate the tax relief available.
- f. Calculate the aggregate chargeable income, taxable income and tax payable by employees, company directors, partners and self employed individuals, utilising trading losses to minimise tax liabilities where appropriate.

Taxation of Gains (NAG)

- a. Calculate the Chargeable gains and losses on chargeable assets, including shares and securities and assets acquired before July 1982, taking into account indexation where appropriate.
- b. Describe the circumstances in which Rollover relief applies and calculate the amount of relief available for a given scenario.
- c. Describe the circumstances under which a residential property may not be chargeable to capital gains tax.
- d. Explain and demonstrate the use of capital losses brought down from previous years.
- e. Calculate net aggregate gain [NAG] and tax payable thereon, utilising loss reliefs available to reduce the overall liability.

Capital Transfer Tax (CTT)

- a. Explain the principles of CTT and identify the different classes of taxpayer liable to pay CTT.
- b. Recognise when the lifetime transfer of an asset gives rise to a CTT liability, calculate the tax payable on chargeable life transfers in straightforward scenarios and state the due date for payment.
- c. Calculate CTT payable on aggregate taxable disposals.

- d. Calculate the CTT due on lifetime transfers upon death of a relative and state the due date for payment.
- e. Calculate the value of an individual's estate at death and the tax due and state the due date of the payment.
- f. Calculate the interest and penalties due in respect of late payment of CTT.
- g. Calculate aggregate taxable value of all chargeable disposals, after adjusting for exempt disposals and allowable deductions

Tax planning and advice

- a. Identify legal and ethical issues arising from tax work undertaken, explain the significance of these issues and provide guidance in given scenarios.
- b. Advise whether an individual is likely to be treated as employed or self-employed for tax purposes and advise individuals on the tax advantages and disadvantages of being self employed compared with being an employee.
- c. Compare the tax advantages and disadvantages of providing for retirement if self employed compared with being an employee.
- d. Identify investments which produce non taxable income and or capital gains and recognise when they might be appropriate for individuals.
- e. Identify investments and expenditure which reduce tax liability and recognise when they might be appropriate for individuals.
- f. Provide practical and relevant tax planning advice to help individuals minimise their tax liabilities, including the use of pensions and trading losses of unincorporated businesses, supporting the advice with the assumptions made and stating limitations on the advice given
- g. Evaluate and quantify the tax implications of different courses of action and provide practical and relevant tax advice to help individuals achieve their stated objectives.
- h. Provide practical and relevant tax planning advice supporting it with reasonable arguments, stating any assumptions made and limitations on the advice given.
- i. Discriminate between tax avoidance and tax evasion
- j. Judge when to refer matters for specialist help

2 BICA Advanced Stage Syllabus

Aim

The Advanced Stage of the BICA qualification is designed to ensure that students are able to integrate and apply their technical, professional and ethical skills in a variety of business environments.

The Advanced Stage has been constructed to ensure that students:

- are able to identify and evaluate a broad range of business issues and communicate appropriate advice
- provide relevant and correct technical advice, whilst ensuring that the business implications of the advice given are understood
- apply the highest level of professional and ethical skills to business and technical issues
- maintain their awareness of important emerging business issues
- are provided with the platform to develop their skills within a continuing professional development framework

Structure and progression

There are three Advanced Stage modules: the Case Study and two underpinning technical papers covering four technical areas.

The Professional Stage consists of knowledge modules and application modules. The Knowledge modules introduce the core technical knowledge and skills required by a chartered accountant. The application modules further develop and assess practical application of technical knowledge and skills.

The technical knowledge acquired at the Professional Stage is developed to an advanced level and integrated in a broader range of business scenarios in the Advanced Stage technical modules. The application of technical knowledge in these modules requires an appreciation of the typical issues and problems facing businesses and their relationship to corporate reporting, assurance and taxation. A greater depth of business and financial analysis will be required to understand the implications and risks arising from the business issues.

New technical topics are introduced in the advanced level modules, reflecting students' greater financial and business awareness and their emerging proficiency and ability to integrate knowledge and skills both within and across technical subjects. Students will be required to use more complex financial instruments in business finance and risk management for example.

Syllabus

This document presents the high level learning outcomes for the two technical advanced level papers and sets out the skills requirements for the Case Study. The appendix contains details of the technical knowledge required for the Advanced Stage.

Assessment

The two technical papers at the Advanced level will be examined using traditional paper based assessments. Each paper based exam will be 3.5 hours in length: paper 1 covering Advanced Tax and Business Analysis and paper 2 covering Corporate Reporting and Advanced Audit. These exams will be an essential step towards the Case Study. The two technical papers will have a 50% pass mark and as with all BICA papers if a student passes a paper they retain that pass regardless of their success in the other two papers.

The Case Study will be a 4 hour written exam with 'advance information' provided to students ahead of the exam and 'impact information' issued in the exam, containing the Case Study requirements.

Flexibility

There are no regulations stipulating the order in which students must attempt the Advanced Level papers. The Case Study must be the final module attempted and can only be attempted in the final year of a training contract.

There is no restriction on the number of attempts permitted at each Advanced Stage module.

Open Book Policy

Students may take any written or printed material into the exam hall subject to practical space restrictions.

The appendix to this syllabus contains the following skills grids:

- ▶ Appendix A: Advanced Tax
- ▶ Appendix B: Business Analysis
- ▶ Appendix E: Corporate Reporting
- ▶ Appendix C: Advanced Assurance and Audit
- ▶ Appendix D: Case Study

The grid in the appendices should be read in conjunction with the technical syllabus for each subject. They set out the learning outcomes that are addressed under each of the skills areas. In addition, for each skills area, there is a description of:

- ▶ The specific skills that are assessed
- ▶ The level at which these skills are assessed

References where included in a learning outcomes column of a grid (e.g. 3c) are direct references to learning outcomes set out in the technical syllabus.

Skills Progression through the BICA qualification

| Assessed skills | Professional Stage | | Advanced Stage | |
|---|---|---|--|---|
| | Knowledge modules | Application modules | Advanced Level Papers | Case Study |
| Assimilating and using information | | | | |
| Understanding the subject matter and identifying issues | Specific issues | Simple scenarios | Complex scenarios | Unstructured complex business scenarios |
| Accessing, evaluating and managing information | Information/data as provided | Single information source provided | Multiple information sources provided | Multiple information sources including own research |
| Using technical knowledge and professional experience | Highly structured application of non-integrated knowledge | Structured application of non-integrated knowledge | Structured application of integrated and non-integrated knowledge and experience | Unstructured application of integrated knowledge and experience |
| Structuring problems and solutions | | | | |
| Using analytical tools | Specified tools | Specified tools | Tools inferred by nature of problem | Unspecified tools |
| Analysing and evaluating problems | Highly specified tasks | Specified non-integrated problems | Specified integrated and non-integrated problems | Defined output but unspecified problems |
| Applying judgement | | | | |
| Assessing quality of information | Objective testing | Specified in simple scenario | Specified in complex scenario | Underlying requirement within complex scenario |
| Assessing options and priorities including ethical issues | Options given | Options included in simple scenario | Options included in complex scenario | Balanced judgement of priorities and risks in unstructured scenario |
| Considering other perspectives | Not assessed | Possible alternative provided | Alternative(s) provided | Alternatives identified using professional experience |
| Conclusions and recommendations and communication | | | | |
| Drawing conclusions and making recommendations | Not assessed | Specified conclusions and recommendations in simple scenarios | Specified conclusions and recommendations in complex scenarios | Conclusions and recommendations supported by own evidence |
| Presenting data and written work | Prescribed exam format | Exam requirements, including some professional presentation | Short written professional presentations | Professional report with appendices and executive summary |

2.1 Advanced Taxation

Module Aim

To ensure that students can provide advice in respect of complex taxation and legal issues for clients ranging from low and high net worth individuals to complex corporate groups. The advice will cover all taxes applicable in the Republic of Botswana and include a working knowledge of:

- The taxation environment of key cross border partners including The Republic of South Africa and other major trading partners.
- The taxation of specialist areas within Botswana including The Financial Services Centre and extractive industries.
- The ethical issues associated with tax practice.

2.2 Business Analysis

Module Aim

To ensure that students understand how to identify the key objectives of complex organisations and formulate a strategy to achieve those objectives. Students will be required to show the capacity to communicate such strategy in an effective manner to a range of audiences. Students will be required to:

- Show knowledge of modern strategic and business planning tools and the ability to use them to determine strategy, draft business and operating plans.
- Show an understanding of current thinking and issues on the development of strategy.
- Show the capacity to use business analytical tools to determine strategy.

2.3 Corporate Reporting

Module Aim

To ensure that students have an in depth knowledge of Corporate Reporting at an advanced level and can provide advice on the preparation of Corporate Reports in a wide range of industries and circumstances. Students will be expected to:

- Have an in depth knowledge and application of IFRSs and associated issues.
- Have an in depth knowledge and application of statutory accounting rules.
- The ability to discuss current reporting issues and developments.
- Interpret accounts at an advanced level.
- Show an advanced understanding of ethical issues associated with Corporate reporting.

2.4 Advanced Audit and Assurance

Module Aim

To ensure that students have a full understanding of the concepts and approaches to audit and assurance at an advanced level. Students will be expected to show an understanding of and application of auditing concepts and practice at the level of an audit manager. Students will be expected to show:

- An in depth knowledge of current audit practices and processes.
- An in depth knowledge of the application of IASs.
- The capacity to make rational and ordered decisions on subjective areas.
- The knowledge and understanding required to make judgements on legal, ethical and reporting issues.
- The capacity to plan and report on special investigations and audit engagements.

Case Study

Module Aim

To ensure that students can provide advice in respect of complex business issues in the form of a written report.

The objective of the Case Study is to assess students' understanding of complex business issues and the ability to analyse financial and non-financial data, exercise professional and ethical judgement, and develop conclusions and recommendations. The limited class time available with a tutor, even when supplemented by extensive home study, is insufficient for success in the Case Study. Students must bring work experience into their preparation and development programme.

Success at the Case Study requires an integration of the technical knowledge and skills acquired from all of the BICA modules, namely:

- the core technical knowledge and skills and practical application acquired at the Professional Stage;
- the technical, analytical, evaluative and integration skills from the Advanced level modules; and
- the advisory, judgemental and communication skills acquired through practical work experience undertaken during the training contract.

All areas of the syllabus may be tested over time.

The Case Study is designed to reproduce a typical situation in which chartered accountants find themselves. This will involve using information arising from meetings and communicated in memoranda, letters or reports from a variety of business and professional advisors and stakeholders. The situation will generally relate to a business plan or transaction and will require preparation for the submission of a report.

The reality of such situations is that in drafting a report you would:

- receive some materials in advance
- carry out some work beforehand and make use of it in the report
- include additional analysis in appendices to the report
- develop additional lines of enquiry as you assemble the report
- expect to discuss and advise on relevant matters

The Case Study scenario may be based on any one of a variety of different organisational structures or operations. Students will be provided with advance information on the organisation and its business environment ahead of the exam.

This information will not give specific indication of the eventual requirements of the Case Study. Students will be expected to familiarise themselves with the information provided about the organisation and the industry in which it operates, undertaking some additional analysis and research. Students may take the results of their work into the examination room.

The Case Study will not require the detailed computations needed for the Professional Stage or the Technical papers at the Advanced Stage, but students will be required to undertake financial and business analysis.

Requirements will be open in that there will be no predetermined correct answers to the Case Study.

APPENDIX – Technical Knowledge Grids

The tables contained in this section show the technical knowledge disciplines covered in the BICA syllabus by module.

For each individual standard the level of knowledge required in the relevant professional stage module and at the Advanced stage is shown.

The knowledge levels are defined as follows;

- Level D

An awareness of the scope of the standard.

- Level C

A general knowledge with a basic understanding of the subject matter and training in its application sufficient to identify significant issues and evaluate their potential implications or impact.

- Level B

A working knowledge with a broad understanding of the subject matter and a level of experience in the application thereof sufficient to apply the subject matter in straightforward circumstances.

- Level A

A thorough knowledge with a solid understanding of the subject matter and experience in the application thereof sufficient to exercise reasonable professional judgement in the application of the subject matter in those circumstances generally encountered by Chartered Accountants.

Key to other symbols:

→ The knowledge level reached is assumed to be continued

Tax

| Title | Professional Stage | | Advanced Stage |
|--|------------------------|----------|----------------|
| | Principles of Taxation | Taxation | |
| Objectives of taxation | C | → | |
| Ethics | A | → | |
| BURS | B | → | |
| Tax Evasion and Avoidance | C | B | |
| Business Tax | | | |
| Administration | | | |
| Administration | B | → | |
| Objections and Appeals | C | → | |
| Payments | B | A | |
| Penalties and interest | B | A | |
| Self Assessment | B | A | |
| Chargeable Gains | | | |
| Chargeable assets | C | B | |
| Chargeable Disposals | C | B | |
| Cost of acquisition and disposal | C | B | |
| Indexation allowance | B | A | |
| Leases | | | |
| Net Aggregate Gains and Losses | | | |
| Pre- July 1982 assets | | A | |
| Relief for Capital losses | B | A | |
| Reorganisations and Reconstructions | | | |
| Shares and securities (including bonus and rights shares) | | A | |
| Roll over relief | | A | |
| Trading profits | | | |
| Profit adjustment | B | A | |
| Badges of trade | B | A | |
| Capital allowances | B | A | |
| Foreign currency transactions (Gains and losses) | | | |
| Long and short periods of account | C | A | |
| Pension contributions | | B | |
| Royalty payments and receipts | | B | |

| Title | Professional Stage | | Advanced Stage |
|---|------------------------|----------|----------------|
| | Principles of Taxation | Taxation | |
| Unincorporated business | | | |
| Sole traders | B | A | |
| Trading losses for sole traders | | A | |
| Farmers | B | A | |
| Profit adjustment | B | A | |
| Farming reliefs; | | | |
| s.42 Averaging relief | | A | |
| S.47 set off against other incomes | | A | |
| S. 48 carry backward loss relief | | A | |
| s. 46 loss relief | | A | |
| Partnerships | B | A | |
| Partnership Losses | | A | |
| Profit chargeable to corporation tax | | | |
| Trading profits | B | A | |
| Property income (Rental) | | A | |
| Closed Companies | | A | |
| Small companies | | A | |
| Net Aggregate Gains for Companies | B | A | |
| Business Losses | | A | |
| Capital Losses | | A | |
| Computation of Company tax liability | | | |
| Manufacturing companies | | A | |
| Company tax liability | B | A | |
| Double Tax relief | | | |
| Liquidation | | | |
| Rates of tax | B | A | |
| WHT on dividends and ACT adjustments | B | A | |
| Roll- Over Relief | | | |
| Transfer Pricing | | | |
| VAT | | | |
| VAT Administration | B | → | |
| Objections and Appeals | C | → | |

| Title | Professional Stage | | Advanced Stage |
|---|------------------------|----------|----------------|
| | Principles of Taxation | Taxation | |
| Capital Goods for registered and non registered persons | | | |
| Input VAT | A | → | |
| Output VAT | A | → | |
| Partial exemption | | B | |
| Payments | | B | |
| Penalties and interest | | B | |
| Registration and De-registration | A | → | |
| Taxable person | A | → | |
| Taxable supplies | A | → | |
| Transfer of a business as a going concern | A | → | |
| VAT records and accounts | A | → | |
| Personal Tax | | | |
| Administration | B | → | |
| Objections and appeals | C | → | |
| PAYE | B | → | |
| Payments | B | A | |
| Trusts, Settlements, wills and minor children | | A | |
| Penalties and interest | B | A | |
| Self Assessment | B | A | |
| Employees | | | |
| Allowable deductions against employment income | | A | |
| Employment income | B | A | |
| Employee share schemes | | | |
| Taxable and exempt benefits | | A | |
| Terminal payments | B | A | |
| Other Income | | | |
| Dividend income | B | A | |
| Investment income | | | |
| Lease premiums | | | |
| Income tax computation | | | |
| Exempt Income | B | A | |
| Tax liability and refunds | B | A | |
| Independent taxation Jointly owned assets | B | A | |
| Pension contributions | | | |

| Title | Professional Stage | | Advanced Stage |
|--|------------------------|----------|----------------|
| | Principles of Taxation | Taxation | |
| - Provision for retirement | | B | |
| - Tax reliefs | | B | |
| Rates of Tax | B | A | |
| Net Aggregate Gains | | | |
| Chargeable assets | C | B | |
| Chargeable Disposals | C | B | |
| Cost of acquisition and disposal | C | B | |
| Indexation allowance | B | A | |
| Leases | | | |
| Net Aggregate Gains and Losses | | | |
| Pre- July 1982 assets | | A | |
| Relief for Capital losses | B | A | |
| Reorganisations and Reconstructions | | | |
| Shares and securities (including bonus and rights shares) | | A | |
| Residential property relief | | A | |
| Reinvestment Relief | | | |
| Roll – over relief | | A | |
| Capital Transfer Tax (CTT) | | | |
| Chargeable persons | | B | |
| Chargeable disposals | | B | |
| Excluded disposals | | B | |
| Inter – spouse transfers | | A | |
| Rates of tax and CTT liability | | A | |
| Estate of deceased persons | | A | |
| Lifetime transfers | | A | |
| Conditional gifts | | B | |
| Normal expenditure out of income | | A | |

Assurance and Audit

| Title | Professional Stage | | Advanced Stage |
|---|--------------------|-------------------|----------------|
| | Assurance | Audit & Assurance | |
| The International Auditing and Assurance Standards Board | | | C |
| The Authority Attaching to Standards Issued by the International Auditing and Assurance Standards Board | | | A |
| The Authority Attaching to Practice Statements Issued by the International Auditing and Assurance Standards Board | | | A |
| Discussion Papers | | | C |
| Working Procedures | | | C |
| International Standards on Auditing (UK and Ireland) | | | |
| 200 Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing | B | A | → |
| 210 Agreeing the Terms of Audit Engagements | | B | → |
| 220 Quality Control for an Audit of Financial Statements | | B | → |
| 230 Audit Documentation | | B | A |
| 240 The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements | | B | A |
| 250 A Consideration of Laws and Regulations in an Audit of Financial Statements 250 B The Auditor's Right and Duty to Report to Regulators in the Financial Sector | | B | A |
| 260 Communication with Those Charged with Governance | | B | A |
| 265 Communicating Deficiencies in Internal Control to Those Charged with Governance and Management | | B | A |
| 300 Planning an Audit of Financial Statements | B | A | → |
| 315 Identifying and Assessing the Risks of Material Misstatement Through Understanding the Entity and its Environment | C | A | → |
| 320 Materiality in Planning and Performing an Audit | C | A | → |
| 330 The Auditor's Responses to Assessed Risks | | B | A |
| 402 Audit Considerations Relating to an Entity Using a Service Organisation | | C | C |
| 450 Evaluation of Misstatements Identified during the Audit | C | A | |
| 500 Audit Evidence | B | A | → |
| 501 Audit Evidence - Specific Considerations for Selected Items | | A | → |
| 505 External Confirmations | B | B | A |
| 510 Initial Audit Engagements - Opening Balances | | B | A |

| Title | Professional Stage | | Advanced Stage |
|--|--------------------|-------------------|----------------|
| | Assurance | Audit & Assurance | |
| 520 Analytical Procedures | C | B | A |
| 530 Audit Sampling | C | C | A |
| 540 Auditing Accounting Estimates, Including Fair Value Accounting Estimates and Related Disclosures | C | B | A |
| 550 Related Parties | | B | A |
| 560 Subsequent Events | | B | A |
| 570 Going Concern | | A | → |
| 580 Written Representations | C | B | A |
| 600 Special Considerations – Audits of Group Financial Statements (including the Work of Component Auditors) | | C | A |
| 610 Using the Work of Internal Auditors | | C | A |
| 620 Using the Work of an Auditor's Expert | | C | A |
| 700 The Auditor's Report on Financial Statements | B | A | → |
| 705 Modifications to the Opinion in the Independent Auditor's Report | | B | → |
| 706 Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report | | A | → |
| 710 Comparative Information – Corresponding Figures and Comparative Financial Statements | | B | A |
| 720 A The Auditor's Responsibility in Relation to Other Information in Documents Containing Audited Financial Statements 720 B The Auditor's Statutory Reporting Responsibility in Relation to Directors' Reports | | B | A |
| 800 Special Considerations – Audits of Financial Statements prepared in Accordance with Special Purpose Frameworks | | | B |
| 805 Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or items of a Financial Statement | | B | A |
| 810 Engagements to Report on Summary Financial Statements | | B | A |
| International Auditing Practice Statements (IAPs) | | | |
| 1000 Inter-bank Confirmation Procedures | | | D |
| 1004 The Relationship Between Banking Supervisors and Banks' External Auditors | | | D |
| 1006 Audits of the Financial Statements of Banks | | | D |
| 1010 The Consideration of Environmental Matters in the Audit of Financial Statements | | | A |
| 1012 Auditing Derivative Financial Instruments | | | B |

| Title | Professional Stage | | Advanced Stage |
|---|--------------------|-------------------|----------------|
| | Assurance | Audit & Assurance | |
| 1013 Electronic Commerce: Effect on the Audit of Financial Statements | | | A |
| International Standards on Review Engagements (ISREs) | | | |
| 2400 Engagements to Review Financial Statements | | C | B |
| 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity | | | B |
| International Standards on Assurance Engagements (ISAEs) | | | |
| 3000R Assurance Engagements Other than Audits or Reviews of Historical Financial Information | | C | B |
| 3400 The Examination of Prospective Financial Information | | C | B |
| International Standards on Related Services (ISRSs) | | | |
| 4400 Engagements to Perform Agreed-upon Procedures Regarding Financial Information | | | B |
| 4410 Engagements to Compile Financial Information | | | B |
| IFAC Statements | | | |
| | | | |
| ISQC1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements | | C | B |
| APB Bulletins | | | |
| 2009/2 Audit Reports on Financial Statements in the UK | | C | B |

Business Analysis

| Topic | Professional Stage | | | | Advanced Stage |
|--|------------------------|--------------------|----------------------|-------------------|----------------|
| | Management Information | Business & Finance | Financial Management | Business Strategy | |
| STRATEGIC ANALYSIS | | | | | |
| <i>Environmental and market analysis tools</i> | | | | | |
| PEST analysis | | C | | A | → |
| Porter's five forces | | C | | A | → |
| Product life cycle | | C | | A | → |
| Boston consulting group matrix | | C | | A | → |
| Competitor analysis | | C | | A | → |
| <i>Positional and other analysis tools</i> | | | | | |
| Resource audit | | C | | A | → |
| Resource-based strategy | | | | A | → |
| Value chain analysis | | C | | A | → |
| SWOT analysis | | C | | A | → |
| Gap analysis | | C | | A | → |
| Competitor analysis | | | | A | → |
| Marketing analysis | | | | A | → |
| Competitive advantage | | | | A | → |
| Benchmarking | | | | A | → |
| Directional policy matrix | | | | | B |
| Business process analysis | | | | A | B |
| Strategic risk analysis | | | | A | → |
| Balanced scorecard | | C | | A | → |
| STRATEGIC CHOICE | | | | | |
| Strategy formulation, evaluation and choice | | C | | A | → |
| Business risk management | | C | | A | → |
| Financial analysis and data analysis | | | | A | → |
| Stakeholder analysis | | | | A | → |
| Objectives and stakeholders preferences | | C | | B | |
| Corporate responsibility and sustainability | | | | C | B |
| STRATEGIC IMPLEMENTATION | | | | | |
| Business plans | | C | | B | A |
| Organisational structure | | C | | B | A |
| Information management | | C | | B | A |
| Change management | | | | A | → |

| Topic | Professional Stage | | | | Advanced Stage |
|--|------------------------|--------------------|----------------------|-------------------|----------------|
| | Management Information | Business & Finance | Financial Management | Business Strategy | |
| Project management | | | | | A |
| COST ANALYSIS FOR DECISION MAKING | | | | | |
| <i>Costing</i> | | | | | |
| Cost classification | A | | | | → |
| Costing systems – direct, marginal, absorption | B | | | | → |
| Activity based costing (ABC) | C | | | | B |
| Break even analysis | B | | | → | A |
| Multi-product break even analysis | | | | | B |
| Budgeting and performance management | B | | | | A |
| <i>Pricing</i> | | | | | |
| Pricing decisions | B | | | A | → |
| Transfer pricing | B | | | A | → |
| BUSINESS AND SHAREHOLDER VALUE | | | | | |
| <i>Valuation Techniques</i> | | | | | |
| Income – dividend yield | | | B | | A |
| Income – P/E | | | B | | A |
| Income – discounted cash flow | | | B | | A |
| Asset based measures | | | B | | A |
| Options approach | | | | | → |
| <i>Shareholder value</i> | | | | | |
| Value based management (VBM) | | | | | → |
| Value drivers | | | B | | A |
| Shareholder value analysis (SVA) | | | B | | A |
| Short and long term growth rates and terminal values | | | | | A |
| Economic profit | | | | | A |
| Cash flow return on investment (CFROI) | | | | | A |
| Total shareholder return (TSR) | | | | | A |
| Market value added (MVA) | | | | | A |
| INVESTMENT APPRAISAL AND BASIC RISK ANALYSIS | | | | | |
| <i>Project appraisal</i> | | | | | |
| NPV | B | | A | | → |
| IRR | B | | A | | → |
| Payback | B | | A | | → |
| Relevant cash flows | | | A | | → |

| Topic | Professional Stage | | | | Advanced Stage |
|--|------------------------|--------------------|----------------------|-------------------|----------------|
| | Management Information | Business & Finance | Financial Management | Business Strategy | |
| Tax and inflation | | | A | | → |
| Replacement Analysis | | | A | | → |
| Capital rationing | | | A | | → |
| Adjusted present value (APV) | | | A | | → |
| <i>Assessing risk</i> | | | | | |
| Project appraisal and sensitivity analysis | | | B | | A |
| Project appraisal and simulation | | | B | | A |
| Expected values | | | B | | A |
| Scenario planning | | | | | A |
| Gap analysis | | | | B | → |
| Continuous vs. event risk | | | | B | → |
| FINANCIAL ANALYSIS | | | | | |
| <i>Cost of capital</i> | | | | | |
| Cost of equity | | | B | | A |
| Cost of debt | | | B | | A |
| Cost of preference shares | | | B | | A |
| Cost of bank loans | | | B | | A |
| Weighted average cost of capital (WACC) | | | B | | A |
| Effective interest rates | | | | | A |
| Splitting convertibles into equity and debt elements | | | | | A |
| Public sector discount rates | | | | | A |
| <i>Portfolio theory and CAPM</i> | | | | | |
| Portfolio theory | | | B | | A |
| CAPM | | | B | | A |
| APT and MCPM | | | | | A |
| CAPM and cost of capital | | | B | | A |
| International cost of capital | | | | | A |
| <i>Bonds</i> | | | | | |
| Bond pricing using NPV | | | | | A |
| Yields to maturity | | | | | A |
| Duration and price volatility | | | | | A |
| Convexity | | | | | A |
| Term structure of interest rates | | | | | A |
| Corporate borrowing and default risk | | | | | A |

| Topic | Professional Stage | | | | Advanced Stage |
|--|------------------------|--------------------|----------------------|-------------------|----------------|
| | Management Information | Business & Finance | Financial Management | Business Strategy | |
| SOURCES OF FINANCE AND FINANCING ARRANGEMENTS | | | | | |
| Short, medium and long term sources of finance | | B | | | A |
| Loan agreement conditions (warranties; covenants; guarantees) | | | B | | A |
| Raising capital | | B | | | A |
| Gearing and capital structure | | | A | | → |
| Loan agreements and covenants | | | A | | → |
| Dividend policy | | | A | | → |
| Financing reconstructions (eg: group reconstruction, spin off, purchase of own shares, use of distributable profits) | | | B | | A |
| Working capital management | C | | | | A |
| FINANCIAL ENGINEERING | | | | | |
| <i>Futures, options and swaps</i> | | | | | |
| Options | | | B | | A |
| Interest rate futures | | | B | | A |
| Interest rate options | | | B | | A |
| Interest forward rate agreements (FRAs) | | | B | | A |
| Interest rate swaps | | | B | | A |
| <i>Foreign exchange</i> | | | | | |
| Currency forward contracts | | | B | | A |
| Currency money market cover | | | B | | A |
| Currency options | | | B | | A |
| Currency swaps | | | B | | A |
| Operational techniques for managing currency risk | | | B | | A |
| Theoretical determinants of foreign exchange rates | | | B | | A |
| <i>Option value</i> | | | | | |
| Value of a call and put option | | | C | | |
| Black Scholes option pricing model | | | | | B |
| Binomial Option Pricing Model | | | | | B |
| Real options | | | C | | B |

Financial Reporting

| Title | Professional Stage | | | Advanced Stage |
|--|--------------------|----------------------|---------------------|----------------|
| | Accounting | Financial Accounting | Financial Reporting | |
| Preface to International Financial Reporting Standards | | A | → | → |
| Framework for Preparation and Presentation of Financial Statements | C | A | → | → |
| IAS1 Presentation of Financial Statements | B | A | → | → |
| IAS2 Inventories | | A | → | → |
| IAS7 Statement of Cash Flows | C | B | A | → |
| IAS8 Accounting Policies, Changes in Accounting Estimates and Errors | | A | → | → |
| IAS10 Events after the Reporting Period | | A | → | → |
| IAS11 Construction Contracts | | | A | → |
| IAS12 Income Taxes | | | C | A |
| IAS16 Property, Plant and Equipment | | A | → | → |
| IAS17 Leases | | A | → | → |
| IAS18 Revenue | | A | → | → |
| IAS19 Employee Benefits | | | | A |
| IAS20 Accounting for Government Grants and Disclosure of Government Assistance | | | A | → |
| IAS21 The Effects of Changes in Foreign Exchange Rates | | | | A |
| IAS23 Borrowing Costs | | | A | → |
| IAS24 Related Party Disclosures | | | A | → |
| IAS26 Accounting and Reporting by Retirement Benefit Plans | | | | D |
| IAS27 Consolidated and Separate Financial Statements | | B | A | → |
| IAS28 Investments in Associates | | B | A | → |
| IAS29 Financial Reporting in Hyperinflationary Economies | | | | D |
| IAS31 Interests in Joint Ventures | | | A | → |
| IAS32 Financial Instruments: Presentation | | C | A | → |
| IAS33 Earnings per Share | | | B | A |
| IAS34 Interim Financial Reporting | | | | A |
| IAS36 Impairment of Assets | | B | A | → |
| IAS37 Provisions, Contingent Liabilities and Contingent Assets | | A | → | → |
| IAS38 Intangible Assets | | B | A | → |

| Title | Professional Stage | | | Advanced Stage |
|--|--------------------|----------------------|---------------------|----------------|
| | Accounting | Financial Accounting | Financial Reporting | |
| IAS39 Financial Instruments: Recognition and Measurement | | C | B | A |
| IAS40 Investment Property | | | A | → |
| IAS41 Agriculture | | | | D |
| IFRS1 First-Time Adoption of IFRS | | | | A |
| IFRS2 Share-based Payment | | | | A |
| IFRS3 Business Combinations | | B | B | A |
| IFRS4 Insurance Contracts | | | | D |
| IFRS5 Non-current Assets Held for Sale and Discontinued Operations | | B | A | → |
| IFRS6 Exploration for and Evaluation of Mineral Resources | | | | D |
| IFRS7 Financial Instruments: Disclosures | | | B | A |
| IFRS8 Operating Segments | | | A | → |
| IFRS9 Financial Instruments | | | | C |
| IFRS for SMEs | | | | C |

Business Analysis

| Topic | Professional Stage | | | | Advanced Stage |
|--|------------------------|--------------------|----------------------|-------------------|----------------|
| | Management Information | Business & Finance | Financial Management | Business Strategy | |
| STRATEGIC ANALYSIS | | | | | |
| <i>Environmental and market analysis tools</i> | | | | | |
| PEST analysis | | C | | A | → |
| Porter's five forces | | C | | A | → |
| Product life cycle | | C | | A | → |
| Boston consulting group matrix | | C | | A | → |
| Competitor analysis | | C | | A | → |
| <i>Positional and other analysis tools</i> | | | | | |
| Resource audit | | C | | A | → |
| Resource-based strategy | | | | A | → |
| Value chain analysis | | C | | A | → |
| SWOT analysis | | C | | A | → |
| Gap analysis | | C | | A | → |
| Competitor analysis | | | | A | → |
| Marketing analysis | | | | A | → |
| Competitor advantage | | | | A | → |
| Benchmarking | | | | A | → |
| Directional policy matrix | | | | | B |
| Business process analysis | | | | A | B |
| Strategic risk analysis | | | | A | → |
| Balanced scorecard | | C | | A | → |
| STRATEGIC CHOICE | | | | | |
| Strategy formulation, evaluation and choice | | C | | A | → |
| Business risk management | | C | | A | → |
| Financial analysis and data analysis | | | | A | → |
| Stakeholder analysis | | | | A | → |
| Objectives and stakeholders preferences | | C | | B | |
| Corporate responsibility and sustainability | | | | C | B |

| Topic | Professional Stage | | | | Advanced Stage |
|-------|------------------------|--------------------|----------------------|-------------------|----------------|
| | Management Information | Business & Finance | Financial Management | Business Strategy | |

STRATEGIC IMPLEMENTATION

| | | | | | |
|--------------------------|--|---|--|---|---|
| Business plans | | C | | B | A |
| Organisational structure | | C | | B | A |
| Information management | | C | | B | A |
| Change management | | | | A | → |
| Project management | | | | | A |

COST ANALYSIS FOR DECISION MAKING

Costing

| | | | | | |
|--|---|--|--|---|---|
| Cost classification | A | | | | → |
| Costing systems – direct, marginal, absorption | B | | | | → |
| Activity based costing (ABC) | C | | | | B |
| Break even analysis | B | | | → | A |
| Multi-product break even analysis | | | | | B |
| Budgeting and performance management | B | | | | A |

Pricing

| | | | | | |
|-------------------|---|--|--|---|---|
| Pricing decisions | B | | | A | → |
| Transfer pricing | B | | | A | → |

BUSINESS AND SHAREHOLDER VALUE

Valuation Techniques

| | | | | | |
|-------------------------------|--|--|---|--|---|
| Income – dividend yield | | | B | | A |
| Income – P/E | | | B | | A |
| Income – discounted cash flow | | | B | | A |
| Asset based measures | | | B | | A |
| Options approach | | | | | → |

Shareholder value

| | | | | | |
|--|--|--|---|--|---|
| Value based management (VBM) | | | | | → |
| Value drivers | | | B | | A |
| Shareholder value analysis (SVA) | | | B | | A |
| Short and long term growth rates and terminal values | | | | | A |
| Economic profit | | | | | A |

| Topic | Professional Stage | | | | Advanced Stage |
|--|------------------------|--------------------|----------------------|-------------------|----------------|
| | Management Information | Business & Finance | Financial Management | Business Strategy | |
| Cash flow return on investment (CFROI) | | | | | A |
| Total shareholder return (TSR) | | | | | A |
| Market value added (MVA) | | | | | A |
| INVESTMENT APPRAISAL AND BASIC RISK ANALYSIS | | | | | |
| <i>Project appraisal</i> | | | | | |
| NPV | B | | A | | → |
| IRR | B | | A | | → |
| Payback | B | | A | | → |
| Relevant cash flows | | | A | | → |
| Tax and inflation | | | A | | → |
| Replacement analysis | | | A | | → |
| Capital Rationing | | | A | | → |
| Adjusted present value (APV) | | | A | | → |
| <i>Assessing risk</i> | | | | | |
| Project appraisal and sensitivity analysis | | | B | | A |
| Project appraisal and simulation | | | B | | A |
| Expected values | | | B | | A |
| Scenario planning | | | | | A |
| Gap analysis | | | | B | → |
| Continuous vs. event risk | | | | B | → |
| FINANCIAL ANALYSIS | | | | | |
| <i>Cost of capital</i> | | | | | |
| Cost of equity | | | B | | A |
| Cost of debt | | | B | | A |
| Cost of preference shares | | | B | | A |
| Cost of bank loans | | | B | | A |
| Weighted average cost of capital (WACC) | | | B | | A |
| Effective interest rates | | | | | A |
| Splitting convertibles into equity and debt elements | | | | | A |
| Public sector discount rates | | | | | A |
| <i>Portfolio theory and CAPM</i> | | | | | |

| Topic | Professional Stage | | | | Advanced Stage |
|--|------------------------|--------------------|----------------------|-------------------|----------------|
| | Management Information | Business & Finance | Financial Management | Business Strategy | |
| Portfolio theory | | | B | | A |
| CAPM | | | B | | A |
| APT and MCPM | | | | | A |
| CAPM and cost of capital | | | B | | A |
| International cost of capital | | | | | A |
| <i>Bonds</i> | | | | | |
| Bond pricing using NPV | | | | | A |
| Yields to maturity | | | | | A |
| Duration and price volatility | | | | | A |
| Convexity | | | | | A |
| Term structure of interest rates | | | | | A |
| Corporate borrowing and default risk | | | | | A |
| SOURCES OF FINANCE AND FINANCING ARRANGEMENTS | | | | | |
| Short, medium and long term sources of finance | | B | | | A |
| Loan agreement conditions (warranties; covenants; guarantees) | | | B | | A |
| Raising capital | | B | | | A |
| Gearing and capital structure | | | A | | → |
| Loan agreements and covenants | | | A | | → |
| Dividend policy | | | A | | → |
| Financing reconstructions (eg: group reconstruction, spin off, purchase of own shares, use of distributable profits) | | | B | | A |
| Working capital management | | C | | | A |
| FINANCIAL ENGINEERING | | | | | |
| <i>Futures, options and swaps</i> | | | | | |
| Options | | | B | | A |
| Interest rate futures | | | B | | A |
| Interest rate options | | | B | | A |
| Interest forward rate agreements (FRAs) | | | B | | A |
| Interest rate swaps | | | B | | A |
| <i>Foreign exchange</i> | | | | | |

| Topic | Professional Stage | | | | Advanced Stage |
|--|------------------------|--------------------|----------------------|-------------------|----------------|
| | Management Information | Business & Finance | Financial Management | Business Strategy | |
| Currency forward contracts | | | B | | A |
| Currency money market cover | | | B | | A |
| Currency options | | | B | | A |
| Currency swaps | | | B | | A |
| Operational techniques for managing currency risk | | | B | | A |
| Theoretical determinants of foreign exchange rates | | | B | | A |
| <i>Option value</i> | | | | | |
| Value of a call and put option | | | C | | B |
| Black Scholes option pricing model | | | | | B |
| Binomial Option Pricing Model | | | | | B |
| Real options | | | C | | B |

Ethics Codes and Standards

| Ethics Codes and Standards | Level | Professional Stage modules |
|--|-------|---|
| IFAC Code of Ethics for Professional Accountants (parts A, B and C) | A | Assurance Business and Finance Law Principles of Taxation |
| BICA Code of Ethics (section XXXX of the members handbook) <i>Query does this exist.. if it does it will be based on IFAC so probably exclude</i> | A | Audit and Assurance Business Strategy Financial Reporting Taxation |
| APB Ethical Standards 1-5 (revised) Provisions Available to Small Entities (revised) | A | Assurance Audit and Assurance |

Corporate Reporting

| Title | Professional Stage | | | |
|--|--------------------|----------------------|---------------------|----------------|
| | Accounting | Financial Accounting | Financial Reporting | Advanced Stage |
| Preface to International Financial Reporting Standards | | A | → | → |
| Framework for Preparation and Presentation of Financial Statements | C | A | → | → |
| IAS1 Presentation of Financial Statements | B | A | → | → |
| IAS2 Inventories | | A | → | → |
| IAS7 Statement of Cash Flows | C | B | A | → |
| IAS8 Accounting Policies, Changes in Accounting Estimates and Errors | | A | → | → |
| IAS10 Events after the Reporting Period | | A | → | → |
| IAS11 Construction Contracts | | | A | → |
| IAS12 Income Taxes | | | C | A |
| IAS16 Property, Plant and Equipment | | A | → | → |
| IAS17 Leases | | A | → | → |
| IAS18 Revenue | | A | → | → |
| IAS19 Employee Benefits | | | | A |
| IAS20 Accounting for Government Grants and Disclosure of Government Assistance | | | A | → |
| IAS21 The Effects of Changes in Foreign Exchange Rates | | | | A |
| IAS23 Borrowing Costs | | | A | → |
| IAS24 Related Party Disclosures | | | A | → |
| IAS26 Accounting and Reporting by Retirement Benefit Plans | | | | D |
| IAS27 Consolidated and Separate Financial Statements | | B | A | → |
| IAS28 Investments in Associates | | B | A | → |
| IAS29 Financial Reporting in Hyperinflationary Economies | | | | D |
| IAS31 Interests in Joint Ventures | | | A | → |
| IAS32 Financial Instruments: Presentation | | C | A | → |
| IAS33 Earnings per Share | | | B | A |
| IAS34 Interim Financial Reporting | | | | A |
| IAS36 Impairment of Assets | | B | A | → |
| IAS37 Provisions, Contingent Liabilities and Contingent Assets | | A | → | → |

| Title | Professional Stage | | | Advanced Stage |
|--|--------------------|----------------------|---------------------|----------------|
| | Accounting | Financial Accounting | Financial Reporting | |
| IAS38 Intangible Assets | | B | A | → |
| IAS39 Financial Instruments: Recognition and Measurement | | C | B | A |
| IAS40 Investment Property | | | A | → |
| IAS41 Agriculture | | | | D |
| IFRS1 First-Time Adoption of IFRS | | | | A |
| IFRS2 Share-based Payment | | | | A |
| IFRS3 Business Combinations | | C | B | A |
| IFRS4 Insurance Contracts | | | | D |
| IFRS5 Non-current Assets Held for Sale and Discontinued Operations | | B | A | → |
| IFRS6 Exploration for and Evaluation of Mineral Resources | | | | D |
| IFRS7 Financial Instruments: Disclosures | | | B | A |
| IFRS8 Operating Segments | | | A | → |
| IFRS9 Financial Statements | | | | C |
| IFRS for SMEs | | | | C |

Advanced Assurance and Audit

| Title | Professional Stage | | Advanced Stage |
|--|--------------------|---------------------|----------------|
| | Assurance | Audit and Assurance | |
| The International Auditing and Assurance Standards Board | | | C |
| The Authority Attaching to Standards Issued by the International Auditing and Assurance Standards Board | | | A |
| The Authority Attaching to Practice Statements Issued by the International Auditing and Assurance Standards Board | | | A |
| Discussion Papers | | | C |
| Working Procedures | | | C |
| International Standards on Auditing | | | |
| 200 Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing | B | A | → |
| 210 Agreeing the Terms of Audit Engagements | | B | → |
| 220 Quality Control for an Audit of Financial Statements | | B | → |
| 230 Audit Documentation | | B | A |
| 240 The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements | | B | A |
| 250 A Consideration of Laws and Regulations in an Audit of Financial Statements | | B | A |
| 250 B The Auditor's Right and Duty to Report to Regulators in the Financial Sector | | | |
| 260 Communication with Those Charged with Governance | | B | A |
| 265 Communicating Deficiencies in Internal Control to Those Charged with Governance and Management | | B | A |
| 300 Planning an Audit of Financial Statements | B | A | → |
| 315 Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and its environment | C | A | → |
| 320 Materiality in Planning and Performing an Audit | C | A | → |
| 330 The Auditor's Responses to Assessed Risks | | B | A |
| 402 Audit Considerations Relating to an Entity Using a Service Organisation | | C | C |
| 450 Evaluation of Misstatements Identified during the Audit | C | A | |
| 500 Audit Evidence | B | A | → |
| 501 Audit Evidence - Specific Considerations for Selected Items | | A | → |
| 505 External Confirmations | B | B | A |
| 510 Initial Audit Engagements - Opening Balances | | B | A |

| Title | Professional Stage | | Advanced Stage |
|--|--------------------|---------------------|----------------|
| | Assurance | Audit and Assurance | |
| 520 Analytical Procedures | C | B | A |
| 530 Audit Sampling | C | C | A |
| 540 Auditing Accounting Estimates, Including Fair Value Accounting Estimates & Related Disclosures | C | B | A |
| 550 Related Parties | | B | A |
| 560 Subsequent Events | | B | A |
| 570 Going Concern | | A | → |
| 580 Written Representations | C | B | A |
| 600 Special Considerations – Audits of Group Financial Statements (including the Work of Component Auditors) | | C | A |
| 610 Using the Work of Internal Auditors | | C | A |
| 620 Using the Work of an Auditor's Expert | | C | A |
| 700 The Auditor's Report on Financial Statements | B | A | → |
| 705 Modifications to the Opinion in the Independent Auditor's Report | | B | → |
| 706 Emphasis of Matter Paragraphs and Other Matter(s) Paragraphs in the Independent Auditor's Report | | A | → |
| 710 Comparative Information – Corresponding Figures and Comparative Financial Statements | | B | A |
| 720 A The Auditor's Responsibility in relation to Other Information in Documents Containing Audited Financial Statements | | B | A |
| 720 B The Auditor's Statutory Reporting Responsibility in Relation to Directors' Reports | | | |
| 800 Special Considerations – Audits of Financial Statements prepared in Accordance with Special Purpose Frameworks | | | B |
| 805 Special Considerations – Audits of Single Financial Statements and Specific Elements, Accounts or items of a Financial Statement | | B | A |
| 810 Engagements to Report on Summary Financial Statements | | B | A |
| International Auditing Practice Statements (IAPs) | | | |
| 1000 Inter-bank Confirmation Procedures | | | D |
| 1004 The Relationship Between Banking Supervisors and Banks' External Auditors | | | D |
| 1006 Audits of the Financial Statements of Banks | | | D |
| 1010 The Consideration of Environmental Matters in the Audit of Financial Statements | | | A |
| 1012 Auditing Derivative Financial Instruments | | | B |

| Title | Professional Stage | | Advanced Stage |
|---|--------------------|---------------------|----------------|
| | Assurance | Audit and Assurance | |
| 1013 Electronic Commerce: Effect on the Audit of Financial Statements | | | A |
| International Standards on Review Engagements (ISREs) | | | |
| 2400 Engagements to Review Financial Statements | | C | B |
| 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity | | | B |
| International Standards on Assurance Engagements (ISAEs) | | | |
| 3000R Assurance Engagements Other than Audits or Reviews of Historical Financial Information | | C | B |
| 3400 The Examination of Prospective Financial Information | | C | B |
| International Standards on Related Services (ISRSs) | | | |
| 4400 Engagements to Perform Agreed-upon Procedures Regarding Financial Information | | | B |
| 4410 Engagements to Compile Financial Information | | | B |
| IFAC Statements | | | |
| ISQC1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements | | C | B |

Case Study

| Assessed skills | How skills are assessed |
|---|--|
| Assimilating and using information | |
| <ul style="list-style-type: none"> • Understanding the subject matter • Accessing, evaluating and managing data and information provided in multiple sources (some pre-disclosed) and from independent research plans • Using technical knowledge & professional experience to assess interaction of information from different sources • Understanding an organisational framework: evaluating the strengths and weaknesses of an organisation and comparing with benchmarks • Planning, controlling and evaluating operations in a global context • Understanding the needs of customers (internal and external) • Demonstrating an understanding of the significance of ethics in the business environment and the importance of ethical behaviour • Using relevant content of the International Codes of Ethics • Demonstrating an understanding of the regulatory structure of the profession, its ethos, culture and role in corporate and social responsibility | <ul style="list-style-type: none"> • Uses the Advance Information (AI), Exam Paper (EP), knowledge of ethical codes and professional experience to define the specific issue / situation • Uses own understanding of context and findings • Describes wider context • Identifies business issues <ul style="list-style-type: none"> - Understanding of business entity - Position in industry sector - Appreciation of wider economy • Recognises where business is in its life cycle |
| Structuring problems and solutions | |
| <ul style="list-style-type: none"> • Using the information given: analysing and evaluating requirements, information, issues and business context • Analysing, evaluating and synthesising new and complex ideas • Displaying an enquiring and questioning mind • Identifying faults in arguments and gaps in evidence • Demonstrating an understanding the pressures on professional ethical behaviour, including the interaction between professional ethics, the law and other value systems • Financial data analysis: <ul style="list-style-type: none"> - analysing and evaluating data by selecting appropriate analytical and technical tools and applying technical knowledge and professional experience - demonstrating an understanding of | <ul style="list-style-type: none"> • Identifies and uses key information • Demonstrates technical knowledge • Uses professional experience • Uses relevant strategic analytical tools (SWOT, PEST, Porter's 5 Forces) • Performs relevant analysis • Produces quality analysis <ul style="list-style-type: none"> - Depth - Breadth - Logic - Reasonableness • Uses knowledge of ethical codes and professional experience to perform relevant analysis • Financial data analysis: <ul style="list-style-type: none"> • Uses appropriate analytical tools (valuations methodologies, sensitivity analysis) • Performs relevant analysis on |

| Assessed skills | How skills are assessed |
|--|--|
| <p>sensitivities to change: flexing a range of inputs and evaluating potential outcomes</p> <ul style="list-style-type: none"> - evaluating, prioritising and trading off solutions to complex problems, considering various perspectives, including competitive reaction and internal reaction <ul style="list-style-type: none"> • Financial statement analysis: <ul style="list-style-type: none"> - analysing and evaluating financial statements by selecting appropriate analytical and technical tools and applying technical knowledge & professional experience - linking all elements of financial statements, evaluating & making comparisons where there are complex interactions - evaluating financial statements in the context of other business information | <ul style="list-style-type: none"> - Numerical data - Other information • Integrates numbers and words • Financial statement analysis: <ul style="list-style-type: none"> • Uses appropriate analytical tools to measure financial performance, identify trends and make comparisons • Performs relevant analysis on <ul style="list-style-type: none"> - Financial statements - Other information • Integrates numbers and words |
| Applying judgement | |
| <ul style="list-style-type: none"> • Using technical knowledge, & professional experience and evidence to support reasoning • Applying discrimination: filtering information to identify critical factors • Applying a sceptical and critical approach • Interpreting information from a range of stances and developing arguments, having first appreciated the perspective of other parties • Conducting critiques: considering alternative views in testing the validity of ideas in practice • Considering and evaluating the effects of a range of alternative future scenarios • Seeking opportunities to add value • Prioritising key issues • Applying the concept of materiality to interrelated situations • Appreciating the ethical dimensions of situations, exercising ethical judgement and explaining the consequence of unethical behaviour • Appreciating when more expert help is required | <ul style="list-style-type: none"> • Builds on implications of analysis • Identifies and uses key financial information • Recognises linkages • Evaluates key points • Discusses output <ul style="list-style-type: none"> - Pros / cons • Demonstrates professional scepticism • Demonstrates objectivity / balance • Demonstrates an appreciation of more than one side / bias • Evaluates options • Prioritises key points • Uses knowledge of ethical codes and professional experience to: <ul style="list-style-type: none"> - build on implications of analysis - discuss output - recognise linkages - evaluate key points - evaluate options |
| Drawing conclusions, making recommendations and communication | |

| Assessed skills | How skills are assessed |
|--|--|
| <ul style="list-style-type: none"> • Generating solutions for complex problems using information from multiples sources • Using technical knowledge, professional experience, evidence and analysis to support conclusions • Formulating opinions, advice, plans, solutions, options and reservations, based on valid and different technical skills • Making decisions and recommendations in unstructured situations with risks and uncertainty • Specifying the criteria for the most appropriate proposal • Assessing the costs and benefits that may flow from a decision • Approaching decision making using an ethical framework | <ul style="list-style-type: none"> • Draws conclusions linked to analysis and judgement • Makes practical commercial recommendations |
| Integrative and multidisciplinary skills | |
| <ul style="list-style-type: none"> • Time awareness: recognising time constraints and prioritising given tasks • Preparing, describing, outlining the advice, report, notes required in a clear and concise style • Relating parts and wholes: discerning interrelated issues as part of complex scenarios, employing a sense of perspective in over-viewing situations • Providing a report to specialist or non-specialist audience | <ul style="list-style-type: none"> • Provides appropriate terms of reference (purpose, scope, disclaimer) • Provides an executive summary that is consistent with the main report • Demonstrates appropriate balance between topics • Uses sufficient but not excessive sub-divisions • Uses appropriate but not excessive use of notes and bullets • Uses correct style and language for audience with appropriate tact • Contains appropriate appendices <ul style="list-style-type: none"> - calculations easy to follow - assumptions clearly set out - no excessive text • Provides a coherent answer to the question <ul style="list-style-type: none"> - covers the major elements - suitable use of numbers - figures clearly derived - structured discussion, not just a list of facts |