

Business and Technology (BT/FBT)

Syllabus and study guide

September 2022 to August 2023

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

Think Ahead

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1. Intellectual levels

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

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

2. Learning hours and education recognition

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

3. Qualification structure

The qualification structure requires candidates who wish to be awarded the ACCA Diploma in Accounting and Business (RQF Level 4) to pass the Business and Technology (BT/FBT), Management Accounting (MA/FMA) and the Financial Accounting (FA/FFA) examinations and successfully complete the Foundations in Professionalism (FiP) module.



4. Guide to ACCA examination structure and delivery mode

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

All Foundations examinations are assessed by two-hour computer-based examinations.

The pass mark for all Foundations in Accounting (FIA) examinations is 50%.

5. Guide to ACCA examination assessment

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

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

For this examination regulation issued or legislation passed on or before 31st August annually, will be assessed from September 1st of the following year to August 31st of the year after. Please refer to the examinable documents for the exam (where relevant) for further information.

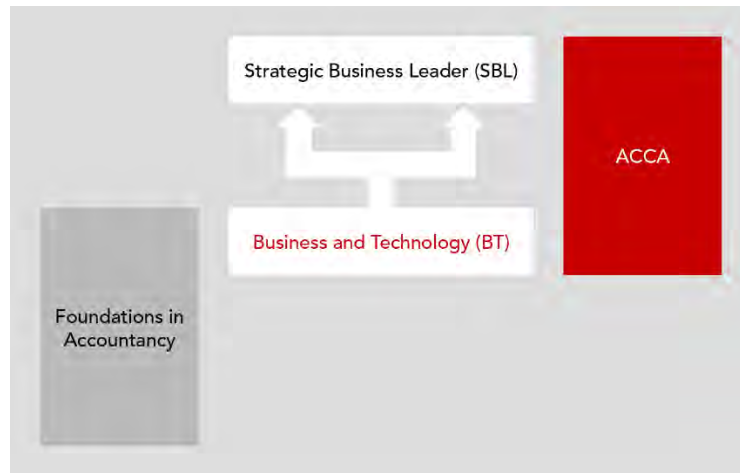
Regulation issued or legislation passed in accordance with the above dates may be examinable even if the effective date is in the future. The term issued or passed relates to when regulation or legislation has been formally approved.

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

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

6. Relational diagram linking Business and Technology (BT/FBT) with other exams

The Foundations in Accountancy suite of qualifications is designed so that a student can progress through three discrete levels; RQF Level 2, 3, and 4. Students are recommended to enter Foundations in Accountancy at the level which is most appropriate to their needs and to take examinations in order, but this is not a mandatory requirement.



7. Approach to examining the syllabus

The syllabus is assessed by a two-hour computer-based examination. Questions will assess all parts of the syllabus and will test knowledge and some comprehension or application of this knowledge. The examination will consist of two sections. Section A will contain 30 two-mark objective questions and 16 one-mark objective questions. Section B will contain 6 four-mark multi-task questions each of which will examine one of the six main sections of the syllabus.

8. Overall aim of the syllabus

9. Introduction to the syllabus

The Business and Technology (BT/FBT) syllabus introduces students who may not have a business background, to the business, which as an entity is made up of people and systems which interact with the environment and with each other.

The syllabus begins with examining the purpose and types of business which exist, the key stakeholders and the rights and responsibilities that businesses have in connection with

them, exploring the external influences that affect the business in its environment, including economic, legal, social and technological factors.

The syllabus then examines the structure and functions of business, focusing on corporate governance and the specific accounting related roles in this process, particularly in financial reporting, assurance, control and compliance. The syllabus also covers financial systems including the impact of financial technology.

The syllabus then introduces key leadership, management and people issues such as effective individual and team behaviour, motivation and personal effectiveness.

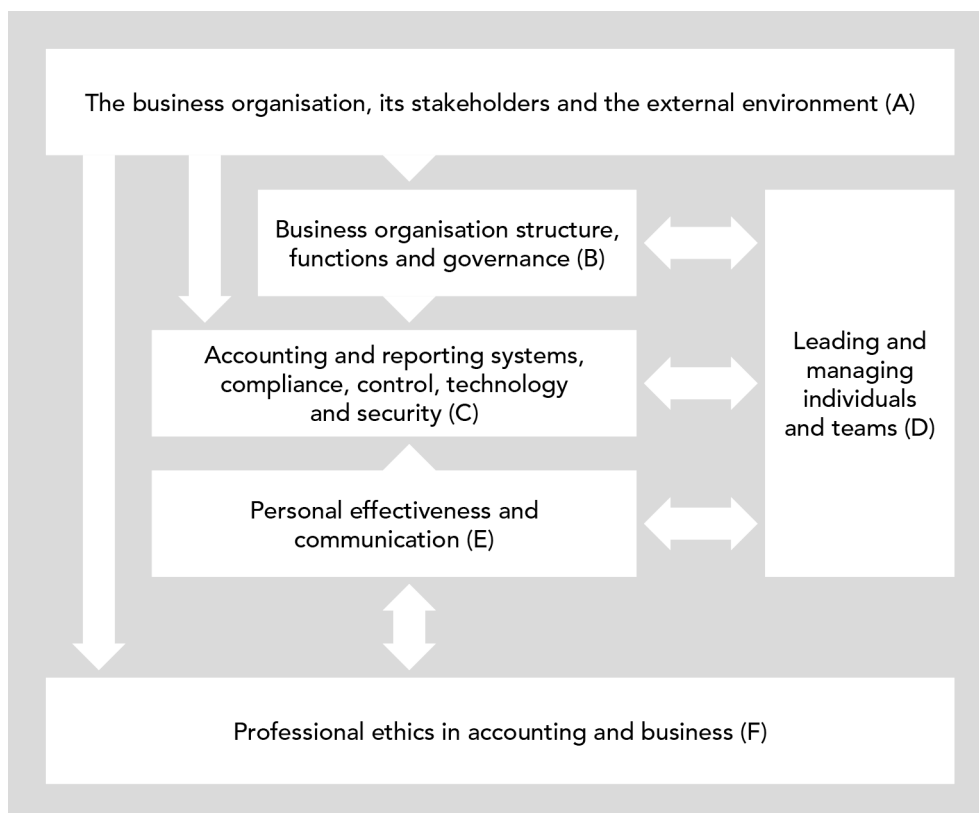
The final section of the syllabus examines how behaviour at all levels within business should be underpinned by accepted professional ethics and professional values.

10. Main capabilities

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

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

Relational diagram of main capabilities:



11. The syllabus

A The business organisation, its stakeholders and the external environment

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

B Business organisational structure, functions and governance

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

C Accounting and reporting systems, compliance, control, technology and security

1. The relationship between accounting and other business functions

2. Accounting and finance functions within business organisations
3. Principles of law and regulation governing accounting and auditing
4. The sources and purpose of internal and external financial information provided by business
5. Financial systems, procedures and related IT applications
6. Internal controls, authorisation, security of data and compliance within business
7. Fraud and fraudulent behaviour and their prevention in business, including money laundering
8. The impact of Financial Technology (Fintech) on accounting systems

D Leading and managing individuals and teams

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

E Personal effectiveness and communication in business

1. Personal effectiveness techniques
2. Consequences of ineffectiveness at work

3. Competence frameworks and personal development
4. Sources of conflicts and techniques for conflict resolution and referral
5. Communicating in business

F Professional ethics in accounting and business

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

12. Detailed study guide

A The business organisation, its stakeholders and the external environment

1. The purpose and types of business organisation

- a) Define 'business organisations' and explain why they are formed.^[K]
- b) Describe common features of business organisations.^[K]
- c) Outline how business organisations differ.^[K]
- d) List the industrial and commercial sectors in which business organisations operate.^[K]
- e) Identify the different types of business organisation and their main characteristics:^[K]
 - i) Commercial
 - ii) Not-for-profit
 - iii) Public sector
 - iv) Non-governmental organisations
 - v) Cooperatives.

2. Stakeholders in business organisations

- a) Define stakeholders and explain the agency relationship in business and how it may vary in different types of business organisation.^[K]
- b) Define internal, connected and external stakeholders and explain their impact on the organisation.^[K]
- c) Identify the main stakeholder groups and the objectives of each group.^[K]
- d) Explain how the different stakeholder groups interact and how their objectives may conflict with one another.^[K]
- e) Compare the power and influence of various stakeholder groups and how their needs should be accounted for,

such as under the Mendelow framework.^[K]

3. Political and legal factors affecting business

- a) Explain how the political system and government policy affect the organisation.^[K]
- b) Describe the sources of legal authority, including supra-national bodies, national and regional governments.^[K]
- c) Explain how the law protects the employee and the implications of employment legislation for the manager and the organisation.^[K]
- d) Identify the principles of data protection and security.^[K]
- e) Explain how the law promotes and protects health and safety in the workplace.^[K]
- f) Recognise the responsibility of the individual and organisation for compliance with laws on data protection, security and health and safety.^[K]
- g) Outline principles of consumer protection such as sale of goods and simple contracts.^[K]

4. Macroeconomic factors

- a) Define macroeconomic policy and explain its objectives.^[K]
- b) Explain the main determinants of the level of business activity in the economy and how variations in the level of business activity affect individuals, households and businesses.^[K]
- c) Explain the impact of economic issues on the individual, the household and the business:^[K]
 - i) Inflation
 - ii) Unemployment
 - iii) Stagnation
 - iv) International payments disequilibrium.

- d) Describe the main types of economic policy that may be implemented by government and supra-national bodies to maximise economic welfare.^[K]
- e) Recognise the impact of fiscal and monetary policy measures on the individual, the household and businesses.^[K]

5. Microeconomic factors

- a) Define the concept of demand and supply for goods and services.^[K]
- b) Explain elasticity of demand and the impact of substitute and complementary goods.^[K]
- c) Explain the economic behaviour of costs in the short and long-term.^[K]
- d) Define perfect competition, oligopoly, monopolistic competition and monopoly.^[K]

6. Social and demographic factors

- a) Explain the medium and long-term effects of social and demographic trends on business outcomes and the economy.^[K]
- b) Describe the impact of changes in social structure, values, attitudes and tastes on the organisation.^[K]
- c) Identify and explain the measures that governments may take in response to the medium and long-term impact of demographic change.^[K]

7. Technological factors

- a) Explain the potential effects of technological change on organisational structure and strategy.^[K]
 - i) Downsizing
 - ii) Delaying
 - iii) Outsourcing.
- b) Describe the impact of information technology and information systems development on business processes and the changing role of the accountant

in business as a result of technological advances.^[K]

8. Environmental factors

- a) List ways in which the businesses can affect or be affected by its physical environment.^[K]
- b) Describe ways in which businesses can operate more efficiently and effectively to limit damage to the environment.^[K]
- c) Identify the benefits of economic sustainability to stakeholders.^[K]

9. Competitive factors

- a) Identify a business's strengths, weaknesses, opportunities and threats (SWOT) in a market and the main sources of competitive advantage.^[K]
- b) Identify the main elements within Porter's value chain and explain the meaning of a value network.^[K]
- c) Explain the factors or forces that influence the level of competitiveness in an industry or sector using Porter's five forces model.^[K]
- d) Describe the activities of an organisation that affect its competitiveness.^[K]
 - i) Purchasing
 - ii) Production
 - iii) Marketing
 - iv) Service.

B Business organisational structure, functions and governance

1. The formal and informal business organisation

- a) Explain the informal organisation and its relationship with the formal organisation.^[K]
- b) Describe the impact of the informal organisation on the business.^[K]

2. Business organisational structure and design

- a) Describe Mintzberg's components of the organisation and explain the different ways in which formal organisations may be structured ^[K]:
 - i) Entrepreneurial
 - ii) Functional
 - iii) Matrix
 - iv) Divisional: (geographical, by product, or by customer type)
 - v) Boundaryless: (virtual, hollow or modular).
- b) Explain basic organisational structure concepts: ^[K]
 - i) Separation of ownership and management
 - ii) Separation of direction and management
 - iii) Span of control and scalar chain
 - iv) Tall and flat organisations
 - v) Outsourcing and offshoring
 - vi) Shared services approach.
- c) Explain the characteristics of the strategic, tactical and operational levels in the organisation in the context of the Anthony hierarchy. ^[K]
- d) Explain centralisation and decentralisation and list their advantages and disadvantages. ^[K]
- e) Describe the roles and functions of the main departments in a business organisation: ^[K]
 - v) Research and development
 - vi) Purchasing
 - vii) Production
 - viii) Direct service provision
 - ix) Marketing
 - x) Administration
 - xi) Finance.
- f) Explain the role of marketing in an organisation: ^[K]
 - i) Definition of marketing
 - ii) Marketing mix
 - iii) Relationship of the marketing plan to the strategic plan

3. Organisational culture in business

- a) Define organisational culture. ^[K]
- b) Describe the factors that shape the culture of the organisation. ^[K]
- c) Explain the contribution made by writers on culture: ^[K]
 - i) Schein – determinants of organisational culture
 - ii) Handy – four cultural stereotypes
 - iii) Hofstede – international perspectives on culture

4. Committees in business organisations

- a) Explain the purposes of committees. ^[K]
- b) Describe the types of committee used by business organisations. ^[K]
- c) List the advantages and disadvantages of committees. ^[K]
- d) Explain the roles of the Chair and Secretary of a committee. ^[K]

5. Governance and social responsibility in business

- a) Explain the agency concept in relation to corporate governance. ^[K]
- b) Define corporate governance and social responsibility and explain their importance in contemporary organisations. ^[K]
- c) Explain the responsibility of organisations to maintain appropriate standards of corporate governance and corporate social responsibility. ^[K]
- d) Briefly explain the main recommendations of best practice in effective corporate governance: ^[K]
 - i) Executive and non-executive directors
 - ii) Remuneration committees
 - iii) Audit committees
 - iv) Public oversight.

- e) Explain how organisations take account of their social responsibility objectives through analysis of the needs of internal, connected and external stakeholders.^[K]
- f) Identify the social and environmental responsibilities of business organisations to internal, connected and external stakeholders.^[K]

C Accounting and reporting systems, compliance, controls, technology and security

1. The relationship between accounting and other business functions

- a) Explain the relationship between accounting and other key functions within the business such as procurement, production and marketing.^[K]
- b) Explain financial considerations in production and production planning.^[K]
- c) Identify the financial issues associated with marketing.^[S]
- d) Identify the financial costs and benefits of effective service provision.^[S]

2. Accounting and finance functions within business organisations

- a) Explain the contribution of the accounting function to the formulation, implementation, and control of the organisation's policies, procedures, and performance.^[K]
- b) Identify and describe the main financial accounting functions in business:^[K]
 - i) recording financial information
 - ii) codifying and processing financial information
 - iii) preparing financial statements.
- c) Identify and describe the main management accounting and performance management functions in business.^[K]

- i) Recording and analysing costs and revenues
 - ii) Providing management accounting information for decision-making
 - iii) Planning and preparing budgets and exercising budgetary control.
- d) Identify and describe the main finance and treasury functions:^[K]
 - i) Calculating and mitigating business tax liabilities
 - ii) Evaluating and obtaining finance
 - iii) Managing working capital
 - iv) Treasury and risk management.
 - e) Identify and describe the main audit and assurance roles in business:^[K]
 - i) Internal audit
 - ii) External audit.

- f) Explain the main functions of the internal auditor and the external auditor and how they differ.^[K]

3. Principles of law and regulation governing accounting and auditing

- a) Explain basic legal requirements in relation to retaining and submitting proper records and preparing and auditing financial reports.^[K]
- b) Explain the broad consequences of failing to comply with the legal requirements for maintaining and filing accounting records.^[K]
- c) Explain how the international accountancy profession regulates itself through the establishment of reporting standards and their monitoring.^[K]

4. The sources and purpose of internal and external financial information provided by business

- a) Explain the various business purposes for which the following financial information is required:^[K]
 - i) The statement of profit or loss
 - ii) The statement of financial position
 - iii) The statement of cash flows
 - iv) Sustainability and integrated reports.

- b) Describe the main purposes of the following types of management accounting reports:^[K]
 - i) Cost schedules
 - ii) Budgets
 - iii) Variance reports.

5. Financial systems, procedures and related IT applications

- a) Identify an organisation's system requirements in relation to the objectives and policies of the organisation.^[S]
- b) Describe the main financial systems used within an organisation.^[S]
 - i) Purchases and sales invoicing
 - ii) Payroll
 - iii) Credit control
 - iv) Cash and working capital management.
- c) Explain why it is important to adhere to policies and procedures for handling clients' money.^[K]
- d) Identify weaknesses, potential for error and inefficiencies in accounting systems including computerised accounting systems.^[S]
- e) Recommend improvements to accounting systems to prevent error and fraud and to improve overall efficiency.^[S]
- f) Explain why appropriate controls are necessary in relation to business and IT systems and procedures.^[S]
- g) Identify business uses of computers and IT software applications:^[S]
 - i) Spreadsheet applications
 - ii) Database systems
 - iii) Accounting packages.
- h) Describe and compare the relative benefits and limitations of manual and automated financial systems that may be used in an organisation.^[K]

6. Internal controls, authorisation, security of data and compliance within business

- a) Explain internal control and internal check.^[K]
- b) Explain the importance of internal financial controls in an organisation.^[K]
- c) Describe the responsibilities of management for internal financial control.^[K]
- d) Describe the features of effective internal financial control procedures in an organisation, including authorisation.^[K]
- e) Identify and describe the types of information technology and information systems used by the business organisation for internal control.^[S]
- f) Describe general and application systems controls in business.^[K]

7. Fraud and fraudulent behaviour and their prevention in business, including money laundering.

- a) Explain the circumstances under which fraud is likely to arise.^[K]
- b) Identify different types of fraud in the organisation.^[K]
- c) Explain the implications of fraud for the organisation.^[K]
- d) Explain the role and duties of individual managers in the fraud detection and prevention process.^[K]
- e) Define the term money laundering.^[K]
- f) Give examples of recognised offences under typical money laundering regulations.^[K]
- g) Identify methods for detecting and preventing money laundering.^[K]

- h) Explain how suspicions of money laundering should be reported to the appropriate authorities.^[K]

8. The impact of Financial Technology (Fintech) on accounting systems

- a) Describe cloud computing as a capability in accountancy and how it creates benefits for the organisation.^[K]
- b) Explain how automation and artificial intelligence (AI) in accounting systems can affect the role and effectiveness of accountants.^[K]
- c) Describe how the application of big data and data analytics can improve the effectiveness of accountancy and audit.^[K]
- d) Outline the key features and applications of Blockchain technology and distributed ledgers in accountancy.^[K]
- e) Define cyber security and identify the key risks to data that cyber-attacks bring.^[K]
- f) Identify and describe features for protecting the security of IT systems and software within business.^[S]

D Leading and managing individuals and teams

1. Leadership, management and supervision

- a) Define leadership, management and supervision and explain the distinction between these terms.^[K]
- b) Explain the nature of management:^[K]
 - i) Scientific/classical theories of management - Fayol, Taylor
 - ii) The human relations school – Mayo
 - iii) The functions of a manager – Mintzberg, Drucker.
- c) Explain the areas of managerial authority and responsibility.^[K]

- d) Explain the situational, functional and contingency approaches to leadership with reference to the theories of Adair, Fiedler, Bennis, Kotter and Heifetz.^[K]

- e) Describe leadership styles and contexts using the models of Ashridge, and Blake and Mouton.^[K]

2. Recruitment and selection of employees

- a) Explain the importance of effective recruitment and selection to the organisation.^[K]
- b) Describe the recruitment and selection process and explain the stages in this process.^[K]
- c) Describe the roles of those involved in the recruitment and selection processes.^[K]
- d) Describe the methods through which organisations seek to meet their recruitment needs.^[K]
- e) Explain the advantages and disadvantages of different recruitment and selection methods.^[K]
- f) Explain the purposes and benefits of diversity and equal opportunities policies within the human resources plan.^[K]
- g) Explain the practical steps that an organisation may take to ensure the effectiveness of its diversity and equal opportunities policy.^[K]

3. Individual and group behaviour in business organisations

- a) Describe the main characteristics of individual and group behaviour.^[K]
- b) Outline the contributions of individuals and teams to organisational success.^[K]
- c) Identify individual and team approaches to work.^[K]

4. Team formation, development and management

- a) Explain the differences between a group and a team.^[K]
- b) Explain the purposes of a team.^[K]
- c) Explain the role of the manager in building the team and developing individuals within the team.^[K]
 - i) Belbin's team roles theory
 - ii) Tuckman's theory of team development.
- d) List the characteristics of effective and ineffective teams.^[K]
- e) Describe tools and techniques that can be used to build the team and improve team effectiveness.^[K]

5. Motivating individuals and groups

- a) Define motivation and explain its importance to the organisation, teams and individuals.^[K]
- b) Explain content and process theories of motivation: Maslow, Herzberg, McGregor, and Vroom.^[K]
- c) Explain and identify types of intrinsic and extrinsic reward.^[K]
- d) Explain how reward systems can be designed and implemented to motivate teams and individuals.^[K]

6. Learning and training at work

- a) Explain the importance of learning and development in the workplace.^[K]
- b) Describe the learning process: Honey and Mumford, Kolb.^[K]
- c) Describe the role of the human resources department and individual managers in the learning process.^[K]
- d) Describe the training and development process: identifying needs, setting objectives, programme design, delivery and validation.^[K]

- e) Explain the terms 'training', 'development' and 'education' and the characteristics of each.^[K]
- f) List the benefits of effective training and development in the workplace.^[K]

7. Review and appraisal of individual performance

- a) Explain the importance of performance assessment.^[K]
- b) Explain how organisations assess the performance of human resources.^[K]
- c) Define performance appraisal and describe its purposes.^[K]
- d) Describe the performance appraisal process.^[K]
- e) Explain the benefits of effective appraisal.^[K]
- f) Identify the barriers to effective appraisal and how these may be overcome.^[K]

E. Personal effectiveness and communication in business**1. Personal effectiveness techniques**

- a) Explain the importance of effective time management.^[K]
- b) Describe the barriers to effective time management and how they may be overcome.^[K]
- c) Describe the role of information technology in improving personal effectiveness.^[S]

2. Consequences of ineffectiveness at work

- a) Identify the main ways in which people and teams can be ineffective at work.^[S]
- b) Explain how individual or team ineffectiveness can affect organisational performance.^[K]

3. Competence frameworks and personal development

- a) Describe the features of a 'competence framework'.^[S]
- b) Explain how a competence framework underpins professional development needs.^[S]
- c) Explain how personal and continuous professional development can increase personal effectiveness at work.^[S]
- d) Explain the purpose and benefits of coaching, mentoring and counselling in promoting employee effectiveness.^[K]
- e) Describe how a personal development plan should be formulated, implemented, monitored and reviewed by the individual.^[S]

4. Sources of conflict and techniques for conflict resolution and referral

- a) Identify situations where conflict at work can arise.^[S]
- b) Describe how conflict can affect personal and organisational performance.^[S]
- c) Identify ways in which conflict can be managed.^[S]

5. Communicating in business

- a) Describe methods of communication used in the organisation and how they are used.^[K]
- b) Explain how the type of information differs and the purposes for which it is applied at different levels of the organisation: strategic, tactical and operational.^[K]
- c) List the attributes of good quality information.^[K]
- d) Explain a simple communication model: sender, message, receiver, feedback, noise.^[K]

- e) Explain formal and informal communication and their significance in the workplace.^[K]
- f) Identify the consequences of ineffective communication.^[K]
- g) Describe the attributes of effective communication.^[K]
- h) Describe the barriers to effective communication and identify practical steps that may be taken to overcome them.^[K]
- i) Identify the main patterns of communication.^[K]

F Professional ethics in accounting and business

1. Fundamental principles of ethical behaviour

- a) Define business ethics and explain the importance of ethics to the organisation and to the individual.^[K]
- b) Describe and demonstrate the following principles from the IFAC (IESBA) code of ethics, using examples.^[K]
 - i) Integrity
 - ii) Objectivity
 - iii) Professional competence
 - iv) Confidentiality
 - v) Professional behaviour.
- c) Describe organisational values which promote ethical behaviour using examples.^[K]
 - i) Openness
 - ii) Trust
 - iii) Honesty
 - iv) Respect
 - v) Empowerment
 - vi) Accountability.
- d) Explain the concept of acting in the public interest.^[K]

2. The role of regulatory and professional bodies in promoting ethical and professional standards in the accountancy profession

- a) Recognise the purpose of international and organisational codes of ethics and codes of conduct, IFAC (IESBA), ACCA etc.^[K]
- b) Describe how professional bodies and regulators promote ethical awareness and prevent or punish illegal or unethical behaviour.^[K]
- c) Identify the factors that distinguish a profession from other types of occupation.^[K]
- d) Explain the role of the accountant in promoting ethical behaviour.^[K]
- e) Recognise when and to whom illegal, or unethical conduct by anyone within or connected to the organisation should be reported.^[K]

3. Corporate codes of ethics

- a) Define corporate codes of ethics.^[K]
- b) Describe the typical contents of a corporate code of ethics.^[K]
- c) Explain the benefits of a corporate code of ethics to the organisation and its employees.^[K]

4. Ethical conflicts and dilemmas

- a) Describe situations where ethical conflicts can arise.^[K]
- b) Identify the main threats to ethical behaviour.^[K]
- c) Outline situations at work where ethical dilemmas may be faced.^[K]
- d) List the main safeguards against ethical threats and dilemmas.^[K]

13. Summary of changes to Business and Technology (BT/FBT)

ACCA periodically reviews its qualification syllabuses so that they fully meet the needs of stakeholders such as employers, students, regulatory and advisory bodies and learning providers.

There are no additions, amendments or deletions to the syllabus from the September 2021 syllabus and study guide.

Management Accounting (MA/FMA)

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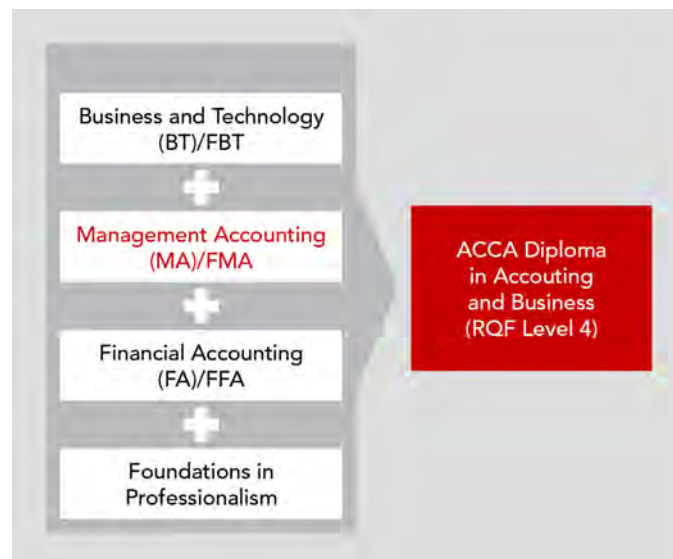
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The qualification structure requires candidates who wish to be awarded the ACCA Diploma in Accounting and Business (RQF Level 4) to pass the Business and Technology (BT)/FBT, Management Accounting (MA)/FMA and the Financial Accounting (FA)/FFA examinations and successfully complete the Foundations in Professionalism (FiP) module.



4. Guide to ACCA examination structure and delivery mode

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

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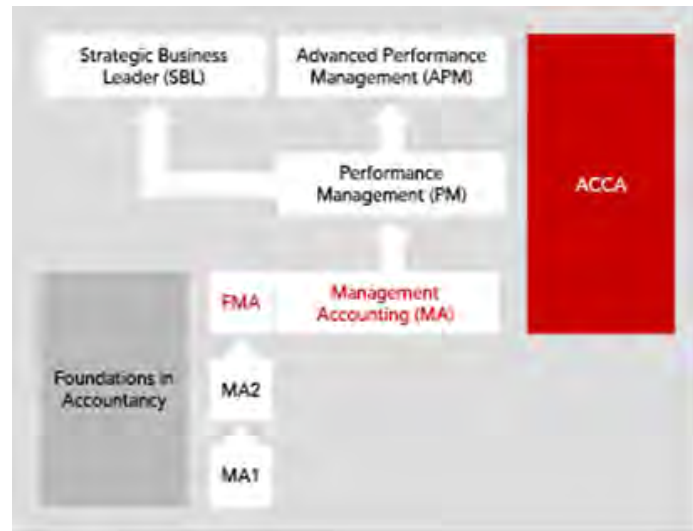
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6. Relational diagram linking Management Accounting (MA/FMA) with other exams

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7. Approach to examining the syllabus

The syllabus is assessed by two-hour computer-based examination. Questions will assess all parts of the syllabus and will test knowledge and some comprehension or application of this knowledge. The examination will consist of two sections. Section A will contain 35 two-mark objective test questions (OTs). Section B will contain 3 ten-mark multi-task questions (MTQs) each of which will examine Budgeting, Standard costing and Performance measurement sections of the syllabus.

Note: Budgeting MTQs in Section B can also include tasks from B2 Forecasting techniques. B4 Spreadsheets could be included in any of the MTQs, as either the basis for presenting information in the question scenario or as a task within the MTQ.

8. Overall aim of the syllabus

To develop knowledge and understanding of management accounting techniques to support management in planning, controlling and monitoring performance in a variety of business contexts.

9. Introduction to the syllabus

The syllabus for Management Accounting (MA)/FMA, introduces candidates to elements of management accounting which are used to make and support decisions.

The syllabus starts by introducing the nature, the source and purpose of management information followed by the statistical techniques used to analyse data. Then the syllabus addresses cost accounting and the costing techniques used in business which are essential for any management accountant.

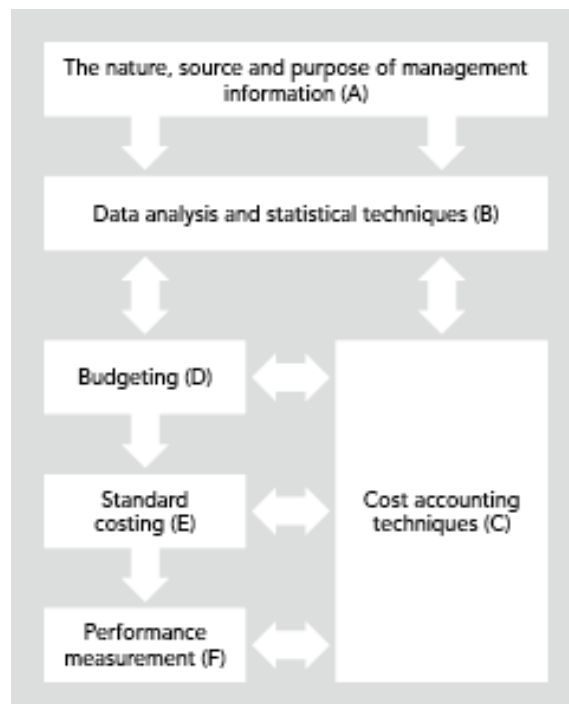
The syllabus then looks at the preparation and use of budgeting and standard costing and variance analysis as essential tools for planning and controlling business activities. The syllabus concludes with an introduction to measuring and monitoring the performance of an organisation.

10. Main capabilities

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

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

Relational diagram of main capabilities:



11. The syllabus

A The nature, source and purpose of management information

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

B Data analysis and statistical techniques

1. Sampling methods
2. Forecasting techniques
3. Summarising and analysing data
4. Spreadsheets

C Cost accounting techniques.

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

D Budgeting

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

E Standard costing

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

F Performance measurement

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

12. Detailed study guide

A The nature, source and purpose of management information

1. Accounting for management

- a) Describe the purpose and role of cost and management accounting within an organisation.^[K]
- b) Compare and contrast financial accounting with cost and management accounting.^[K]
- c) Outline the managerial processes of planning, decision-making and control.^[K]
- d) Explain the difference between strategic, tactical and operational planning.^[K]
- e) Distinguish between data and information.^[K]
- f) Identify and explain the attributes of good information.^[K]
- g) Explain the limitations of management information in providing guidance for managerial decision-making.^[K]

2. Sources of data

- a) Describe the three main data sources: machine/sensor, transactional and human/social.^[K]
- b) Describe sources of information from within and outside the organisation (including government statistics, financial press, professional or trade associations, quotations and price lists).^[K]
- c) Explain the uses and limitations of published information/data (including information from the internet).^[K]
- d) Describe the impact of the general economic environment on costs/revenue.^[K]

3. Cost classification

- a) Explain and illustrate production and non-production costs.^[K]
- b) Describe the different elements of non-production costs - administrative, selling, distribution and finance.^[K]
- c) Describe the different elements of production costs - materials, labour and overheads.^[K]
- d) Explain the importance of the distinction between production and non-production costs when valuing output and inventories.^[K]
- e) Explain and illustrate with examples classifications used in the analysis of product/service costs including by function, direct and indirect, fixed and variable, stepped fixed and semi variable costs.^[S]
- f) Explain and illustrate the use of codes in categorising transactions.^[K]
- g) Describe and illustrate, graphically, different types of cost behaviour.^[S]
- h) Explain and illustrate the concept of cost objects, cost units and cost centres.^[S]
- i) Distinguish between cost, profit, investment and revenue centres.^[K]
- j) Describe the differing needs for information of cost, profit, investment and revenue centre managers.^[K]

4. Presenting information

- a) Prepare written reports representing management information in suitable formats according to purpose.^[S]
- b) Present information using tables, charts and graphs (bar charts, line graphs, pie charts and scatter graphs).^[S]
- c) Interpret information (including the above tables, charts and graphs) presented in management reports.^[S]

B Data analysis and statistical techniques

1. Sampling methods

- a) Explain sampling techniques (random, systematic, stratified, multistage, cluster and quota).^[K]
- b) Choose an appropriate sampling method in a specific situation.^[S]
(Note: Derivation of random samples will not be examined)

2. Forecasting techniques

- a) Explain the structure of linear functions and equations.^[S]
- b) Use the high low method to separate the fixed and variable elements of total costs including situations involving semi variable and stepped fixed costs and changes in the variable cost per unit.^[S]
- c) Explain the advantages and disadvantages of using the high low method to estimate the fixed and variable elements of costing.^[K]
- d) Construct scatter diagrams and lines of best fit.^[S]
- e) Analysis of cost data.
 - (i) Explain the concepts of correlation coefficient and coefficient of determination.^[K]
 - (ii) Calculate and interpret the correlation coefficient and the coefficient of determination.^[S]
 - (iii) Establish a linear function using regression analysis and interpret the results.^[S]
- f) Use linear regression coefficients to make forecasts of costs and revenues.^[S]
- g) Adjust historical and forecast data for price movements.^[S]
- h) Explain the advantages and disadvantages of linear regression analysis.^[K]

- i) Explain the principles of time series analysis (cyclical, trend, seasonal variation and random elements).^[K]
- j) Calculate moving averages.^[S]
- k) Calculate the trend, including the use of regression coefficients.^[S]
- l) Use trend and seasonal variation (additive and multiplicative) to make budget forecasts.^[S]
- m) Explain the advantages and disadvantages of time series analysis.^[K]
- n) Explain the purpose of index numbers.^[K]
- o) Calculate simple and multi-item (weighted) index numbers for one or more variables, including Laspeyre and Paasche indices.^[S]
- p) Describe the product life cycle and explain its importance in forecasting.^[K]

3. Summarising and analysing data

- a) Describe the five characteristics of big data (volume, variety, velocity, value and veracity).^[K]
- b) Explain the three types of big data: structured, semi-structured and unstructured.^[K]
- c) Describe the main uses of big data and data analytics for organisations.^[K]
- d) Describe the two types of data: categorical (nominal and ordinal) and numerical (continuous and discrete).^[S]
- e) Explain the terms descriptive analysis and inferential analysis.^[K]
- f) Calculate the mean, mode and median for ungrouped data and the mean for grouped data.^[S]
- g) Calculate measures of dispersion including the variance, standard deviation and coefficient of variation both grouped and ungrouped data.^[S]

- h) Calculate expected values for use in decision making.^[S]

LIFO, FIFO and average methods.^[S]

- i) Explain the properties of a normal distribution.^[S]
- j) Interpret normal distribution graphs and tables.^[S]

4. Spreadsheets

- a) Explain the role and features of a computer spreadsheet system.^[K]
- b) Identify applications for computer spreadsheets and their use in data analysis, cost and management accounting.^[S]

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

C Cost accounting techniques

1. Accounting for material, labour and overheads

- a) Accounting for materials
- (i) Describe the different procedures and documents necessary for the ordering, receiving and issuing of materials from inventory.^[K]
 - (ii) Describe the control procedures used to monitor physical and 'book' inventory and to minimise discrepancies and losses.^[K]
 - (iii) Interpret the entries and balances in the material inventory account.^[S]
 - (iv) Identify, explain and calculate the costs of ordering and holding inventory (including buffer inventory).^[S]
 - (v) Calculate and interpret optimal reorder quantities.^[S]
 - (vi) Calculate and interpret optimal reorder quantities when discounts apply.^[S]
 - (vii) Produce calculations to minimise inventory costs when inventory is gradually replenished.^[S]
 - (viii) Describe and apply appropriate methods for establishing reorder levels where demand in the lead time is constant.^[S]
 - (ix) Calculate the value of closing inventory and material issues using

- c) Accounting for overheads
- (i) Explain the different treatment of direct and indirect expenses.^[K]
 - (ii) Describe the procedures involved in determining production overhead absorption rates.^[K]
 - (iii) Allocate and apportion production overheads to cost centres using an appropriate basis.^[S]
 - (iv) Reapportion service cost centre costs to production cost centres (including using the reciprocal method where service cost centres work for each other).^[S]
 - (v) Select, apply and discuss appropriate bases for absorption rates.^[S]
 - (vi) Prepare journal and ledger entries for manufacturing overheads incurred and absorbed.^[S]
 - (vii) Calculate and explain the under and over absorption of overheads.^[S]

2. Absorption and marginal costing

- a) Explain the importance of, and apply, the concept of contribution.^[S]

- b) Demonstrate and discuss the effect of absorption and marginal costing on inventory valuation and profit determination.^[S]
- c) Calculate profit or loss under absorption and marginal costing.^[S]
- d) Reconcile the profits or losses calculated under absorption and marginal costing.^[S]
- e) Describe the advantages and disadvantages of absorption and marginal costing.^[K]
- (ix) Prepare process accounts where losses and gains are identified at different stages of the process.^[S]
- (x) Distinguish between by-products and joint products.^[K]
- (xi) Value by-products and joint products at the point of separation.^[S]
- (xii) Prepare process accounts in situations where by-products and/or joint products occur.^[S]
(Situations involving work-in-process and losses in the same process are excluded).

3. Cost accounting methods

- a) Job and batch costing:
 - (i) Describe the characteristics of job and batch costing.^[K]
 - (ii) Describe the situations where the use of job or batch costing would be appropriate.^[K]
 - (iii) Prepare cost records and accounts in job and batch costing situations.^[S]
 - (iv) Establish job and batch costs from given information.^[S]
- b) Process costing
 - (i) Describe the characteristics of process costing.^[K]
 - (ii) Describe the situations where the use of process costing would be appropriate.^[S]
 - (iii) Explain the concepts of normal and abnormal losses and abnormal gains.^[K]
 - (iv) Calculate the cost per unit of process outputs.^[S]
 - (v) Prepare process accounts involving normal and abnormal losses and abnormal gains.^[S]
 - (vi) Calculate and explain the concept of equivalent units.^[S]
 - (vii) Apportion process costs between work remaining in a process and transfers out of a process using the weighted average and FIFO methods.^[S]
 - (viii) Prepare process accounts in situations where work remains incomplete.^[S]

- c) Service/operation costing
 - (i) Identify situations where the use of service/operation costing is appropriate.^[K]
 - (ii) Illustrate suitable unit cost measures that may be used in different service/operation situations.^[S]
 - (iii) Carry out service cost analysis in simple service industry situations.^[S]

4 Alternative cost accounting principles

- a) Explain activity-based costing (ABC), target costing, life-cycle costing and total quality management (TQM) as alternative cost management techniques.^[K]
- b) Differentiate ABC, target costing and life cycle costing from the traditional costing techniques (note: calculations are not required).^[K]

D Budgeting

1. Nature and purpose of budgeting

- a) Explain why organisations use budgeting.^[K]
- b) Describe the planning and control cycle in an organisation.^[K]
- c) Explain the administrative procedures used in the budgeting process.^[K]
- d) Describe the stages in the budgeting

process (including sources of relevant data, planning and agreeing draft budgets and purpose of forecasts and how they link to budgeting).^[K]

2. Budget preparation

- a) Explain the importance of the principal budget factor in constructing a budget.^[K]
- b) Prepare sales budgets.^[S]
- c) Prepare functional budgets (production, raw materials usage and purchases, labour, variable and fixed overheads).^[S]
- d) Prepare cash budgets.^[S]
- e) Prepare master budgets (statement of profit or loss and statement of financial position).^[S]
- f) Explain and illustrate 'what if' analysis and scenario planning.^[S]

3. Flexible budgets

- a) Explain the importance of flexible budgets in control.^[K]
- b) Explain the disadvantages of fixed budgets in control.^[K]
- c) Identify situations where fixed or flexible budgetary control would be appropriate.^[S]
- d) Flex a budget to a given level of volume.^[S]

4. Capital budgeting and discounted cash flows

- a) Discuss the importance of capital investment planning and control.^[K]
- b) Define and distinguish between asset and expense items.^[K]
- c) Outline the issues to consider and the steps involved in the preparation of a capital expenditure budget.^[K]

- d) Explain and illustrate the difference between simple and compound interest, and between nominal and effective interest rates.^[S]
- e) Explain and illustrate compounding and discounting.^[S]
- f) Explain the distinction between cash flow and profit and the relevance of cash flow to capital investment appraisal.^[K]
- g) Identify and evaluate relevant cash flows for individual investment decisions.^[S]
- h) Explain and illustrate the net present value (NPV) and internal rate of return (IRR) methods of discounted cash flow.^[S]
- i) Calculate present value using annuity and perpetuity formulae.^[S]
- j) Calculate NPV, IRR and payback (discounted and non-discounted).^[S]
- k) Interpret the results of NPV, IRR and payback calculations of investment viability.^[S]

5. Budgetary control and reporting

- a) Calculate simple variances between flexed budget, fixed budget and actual sales, costs and profits.^[S]
- b) Discuss the relative significance of variances.^[K]
- c) Explain potential action to eliminate variances.^[K]
- d) Define the concept of responsibility accounting and its significance in control.^[K]
- e) Explain the concept of controllable and uncontrollable costs.^[K]
- f) Prepare control reports suitable for presentation to management (to include

recommendation of appropriate control action).^[S]

6. Behavioural aspects of budgeting

- a) Explain the importance of motivation in performance management.^[K]
- b) Identify factors in a budgetary planning and control system that influence motivation.^[S]
- c) Explain the impact of targets on motivation.^[K]
- d) Discuss managerial incentive schemes.^[K]
- e) Discuss the advantages and disadvantages of a participative approach to budgeting.^[K]
- f) Explain top down and bottom up approaches to budgeting.^[K]

E Standard costing

1. Standard costing

- a) Explain the purpose and principles of standard costing.^[K]
- b) Explain and illustrate the difference between standard, marginal and absorption costing.^[K]
- c) Establish the standard cost per unit under absorption and marginal costing.^[S]

2 Variance calculations and analysis

- a) Calculate sales price and volume variance.^[S]
- b) Calculate materials total, price and usage variance.^[S]
- c) Calculate labour total, rate and efficiency variance.^[S]

d) Calculate variable overhead total, expenditure and efficiency variance.^[S]

- e) Calculate fixed overhead total, expenditure and, where appropriate, volume, capacity and efficiency variance.^[S]
- f) Interpret the variances.^[S]
- g) Explain factors to consider before investigating variances, explain possible causes of the variances and recommend control action.^[S]
- h) Explain the interrelationships between the variances.^[K]
- i) Calculate actual or standard figures where the variances are given.^[K]

3 Reconciliation of budgeted and actual profit

- a) Reconcile budgeted profit with actual profit under standard absorption costing.^[S]
- b) Reconcile budgeted profit or contribution with actual profit or contribution under standard marginal costing.^[S]

F Performance measurement

1. Performance measurement - overview

- a) Discuss the purpose of mission statements and their role in performance measurement.^[K]
- b) Discuss the purpose of strategic, operational and tactical objectives and their role in performance measurement.^[K]
- c) Discuss the impact of economic and market conditions on performance measurement.^[K]
- d) Explain the impact of government regulation on performance measurement.^[K]

2 Performance measurement - application

- a) Discuss and calculate measures of financial performance (profitability, liquidity, activity and gearing) and non-financial measures.^[S]
- b) Perspectives of the Balanced Scorecard
 - (i) discuss the advantages and limitations of the balanced scorecard.^[K]
 - (ii) describe performance indicators for financial, customer, internal business process and innovation and learning.^[K]
 - (iii) discuss critical success factors and key performance indicators and their link to objectives and mission statements.^[K]
 - (iv) establish critical success factors and key performance indicators in a specific situation.^[S]
- c) Economy, efficiency and effectiveness
 - (i) explain the concepts of economy, efficiency and effectiveness.^[K]
 - (ii) describe performance indicators for economy, efficiency and effectiveness.^[K]
 - (iii) establish performance indicators for economy, efficiency and effectiveness in a specific situation.^[S]
 - (iv) discuss the meaning of each of the efficiency, capacity and activity ratios.^[K]
 - (v) calculate the efficiency, capacity and activity ratios in a specific situation.^[S]
- d) Unit costs
 - (i) describe performance measures which would be suitable in contract and process costing environments.^[K]
- e) Resource utilisation
 - (i) describe measures of performance utilisation in service and manufacturing environments.^[K]
 - (ii) establish measures of resource utilisation in a specific situation.^[S]
- f) Profitability
 - (i) calculate return on investment and residual income.^[S]

(ii) explain the advantages and limitations of return on investment and residual income.^[K]

- g) Quality of service
 - (i) distinguish performance measurement issues in service and manufacturing industries.^[K]
 - (ii) describe performance measures appropriate for service industries.^[K]

3. Cost reductions and value enhancement

- a) Compare cost control and cost reduction.^[K]
- b) Describe and evaluate cost reduction methods.^[S]
- c) Describe and evaluate value analysis.^[S]

4 Monitoring performance and reporting

- a) Discuss the importance of non-financial performance measures.^[K]
- b) Discuss the relationship between short-term and long-term performance.^[K]
- c) Discuss the measurement of performance in service industry situations.^[K]
- d) Discuss the measurement of performance in non-profit seeking and public sector organisations.^[K]
- e) Discuss measures that may be used to assess managerial performance and the practical problems involved.^[K]
- f) Discuss the role of benchmarking in performance measurement.^[K]
- g) Produce reports highlighting key areas for management attention and recommendations for improvement.^[S]

13. Summary of changes to Management Accounting (MA/FMA)

ACCA periodically reviews its qualification syllabuses so that they fully meet the needs of stakeholders such as employers, students, regulatory and advisory bodies and learning providers.

The main areas of change to the MA/FMA syllabus are summarised in the table below.

	Section and subject area	Syllabus content
B3	Summarising analysing data	B3c has been reworded to change analytics to data analytics
D4	Capital budgeting and discounted cash flows	D4b has been reworded to change capital and revenue expenditure to asset and expense items

Financial Accounting (FA/FFA)

Syllabus and study guide

September 2022 to August 2023

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

Think Ahead

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1. Intellectual levels

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

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

2. Learning hours and education recognition

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

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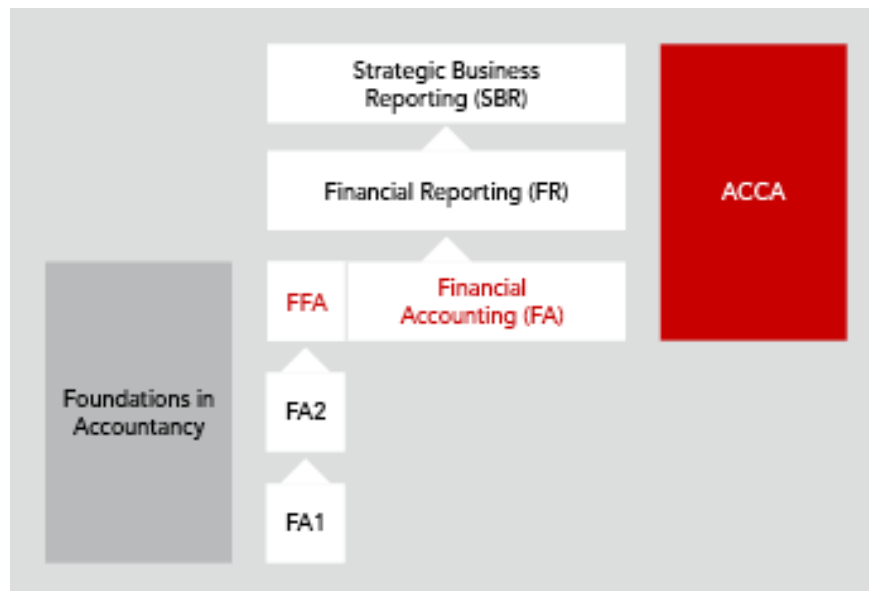
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8. Overall aim of the syllabus

To develop knowledge and understanding of the underlying principles and concepts relating to financial accounting and technical proficiency in the use of double-entry accounting techniques including the preparation of basic financial statements.

9. Introduction to the syllabus

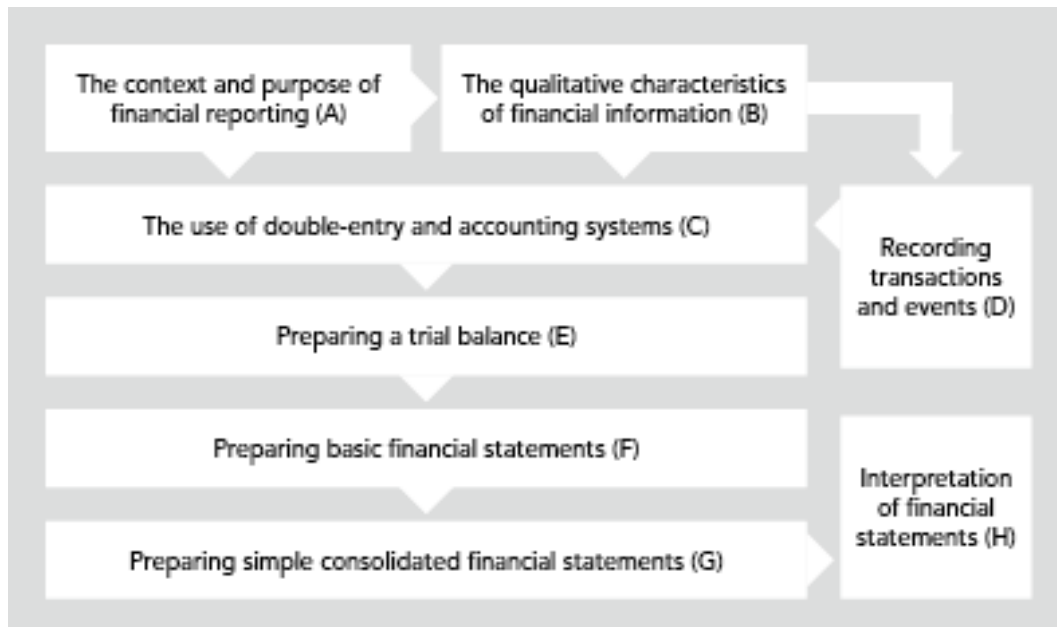
The syllabus for Financial Accounting (FA)/FFA introduces the candidate to the fundamentals of the regulatory framework relating to accounts preparation and to the qualitative characteristics of useful information. The syllabus then covers drafting financial statements and the principles of accounts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

10. Main capabilities

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

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

Relational diagram of main capabilities:



11. The syllabus

A The context and purpose of financial reporting

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

B The qualitative characteristics of financial information

1. The qualitative characteristics of financial information

C The use of double-entry and accounting systems

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

D Recording transactions and events

1. Sales and purchases
2. Cash
3. Inventory
4. Tangible non-current assets
5. Depreciation
6. Intangible non-current assets and amortisation
7. Accruals and prepayments

8. Receivables and payables
9. Provisions and contingencies
10. Capital structure and finance costs

E Preparing a trial balance

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

F Preparing basic financial statements

1. Statements of financial position
2. Statements of profit or loss and other comprehensive income
3. Disclosure notes
4. Events after the reporting period
5. Statements of cash flows
6. Incomplete records

G Preparing simple consolidated financial statements

1. Subsidiaries
2. Associates

H Interpretation of financial statements

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

12. Detailed study guide

A The context and purpose of financial reporting

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

- a) Define financial reporting – recording, analysing and summarising financial data.^[K]
- b) Identify and define types of business entity – sole trader, partnership, limited liability company.^[K]
- c) Recognise the legal differences between a sole trader, partnership and a limited liability company.^[K]
- d) Identify the advantages and disadvantages of operating as a limited liability company, sole trader or partnership.^[K]
- e) Understand the nature, principles and scope of financial reporting.^[K]

2. Users' and stakeholders' needs

- a) Identify the users of financial statements and state and differentiate between their information needs.^[K]

3. The main elements of financial reports

- a) Understand and identify the purpose of each of the main financial statements.^[K]
- b) Define and identify assets, liabilities, equity, revenue and expenses.^[K]

4. The regulatory framework

- a) Understand the role of the regulatory system including the roles of the IFRS Foundation (IFRSF), the International Accounting Standards Board (IASB®), the IFRS Advisory Council (IFRS AC) and the IFRS Interpretations Committee (IFRIC®).^[K]

- b) Understand the role of International Financial Reporting Standards.^[K]

5. Duties and responsibilities of those charged with governance

- a) Explain what is meant by governance specifically in the context of the preparation of financial statements.^[K]
- b) Describe the duties and responsibilities of directors and other parties covering the preparation of the financial statements.^[K]

B The qualitative characteristics of financial information

1. The qualitative characteristics of financial information

- a) Define, understand and apply qualitative characteristics:^[K]
 - i) Relevance
 - ii) Faithful representation
 - iii) Comparability
 - iv) Verifiability
 - v) Timeliness
 - vi) Understandability
- b) Define, understand and apply accounting concepts:^[K]
 - i) Materiality
 - ii) Substance over form
 - iii) Going concern
 - iv) Business entity concept
 - v) Accruals
 - vi) Prudence
 - vii) Consistency

C The use of double-entry and accounting systems

1. Double-entry book-keeping principles including the maintenance of accounting records

- a) Identify and explain the function of the main data sources in an accounting system.^[K]

- b) Outline the contents and purpose of different types of business documentation, including: quotation, sales order, purchase order, goods received note, goods despatched note, invoice, statement, credit note, debit note, remittance advice, receipt.^[K]
- c) Understand and apply the concept of double-entry accounting and the duality concept.^[K]
- d) Understand and apply the accounting equation.^[S]
- e) Understand how the accounting system contributes to providing useful accounting information and complies with organisational policies and deadlines.^[K]
- f) Identify the main types of business transactions e.g. sales, purchases, payments, receipts.^[K]

2. Ledger accounts, books of prime entry and journals

- a) Identify the main types of ledger accounts and books of prime entry, and understand their nature and function.^[K]
- b) Understand and illustrate the uses of journals and the posting of journal entries into ledger accounts.^[S]
- c) Identify correct journals from given narrative.^[S]
- d) Illustrate how to balance and close a ledger account.^[S]

D Recording transactions and events

1. Sales and purchases

- a) Record sale and purchase transactions in ledger accounts.^[S]
- b) Understand and record sales and purchase returns.^[S]

- c) Understand the general principles of the operation of a sales tax.^[K]
- d) Calculate sales tax on transactions and record the consequent accounting entries.^[S]
- e) Account for discounts allowed.^[S]
- f) Account for discounts received.^[S]

2. Cash

- a) Record cash transactions in ledger accounts.^[S]
- b) Understand the need for a record of petty cash transactions.^[K]

3. Inventory

- a) Recognise the need for adjustments for inventory in preparing financial statements.^[K]
- b) Record opening and closing inventory.^[S]
- c) Identify the alternative methods of valuing inventory.^[K]
- d) Understand and apply the IASB requirements for valuing inventories.^[S]
- e) Recognise which costs should be included in valuing inventories.^[S]
- f) Understand the use of continuous and period end inventory records.^[K]
- g) Calculate the value of closing inventory using FIFO (first in, first out) and AVCO (average cost) – both periodic weighted average and continuous weighted average.^[S]
- h) Understand the impact of accounting concepts on the valuation of inventory.^[K]
- i) Identify the impact of inventory valuation methods on profit and on assets.^[S]

4. Tangible non-current assets

- a) Define non-current assets.^[K]
- b) Recognise the difference between current and non-current assets.^[K]
- c) Explain the difference between asset and expense items.^[K]
- d) Classify expenditure as asset expenditure or expenses charged to profit or loss.^[S]
- e) Prepare ledger entries to record the acquisition and disposal of non-current assets.^[S]
- f) Calculate and record profits or losses on disposal of non-current assets in the statement of profit or loss including part exchange transactions.^[S]
- g) Record the revaluation of a non-current asset in ledger accounts, the statement of profit or loss and other comprehensive income and in the statement of financial position.^[S]
- h) Calculate the profit or loss on disposal of a revalued asset.^[S]
- i) Illustrate how non-current asset balances and movements are disclosed in financial statements.^[S]
- j) Explain the purpose and function of an asset register.^[K]

5. Depreciation

- a) Understand and explain the purpose of depreciation.^[K]
- b) Calculate the charge for depreciation using straight line and reducing balance methods.^[S]
- c) Identify the circumstances where different methods of depreciation would be appropriate.^[K]

- d) Illustrate how depreciation expense and accumulated depreciation are recorded in ledger accounts.^[S]
- e) Calculate depreciation on a revalued non-current asset including the transfer of excess depreciation between the revaluation surplus and retained earnings.^[S]
- f) Calculate the adjustments to depreciation necessary if changes are made in the estimated useful life and/or residual value of a non-current asset.^[S]
- g) Record depreciation in the statement of profit or loss and statement of financial position.^[S]

6. Intangible non-current assets and amortisation

- a) Recognise the difference between tangible and intangible non-current assets.^[K]
- b) Identify types of intangible assets.^[K]
- c) Identify the definition and treatment of “research costs” and “development costs” in accordance with IFRS® Standards.^[K]
- d) Calculate amounts to be capitalised as development expenditure or to be expensed from given information.^[S]
- e) Explain the purpose of amortisation.^[K]
- f) Calculate and account for the charge for amortisation.^[S]

7. Accruals and prepayments

- a) Understand how the matching concept applies to accruals and prepayments.^[K]
- b) Identify and calculate the adjustments needed for accruals and prepayments in preparing financial statements.^[S]

- c) Illustrate the process of adjusting for accruals and prepayments in preparing financial statements.^[S]
- d) Prepare the journal entries and ledger entries for the creation of an accrual or prepayment.^[S]
- e) Understand and identify the impact on profit and net assets of accruals and prepayments.^[S]

8. Receivables and payables

- a) Explain and identify examples of receivables and payables.^[K]
- b) Identify the benefits and costs of offering credit facilities to customers.^[K]
- c) Understand the purpose of an aged receivables analysis.^[K]
- d) Understand the purpose of credit limits.^[K]
- e) Prepare the bookkeeping entries to write off an irrecoverable debt.^[S]
- f) Record an irrecoverable debt recovered.^[S]
- g) Identify the impact of irrecoverable debts on the statement of profit or loss and on the statement of financial position.^[S]
- h) Prepare the bookkeeping entries to create and adjust an allowance for receivables.^[S]
- i) Illustrate how to include movements in the allowance for receivables in the statement of profit or loss and how the closing balance of the allowance should appear in the statement of financial position.^[S]
- j) Account for contras between trade receivables and payables.^[S]
- k) Prepare, reconcile and understand the purpose of supplier statements.^[S]
- l) Classify items as current or non-current liabilities in the statement of financial position.^[S]

9. Provisions and contingencies

- a) Understand the definition of “provision”, “contingent liability” and “contingent asset”.^[K]
- b) Distinguish between and classify items as provisions, contingent liabilities or contingent assets.^[K]
- c) Identify and illustrate the different methods of accounting for provisions, contingent liabilities and contingent assets.^[K]
- d) Calculate provisions and changes in provisions.^[S]
- e) Account for the movement in provisions.^[S]
- f) Report provisions in the final accounts.^[S]

10. Capital structure and finance costs

- a) Understand the capital structure of a limited liability company including:^[K]
 - i) Ordinary shares
 - ii) Preference shares (redeemable and irredeemable)
 - iii) Loan notes.
- b) Record movements in the share capital and share premium accounts.^[S]
- c) Identify and record the other reserves which may appear in the company statement of financial position.^[S]
- d) Define a bonus (capitalisation) issue and its advantages and disadvantages.^[K]
- e) Define a rights issue and its advantages and disadvantages.^[K]
- f) Record and show the effects of a bonus (capitalisation) issue in the statement of financial position.^[S]

- g) Record and show the effects of a rights issue in the statement of financial position.^[S]
- h) Record dividends in ledger accounts and the financial statements.^[S]
- i) Calculate and record finance costs in ledger accounts and the financial statements.^[S]
- j) Identify the components of the statement of changes in equity.^[K]
- b) Understand how control accounts relate to the double-entry system.^[K]
- c) Prepare ledger control accounts from given information.^[S]
- d) Perform control account reconciliations for accounts receivable and accounts payable.^[S]
- e) Identify errors which would be highlighted by performing a control account reconciliation.^[K]

E Preparing a trial balance

1. Trial balance

- a) Identify the purpose of a trial balance.^[K]
- b) Extract ledger balances into a trial balance.^[S]
- c) Prepare extracts of an opening trial balance.^[S]
- d) Identify and understand the limitations of a trial balance.^[K]

2. Correction of errors

- a) Identify the types of error which may occur in bookkeeping systems.^[K]
- b) Identify errors which would be highlighted by the extraction of a trial balance.^[K]
- c) Prepare journal entries to correct errors.^[S]
- d) Calculate and understand the impact of errors on the statement of profit or loss and other comprehensive income and statement of financial position.^[S]

3. Control accounts and reconciliations

- a) Understand the purpose of control accounts for accounts receivable and accounts payable.^[K]

4. Bank reconciliations

- a) Understand the purpose of bank reconciliations.^[K]
- b) Identify the main reasons for differences between the cash book and the bank statement.^[K]
- c) Correct cash book errors and/or omissions.^[S]
- d) Prepare bank reconciliation statements.^[S]
- e) Derive bank statement and cash book balances from given information.^[S]
- f) Identify the bank balance to be reported in the final accounts.^[S]

5. Suspense accounts

- a) Understand the purpose of a suspense account.^[K]
- b) Identify errors leading to the creation of a suspense account.^[K]
- c) Record entries in a suspense account.^[S]
- d) Make journal entries to clear a suspense account.^[S]

F Preparing basic financial statements

1. Statements of financial position

- a) Recognise how the accounting equation, accounting treatments (as stipulated within sections D, E and examinable documents) and business entity concept underlie the statement of financial position.^[K]
- b) Understand the nature of reserves.^[K]
- c) Identify and report reserves in a company statement of financial position.^[S]
- d) Prepare a statement of financial position or extracts as applicable from given information using accounting treatments as stipulated within sections D, E and examinable documents.^[S]
- e) Understand why the heading retained earnings appears in a company statement of financial position.^[K]

2. Statements of profit or loss and other comprehensive income

- a) Prepare a statement of profit or loss and other comprehensive income or extracts as applicable from given information using accounting treatments as stipulated within section D, E and examinable documents.^[S]
- b) Understand how accounting concepts apply to revenue and expenses.^[K]
- c) Calculate revenue, cost of sales, gross profit, profit for the year, and total comprehensive income from given information.^[S]
- d) Disclose items of income and expenditure in the statement of profit or loss.^[S]
- e) Record income tax in the statement of profit or loss of a company including the

under and overprovision of tax in the prior year.^[S]

- f) Understand the interrelationship between the statement of financial position and the statement of profit or loss and other comprehensive income.^[K]
- g) Identify items requiring separate disclosure on the face of the statement of profit or loss.^[K]

3. Disclosure notes

- a) Explain the purpose of disclosure notes.^[K]
- b) Draft the following disclosure notes:^[S]
 - i) Non current assets including tangible and intangible assets
 - ii) Provisions
 - iii) Events after the reporting period
 - iv) Inventory

4. Events after the reporting period

- a) Define an event after the reporting period in accordance with IFRS Standards.^[K]
- b) Classify events as adjusting or non-adjusting.^[S]
- c) Distinguish between how adjusting and non-adjusting events are reported in the financial statements.^[K]

5 Statements of cash flows (excluding partnerships)

- a) Differentiate between profit and cash flow.^[K]
- b) Understand the need for management to control cash flow.^[K]
- c) Recognise the benefits and drawbacks to users of the financial statements of a statement of cash flows.^[K]
- d) Classify the effect of transactions on cash flows.^[S]

- e) Calculate the figures needed for the statement of cash flows including:^[S]
 - i) Cash flows from operating activities
 - ii) Cash flows from investing activities
 - iii) Cash flows from financing activities
- f) Calculate the cash flow from operating activities using the indirect and direct method.^[S]
- g) Prepare statements of cash flows and extracts from statements of cash flows from given information.^[S]
- h) Identify the treatment of given transactions in a company's statement of cash flows.^[K]
- d) Calculate goodwill (excluding impairment of goodwill) using the full goodwill method only as follows: ^[S]

6. Incomplete records

- a) Understand and apply techniques used in incomplete record situations: ^[S]
 - i) Use of accounting equation
 - ii) Use of ledger accounts to calculate missing figures
 - iii) Use of cash and/or bank summaries
 - iv) Use of profit percentages to calculate missing figures.

Fair value of consideration	X
Fair value of non-controlling interest	X
Less fair value of net assets at acquisition	
(X)	
Goodwill at acquisition	<u>X</u>

G Preparing simple consolidated financial statements

1. Subsidiaries

- a) Define and describe the following terms in the context of group accounting: ^[K]
 - i) Parent
 - ii) Subsidiary
 - iii) Control
 - iv) Consolidated or group financial statements
 - v) Non-controlling interest
 - vi) Trade / simple investment
- b) Identify subsidiaries within a group structure. ^[K]
- c) Describe the components of and prepare a consolidated statement of financial position or extracts thereof including: ^[S]

- e) Describe the components of and prepare a consolidated statement of profit or loss or extracts thereof including: ^[S]
 - i) Elimination of intra-group trading balances (excluding cash and goods in transit)
 - ii) Removal of unrealised profit arising on intra-group trading
 - iii) Acquisition of subsidiaries part way through the financial year

2. Associates

- a) Define and identify an associate and significant influence and identify the situations where significant influence exists. ^[K]
- b) Describe the key features of a parent-associate relationship and be able to identify an associate within a group structure. ^[K]
- c) Describe the principle of the equity method of accounting for Associate entities ^[K]

H Interpretation of financial statements

1. Importance and purpose of analysis of financial statements

- a) Describe how the interpretation and analysis of financial statements is used in a business environment.^[K]
- b) Explain the purpose of interpretation of ratios.^[K]

2. Ratios

- a) Calculate key accounting ratios: ^[S]
 - i) Profitability
 - ii) Liquidity
 - iii) Efficiency
 - iv) Position
- b) Explain the interrelationships between ratios.^[K]

3. Analysis of financial statements

- a) Calculate and interpret the relationship between the elements of the financial statements with regard to profitability, liquidity, efficient use of resources and financial position.^[S]
- b) Draw valid conclusions from the information contained within the financial statements and present these to the appropriate user of the financial statements. ^[S]

13.Summary of changes to Financial Accounting (FA/FFA)

ACCA periodically reviews its qualification syllabuses so that they fully meet the needs of stakeholders including employers, students, regulatory and advisory bodies and learning providers.

There have not been any significant additions, deletions or amendments to the 2022/23 study guide from the 2021/22 study guide.

Corporate and Business Law (LW-SGP)

Syllabus and study guide

June 2022 to March 2023

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

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1. Intellectual levels

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

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

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

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

Each subject area in the detailed study guide included in this document is given a 1, 2, or 3 superscript, denoting intellectual level, marked at the end of each relevant learning outcome. This gives an indication of the intellectual depth at which an area could be assessed within the examination. However, while level 1 broadly equates with Applied Knowledge, level 2 equates to Applied Skills and level 3 to Strategic Professional, some lower level skills can continue to be assessed as the student progresses through each level. This reflects that at each stage of study there will be a requirement to broaden, as well as deepen capabilities. It is also possible that occasionally some higher level capabilities may be assessed at lower levels.

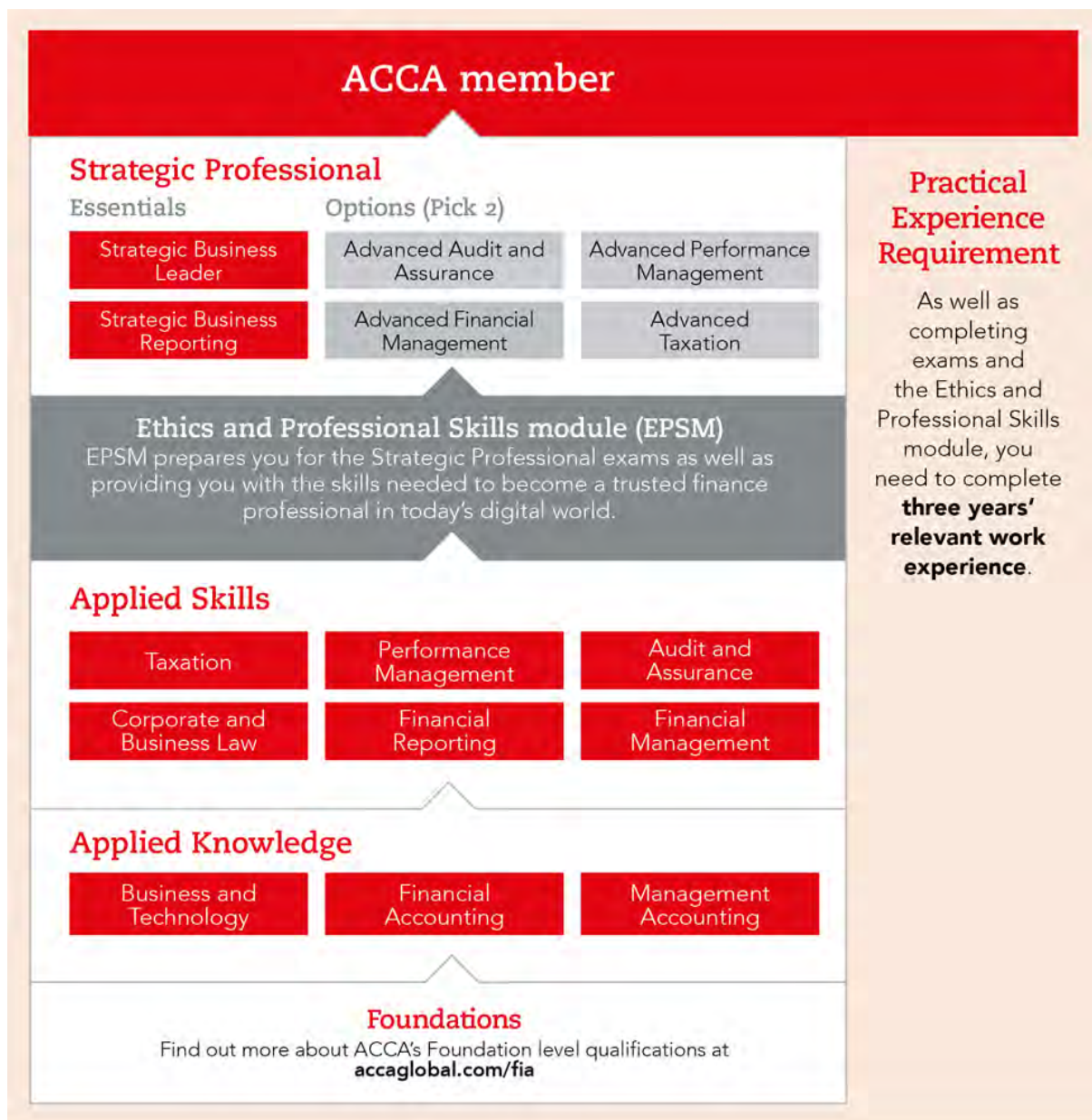
2. Learning hours and education recognition

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

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

Each syllabus is organised into main subject area headings which are further broken down to provide greater detail on each area.

3. The structure of ACCA qualification



*See accaglobal.com for details

4. Guide to ACCA examination structure and delivery mode

delivery mode

The pass mark for all ACCA Qualification examinations is 50%.

The structure and delivery mode of examinations varies.

Applied Knowledge

The Applied Knowledge examinations contain 100% compulsory questions to encourage candidates to study across the breadth of each syllabus. These are assessed by a two-hour computer-based examination.

Applied Skills

The Corporate and Business Law exam is a two-hour computer-based objective test examination for English and Global.

For the format and structure of the Corporate and Business Law or Taxation variant exams, refer to the 'Approach to examining the syllabus' section of the relevant syllabus and study guide.

The other Applied Skills examinations (PM, TX-UK, FR, AA, and FM) contain a mix of objective and longer type questions with a duration of three hours for 100 marks. These are assessed by a three-hour computer-based exam. Prior to the start of each exam there will be time allocated for students to be informed of the exam instructions.

The longer (constructed response) question types used in the Applied Skills exams (excluding Corporate and Business Law) require students to effectively mimic what they do in the workplace. Students will need to use a range of digital skills and demonstrate their ability to use spread sheets and word processing tools in producing their answers, just as they would use these tools in the workplace. These assessment methods allow ACCA to focus on testing students' technical and application

skills, rather than, for example, their ability to perform simple calculations.

Strategic Professional

Essentials:

Strategic Business Leader is ACCA's case study examination at Strategic Professional and is examined as a closed book computer-based exam of four hours, including reading, planning and reflection time which can be used flexibly within the examination. There is no pre-seen information and all exam related material, including case information and exhibits are available within the examination. Strategic Business Leader is an exam based on one main business scenario which involves candidates completing several tasks within which additional material may be introduced. All questions are compulsory, and each examination will contain a total of 80 technical marks and 20 Professional Skills marks.

Strategic Business Reporting is a three-hour 15 minutes exam. It contains two sections and all questions are compulsory. This exam contains four professional marks.

Options:

The Strategic Professional Options are all three hours and 15 minutes computer-based exams. All contain two sections and all questions are compulsory.

From September 2022, AFM, APM and AAA will contain a total of 80 technical marks and 20 Professional Skills marks.

From June 2023, ATX will similarly contain a total of 80 technical marks and 20 Professional Skills marks.

The question types used at Strategic Professional require students to effectively mimic what they would do in the workplace. These exams offer ACCA the opportunity to focus on the application of knowledge to scenarios, using a range of tools including word processor, spreadsheets and presentation slides - not only enabling students to demonstrate their technical and professional skills but also their use of the technology available to today's accountants.

Time management

ACCA encourages students to take time to read questions carefully and to plan answers but once the exam time has started, there are no additional restrictions as to when candidates may start producing their answer.

Time should be taken to ensure that all the information and exam requirements are properly read and understood.

5. Guide to ACCA examination assessment

ACCA reserves the right to examine anything contained within the study guide. This includes knowledge, techniques, principles, theories, and concepts as specified. For the financial accounting, audit and assurance, law and tax exams except where indicated otherwise, ACCA will publish *examinable documents* once a year to indicate exactly what regulations and legislation could potentially be assessed within identified examination sessions.

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

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

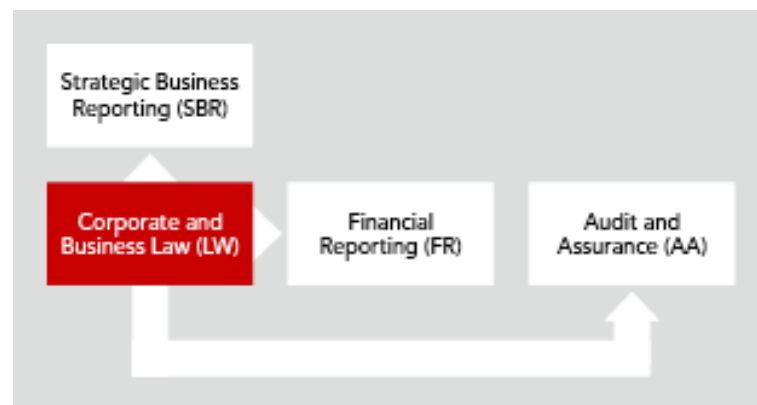
The term issued or passed relates to when regulation or legislation has been formally approved.

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

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

6. Relational diagram linking Corporate and Business Law (SGP) with other exams

This diagram shows links between this exam and other exams preceding or following it. Some exams are directly underpinned by other exams. This diagram indicates where students are expected to have underpinning knowledge and where it would be useful to review previous learning before undertaking study.



7. Approach to examining the syllabus

Examination Structure

The examination consists of:

Section A

25 x 2 mark objective test questions	50%
20 x 1 mark objective test questions	20%

Section B

5 x 6 mark constructed response questions	<u>30%</u>
	<u>100%</u>

All questions are compulsory.

Note on case law and legislation

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

8. Introduction to the syllabus

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

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

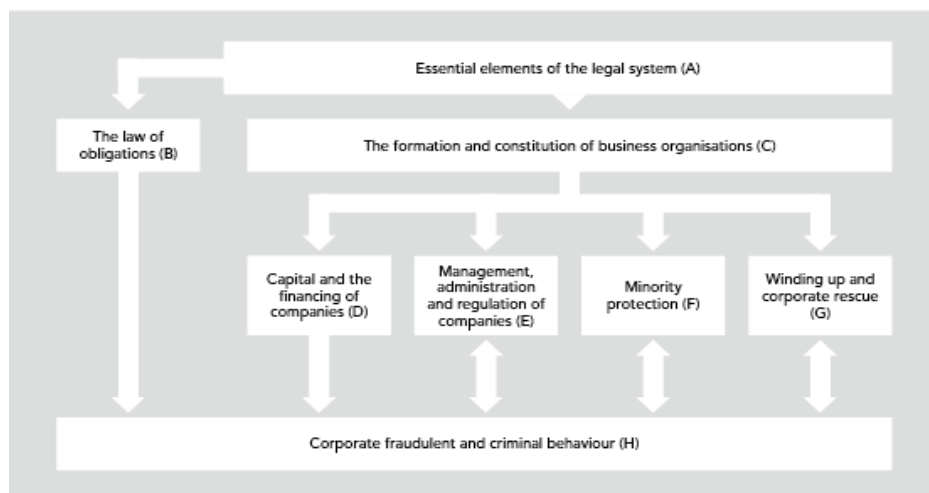
The syllabus then covers a range of specific legal areas relating to various aspects of business of most concern to finance professionals. These are the law relating to business organisations and companies. These laws include the formation and constitution of companies, the financing of companies and types of capital, and the day-to-day management, the administration and regulation of companies, minority protection, and winding up and corporate rescue.

The final section links back to all the previous areas. This section deals with corporate fraudulent and criminal behaviour.

9. Main capabilities

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

- A** Identify the essential elements of the legal system including the main sources of law
- B** Recognise and apply the appropriate legal rules relating to the law of obligations
- C** Distinguish between alternative forms and constitutions of business organisations
- D** Recognise and compare types of capital and the financing of companies
- E** Describe and explain how companies are managed, administered and regulated
- F** Recognise and apply the appropriate legal rules relating to minority protection
- G** Recognise the legal implications relating to winding up and corporate rescue
- H** Demonstrate an understanding of corporate fraudulent and criminal behaviour



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

10. The syllabus

A Essential elements of the legal systems

1. Law and the legal system
2. Sources of law

B The law of obligations

1. Formation of contract
2. Content of contracts
3. Vitiating factors
4. Discharge of contract, breach of contract and remedies
5. The law of torts and professional negligence

C The formation and constitution of business organisations

1. General partnership and limited liability partnership
2. Companies and legal personality
3. The formation and constitution of a company

D Capital and the financing of companies

1. Share capital
2. Loan capital
3. Creditor protection

E Management, administration and regulation of companies

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

F Minority protection

1. Minority rights

G Winding up and corporate rescue

1. Winding up
2. Corporate rescue

H Corporate fraudulent and criminal behaviour

1. Fraudulent and criminal behaviour

11. Detailed Study Guide

A Essential elements of the legal system

1. Law and the legal system

- a) Explain the basic hierarchy and operation of the courts.^[1]
- b) Explain the reception of English law in Singapore.^[1]

2. Sources of law

- a) Explain what is meant by case law and precedent.^[1]
- b) Explain legislation and subsidiary legislation.^[1]
- c) Illustrate the rules and presumptions used by the courts in interpreting statutes.^[1]

B The law of obligations

1. Formation of contract

- a) Analyse the nature of a simple contract.^[2]
- b) Explain the meaning of an offer and distinguish it from an invitation to treat.^[2]
- c) Explain termination of an offer.^[2]
- d) Explain the meaning and consequence of acceptance.^[2]
- e) Explain the meaning of and the need for consideration.^[2]
- f) Explain adequacy and sufficiency of consideration.^[2]
- g) Analyse the doctrine of privity.^[2]
- h) Distinguish the presumptions relating to intention to create legal relations.^[2]

2. Content of contracts

- a) Distinguish between a term and a representation.^[2]
- b) Define the effect of contractual term, namely a condition, a warranty and an innominate term.^[2]
- c) Explain the effect of an exclusion clause and evaluate how the law controls its use.^[2]

3. Vitiating factors

- a) Explain the meaning of misrepresentation.^[2]
- b) Distinguish between the types of misrepresentation, namely, fraudulent, negligent and innocent misrepresentation and their consequences.^[2]
- c) Explain the meaning of restraint of trade.^[2]
- d) Explain the effect of a restraint of trade clause on a contract and how the law controls its use.^[2]

4. Discharge of contract, breach of contract and remedies

- a) Explain the meaning and effect of discharge of contract by performance.^[2]
- b) Explain the meaning and effect of breach of contract.^[2]
- c) Explain the rules relating to the award of damages.^[2]
- d) Analyse the equitable remedies for breach of contract.^[2]

5. The law of torts and professional negligence

- a) Identify requirements to prove the tort of 'passing off'.^[2]
- b) Identify requirements to prove the tort of negligence.^[2]

- c) Explain the test to determine if duty of care exists.^[2]
 - d) Explain the rule to determine if the duty of care has been breached.^[2]
 - e) Explain the rules to determine causation and remoteness of damage.^[2]
 - f) Application of the tort of negligence to accountants and auditors.^[2]
 - g) Discuss defences to actions in negligence.^[1]
- C The formation and constitution of business organisations**
- 1. General partnership and limited liability partnership**
- a) Distinguish between sole proprietorships, general partnerships, limited liability partnerships and companies.^[1]
 - b) Explain how a general partnership and a limited liability partnership is formed and constituted.^[2]
 - c) Explain the authority of a partner to bind the general partnership and limited liability partnership.^[2]
 - d) Analyse the personal liability of partners in a general partnership and limited liability partnership.^[2]
 - e) State how a general partnership and limited liability partnership is terminated, and their partners' subsequent rights and liabilities.^[1]
- 2. Companies and legal personality**
- a) Explain the meaning and effect of limited liability.^[2]
 - b) Define different types of companies, namely, private and public companies, companies limited by shares and by guarantee, limited and unlimited liability companies.^[1]
 - c) Define related companies.^[1]
 - d) Define a small company and a small group and explain its implication in terms of exemption from statutory audit.^[2]
 - e) Explain the implications of a company having a separate legal personality.^[2]
 - f) Recognise instances where the corporate veil will be lifted.^[2]
 - g) Explain the authority of the executive officers and individual directors to bind the company.^[2]
 - h) Explain the differences between actual (express or implied) authority and apparent/ostensible authority of an agent of a company.^[2]
 - i) Define the capacity and powers of a company.^[1]
- 3. The formation and constitution of a company**
- a) State the registers, records and returns that companies must keep or make and the electronic register of members kept by Registrar.^[1]
 - b) Explain how the constitution may be altered.^[2]
 - c) Explain the legal effect of the constitution.^[2]
- D Capital and the financing of companies**
- 1. Share capital**
- a) Examine the differences between share capital and loan capital and the different rights of shareholders and debenture holders.^[2]

- b) Illustrate the different types of shares, namely, ordinary shares, preference shares and treasury shares.^[1]
- c) Outline the procedure to allot and issue shares of a private company.^[1]
- d) Explain the procedure for variation of class rights.^[2]
- e) Explain the procedure for conversion of classes of shares.^[2]

2. Loan capital

- a) State the company's capacity to borrow.^[1]
- b) Explain the meaning and types of debenture.^[2]
- c) Explain the nature of a charge.^[2]
- d) Explain the differences between a fixed and a floating charge.^[2]
- e) Describe the need and the procedure for registering of charges and the effect of non-registration.^[2]

3. Creditor protection

- a) Outline the procedure to reduce capital.^[2]
- b) State the types of share buy-back and outline the procedure to effect a share buy-back.^[2]
- c) Explain the rules governing how and when dividends may be paid.^[2]
- d) Explain the requirement of solvency in share buy-back and capital reduction situations.^[2]

E Management, administration and regulation of companies

1. Company directors

- a) State the role of directors in the operation of a company, and the different types of directors, namely, executive/non-executive, alternate, de facto and shadow directors.^[1]
- b) Discuss the ways in which directors are appointed, can lose their office and be disqualified.^[2]
- c) Analyse the division of powers of the board of directors and the general meeting.^[2]
- d) Explain the duties that directors and chief executive officers owe to their companies, namely, duty to act bona fide in the interests of the company, duty to avoid conflict of interests, and duty of care, both at general law and under legislation.^[2]
- e) Explain the consequences of breach of directors' duties and the remedies available to the company.^[2]

2. Other company officers

- a) Discuss the appointment procedure relating to, and the duties and powers of, a company secretary.^[2]
- b) Discuss the appointment procedure relating to, and the duties and powers of a company auditor, and their subsequent removal or resignation.^[2]

3. Company meetings and resolutions

- a) Distinguish between types of meetings: annual general meetings and extraordinary general meetings.^[1]

- b) State the rules that govern when the annual general meeting must be held and how a private company may dispense with the annual general meeting; the convening and conduct of general meetings, namely, notice of meeting, special notice of resolutions, quorum, chairperson, minutes of general meetings.^[1]
- c) Distinguish between types of resolutions: ordinary, special, and written.^[1]

F Minority protection

1. Minority rights

- a) Explain the members' right to apply for relief if they are treated unfairly.^[2]
- b) Explain the members' right to apply to wind up the company on the 'just and equitable' ground.^[2]
- c) Explain the members' right to enforce corporate rights in a derivative action.^[2]

G Winding up and corporate rescue

1. Winding up

- a) Explain the meaning of and procedure involved in voluntary winding up, namely, members' and creditors' voluntary winding up.^[2]

- b) Explain the meaning of, the grounds for, and the procedure involved in winding up by the court.^[2]
- c) Explain the order in which company debts will be paid off on winding up.^[2]

2. Corporate rescue

- a) Outline the procedure to be complied with to effect a scheme of arrangement.^[2]
- b) Outline the requirements to be complied with to obtain a judicial management order.^[2]
- c) Explain the advantages and disadvantages of a scheme of arrangement and judicial management.^[2]

H Corporate fraudulent and criminal behaviour

1. Fraudulent and criminal behaviour

- a) Explain the nature and legal control of insider trading.^[2]
- b) Explain the nature and legal control of market conduct, namely, creation of false trading, market rigging, and market manipulation.^[2]
- c) Explain the nature and legal control of corruption.^[2]
- d) Explain the nature and legal control of fraudulent trading and wrongful trading.^[2]

12. Summary of changes to Corporate and Business Law (LW-SGP)

ACCA periodically reviews its qualification syllabuses so that they fully meet the needs of stakeholders such as employers, students, regulatory and advisory bodies and learning providers.

There have been no additions to, or deletions from, the topics in the syllabus.

A significant number of provisions in the Companies Act have migrated to the Insolvency, Restructuring and Dissolution Act (IRDA). The following sections of the syllabus :

- 1) Fb) on winding up on the just and equitable ground;
- 2) G1 on winding up and G2 corporate rescue; and
- 3) H1d) on fraudulent and wrongful trading

will comprise the law as set out in IRDA.

13. Reading List

Introduction to Business Law in Singapore by Ravi Chandran, McGraw-Hill Education, 2020 : a textbook that supports gaining knowledge of Sections A and B

<https://www.acra.gov.sg/how-to-guides/before-you-start/choosing-a-business-structure>: website that supports gaining knowledge of Section C1.

[https://www.acra.gov.sg/docs/default-source/default-document-library/how-to-guides/before-you-start/comparisons-of-business-entities-\(jan-2019\).pdf](https://www.acra.gov.sg/docs/default-source/default-document-library/how-to-guides/before-you-start/comparisons-of-business-entities-(jan-2019).pdf) : website that supports gaining knowledge of Section C1.

<https://www.singaporelawwatch.sg/About-Singapore-Law/Commercial-Law>:

1)Chapter 8 Law of Contract (with a focus on sections 1 to 5,7, 8, 10, 12 and 13): supports gaining knowledge of Sections A and B

2)Chapter 14 Forms of Business Organisations (with a focus on sections 1 to 3, 5 and 6): supports gaining knowledge of Section C1 and C2

3)Chapter 15 Law of Agency (with a focus on sections 1 to 4): supports gaining knowledge of Section C2 g and h

4)Chapter 16 Company Law: supports gaining knowledge of Sections C2, D, E1, F and G.

5)Chapter 17 Corporate Finance and Securities Regulation (with a focus on section 6 Fraud, Market Manipulation and Insider Trading) : supports gaining knowledge of Section H1 a and b

6)Chapter 20 Law of Negligence: supports gaining knowledge of Section B5

7)Chapter 22 Banking and Finance (with a focus on section 5 Charges): supports gaining knowledge of Section D2

8)Chapter 30 Bankruptcy and Insolvency (with a focus on sections 1, 2, 4 and 5): supports gaining knowledge of Section G

Commercial Applications of Company Law in Singapore, Wolters Kluwer Singapore, 2018: supports gaining knowledge of Sections C to H

<https://www.cpib.gov.sg/about-corruption/definition-of-corruption> ;

<https://www.cpib.gov.sg/about-corruption/prevention-of-corruption-act> : websites which supports gaining knowledge of Section H1c



ACCA

Performance Management (PM)

Syllabus and study guide

September 2022 to June 2023

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

Think Ahead

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1. Intellectual levels

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

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

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

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

Each subject area in the detailed study guide included in this document is given a 1, 2, or 3 superscript, denoting intellectual level, marked at the end of each relevant learning outcome. This gives an indication of the intellectual depth at which an area could be assessed within the examination. However, while level 1 broadly equates with Applied Knowledge, level 2 equates to Applied Skills and level 3 to Strategic Professional, some lower level skills can continue to be assessed as the student progresses through each level. This reflects that at each stage of study there will be a requirement to broaden, as well as deepen capabilities. It is also possible that occasionally some higher level capabilities may be assessed at lower levels.

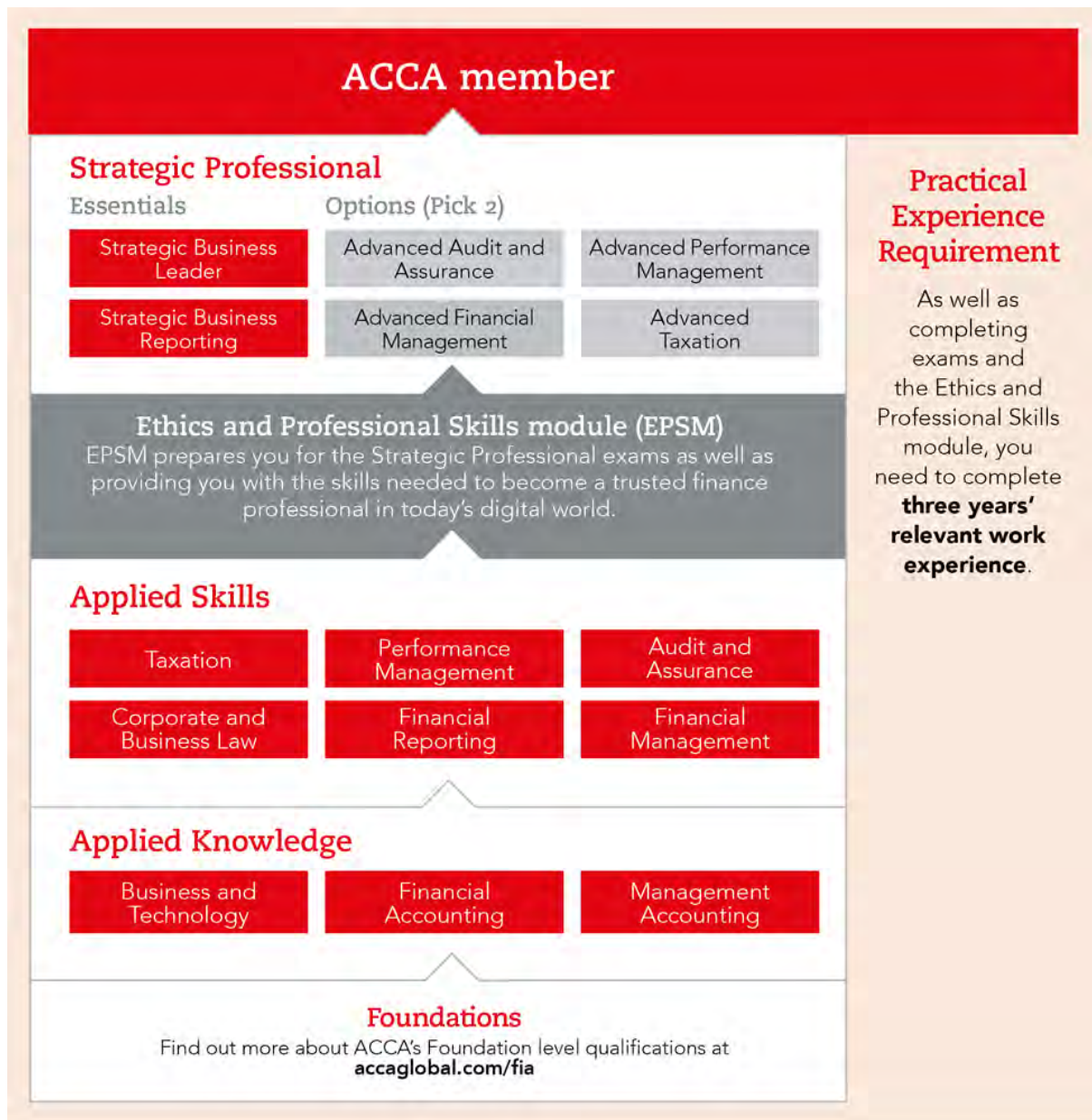
2. Learning hours and education recognition

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

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

Each syllabus is organised into main subject area headings which are further broken down to provide greater detail on each area.

3. The structure of ACCA qualification



*See accaglobal.com for details

4. Guide to ACCA examination structure and delivery mode

The pass mark for all ACCA Qualification examinations is 50%.

The structure and delivery mode of examinations varies.

Applied Knowledge

The Applied Knowledge examinations contain 100% compulsory questions to encourage candidates to study across the breadth of each syllabus. These are assessed by a two-hour computer based examination.

Applied Skills

The Corporate and Business Law exam is a two-hour computer-based objective test examination for English and Global.

For the format and structure of the Corporate and Business Law or Taxation variant exams, refer to the 'Approach to examining the syllabus' section of the relevant syllabus and study guide.

The other Applied Skills examinations (PM, TX-UK, FR, AA, and FM) contain a mix of objective and longer type questions with a duration of three hours for 100 marks. These are assessed by a three hour computer-based exam. Prior to the start of each exam there will be time allocated for students to be informed of the exam instructions.

The longer (constructed response) question types used in the Applied Skills exams (excluding Corporate and Business Law) require students to effectively mimic what they do in the workplace. Students will need to use a range of digital skills and demonstrate their ability to use spread sheets and word processing tools in producing their answers, just as they would use these tools in the workplace. These assessment methods allow ACCA to focus on testing students' technical and application skills, rather than, for example, their ability to perform simple calculations.

Strategic Professional Essentials:

Strategic Business Leader is ACCA's case study examination at Strategic Professional and is examined as a closed book exam of four hours, including reading, planning and reflection time which can be used flexibly within the examination. There is no pre-seen information and all exam related material, including case information and exhibits are available within the examination. Strategic Business Leader is an exam based on one main business scenario which involves candidates completing several tasks within which additional material may be introduced. All questions are compulsory and each examination will contain a total of 80 technical marks and 20 Professional Skills marks.

Strategic Business Reporting is a three-hour 15 minutes exam. It contains two sections and all questions are compulsory. This exam contains four professional marks.

Options:

The Strategic Professional Options are all three hours and 15 minutes computer-based exams. All contain two sections and all questions are compulsory.

From September 2022, AFM, APM and AAA will contain a total of 80 technical marks and 20 Professional Skills marks.

From June 2023, ATX will similarly contain a total of 80 technical marks and 20 Professional Skills marks.

The question types used at Strategic Professional require students to effectively mimic what they would do in the workplace. These exams offer ACCA the opportunity to focus on the application of knowledge to scenarios, using a range of tools including word processor, spreadsheets and presentation slides - not only enabling students to demonstrate their technical and professional skills but also their use of the technology available to today's accountants.

Time management

ACCA encourages students to take time to read questions carefully and to plan answers but once the exam time has started, there are no additional restrictions as to when candidates may start producing their answer.

Time should be taken to ensure that all the information and exam requirements are properly read and understood.

5. Guide to ACCA examination assessment

ACCA reserves the right to examine any learning outcome contained within the study guide. This includes knowledge, techniques, principles, theories, and concepts as specified. For the financial accounting, audit and assurance, law and tax exams except where indicated otherwise, ACCA will publish *examinable documents* once a year to indicate exactly what regulations and legislation could potentially be assessed within identified examination sessions.

For most examinations (not tax), regulations **issued** or legislation **passed** on or before 31 August annually, will be examinable from 1 September of the following year to 31 August of the year after that. Please refer to the examinable documents for the exam (where relevant) for further information.

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

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

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

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

For **UK** tax exams, examinations falling within the period 1 June to 31 March will generally examine the Finance Act which was passed in the previous year. Therefore, exams falling in the period 1 June 2022 to 31 March 2023 will examine the Finance Act

2021 and any examinable legislation which is passed outside of the Finance Act before 31 May 2021.

For additional guidance on the examinability of specific tax rules and the depth in which they are likely to be examined, reference should be made to the relevant Finance Act article written by the examining team and published on the ACCA website.

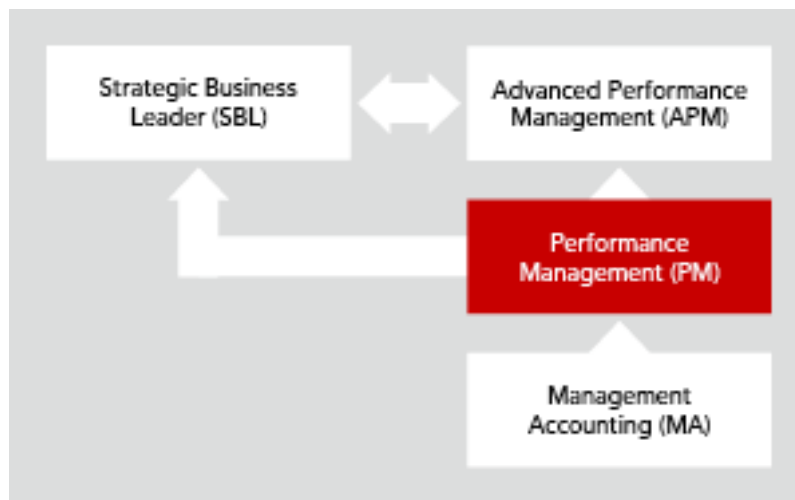
None of the current or impending devolved taxes for Scotland, Wales, and Northern Ireland is, or will be, examinable.

Additional clarification regarding the impact of the UK leaving the European Union (EU)

For exams in the period 1 June 2021 to 31 March 2022, it will be assumed that the EU acquisition rules continue to apply.

6. Relational diagram linking Performance Management (PM) with other exams

This diagram shows links between this exam and other exams preceding or following it. Some exams are directly underpinned by other exams such as Advanced Performance Management by Performance Management. This diagram indicates where students are expected to have underpinning knowledge and where it would be useful to review previous learning before undertaking study.



7. Approach to examining the syllabus

The syllabus is assessed by a three-hour computer-based examination. Prior to the start of the exam candidates are given an extra 10 minutes to read the exam instructions.

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

Candidates are provided with a formulae sheet.

Section A of the exam comprises 15 objective test questions of 2 marks each.

Section B of the exam comprises of three case style questions. These each contain five objective test questions of two marks each which are based around a common scenario.

Section C of the exam comprises two 20 mark constructed response questions. The two 20-mark questions will come from the decision-making techniques, budgeting and control and/or performance measurement and control areas of the syllabus. These questions may also include requirements related to the information systems area of the syllabus. The section A questions and the questions in section B can cover any areas of the syllabus.

Total 100 marks

8. Introduction to the syllabus

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

The syllabus for Performance Management (PM), builds on the knowledge gained in Management Accounting (MA) and seeks to examine candidates' understanding of how to manage the performance of a business. It also prepares candidates for more specialist capabilities which are covered in Advanced Performance Management (APM).

The syllabus begins by focusing on the information needs, technologies and systems required by organisations to manage and measure performance in the modern, competitive environment. It is vital for an accountant to understand how information systems and developments in technology influence the management accounting techniques employed and how vital information systems are in the mechanisms of managing and controlling an organisation.

The syllabus then introduces more specialised costing and management accounting topics. There is some knowledge assumed from Management Accounting (MA) – primarily overhead treatments. The objective here is to ensure candidates have a broader background in management accounting techniques.

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

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

Standard costing and variances are then built on. All the variances examined in Management Accounting (MA) are assumed knowledge in Performance Management (PM). Mix and yield variances and planning and operational variances are explored here, and the link is made to performance management. It is important for accountants to be able to interpret the numbers that they calculate and discuss what they mean in the context of performance.

The syllabus concludes with performance measurement and control. This is a major area of the syllabus. Accountants should appreciate the importance of both financial and non-financial performance measures in management and should also appreciate the difficulties in assessing performance in divisionalised businesses and the problems caused by failing to consider external influences on performance. This section leads directly to Advanced Performance Management (APM).

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

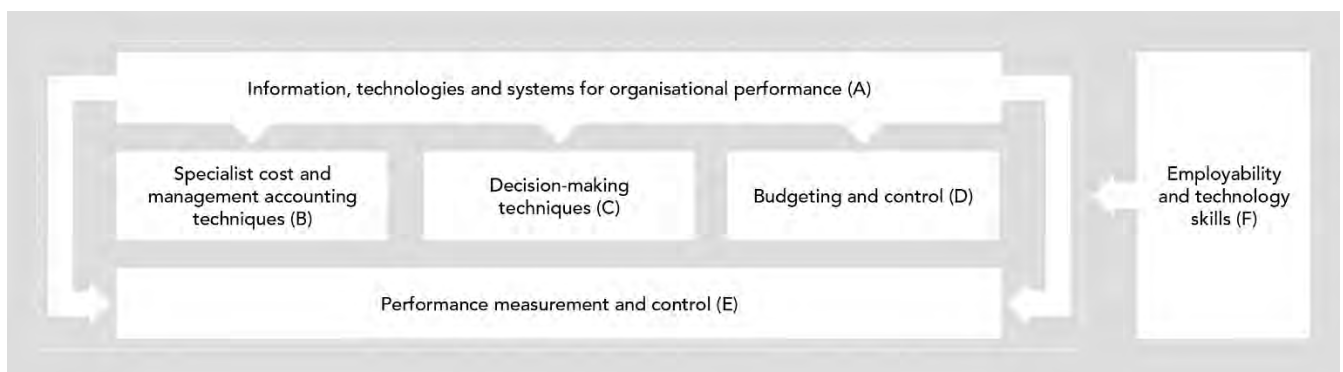
Section F of the syllabus contains outcomes relating to the demonstration of appropriate digital and employability skills in preparing for and taking the PM examination. This includes being

able to interact with different question item types, manage information presented in digital format and being able to use the relevant functionality and technology to prepare and present response options in a professional manner. These skills are specifically developed by practicing and preparing for the PM examination, using the learning support content for computer-based examinations available via the practice platform and the ACCA website and will need to be demonstrated during the live examination.

9. Main capabilities

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

- A Identify and discuss the information, systems and developments in technology required for organisations to manage and measure performance.
- B Explain and apply cost and management accounting techniques.
- C Select and appropriately apply decision-making techniques to facilitate business decisions and promote efficient and effective use of scarce business resources, appreciating the risks and uncertainty inherent in business and controlling those risks.
- D Identify and apply appropriate budgeting techniques, including quantitative techniques, and methods for planning and control and use standard costing systems to measure and control business performance and to identify remedial action.
- E Assess the performance of an organisation from both a financial and non-financial viewpoint, appreciating the problems of controlling divisionalised businesses and the importance of allowing for external aspects.
- F Demonstrate required employability and technology skills.



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

10. The syllabus

A Information, technologies and systems for organisational performance

1. Managing information
2. Sources of information
3. Information systems and data analytics

B Specialist cost and management accounting techniques

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

C Decision-making techniques

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

D Budgeting and control

1. Budgetary systems and types of budget
2. Quantitative techniques
3. Standard costing
4. Material mix and yield variances
5. Sales mix and quantity variances

6. Planning and operational variances

7. Performance analysis

E Performance measurement and control

1. Performance analysis in private sector organisations
2. Divisional performance and transfer pricing
3. Performance analysis in not-for-profit organisations and the public sector
4. External considerations and the impact on performance

F Employability and technology skills

1. Use computer technology to efficiently access and manipulate relevant information.
2. Work on relevant response options, using available functions and technology, as would be required in the workplace.
3. Navigate windows and computer screens to create and amend responses to exam requirements, using the appropriate tools.
4. Present data and information effectively, using the appropriate tools.

11. Detailed study guide

A Information, technologies and systems for organisational performance

1. Managing information

- a) Explain the role of information systems in organisations.^[2]
- b) Discuss the costs and benefits of information systems.^[2]
- c) Explain the uses of the internet, intranet, wireless technology and networks.^[2]
- d) Discuss the principal controls required in generating and distributing internal information.^[2]
- e) Discuss the controls and procedures which may be necessary to ensure the security of highly confidential information that is not for external consumption.^[2]

2. Sources of information

- a) Identify the principal internal and external sources of management accounting information.^[2]
- b) Demonstrate how these principal sources of management information might be used for control purposes.^[2]
- c) Identify and discuss the direct data capture and costs of management accounting information.^[2]
- d) Identify and discuss the indirect costs of producing information.^[2]

3. Information systems and data analytics

- a) Identify the accounting information requirements and describe the different types of information systems used for strategic planning, management control

and operational control and decision-making.^[2]

- b) Define and discuss the main characteristics of transaction processing systems; management information systems; executive information systems; enterprise resource planning systems and customer relationship management systems.^[2]
- c) Describe the characteristics (volume, velocity, variety, veracity and value) of big data.^[2]
- d) Explain the purpose of the big data pyramid (data, information, knowledge, wisdom).^[2]
- e) Explain the uses and benefits of big data, data mining and data analytics, e.g. predictive analytics for planning, costing, decision-making and performance management.^[2]
- f) Discuss the challenges and risks of implementing and using big data and data analytics in an organisation.^[2]

B Specialist cost and management accounting techniques

1. Activity-based costing (ABC)

- a) Identify appropriate cost drivers under ABC.^[1]
- b) Calculate costs per driver and per unit using ABC.^[2]
- c) Compare ABC and traditional methods of overhead absorption based on production units, labour hours or machine hours.^[2]

2. Target costing

- a) Derive a target cost in manufacturing and service industries.^[2]
- b) Explain the difficulties of using target costing in service industries.^[2]

- c) Suggest how a target cost gap might be closed.^[2]

3. Life-cycle costing

- a) Identify the costs involved at different stages of the life-cycle.^[2]
- b) Derive a life-cycle cost or profit in manufacturing and service industries.^[2]
- c) Identify the benefits of life-cycle costing.^[2]

4. Throughput accounting

- a) Discuss and apply the theory of constraints.^[2]
- b) Calculate and interpret a throughput accounting ratio (TPAR).^[2]
- c) Suggest how a TPAR could be improved.^[2]
- d) Apply throughput accounting to a multi-product decision-making problem.^[2]

5. Environmental accounting

- a) Discuss the issues organisations face in the management of environmental costs.^[1]
- b) Describe the different methods an organisation may use to account for its environmental costs.^[1]

C Decision-making techniques

1. Relevant cost analysis

- a) Explain the concept of relevant costing.^[2]
- b) Identify and calculate relevant costs for specific decision situations from given data.^[2]
- c) Explain and apply the concept of opportunity costs.^[2]

2. Cost volume profit analysis (CVP)

- a) Explain the nature of CVP analysis.^[2]

- b) Calculate and interpret the break-even point and margin of safety.^[2]

- c) Calculate the contribution to sales ratio, in single and multi-product situations, and demonstrate an understanding of its use.^[2]
- d) Calculate target profit or revenue in single and multi-product situations and demonstrate an understanding of its use.^[2]
- e) Interpret break-even charts and profit-volume charts and interpret the information contained within each, including multi-product situations.^[2]
- f) Discuss the limitations of CVP analysis for planning and decision-making.^[2]

3. Limiting factors

- a) Identify limiting factors in a scarce resource situation and select an appropriate technique.^[2]
- b) Determine the optimal production plan where an organisation is restricted by a single limiting factor, including within the context of make-or-buy decisions.^[2]
- c) Formulate and solve multiple scarce resource problems using both linear programming graphs and using simultaneous equations as appropriate.^[2]
- d) Explain and calculate shadow prices (dual prices) and discuss their implications for decision-making and performance management.^[2]

- e) Calculate slack and explain the implications of the existence of slack for decision-making and performance management.^[2]
(Excluding simplex and sensitivity to changes in objective functions)

4. Pricing decisions

- a) Explain the factors that influence the pricing of a product or service.^[2]

- b) Calculate and explain the price elasticity of demand.^[1]
- c) Derive and manipulate a straight line demand equation. Derive an equation for the total cost function (including volume-based discounts).^[2]
- d) Calculate the optimum selling price and quantity for a product, equating marginal cost and marginal revenue.^[2]
- e) Evaluate a decision to increase production and sales levels, considering incremental costs, incremental revenues and other factors.^[2]
- f) Determine prices and output levels for profit maximisation using the demand-based approach to pricing (both tabular and algebraic methods).^[2]
- g) Explain different price strategies, including:^[2]
 - i) All forms of cost-plus
 - ii) Skimming
 - iii) Penetration
 - iv) Complementary product
 - v) Product-line
 - vi) Volume discounting
 - vii) Discrimination
 - viii) Relevant cost
- h) Calculate a price from a given strategy using cost-plus and relevant cost.^[2]

5. Make-or-buy and other short-term decisions

- a) Explain the issues surrounding make-or-buy and outsourcing decisions.^[2]
- b) Calculate and compare “make” costs with “buy-in” costs.^[2]
- c) Compare in-house costs and outsource costs of completing tasks and consider other issues surrounding this decision.^[2]
- d) Apply relevant costing principles in situations involving shut down, one-off contracts and the further processing of joint products.^[2]

6. Dealing with risk and uncertainty in decision-making

- a) Suggest research techniques to reduce uncertainty e.g. focus groups, market research.^[2]
- b) Explain the use of simulation, expected values and sensitivity.^[1]
- c) Apply expected values and sensitivity to decision-making problems.^[2]
- d) Apply the techniques of maximax, maximin, and minimax regret to decision-making problems including the production of profit tables.^[2]
- e) Interpret a decision tree and use it to solve a multi-stage decision problem.^[2]
- f) Calculate the value of perfect and imperfect information.^[1]

D Budgeting and control

1. Budgetary systems and types of budget

- a) Explain how budgetary systems fit within the performance hierarchy.^[2]
- b) Select and explain appropriate budgetary systems for an organisation, including top-down, bottom-up, rolling, zero-based, activity-based, incremental and feed-forward control.^[2]
- c) Describe the information used in budget systems and the sources of the information needed.^[2]
- d) Indicate the usefulness and problems with different budget types (including fixed, flexible, zero-based, activity-based, incremental, rolling, top-down, bottom-up, master, functional).^[2]
- e) Prepare flexed budgets, rolling budgets and activity-based budgets.^[2]
- f) Explain the beyond budgeting model, including the benefits and problems that

may be faced if it is adopted in an organisation.^[2]

- g) Discuss the issues surrounding setting the difficulty level for a budget.^[2]
- h) Explain the benefits and difficulties of the participation of employees in the negotiation of targets.^[2]
- i) Explain the difficulties of changing a budgetary system or type of budget used.^[2]
- j) Explain how budget systems can deal with uncertainty in the environment.^[2]

2. Quantitative techniques

- a) Analyse fixed and variable cost elements from total cost data using high/low method.^[1]
- b) Explain and apply analysis techniques including correlation, regression and time series.^[2]
- c) Estimate the learning rate and learning effect.^[2]
- d) Apply the learning curve model to a budgetary problem, including calculations on steady states ^[2]
- e) Discuss the benefits and limitations of correlation, regression and time series techniques, and, also the reservations with the learning curve model.^[2]

3. Standard costing

- a) Explain the use of standard costs.^[2]
- b) Outline the methods used to derive standard costs and discuss the different types of cost possible.^[2]
- c) Explain and illustrate the importance of flexing budgets in performance management.^[2]
- d) Explain and apply the principle of controllability in the performance management system.^[2]

4. Material mix and yield variances

- a) Calculate, identify the cause of, and explain material mix and yield variances.^[2]
- b) Explain the wider issues involved in changing material mix e.g. cost, quality and performance measurement issues.^[2]
- c) Identify and explain the relationship of the material usage variance with the material mix and yield variances.^[2]
- d) Suggest and justify alternative methods of controlling production processes.^[2]

5. Sales mix and quantity variances

- a) Calculate, identify the cause of, and explain sales mix and quantity variances.^[2]
- b) Identify and explain the relationship of the sales volume variances with the sales mix and quantity variances.^[2]

6. Planning and operational variances

- a) Calculate a revised budget.^[2]
- b) Identify and explain those factors that could and could not be allowed to revise an original budget.^[2]
- c) Calculate, identify the cause of and explain planning and operational variances for: ^[2]
 - i) sales, including market size and market share;
 - ii) materials;
 - iii) labour, including the effect of the learning curve.
- d) Explain and discuss the manipulation issues involved in revising budgets.^[2]

7. Performance analysis

- a) Analyse and evaluate past performance using the results of variance analysis.^[2]

- b) Use variance analysis to assess how future performance of an organisation can be improved.^[2]
- c) Identify the factors which influence behaviour.^[2]
- d) Discuss the effect that variances have on staff motivation and action.^[2]
- e) Describe the dysfunctional nature of some variances in the modern environment of JIT and TQM.^[2]
- f) Discuss the behavioural problems resulting from using standard costs in rapidly changing environments.^[2]

E Performance measurement and control

1. Performance analysis in private sector organisations

- a) Describe, calculate and interpret financial performance indicators (FPIs) for profitability, liquidity and risk in both manufacturing and service organisations. Suggest methods to improve these measures.^[2]
- b) Describe, calculate and interpret non-financial performance indicators (NFPIs) and suggest methods to improve the performance indicated.^[2]
- c) Analyse past performance and suggest ways for improving financial and non-financial performance.^[2]
- d) Explain the causes and problems created by short-termism and financial manipulation of results and suggest methods to encourage a long-term view.^[2]
- e) Explain and interpret the Balanced Scorecard, and the Building Block model proposed by Fitzgerald and Moon.^[2]
- f) Discuss the difficulties of target setting in qualitative areas.^[2]

2. Divisional performance and transfer pricing

- a) Explain and illustrate the basis for setting a transfer price using variable cost, full cost and the principles behind allowing for intermediate markets.^[2]
- b) Explain how transfer prices can distort the performance assessment of divisions and decisions made.^[2]
- c) Explain the meaning of, and calculate, Return on Investment (ROI) and Residual Income (RI), and discuss their shortcomings.^[2]
- d) Compare divisional performance and recognise the problems of doing so.^[2]

3. Performance analysis in not-for-profit organisations and the public sector

- a) Comment on the problems of having non-quantifiable objectives in performance management.^[2]
- b) Comment on the problems of having multiple objectives in not-for-profit organisations and the public sector.^[2]
- c) Explain how performance could be measured in not-for-profit organisations and the public sector.^[2]
- d) Outline Value for Money (VFM) as a public sector objective.^[1]
- e) Describe, calculate and interpret non-financial performance indicators (NFPIs) and suggest methods to improve the performance indicated.^[2]
- f) Discuss the difficulties of target setting in qualitative areas.^[2]
- g) Analyse past performance and suggest ways for improving financial and non-financial performance.^[2]
- h) Explain the causes and problems created by short-termism and financial manipulation of results and

suggest methods to encourage a long-term view.^[2]

4. External considerations and the impact on performance

- a) Explain the need to allow for external considerations in performance management, including stakeholders, market conditions and allowance for competitors.^[2]
- b) Suggest ways in which external considerations could be allowed for in performance management.^[2]
- c) Interpret performance in the light of external considerations.^[2]

F Employability and technology skills

- 1. Use computer technology to efficiently access and manipulate relevant information.**
- 2. Work on relevant response options, using available functions and technology, as would be required in the workplace.**
- 3. Navigate windows and computer screens to create and amend responses to exam requirements, using the appropriate tools.**
- 4. Present data and information effectively, using the appropriate tools.**

12. Summary of changes to Performance Management (PM)

ACCA periodically reviews its qualification syllabuses so that they fully meet the needs of stakeholders such as employers, candidates, regulatory and advisory bodies and learning providers.

The main areas of change to the PM syllabus are summarised in the table below.

	Section and subject area	Syllabus content
C4	Pricing decisions	C4d has been reworded to change organisation to product.
E3	Performance analysis in not-for-profit organisations and the public sector	E3b and c have been reworded to specifically include not-for-profit organisations and the public sector.



ACCA

Taxation – Singapore (TX-SGP)

Syllabus and study guide

June and December 2022

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

Think Ahead

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1. Intellectual levels

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

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

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

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

Each subject area in the detailed study guide included in this document is given a 1, 2, or 3 superscript, denoting intellectual level, marked at the end of each relevant learning outcome. This gives an indication of the intellectual depth at which an area could be assessed within the examination. However, while level 1 broadly equates with Applied Knowledge, level 2 equates to Applied Skills and level 3 to Strategic Professional, some lower level skills can continue to be assessed as the student progresses through each level. This reflects that at each stage of study there will be a requirement to broaden, as well as deepen capabilities. It is also possible that occasionally some higher level capabilities may be assessed at lower levels.

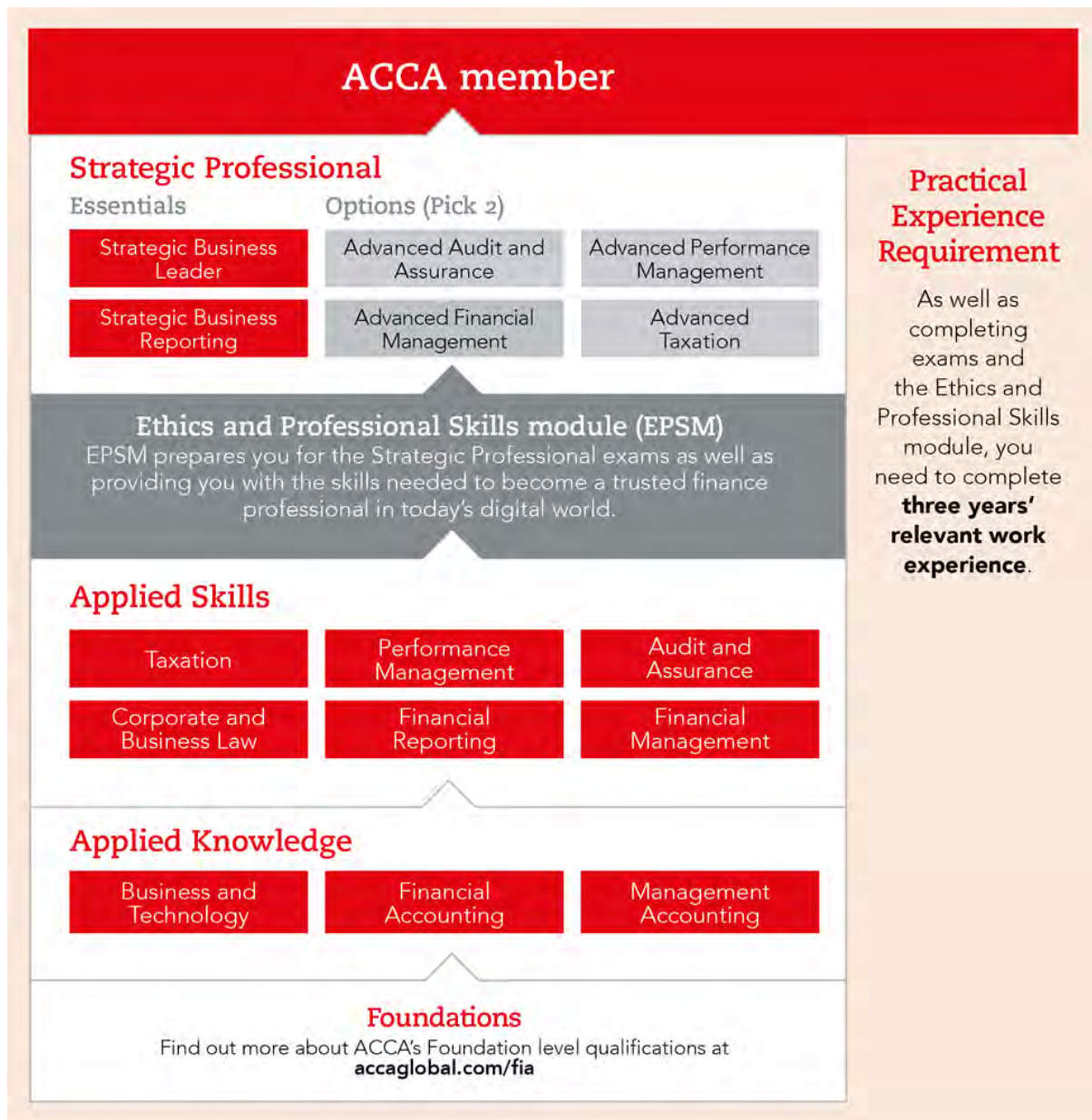
2. Learning hours and education recognition

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

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

Each syllabus is organised into main subject area headings which are further broken down to provide greater detail on each area.

3. The structure of ACCA qualification



*See accaglobal.com for details

4. Guide to ACCA examination structure and delivery mode

The pass mark for all ACCA Qualification examinations is 50%.

The structure and delivery mode of examinations varies.

Applied Knowledge

The Applied Knowledge examinations contain 100% compulsory questions to encourage candidates to study across the breadth of each syllabus. These are assessed by a two-hour computer based examination.

Applied Skills

The Corporate and Business Law exam is a two-hour computer-based objective test examination for English and Global.

For the format and structure of the Corporate and Business Law or Taxation variant exams, refer to the 'Approach to examining the syllabus' section of the relevant syllabus and study guide.

The other Applied Skills examinations (PM, TX-UK, FR, AA, and FM) contain a mix of objective and longer type questions with a duration of three hours for 100 marks. These are assessed by a three hour computer-based exam. Prior to the start of each exam there will be time allocated for students to be informed of the exam instructions.

The longer (constructed response) question types used in the Applied Skills exams (excluding Corporate and Business Law) require students to effectively mimic what they do in the workplace. Students will need to use a range of digital skills and demonstrate their ability to use spread sheets and word processing tools in producing their answers, just as they would use these tools in the workplace. These assessment methods allow ACCA to focus on testing students' technical and application skills, rather than, for example, their ability to perform simple calculations.

Strategic Professional Essentials:

Strategic Business Leader is ACCA's case study examination at Strategic Professional and is examined as a closed book exam of four hours, including reading, planning and reflection time which can be used flexibly within the examination. There is no pre-seen information and all exam related material, including case information and exhibits are available within the examination. Strategic Business Leader is an exam based on one main business scenario which involves candidates completing several tasks within which additional material may be introduced. All questions are compulsory and each examination will contain a total of 80 technical marks and 20 Professional Skills marks.

Strategic Business Reporting is a three-hour 15 minutes exam. It contains two sections and all questions are compulsory. This exam contains four professional marks.

Options:

The Strategic Professional Options are all three hours and 15 minutes computer-based exams. All contain two sections and all questions are compulsory.

From September 2022, AFM, APM and AAA will contain a total of 80 technical marks and 20 Professional Skills marks.

From June 2023, ATX-SGP will similarly contain a total of 80 technical marks and 20 Professional Skills marks.

The question types used at Strategic Professional require students to effectively mimic what they would do in the workplace. These exams offer ACCA the opportunity to focus on the application of knowledge to scenarios, using a range of tools including word processor, spreadsheets and presentation slides - not only enabling students to demonstrate their technical and professional skills but also their use of the technology available to today's accountants.

Time management

ACCA encourages students to take time to read questions carefully and to plan answers but once the exam time has started, there are no additional restrictions as to when candidates may start producing their answer.

Time should be taken to ensure that all the information and exam requirements are properly read and understood.

5. Guide to ACCA examination assessment

(IRAS), before the previous 30 September i.e. examinations in June and December 2022 will be based on legislation passed by 30 September 2021.

ACCA reserves the right to examine any learning outcome contained within the study guide. This includes knowledge, techniques, principles, theories, and concepts as specified. For the financial accounting, audit and assurance, law and tax exams except where indicated otherwise, ACCA will publish *examinable documents* once a year to indicate exactly what regulations and legislation could potentially be assessed within identified examination sessions.

For most examinations (not tax), regulations **issued** or legislation **passed** on or before 31 August annually, will be examinable from 1 September of the following year to 31 August of the year after that. Please refer to the examinable documents for the exam (where relevant) for further information.

Regulations issued or legislation passed in accordance with the above dates will not be examinable if the **effective** date is in the future, unless explicitly stated otherwise in this syllabus and study guide or examinable documents.

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

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

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

For the **SGP** variant, tax exams in June and December 2022 will be based on legislation passed, including practice notes or circulars issued by the relevant authorities including the Inland Revenue Authority of Singapore

6. Relational diagram linking Taxation – Singapore (TX-SGP) with other exams

This diagram shows links between this exam and other exams preceding or following it. Some exams are directly underpinned by other exams such as Advanced Taxation – Singapore (ATX-SGP) by Taxation – Singapore (TX-SGP).



This diagram indicates where students are expected to have underpinning knowledge and where it would be useful to review previous learning before undertaking study.

7. Approach to examining the syllabus

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

All questions are compulsory. The exam will contain both computational and discursive elements. Some questions will adopt a scenario/case study approach. Tax rates, allowances and information on certain reliefs will be given in the exam.

Section A of the exam comprises 15 multiple choice questions of 2 marks each.

Section B of the exam comprises four 10 mark questions and two 15 mark questions. The two 15 mark questions will focus on individual income tax (syllabus area B) and corporate income tax (syllabus area C). All other questions can cover any areas of the syllabus.

8. Introduction to the syllabus

The aim of the syllabus is to develop knowledge and skills relating to the tax system as applicable to individuals, single companies, and groups of companies.

This syllabus introduces candidates to the subject of taxation and provides the core knowledge of the underlying principles and major technical areas of taxation, as they affect the activities of individuals and businesses.

In this syllabus, candidates are introduced to the rationale behind and the functions of the tax system. The syllabus then considers the separate taxes that an accountant would need to have a detailed knowledge of, such as income tax from self-employment, employment and investments; the corporation tax liability of individual companies and groups of companies; and the goods and services tax liability of businesses.

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

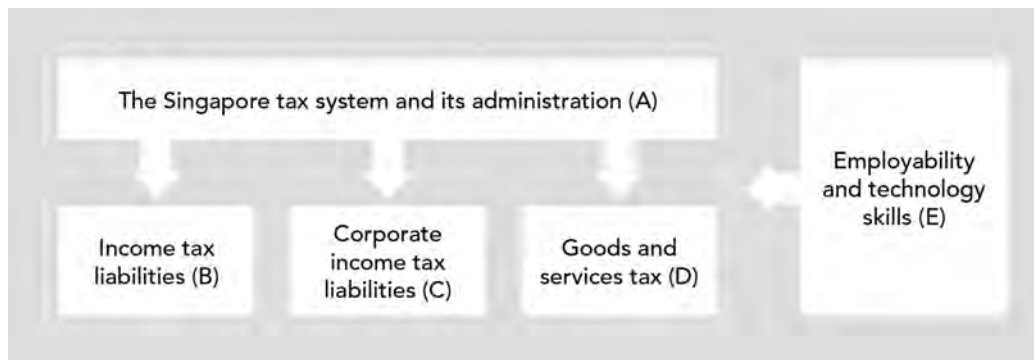
Section E of the syllabus contains outcomes relating to the demonstration of appropriate digital and employability skills in preparing for and taking the examination. This includes being able to interact with different question item types, manage information presented in digital format and being able to use the relevant functionality and technology to prepare and present response options in a professional manner. These skills are specifically developed by practicing and preparing for the exam, using the learning support content for computer-based exams available via the practice platform and the ACCA website and will need to be demonstrated during the live exam.

9. Main capabilities

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

- A Explain the operation and scope of the tax system and the obligations of tax payers and/or their agents and the implications of non-compliance.
- B Explain and compute the income tax liabilities of individuals
- C Explain and compute the corporate income tax liabilities of individual companies and groups of companies
- D Explain and compute the effect of goods and services tax on incorporated and unincorporated businesses
- E Demonstrate appropriate digital and employability skills

Relational diagram of the main capabilities



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

10. The syllabus

A The Singapore tax system and its administration

1. The overall function and purpose of taxation in a modern economy
2. Principal sources of revenue law and practice
3. The time limits for the submission of information, claims and payment of tax
4. The procedures relating to enquiries, appeals and disputes
5. Penalties for non-compliance

B Individual tax liabilities

1. The scope of income tax
2. Income from employment
3. Income from self-employment
4. Property and investment income
5. The comprehensive computation of taxable income and income tax liability
6. The use of exemptions and reliefs in deferring and minimising income tax liabilities

C Corporate income tax liabilities

1. The scope of corporate income tax
2. Profits chargeable to corporate income tax
3. The comprehensive computation of the corporate income tax liability
4. The effect of a group corporate structure for corporate income tax purposes
5. The use of exemptions and reliefs in deferring and minimising corporate income tax liabilities

D Goods and services tax

1. The scope of goods and services tax (GST)
2. The GST compliance requirements
3. The computation of GST payments/refunds

E Employability and technology skills

1. Use computer technology to efficiently access and manipulate relevant information.
2. Work on relevant response options, using available functions and technology, as would be required in the workplace.
3. Navigate windows and computer screens to create and amend responses to exam requirements, using the appropriate tools.
4. Present data and information effectively, using the appropriate tools.

11. Detailed study guide

A The Singapore Tax system and its administration

1. The overall function and purpose of taxation in a modern economy

- a) Describe the purpose (economic, social etc) of taxation in a modern economy.^[2]
- b) Identify the different types of revenue tax.^[1]
- c) Explain the difference between direct and indirect taxation.^[2]

2. Principal sources of revenue law and practice

- a) Describe the overall structure of the Singapore tax system.^[2]
- b) State the different sources of revenue law and practice.^[1]
- c) Appreciate the interaction of the Singapore tax system with that of other tax jurisdictions.^[2]
- d) Explain the difference between tax avoidance and tax evasion.^[1]
- e) Explain the need for an ethical and professional approach.^[2]

Excluded topics

- *Detailed knowledge and application of tax treaties*
- *Anti-avoidance legislation*

3. The time limits for the submission of information, claims and payment of tax

- a) Recognise the time limits that apply to the filing of returns, including estimates of chargeable income and the making of claims.^[2]

- b) Explain the withholding tax implications arising in respect of payments made to non-residents.^[2]
- c) Recognise the due dates for the payment of tax including instalment arrangements and tax assessed on estimated chargeable income and withholding tax.^[2]

- d) List the information and records that taxpayers need to retain for tax purposes.^[1]

4. The procedures relating to enquiries, appeals and disputes

- a) Explain the circumstances in which the Comptroller can enquire into the tax affairs of taxpayers.^[2]
- b) Explain the procedures for dealing with appeals and disputes.^[1]

5. Penalties for non-compliance

- a) State the penalties that can be charged for non-compliance with the requirements of the Income Tax Act.^[2]
- b) Calculate late payment penalties on overdue tax and withholding tax.^[2]

B Individual tax liabilities

1. The scope of individual income tax

- a) Explain how the residence of an individual is determined.^[1]
- b) Understand the application of the 3-year and 2-year concession rules for tax residence.^[2]

Excluded topics

- *Not-ordinarily resident individuals*
- *Double taxation relief*
- *Income from trusts and settlements*
- *Tax deduction for angel investors*

2. Income from employment

- a) Recognise the factors that determine whether an engagement is treated as employment or self-employment and the tax implications thereof.^[2]
- b) Recognise the basis of assessment for employment income for an individual who is a resident or a non-resident of Singapore.^[2]
- c) Distinguish between gains and profits, and capital receipts from employment.^[2]
- d) Compute the income assessable.^[2]
- e) Recognise the allowable expenses that can be deducted from employment income.^[2]
- f) Compute the amount of benefits assessable, including share options, share awards and excess CPF contributions made by an employer.^[2]

Excluded topics

- *Not-ordinarily resident (NOR) scheme*
- *Foreign tax credit (including foreign tax credit pooling)*

3. Income from self-employment

- a) Recognise the basis of assessment for self-employment income, including the cases of commencement, cessation and change of accounting date.^[2]
- b) Distinguish between income receipts and capital receipts.^[2]
- c) Describe and apply the badges of trade.^[2]
- d) Recognise the expenditure that is allowable in calculating the tax-adjusted trading profit,
- e) Recognise the relief that can be obtained for pre-trading expenditure.^[2]

- f) Capital allowances
 - i) Define plant and machinery for capital allowances purposes.^[1]
 - ii) Compute capital allowances claimable including accelerated and one-year write off.^[2]
 - iii) Compute balancing allowances and balancing charges.^[2]
 - iv) Compute Land Intensification Allowance (LIA) for qualifying capital expenditure of an LIA building.^[2]
 - v) Compute the balancing adjustment on the disposal of an LIA building.^[2]
 - vi) Understand how capital allowances can be carried forward and carried back.^[2]
 - vii) Understand how capital allowances can be claimed against total income.^[2]
 - viii) Understand the order of set-off of current and previous years capital allowances.^[2]
- g) Relief for trading losses
 - i) Understand how trading losses can be carried forward and carried back.^[2]
 - ii) Understand how trading losses can be claimed against total income.^[2]
 - iii) Understand the order of set-off of current and previous years' trading losses.^[2]
- h) Partnerships, limited liability partnerships and limited partnerships
 - i) Explain how a partnership is assessed to tax.^[2]
 - ii) Compute the assessable profits for each partner following a change in the profit sharing ratio.^[2]
 - iii) Compute the assessable profits for each partner following a change in the membership of the partnership.^[2]
 - iv) Compute the assessable profits for each partner following a change of accounting date.^[2]
 - v) Explain the capital allowances, LIA and trade loss relief restriction that applies to the partners of a limited liability partnership and a limited partnership.^[1]
- i) Recognise Singapore sourced professional income of non-residents.^[2]

Excluded topics

- *Writing down allowances for approved cost sharing agreements for research and development activities*
- *Transition from partnership and/or corporation to a limited liability partnership / limited partnership and vice versa*

4. Property and investment income

- Compute the net income from investments in properties, equities, placement of funds on deposits with banks and loans granted both within and outside Singapore.^[2]
- Explain the treatment of losses from investments.^[2]
- Recognise the difference between a business being carried on and pure investment intent.^[2]
- Compute the tax payable on dividend income.^[2]
- Recognise the exemptions available for certain types of investment income.^[2]

Excluded topics

- *Investments in unit trusts*

5 The comprehensive computation of taxable income and income tax liability

- Prepare a basic income tax computation involving different types of income.^[2]
- Calculate the amount of personal allowance available to individuals aged below 50 and recognise the principle reliefs claimable, such as earned income, spouse, children, working mother's child relief, life assurance, aged parents, grandparent caregiver, course fees, foreign maid levy and NSman.^[2]
- Understand the relief given for donations and the carry forward of unabsorbed donations.^[2]

- Compute the amount of income tax payable.^[2]

Excluded topics

- *All reliefs and rebates not included above*

6. The use of exemptions and reliefs in deferring and minimising income tax liabilities.

- Explain and compute the relief given for contributions to the Central Provident Fund (CPF) made by employees and the self-employed.^[2]
- Recognise the tax implications of a shareholder/director extracting profits from an owner managed company by way of remuneration versus dividend payments.^[2]

Excluded topics

- *Supplementary retirement scheme*

C Corporate income tax liabilities**1. The scope of corporate income tax**

- Define the terms basis period and the year of assessment.^[1]
- Determine the basis period for assessing corporate profits, including the case of a change of accounting date.^[2]
- Recognise the factors that must be considered when incorporating a business.^[2]
- Explain how the residence of a company is determined.^[2]
- Understand the differences between an incorporated company, a branch of a foreign company and a representative office.^[2]

- f) Understand the basic Singapore transfer pricing guidelines and reporting requirements. This includes understanding
- who are related parties;
 - what is the arm's length principle;
 - IRAS administrative practices for routine support services and intercompany loan arrangement;
 - requirement to prepare transfer pricing documentation and exemption therefrom;
 - penalties and surcharge in relation to transfer pricing adjustment and non-compliance with transfer pricing documentation requirement.
- b) Recognise the tax treatment of income from trade/business.^[2]
- c) Recognise the expenditure that is allowable in calculating the tax-adjusted trading profit (as for individual income tax).^[2]
- d) Recognise the tax treatment of income from sources other than trade/business.^[2]
- e) Recognise the tax treatment of foreign sourced income received or deemed received in Singapore.^[2]

Excluded topics

- *Close companies*
 - *Companies in receivership or liquidation*
 - *Reorganisations*
 - *The purchase by a company of its own shares (except in the case of such treasury shares that are given to employees as a reward for services).*
 - *Specialised industry such as shipping, banking, insurance etc.*
 - *Functional analysis, benchmarking, full transfer pricing reports, transfer pricing methodologies, adjustment to transfer price (eg. year end adjustment, compensating adjustment, self-initiated retrospective adjustment and corresponding adjustment), transfer pricing audit, mutual agreement procedure and advance pricing agreements.*
- f) Explain how relief can be obtained for pre-trading expenditure.^[1]
- g) Compute capital allowances (as for individual income tax).^[2]
- h) Compute capital allowances in respect of intellectual property rights.^[2]
- i) Compute income from the business of the making of investments.^[2]
- j) Recognise the income that is exempt from tax.^[1]
- k) Understand how trading losses can be carried forward and forfeited.^[2]
- l) Understand how trading losses can be claimed against income of the current or previous accounting periods.^[2]
- m) Recognise the order of set-off of capital allowances and losses of the current and previous years.^[2]
- n) Compute profits chargeable to corporation tax.^[2]

Excluded topics

- *Research and development expenditure*

2. Profits chargeable to corporate income tax

- a) Distinguish between income receipts and capital gains.^[2]

3. The comprehensive computation of the corporate income tax liability

- a) Prepare a basic tax computation for a company involving the different types of income.^[2]

- b) Understand the relief given for donations and the carry forward of unabsorbed donations.^[2]
- c) Understand the tax implications arising from the distribution of profits by a company to its shareholders.^[2]
- d) Compute the corporation tax liability, including the basic calculation of unilateral tax credit.^[2]
- e) Explain how exemptions and reliefs can defer or minimise corporation tax liabilities.^[2]

Excluded topics

- *Incentives under the Economic Expansion Incentive Act*
- *Incentives by way of exemption or concessionary rate of tax on certain trade/business activities such as shipping income*

4. The effect of a group corporate structure for corporate income tax purposes

- a) Define members of the same group and recognise the effect of being a member of the same group for corporation tax purposes.^[2]
- b) Recognise the reliefs that are available to members of such a group.^[2]
- c) Recognise the effects of a corporation becoming a member of a group for only part of a year.^[2]

Excluded topics

- *A member of the same group enjoying a concessionary rate of tax*

5. The use of exemptions and reliefs in deferring and minimising corporate income tax liabilities (The use of such exemptions and reliefs is implicit within all of the above sections 1 to 4

of part C of the syllabus, concerning corporate income tax)

D Goods and services tax (GST)

1. The scope of goods and services tax (GST)

- a) Describe the scope of GST.^[2]
- b) List the principal zero-rated and exempt supplies.^[1]

2. The GST compliance requirements

- a) Recognise the circumstances in which a person must register for GST.^[2]
- b) Explain the advantages of voluntary GST registration.^[2]
- c) List the information that must be given on a GST invoice.^[1]
- d) Explain how and when a person can deregister for GST.^[1]

Excluded topics

- *Group registration.*

3. The computation of GST payments/refunds

- a) Explain how GST is accounted for and administered.^[2]
- b) Recognise the tax point when goods or services are supplied from 1 January 2011.^[2]
- c) Explain the circumstances in which pre-registration input GST can be recovered.^[2]
- d) Explain and apply the principles regarding the valuation of supplies including imports.^[2]
- e) Recognise the circumstances in which input GST is non-claimable.^[2]
- f) Recognise the de minimis rules.^[2]

- g) Compute the relief that is available for trade debts that are bad.^[2]
- h) Understand the treatment of imports and exports of goods and services.^[2]
- i) Understand the circumstances in which reverse charge and overseas vendor registration apply.^[1]

Excluded topics

- *Major Exporter Scheme /Import GST Deferment Scheme*
- *Partial exemption, including specialised sectors such as financial services, insurance and real estate*
- *Second hand goods scheme*
- *Cash accounting scheme*
- *International arrangements and reliefs*
- *Customer accounting for prescribed goods*

E Employability and technology skills

- 1. Use computer technology to efficiently access and manipulate relevant information.**
- 2. Work on relevant response options, using available functions and technology, as would be required in the workplace.**
- 3. Navigate windows and computer screens to create and amend responses to exam requirements, using the appropriate tools.**
- 4. Present data and information effectively, using the appropriate tools.**

12. Summary of changes to Taxation – Singapore (TX-SGP)

ACCA periodically reviews its qualification syllabuses so that they fully meet the needs of stakeholders such as employers, students, regulatory and advisory bodies and learning providers.

There are changes to the syllabus and these are summarised in the table below.

Table 1 – Amendments

	Section and subject area	Syllabus content
B3(a)	Recognise the basis of assessment for self-employment income, including the cases of commencement and cessation	Change of accounting date removed from excluded topics to align with C1(b). Now included within B3(a) and B3(h).
B3(h)	Partnerships, limited liability partnerships and limited partnerships	
C1(f)	Understand the basic Singapore transfer pricing guidelines and reporting requirements	<p>Basic Singapore transfer pricing guidelines and reporting requirements clarified as including understanding:</p> <ul style="list-style-type: none"> - who are related parties; - what is the arm's length principle; - IRAS administrative practices for routine support services and intercompany loan arrangement; - requirement to prepare transfer pricing documentation and exemption therefrom; - penalties and surcharge in relation to transfer pricing adjustment and non-compliance with transfer pricing documentation requirement.
C1(f)	Understand the basic Singapore transfer pricing guidelines and reporting requirements	<p>Excluded topics on transfer pricing clarified as:</p> <p>Functional analysis, benchmarking, full transfer pricing reports, transfer pricing methodologies, adjustment to transfer price (eg. year end adjustment, compensating adjustment, self-initiated retrospective adjustment and corresponding adjustment), transfer pricing</p>

		audit, mutual agreement procedure and advance pricing agreements.
D3	The computation of GST payments/refunds	<p>Partial exemption clarified as being an excluded topic and wording updated as:</p> <p>Partial exemption, including specialised sectors such as financial services, insurance and real estate</p>

13. Reading List

Income Tax Act Cap 134

Singapore Master Tax Guide - CCH Asia Ltd

Singapore Tax Workbook - CCH Asia Ltd

eBook Taxation in Singapore – McGraw Hill

IRAS e-Tax Guide – www.iras.gov.sg

IRAS Annual Report



ACCA

Financial Reporting (FR)

Syllabus and study guide

September 2022 to June 2023

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

Think Ahead

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1. Intellectual levels

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

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

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

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

Each subject area in the detailed study guide included in this document is given a 1, 2, or 3 superscript, denoting intellectual level, marked at the end of each relevant learning outcome. This gives an indication of the intellectual depth at which an area could be assessed within the examination. However, while level 1 broadly equates with Applied Knowledge, level 2 equates to Applied Skills and level 3 to Strategic Professional, some lower level skills can continue to be assessed as the student progresses through each level. This reflects that at each stage of study there will be a requirement to broaden, as well as deepen capabilities. It is also possible that occasionally some higher level capabilities may be assessed at lower levels.

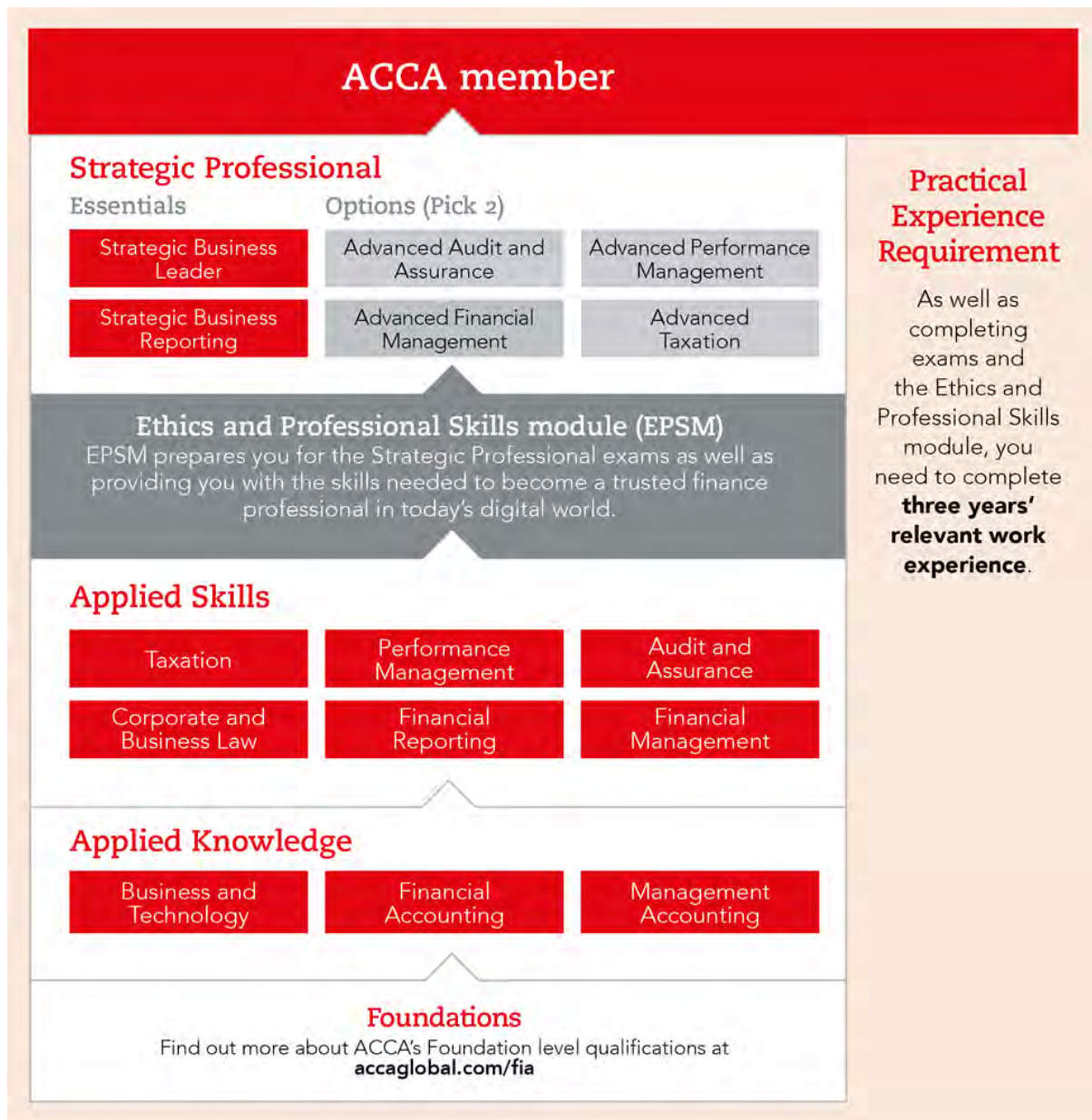
2. Learning hours and education recognition

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

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

Each syllabus is organised into main subject area headings which are further broken down to provide greater detail on each area.

3. The structure of ACCA qualification



*See accaglobal.com for details

4. Guide to ACCA examination structure and delivery mode

The pass mark for all ACCA Qualification examinations is 50%.

The structure and delivery mode of examinations varies.

Applied Knowledge

The Applied Knowledge examinations contain 100% compulsory questions to encourage candidates to study across the breadth of each syllabus. These are assessed by a two-hour computer based examination.

Applied Skills

The Corporate and Business Law exam is a two-hour computer-based objective test examination for English and Global.

For the format and structure of the Corporate and Business Law or Taxation variant exams, refer to the 'Approach to examining the syllabus' section of the relevant syllabus and study guide.

The other Applied Skills examinations (PM, TX-UK, FR, AA, and FM) contain a mix of objective and longer type questions with a duration of three hours for 100 marks. These are assessed by a three hour computer-based exam. Prior to the start of each exam there will be time allocated for students to be informed of the exam instructions.

The longer (constructed response) question types used in the Applied Skills exams (excluding Corporate and Business Law) require students to effectively mimic what they do in the workplace. Students will need to use a range of digital skills and demonstrate their ability to use spread sheets and word processing tools in producing their answers, just as they would use these tools in the workplace. These assessment methods allow ACCA to focus on testing students' technical and application skills, rather than, for example, their ability to perform simple calculations.

Strategic Professional Essentials:

Strategic Business Leader is ACCA's case study examination at Strategic Professional and is examined as a closed book exam of four hours, including reading, planning and reflection time which can be used flexibly within the examination. There is no pre-seen information and all exam related material, including case information and exhibits are available within the examination. Strategic Business Leader is an exam based on one main business scenario which involves candidates completing several tasks within which additional material may be introduced. All questions are compulsory and each examination will contain a total of 80 technical marks and 20 Professional Skills marks.

Strategic Business Reporting is a three-hour 15 minutes exam. It contains two sections and all questions are compulsory. This exam contains four professional marks.

Options:

The Strategic Professional Options are all three hours and 15 minutes computer-based exams. All contain two sections and all questions are compulsory.

From September 2022, AFM, APM and AAA will contain a total of 80 technical marks and 20 Professional Skills marks.

From June 2023, ATX will similarly contain a total of 80 technical marks and 20 Professional Skills marks.

The question types used at Strategic Professional require students to effectively mimic what they would do in the workplace. These exams offer ACCA the opportunity to focus on the application of knowledge to scenarios, using a range of tools including word processor, spreadsheets and presentation slides - not only enabling students to demonstrate their technical and professional skills but also their use of the technology available to today's accountants.

Time management

ACCA encourages students to take time to read questions carefully and to plan answers but once the exam time has started, there are no additional restrictions as to when candidates may start producing their answer.

Time should be taken to ensure that all the information and exam requirements are properly read and understood.

5. Guide to ACCA examination assessment

ACCA reserves the right to examine any learning outcome contained within the study guide. This includes knowledge, techniques, principles, theories, and concepts as specified. For the financial accounting, audit and assurance, law and tax exams except where indicated otherwise, ACCA will publish *examinable documents* once a year to indicate exactly what regulations and legislation could potentially be assessed within identified examination sessions.

For most examinations (not tax), regulations **issued** or legislation **passed** on or before 31 August annually, will be examinable from 1 September of the following year to 31 August of the year after that. Please refer to the examinable documents for the exam (where relevant) for further information.

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

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

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

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

For **UK** tax exams, examinations falling within the period 1 June to 31 March will generally examine the Finance Act which was passed in the previous year. Therefore, exams falling in the period 1 June 2021 to 31 March 2022 will examine the Finance Act 2020 and any examinable legislation which

is passed outside of the Finance Act before 31 May 2020.

For additional guidance on the examinability of specific tax rules and the depth in which they are likely to be examined, reference should be made to the relevant Finance Act article written by the examining team and published on the ACCA website.

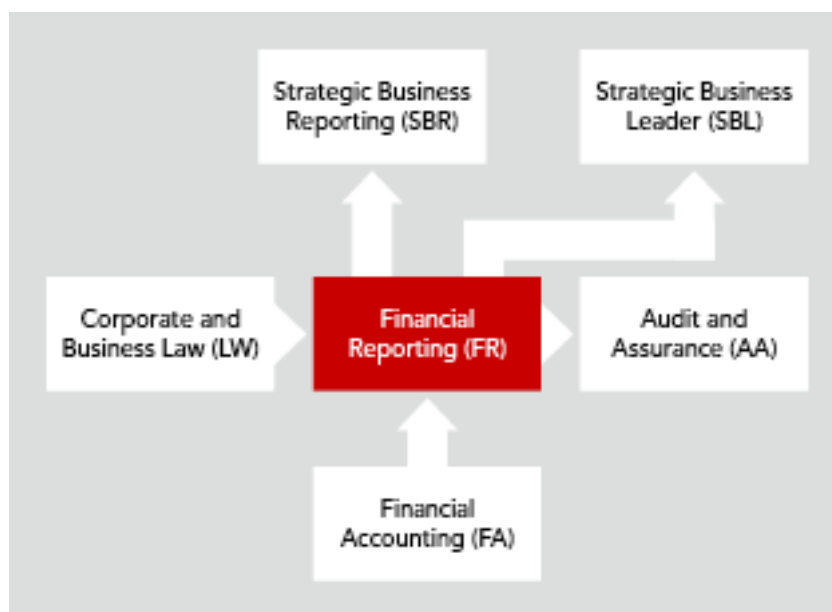
None of the current or impending devolved taxes for Scotland, Wales, and Northern Ireland is, or will be, examinable.

Additional clarification regarding the impact of the UK leaving the European Union (EU)

For exams in the period 1 June 2021 to 31 March 2022, it will be assumed that the EU acquisition rules continue to apply.

6. Relational diagram linking Financial Reporting with other exams

This diagram shows links between this exam and other exams preceding or following it. Some exams are directly underpinned by other exams such as Strategic Business Reporting by Financial Reporting. This diagram indicates where students are expected to have underpinning knowledge and where it would be useful to review previous learning before undertaking study.



7. Approach to examining the syllabus

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

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

Section A of the computer-based exam comprises 15 objective test questions of 2 marks each.

Section B of the computer-based exam comprises three questions each containing five objective test questions of 2 marks each.

Section C of the exam comprises two 20 mark constructed response questions.

The 20 mark questions will examine the interpretation and preparation of financial statements for either a single entity or a group. The section A questions and the other questions in section B can cover any areas of the syllabus.

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

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

Questions on topic areas that are also included in Financial Accounting (FA) will be examined at an appropriately greater depth in this paper.

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

8. Introduction to the syllabus

The aim of the syllabus is to develop knowledge and skills in understanding and applying IFRS Standards and the theoretical framework in the preparation of financial statements of entities, including groups and how to analyse and interpret those financial statements.

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

The syllabus begins with the Conceptual Framework for Financial Reporting with reference to the qualitative characteristics of useful information and the fundamental bases of accounting introduced in the *Financial Accounting (FA)* syllabus within the Knowledge module. It then moves into a detailed examination of the regulatory framework of accounting and how this informs the standard setting process.

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

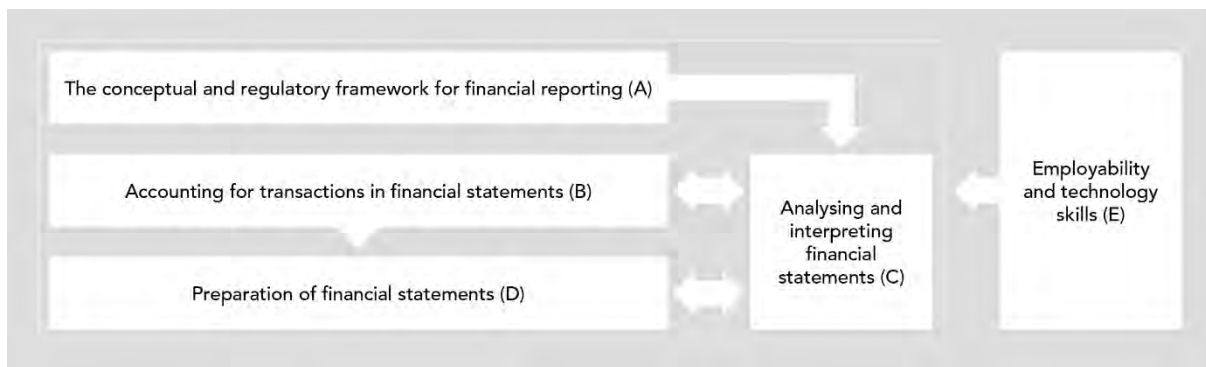
The syllabus also covers the analysis and interpretation of information from financial statements.

Finally the syllabus contains outcomes relating to the demonstration of appropriate digital and employability skills in preparing for and taking the FR examination. This includes being able to interact with different question item types, manage information presented in digital format and being able to use the relevant functionality and technology to prepare and present response options in a professional manner. These skills are specifically developed by practicing and preparing for the FR exam, using the learning support content for computer-based exams available via the practice platform and the ACCA website and will need to be demonstrated during the live exam.

9. Main capabilities

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

- A Discuss and apply conceptual and regulatory frameworks for financial reporting
- B Account for transactions in accordance with IFRS Standards
- C Analyse and interpret financial statements.
- D Prepare and present financial statements for single entities and business combinations in accordance with IFRS Standards
- E Demonstrate employability and technology skills



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

10. The syllabus

A The conceptual and regulatory framework for financial reporting

1. The need for a conceptual framework and the characteristics of useful information
2. Recognition and measurement
3. Regulatory framework
4. The concepts and principles of groups and consolidated financial statements

B Accounting for transactions in financial statements

1. Tangible non-current assets
2. Intangible assets
3. Impairment of assets
4. Inventory and biological assets
5. Financial instruments
6. Leasing
7. Provisions and events after the reporting period
8. Taxation
9. Reporting financial performance
10. Revenue
11. Government grants
12. Foreign currency transactions

C Analysing and interpreting the financial statements of single entities and groups

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

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

D Preparation of financial statements

1. Preparation of single entity financial statements
2. Preparation of consolidated financial statements for a simple group

E Employability and technology skills

1. Use computer technology to efficiently access and manipulate relevant information.
2. Work on relevant response options, using available functions and technology, as would be required in the workplace.
3. Navigate windows and computer screens to create and amend responses to exam requirements, using the appropriate tools.
4. Present data and information effectively, using the appropriate tools.

11. Detailed study guide

A The conceptual and regulatory framework for financial reporting

1. The need for a conceptual framework and the characteristics of useful information

- a) Describe what is meant by a conceptual framework for financial reporting.^[2]
- b) Discuss whether a conceptual framework is necessary and what an alternative system might be.^[2]
- c) Discuss what is meant by relevance and faithful representation and describe the qualities that enhance these characteristics.^[2]
- d) Discuss whether faithful representation constitutes more than compliance with IFRS® Standards.^[1]
- e) Discuss what is meant by understandability and verifiability in relation to the provision of financial information.^[2]
- f) Discuss the importance of comparability and timeliness to users of financial statements.^[2]
- g) Discuss the principle of comparability in accounting for changes in accounting policies.^[2]

2. Recognition and measurement

- a) Define what is meant by 'recognition' in financial statements and discuss the recognition criteria.^[2]
- b) Apply the recognition criteria to:^[2]
 - i) assets and liabilities.
 - ii) income and expenses.
- c) Explain and compute amounts using the following measures:^[2]
 - i) historical cost
 - ii) current cost

- iii) value in use/fulfilment value
- iv) fair value

- d) Discuss the advantages and disadvantages of historical cost accounting.
- e) Discuss whether the use of current value accounting overcomes the problems of historical cost accounting.^[2]

3. Regulatory framework

- a) Explain why a regulatory framework is needed including the advantages and disadvantages of IFRS Standards over a national regulatory framework.^[2]
- b) Explain why IFRS Standards on their own are not a complete regulatory framework.^[2]
- c) Distinguish between a principles based and a rules based framework and discuss whether they can be complementary.^[1]
- d) Describe the standard setting process of the International Accounting Standards Board (IASB®) including revisions to and interpretations of IFRS Standards.^[2]
- e) Explain the relationship of national standard setters to the IASB in respect of the standard setting process.^[2]

4. The concepts and principles of groups and consolidated financial statements

- a) Describe the concept of a group as a single economic unit.^[2]
- b) Explain and apply the definition of a subsidiary within relevant IFRS Standards.^[2]
- c) Using IFRS Standards and other regulation, identify and outline the circumstances in which a group is required to prepare consolidated financial statements.^[2]
- d) Describe the circumstances when a group may claim exemption from the

preparation of consolidated financial statements.^[2]

- e) Explain why directors may not wish to consolidate a subsidiary and when this is permitted by IFRS Standards and other applicable regulation.^[2]
- f) Explain the need for using coterminous year ends and uniform accounting policies when preparing consolidated financial statements.^[2]
- g) Explain why it is necessary to eliminate intra group transactions.^[2]
- h) Explain the objective of consolidated financial statements.^[2]
- i) Explain why it is necessary to use fair values for the consideration for an investment in a subsidiary together with the fair values of a subsidiary's identifiable assets and liabilities when preparing consolidated financial statements.^[2]
- j) Define an associate and explain the principles and reasoning for the use of the equity method of accounting.^[2]

B Accounting for transactions in financial statements

1. Tangible non-current assets

- a) Define and compute the initial measurement of a non-current asset (including borrowing costs and an asset that has been self-constructed).^[2]
- b) Identify subsequent expenditure that may be capitalised, distinguishing between asset and expense items.^[2]
- c) Discuss the requirements of relevant IFRS Standards in relation to the revaluation of non-current assets.^[2]
- d) Account for revaluation and disposal gains and losses for non-current assets.^[2]
- e) Compute depreciation based on the cost and revaluation models and on assets that have two or more significant parts.^[2]
- f) Discuss why the treatment of investment properties should differ from other properties.^[2]
- g) Apply the requirements of relevant IFRS Standards to an investment property.^[2]

2. Intangible non-current assets

- a) Discuss the nature and accounting treatment of internally generated and purchased intangible assets.^[2]
- b) Distinguish between goodwill and other intangible assets.^[2]
- c) Describe the criteria for the initial recognition and measurement of intangible assets.^[2]
- d) Describe the subsequent accounting treatment of intangible assets.^[2]
- e) Indicate why the fair value of purchase consideration for an investment may be less than the fair value of the acquired identifiable net assets and how the difference should be accounted for.^[2]
- f) Describe and apply the requirements of relevant IFRS Standards to research and development expenditure.^[2]

3. Impairment of assets

- a) Define, calculate and account for an impairment loss, including the principle of impairment tests in relation to goodwill.^[2]
- b) Account for the reversal of an impairment loss on an individual asset
- c) Identify the circumstances that may indicate impairments to assets.^[2]
- d) Describe what is meant by a cash generating unit.^[2]
- e) State the basis on which impairment losses should be allocated, and allocate

an impairment loss to the assets of a cash generating unit.^[2]

4. Inventory and biological assets

- a) Describe and apply the principles of inventory valuation.^[2]
- b) Apply the requirements of relevant IFRS Standards for biological assets and agricultural produce.^[2]

5 Financial instruments

- a) Explain the need for an accounting standard on financial instruments.^[1]
- b) Define financial instruments in terms of financial assets and financial liabilities.^[1]
- c) Explain and account for the factoring of receivables.
- d) Indicate for the following categories of financial instruments how they should be measured and how any gains and losses from subsequent measurement should be treated in the financial statements:^[1]
 - i) amortised cost
 - ii) fair value through other comprehensive income (including where an irrevocable election has been made for equity instruments that are not held for trading)
 - iii) fair value through profit or loss^[2]
- e) Distinguish between debt and equity.^[2]
- f) Apply the requirements of relevant IFRS Standards to the issue and finance costs of:^[2]
 - i) equity
 - ii) redeemable preference shares and debt instruments with no conversion rights (principle of amortised cost)
 - iii) convertible debt

6. Leasing

- a) Account for right-of-use assets and lease liabilities in the records of the lessee.^[2]

- b) Explain the exemption from the recognition criteria for leases in the records of the lessee.^[2]

- c) Account for sale and leaseback agreements.^[2]

7. Provisions and events after the reporting period

- a) Explain why an accounting standard on provisions is necessary.^[2]
- b) Distinguish between legal and constructive obligations.^[2]
- c) State when provisions may and may not be made and demonstrate how they should be accounted for.^[2]
- d) Explain how provisions should be measured.^[1]
- e) Define contingent assets and liabilities and describe their accounting treatment and required disclosures.^[2]
- f) Identify and account for:^[2]
 - i) warranties/guarantees
 - ii) onerous contracts
 - iii) environmental and similar provisions
 - iv) provisions for future repairs or refurbishments.
- g) Events after the reporting period:
 - i) distinguish between and account for adjusting and non-adjusting events after the reporting period^[2]
 - ii) Identify items requiring separate disclosure, including their accounting treatment and required disclosures.^[2]

8. Taxation

- a) Account for current taxation in accordance with relevant IFRS Standards.^[2]
- b) Explain the effect of taxable temporary differences on accounting and taxable profits.^[2]

- c) Compute and record deferred tax amounts in the financial statements.^[2]

9. Reporting financial performance

- a) Discuss the importance of identifying and reporting the results of discontinued operations.^[2]
- b) Define and account for non-current assets held for sale and discontinued operations.^[2]
- c) Indicate the circumstances where separate disclosure of material items of income and expense is required.^[2]
- d) Account for changes in accounting estimates, changes in accounting policy and correction of prior period errors
- e) Earnings per share (eps)
 - i) calculate the eps in accordance with relevant IFRS Standards (dealing with bonus issues, full market value issues and rights issues)^[2]
 - ii) explain the relevance of the diluted eps and calculate the diluted eps involving convertible debt and share options (warrants)^[2]

10. Revenue

- a) Explain and apply the principles of recognition of revenue:
 - (i) Identification of contracts
 - (ii) Identification of performance obligations
 - (iii) Determination of transaction price
 - (iv) Allocation of the price to performance obligations
 - (v) Recognition of revenue when/as performance obligations are satisfied.
- b) Explain and apply the criteria for recognising revenue generated from contracts where performance obligations are satisfied over time or at a point in time.^[2]
- c) Describe the acceptable methods for measuring progress towards complete satisfaction of a performance obligation.^[2]

- d) Explain and apply the criteria for the recognition of contract costs.^[2]
- e) Apply the principles of recognition of revenue, and specifically account for the following types of transaction:^[2]
 - i) principal versus agent
 - ii) repurchase agreements
 - iii) bill and hold arrangements
 - iv) consignment arrangements
- f) Prepare financial statement extracts for contracts where performance obligations are satisfied over time or at a point in time.^[2]

11. Government grants

- a) Apply the provisions of relevant IFRS Standards in relation to accounting for government grants.^[2]

12. Foreign currency transactions

- a) Explain the difference between functional and presentation currency and explain why adjustments for foreign currency transactions are necessary.
- b) Account for the translation of foreign currency transactions and monetary/non-monetary foreign currency items at the reporting date.

C Analysing and interpreting the financial statements of single entities and groups

1. Limitations of financial statements

- a) Indicate the problems of using historic information to predict future performance and trends.^[2]
- b) Discuss how financial statements may be manipulated to produce a desired effect (creative accounting, window dressing).^[2]
- c) Explain why figures in a statement of financial position may not be representative of average values

throughout the period for example, due to:^[2]

- i) seasonal trading
- ii) major asset acquisitions near the end of the accounting period.

- d) Explain how the use of consolidated financial statements might limit interpretation techniques

2 Calculation and interpretation of accounting ratios and trends to address users' and stakeholders' needs

- a) Define and compute relevant financial ratios.^[2]
- b) Explain what aspects of performance specific ratios are intended to assess.^[2]
- c) Analyse and interpret ratios to give an assessment of an entity's/group's performance and financial position in comparison with: ^[2]
 - i) previous period's financial statements
 - ii) another similar entity/group for the same reporting period
 - iii) industry average ratios.
- d) Interpret financial statements (including statements of cash flows) together with other financial information to give advice from the perspectives of different stakeholders.^[2]
- e) Interpret financial statements (including statements of cash flows) together with other financial information to assess the performance and financial position of an entity.^[2]
- f) Discuss how the use of current values affects the interpretation of financial statements and how this would compare to using historical cost.^[2]
- g) Indicate other information, including non-financial information, that may be of relevance to the assessment of an entity's performance and financial position.^[1]

3. Limitations of interpretation techniques

- a) Discuss the limitations in the use of ratio analysis for assessing corporate performance.^[2]
- b) Discuss the effect that changes in accounting policies or the use of different accounting policies between entities can have on the ability to interpret performance.^[2]
- c) Compare the usefulness of cash flow information with that of a statement of profit or loss or a statement of profit or loss and other comprehensive income.^[2]
- d) i) explain why the trend of eps may be a more accurate indicator of performance than a company's profit trend and the importance of eps as a stock market indicator ^[2]
 ii) discuss the limitations of using eps as a performance measure.^[2]

4. Specialised, not-for-profit and public sector entities

- a) Explain how the interpretation of the financial statement of a specialised, not-for-profit or public sector organisation might differ from that of a profit making entity by reference to the different aims, objectives and reporting requirements.^[1]

D Preparation of financial statements

1. Preparation of single entity financial statements

- a) Prepare an entity's statement of financial position and statement of profit or loss and other comprehensive income in accordance with the structure and content prescribed within IFRS Standards and with accounting treatments as identified within syllabus areas A, B and C.^[2]

- b) Prepare and explain the contents and purpose of the statement of changes in equity.^[2]
- c) Prepare extracts from a statement of cash flows for a single entity (not a group) in accordance with relevant IFRS Standards using the indirect method only.^[2]
- 2. Preparation of consolidated financial statements for a simple group**
- a) Prepare a consolidated statement of financial position for a simple group (parent and up to two subsidiaries controlled by the parent and one associate of the parent) dealing with pre- and post-acquisition profits, non-controlling interest (at fair value or as a proportion of net assets at the acquisition date) and consolidated goodwill.^[2]
- b) Prepare a consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income for a simple group dealing with an acquisition or disposal in the period and non-controlling interest.^[2]
- c) Explain and account for other components of equity (e.g. share premium and revaluation surplus).^[1]
- d) Account for the effects in the financial statements of intra-group trading.^[2]
- e) Account for the effects of fair value adjustments (including their effect on consolidated goodwill) to: ^[2]
 - i) depreciating and non-depreciating non-current assets
 - ii) inventory
 - iii) monetary liabilities
 - iv) assets and liabilities not included in the subsidiary's own statement of financial position, including contingent assets and contingent liabilities
- f) Account for goodwill impairment.^[2]
- g) Describe and apply the required accounting treatment for consolidated goodwill.^[2]
- h) Explain and illustrate the effect of the disposal of a parent's investment in a subsidiary in the parent's individual financial statements and/or those of the group, including as a discontinued operation (restricted to disposals of the parent's entire investment in the subsidiary).

E Employability and technology skills

- 1. Use computer technology to efficiently access and manipulate relevant information.**
- 2. Work on relevant response options, using available functions and technology, as would be required in the workplace.**
- 3. Navigate windows and computer screens to create and amend responses to exam requirements, using the appropriate tools.**
- 4. Present data and information effectively, using the appropriate tools.**

12. Summary of changes to Financial Reporting (FR)

ACCA periodically reviews its qualification syllabuses so that they fully meet the needs of stakeholders such as employers, students, regulatory and advisory bodies and learning providers.

There have been some changes to the study guide for September 2022 to June 2023 which have been outlined in Table 1. In addition, changes to the approach taken by the FR examining team regarding certain issues have been outlined in Table 2.

Table 1 – Amendments to FR syllabus from September 2022

Section and subject area	Syllabus content	Rationale
Throughout	Minor spelling and grammar changes	For clarification
A2(c) (iii)	Changed from 'Value in use' to 'Value in use/fulfilment value'	Aligned with the Conceptual Framework for Financial Reporting
A2(f)	Removed the following learning outcome from the syllabus: <i>Describe the concept of financial and physical capital maintenance and how this affects the determination of profits.</i>	To focus on knowledge and skills which are likely to be more directly aligned to the current requirements of ACCA students and their employers
A4(j)	Changed 'equity accounting' to 'the equity method of accounting'	For clarification
B1(e)	Removed the reference to '(complex assets)'	IAS 16 Property, Plant and Equipment does not use the term 'complex assets'
B2(a)	Added the word 'assets'	For clarification
B2(d) and B3(a)	Added '...of intangible assets' into B2(d) and moved 'including the principle of impairment tests in relation to goodwill' to B3(a)	For clarification
B2(e)	Changed 'value' to 'fair value'	For clarification
B4(b)	Added 'and agricultural produce'	For clarification
B9(e)	Changed 'accounting standards' to 'IFRS Standards'	For clarification
B10(f)	Added '...or at a point in time'	For clarification

C2 – 3	<p>Various elements have been moved and/or reworded within these learning outcomes to emphasise the importance of being able to analyse and interpret a statement of cash flows, including amending the intellectual or cognitive level of certain elements from Level 1 (knowledge and comprehension) to Level 2 (application and analysis).</p> <p>The level of learning outcome C3(d) (ii) has been changed down from Level 2 to Level 1 to align with learning outcome C3(d) (i).</p>	To emphasise the importance of the statement of cash flows in interpreting an entity's financial statements
D1(a)	Added the word 'Standards'	For clarification
D1(c)	Clarified that only extracts from a statement of cash flows will be required and that only the indirect method of calculating cash flows from operations is part of the syllabus	For clarification
D2	Changed 'including an associate' to 'for a simple group'	For clarification
D2(a)	<p>Amended the definition of a 'simple' group from one subsidiary and one associate to up to two subsidiaries and one associate.</p> <p>Only 'horizontal' groups will be examinable (i.e. each entity within a group will be directly controlled by a single parent company).</p> <p>Included reference to non-controlling interest being recognised at fair value or as a proportion of net assets at the acquisition date.</p>	For clarification and to allow further scope for examining the disposal of a subsidiary, including as a discontinued operation in Section C of the exam
D2(b) and (h)	Included reference to disposals of subsidiaries, including as a discontinued operation	To allow further scope for examining the disposal of a subsidiary, including as a discontinued operation in Section C of the exam
D2(c)	Replaced 'other reserves' with 'other components of equity'	For clarification

D2(e)	Changed '...contingent assets and liabilities' to '...contingent assets and contingent liabilities'	For clarification
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Table 2 – Changes in approach taken by the FR examining team from September 2022

Section and subject area	Syllabus content	Rationale
D2	<p>In the past, the FR examining team have accepted a simplified approach to accounting for intercompany transactions between a parent company and its associate whereby credit would be awarded for recording the same adjusting journal entries regardless of whether the transaction was upstream (i.e. associate sells to parent) or downstream (i.e. parent sells to associate).</p> <p>From September 2022, the FR examining team will expect that a distinction is made between upstream and downstream transactions with the following adjusting journal entries required for an intercompany sale of inventories between a parent and its associate:</p> <p>Upstream: Dr Share of profits of associate Cr Inventories</p> <p>Downstream: Dr Cost of sales Cr Investment in associate</p>	This approach is more technically accurate and candidates should be able to demonstrate the application of this knowledge.
B10 (f)	<p>The FR examining team are aware that in recent years some candidates and learning providers have continued to use the accounting requirements of IAS® 11 Construction Contracts rather than the requirements of IFRS 15 Revenue from Contracts with Customers when calculating contract assets and contract liabilities.</p> <p>Credit has been given for both approaches in the past.</p>	To ensure consistency with the requirements of IFRS 15.

	\$
Revenue recognised to date	X
Less: Amounts invoiced to date	<u>—</u> (X)
Contract asset/(liability)	<u>X/(X)</u>

For contracts where performance obligations are satisfied over a period of time, the stage of completion is required to calculate how much revenue should be recognised to date. There is no requirement to calculate the estimated profit/loss on the contract (except to the extent of determining whether the contract is onerous).

For the purposes of the FR exam, any costs incurred to fulfil a contract with a customer should be expensed to the statement of profit or loss as they are incurred.

From September 2022, credit will only be awarded to candidates who adopt the correct IFRS 15 approach outlined above. Use of IAS 11 will not be awarded credit in the exam.



ACCA

Audit and Assurance (AA)

Syllabus and study guide

September 2022 to June 2023

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

Think Ahead

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1. Intellectual levels

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

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

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

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

Each subject area in the detailed study guide included in this document is given a 1, 2, or 3 superscript, denoting intellectual level, marked at the end of each relevant learning outcome. This gives an indication of the intellectual depth at which an area could be assessed within the examination. However, while level 1 broadly equates with Applied Knowledge, level 2 equates to Applied Skills and level 3 to Strategic Professional, some lower level skills can continue to be assessed as the student progresses through each level. This reflects that at each stage of study there will be a requirement to broaden, as well as deepen capabilities. It is also possible that occasionally some higher level capabilities may be assessed at lower levels.

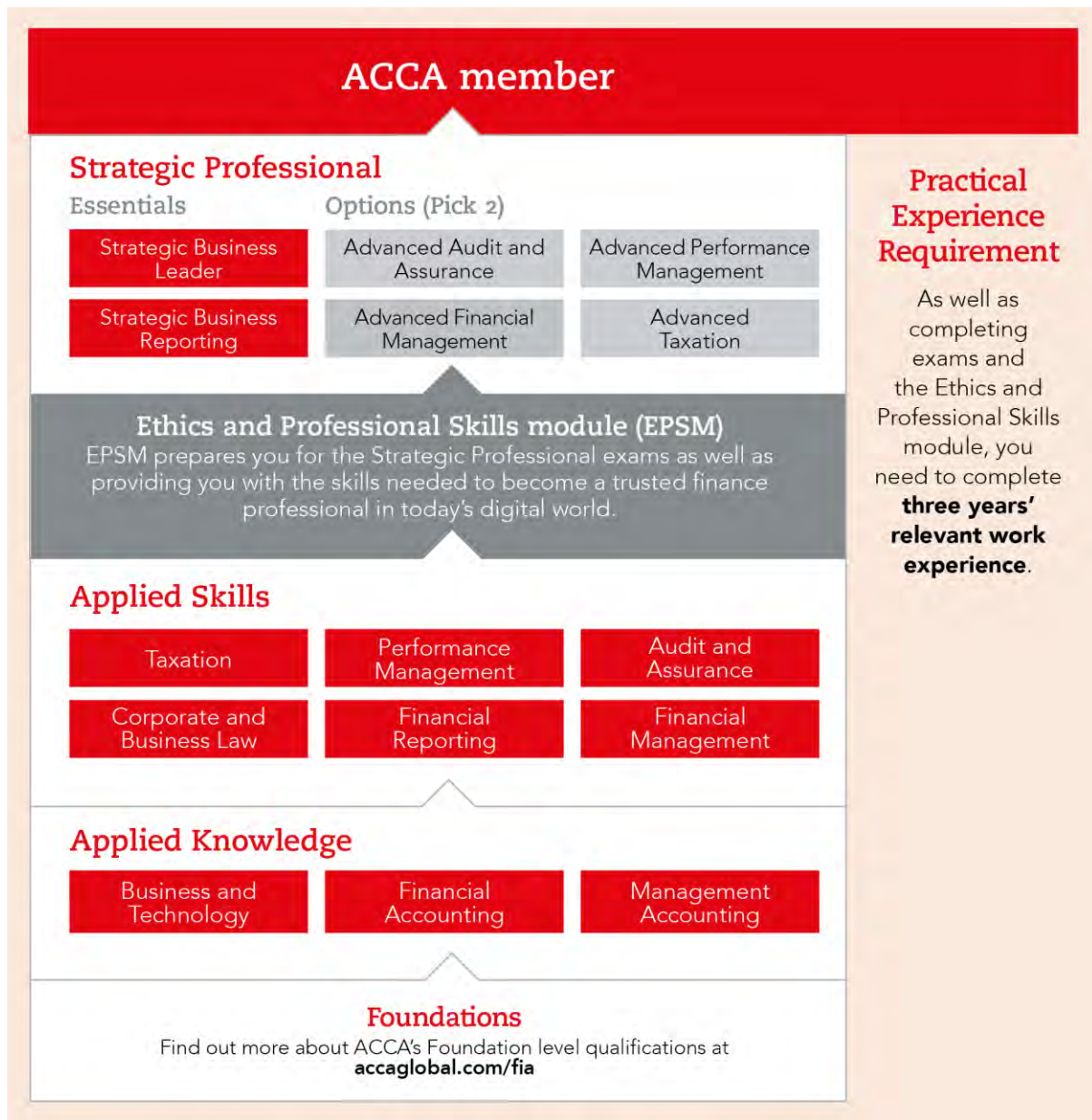
2. Learning hours and education recognition

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

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

Each syllabus is organised into main subject area headings which are further broken down to provide greater detail on each area.

3. The structure of ACCA qualification



*See accaglobal.com for details

4. Guide to ACCA examination structure and delivery mode

The pass mark for all ACCA Qualification examinations is 50%.

The structure and delivery mode of examinations varies.

Applied Knowledge

The Applied Knowledge examinations contain 100% compulsory questions to encourage candidates to study across the breadth of each syllabus. These are assessed by a two-hour computer based examination.

Applied Skills

The Corporate and Business Law exam is a two-hour computer-based objective test examination for English and Global.

For the format and structure of the Corporate and Business Law or Taxation variant exams, refer to the 'Approach to examining the syllabus' section of the relevant syllabus and study guide.

The other Applied Skills examinations (PM, TX-UK, FR, AA, and FM) contain a mix of objective and longer type questions with a duration of three hours for 100 marks. These are assessed by a three hour computer-based exam. Prior to the start of each exam there will be time allocated for students to be informed of the exam instructions.

The longer (constructed response) question types used in the Applied Skills exams (excluding Corporate and Business Law) require students to effectively mimic what they do in the workplace. Students will need to use a range of digital skills and demonstrate their ability to use spread sheets and word processing tools in producing their answers, just as they would use these tools in the workplace. These assessment methods allow ACCA to focus on testing students' technical and application skills, rather than, for example, their ability to perform simple calculations.

Strategic Professional Essentials:

Strategic Business Leader is ACCA's case study examination at Strategic Professional and is examined as a closed book exam of four hours, including reading, planning and reflection time which can be used flexibly within the examination. There is no pre-seen information and all exam related material, including case information and exhibits are available within the examination. Strategic Business Leader is an exam based on one main business scenario which involves candidates completing several tasks within which additional material may be introduced. All questions are compulsory and each examination will contain a total of 80 technical marks and 20 Professional Skills marks.

Strategic Business Reporting is a three-hour 15 minutes exam. It contains two sections and all questions are compulsory. This exam contains four professional marks.

Options:

The Strategic Professional Options are all three hours and 15 minutes computer-based exams. All contain two sections and all questions are compulsory.

From September 2022, AFM, APM and AAA will contain a total of 80 technical marks and 20 Professional Skills marks.

From June 2023, ATX will similarly contain a total of 80 technical marks and 20 Professional Skills marks.

The question types used at Strategic Professional require students to effectively mimic what they would do in the workplace. These exams offer ACCA the opportunity to focus on the application of knowledge to scenarios, using a range of tools including word processor, spreadsheets and presentation slides - not only enabling students to demonstrate their technical and professional skills but also their use of the technology available to today's accountants.

Time management

ACCA encourages students to take time to read questions carefully and to plan answers but once the exam time has started, there are no additional restrictions as to when candidates may start producing their answer.

Time should be taken to ensure that all the information and exam requirements are properly read and understood.

5. Guide to ACCA examination assessment

ACCA reserves the right to examine any learning outcome contained within the study guide. This includes knowledge, techniques, principles, theories, and concepts as specified. For the financial accounting, audit and assurance, law and tax exams except where indicated otherwise, ACCA will publish *examinable documents* once a year to indicate exactly what regulations and legislation could potentially be assessed within identified examination sessions.

For most examinations (not tax), regulations **issued** or legislation **passed** on or before 31 August annually, will be examinable from 1 September of the following year to 31 August of the year after that. Please refer to the examinable documents for the examination (where relevant) for further information.

Regulations issued or legislation passed in accordance with the above dates will not be examinable if the **effective** date is in the future, unless explicitly stated otherwise in the syllabus and study guide or examinable documents.

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

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

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

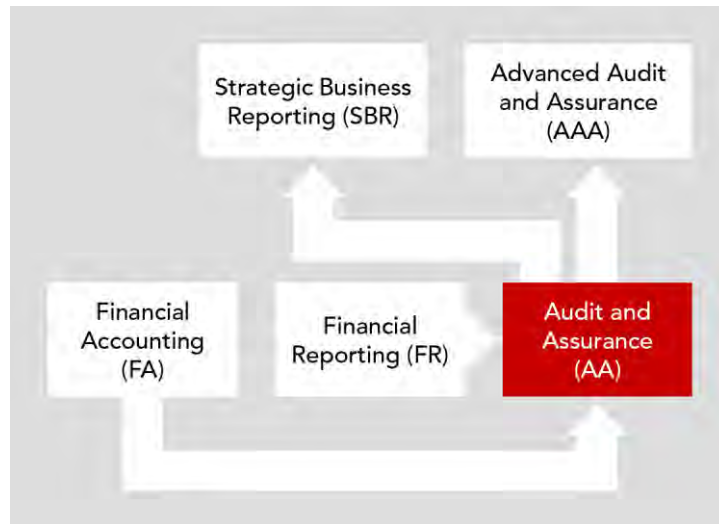
For **UK** tax exams, examinations falling within the period 1 June to 31 March will generally examine the Finance Act which was passed in the previous year. Therefore, exams falling in the period 1 June 2022 to 31 March 2023 will examine the Finance Act 2021 and any examinable legislation which is passed outside of the Finance Act before 31 May 2021.

For additional guidance on the examinability of specific tax rules and the depth in which they are likely to be examined, reference should be made to the relevant Finance Act article written by the examining team and published on the ACCA website.

None of the current or impending devolved taxes for Scotland, Wales, and Northern Ireland is, or will be, examinable.

6. Relational diagram linking Audit and Assurance (AA) with other exams

This diagram shows links between this exam and other exams preceding or following it. Some exams are directly underpinned by other exams such as Advanced Audit and Assurance by Audit and Assurance. This diagram indicates where students are expected to have underpinning knowledge and where it would be useful to review previous learning before undertaking study.



7. Approach to examining the syllabus

The syllabus is assessed by a three-hour computer based examination. All questions are compulsory. The exam will contain both computational and discursive elements. Some questions will adopt a scenario/case study approach. Prior to the start of the exam candidates are given an extra 10 minutes to read the exam instructions.

Section A

Section A of the exam comprises three 10 mark case-based questions. Each case has five objective test questions worth 2 marks each.

Section B

Section B of the exam comprises one 30 mark question and two 20 mark questions.

Section B of the exam will predominantly examine one or more aspects of audit and assurance from planning and risk assessment, internal control or audit evidence, although topics from other syllabus areas may also be included.

Total 100 marks

8. Introduction to the syllabus

The Audit and Assurance syllabus is essentially divided into six areas. The syllabus starts with the nature, purpose and scope of assurance engagements, including the statutory audit, its regulatory environment, and introduces governance and professional ethics relating to audit and assurance.

It then leads into planning the audit and performing risk assessment.

The syllabus then covers a range of areas relating to an audit of financial statements including the scope of internal control and the role and function of internal audit. These include, evaluating internal controls, audit evidence, and a review of the financial statements.

In addition to final review procedures, the syllabus concentrates on reporting, including the form and content of the independent auditor's report.

Finally, the syllabus contains outcomes relating to the demonstration of appropriate digital and employability skills in preparing for and taking the AA examination. This includes being able to interact with different question item types, manage information presented in digital format and being able to use the relevant functionality and technology to prepare and present response options in a professional manner. These skills are specifically developed by practicing and preparing for the AA exam, using the learning support content for computer-based exams available via the practice platform and the ACCA website and will need to be demonstrated during the live exam.

9. Main capabilities

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

- A Explain the concept of audit and assurance and the functions of audit, corporate governance, including ethics and professional conduct.
- B Demonstrate how the auditor obtains and accepts audit engagements, obtains an understanding of the entity and its environment, assesses the risk of material misstatement (whether arising from fraud or other irregularities) and plans an audit of financial statements
- C Describe and evaluate internal controls, techniques and audit tests, including IT systems to identify and communicate control risks and their potential consequences, making appropriate recommendations. Describe the scope, role and function of internal audit.
- D Identify and describe the work and evidence obtained by the auditor and others required to meet the objectives of audit engagements and the application of the International Standards on Auditing (ISAs)
- E Explain how consideration of subsequent events and the going concern principle can inform the conclusions from audit work and are reflected in different types of auditor's report, written representations and the final review and report.
- F Demonstrate employability and technology skills



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

10. The syllabus

A Audit framework and regulation

1. The concept of audit and other assurance engagements
2. External audits
3. Corporate governance
4. Professional ethics and ACCA's Code of Ethics and Conduct

B Planning and risk assessment

1. Obtaining, accepting and continuing audit engagements
2. Objective and general principles
3. Assessing audit risks
4. Understanding the entity and its environment and the applicable financial reporting framework
5. Fraud, laws and regulations
6. Audit planning and documentation

C Internal control

1. Systems of internal control
2. The use and evaluation of systems of internal control by auditors
3. Tests of controls
4. Communication on internal control
5. Internal audit and governance and the differences between external audit and internal audit
6. The scope of the internal audit function, outsourcing and internal audit assignments

D Audit evidence

1. Assertions and audit evidence
2. Audit procedures
3. Audit sampling and other means of testing
4. The audit of specific items
5. Automated tools and techniques
6. The work of others
7. Not-for-profit organisations

E Review and reporting

1. Subsequent events
2. Going concern
3. Written representations
4. Audit finalisation and the final review
5. The Independent Auditor's Report

F Employability and technology skills

1. Use computer technology to efficiently access and manipulate relevant information
2. Work on relevant response options, using available functions and technology, as would be required in the workplace
3. Navigate windows and computer screens to create and amend responses to exam requirements, using the appropriate tools
4. Present data and information effectively, using the appropriate tools

11. Detailed study guide

A Audit framework and regulation

1. The concept of audit and other assurance engagements

- a) Identify and describe the objective and general principles of external audit engagements.^[2]
- b) Explain the nature and development of audit and other assurance engagements.^[1]
- c) Discuss the concepts of accountability, stewardship and agency.^[2]
- d) Define and provide the objectives of an assurance engagement.^[1]
- e) Explain the five elements of an assurance engagement.^[2]
- f) Describe the types of assurance engagement.^[2]
- g) Explain the level of assurance provided by an external audit and other review engagements and the concept of true and fair presentation.^[1]

2. External audits

- a) Describe the regulatory environment within which external audits take place.^[1]
- b) Discuss the reasons and mechanisms for the regulation of auditors.^[1]
- c) Explain the statutory regulations governing the appointment, rights, removal and resignation of auditors.^[1]
- d) Explain the regulations governing the rights and duties of auditors.^[1]
- e) Describe the limitations of external audits.^[1]

- f) Explain the development and status of International Standards on Auditing (ISAs).^[1]
- g) Explain the relationship between International Standards on Auditing and national standards.^[1]

3. Corporate governance

- a) Discuss the objectives, relevance and importance of corporate governance.^[2]
- b) Discuss the provisions of international codes of corporate governance (such as OECD) that are most relevant to auditors.^[2]
- c) Describe good corporate governance requirements relating to directors' responsibilities (e.g. for risk management and internal control) and the reporting responsibilities of auditors.^[2]
- d) Evaluate corporate governance deficiencies and provide recommendations to allow compliance with international codes of corporate governance.^[2]
- e) Analyse the structure and roles of audit committees and discuss their benefits and limitations.^[2]
- f) Explain the importance of internal control and risk management.^[1]

4. Professional ethics and ACCA's Code of Ethics and Conduct

- a) Define and apply the fundamental principles of professional ethics of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.^[2]
- b) Define and apply the conceptual framework, including the threats to the fundamental principles of self-interest, self-review, advocacy, familiarity, and intimidation.^[2]

- c) Discuss the safeguards to offset the threats to the fundamental principles.^[2]
- d) Describe the auditor's responsibility with regard to auditor independence, conflicts of interest and confidentiality.^[1]

B Planning and risk assessment

1. Obtaining, accepting and continuing audit engagements

- a) Discuss the requirements of professional ethics and ISAs in relation to the acceptance / continuance of audit engagements.^[2]
- b) Explain the preconditions for an audit.^[2]
- c) Explain the process by which an auditor obtains an audit engagement.^[2]
- d) Discuss the importance and purpose of engagement letters and their contents.^[1]
- e) Explain the overall objectives and importance of quality management procedures in conducting an audit.^[2]
- f) Explain the quality management procedures which should be in place over engagement resources, engagement performance, monitoring and remediation and compliance with ethical requirements.^[2]
- g) Evaluate quality management deficiencies and provide recommendations to allow compliance with quality management requirements.^[2]

2. Objective and general principles

- a) Identify the overall objectives of the auditor and the need to conduct an audit in accordance with ISAs.^[2]
- b) Explain the need to plan and perform audit engagements with an attitude of professional scepticism, and to exercise professional judgment.^[2]

3. Assessing audit risks

- a) Explain the components of audit risk.^[1]
- b) Describe the audit risks in the financial statements and explain the auditor's response to each risk.^[2]
- c) Define and explain the concepts of materiality and performance materiality.^[2]
- d) Explain and calculate materiality levels from financial information.^[2]

4. Understanding the entity and its environment and the applicable financial reporting framework

- a) Explain how auditors obtain an initial understanding of the entity and its environment and the applicable financial reporting framework.^[2]
- b) Describe and explain the nature, and purpose of, analytical procedures in planning.^[2]
- c) Compute and interpret key ratios used in analytical procedures.^[2]

5. Fraud, laws and regulations

- a) Discuss the effect of fraud and misstatements on the audit strategy and extent of audit work.^[2]
- b) Discuss the responsibilities of internal and external auditors for the prevention and detection of fraud and error.^[2]
- c) Explain the auditor's responsibility to consider laws and regulations.^[2]

6. Audit planning and documentation

- a) Identify and explain the need for, benefits of and importance of planning an audit.^[2]
- b) Identify and describe the contents of the overall audit strategy and audit plan.^[2]

- c) Explain and describe the relationship between the overall audit strategy and the audit plan.^[2]
- d) Explain the difference between an interim and final audit.^[1]
- e) Describe the purpose of an interim audit, and the procedures likely to be adopted at this stage in the audit.^[2]
- f) Describe the impact of the work performed during the interim audit on the final audit.^[2]
- g) Explain the need for, and the importance of, audit documentation.^[1]
- h) Describe the form and contents of working papers and supporting documentation.^[2]
- i) Explain the procedures to ensure safe custody and retention of working papers.^[1]

C Internal control

1. Systems of internal control

- a) Explain why an auditor needs to obtain an understanding of the components of internal control relevant to the preparation of the financial statements.^[1]
- b) Describe and explain the five components of a system of internal control^[2]
 - i) control environment
 - ii) the entity's risk assessment process,
 - iii) the entity's process to monitor the system of internal control
 - iv) the information system and communication
 - v) control activities

2. The use and evaluation of systems of internal control by auditors

- a) Explain how auditors record systems of internal control including the use of narrative notes, flowcharts and questionnaires.^[2]
- b) Evaluate internal control components, including deficiencies and significant deficiencies in internal control.^[2]
- c) Discuss the limitations of internal control components.^[2]

3. Tests of controls

- a) Describe computer systems controls including general IT controls and information processing controls.^[2]
- b) Describe control objectives, control procedures, control activities, direct controls, indirect controls and tests of controls in relation to:^[2]
 - i) The sales system;
 - ii) The purchases system
 - iii) The payroll system
 - iv) The inventory system
 - v) The bank and cash system
 - vi) Non-current assets

4. Communication on internal control

- a) Discuss the requirements and methods of how reporting significant deficiencies in internal control are provided to management and those charged with governance.^[2]
- b) Explain, in a format suitable for inclusion in a report to management, significant deficiencies within a system of internal control and provide control recommendations for overcoming these deficiencies to management.^[2]
- c) Discuss the need for auditors to communicate with those charged with governance.^[2]

5. Internal audit and governance and the differences between external audit and internal audit

- a) Discuss the factors to be taken into account when assessing the need for internal audit.^[2]
- b) Discuss the elements of best practice in the structure and operations of internal audit.^[2]
- c) Compare and contrast the role of external and internal audit.^[2]

6. The scope of the internal audit function, outsourcing and internal audit assignments

- a) Discuss the scope of internal audit and the limitations of the internal audit function.^[2]
- b) Explain outsourcing and the associated advantages and disadvantages of outsourcing the internal audit function.^[1]
- c) Discuss the nature and purpose of internal audit assignments including value for money, IT, financial, regulatory compliance, fraud investigations and customer experience.^[2]
- d) Discuss the nature and purpose of operational internal audit assignments.^[2]
- e) Describe the format and content of internal audit review reports and make appropriate recommendations to management and those charged with governance.^[2]

D Audit evidence

1. Assertions and audit evidence

- a) Explain the assertions contained in the financial statements about:^[2]
 - (i) Classes of transactions and events and related disclosures;
 - (ii) Account balances and related disclosures at the period end.

- b) Describe audit procedures to obtain audit evidence, including inspection, observation, external confirmation, recalculation, re-performance, analytical procedures and enquiry.^[2]
- c) Discuss the quality and quantity of audit evidence.^[2]
- d) Discuss the relevance and reliability of audit evidence.^[2]

2. Audit procedures

- a) Discuss substantive procedures for obtaining audit evidence.^[2]
- b) Discuss and provide examples of how analytical procedures are used as substantive procedures.^[2]
- c) Discuss the problems associated with the audit and review of accounting estimates.^[2]
- d) Describe why smaller entities may have different control environments and describe the types of evidence likely to be available in smaller entities.^[1]
- e) Discuss the difference between tests of controls and substantive procedures.^[2]

3. Audit sampling and other means of testing

- a) Define audit sampling and explain the need for sampling.^[1]
- b) Identify and discuss the differences between statistical and non-statistical sampling.^[2]
- c) Discuss and provide relevant examples of the application of the basic principles of statistical sampling and other selective testing procedures.^[2]
- d) Discuss the results of statistical sampling, including consideration of whether additional testing is required.^[2]

4. The audit of specific items

For each of the account balances stated in this sub-capability:

Explain the audit objectives and the audit procedures to obtain sufficient, appropriate evidence in relation to:

- a) Receivables: ^[2]
 - i) direct confirmation of accounts receivable
 - ii) other evidence in relation to receivables and prepayments
 - iii) other evidence in relation to current assets and
 - iv) completeness and occurrence of revenue.
- b) Inventory: ^[2]
 - i) inventory counting procedures in relation to year-end and continuous inventory systems
 - ii) cut-off testing
 - iii) auditor's attendance at inventory counting
 - v) direct confirmation of inventory held by third parties
 - vi) valuation and
 - vii) other evidence in relation to inventory.
- c) Payables and accruals: ^[2]
 - i) supplier statement reconciliations and direct confirmation of accounts payable
 - ii) obtain evidence in relation to payables and accruals
 - iii) other evidence in relation to current liabilities and
 - iv) purchases and other expenses, including payroll.
- d) Bank and cash: ^[2]
 - i) bank confirmation reports used in obtaining evidence in relation to bank and cash
 - ii) other evidence in relation to bank and
 - iii) other evidence in relation to cash.
- e) Tangible and intangible non-current assets ^[2]
 - i) evidence in relation to non-current assets

- ii) depreciation and
- iii) profit/loss on disposal.

- f) Non-current liabilities, provisions and contingencies: ^[2]
 - i) evidence in relation to non-current liabilities and
 - ii) provisions and contingencies.
- g) Share capital, reserves and directors' emoluments: ^[2]
 - i) evidence in relation to share capital, reserves and directors' emoluments.

5. Automated tools and techniques

- a) Explain the use of automated tools and techniques in the context of an audit, including the use of audit software, test data and other data analytics tools. ^[1]
- b) Discuss and provide relevant examples of the use of automated tools and techniques including test data, audit software and other data analytics tools. ^[2]

6. The work of others

- a) Discuss why auditors rely on the work of others. ^[2]
- b) Discuss the extent to which external auditors are able to rely on the work of experts, including the work of internal audit. ^[2]
- c) Explain the audit considerations relating to entities using service organisations. ^[2]
- d) Explain the extent to which reference to the work of others can be made in the independent auditor's report. ^[1]

7. Not-for-profit organisations

- a) Apply audit techniques to not-for-profit organisations. ^[2]

E Review and reporting

1. Subsequent events

- a) Explain the purpose of a subsequent events review.^[1]
- b) Explain the responsibilities of auditors regarding subsequent events.^[1]
- c) Discuss the procedures to be undertaken in performing a subsequent events review.^[2]

2. Going concern

- a) Define and discuss the significance of the concept of going concern.^[2]
- b) Explain the importance of and the need for going concern reviews.^[2]
- c) Explain the respective responsibilities of auditors and management regarding going concern.^[1]
- d) Identify and explain potential indicators that an entity is not a going concern.^[2]
- e) Discuss the procedures to be applied in performing going concern reviews.^[2]
- f) Discuss the disclosure requirements in relation to going concern issues.^[2]
- g) Discuss the reporting implications of the findings of going concern reviews.^[2]

3. Written representations

- a) Explain the purpose of and procedure for obtaining written representations.^[2]
- b) Discuss the quality and reliability of written representations as audit evidence.^[2]
- c) Discuss the circumstances where written representations are necessary and the matters on which representations are commonly obtained.^[2]

4. Audit finalisation and the final review

- a) Discuss the importance of the overall review in ensuring that sufficient,

appropriate evidence has been obtained.^[2]

- b) Describe procedures an auditor should perform in conducting their overall review of financial statements.^[2]
- c) Explain the significance of uncorrected misstatements.^[1]
- d) Evaluate the effect of dealing with uncorrected misstatements.^[2]

5. The Independent Auditor's Report

- a) Identify and describe the basic elements contained in the independent auditor's report.^[1]
- b) Explain unmodified audit opinions in the auditor's report.^[2]
- c) Explain the circumstances in which a modified audit opinion may be issued in the auditor's report.^[2]
- d) Explain the impact on the auditor's report when a modified opinion is issued.^[2]
- e) Describe the format and content of key audit matters, emphasis of matter and other matter paragraphs.^[2]

F Employability and technology skills

1. Use computer technology to efficiently access and manipulate relevant information.
2. Work on relevant response options, using available functions and technology, as would be required in the workplace.
3. Navigate windows and computer screens to create and amend responses to exam requirements, using the appropriate tools.
4. Present data and information effectively, using the appropriate tools.

12. Summary of changes to Audit and Assurance (AA)

ACCA periodically reviews its qualification syllabuses so that they fully meet the needs of stakeholders such as employers, students, regulatory and advisory bodies and learning providers.

The main changes which have been made to the syllabus are summarised in the table below.

Amendments to AA

Section and subject area	Syllabus content
Planning and risk assessment B1e and B1f Wording of learning outcomes extended and revised to reflect the new terminology of ISA 220 (Revised 2020).	B Planning and risk assessment 1. Obtaining, accepting and continuing audit engagements e) Explain the overall objectives and importance of quality management procedures in conducting an audit. ^[2] f) Explain the quality management procedures which should be in place over engagement resources, engagement performance, monitoring and remediation and compliance with ethical requirements. ^[2]
Planning and risk assessment B1g Learning outcome added to better reflect the requirements of ISA 220 (Revised 2020).	B Planning and risk assessment 1. Obtaining, accepting and continuing audit engagements g) Evaluate quality management deficiencies and provide recommendations to allow compliance with quality management requirements. ^[2]



ACCA

Financial Management (FM)

Syllabus and study guide

September 2022 to June 2023

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

Think Ahead

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1. Intellectual levels

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

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

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

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

Each subject area in the detailed study guide included in this document is given a 1, 2, or 3 superscript, denoting intellectual level, marked at the end of each relevant learning outcome. This gives an indication of the intellectual depth at which an area could be assessed within the examination. However, while level 1 broadly equates with Applied Knowledge, level 2 equates to Applied Skills and level 3 to Strategic Professional, some lower level skills can continue to be assessed as the student progresses through each level. This reflects that at each stage of study there will be a requirement to broaden, as well as deepen capabilities. It is also possible that occasionally some higher level capabilities may be assessed at lower levels.

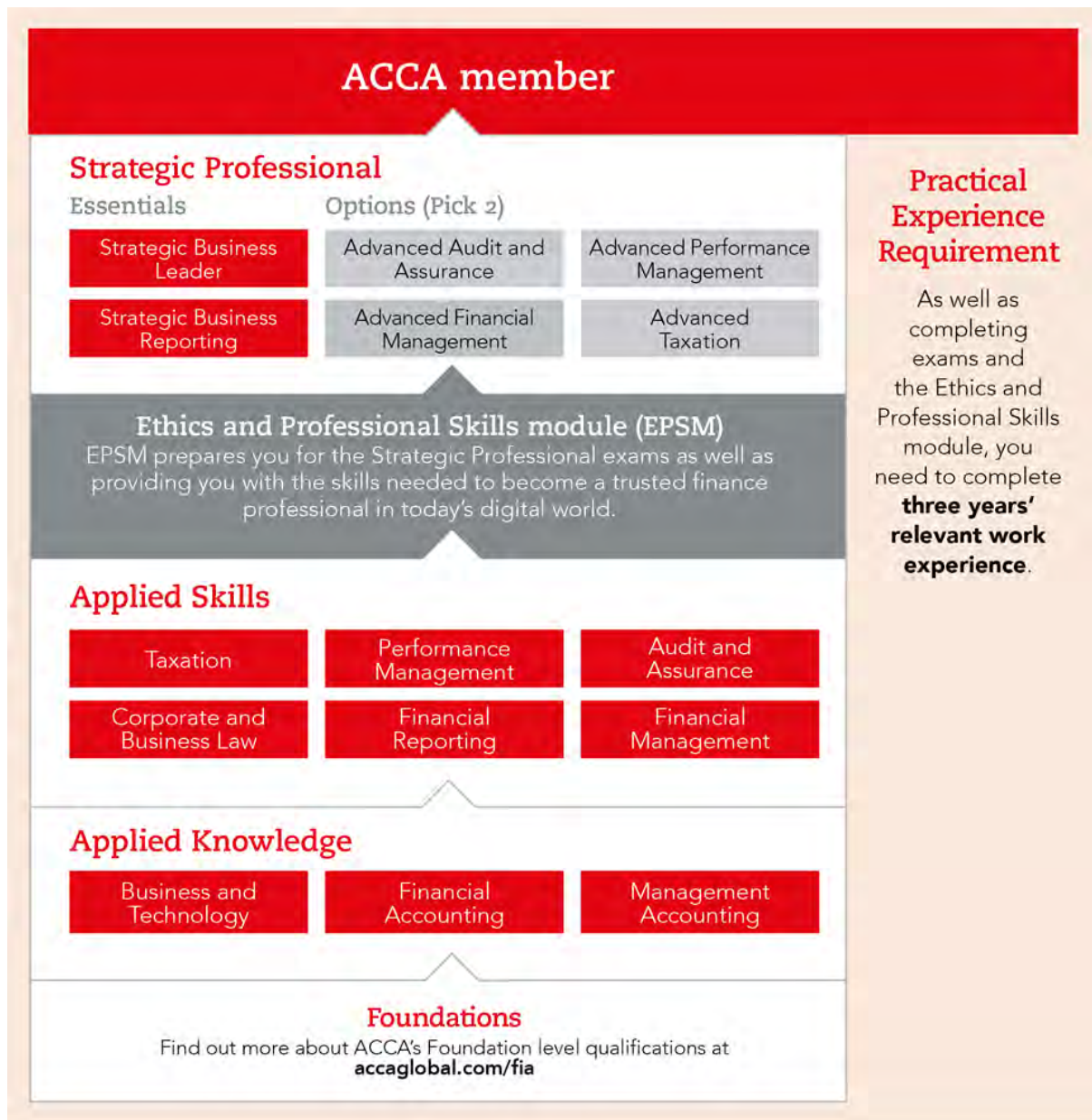
2. Learning hours and education recognition

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

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

Each syllabus is organised into main subject area headings which are further broken down to provide greater detail on each area.

3. The structure of ACCA qualification



*See accaglobal.com for details

4. Guide to ACCA examination structure and delivery mode

The pass mark for all ACCA Qualification examinations is 50%.

The structure and delivery mode of examinations varies.

Applied Knowledge

The Applied Knowledge examinations contain 100% compulsory questions to encourage candidates to study across the breadth of each syllabus. These are assessed by a two-hour computer based examination.

Applied Skills

The Corporate and Business Law exam is a two-hour computer-based objective test examination for English and Global.

For the format and structure of the Corporate and Business Law or Taxation variant exams, refer to the 'Approach to examining the syllabus' section of the relevant syllabus and study guide.

The other Applied Skills examinations (PM, TX-UK, FR, AA, and FM) contain a mix of objective and longer type questions with a duration of three hours for 100 marks. These are assessed by a three hour computer-based exam. Prior to the start of each exam there will be time allocated for students to be informed of the exam instructions.

The longer (constructed response) question types used in the Applied Skills exams (excluding Corporate and Business Law) require students to effectively mimic what they do in the workplace. Students will need to use a range of digital skills and demonstrate their ability to use spread sheets and word processing tools in producing their answers, just as they would use these tools in the workplace. These assessment methods allow ACCA to focus on testing students' technical and application skills, rather than, for example, their ability to perform simple calculations.

Strategic Professional Essentials:

Strategic Business Leader is ACCA's case study examination at Strategic Professional and is examined as a closed book exam of four hours, including reading, planning and reflection time which can be used flexibly within the examination. There is no pre-seen information and all exam related material, including case information and exhibits are available within the examination. Strategic Business Leader is an exam based on one main business scenario which involves candidates completing several tasks within which additional material may be introduced. All questions are compulsory and each examination will contain a total of 80 technical marks and 20 Professional Skills marks.

Strategic Business Reporting is a three-hour 15 minutes exam. It contains two sections and all questions are compulsory. This exam contains four professional marks.

Options:

The Strategic Professional Options are all three hours and 15 minutes computer-based exams. All contain two sections and all questions are compulsory.

From September 2022, AFM, APM and AAA will contain a total of 80 technical marks and 20 Professional Skills marks.

From June 2023, ATX will similarly contain a total of 80 technical marks and 20 Professional Skills marks.

The question types used at Strategic Professional require students to effectively mimic what they would do in the workplace. These exams offer ACCA the opportunity to focus on the application of knowledge to scenarios, using a range of tools including word processor, spreadsheets and presentation slides - not only enabling students to demonstrate their technical and professional skills but also their use of the technology available to today's accountants.

Time management

ACCA encourages students to take time to read questions carefully and to plan answers but once the exam time has started, there are no additional restrictions as to when candidates may start producing their answer.

Time should be taken to ensure that all the information and exam requirements are properly read and understood.

5. Guide to ACCA examination assessment

ACCA reserves the right to examine any learning outcome contained within the study guide. This includes knowledge, techniques, principles, theories, and concepts as specified. For the financial accounting, audit and assurance, law and tax exams except where indicated otherwise, ACCA will publish *examinable documents* once a year to indicate exactly what regulations and legislation could potentially be assessed within identified examination sessions.

For most examinations (not tax), regulations **issued** or legislation **passed** on or before 31 August annually, will be examinable from 1 September of the following year to 31 August of the year after that. Please refer to the examinable documents for the exam (where relevant) for further information.

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

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

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

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

For **UK** tax exams, examinations falling within the period 1 June to 31 March will generally examine the Finance Act which was passed in the previous year. Therefore, exams falling in the period 1 June 2021 to 31 March 2022 will examine the Finance Act 2020 and any examinable legislation which

is passed outside of the Finance Act before 31 May 2020.

For additional guidance on the examinability of specific tax rules and the depth in which they are likely to be examined, reference should be made to the relevant Finance Act article written by the examining team and published on the ACCA website.

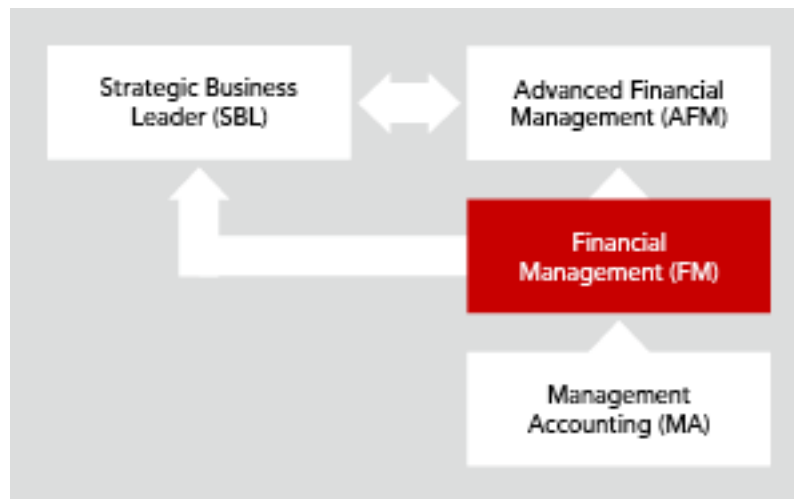
None of the current or impending devolved taxes for Scotland, Wales, and Northern Ireland is, or will be, examinable.

Additional clarification regarding the impact of the UK leaving the European Union (EU)

For exams in the period 1 June 2021 to 31 March 2022, it will be assumed that the EU acquisition rules continue to apply.

6. Relational diagram linking Financial Management (FM) with other exams

This diagram shows links between this exam and other exams preceding or following it. Some exams are directly underpinned by other exams such as Advanced Financial Management with Financial Management. This diagram indicates where students are expected to have underpinning knowledge and where it would be useful to review previous learning before undertaking study.



7. Approach to examining the syllabus

The syllabus is assessed by a three-hour computer based examination. All questions are compulsory. The exam will contain both computational and discursive elements. Some questions will adopt a scenario/case study approach.

Prior to the start of the exam candidates are given an extra 10 minutes to read the exam instructions.

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

Section A of the computer-based exam comprises 15 objective test questions of 2 marks each.

Section B of the computer-based exam comprises three questions each containing five objective test questions.

Section C of the exam comprises two 20-mark constructed response questions. The two 20-mark questions will mainly come from the working capital management, investment appraisal and business finance areas of the syllabus. The section A and section B questions can cover any areas of the syllabus.

Total 100 marks

8. Introduction to the syllabus

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

The syllabus for *Financial Management* is designed to equip candidates with the skills that would be expected from a finance manager responsible for the finance function of a business. It prepares candidates for more advanced and specialist study in *Advanced Financial Management*.

The syllabus, therefore, starts by introducing the role and purpose of the financial management function within a business. Before looking at the three key financial management decisions of investing, financing, and dividend policy, the syllabus explores the economic environment in which such decisions are made.

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

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

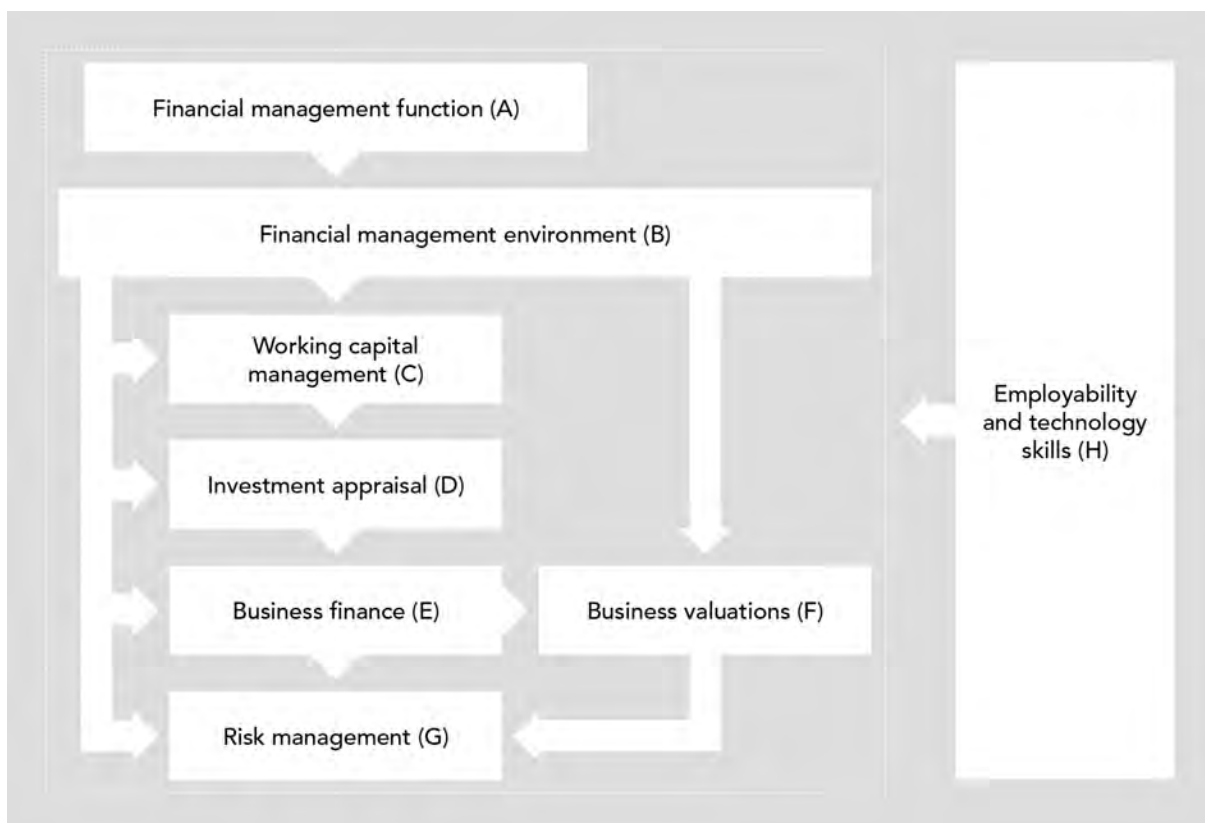
The syllabus then covers an introduction to, and examination of, risk and the main techniques employed in managing such risk.

Section H of the syllabus contains outcomes relating to the demonstration of appropriate digital and employability skills in preparing for and taking the FM examination. This includes being able to interact with different question item types, manage information presented in digital format and being able to use the relevant functionality and technology to prepare and present response options in a professional manner. These skills are specifically developed by practicing and preparing for the FM exam, using the learning support content for computer-based exams available via the practice platform and the ACCA website and will need to be demonstrated during the live exam.

9. Main capabilities

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

- A Discuss the role and purpose of the financial management function
- B Assess and discuss the impact of the economic environment on financial management
- C Discuss and apply working capital management techniques
- D Carry out effective investment appraisal
- E Identify and evaluate alternative sources of business finance
- F Discuss and apply principles of business and asset valuations
- G Explain and apply risk management techniques in business
- H Demonstrate employability and technology skills



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

10. The syllabus

A Financial management function

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

B Financial management environment

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

C Working capital management

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

D Investment appraisal

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

E Business finance

1. Sources of, and raising, business finance
2. Estimating the cost of capital
3. Sources of finance and their relative costs
4. Capital structure theories and practical considerations
5. Finance for small- and medium-sized entities (SMEs)

F Business valuations

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

G Risk management

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

H Employability and technology skills

1. Use computer technology to efficiently access and manipulate relevant information
2. Work on relevant response options, using available functions and technology, as would be required in the workplace

3. Navigate windows and computer screens to create and amend responses to exam requirements, using the appropriate tools
4. Present data and information effectively, using the appropriate tools

11. Detailed study guide

A Financial management function

1. The nature and purpose of financial management

- a) Explain the nature and purpose of financial management.^[1]
- b) Explain the relationship between financial management and financial and management accounting.^[1]

2. Financial objectives and the relationship with corporate strategy

- a) Discuss the relationship between financial objectives, corporate objectives and corporate strategy.^[2]
- b) Identify and describe a variety of financial objectives, including:^[2]
 - i) shareholder wealth maximisation
 - ii) profit maximisation
 - iii) earnings per share growth.

3. Stakeholders and impact on corporate objectives

- a) Identify the range of stakeholders and their objectives.^[2]
- b) Discuss the possible conflict between stakeholder objectives.^[2]
- c) Discuss the role of management in meeting stakeholder objectives, including the application of agency theory.^[2]
- d) Describe and apply ways of measuring achievement of corporate objectives including:^[2]
 - i) ratio analysis, using appropriate ratios such as return on capital employed, return on equity, earnings per share and dividend per share

- ii) changes in dividends and share prices as part of total shareholder return.
- e) Explain ways to encourage the achievement of stakeholder objectives, including:^[2]
 - i) managerial reward schemes such as share options and performance-related pay.
 - ii) regulatory requirements such as corporate governance codes of best practice and stock exchange listing regulations.

4. Financial and other objectives in not-for-profit organisations

- a) Discuss the impact of not-for-profit status on financial and other objectives.^[2]
- b) Discuss the nature and importance of Value for Money as an objective in not-for-profit organisations.^[2]
- c) Discuss ways of measuring the achievement of objectives in not-for-profit organisations.^[2]

B Financial management environment

1. The economic environment for business

- a) Identify and explain the main macroeconomic policy targets.^[1]
- b) Define and discuss the role of fiscal, monetary, interest rate and exchange rate policies in achieving macroeconomic policy targets.^[1]
- c) Explain how government economic policy interacts with planning and decision-making in business.^[2]
- d) Explain the need for, and the interaction with, planning and decision-making in business of:
 - i) competition policy ^[1]
 - ii) government assistance for business ^[1]
 - iii) green policies ^[1]

- iv) corporate governance regulation.^[2]

2. The nature and role of financial markets and institutions

- a) Identify the nature and role of money and capital markets, both nationally and internationally.^[2]
- b) Explain the role of financial intermediaries.^[1]
- c) Explain the functions of a stock market and a corporate bond market.^[2]
- d) Explain the nature and features of different securities in relation to the risk/return trade-off.^[2]
- e) Explain the impact of Fintech in changing the nature and role of financial markets and institutions. ^[1]

3. The nature and role of money markets

- a) Describe the role of the money markets in:^[1]
 - i) providing short-term liquidity to the private sector and the public sector
 - ii) providing short-term trade finance
 - iii) allowing an organisation to manage its exposure to foreign currency risk and interest rate risk.
- b) Explain the role of banks and other financial institutions in the operation of the money markets.^[2]
- c) Explain and apply the characteristics and role of the principal money market instruments:^[2]
 - i) interest-bearing instruments
 - ii) discount instruments
 - iii) derivative products.

C Working capital management

1. The nature, elements and importance of working capital

- a) Describe the nature of working capital and identify its elements.^[1]
- b) Identify the objectives of working capital management in terms of liquidity and profitability, and discuss the conflict between them.^[2]
- c) Discuss the central role of working capital management in financial management.^[2]

2. Management of inventories, accounts receivable, accounts payable and cash

- a) Explain the cash operating cycle and the role of accounts payable and accounts receivable.^[2]
- b) Explain and apply relevant accounting ratios, including: ^[2]
 - i) current ratio and quick ratio
 - ii) inventory turnover ratio, average collection period and average payable period
 - iii) sales revenue/net working capital ratio.
- c) Discuss, apply and evaluate the use of relevant techniques in managing inventory, including the Economic Order Quantity model and Just-in-Time techniques.^[2]
- d) Discuss, apply and evaluate the use of relevant techniques in managing accounts receivable, including:
 - i) assessing creditworthiness ^[1]
 - ii) managing accounts receivable ^[1]
 - iii) collecting amounts owing ^[1]
 - iv) offering early settlement discounts ^[2]
 - v) using factoring and invoice discounting ^[2]
 - vi) managing foreign accounts receivable.^[2]
- e) Discuss and apply the use of relevant techniques in managing accounts payable, including:
 - i) using trade credit effectively ^[1]
 - ii) evaluating the benefits of early settlement and bulk purchase discounts ^[2]

- iii) managing foreign accounts payable.^[1]
 - f) Explain the various reasons for holding cash, and discuss and apply the use of relevant techniques in managing cash, including:^[2]
 - i) preparing cash flow forecasts to determine future cash flows and cash balances
 - ii) assessing the benefits of centralised treasury management and cash control
 - iii) cash management models, such as the Baumol model and the Miller-Orr model
 - iv) investing short-term.
- 3. Determining working capital needs and funding strategies**
- a) Calculate the level of working capital investment in current assets and discuss the key factors determining this level, including:^[2]
 - i) the length of the working capital cycle and terms of trade
 - ii) an organisation's policy on the level of investment in current assets
 - iii) the industry in which the organisation operates.
 - b) Evaluate and discuss the key factors in determining working capital funding strategies, including:
 - i) the distinction between permanent and fluctuating current assets ^[2]
 - ii) the relative cost and risk of short-term and long-term finance ^[2]
 - iii) the matching principle ^[2]
 - iv) the relative costs and benefits of aggressive, conservative and matching funding policies ^[2]
 - v) management attitudes to risk, previous funding decisions and organisation size.^[1]
- 2. Allowing for inflation and taxation in DCF**
- a) Apply and discuss the real-terms and nominal-terms approaches to investment appraisal.^[2]
 - b) Calculate the taxation effects of relevant cash flows, including the tax benefits of tax-allowable depreciation and the tax liabilities of taxable profit.^[2]
 - c) Calculate and apply before- and after-tax discount rates.^[2]
- 3. Adjusting for risk and uncertainty in investment appraisal**
- a) Describe and discuss the difference between risk and uncertainty in relation to probabilities and increasing project life.^[2]
- a) Identify and calculate relevant cash flows for investment projects.^[2]
 - b) Calculate payback period and discuss its usefulness as an investment appraisal method.^[2]
 - c) Calculate discounted payback and discuss its usefulness as an investment appraisal method.^[2]
 - d) Calculate return on capital employed (accounting rate of return) and discuss its usefulness as an investment appraisal method.^[2]
 - e) Calculate net present value and discuss its usefulness as an investment appraisal method.^[2]
 - f) Calculate internal rate of return and discuss its usefulness as an investment appraisal method.^[2]
 - g) Discuss the superiority of discounted cash flow (DCF) methods over non-DCF methods.^[2]
 - h) Discuss the relative merits of NPV and IRR.^[2]

D Investment appraisal

1. Investment appraisal techniques

- b) Apply sensitivity analysis to investment projects and discuss the usefulness of sensitivity analysis in assisting investment decisions.^[2]
- c) Apply probability analysis to investment projects and discuss the usefulness of probability analysis in assisting investment decisions.^[2]
- d) Apply and discuss other techniques of adjusting for risk and uncertainty in investment appraisal, including:
 - i) simulation ^[1]
 - ii) adjusted payback ^[1]
 - iii) risk-adjusted discount rates. ^[2]

4. Specific investment decisions (Lease or buy, asset replacement, capital rationing)

- a) Evaluate leasing and borrowing to buy using the before- and after-tax costs of debt.^[2]
- b) Evaluate asset replacement decisions using equivalent annual cost and equivalent annual benefit.^[2]
- c) Evaluate investment decisions under single-period capital rationing, including:^[2]
 - i) the calculation of profitability indexes for divisible investment projects
 - ii) the calculation of the NPV of combinations of non-divisible investment projects
 - iii) a discussion of the reasons for capital rationing.

E Business finance

1. Sources of, and raising, business finance

- a) Identify and discuss the range of short-term sources of finance available to businesses, including:^[2]
 - i) overdraft
 - ii) short-term loan
 - iii) trade credit

iv) lease finance.

- b) Identify and discuss the range of long-term sources of finance available to businesses, including:^[2]
 - i) equity finance
 - ii) debt finance
 - iii) lease finance
 - iv) venture capital.
- c) Identify and discuss methods of raising equity finance, including:^[2]
 - i) rights issue
 - ii) placing
 - iii) public offer
 - iv) stock exchange listing.
- d) Identify and discuss methods of raising short- and long-term Islamic finance, including:^[1]
 - i) major differences between Islamic finance and the other forms of business finance.
 - ii) the concept of riba (interest) and how returns are made by Islamic financial securities.
 - iii) Islamic financial instruments available to businesses including:
 - i) murabaha (trade credit)
 - ii) ijara (lease finance)
 - iii) mudaraba (equity finance)
 - iv) sukuk (debt finance)
 - v) musharaka (venture capital).

(note: calculations are not required)
- e) Identify and discuss internal sources of finance, including:^[2]
 - i) retained earnings
 - ii) increasing working capital management efficiency
 - iii) the relationship between dividend policy and the financing decision
 - iv) the theoretical approaches to, and the practical influences on, the dividend decision, including legal constraints, liquidity, shareholder expectations and alternatives to cash dividends.

2. Estimating the cost of capital

- a) Estimate the cost of equity including:^[2]
 - i) application of the dividend growth model, its assumptions, advantages and disadvantages.
 - ii) explanation and discussion of systematic and unsystematic risk
 - iii) relationship between portfolio theory and the capital asset pricing model (CAPM)
 - iv) application of the CAPM, its assumptions, advantages and disadvantages.
- b) Estimating the cost of debt:^[2]
 - i) irredeemable debt
 - ii) redeemable debt
 - iii) convertible debt
 - iv) preference shares
 - v) bank debt.
- c) Estimating the overall cost of capital including:^[2]
 - i) distinguishing between average and marginal cost of capital
 - ii) calculating the weighted average cost of capital (WACC) using book value and market value weightings.

3. Sources of finance and their relative costs

- a) Describe the relative risk-return relationship and the relative costs of equity and debt.^[2]
- b) Describe the creditor hierarchy and its connection with the relative costs of sources of finance.^[2]
- c) Identify and discuss the problem of high levels of gearing.^[2]
- d) Assess the impact of sources of finance on financial position, financial risk and shareholder wealth using appropriate measures, including:^[2]
 - i) ratio analysis using statement of financial position gearing, operational and financial gearing, interest coverage ratio and other relevant ratios

- ii) cash flow forecasting
- iii) leasing or borrowing to buy.
- e) Impact of cost of capital on investments including:^[2]
 - i) the relationship between company value and cost of capital.
 - ii) the circumstances under which WACC can be used in investment appraisal
 - iii) the advantages of the CAPM over WACC in determining a project-specific cost of capital.
 - iv) the application of the CAPM in calculating a project-specific discount rate.

4. Capital structure theories and practical considerations

- a) Describe the traditional view of capital structure and its assumptions.^[2]
- b) Describe the views of Miller and Modigliani on capital structure, both without and with corporate taxation, and their assumptions.^[2]
- c) Identify a range of capital market imperfections and describe their impact on the views of Miller and Modigliani on capital structure.^[2]
- d) Explain the relevance of pecking order theory to the selection of sources of finance.^[1]

5. Finance for small and medium sized entities (SMEs)

- a) Describe the financing needs of small businesses.^[2]
- b) Describe the nature of the financing problem for small businesses in terms of the funding gap, the maturity gap and inadequate security.^[2]
- c) Explain measures that may be taken to ease the financing problems of SMEs, including the responses of government departments and financial institutions.^[1]

- d) Identify and evaluate the financial impact of sources of finance for SMEs, including sources already referred to in syllabus section E1 and also ^[2]
- i) Business angel financing
 - ii) Government assistance
 - iii) Supply chain financing
 - iv) Crowdfunding / peer-to-peer funding.

F Business valuations

1. Nature and purpose of the valuation of business and financial assets

- a) Identify and discuss reasons for valuing businesses and financial assets.^[2]
- b) Identify information requirements for valuation and discuss the limitations of different types of information.^[2]

2. Models for the valuation of shares

- a) Discuss and apply asset-based valuation models, including:^[2]
 - i) net book value (statement of financial position) basis
 - ii) net realisable value basis
 - iii) net replacement cost basis.
- b) Discuss and apply income-based valuation models, including:^[2]
 - i) price/earnings ratio method
 - ii) earnings yield method.
- c) Discuss and apply cash flow-based valuation models, including:^[2]
 - i) dividend valuation model and the dividend growth model
 - ii) discounted cash flow basis.

3. The valuation of debt and other financial assets

- a) Discuss and apply appropriate valuation methods to:^[2]
 - i) irredeemable debt
 - ii) redeemable debt
 - iii) convertible debt
 - iv) preference shares.

4. Efficient Market Hypothesis (EMH) and practical considerations in the valuation of shares

- a) Distinguish between and discuss weak form efficiency, semi-strong form efficiency and strong form efficiency.^[2]
- b) Discuss practical considerations in the valuation of shares and businesses, including:^[2]
 - i) marketability and liquidity of shares
 - ii) availability and sources of information
 - iii) market imperfections and pricing anomalies
 - iv) market capitalisation.
- c) Describe the significance of investor speculation and the explanations of investor decisions offered by behavioural finance.^[1]

G Risk Management

1. The nature and types of risk and approaches to risk management

- a) Describe and discuss different types of foreign currency risk:^[2]
 - i) translation risk
 - ii) transaction risk
 - iii) economic risk.
- b) Describe and discuss different types of interest rate risk:^[1]
 - i) gap exposure
 - ii) basis risk.

2. Causes of exchange rate differences and interest rate fluctuations

- a) Describe the causes of exchange rate fluctuations, including:
 - i) balance of payments ^[1]
 - ii) purchasing power parity theory ^[2]
 - iii) interest rate parity theory ^[2]
 - iv) four-way equivalence.^[2]
- b) Forecast exchange rates using:^[2]
 - i) purchasing power parity
 - ii) interest rate parity.

- c) Describe the causes of interest rate fluctuations, including: ^[2]
 - i) structure of interest rates and yield curves
 - ii) expectations theory
 - iii) liquidity preference theory
 - iv) market segmentation.

3. Hedging techniques for foreign currency risk

- a) Discuss and apply traditional and basic methods of foreign currency risk management, including:
 - i) currency of invoice ^[1]
 - ii) netting and matching ^[2]
 - iii) leading and lagging ^[2]
 - iv) forward exchange contracts ^[2]
 - v) money market hedging ^[2]
 - vi) asset and liability management. ^[1]
- b) Compare and evaluate traditional methods of foreign currency risk management. ^[2]
- c) Identify the main types of foreign currency derivatives used to hedge foreign currency risk and explain how they are used in hedging. ^[1]

(No numerical questions will be set on this topic)

4. Hedging techniques for interest rate risk

- a) Discuss and apply traditional and basic methods of interest rate risk management, including:
 - i) matching and smoothing ^[1]
 - ii) asset and liability management ^[1]
 - iii) forward rate agreements. ^[2]
- b) Identify the main types of interest rate derivatives used to hedge interest rate risk and explain how they are used in hedging. ^[1]

(No numerical questions will be set on this topic)

H Employability and technology skills

- 1. Use computer technology to efficiently access and manipulate relevant information**
- 2. Work on relevant response options, using available functions and technology, as would be required in the workplace**
- 3. Navigate windows and computer screens to create and amend responses to exam requirements, using the appropriate tools**
- 4. Present data and information effectively, using the appropriate tools**

12. Summary of changes to Financial Management (FM)

ACCA periodically reviews its qualification syllabuses so that they fully meet the needs of stakeholders such as employers, students, regulatory and advisory bodies and learning providers.

Amendments to FM

Section and subject area	Syllabus content	Rationale
B2e	Explain the impact of Fintech in changing the nature and role of financial markets and institutions.	New outcome added to incorporate the impact of Fintech on the Financial Management environment.
C3b	Evaluate and discuss the key factors in determining working capital funding strategies, including	Initial verb amended to evaluate to be clear that calculations can be tested in this area.



ACCA

Strategic Business Leader (SBL)

Syllabus and study guide

September 2022 to June 2023

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

Think Ahead

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1. Intellectual levels

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

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

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

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

Each subject area in the detailed study guide included in this document is given a 1, 2, or 3 superscript, denoting intellectual level, marked at the end of each relevant learning outcome. This gives an indication of the intellectual depth at which an area could be assessed within the examination. However, while level 1 broadly equates with Applied Knowledge, level 2 equates to Applied Skills and level 3 to Strategic Professional, some lower level skills can continue to be assessed as the student progresses through each level. This reflects that at each stage of study there will be a requirement to broaden, as well as deepen capabilities. It is also possible that occasionally some higher level capabilities may be assessed at lower levels.

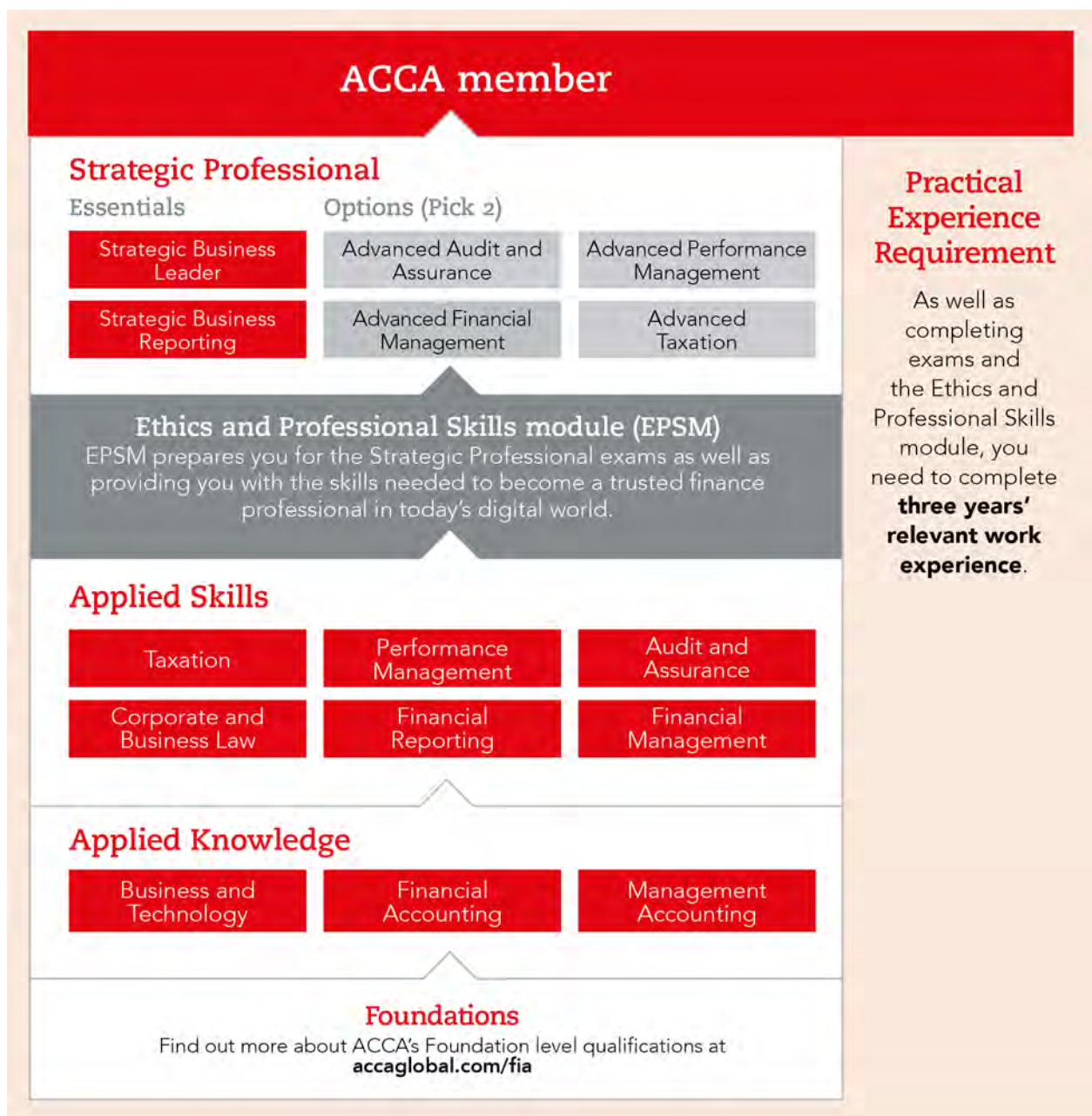
2. Learning hours and education recognition

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

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

Each syllabus is organised into main subject area headings which are further broken down to provide greater detail on each area.

3. The structure of ACCA qualification



*See accaglobal.com for details

4. Guide to ACCA examination structure and delivery mode

The pass mark for all ACCA Qualification examinations is 50%.

The structure and delivery mode of examinations varies.

Applied Knowledge

The Applied Knowledge examinations contain 100% compulsory questions to encourage candidates to study across the breadth of each syllabus. These are assessed by a two-hour computer based examination.

Applied Skills

The Corporate and Business Law exam is a two-hour computer-based objective test examination for English and Global.

For the format and structure of the Corporate and Business Law or Taxation variant exams, refer to the 'Approach to examining the syllabus' section of the relevant syllabus and study guide.

The other Applied Skills examinations (PM, TX-UK, FR, AA, and FM) contain a mix of objective and longer type questions with a duration of three hours for 100 marks. These are assessed by a three hour computer-based exam. Prior to the start of each exam there will be time allocated for students to be informed of the exam instructions.

The longer (constructed response) question types used in the Applied Skills exams (excluding Corporate and Business Law) require students to effectively mimic what they do in the workplace. Students will need to use a range of digital skills and demonstrate their ability to use spread sheets and word processing tools in producing their answers, just as they would use these tools in the workplace. These assessment methods allow ACCA to focus on testing students' technical and application skills, rather than, for example, their ability to perform simple calculations.

Strategic Professional Essentials:

Strategic Business Leader is ACCA's case study examination at Strategic Professional and is examined as a closed book exam of four hours, including reading, planning and reflection time which can be used flexibly within the examination. There is no pre-seen information and all exam related material, including case information and exhibits are available within the examination. Strategic Business Leader is an exam based on one main business scenario which involves candidates completing several tasks within which additional material may be introduced. All questions are compulsory and each examination will contain a total of 80 technical marks and 20 Professional Skills marks.

Strategic Business Reporting is a three-hour 15 minutes exam. It contains two sections and all questions are compulsory. This exam contains four professional marks.

Options:

The Strategic Professional Options are all three hours and 15 minutes computer-based exams. All contain two sections and all questions are compulsory.

From September 2022, AFM, APM and AAA will contain a total of 80 technical marks and 20 Professional Skills marks.

From June 2023, ATX will similarly contain a total of 80 technical marks and 20 Professional Skills marks.

The question types used at Strategic Professional require students to effectively mimic what they would do in the workplace. These exams offer ACCA the opportunity to focus on the application of knowledge to scenarios, using a range of tools including word processor, spreadsheets and presentation slides - not only enabling students to demonstrate their technical and professional skills but also their use of the technology available to today's accountants.

Time management

ACCA encourages students to take time to read questions carefully and to plan answers but once the exam time has started, there are no additional restrictions as to when candidates may start producing their answer.

Time should be taken to ensure that all the information and exam requirements are properly read and understood.

5. Guide to ACCA examination assessment

ACCA reserves the right to examine any learning outcome contained within the study guide. This includes knowledge, techniques, principles, theories, and concepts as specified. For the financial accounting, audit and assurance, law and tax exams except where indicated otherwise, ACCA will publish *examinable documents* once a year to indicate exactly what regulations and legislation could potentially be assessed within identified examination sessions.

For most examinations (not tax), regulations **issued** or legislation **passed** on or before 31 August annually, will be examinable from 1 September of the following year to 31 August of the year after that. Please refer to the examinable documents for the exam (where relevant) for further information.

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

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

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

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

For **UK** tax exams, examinations falling within the period 1 June to 31 March will generally examine the Finance Act which was passed in the previous year. Therefore,

exams falling in the period 1 June 2021 to 31 March 2022 will examine the Finance Act 2020 and any examinable legislation which is passed outside of the Finance Act before 31 May 2020.

For additional guidance on the examinability of specific tax rules and the depth in which they are likely to be examined, reference should be made to the relevant Finance Act article written by the examining team and published on the ACCA website.

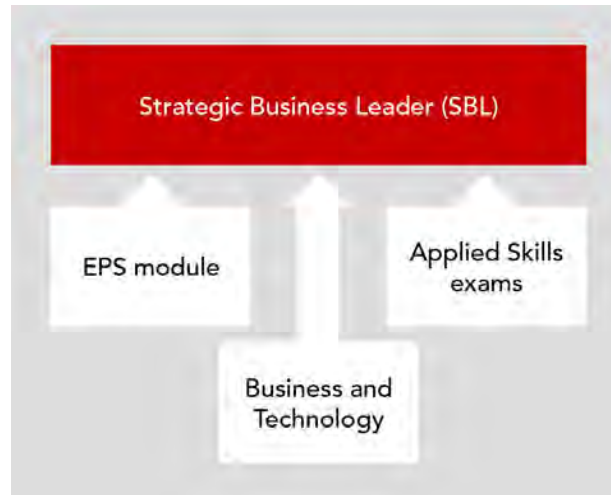
None of the current or impending devolved taxes for Scotland, Wales, and Northern Ireland is, or will be, examinable.

Additional clarification regarding the impact of the UK leaving the European Union (EU)

For exams in the period 1 June 2021 to 31 March 2022, it will be assumed that the EU acquisition rules continue to apply.

6. Relational diagram linking Strategic Business Leader (SBL) with other exams

This diagram shows links between this exam and other exams preceding or following it. This diagram indicates where students are expected to have underpinning knowledge and where it would be useful to review previous learning before undertaking study.



7. Approach to examining the syllabus

The Strategic Business Leader syllabus is examined using a 100% integrated case study, examining across a breadth of organisational functions. The case content of each exam may use or draw upon some or all of the main elements of the Integrated Reporting <IR> Framework.

The examination assesses the technical and digital capabilities that potential leaders need to demonstrate in senior positions within organisations but will also be focused on the following professional skills and behaviours:

- **Communication**
Inform
Persuade
Clarify
- **Commercial acumen**
Demonstrate awareness
Use judgement
Show insight
- **Analysis**
Investigate
Enquire
Consider
- **Scepticism**
Probe
Question
Challenge
- **Evaluation**
Assess
Estimate
Appraise

Each exam will therefore assess both technical skills and the above professional skills. Whilst marks will be awarded for the relevant technical points that candidates make, up to 20% of the total marks within each exam will be allocated to these professional Skills, as determined by the requirements.

The broad structure of each case will give candidates information about an organisation from a range of sources, such as the following:

- Interviews with staff
- Survey results

- Board or organisation reports
- Press articles/website extracts
- Organisation reports and <IR> extracts
- Emails
- Memos
- Spreadsheets
- Pictures
- Figures
- Tables
- Diagrams

The basic structure of each exam will require the candidate to take on various roles of organisational leaders, consultants or advisers to senior management. Therefore the examination could include requirements such as found in the following list:

- Analyse the external environment, the organisation model and the internal governance structures, culture and capabilities of the organisation.
- Assess the position and evaluate the performance of the organisation
- Consider the future outlook for the organisation
- Identify strategic problems and opportunities
- Manage risks and identify appropriate controls
- Make strategic choices
- Evaluate strategic choices using forecasting or decision-making techniques
- Decide on feasible and sustainable solutions using appropriate technologies
- Implement change and innovate responsibly

The examination requires demonstration of appropriate digital and employability skills in accessing relevant sources of information for carrying out various tasks and being able to use the relevant functionality and technology to prepare and present answers in a professional manner. These skills are specifically developed by practicing and preparing for the SBL exam, using the learning support content for

computer-based exams available via the practice platform and the ACCA website.

programme is delivered, or self-study and revision time where the student is self-taught or uses distance-learning programmes.

Guide to exam structure

The examination is based on an integrated case study containing a number of assignments which will vary at each examination. These assignments or tasks may require the candidate to take on different roles, depending on the situation. The number of marks allocated to all these assignments or the sub-parts of these will add up to 100 in total. Within the total marks available, there are 20 Professional Skills marks. Usually each task will contain some professional skills marks which may vary by examination, depending on the requirements. All tasks must be completed.

The examination is of 4 hours duration, but this includes Reading, Planning and Reflection time (RPRT). This time can be used flexibly at any time during the exam.

Guidance on learning hours

The Strategic Business Leader examination has a broader syllabus than other exams at the Professional Qualifying Level. The assessment style as a fully integrated exam and the substantial use of Professional Skills marking to support technical marks, requires more teaching and learning time than in the other exams.

The additional time is required for the following:

1. To cover the broader syllabus content
2. To allow adequate practice time for case study assessment and revision.
3. To encourage and develop the demonstration of professional skills to support the award of Professional Skills marks.

In broad terms it is recommended that Education Providers and students should spend 50% more learning time in preparation for this examination than normally required for other exams at this level. This includes direct contact time and guided learning time where a taught

8. Introduction to the syllabus

The aim of the syllabus is to demonstrate organisational leadership and senior consultancy or advisory capabilities and relevant professional skills, through the context of an integrated case study.

The syllabus for *Strategic Business Leader* acts as the key leadership syllabus at the Strategic Professional level and is a substantial integrated examination. The examination requires candidates to demonstrate a range of professional skills demanded by effective leaders or in advising or supporting senior management in directing organisations. The syllabus therefore combines the main functions of organisations in the context of leadership capability.

The main capabilities of the Strategic Business Leader syllabus assume essential technical skills and knowledge have been acquired in the Applied Knowledge and Applied Skills examinations where some of the core capabilities of *Strategic Business Leader* will have been introduced in a subject-specific context, such as governance, internal audit, control, risk, finance, and management. The examination also draws upon a range of ethical and professional skills acquired in the Ethics and Professional Skills module, which should be completed before attempting any of the Strategic Professional examinations . .

The *Strategic Business Leader* syllabus is covered in nine main sections with leadership, professionalism and ethics and corporate governance used as the initial focus for the rest of the syllabus. Excellent leadership involves having a team of capable and responsible directors, setting an appropriate 'tone from the top' and embedding appropriate corporate and cultural values within the organisation. This is supported by a sound governance structure and effective management structures. The syllabus begins by examining leadership and having in place responsible and ethical leaders, having an awareness of who they are responsible to. This section also covers personal and

professional ethics, ethical frameworks – and professional values – as applied to a senior manager or adviser's role and as a guide to appropriate behaviour and conduct in a variety of situations. Clearly linked to organisational leadership is the existence of an effective governance structure within organisations in the broad context of the agency relationship. This aspect of the syllabus focuses on the respective roles and responsibilities of directors, the relevant committee structures and the effective scrutiny of the performance of senior management, demonstrating their accountability by reporting more widely and holistically to stakeholders under an integrated reporting <IR> framework.

It is only after the fundamental organisational leadership and governance structures and values are in place that strategy can be determined and the strategic position of the organisation can be assessed and strategic options evaluated and implemented.

Evaluating strategic options, making strategic choices and implementing strategy requires the organisation's leaders, or their advisers, to fully understand the risks involved so the syllabus then examines the identification, assessment, and control of risk as a key aspect of responsible leadership and management. The syllabus also includes a section relating to and applying IT and security controls at all levels of the organisation from strategic considerations including big data, machine learning, e-business, cloud computing and smart technology through to using IT in the management of information, controlling organisations, and in financial and organisational operations. This section also focuses on the growing importance of 'cyber security'

To support the management of risk the syllabus also addresses organisational control in its wider context, including internal audit, review, internal control, and appropriate reporting to implement and support effective governance, including compliance issues related to the safeguard

of assets including data security, and and decision-support functions.

The syllabus includes financial aspects of managing an organisation, including evaluating available sources of finance and key financial and management accounting techniques to analyse performance and to support decision-making. Candidates need to be aware of legal issues and of the financial reporting and taxation implications of strategic and investment decisions.

The syllabus finally focuses on innovation, performance excellence and change management to enable organisational success and to implement change through effective organisational processes, IT solutions and project management, including the role of new and disruptive technologies

in transforming the nature of business analysis and transactions.

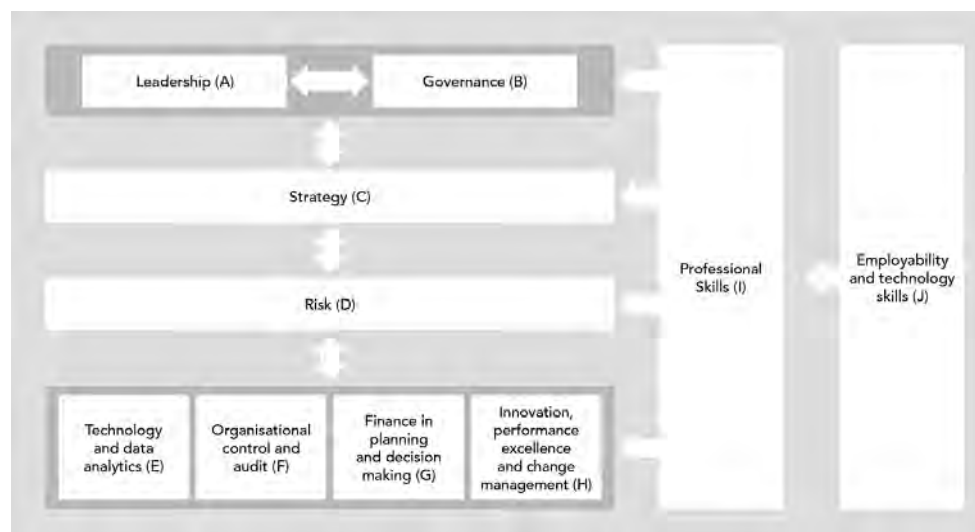
The professional skills section of the syllabus links to all others and provides a range of professional skills that the candidate must demonstrate in the exam which will make them more employable, or if already in work, will enhance their opportunities for advancement.

The last section which closely links to the professional skills section is the demonstration of appropriate digital and employability skills in preparing for and taking the SBL examination. This includes being able to use computer functionality and technology to access information and present responses in a professional manner during live examinations.

9. Main capabilities

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

- A Apply excellent leadership and ethical skills to set the 'tone from the top' and promote a positive culture within the organisation, adopting a whole organisation perspective in managing performance and value creation.
- B Evaluate the effectiveness of the governance and agency system of an organisation and recognise the responsibility of the board or other agents towards their stakeholders, including the organisation's social responsibilities and the reporting implications.
- C Evaluate the strategic position of the organisation against the external environment and the availability of internal resources, to identify feasible strategic options.
- D Analyse the risk profile of the organisation and of any strategic options identified, within a culture of responsible risk management.
- E Select and apply appropriate information technologies and data analytics, to analyse factors affecting the organisation's value chain to identify strategic opportunities and implement strategic options within a framework of robust IT security controls.
- F Evaluate management reporting and internal control and audit systems to ensure compliance and the achievement of organisation's objectives and the safeguarding of organisational assets
- G Apply high level financial techniques from the Applied Skills exams in the planning, implementation and evaluation of strategic options and actions.
- H Enable success through innovative thinking, applying best in class strategies and disruptive technologies in the management of change; initiating, leading and organising projects, while effectively managing talent and other business resources.
- I Apply a range of Professional Skills in addressing requirements within the Strategic Leader examination and in preparation for, or to support, current work experience.
- J Demonstrate other employability and digital skills in preparing for and taking SBL examinations.



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

10. The syllabus

A Leadership

1. Qualities of leadership
2. Leadership and organisational culture
3. Professionalism, ethical codes and the public interest

B Governance

1. Agency
2. Stakeholder analysis and organisational social responsibility
3. Governance scope and approaches
4. Reporting to stakeholders
5. The board of directors
6. Public sector governance

C Strategy

1. Concepts of strategy
2. Environmental issues
3. Competitive forces
4. The internal resources, capabilities and competences of an organisation
5. Strategic choices

D Risk

1. Identification, assessment and measurement of risk
2. Managing, monitoring and mitigating risk

E Technology and data analytics

1. Cloud ,mobile and smart technology
2. Big data and data analytics
3. Machine learning, AI and robotics
4. E- business: value chain
5. IT systems security and control

F Organisational control and audit

1. Management and internal control systems
2. Audit and compliance
3. Internal control and management reporting

G Finance in planning and decision-making

1. Finance transformation
2. Financial analysis and decision- making techniques
3. Cost and management accounting

H Enabling success and change management

1. Enabling success: organising
2. Enabling success: disruptive technologies
3. Enabling success: talent management
4. Enabling success: performance excellence
5. Managing strategic change
6. Leading and managing projects

I Professional skills

1. Communication
2. Commercial acumen
3. Analysis
4. Scepticism
5. Evaluation

J Other employability and digital skills

1. Use computer technology to efficiently access and manipulate relevant information.
2. Work on relevant response options, using available functions and technology, as would be required in the workplace.
3. Navigate windows and computer screens to create and amend responses to exam requirements, using appropriate tools.
4. Present data and information effectively, using the appropriate tools.

11. Detailed study guide

A Leadership

1. Qualities of leadership

- a) Explain the role of effective leadership and identify the key leadership traits effective in the successful formulation and implementation of strategy and change management.^[3]
- b) Apply the concepts of entrepreneurship and 'intrapreneurship' to exploit strategic opportunities and to innovate successfully.^[3]
- c) Apply in the context of organisation governance and leadership qualities, the key ethical and professional values underpinning governance.^[3]

2. Leadership and organisational culture

- a) Discuss the importance of leadership in defining and managing organisational culture.^[3]
- b) Advise on the style of leadership appropriate to manage strategic change.^[2]
- c) Analyse the culture of an organisation, to recommend suitable changes, using appropriate models such as the cultural web.^[3]
- d) Assess the impact of culture on organisational purpose and strategy.^[3]

3. Professionalism, ethical codes and the public interest

- a) Critically evaluate the concept of responsible leadership and the creation of public value by acting in the public interest.^[3]
- b) Assess management behaviour against the codes of ethics relevant to accounting professionals including the IESBA (IFAC) or professional body codes.^[3]

- c) Analyse the reasons for and resolve conflicts of interest and ethical conflicts in organisation.^[3]
- d) Assess the nature and impacts of different ethical threats and recommend appropriate safeguards to prevent or mitigate such threats.^[3]
- e) Recommend best practice for reducing and combating fraud, bribery and corruption to create greater public confidence and trust in organisations.^[3]

B Governance

1. Agency

- a) Discuss the nature of the principal-agent relationship in the context of governance.^[3]
- b) Analyse the issues connected with the separation of ownership and control over organisation activity.^[3]

2. Stakeholder analysis and social responsibility

- a) Discuss and critically assess the concept of stakeholder power and interest using the Mendelow model and apply this to strategy and governance.^[3]
- b) Evaluate the stakeholders' roles, claims and interests in an organisation and how they may conflict.^[3]
- c) Explain social responsibility and viewing the organisation as a 'corporate citizen' in the context of governance and sustainability.^[2]

3. Governance scope and approaches

- a) Analyse and discuss the role and influence of institutional investors in governance systems and structures,^[2]
- b) Compare rules versus principles based approaches to governance and when they may be appropriate.^[3]

- c) Discuss different models of organisational ownership that influence different governance regimes (family firms versus joint stock company-based models) and how they work in practice.^[2]
- d) Apply general principles of the International Corporate Governance Network (ICGN)'s Global Governance Principles to organisations' corporate governance.^[2]
- b) Evaluate the cases for and against, unitary and two-tier board structures.^[3]
- c) Describe and assess the purposes, roles, responsibilities and performance of Non-Executive Directors (NEDs).^[3]
- d) Describe and assess the importance of, induction, performance appraisal and the continuing professional development of directors on boards of directors.^[3]

4. Reporting to stakeholders

- a) Discuss the factors that determine organisational policies on reporting to stakeholders, including stakeholder power and interests.^[3]
- b) Assess the role and value of integrated reporting and evaluate the issues concerning accounting for sustainability.^[2]
- c) Advise on the the guiding principles, the typical content elements and the six capitals of an integrated report, and discuss the usefulness of this information to stakeholders.^[3]
- d) Describe and assess the social and environmental impacts that economic activity can have (in terms of social and environmental 'footprints' and environmental reporting).^[3]
- e) Describe the main features of internal management systems for underpinning environmental and sustainability accounting including EMAS and ISO 14000.^[2]
- f) Examine how the audit of integrated reports can provide adequate assurance of the relevance and reliability of organisation reports to stakeholders.^[2]
- e) Explain the meanings of 'diversity' and critically evaluate issues of diversity on boards of directors.^[3]
- f) Assess the importance, roles purposes and accountabilities of the main board committees within effective governance.^[3]
- g) Describe and assess the general principles of remunerating directors and how to modify directors' behaviour to align with stakeholder interests.^[3]
- h) Explain and analyse the regulatory, strategic and labour market issues associated with determining directors' remuneration.^[3]

6. Public sector governance

- a) Discuss public sector, private sector, charitable status and non-governmental (NGO and quasi-NGOs) forms of organisation, including agency relationships, stakeholders' aims and objectives and performance criteria.^[2]
- b) Assess and evaluate the strategic objectives, leadership and governance arrangements specific to public sector organisations as contrasted with private sector.^[3]
- c) Explain democratic control, political influence and policy implementation in public sector organisations.^[3]
- d) Discuss obligations of the public sector organisations to meet the economy, effectiveness, efficiency (3 'E's) criteria and promote public value.^[3]

5. The board of directors

- a) Assess the duties of directors and functions of the board (including setting a responsible 'tone' from the top and being accountable for the performance and impacts of the organisation).^[3]

C Strategy

1. Concepts of strategy

- a) Explain the fundamental importance of strategy and strategic decisions within different organisational contexts.^[2]
- b) Apply the Johnson, Scholes and Whittington model of strategic management – the strategic position, strategic choices and strategy into action.^[3]

2. Environmental issues

- a) Assess the macro-environment of an organisation using appropriate models such as PESTEL.^[3]
- b) Assess the implications of strategic drift.^[3]
- c) Evaluate the external key drivers of change likely to affect the structure of a sector or market.^[3]
- d) Apply Porter's Diamond to explore the influence of national competitiveness on the strategic position of an organisation.^[3]
- e) Assess scenarios reflecting different assumptions about the future environment of an organisation.^[3]

3. Competitive forces

- a) Evaluate the sources of competition in an industry or sector using Porter's five forces framework.^[3]
- b) Analyse customers and markets including market segmentation.^[2]
- c) Apply Porter's value chain to assist organisations to identify value adding activities in order to create and sustain competitive advantage.^[2]
- d) Advise on the role and influence of value networks.^[3]

- e) Evaluate the opportunities and threats posed by the competitive environment of an organisation.^[2]

4. The internal resources, capabilities and competences of an organisation

- a) Identify and evaluate an organisation's strategic capability, threshold resources, threshold competences, unique resources and core competences.^[3]
- b) Discuss the capabilities required to sustain competitive advantage.^[2]
- c) Discuss the contribution of organisational knowledge to the strategic capability of an organisation.^[2]
- d) Identify and evaluate the strengths and weaknesses of an organisation and formulate an appropriate SWOT analysis.^[2]

5. Strategic choices

- a) Assess the suitability, feasibility and acceptability of different strategic options to an organisation.^[3]
- b) Assess the opportunities and potential problems of pursuing different organisation strategies of product/market diversification from a national, multinational and global perspective.^[3]
- c) Advise on how the 7 'P's, including price-based strategies, differentiation and lock-in can help an organisation sustain its competitive advantage.^[3]
- d) Apply the Boston Consulting Group (BCG) and public sector matrix portfolio models to assist organisation in managing their organisational portfolios.^[3]
- e) Recommend generic development directions using the Ansoff matrix.^[2]
- f) Assess how internal development, or business combinations, strategic alliances and partnering can be used to achieve business growth.^[3]

D Risk

1. Identification, assessment and measurement of risk

- a) Discuss the relationship between organisational strategy and risk management strategy.^[3]
- b) Apply the enterprise risk management (ERM) approach to risk management and for establishing risk management systems.^[2]
- c) Identify and evaluate the key risks including environmental and climate related risks and their impact on organisations and projects.^[3]
- d) Distinguish between strategic and operational risks.^[2]
- e) Assess attitudes towards risk and risk appetite and how this can affect risk policy.^[2]
- f) Discuss the dynamic nature of risk and the ways in which risk varies in relation to the size, structure, industry, sector and development of an organisation
- g) Assess the severity and probability of risk events using suitable models.^[2]
- i) Explain and evaluate the concepts of related and correlated risk factors.^[3]
- d) Explain and analyse the concepts of spreading and diversifying risk and when this would be appropriate.^[2]
- e) Explain, and assess the importance of, risk transfer, avoidance, reduction and acceptance (TARA).^[3]
- f) Explain and assess the benefits of incurring or accepting some risk as part of competitively managing an organisation referring to the 'as low as reasonably practical (ALARP) principle'.^[3]
- g) Apply the concept of assurance mapping to modern risk management using the 'four lines of defence' ^[3]

2. Managing, monitoring and mitigating risk

- a) Explain and assess the role of a risk manager
- b) Evaluate a risk register and use heat maps when identifying or monitoring risk.^[3]
- c) Evaluate the concept of embedding risk in an organisation's culture and values.^[3]

E Technology and data analytics

1. Cloud, mobile and smart technology

- a) Discuss from a strategic perspective the need to explore opportunities for adopting new technologies such as cloud, mobile and smart technology within an organisation.^[3]
- b) Discuss key benefits and risks of cloud, mobile and smart technology.^[2]
- c) Assess and advise on using the cloud as an alternative to owned hardware and software technology to support organisation information system needs.^[3]

2. Big data and data analytics

- a) Discuss how information technology and data analysis can effectively be used to inform and implement organisation strategy.^[3]
- b) Describe big data and discuss the opportunities and threats big data presents to organisations.^[2]
- c) Identify and analyse relevant data for strategic decisions about new product developments, marketing and pricing.^[3]

3. Machine learning, AI and robotics

- a) Explain the potential benefits of using artificial intelligence (AI), robotics and other forms of machine learning to support strategic decisions and the pursuit of corporate objectives.^[2]
- b) Assess the risk, control and ethical implications of using (AI), robotics and other forms of machine learning.^[3]

4. E- business: value chain

- a) Discuss and evaluate the main organisation and market models for delivering e-business.^[3]
- b) Assess and advise on the potential application of information technology to support e- business.^[3]
- c) Explore the characteristics of the media of e-marketing using the 6 'I's of Interactivity, Intelligence, Individualisation, Integration, Industry structure and Independence of location.^[2]
- d) Assess the importance of on-line branding in e-marketing and compare it with traditional branding.^[2]
- e) Explore different methods of acquiring and managing suppliers and customers through exploiting e-business technologies.^[2]

5. IT systems security and control

- a) Discuss from a strategic perspective the continuing need for effective information systems control within an organisation.^[3]
- b) Assess and advise on the adequacy of information technology and systems security controls for an organisation.^[3]
- c) Evaluate and recommend ways to promote cyber security.^[3]
- d) Evaluate, and if necessary, recommend improvements or changes to controls over the safeguard of information technology assets, to ensure the organisation's ability to meet business objectives.^[3]

F Organisational control and audit

1. Management and internal control systems

- a) Evaluate the key components or features of effective internal control systems such as included under the COSO framework.^[3]
- b) Assess whether information flows to management are adequate for the purpose of managing internal control and risk.^[3]
- c) Evaluate the effectiveness and potential weaknesses of internal control systems.^[3]
- d) Discuss and advise on the importance of sound internal control and compliance with legal and regulatory requirements and the consequences to an organisation of poor control and non-compliance.^[2]
- e) Recommend new internal control systems or changes to the components of existing systems to help prevent fraud, error, waste or harmful environmental impacts using appropriate metrics.^[2]

2. Audit and compliance

- a) Examine the need for an internal audit function in the light of regulatory and organisational requirements.^[3]
- b) Justify the importance of auditor independence in all client-auditor situations (including internal audit) and the role of internal audit in compliance.^[3]
- c) Justify the importance of having an effective internal audit committee overseeing the internal audit function.^[2]
- d) Assess the appropriate responses to auditors' recommendations.^[3]

3. Internal control and management reporting

- a) Justify the need for reports on internal controls to shareholders.^[3]
- b) Discuss the typical contents of a report on internal control and audit including environmental and sustainability audit.^[2]
- c) Assess how internal controls underpin and provide information for reliable financial and sustainable reporting.^[3]

G Finance in planning and decision-making

1. Finance transformation

- a) Discuss how advances in technology is transforming the finance sector and the role and structure of the finance function within organisations.^[2]
- b) Evaluate alternative structures for the finance function using business partnering, outsourcing and shared or global business services.^[3]

2. Financial analysis and decision-making techniques

- a) Determine the overall investment requirements of the organisation.^[2]
- b) Assess the suitability, feasibility and acceptability of alternative sources of short and long term finance available to the organisation to support strategy and operations.^[3]
- c) Review and justify on decisions to select or abandon competing investments or projects applying suitable investment appraisal techniques.^[3]
- d) Justify strategic and operational decisions taking into account risk and uncertainty.^[3]
- e) Assess the broad financial reporting and tax implications of taking alternative strategic or investment decisions.^[2]

- f) Assess organisation performance and position using appropriate performance management techniques, key performance indicators (KPIs) and ratios.^[3]

3. Cost and management accounting

- a) Discuss from a strategic perspective, the continuing need for effective cost management and control systems within organisations.^[3]
- b) Evaluate methods of forecasting, budgeting, standard costing and variance analysis in support of strategic planning and decision making.^[3]
- c) Evaluate strategic options using marginal and relevant costing techniques.^[3]

H Enabling success and change management

1. Enabling success: organising

- a) Advise on how an organisation structure and internal relationships can be re-organised to deliver a selected strategy.^[3]
- b) Advise on the implications of collaborative working and partnering, such as franchising, organisation process outsourcing, shared services and global business services.^[3]

2. Enabling success: disruptive technology

- a) Identify and assess the potential impact of disruptive technologies such as Fintech, including cryptocurrencies.^[3]
- b) Assess the impact of new product, process, and service developments and innovation in supporting organisation strategy.^[2]

3. Enabling success: talent management

- a) Discuss how talent management can contribute to supporting organisation strategy.^[3]
- b) Assess the value of the four view (POPIT – people, organisation, processes and information technology) model to the successful implementation of organisation change.^[3]

4. Enabling success: performance excellence

- a) Apply the Baldrige model for world class organisations to achieve and maintain business performance excellence.^[3]
- b) Assess and advise on how an organisation can be empowered to reach its strategic goals, improve its results and be more competitive, focusing on its critical success factors (CSF).^[3]

5. Managing strategic change

- a) Evaluate the effectiveness of current organisational processes.^[3]
- b) Evaluate different types of strategic change and assess their implications.^[2]
- c) Establish an appropriate scope and focus for organisation process change using Harmon's process-strategy matrix.^[3]
- d) Establish possible redesign options for improving the current processes of an organisation.^[2]
- e) Assess the feasibility of possible redesign options.^[3]
- f) Recommend an organisation process redesign methodology for an organisation.^[2]
- g) Manage change in the organisation using models such as Lewin's three stage model.^[2]

- h) Assess implications of change in an organisation using Balogun and Hope Hailey's contextual features.^[3]

7. Leading and managing projects

- a) Determine the distinguishing features of projects and the constraints they operate in.^[2]
- b) Discuss the implications of the triple constraint of scope, time and cost.^[2]
- c) Prepare a business case document and project initiation document.^[2]
- d) Analyse, assess and classify the costs and benefits of a project investment.^[3]
- e) Establish the role and responsibilities of the project manager and the project sponsor.^[2]
- f) Assess the importance of developing a project plan and its key elements.^[3]
- g) Monitor and control project risks, and slippages recommending improvements.^[2]
- h) Discuss the benefits of a post-implementation and a post-project review.^[2]

I Professional skills**1. Communication**

- a) **Inform** concisely, objectively, and unambiguously, while being sensitive to cultural differences, using appropriate media and technology.^[3]
- b) **Persuade** using compelling and logical arguments demonstrating the ability to counter argue when appropriate.^[3]
- c) **Clarify** and simplify complex issues to convey relevant information in a way that adopts an appropriate tone and is easily understood by the intended audience.^[3]

2. Commercial acumen

- a) **Demonstrate awareness** of organisational and wider external factors affecting the work of an individual or a team in contributing to the wider organisational objectives.^[3]
- b) **Use judgement** to identify key issues in determining how to address or resolve problems and in proposing and recommending the solutions to be implemented.^[3]
- c) **Show insight** and perception in understanding work-related and organisational issues, including the management of conflict, demonstrating acumen in arriving at appropriate solutions or outcomes.^[3]

3. Analysis

- a) **Investigate** relevant information from a wide range of sources, using a variety of analytical techniques to establish the reasons and causes of problems, or to identify opportunities or solutions.^[3]
- b) **Enquire** of individuals or analyse appropriate data sources to obtain suitable evidence to corroborate or dispute existing beliefs or opinion and come to appropriate conclusions.^[3]
- c) **Consider** information, evidence and findings carefully, reflecting on their implications and how they can be used in the interests of the department and wider organisational goals.^[3]

4. Scepticism

- a) **Probe** deeply into the underlying reasons for issues and problems, beyond what is immediately apparent from the usual sources and opinions available.^[3]
- b) **Question** facts, opinions and assertions, by seeking justifications and obtaining sufficient evidence for their support and acceptance.^[3]

- c) **Challenge** information presented or decisions made, where this is clearly justified, in a professional and courteous manner; in the wider professional, ethical, organisational, or public interest.^[3]

5. Evaluation

- a) **Assess** and use professional judgement when considering organisational issues, problems or when making decisions; taking into account the implications of such decisions on the organisation and those affected.^[3]
- b) **Estimate** trends or make reasoned forecasts of the implications of external and internal factors on the organisation, or of the outcomes of decisions available to the organisation.^[3]
- c) **Appraise** facts, opinions and findings objectively, with a view to balancing the costs, risks, benefits and opportunities, before making or recommending solutions or decisions.^[3]

J Employability and technology skills

1. **Use computer technology to efficiently access and manipulate relevant information**
2. **Work on relevant response options, using available functions and technology, as would be required in the workplace**
3. **Navigate windows and computer screens to create and amend responses to exam requirements, using the appropriate tools**
4. **Present data and information effectively, using the appropriate tools**

12. Summary of changes to Strategic Business Leader (SBL)

ACCA periodically reviews its qualification syllabuses so that they fully meet the needs of stakeholders such as employers, students, regulatory and advisory bodies and learning providers.

There has been minor change to the study guide which is summarised below.

	Section and subject area	Syllabus content
G2 Specific reference to ICO removed	Financial analysis and decision-making techniques	b) Assess the suitability, feasibility and acceptability of alternative sources of short and long term finance available to the organisation to support strategy and operations. ^[3]
H2 Specific reference to block chain removed	Enabling success: disruptive technology	a) Identify and assess the potential impact of disruptive technologies such as Fintech, including cryptocurrencies. ^[3]



ACCA

Strategic Business Reporting (SBR-INT)

Syllabus and study guide

September 2022 to June 2023

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

Think Ahead

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1. Intellectual levels

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

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

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

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

Each subject area in the detailed study guide included in this document is given a 1, 2, or 3 superscript, denoting intellectual level, marked at the end of each relevant learning outcome. This gives an indication of the intellectual depth at which an area could be assessed within the examination. However, while level 1 broadly equates with Applied Knowledge, level 2 equates to Applied Skills and level 3 to Strategic Professional, some lower level skills can continue to be assessed as the student progresses through each level. This reflects that at each stage of study there will be a requirement to broaden, as well as deepen capabilities. It is also possible that occasionally some higher level capabilities may be assessed at lower levels.

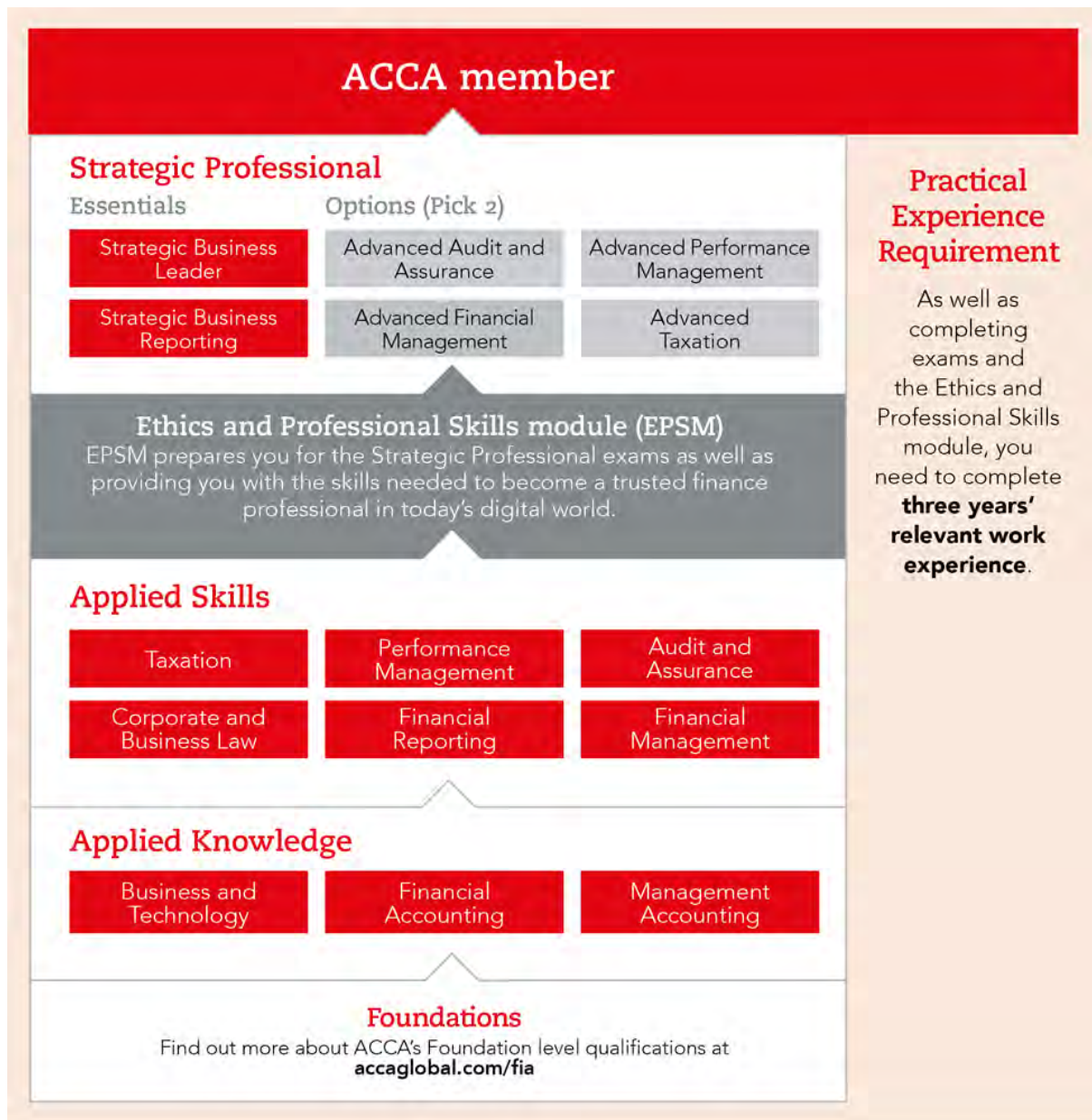
2. Learning hours and education recognition

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

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

Each syllabus is organised into main subject area headings which are further broken down to provide greater detail on each area.

3. The structure of ACCA qualification



*See accaglobal.com for details

4. Guide to ACCA examination structure and delivery mode

The pass mark for all ACCA Qualification examinations is 50%.

The structure and delivery mode of examinations varies.

Applied Knowledge

The Applied Knowledge examinations contain 100% compulsory questions to encourage candidates to study across the breadth of each syllabus. These are assessed by a two-hour computer based examination.

Applied Skills

The Corporate and Business Law exam is a two-hour computer-based objective test examination for English and Global.

For the format and structure of the Corporate and Business Law or Taxation variant exams, refer to the 'Approach to examining the syllabus' section of the relevant syllabus and study guide.

The other Applied Skills examinations (PM, TX-UK, FR, AA, and FM) contain a mix of objective and longer type questions with a duration of three hours for 100 marks. These are assessed by a three hour computer-based exam. Prior to the start of each exam there will be time allocated for students to be informed of the exam instructions.

The longer (constructed response) question types used in the Applied Skills exams (excluding Corporate and Business Law) require students to effectively mimic what they do in the workplace. Students will need to use a range of digital skills and demonstrate their ability to use spread sheets and word processing tools in producing their answers, just as they would use these tools in the workplace. These assessment methods allow ACCA to focus on testing students' technical and application skills, rather than, for example, their ability to perform simple calculations.

Strategic Professional Essentials:

Strategic Business Leader is ACCA's case study examination at Strategic Professional and is examined as a closed book exam of four hours, including reading, planning and reflection time which can be used flexibly within the examination. There is no pre-seen information and all exam related material, including case information and exhibits are available within the examination. Strategic Business Leader is an exam based on one main business scenario which involves candidates completing several tasks within which additional material may be introduced. All questions are compulsory and each examination will contain a total of 80 technical marks and 20 Professional Skills marks.

Strategic Business Reporting is a three-hour 15 minutes exam. It contains two sections and all questions are compulsory. This exam contains four professional marks.

Options:

The Strategic Professional Options are all three hours and 15 minutes computer-based exams. All contain two sections and all questions are compulsory.

From September 2022, AFM, APM and AAA will contain a total of 80 technical marks and 20 Professional Skills marks.

From June 2023, ATX will similarly contain a total of 80 technical marks and 20 Professional Skills marks.

The question types used at Strategic Professional require students to effectively mimic what they would do in the workplace. These exams offer ACCA the opportunity to focus on the application of knowledge to scenarios, using a range of tools including word processor, spreadsheets and presentation slides - not only enabling students to demonstrate their technical and professional skills but also their use of the technology available to today's accountants.

Time management

ACCA encourages students to take time to read questions carefully and to plan answers but once the exam time has started, there are no additional restrictions as to when candidates may start producing their answer.

Time should be taken to ensure that all the information and exam requirements are properly read and understood.

5. Guide to ACCA examination assessment

ACCA reserves the right to examine any learning outcome contained within the study guide. This includes knowledge, techniques, principles, theories, and concepts as specified. For the financial accounting, audit and assurance, law and tax exams except where indicated otherwise, ACCA will publish *examinable documents* once a year to indicate exactly what regulations and legislation could potentially be assessed within identified examination sessions.

For most examinations (not tax), regulations **issued** or legislation **passed** on or before 31 August annually, will be examinable from 1 September of the following year to 31 August of the year after that. Please refer to the examinable documents for the examination (where relevant) for further information.

Regulations issued or legislation passed in accordance with the above dates will not be examinable if the **effective** date is in the future, unless explicitly stated otherwise in the syllabus and study guide or examinable documents.

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

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

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

For **UK** tax exams, examinations falling within the period 1 June to 31 March will generally examine the Finance Act which was passed in the previous year. Therefore, exams falling in the period 1 June 2022 to

31 March 2023 will examine the Finance Act 2021 and any examinable legislation which is passed outside of the Finance Act before 31 May 2021.

For additional guidance on the examinability of specific tax rules and the depth in which they are likely to be examined, reference should be made to the relevant Finance Act article written by the examining team and published on the ACCA website.

None of the current or impending devolved taxes for Scotland, Wales, and Northern Ireland is, or will be, examinable.

6. Relational diagram linking Strategic Business Reporting (SBR-INT) with other exams

This diagram shows links between this exam and other exams preceding or following it. Some exams are directly underpinned by other exams such as Strategic Business Reporting by Financial Reporting. This diagram indicates where students are expected to have underpinning knowledge and where it would be useful to review previous learning before undertaking study.



7. Approach to examining the syllabus

The syllabus is assessed by a three-hour fifteen minute examination. It examines professional competences within the business reporting environment.

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

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

Students will be required to adopt either a stakeholder or an external focus in answering questions and to demonstrate personal skills such as problem solving, dealing with information and decision making. Students will also have to demonstrate communication skills appropriate to the scenario.

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

Section A

Section A will consist of two scenario based questions that will total 50 marks. The first question will be based on the financial statements of group entities, or extracts thereof (syllabus area D), and is also likely to require consideration of some financial reporting issues (syllabus area C). Candidates should understand that in addition to the consideration of the numerical aspects of group accounting a discussion and explanation of these numbers will also be required. The first question will be worth 30 marks. The second question in Section A, worth 20 marks, will require candidates to consider the reporting implications and the ethical implications of specific events in a contemporary scenario.

Section B

Students will be required to answer a further two questions, each worth 25 marks, in Section B, which may be scenario or case-study or essay based and will contain both discursive and computational elements. Section B could deal with any aspect of the syllabus but will always include either a full question, or part of a question, that requires the appraisal of financial and/or non-financial information from either the preparer's or another stakeholder's perspective.

Two professional marks will be awarded in Section A and two in Section B. Further guidance will be given in the questions clarifying what these professional marks will be awarded for.

Current issues

The current issues element of the paper (syllabus area F) may be examined in Section A or B but will not be a full question; it is more likely to form part of a question or give a current context to the question scenario.

8. Introduction to the syllabus

The aim of the syllabus is to discuss, apply and evaluate the concepts, principles and practices that underpin the preparation and interpretation of corporate reports in various contexts including the ethical assessment of managements' stewardship and the information needs of a diverse group of stakeholders.

The syllabus for *Strategic Business Reporting*, assumes knowledge acquired at the Applied Skills level including the core technical capabilities to prepare and analyse financial reports for single and combined entities.

The syllabus requires students to examine corporate reporting from a number of perspectives, not only from the point of view of the preparer of corporate reports, but also from the perspective of a variety of different stakeholders such as finance providers and investors. The syllabus further requires the assessment and evaluation of the reporting decisions made by management and their implications for a range of stakeholders and entities. It also explores the professional and ethical responsibilities of the accountant to these stakeholders.

The subject matter of the syllabus requires students to have a cohesive understanding of the IASB's Conceptual Framework for Financial Reporting® and to use the Framework as a basis for judgement in applying International Financial Reporting Standards in corporate reports. The syllabus considers both the principles and practices of IFRS® Standards and uses these

principles as a basis for the preparation of the financial statements of single entities and groups.

The syllabus requires students to reflect on the usefulness of corporate reports to stakeholders including developments in narrative reporting such as Integrated Reporting and sustainability reporting and to discuss the nature of the information that would help stakeholders assess the future prospects of the entity. This involves the analysis and interpretation of corporate reports, and the provision of advice on the reporting implications of transactions.

The penultimate section of the syllabus addresses current developments in corporate reporting and the implications of any potential changes. This includes a discussion of the deficiencies of existing accounting standards and the ability to explain the implications for a business and its stakeholders of significant changes to reporting frameworks. Question scenarios will be based in contemporary business settings, however, candidates will not be required to have detailed knowledge of these businesses. Question scenarios will be current and relevant for example the impact of climate change.

The final section of the syllabus contains outcomes relating to the demonstration of appropriate digital and employability skills in preparing for and taking the SBR examination. This includes being able to access and open exhibits, requirements and response options from different sources and being able to use the relevant functionality and technology to prepare and present response options in a professional manner. These skills are specifically developed by practicing and preparing for the SBR exam, using the learning support content for computer-based exams available via the practice platform and the ACCA website and will need to be demonstrated during the live exam.

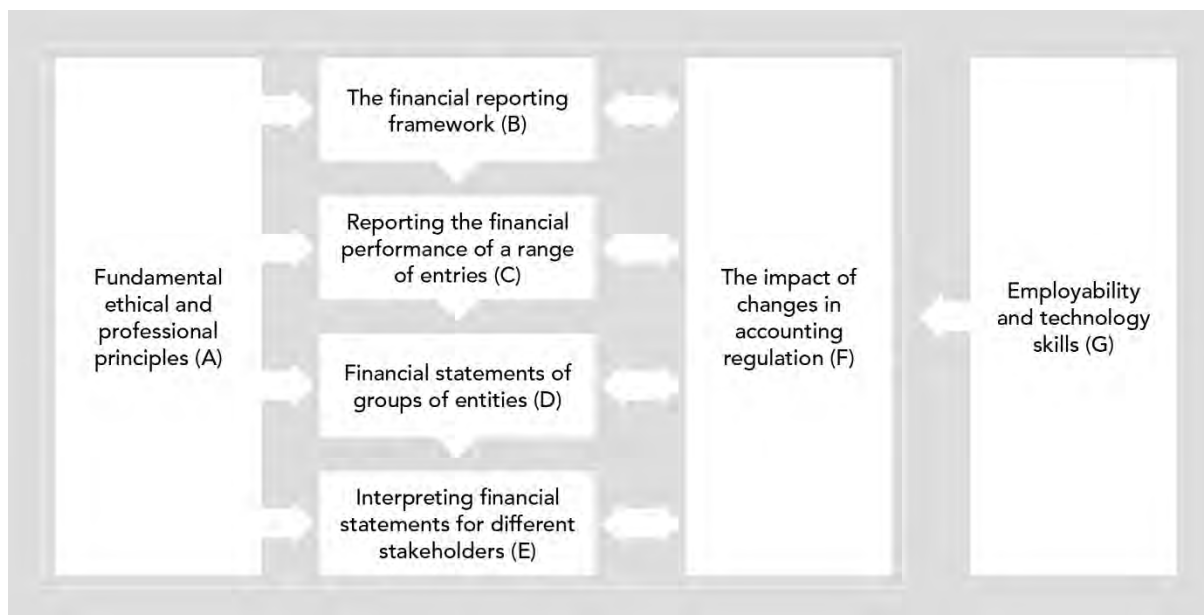
9. Main capabilities

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

- A Apply fundamental ethical and professional principles to ethical dilemmas and discuss the consequences of unethical behaviour
- B Evaluate the appropriateness of the financial reporting framework and critically discuss changes in accounting regulation
- C Apply professional judgement in the reporting of the financial performance of a range of entities

NOTE the learning outcomes in Section C of the syllabus can apply to: single entities, groups, public sector entities and not-for profit entities (where appropriate)

- D Prepare the financial statements of groups of entities
- E Interpret financial statements for different stakeholders
- F Communicate the impact of changes and potential changes in accounting regulation on financial reporting
- G Demonstrate employability and technology skills



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

10. The syllabus

A Fundamental ethical and professional principles

1. Professional and ethical behaviour in corporate reporting

B The financial reporting framework

1. The applications, strengths and weaknesses of the accounting framework

C Reporting the financial performance of a range of entities

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

D Financial statements of groups of entities

1. Group accounting including statements of cash flows
2. Associates and joint arrangements
3. Changes in group structures

4. Foreign transactions and entities

E Interpret financial statements for different stakeholders

1. Analysis and interpretation of financial information and measurement of performance

F The impact of changes and potential changes in accounting regulation

1. Discussion of solutions to current issues in financial reporting

G Employability and technology skills

1. Use computer technology to efficiently access and manipulate relevant information.
2. Work on relevant response options, using available functions and technology, as would be required in the workplace.
3. Navigate windows and computer screens to create and amend responses to exam requirements, using the appropriate tools.
4. Present data and information effectively, using the appropriate tools.

11. Detailed study guide

A Fundamental ethical and professional principles

1. Professional and ethical behaviour in corporate reporting

- a) Appraise and discuss the importance of ethical and professional behaviour in complying with accounting standards and corporate reporting requirements.^[3]
- b) Assess and discuss the consequences of unethical behaviour by management in carrying out their responsibility for the preparation of corporate reports ^[3]

B The financial reporting framework

1. The applications, strengths and weaknesses of an accounting framework

- a) Discuss the importance of the Conceptual Framework for Financial Reporting in underpinning the production of accounting standards.^[3]
- b) Discuss the objectives of financial reporting including disclosure of information that can be used to help assess management's stewardship of the entity's resources and the limitations of financial reporting.^[3]
- c) Discuss the nature of the qualitative characteristics of useful financial information.^[3]
- d) Explain the roles of prudence and substance over form in financial reporting.^[3]
- e) Discuss the high level of measurement uncertainty that can make financial information less relevant.^[3]

- f) Evaluate the decisions made by management on recognition, derecognition and measurement.^[3]

- g) Critically discuss and apply the definitions of the elements of financial statements and the reporting of items in the statement of profit or loss and other comprehensive income.^[3]

C Reporting the financial performance of a range of entities

1. Revenue

- a) Discuss and apply the criteria that must be met before an entity can recognise revenue.^[3]
- b) Discuss and apply the accounting requirements relating to revenue earned from a contract with a customer.^[3]
- c) Apply the criteria for recognition of contract costs as an asset.^[3]
- d) Discuss and apply the recognition and measurement of revenue including performance obligations satisfied over time, sale with a right of return, consignment arrangements, warranties, variable consideration, principal versus agent considerations and non-refundable up-front fees.^[3]

2. Non-current assets

- a) Discuss and apply the recognition, derecognition and measurement of non-current assets including impairments and revaluations.^[3]
- b) Discuss and apply the accounting requirements for the classification and measurement of non-current assets held for sale.^[3]
- c) Discuss and apply the accounting treatment of investment properties including classification, recognition, measurement and change of use.^[3]

- d) Discuss and apply the accounting treatment of intangible assets including the criteria for recognition and measurement subsequent to acquisition.^[3]
- e) Discuss and apply the accounting treatment for borrowing costs.^[2]

3. Financial Instruments

- a) Discuss and apply the initial recognition and measurement of financial instruments.^[3]
- b) Discuss and apply the subsequent measurement of financial assets and financial liabilities.^[3]
- c) Discuss and apply the derecognition of financial assets and financial liabilities.^[2]
- d) Discuss and apply the reclassification of financial assets.^[2]
- e) Account for derivative financial instruments, and simple embedded derivatives.^[2]
- f) Outline and apply the qualifying criteria for hedge accounting and account for fair value hedges and cash flow hedges including hedge effectiveness.^[2]
- g) Discuss and apply the general approach to impairment of financial instruments including the basis for estimating expected credit losses.^[2]
- h) Discuss the implications of a significant increase in credit risk.^[2]
- i) Discuss and apply the treatment of purchased or originated credit impaired financial assets.^[2]

4. Leases

- a) Discuss and apply the lessee accounting requirements for leases including the identification of a lease and the measurement of the right of use asset and liability.^[3]

- b) Discuss and apply the accounting for leases by lessors.^[3]
- c) Discuss and apply the circumstances where there may be re-measurement of the lease liability.^[3]
- d) Discuss and apply the reasons behind the separation of the components of a lease contract into lease and non-lease elements.^[3]
- e) Discuss the recognition exemptions under the current leasing standard.^[3]
- f) Discuss and apply the principles behind accounting for sale and leaseback transactions.^[3]

5. Employee benefits

- a) Discuss and apply the accounting treatment of short term and long term employee benefits, termination benefits and defined contribution and defined benefit plans.^[3]
- b) Account for gains and losses on settlements and curtailments.^[2]
- c) Account for the “Asset Ceiling” test and the reporting of actuarial gains and losses.^[2]

6. Income taxes

- a) Discuss and apply the recognition and measurement of deferred tax liabilities and deferred tax assets.^[3]
- b) Discuss and apply the recognition of current and deferred tax as income or expense.^[3]
- c) Discuss and apply the treatment of deferred taxation on a business combination.^[2]

7. Provisions, contingencies and events after the reporting date

- a) Discuss and apply the recognition, de-recognition and measurement of provisions, contingent liabilities and contingent assets including onerous

contracts, environmental provisions and restructuring provisions.^[3]

- b) Discuss and apply the accounting for events after the reporting period.^[3]

8. Share based payment

- a) Discuss and apply the recognition and measurement of share-based payment transactions.^[3]
- b) Account for modifications, cancellations and settlements of share-based payment transactions.^[2]

9. Fair Value Measurement

- a) Discuss and apply the definitions of 'fair value' measurement and 'active market'.^[3]
- b) Discuss and apply the 'fair value hierarchy'.^[3]
- c) Discuss and apply the principles of highest and best use, most advantageous and principal market.^[3]
- d) Explain the circumstances where an entity may use a valuation technique.^[3]

10. Reporting requirements of small and medium-sized entities (SMEs)

- a) Discuss the key differences in accounting treatment between full IFRS Standards and the IFRS for SMEs Standard[®].^[3]
- b) Discuss and apply the simplifications introduced by the IFRS for SMEs Standard.^[3]

11. Other reporting issues

- a) Discuss and apply the accounting for, and disclosure of, government grants and other forms of government assistance.^[2]
- b) Outline the principles behind the application of accounting policies

and measurement in interim reports.^[2]

- c) Discuss and apply the judgements required in selecting and applying accounting policies, accounting for changes in estimates and reflecting corrections of prior period errors.^[3]
- d) Identify related parties and assess the implications of related party relationships in the preparation of corporate reports.^[3]

D Financial statements of groups of entities

1. Group accounting including statements of cash flows

- a) Discuss and apply the principles behind determining whether a business combination has occurred.^[2]
- b) Discuss and apply the method of accounting for a business combination including identifying an acquirer and the principles in determining the cost of a business combination.^[2]
- c) Apply the recognition and measurement criteria for identifiable acquired assets and liabilities including contingent amounts and intangible assets.^[3]
- d) Discuss and apply the accounting for goodwill and non-controlling interest.^[3]
- e) Apply the accounting principles relating to a business combination achieved in stages.^[3]
- f) Discuss and apply the application of the control principle.^[2]
- g) Determine and apply appropriate procedures to be used in preparing consolidated financial statements.^[3]
- h) Discuss and apply the implications of changes in ownership interest and loss of control or significant influence.^[3]

- i) Prepare group financial statements where activities have been discontinued, or have been acquired or disposed of in the period.^[3]
- j) Discuss and apply the treatment of a subsidiary which has been acquired exclusively with a view to subsequent disposal.^[2]
- k) Identify and outline:
 - the circumstances in which a group is required to prepare consolidated financial statements.^[2]
 - the circumstances when a group may claim an exemption from the preparation of consolidated financial statements.^[2]
 - why directors may not wish to consolidate a subsidiary and where this is permitted.^[2]
- l) Prepare and discuss group statements of cash flows.^[3]

2. Associates and joint arrangements

- a) Identify associate entities.^[3]
- b) Discuss and apply the equity method of accounting for associates.^[3]
- c) Discuss and apply the application of the joint control principle.^[3]
- d) Discuss and apply the classification of joint arrangements.^[3]
- e) Prepare the financial statements of parties to the joint arrangement.^[3]

3. Changes in group structures

- a) Discuss and apply accounting for group companies in the separate financial statements of the parent company.^[2]
- b) Apply the accounting principles where the parent reorganises the structure of the group by establishing a new entity or changing the parent.^[2]

4. Foreign transactions and entities

- a) Outline and apply the translation of foreign currency amounts and transactions into the functional currency and the presentational currency.^[3]
- b) Account for the consolidation of foreign operations, including subsidiaries, associates and joint arrangements, and their disposal.^[3]

E Interpret financial statements for different stakeholders

1. Analysis and interpretation of financial information and measurement of performance

- a) Discuss and apply relevant indicators of financial and non-financial performance including earnings per share and additional performance measures.^[3]
- b) Discuss the increased demand for transparency in corporate reports, and the emergence of non-financial reporting standards.^[3]
- c) Appraise the impact of environmental, social, and ethical factors on additional performance measures.^[3]
- d) Discuss the importance of effective sustainability reporting.^[3]
- e) Discuss how integrated reporting improves the understanding of the relationship between financial and non-financial performance and of how a company creates sustainable value.^[3]
- f) Determine the nature and extent of reportable segments.^[3]
- g) Discuss the nature of segment information to be disclosed and how segmental information enhances the quality and sustainability of performance.^[3]

F The impact of changes and potential changes in accounting regulation

1. Discussion of solutions to current issues in financial reporting

- a) Discuss and apply the accounting implications of the first time adoption of new accounting standards.^[2]
- b) Identify issues and deficiencies which have led to proposed changes to an accounting standard.^[3]
- c) Discuss the impact of current issues in corporate reporting. This learning outcome may be tested by requiring the application of one or several existing standards to an accounting issue. It is also likely to require an explanation of the resulting reporting and disclosure implications from events such as:
 - accounting for digital assets
 - accounting for the effects of a natural disaster,
 - climate change
 - a global event
 - going concern assessments
- d) The following are relevant to the current syllabus.^[3]:
 1. Materiality in the context of financial reporting
 2. Management commentary
- e) Discuss developments in devising a structure for corporate reporting that addresses the needs of stakeholders.^[3]
- f) Discuss developments in corporate reporting related to sustainability reporting and sustainability standards.^[3]

technology, as would be required in the workplace.

- 3. Navigate windows and computer screens to create and amend responses to exam requirements, using the appropriate tools.**
- 4. Present data and information effectively, using the appropriate tools.**

G Employability and technology skills

- 1. Use computer technology to efficiently access and manipulate relevant information.**
- 2. Work on relevant response options, using available functions and**

12. Summary of changes to Strategic Business Reporting (SBR-INT)

ACCA periodically reviews its qualification syllabuses so that they fully meet the needs of stakeholders such as employers, students, regulatory and advisory bodies and learning providers.

The main areas which have been added to the syllabus are summarised in the table below.

Table 1 – Amendments to SBR (INT)

	Section and subject area	Syllabus content
C1a), b)	Revenue	Removed reference to recognition model and five step model to discourage rote learning although the underlying principles of each step is still required.
C1 d)	Revenue	Added consignment arrangements to be consistent with the FR syllabus and ensure this is assumed knowledge
C7 a)	Provisions, contingencies and events after the reporting date	Added onerous contracts for completeness
D1 h)	Group accounting including statements of cash flows	Added 'significant influence ' to ensure disposals of an interest in an associate is adequately covered
D4 b)	Foreign transactions and entities	Account for the consolidation of foreign operations, <i>including subsidiaries, associates and joint arrangements</i> and their disposal This ensures that the three types of group entities are specifically identified as examinable within an overseas and foreign exchange context.
E1 d)	Analysis and interpretation of financial information and measurement of performance	Removed 'how sustainability reporting is evolving and' as ACCA feel this space has moved on beyond 'evolving' and discussions would be expected on its wider importance within business reporting.
F1 c)	Discussion of solutions to current issues in financial reporting	Created bullet points to give more clarity to examples. Also amended to reword as 'reporting and disclosure implications'. Added climate change and going concern assessments as further examples of current issues.

F1 d)	Discussion of solutions to current issues in financial reporting	Removed 'Presentation and disclosures' as the Exposure Draft is no longer listed within SBR Examinable Documents
F1 f)	Discussion of solutions to current issues in financial reporting	Added 'Discuss developments in corporate reporting related to sustainability reporting and sustainability standards.' to give it an appropriate prominence to reflect the current and rapidly changing developments in this area



ACCA

Advanced Financial Management (AFM)

Syllabus and study guide

September 2022 to June 2023

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

Think Ahead

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1. Intellectual levels

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

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

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

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

Each subject area in the detailed study guide included in this document is given a 1, 2, or 3 superscript, denoting intellectual level, marked at the end of each relevant learning outcome. This gives an indication of the intellectual depth at which an area could be assessed within the examination. However, while level 1 broadly equates with Applied Knowledge, level 2 equates to Applied Skills and level 3 to Strategic Professional, some lower level skills can continue to be assessed as the student progresses through each level. This reflects that at each stage of study there will be a requirement to broaden, as well as deepen capabilities. It is also possible that occasionally some higher level capabilities may be assessed at lower levels.

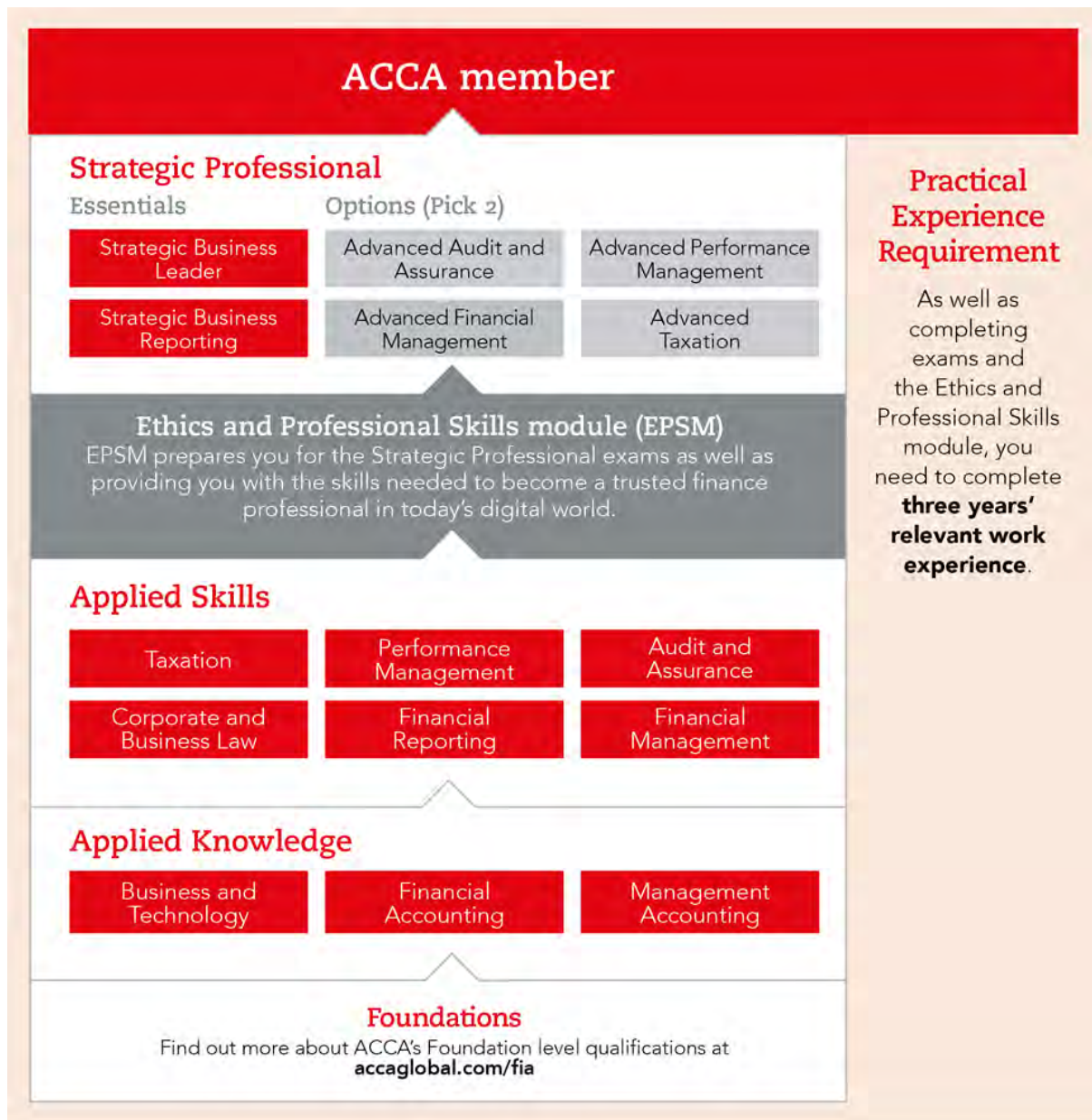
2. Learning hours and education recognition

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

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

Each syllabus is organised into main subject area headings which are further broken down to provide greater detail on each area.

3. The structure of ACCA qualification



*See accaglobal.com for details

4. Guide to ACCA examination structure and delivery mode

The pass mark for all ACCA Qualification examinations is 50%.

The structure and delivery mode of examinations varies.

Applied Knowledge

The Applied Knowledge examinations contain 100% compulsory questions to encourage candidates to study across the breadth of each syllabus. These are assessed by a two-hour computer based examination.

Applied Skills

The Corporate and Business Law exam is a two-hour computer-based objective test examination for English and Global.

For the format and structure of the Corporate and Business Law or Taxation variant exams, refer to the 'Approach to examining the syllabus' section of the relevant syllabus and study guide.

The other Applied Skills examinations (PM, TX-UK, FR, AA, and FM) contain a mix of objective and longer type questions with a duration of three hours for 100 marks. These are assessed by a three hour computer-based exam. Prior to the start of each exam there will be time allocated for students to be informed of the exam instructions.

The longer (constructed response) question types used in the Applied Skills exams (excluding Corporate and Business Law) require students to effectively mimic what they do in the workplace. Students will need to use a range of digital skills and demonstrate their ability to use spread sheets and word processing tools in producing their answers, just as they would use these tools in the workplace. These assessment methods allow ACCA to focus on testing students' technical and application skills, rather than, for example, their ability to perform simple calculations.

Strategic Professional Essentials:

Strategic Business Leader is ACCA's case study examination at Strategic Professional and is examined as a closed book exam of four hours, including reading, planning and reflection time which can be used flexibly within the examination. There is no pre-seen information and all exam related material, including case information and exhibits are available within the examination. Strategic Business Leader is an exam based on one main business scenario which involves candidates completing several tasks within which additional material may be introduced. All questions are compulsory and each examination will contain a total of 80 technical marks and 20 Professional Skills marks.

Strategic Business Reporting is a three-hour 15 minutes exam. It contains two sections and all questions are compulsory. This exam contains four professional marks.

Options:

The Strategic Professional Options are all three hours and 15 minutes computer-based exams. All contain two sections and all questions are compulsory.

From September 2022, AFM, APM and AAA will contain a total of 80 technical marks and 20 Professional Skills marks.

From June 2023, ATX will similarly contain a total of 80 technical marks and 20 Professional Skills marks.

The question types used at Strategic Professional require students to effectively mimic what they would do in the workplace. These exams offer ACCA the opportunity to focus on the application of knowledge to scenarios, using a range of tools including word processor, spreadsheets and presentation slides - not only enabling students to demonstrate their technical and professional skills but also their use of the technology available to today's accountants.

Time management

ACCA encourages students to take time to read questions carefully and to plan answers but once the exam time has started, there are no additional restrictions as to when candidates may start producing their answer.

Time should be taken to ensure that all the information and exam requirements are properly read and understood.

5. Guide to ACCA examination assessment

ACCA reserves the right to examine any learning outcome contained within the study guide. This includes knowledge, techniques, principles, theories, and concepts as specified. For the financial accounting, audit and assurance, law and tax exams except where indicated otherwise, ACCA will publish *examinable documents* once a year to indicate exactly what regulations and legislation could potentially be assessed within identified examination sessions.

For most examinations (not tax), regulations **issued** or legislation **passed** on or before 31 August annually, will be examinable from 1 September of the following year to 31 August of the year after that. Please refer to the examinable documents for the examination (where relevant) for further information.

Regulations issued or legislation passed in accordance with the above dates will not be examinable if the **effective** date is in the future, unless explicitly stated otherwise in the syllabus and study guide or examinable documents.

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

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

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

For **UK** tax exams, examinations falling within the period 1 June to 31 March will generally examine the Finance Act which was passed in the previous year. Therefore, exams falling in the period 1 June 2022 to

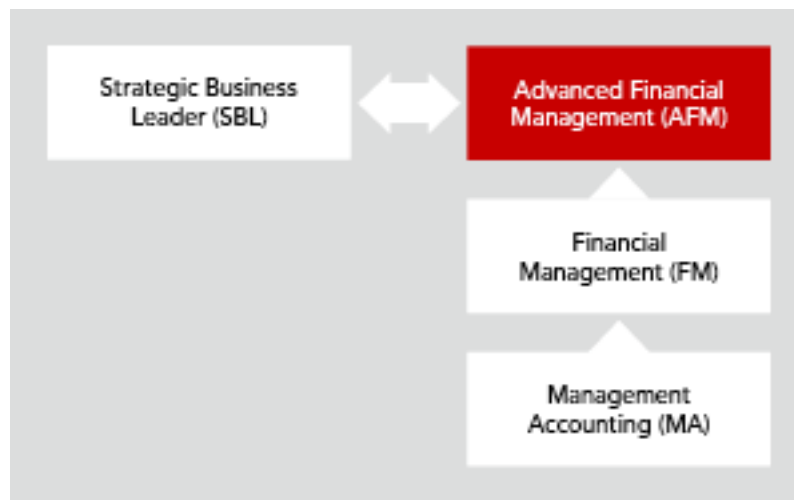
31 March 2023 will examine the Finance Act 2021 and any examinable legislation which is passed outside of the Finance Act before 31 May 2021.

For additional guidance on the examinability of specific tax rules and the depth in which they are likely to be examined, reference should be made to the relevant Finance Act article written by the examining team and published on the ACCA website.

None of the current or impending devolved taxes for Scotland, Wales, and Northern Ireland is, or will be, examinable.

6. Relational diagram linking Advanced Financial Management (AFM) with other exams

This diagram shows links between this exam and other exams preceding or following it. Some exams are directly underpinned by other exams such as Advanced Financial Management with Financial Management. This diagram indicates where students are expected to have underpinning knowledge and where it would be useful to review previous learning before undertaking study.



7. Approach to examining the syllabus

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

- Communication
- Analysis and Evaluation
- Scepticism
- Commercial Acumen

Examination Structure

The syllabus is assessed by a three-hour 15 minutes examination.

Section A

Section A will always be a single 50 mark case study. The 50 marks will comprise of 40 technical marks and 10 professional skills marks. All of the professional skills will be examined in Section A.

Candidates should understand that they will be expected to undertake calculations, draw comparison against relevant information where appropriate, analyse the results and offer recommendations or conclusions as required.

Financial managers are required to look across a range of issues which affect an organisation and its finances, so candidates should expect to see the case study focus on a range of issues from at least two syllabus sections from A - E. These will vary depending on the business context of the case study.

Section A questions will ask candidates to produce a response in a specific format, , for example a report to the Board of Directors.

Section B

Section B will consist of two compulsory 25 mark questions. All section B questions will be scenario based and contain a combination of calculation and narrative marks. There will not be any wholly narrative questions. The 25 marks will comprise of 20 technical marks and 5 professional skills marks. Section B questions will contain a combination of professional skills appropriate to the question. Each question will contain a minimum of two professional skills from Analysis and Evaluation, Scepticism and Commercial Acumen.

All topics and syllabus sections will be examinable in either section A or section B of the exam, but every exam will have question(s) which have a focus on syllabus sections B and E.

Total 100 marks

8. Introduction to the syllabus

The aim of the syllabus is to apply relevant knowledge, skills and exercise professional judgement as expected of a senior financial executive or advisor, in taking or recommending decisions relating to the financial management of an organisation in private and public sectors.

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

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

The next part of the syllabus re-examines, in the broadest sense, the existence of risks in business and the sophisticated strategies which are employed in order to manage such

risks. It builds on what candidates would have covered in the Financial Management syllabus.

The professional skills section of the syllabus links to all others and provides a range of professional skills which the candidate must demonstrate in the exam. These professional skills will make candidates more employable, or if already in work, will enhance their opportunities for advancement.

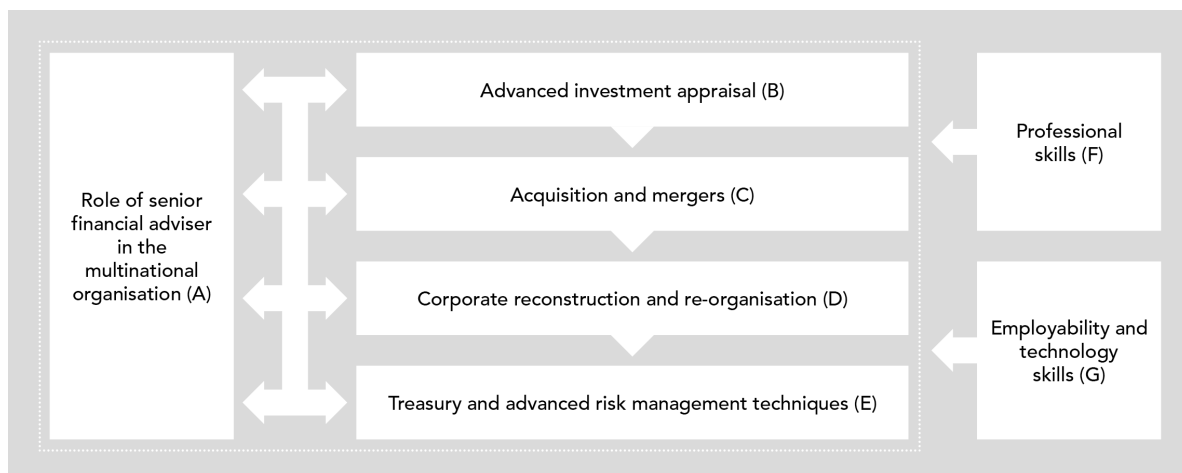
Section G of the syllabus contains outcomes relating to the demonstration of appropriate digital and employability skills in preparing for and taking the AFM examination. This includes being able to access and open exhibits, requirements and response options from different sources and being able to use the relevant functionality and technology to prepare and present response options in a professional manner. These skills are specifically developed by practicing and preparing for the AFM exam, using the learning support content for computer-based exams available via the practice platform and the ACCA website and will need to be demonstrated during the live exam.

9. Main capabilities

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

- A Explain and evaluate the role and responsibility of the senior financial executive or advisor in meeting conflicting needs of stakeholders and recognise the role of international financial institutions in the financial management of multinationals
- B Evaluate potential investment decisions and assessing their financial and strategic consequences, both domestically and internationally
- C Assess and plan acquisitions and mergers as an alternative growth strategy
- D Evaluate and advise on alternative corporate re-organisation strategies
- E Apply and evaluate alternative advanced treasury and risk management techniques
- F Apply a range of professional skills in addressing requirements within the Advanced Financial Management exam, and in preparation for, or to support, current work experience
- G Demonstrate employability and technology skills

Relational diagram of the main capabilities



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

10. The syllabus

A Role of senior financial adviser in the multinational organisation

1. The role and responsibility of senior financial executive/advisor
2. Financial strategy formulation
3. Ethical and governance issues
4. Management of international trade and finance
5. Strategic business and financial planning for multinational organisations
6. Dividend policy in multinationals and transfer pricing

B Advanced investment appraisal

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

C Acquisitions and mergers

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

D Corporate reconstruction and re-organisation

1. Financial reconstruction
2. Business re-organisation

E Treasury and advanced risk management techniques

1. The role of the treasury function in multinationals
2. The use of financial derivatives to hedge against forex risk
3. The use of financial derivatives to hedge against interest rate risk

F Professional skills

1. Communication
2. Analysis and evaluation
3. Scepticism
4. Commercial acumen

G Employability and technology skills

1. Use computer technology to efficiently access and manipulate relevant information.
2. Work on relevant response options, using available functions and technology, as would be required in the workplace.
3. Navigate windows and computer screens to create and amend responses to exam requirements, using the appropriate tools.
4. Present data and information effectively, using the appropriate tools.

11. Detailed study guide

A Role of the senior financial adviser in the multinational organisation

1. The role and responsibility of senior financial executive/advisor

- a) Develop strategies for the achievement of the organisational goals in line with its agreed policy framework.^[3]
- b) Recommend strategies for the management of the financial resources of the organisation such that they are utilised in an efficient, effective and transparent way.^[3]
- c) Advise the board of directors or management of the organisation in setting the financial goals of the business and in its financial policy development with particular reference to:^[3]
 - i) Investment selection and capital resource allocation
 - ii) Minimising the cost of capital
 - iii) Distribution and retention policy
 - iv) Communicating financial policy and corporate goals to internal and external stakeholders
 - v) Financial planning and control
 - vi) The management of risk.

2. Financial strategy formulation

- a) Assess organisational performance using methods such as ratios and trends.^[3]
- b) Recommend the optimum capital mix and structure within a specified business context and capital asset structure.^[3]
- c) Recommend appropriate distribution and retention policy.^[3]
- d) Explain the theoretical and practical rationale for the management of risk.^[3]

- e) Assess the organisation's exposure to business and financial risk including operational, reputational, political, economic, regulatory and fiscal risk.^[3]
- f) Develop a framework for risk management, comparing and contrasting risk mitigation, hedging and diversification strategies.^[3]
- g) Establish capital investment monitoring and risk management systems.^[3]
- h) Advise on the impact of behavioural finance on financial strategies / securities prices and why they may not follow the conventional financial theories.^[3]

3. Ethical and governance issues

- a) Assess the ethical dimension within business issues and decisions and advise on best practice in the financial management of the organisation.^[3]
- b) Demonstrate an understanding of the interconnectedness of the ethics of good business practice between all of the functional areas of the organisation.^[2]
- c) Recommend, within specified problem domains, appropriate strategies for the resolution of stakeholder conflict and advise on alternative approaches that may be adopted.^[3]
- d) Recommend an ethical framework for the development of an organisation's financial policies and a system for the assessment of its ethical impact upon the financial management of the organisation.^[3]
- e) Explore the areas within the ethical framework of the organisation which may be undermined by agency effects and/or stakeholder conflicts and establish strategies for dealing with them.^[3]
- f) Establish an ethical financial policy for the financial management of the organisation which is grounded in good governance, the highest standards of

probity and is fully aligned with the ethical principles of the Association.^[3]

- g) Assess the impact on sustainability and environmental issues arising from alternative organisational business and financial decisions.^[3]
- h) Assess and advise on the impact of investment and financing strategies and decisions on the organisation's stakeholders, from a governance perspective.^[2]

4. Management of international trade and finance

- a) Advise on the theory and practice of free trade and the management of barriers to trade.^[3]
- b) Demonstrate an up to date understanding of the major trade agreements and common markets and, on the basis of contemporary circumstances, advise on their policies and strategic implications for a given business.^[3]
- c) Discuss how the actions of the World Trade Organisation, the International Monetary Fund, The World Bank and Central Banks can affect a multinational organisation.^[2]
- d) Discuss the role of international financial institutions within the context of a globalised economy, with particular attention to (the Fed, Bank of England, European Central Bank and the Bank of Japan).^[2]
- e) Discuss the role of the international financial markets with respect to the management of global debt, the financial development of the emerging economies and the maintenance of global financial stability.^[2]
- f) Discuss the significance to the organisation, of latest developments in the world financial markets such as the causes and impact of the recent financial crisis; growth and impact of dark pool trading systems; the removal of barriers

to the free movement of capital; and the international regulations on money laundering.^[2]

- g) Demonstrate an awareness of new developments in the macroeconomic environment, assessing their impact upon the organisation, and advising on the appropriate response to those developments both internally and externally.^[2]

5. Strategic business and financial planning for multinationals

- a) Advise on the development of a financial planning framework for a multinational organisation taking into account:^[3]
 - i) Compliance with national regulatory requirements (for example the London Stock Exchange admission requirements)
 - ii) The mobility of capital across borders and national limitations on remittances and transfer pricing
 - iii) The pattern of economic and other risk exposures in the different national markets
 - iv) Agency issues in the central coordination of overseas operations and the balancing of local financial autonomy with effective central control.

6. Dividend policy in multinationals and transfer pricing

- a) Determine a corporation's dividend capacity and its policy given:^[3]
 - i) The corporation's short- and long-term reinvestment strategy
 - ii) The impact of capital reconstruction programmes such as share repurchase agreements and new capital issues on free cash flow to equity.
 - iii) The availability and timing of central remittances
 - iv) The corporate tax regime within the host jurisdiction.
 - v) The organisational policy on the transfer pricing of goods and services across international borders.

- b) Advise, in the context of a specified capital investment programme, on an organisation's current and projected dividend capacity.^[3]

B Advanced investment appraisal

1. Discounted cash flow techniques

- a) Evaluate the potential value added to an organisation arising from a specified capital investment project or portfolio using the net present value (NPV) model.^[3]

Project modelling should include explicit treatment and discussion of:

- i) Inflation and specific price variation
 - ii) Taxation including tax allowable depreciation and tax exhaustion
 - iii) Capital rationing. Multi-period capital rationing limited to discussion only
 - iv) Probability analysis and sensitivity analysis when adjusting for risk and uncertainty in investment appraisal
 - v) Risk adjusted discount rates
 - vi) Project duration as a measure of risk.
- b) Outline the application of Monte Carlo simulation to investment appraisal.^[2]
Candidates will not be expected to undertake simulations in an examination context but will be expected to demonstrate an understanding of:
 - i) The significance of the simulation output and the assessment of the likelihood of project success
 - ii) The measurement and interpretation of project value at risk.
 - c) Establish the potential economic return (using internal rate of return (IRR) and modified internal rate of return) and advise on a project's return margin. Discuss the relative merits of NPV and IRR.^[3]

2. Application of option pricing theory in investment decisions

- a) Apply the Black-Scholes Option Pricing (BSOP) model to financial product valuation and to asset valuation.^[3]
 - i) Determine and discuss, using published data, the five principal drivers of option value (value of the underlying, exercise price, time to expiry, volatility and the risk-free rate)
 - ii) Discuss the underlying assumptions, structure, application and limitations of the BSOP model.
- b) Evaluate embedded real options within a project, classifying them into one of the real option archetypes.^[3]
- c) Assess, calculate and advise on the value of options to delay, expand, redeploy and withdraw using the BSOP model.^[3]

3. Impact of financing on investment decisions and adjusted present values

- a) Identify and assess the appropriateness of the range of sources of finance available to an organisation including equity, debt, hybrids, lease finance, venture capital, business angel finance, private equity, asset securitisation and sale, Islamic finance and security token offerings. Including assessment on the financial position, financial risk and the value of an organisation.^[3]
- b) Discuss the role of, and developments in, Islamic financing as a growing source of finance for organisations; explaining the rationale for its use, and identifying its benefits and deficiencies.^[2]
- c) Calculate the cost of capital of an organisation, including the cost of equity and cost of debt, based on the range of equity and debt sources of finance. Discuss the appropriateness of using the cost of capital to establish project

and organisational value, and discuss its relationship to such value.^[3]

- d) Calculate and evaluate project specific cost of equity and cost of capital, including their impact on the overall cost of capital of an organisation. Demonstrate detailed knowledge of business and financial risk, the capital asset pricing model and the relationship between equity and asset betas.^[3]
- e) Assess an organisation's debt exposure to interest rate changes using the simple Macaulay duration and modified duration methods.^[3]
- f) Discuss the benefits and limitations of duration including the impact of convexity.^[3]
- g) Assess the organisation's exposure to credit risk, including:^[3]
 - v) Explain the role of, and the risk assessment models used by the principal rating agencies
 - vi) Estimate the likely credit spread over risk free
 - vii) Estimate the organisation's current cost of debt capital using the appropriate term structure of interest rates and the credit spread.
- h) Assess the impact of financing and capital structure upon the organisation with respect to:^[3]
 - i) Modigliani and Miller propositions, before and after tax
 - ii) Static trade-off theory
 - iii) Pecking order propositions
 - iv) Agency effects.
- i) Apply the adjusted present value technique to the appraisal of investment decisions that entail significant alterations in the financial structure of the organisation, including their fiscal and transactions cost implications.^[3]
- j) Assess the impact of a significant capital investment project upon the reported financial position and performance of the organisation taking into account alternative financing strategies.^[3]

4. Valuation and the use of free cash flows

- a) Apply asset based, income based and cash flow based models to value equity. Apply appropriate models, including term structure of interest rates, the yield curve and credit spreads, to value corporate debt.^[3]
- b) Forecast an organisation's free cash flow and its free cash flow to equity (pre and post capital reinvestment).^[3]
- c) Advise on the value of an organisation using its free cash flow and free cash flow to equity under alternative horizon and growth assumptions.^[3]
- d) Explain the role of option pricing models, such as the BSOP model, in the assessment of the value of equity, the value of debt and of default risk.^[2]

5. International investment and financing decisions

- a) Assess the impact upon the value of a project of alternative exchange rate assumptions.^[3]
- b) Forecast project or organisation free cash flows in any specified currency and determine the project's net present value or organisation value under differing exchange rate, fiscal and transaction cost assumptions.^[2]
- c) Evaluate the significance of exchange controls for a given investment decision and strategies for dealing with restricted remittance.^[3]
- d) Assess the impact of a project upon an organisation's exposure to translation, transaction and economic risk.^[3]
- e) Assess and advise on the costs and benefits of alternative sources of finance available within the international equity and bond markets.^[3]

C Acquisitions and mergers

1. Acquisitions and mergers versus other growth strategies

- a) Discuss the arguments for and against the use of acquisitions and mergers as a method of corporate expansion.^[2]
- b) Evaluate the corporate and competitive nature of a given acquisition proposal.^[3]
- c) Advise upon the criteria for choosing an appropriate target for acquisition.^[3]
- d) Compare the various explanations for the high failure rate of acquisitions in enhancing shareholder value.^[3]
- e) Evaluate, from a given context, the potential for synergy separately classified as:^[3]
 - i) Revenue synergy
 - ii) Cost synergy
 - iii) Financial synergy.
- f) Evaluate the use of the reverse takeover as a method of acquisition and as a way of obtaining a stock market listing.^[3]

2. Valuation for acquisitions and mergers

- a) Discuss the problem of overvaluation.^[2]
- b) Estimate the potential near-term and continuing growth levels of a corporation's earnings using both internal and external measures.^[3]
- c) Discuss, assess and advise on the value created from an acquisition or merger of both quoted and unquoted entities using models such as:^[3]
 - i) 'Book value-plus' models
 - ii) Market based models
 - iii) Cash flow models, including free cash flows.

Taking into account the changes in the risk profile and risk exposure of the acquirer and the target entities
- d) Apply appropriate methods, such as: risk-adjusted cost of capital, adjusted net

present values and changing price-earnings multipliers resulting from the acquisition or merger, to the valuation process where appropriate.^[3]

- e) Demonstrate an understanding of the procedure for valuing high growth start-ups.^[2]

3. Regulatory framework and processes

- a) Demonstrate an understanding of the principal factors influencing the development of the regulatory framework for mergers and acquisitions globally and, in particular, be able to compare and contrast the shareholder versus the stakeholder models of regulation.^[2]
- b) Identify the main regulatory issues which are likely to arise in the context of a given offer and
 - i) assess whether the offer is likely to be in the shareholders' best interests
 - ii) advise the directors of a target entity on the most appropriate defence if a specific offer is to be treated as hostile.^[3]

4. Financing acquisitions and mergers

- a) Compare the various sources of financing available for a proposed cash-based acquisition.^[3]
- b) Evaluate the advantages and disadvantages of a financial offer for a given acquisition proposal using pure or mixed mode financing and recommend the most appropriate offer to be made.^[3]
- c) Assess the impact of a given financial offer on the reported financial position and performance of the acquirer.^[3]

D Corporate reconstruction and re-organisation

1. Financial reconstruction

- a) Assess an organisational situation and determine whether a financial reconstruction is an appropriate

strategy for a given business situation.^[3]

- b) Assess the likely response of the capital market and/or individual suppliers of capital to any reconstruction scheme and the impact their response is likely to have upon the value of the organisation.^[3]

2. Business re-organisation

- a) Recommend, with reasons, strategies for unbundling parts of a quoted company.^[3]
- b) Evaluate the likely financial and other benefits of unbundling.^[3]
- c) Advise on the financial issues relating to a management buy-out and buy-in.^[3]

E Treasury and advanced risk management techniques

1. The role of the treasury function in multinationals

- a) Discuss the role of the treasury management function within:^[3]
 - i) The short term management of the organisation's financial resources
 - ii) The longer term maximisation of corporate value
 - iii) The management of risk exposure.
- b) Discuss the operations of the derivatives market, including:^[3]
 - i) The relative advantages and disadvantages of exchange traded versus OTC agreements
 - ii) Key features, such as standard contracts, tick sizes, margin requirements and margin trading
 - iii) The source of basis risk and how it can be minimised.
 - iv) Risks such as delta, gamma and theta, and how these can be managed.

2. The use of financial derivatives to hedge against forex risk

- a) Assess the impact on an organisation to exposure in translation, transaction and economic risks and how these can be managed.^[3]
- b) Evaluate, for a given hedging requirement, which of the following is the most appropriate strategy, given the nature of the underlying position and the risk exposure:^[3]
 - i) The use of the forward exchange market and the creation of a money market hedge
 - ii) Synthetic foreign exchange agreements (SAFEs)
 - iii) Exchange-traded currency futures contracts
 - iv) Currency swaps
 - v) FOREX swaps
 - vi) Currency options.
- c) Advise on the use of bilateral and multilateral netting and matching as tools for minimising FOREX transactions costs and the management of market barriers to the free movement of capital and other remittances.^[3]

3. The use of financial derivatives to hedge against interest rate risk

- a) Evaluate, for a given hedging requirement, which of the following is the most appropriate given the nature of the underlying position and the risk exposure:^[3]
 - i) Forward Rate Agreements (FRAs)
 - ii) Interest rate futures
 - iii) Interest rate swaps
 - iv) Interest rate options (including collars).

F Professional skills

1. Communication

- a) Inform concisely, objectively and unambiguously, adopting a suitable style and format, using appropriate technology.^[3]

- b) Persuade using compelling and logical arguments, demonstrating the ability to counter argue where appropriate.^[3]
- c) Clarify and simplify complex issues to convey relevant information in a way that adopts an appropriate tone and is easily understood by and reflects the requirements of the intended audience.^[3]

2. Analysis and evaluation

- a) Investigate relevant information from a range of sources, using appropriate analytical techniques to estimate outcomes, assist in decision-making and to identify opportunities or solutions.^[3]
- b) Consider information, evidence and findings carefully, reflecting on their implications and how they can be used in the interests of the wider organisational goals.^[3]
- c) Assess and apply appropriate judgement when considering organisational issues, problems or when making financial management decisions; taking into account the implications of such decisions on the organisation and those affected.^[3]
- d) Appraise information objectively with a view to balancing the costs, risks, benefits and opportunities, before recommending appropriate solutions or decisions.^[3]

3. Scepticism

- a) Explore the underlying reasons for a given situation, applying the attitude of an enquiring mind, beyond what is immediately apparent.^[3]
- b) Question opinions, assertions and assumptions, by seeking justifications and obtaining sufficient evidence for either their support and acceptance or rejection.^[3]

- c) Challenge and critically assess the information presented or decisions made, where this is clearly justified, in the wider professional, ethical, organisational, or public interest.^[3]

3. Commercial acumen

- a) Demonstrate awareness of organisational and external factors, which will affect the financial management decisions of an organisation.^[3]
- b) Recognise key issues in a given scenario and use judgement in proposing and recommending commercially viable solutions.^[3]
- c) Show insight and perception in understanding financial issues and wider organisational matters, demonstrating acumen in arriving at appropriate recommendations.^[3]

G Employability and technology skills

- 1. Use computer technology to efficiently access and manipulate relevant information**
- 2. Work on relevant response options, using available functions and technology, as would be required in the workplace**
- 3. Navigate windows and computer screens to create and amend responses to exam requirements, using the appropriate tools**
- 4. Present data and information effectively, using the appropriate tools**

12. Summary of changes to Advanced Financial Management (AFM)

ACCA periodically reviews its qualification syllabuses so that they fully meet the needs of stakeholders such as employers, students, regulatory and advisory bodies and learning providers.

The main changes which have been made to the syllabus are summarised in the table below.

Table of amendments

A3h)	Assess and advise on the impact of investment and financing strategies and decisions on the organisation's stakeholders, from a governance perspective	Integrated reporting has been removed from the learning outcome.
A6a)	Determine a corporation's dividend capacity and its policy given: ^[3] v) The organisational policy on the transfer pricing of goods and services across international borders	New outcome added to A6a) which replaces the previous A6c)
B1a)	Evaluate the potential value added to an organisation arising from a specified capital investment project or portfolio using the net present value (NPV) model. ^[3] Project modelling should include explicit treatment and discussion of: iii) Capital rationing. Multi-period capital rationing to be limited to discussion only	Outcome has been revised to make clear that multi-period capital rationing is only examinable through discussion.
B3a)	Identify and assess the appropriateness of the range of sources of finance available to an organisation including equity, debt,	Initial coin offering reference has been changed to security token offering.

	hybrids, lease finance, venture capital, business angel finance, private equity, asset securitisation and sale, Islamic finance and security token offerings. Including assessment on the financial position, financial risk and the value of an organisation.	
B4d)	Explain the role of option pricing models, such as the BSOP model, in the assessment of the value of equity, the value of debt and of default risk	Previous outcomes B4d) and e) have been reduced into one outcome
E1b)	Discuss the operations of the derivatives market, including: ^[3] iv) Risks such as delta, gamma and theta, and how these can be managed.	Vega and rho removed from the list of risks which are examinable.
F	Professional skills	This section has been added to reflect the professional skills required for the AFM examination.



ACCA

Advanced Performance Management (APM)

Syllabus and study guide

September 2022 to June 2023

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

Think Ahead

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1. Intellectual levels

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

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

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

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

Each subject area in the detailed study guide included in this document is given a 1, 2, or 3 superscript, denoting intellectual level, marked at the end of each relevant learning outcome. This gives an indication of the intellectual depth at which an area could be assessed within the examination. However, while level 1 broadly equates with Applied Knowledge, level 2 equates to Applied Skills and level 3 to Strategic Professional, some lower level skills can continue to be assessed as the student progresses through each level. This reflects that at each stage of study there will be a requirement to broaden, as well as deepen capabilities. It is also possible that occasionally some higher level capabilities may be assessed at lower levels.

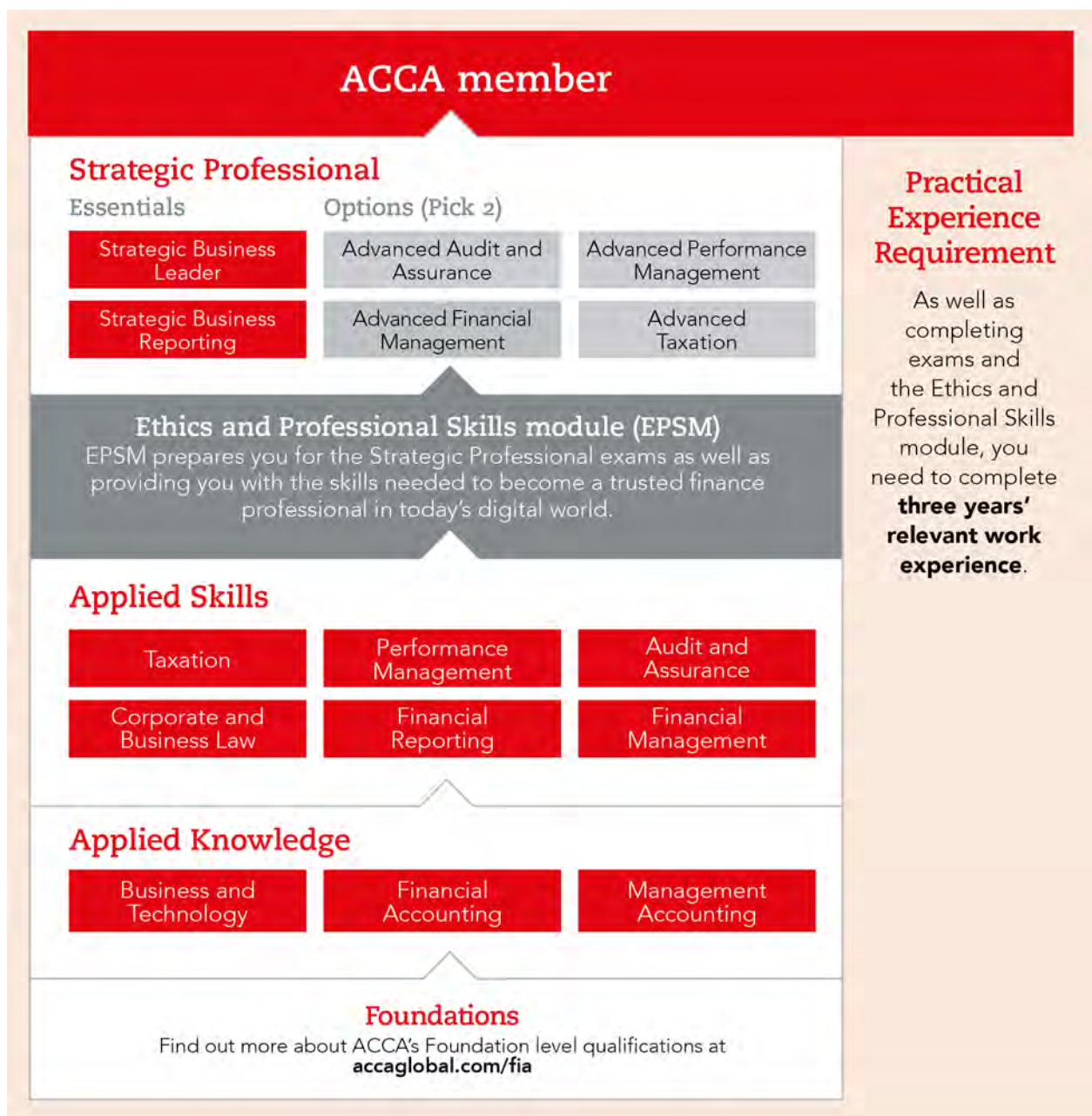
2. Learning hours and education recognition

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

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

Each syllabus is organised into main subject area headings which are further broken down to provide greater detail on each area.

3. The structure of ACCA qualification



*See accaglobal.com for details

4. Guide to ACCA examination structure and delivery mode

The pass mark for all ACCA Qualification examinations is 50%.

The structure and delivery mode of examinations varies.

Applied Knowledge

The Applied Knowledge examinations contain 100% compulsory questions to encourage candidates to study across the breadth of each syllabus. These are assessed by a two-hour computer-based examination.

Applied Skills

The Corporate and Business Law exam is a two-hour computer-based objective test examination for English and Global.

For the format and structure of the Corporate and Business Law or Taxation variant exams, refer to the 'Approach to examining the syllabus' section of the relevant syllabus and study guide.

The other Applied Skills examinations (PM, TX-UK, FR, AA, and FM) contain a mix of objective and longer type questions with a duration of three hours for 100 marks. These are assessed by a three-hour computer-based exam. Prior to the start of each exam there will be time allocated for students to be informed of the exam instructions.

The longer (constructed response) question types used in the Applied Skills exams (excluding Corporate and Business Law) require students to effectively mimic what they do in the workplace. Students will need to use a range of digital skills and demonstrate their ability to use spread sheets and word processing tools in producing their answers, just as they would use these tools in the workplace. These assessment methods allow ACCA to focus on testing students' technical and application skills, rather than, for example, their ability to perform simple calculations.

Strategic Professional Essentials:

Strategic Business Leader is ACCA's case study examination at Strategic Professional and is examined as a closed book exam of four hours, including reading, planning and reflection time which can be used flexibly within the examination. There is no pre-seen information and all exam related material, including case information and exhibits are available within the examination. Strategic Business Leader is an exam based on one main business scenario which involves candidates completing several tasks within which additional material may be introduced. All questions are compulsory and each examination will contain a total of 80 technical marks and 20 Professional Skills marks.

Strategic Business Reporting is a three-hour 15 minutes exam. It contains two sections and all questions are compulsory. This exam contains four professional marks.

Options:

The Strategic Professional Options are all three hours and 15 minutes computer-based exams. All contain two sections and all questions are compulsory.

From September 2022, AFM, APM and AAA will contain a total of 80 technical marks and 20 Professional Skills marks.

From June 2023, ATX will similarly contain a total of 80 technical marks and 20 Professional Skills marks.

The question types used at Strategic Professional require students to effectively mimic what they would do in the workplace. These exams offer ACCA the opportunity to focus on the application of knowledge to scenarios, using a range of tools including word processor, spreadsheets and presentation slides - not only enabling students to demonstrate their technical and professional skills but also their use of the technology available to today's accountants.

Time management

ACCA encourages students to take time to read questions carefully and to plan answers but once the exam time has started, there are no additional restrictions as to when candidates may start producing their answer.

Time should be taken to ensure that all the information and exam requirements are properly read and understood.

5. Guide to ACCA examination assessment

ACCA reserves the right to examine any learning outcome contained within the study guide. This includes knowledge, techniques, principles, theories, and concepts as specified. For the financial accounting, audit and assurance, law, and tax exams except where indicated otherwise, ACCA will publish *examinable documents* once a year to indicate exactly what regulations and legislation could potentially be assessed within identified examination sessions.

For most examinations (not tax), regulations **issued** or legislation **passed** on or before 31 August annually, will be examinable from 1 September of the following year to 31 August of the year after that. Please refer to the examinable documents for the exam (where relevant) for further information.

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

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

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

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

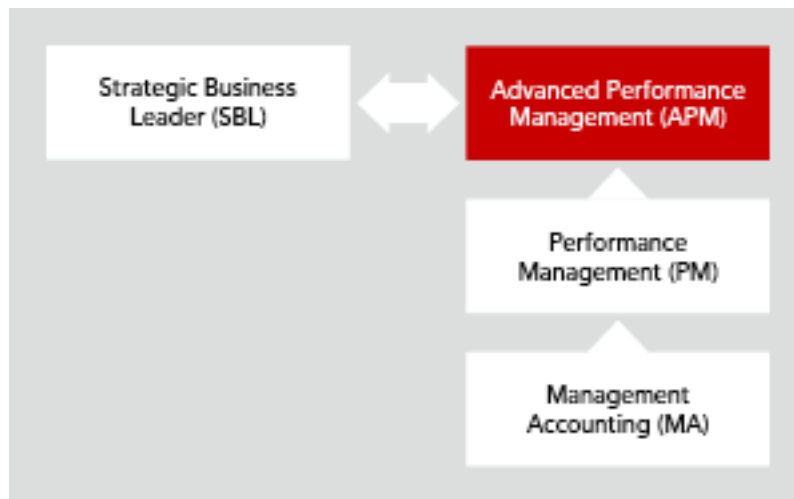
For **UK** tax exams, examinations falling within the period 1 June to 31 March will generally examine the Finance Act which was passed in the previous year. Therefore, exams falling in the period 1 June 2022 to 31 March 2023 will examine the Finance Act 2021 and any examinable legislation which is passed outside of the Finance Act before 31 May 2021.

For additional guidance on the examinability of specific tax rules and the depth in which they are likely to be examined, reference should be made to the relevant Finance Act article written by the examining team and published on the ACCA website.

None of the current or impending devolved taxes for Scotland, Wales, and Northern Ireland is, or will be, examinable.

6. Relational diagram linking Advanced Performance Management (APM) with other exams

This diagram shows links between this exam and other exams preceding or following it. Some exams are directly underpinned by other exams such as Advanced Performance Management by Performance Management. This diagram indicates where students are expected to have underpinning knowledge and where it would be useful to review previous learning before undertaking study.



7. Approach to examining the syllabus

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

The examination will also focus on the following professional skills and behaviours:

- Communication
- Analysis and Evaluation
- Scepticism
- Commercial Acumen

Examination Structure

The syllabus is assessed by a three-hour 15 minutes examination.

Section A

Section A of the exam will always be a 50-mark case study based on an organisation in a particular business context. The 50 marks will comprise of 40 technical marks and 10 professional skills marks. All the professional skills will be examined in Section A.

It is likely to include the organisation's mission statement and strategic objectives and candidates will be expected to be able to assess the methods by which the organisation is controlling, managing, and measuring performance in order to achieve its objectives. This assessment could include an evaluation of the organisation's performance report, its information systems, new strategies or projects and its performance management and measurement systems. Candidates should understand that they will be expected to undertake calculations, draw comparison against relevant information where appropriate and be prepared to offer alternative recommendations as needed.

Management accountants are required to look across a range of issues which will affect organisational performance, the achievement of objectives and impact on operations and so candidates should expect to see Section A of the exam focus on a range of issues from across syllabus sections A, B and C. These will vary depending on the business context the case study in Section A is based on.

Section A questions will ask candidates to produce a response in a specific format, for example a report to the Board of Directors.

Section B

Candidates will be required to answer a further two 25-mark questions in Section B of the exam, which will normally comprise of scenario-based questions. The 25 marks will comprise of 20 technical marks and 5 professional skills marks. Section B questions will examine a combination of professional skills appropriate to the question. Each question will examine a minimum of two professional skills from Analysis and Evaluation, Scepticism and Commercial Acumen.

One of the Section B questions will come mainly from syllabus section D, however the other Section B question can come from any other syllabus section.

Section B questions will also require candidates to address a range of issues influencing performance of organisations in specific business situations.

Total 100 marks

8. Introduction to the syllabus

The aim of the syllabus is to apply relevant knowledge, skills and exercise professional judgement in selecting and applying strategic management accounting techniques in different business contexts to contribute to the planning, control and evaluation of the performance of an organisation and its strategic and operational development.

The Advanced Performance Management syllabus further develops key aspects introduced in Performance Management at the Applied Skills level.

The syllabus introduces candidates to the strategic role of management accounting as a discipline for planning and controlling performance so that strategic objectives can be set,

monitored and controlled. It recognises the impact of external factors on strategic management issues and covers the risks these factors present and how they can be measured and managed. From appreciating the strategic context of performance management and the impact of wider factors, the syllabus examines the issues relating to performance management information systems and their design. It also addresses the impact which developments in technology will have on the performance management and measurement systems used by organisations.

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

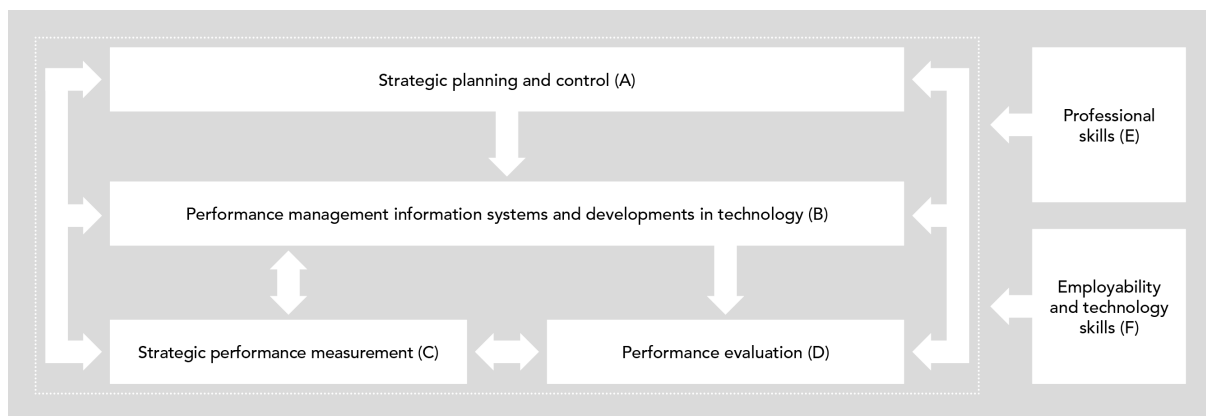
The professional skills section of the syllabus links to all others and provides a range of professional skills which the candidate must demonstrate in the exam. These professional skills will make candidates more employable, or if already in work, will enhance their opportunities for advancement.

The syllabus concludes with outcomes relating to the demonstration of appropriate digital and employability skills in preparing for and taking the APM examination. This includes being able to access and open exhibits, requirements and response options from different sources and being able to use the relevant functionality and technology to prepare and present response options in a professional manner. These skills are specifically developed by practising and preparing for the APM exam, using the learning support content for computer-based exams available via the practice platform and the ACCA website, and will need to be demonstrated during the live exam.

9. Main capabilities

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

- A Use strategic planning and control models to plan and monitor organisational performance
- B Identify and evaluate the design features of effective performance management information and monitoring systems and recognise the impact of developments in technology on performance measurement and management systems.
- C Apply appropriate strategic performance measurement techniques in evaluating and improving organisational performance
- D Advise clients and senior management on strategic business performance evaluation
- E Apply a range of professional skills in addressing requirements within the Advanced Performance Management exam, and in preparation for, or to support, current work experience
- F Demonstrate employability and technology skills



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

10. The syllabus

A Strategic planning and control

1. Strategic management accounting
2. Performance hierarchy
3. Performance management and control of the organisation
4. Changes in business structure and management accounting
5. Environmental, social and governance factors

B Performance management information systems and developments in technology

1. Performance management information systems
2. Sources of management information
3. Recording and processing systems and technologies
4. Data analytics
5. Management reports

C Strategic performance measurement

1. Strategic performance measures in the private sector
2. Divisional performance and transfer pricing issues
3. Strategic performance measures in not-for-profit organisations
4. Non-financial performance indicators
5. The role of quality in management information and performance measurement systems

6. Performance measurement and strategic human resource management issues

7. Other behavioural aspects of performance measurement

D Performance evaluation

1. Alternative views of performance measurement and management
2. Strategic performance issues in complex business structures

E Professional skills

1. Communication
2. Analysis and evaluation
3. Scepticism
4. Commercial acumen

F Employability and technology skills

1. Use computer technology to efficiently access and manipulate relevant information.
2. Work on relevant response options, using available functions and technology, as would be required in the workplace.
3. Navigate windows and computer screens to create and amend responses to exam requirements, using appropriate tools.
4. Present data and information effectively, using the appropriate tools.

11. Detailed study guide

A Strategic planning and control

1. Strategic management accounting

- a) Explain the role of strategic performance management in strategic planning and control.^[2]
- b) Discuss the role of performance measurement in checking progress towards the corporate objectives.^[2]
- c) Compare planning and control between the strategic and operational levels within a business entity.^[2]
- d) Discuss the scope for potential conflict between strategic business plans and short-term localised decisions.^[2]
- e) Evaluate how models such as SWOT analysis, PEST, Boston Consulting Group, balanced scorecard, Porter's generic strategies and 5 Forces may assist in the performance management process.^[3]
- f) Apply and evaluate the methods of benchmarking performance.^[3]
- g) Evaluate how risk and uncertainty play an important role in long-term strategic planning and decision-making, including the impact of the different risk appetites of stakeholders.^[3]

2. Performance hierarchy

- a) Discuss how the purpose, structure and content of a mission statement impacts on performance measurement and management.^[2]
- b) Discuss how strategic objectives are cascaded down the organisation via the formulation of subsidiary performance objectives.^[2]

- c) Apply critical success factor analysis in developing performance metrics from business objectives.^[3]
- d) Identify and discuss the characteristics of operational performance.^[2]
- e) Discuss the relative significance of planning activities as against controlling activities at different levels in the performance hierarchy.^[3]

3. Performance management and control of the organisation

- a) Evaluate the strengths and weaknesses of alternative budgeting models and compare such techniques as fixed and flexible, rolling, activity based, zero based and incremental.^[3]
- b) Evaluate different types of budget variances and how these relate to issues in planning and controlling organisations.^[3]
- c) Evaluate the increased use of non-traditional profit-based performance measures in controlling organisations (e.g. beyond budgeting).^[3]

4. Changes in business structure and management accounting

- a) Identify and discuss the particular information needs of organisations adopting a functional, divisional or network form and the implications for performance management.^[2]
- b) Assess the changes to management accounting systems to reflect the needs of modern service orientated businesses compared with the needs of a traditional manufacturing industry.^[3]
- c) Assess the influence of Business Process Re-engineering on systems development and improvements in organisational performance.^[3]

- d) Analyse the role that performance management systems play in business integration using models such as the value chain and McKinsey's 7S's.^[3]
- e) Discuss how changing an organisation's structure, culture and strategy will influence the adoption of new performance measurement methods and techniques.^[3]
- f) Assess the need for businesses to continually refine and develop their management accounting and information systems if they are to maintain or improve their performance in an increasingly competitive and global market.^[3]
- 5. Environmental, social and governance factors**
- a) Discuss the ways in which stakeholder groups operate and how they influence an organisation and its performance measurement and performance management systems (e.g. using Mendelow's matrix).^[3]
- b) Discuss the social and ethical issues that may impact on strategy formulation and evaluate the role of the management accountant in the collection of data, measurement and reporting of social and environmental factors, such as are used to demonstrate a wider view of performance in reporting, for example, sustainability.^[3]
- c) Discuss, evaluate, and apply environmental management accounting using for example lifecycle costing, input-output analysis and activity-based costing.^[3]
- B Performance management information systems and developments in technology**
- 1. Performance management information systems**
- a) Discuss, with reference to performance management, ways in which the information requirements of a management structure are affected by the features of the structure.^[2]
- b) Evaluate the compatibility of management accounting objectives and the management accounting information systems.^[3]
- c) Discuss the issue of data silos and the problems they present for the accounting function.^[2]
- d) Discuss the integration of management accounting information within an overall information system, for example the use of enterprise resource planning systems.^[2]
- e) Evaluate whether the management information systems are lean and the value of the information that they provide (e.g. using the 5 Ss).^[3]
- f) Evaluate the external and internal factors (e.g. anticipated human behaviour) which will influence the design and use of a management accounting system.^[3]
- 2. Sources of management information**
- a) Discuss the principal internal and external sources of management accounting information, their costs, and limitations.^[2]
- b) Demonstrate how the information might be used in planning and controlling activities e.g. benchmarking against similar activities.^[3]
- 3. Recording and processing systems and technologies**

- a) Demonstrate how the type of business entity will influence the recording and processing methods.^[2]
- b) Discuss how IT developments may influence management accounting systems (e.g. unified corporate databases, process automation, the internet of things, RFIDs, cloud and network technology).^[3]
- c) Explain how information systems provide instant access to previously unavailable data that can be used for benchmarking and control purposes and help improve business performance (e.g., through the use of artificial intelligence (AI), enterprise resource planning, knowledge management and customer relationship management systems and also, data warehouses).^[3]
- d) Discuss the difficulties associated with recording and processing data of a qualitative nature.^[2]

4. Data analytics

- a) Discuss the development of big data and its impact on performance measurement and management, including the risks and challenges it presents.^[3]
- b) Discuss the impact of big data and data analytics on the role of the management accountant.^[3]
- c) Demonstrate and evaluate different methods of data analysis (e.g. descriptive, diagnostic and predictive analytics).^[3]
- d) Discuss the use of alternative methods of data analytics (e.g. text, image, video and voice analytics and sentiment analysis).^[2]
- e) Discuss the ethical issues related to information collection and processing (e.g. the use of 'black box' algorithms and large-scale data collection and mining).^[2]

5. Management reports

- a) Evaluate the output reports of an information system in the light of.^[3]
 - i) best practice in presentation;
 - ii) the objectives of the report/organisation;
 - iii) the needs of the readers of the report; and
 - iv) avoiding the problem of information overload
 - v) the use of presentation techniques such as data visualisation
- b) Advise on common mistakes and misconceptions in the use of numerical data used for performance measurement.^[3]
- c) Explore the role of the management accountant in providing key performance information for integrated reporting to stakeholders.^[2]

C Strategic performance measurement

1. Strategic performance measures in private sector

- a) Demonstrate why the primary objective of financial performance should be primarily concerned with the benefits to shareholders.^[2]
- b) Discuss the appropriateness of, and apply different measures of performance, including:^[3]
 - i) Gross profit and operating profit
 - ii) Return on Capital Employed (ROCE)
 - iii) Return on Investment (ROI)
 - iv) Earnings Per Share (EPS)
 - v) Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)
 - vi) Residual Income (RI)
 - vii) Net Present value (NPV)
 - viii) Internal rate of return and modified internal Rate of Return (IRR, MIRR)
 - ix) Economic Value Added (EVATM)

- c) Discuss why indicators of liquidity and gearing need to be considered in conjunction with profitability.^[3]
- d) Compare and contrast short and long run financial performance and the resulting management issues.^[3]
- e) Assess the appropriate benchmarks to use in assessing performance.^[3]
- 2. Divisional performance and transfer pricing issues**
- a) Describe, compute and evaluate performance measures relevant in a divisionalised organisation structure including ROI, RI and Economic value added (EVATM).^[3]
- b) Discuss the need for separate measures in respect of managerial and divisional performance.^[2]
- c) Discuss the circumstances in which a transfer pricing policy may be needed and discuss the necessary criteria for its design.^[2]
- d) Demonstrate and evaluate the use of alternative bases for transfer pricing.^[3]
- e) Explain and demonstrate issues that require consideration when setting transfer prices in multinational companies.^[2]
- 3. Strategic performance measures in not-for-profit organisations**
- a) Highlight and discuss the potential for diversity in objectives depending on organisation type.^[3]
- b) Discuss the difficulties in measuring outputs when performance is not judged in terms of money or an easily quantifiable objective.^[2]
- c) Discuss the use of benchmarking in public sector performance (league tables) and its effects on operational and strategic management and client behaviour.^[3]
- d) Discuss how the combination of politics and the desire to measure public sector performance may result in undesirable service outcomes e.g. the use of targets.^[3]
- e) Assess 'value for money' service provision as a measure of performance in not-for-profit organisations and the public sector.^[3]
- 4. Non-financial performance indicators**
- a) Discuss the interaction of non-financial performance indicators with financial performance indicators.^[3]
- b) Identify and discuss the significance of non-financial performance indicators in relation to employees and product/service quality e.g. customer satisfaction reports, repeat business ratings, customer loyalty, access and availability.^[3]
- c) Discuss the difficulties in interpreting data on qualitative issues.^[2]
- d) Discuss the significance of brand awareness and company profile and their potential impact on business performance.^[3]
- 5. The role of quality in management information and performance measurement systems**
- a) Discuss and evaluate the application of Japanese business practices and management accounting techniques, including:^[3]
Kaizen costing,
Target costing,
Just-in-time, and
Total Quality Management.
- b) Assess the relationship of quality management to the performance management strategy of an organisation including the costs of quality.^[3]

c) Justify the need and assess the characteristics of quality in management information systems.^[3]

d) Discuss and apply Six Sigma as a quality improvement method using tools such as DMAIC for implementation.^[2]

6. Performance measurement and strategic Human Resource Management issues

a) Advise on the relationship of HR management to performance measurement (performance rating) and suitable remuneration methods.^[3]

b) Advise on the link between achievement of the corporate strategy and the management of human resources (e.g. through the Building Block model).^[2]

c) Discuss and evaluate different methods of reward practices, including the potential beneficial and adverse consequences of linking reward to performance measurement.^[3]

7. Other behavioural aspects of performance measurement

a) Discuss the accountability issues that might arise from performance measurement systems.^[3]

b) Assess the statement; 'What gets measured, gets done' in the context of performance management.^[3]

c) Demonstrate how management style needs to be considered when designing an effective performance measurement system (e.g. Hopwood's management styles).^[3]

D Performance evaluation

1. Alternative views of performance measurement and management

a) Apply and evaluate the 'balanced scorecard' approach as a way in which to improve the range and linkage between performance measures.^[3]

b) Apply and evaluate the 'performance pyramid' as a way in which to link strategy, operations and performance.^[3]

c) Apply and evaluate the work of Fitzgerald and Moon that considers performance measurement in business services using building blocks for dimensions, standards and rewards.^[3]

d) Discuss and evaluate the application of activity-based management.^[3]

e) Evaluate and apply the value-based management approaches to performance management.^[3]

2. Strategic performance issues in complex business structures

a) Discuss the problems encountered in planning, controlling and measuring performance levels, e.g. productivity, profitability, quality, and service levels, in complex business structures.^[3]

b) Discuss the impact on performance management of the use of business models involving strategic alliances, joint ventures and complex supply chain structures.^[3]

E Professional skills

1. Communication

a) Inform concisely, objectively and unambiguously, adopting a suitable style and format, using appropriate technology.^[3]

b) Advise using compelling and logical arguments, demonstrating the ability

to counter argue where appropriate.^[3]

- c) Clarify and simplify complex issues to convey relevant information in a way that adopts an appropriate tone and is easily understood by and reflects the requirements of the intended audience.^[3]

2. Analysis and evaluation

- a) Investigate relevant information from a range of sources, using appropriate analytical techniques to establish reasons and causes of issues, assist in decision-making and to identify opportunities or solutions.^[3]
- b) Consider information, evidence and findings carefully, reflecting on their implications and how they can be used in the interests of the individual, business function, division and the wider organisational goals.^[3]
- c) Assess and apply appropriate judgement when considering organisational plans, initiatives or issues when making decisions; taking into account the implications of such decisions on the organisation and those affected.^[3]
- d) Appraise information objectively with a view to balancing the costs, risks, benefits and opportunities, before advising on or recommending appropriate solutions or decisions.^[3]

3. Scepticism

- a) Explore the underlying reasons for key organisational plans, issues and decisions, applying the attitude of an enquiring mind, beyond what is immediately apparent.^[3]
- b) Question opinions, assertions and assumptions, by seeking justifications and obtaining sufficient evidence for either their support and acceptance or rejection.^[3]

- c) Challenge and critically assess the information presented or decisions made, where this is clearly justified, in the wider professional, ethical, organisational, or public interest.^[3]

3. Commercial acumen

- a) Demonstrate awareness of organisational and external factors, which will affect the measurement and management of an organisation's strategic objectives and operational activities.^[3]
- b) Recognise key issues in determining how to address or resolve problems and use judgement in proposing and recommending commercially viable solutions.^[3]
- c) Show insight and perception in understanding behavioural responses, process and system-related issues and wider organisational matters, demonstrating acumen in offering advice and arriving at appropriate recommendations.^[3]

F Employability and technology skills

- 1. Use computer technology to efficiently access and manipulate relevant information
- 2. Work on relevant response options, using available functions and technology, as would be required in the workplace
- 3. Navigate windows and computer screens to create and amend responses to exam requirements, using the appropriate tools
- 4. Present data and information effectively, using the appropriate tools

12. Summary of changes to Advanced Performance Management (APM)

ACCA periodically reviews its qualification syllabuses so that they fully meet the needs of stakeholders such as employers, students, regulatory and advisory bodies and education providers. The main areas of change to the syllabus are summarised in the table below.

	Section and subject area	Syllabus content
A	Strategic planning and control	<p>A1g – this is a new learning outcome to reflect the need to address risk as part of strategic planning and control.</p> <p>A3c – this is a new learning outcome.</p> <p>A5b – this learning outcome has been expanded on.</p>
B	Performance management information systems and developments in technology	<p>The overall syllabus section has changed designation from C to B.</p> <p>B1c – this is a new learning outcome,</p> <p>B3b – this learning outcome has changed intellectual level from 2 to 3.</p> <p>B4c – this is a new learning outcome.</p> <p>B4d – this is a new learning outcome.</p> <p>B4e – this is a new learning outcome.</p>
C	Strategic performance measurement	The overall syllabus section has changed designation from D to C.
D	Performance evaluation	<p>The overall syllabus section has changed designation from E to D.</p> <p>The title of the syllabus section has been changed to Performance evaluation.</p> <p>The syllabus area on corporate failure has been removed.</p>
E	Professional skills	This section has been added to reflect the professional skills required for the APM examination.



ACCA

Advanced Taxation – Singapore (ATX-SGP)

Syllabus and study guide

June 2022 – December 2022

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

Think Ahead

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1. Intellectual levels

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

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

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

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

Each subject area in the detailed study guide included in this document is given a 1, 2, or 3 superscript, denoting intellectual level, marked at the end of each relevant learning outcome. This gives an indication of the intellectual depth at which an area could be assessed within the examination. However, while level 1 broadly equates with Applied Knowledge, level 2 equates to Applied Skills and level 3 to Strategic Professional, some lower level skills can continue to be assessed as the student progresses through each level. This reflects that at each stage of study there will be a requirement to broaden, as well as deepen capabilities. It is also possible that occasionally some higher level capabilities may be assessed at lower levels.

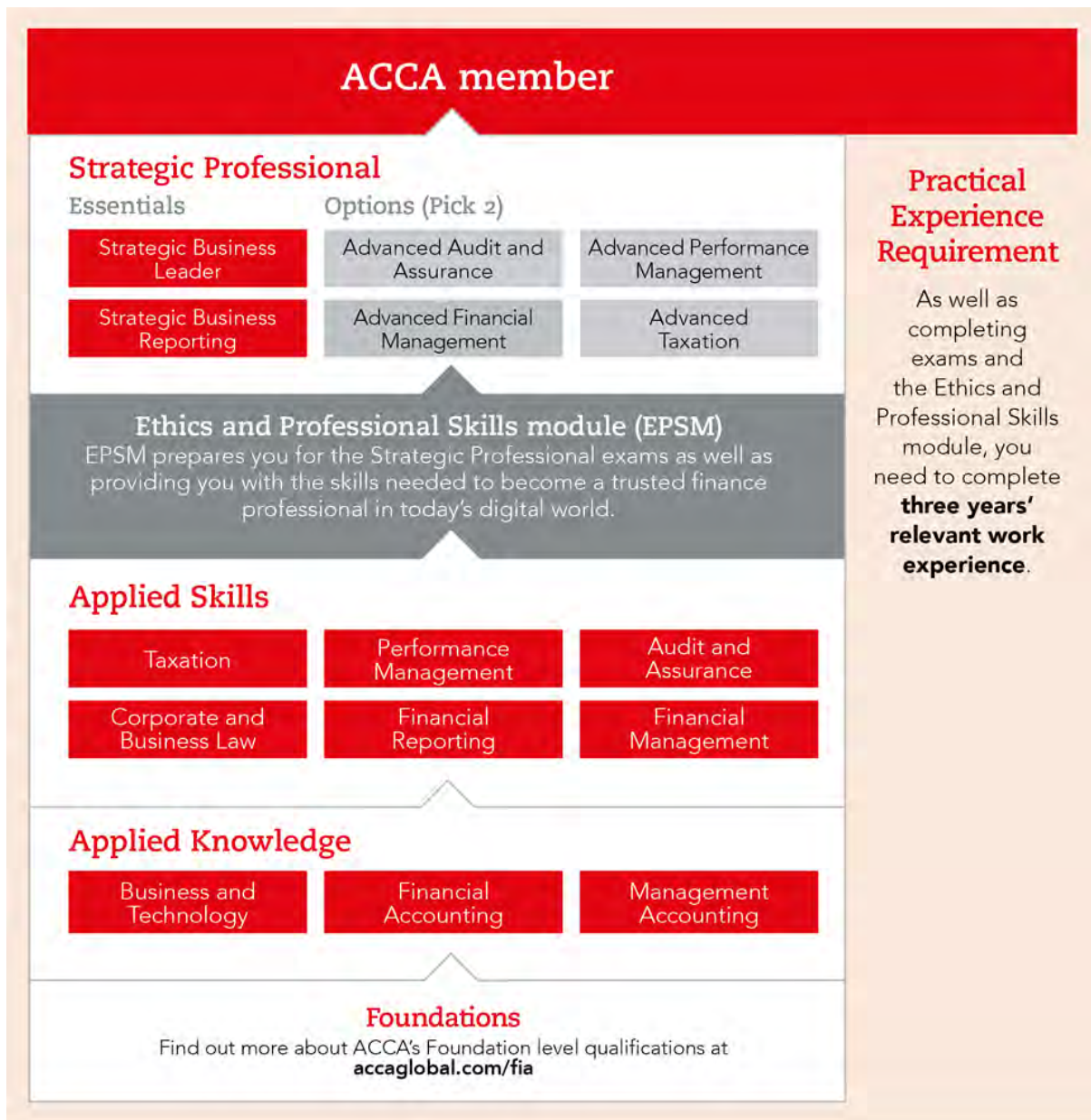
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The ACCA qualification does not prescribe or recommend any particular number of learning hours for examinations because study and learning patterns and styles vary greatly between people and organisations. This also recognises the wide diversity of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

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Each syllabus is organised into main subject area headings which are further broken down to provide greater detail on each area.

3. The structure of ACCA qualification



*See accaglobal.com for details

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The pass mark for all ACCA Qualification examinations is 50%.

The structure and delivery mode of examinations varies.

Applied Knowledge

The Applied Knowledge examinations contain 100% compulsory questions to encourage candidates to study across the breadth of each syllabus. These are assessed by a two-hour computer based examination.

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The Corporate and Business Law exam is a two-hour computer-based objective test examination for English and Global.

For the format and structure of the Corporate and Business Law or Taxation variant exams, refer to the 'Approach to examining the syllabus' section of the relevant syllabus and study guide.

The other Applied Skills examinations (PM, TX-UK, FR, AA, and FM) contain a mix of objective and longer type questions with a duration of three hours for 100 marks. These are assessed by a three hour computer-based exam. Prior to the start of each exam there will be time allocated for students to be informed of the exam instructions.

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Essentials:

Strategic Business Leader is ACCA's case study examination at Strategic Professional and is examined as a closed book exam of four hours, including reading, planning and reflection time which can be used flexibly within the examination. There is no pre-seen information and all exam related material, including case information and exhibits are available within the examination. Strategic Business Leader is an exam based on one main business scenario which involves candidates completing several tasks within which additional material may be introduced. All questions are compulsory and each examination will contain a total of 80 technical marks and 20 Professional Skills marks.

Strategic Business Reporting is a three-hour 15 minutes exam. It contains two sections and all questions are compulsory. This exam contains four professional marks.

Options:

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Time management

ACCA encourages students to take time to read questions carefully and to plan answers but once the exam time has started, there are no additional restrictions as to when candidates may start producing their answer.

Time should be taken to ensure that all the information and exam requirements are properly read and understood.

5. Guide to ACCA examination assessment

including the Inland Revenue Authority of Singapore (IRAS), before the previous 30 September i.e. examinations in June 2022 and December 2022 will be based on legislation passed by 30 September 2021.

ACCA reserves the right to examine any learning outcome contained within the study guide. This includes knowledge, techniques, principles, theories, and concepts as specified. For the financial accounting, audit and assurance, law and tax exams except where indicated otherwise, ACCA will publish *examinable documents* once a year to indicate exactly what regulations and legislation could potentially be assessed within identified examination sessions.

For most examinations (not tax), regulations **issued** or legislation **passed** on or before 31 August annually, will be examinable from 1 September of the following year to 31 August of the year after that. Please refer to the examinable documents for the exam (where relevant) for further information.

Regulations issued or legislation passed in accordance with the above dates will not be examinable if the **effective** date is in the future, unless explicitly stated otherwise in this syllabus and study guide or examinable documents.

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

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

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

For the **SGP** variant, tax examinations in June and December will be based on legislation passed, including practice notes or circulars issued by the relevant authorities

6. Relational diagram linking Advanced Taxation – Singapore (ATX-SGP) with other exams

This diagram shows links between this exam and other exams preceding or following it. Some exams are directly underpinned by other exams such as Advanced Taxation – Singapore (ATX-SGP) by Taxation – Singapore (TX-SGP).



This diagram indicates where students are expected to have underpinning knowledge and where it would be useful to review previous learning before undertaking study.

7. Approach to examining the syllabus

The examination is a three hour 15 minutes exam.

The exam consists of two sections:

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

Section B consists of two compulsory 20 mark questions.

Candidates will be expected to undertake both calculation and narrative work. The questions will be scenario-based and may involve consideration of more than one tax, some elements of planning and the interaction of taxes. Tax rates, allowances and information on certain reliefs will be given in the exam.

8. Introduction to the syllabus

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

This syllabus further develops the key aspects of taxation introduced in the compulsory Taxation syllabus within the Applied Skills module and extends the candidates' knowledge of the tax system, together with their ability to apply that knowledge to the issues commonly encountered by individuals and businesses; such that successful candidates should have

the ability to interpret and analyse the information provided and communicate the outcomes in a manner appropriate to the intended audience.

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

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

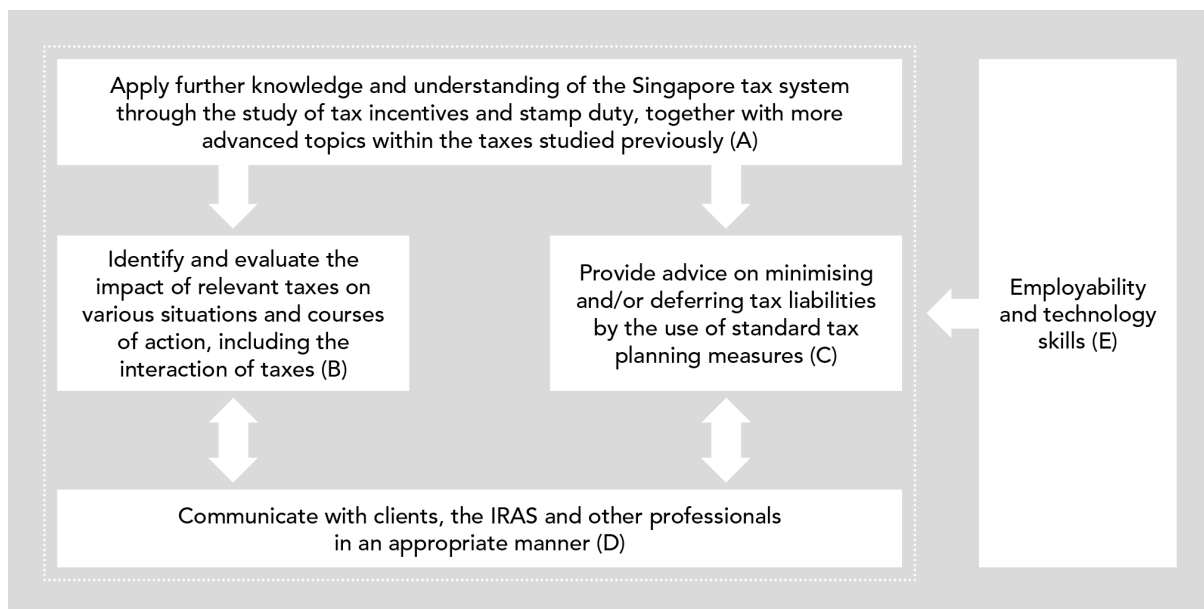
Section E of the syllabus contains outcomes relating to the demonstration of appropriate digital and employability skills in preparing for and taking the examination. This includes being able to access and open exhibits, requirements and response options from different sources and being able to use the relevant functionality and technology to prepare and present response options in a professional manner. These skills are specifically developed by practicing and preparing for the exam, using the learning support content for computer-based exams available via the practice platform and the ACCA website and will need to be demonstrated during the live exam.

9. Main capabilities

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

- A Apply further knowledge and understanding of the Singapore tax system through the study of tax incentives and stamp duty, together with more advanced topics within the taxes studied previously.
- B Identify and evaluate the impact of relevant taxes on various situations and courses of action, including the interaction of taxes.
- C Provide advice on minimising and/or deferring tax liabilities by the use of standard tax planning measures.
- D Communicate with clients, the Inland Revenue Authority of Singapore (IRAS) and other professionals in an appropriate manner.
- E Demonstrate employability and technology skills.

Relational diagram of the main capabilities



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

10. The syllabus

A Knowledge and understanding of the Singapore tax system through the study of tax incentives and stamp duty together with more advanced topics within the taxes studied previously.

1. Income and income tax liabilities in situations involving further overseas aspects and in relation to trusts, and the application of additional exemptions and reliefs
2. Corporate income tax liabilities in situations involving further overseas and group aspects and in relation to special types of company, and the application of additional exemptions and reliefs
3. Tax incentives provided for under the Income Tax Act and Economic Expansion Incentives (Relief from Income Tax) Act
4. Stamp duty
5. Goods and services tax and tax administration

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

1. Taxes applicable to a given situation or course of action and their impact.
2. Alternative ways of achieving personal or business outcomes may lead to different tax consequences.
3. Taxation effects of the financial decisions made by businesses (corporate and unincorporated) and by individuals.
4. Tax advantages and/or disadvantages of alternative courses of action.

5. Statutory obligations imposed in a given situation, including any time limits for action and the implications of non-compliance.

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

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

D Communicating with clients, the Inland Revenue Authority of Singapore (IRAS) and other professionals

1. Communication of advice, recommendations and information in the required format.
2. Presentation of written information, in language appropriate to the purpose of the communication and the intended recipient.
3. Conclusions reached, together where necessary with relevant supporting computations.

4. Assumptions made or limitations in the analysis provided; together with any inadequacies in the information available and/or additional information required to provide a fuller analysis.
5. Other significant non-tax factors that should be considered.

E Employability and technology skills

1. Use computer technology to efficiently access and manipulate relevant information.
2. Work on relevant response options, using available functions and technology, as required by the workspace.
3. Navigate windows and computer screens to create and amend responses to exam requirements, using the appropriate tools.
4. Present data and information effectively, using the appropriate tools.

11. Detailed study guide

A Apply further knowledge and understanding of the Singapore tax system through the study of tax incentives and stamp duty, together with more advanced topics within the taxes studied previously

1. Income and income tax liabilities in situations involving further overseas aspects and in relation to trusts, and the application of exemptions and reliefs

- a) The contents of the TX-SGP study guide for income tax, under headings:
 - B1 The scope of individual income tax
 - B2 Income from employment
 - B3 Income from self-employment
 - B4 Property and investment income
 - B5 The comprehensive computation of taxable income and income tax liability
 - B6 The use of exemptions and reliefs in deferring and minimising income tax liabilities

The following additional material is also examinable:

- b) The scope of individual income tax:^[3]
 - i) Explain and apply the concepts of residence, and advise on the relevance to income tax
 - ii) Advise on the tax position of individuals coming to and leaving Singapore
 - iii) Determine the income tax treatment of overseas income
 - iv) Understand the relevance of the OECD model double tax treaty to given situations
- c) Income from employment:^[3]
 - i) Advise on the tax treatment of lump sum receipts

- ii) Identify service companies and advise on the tax consequences of being a service company
- iii) Explain and apply the not-ordinarily resident (NOR) scheme
- d) Income from self-employment:
 - i) Recognise the basis of assessment for self-employment income in the case of a change of accounting date.^[2]
 - ii) Establish the relief available on the transfer of a business to a company.^[3]
 - iii) Recognise the tax treatment of the income of a partnership.^[2]
 - iv) Understand the tax implications of a transition from a partnership to a limited liability partnership or a limited partnership and vice versa.^[3]
- e) Property and investment income:^[3]
 - i) Advise on the tax implications of jointly held assets
 - ii) Income from trusts and settlements: Understand the income tax position of trust beneficiaries
- f) The comprehensive computation of taxable income and income tax liability:^[3]
 - i) Determine the taxability of the income of minor children

- g) The use of exemptions and reliefs in deferring and minimising income tax liabilities: ^[3]
 - i) Understand and apply the rules relating to both the Central Provident Fund (CPF) and the Supplementary Retirement Scheme (SRS) for employed persons and self-employed persons

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

- a) The contents of the TX-SGP study guide, for corporate income tax, under headings:

- C1 The scope of corporate income tax
- C2 Profits chargeable to corporate income tax
- C3 The comprehensive computation of corporate income tax liability
- C4 The effect of a group corporate structure for corporate income tax purposes
- C5 The use of exemptions and reliefs in deferring and minimising corporate income tax liabilities

The following additional material is also examinable:

- b) The scope of corporate income tax: ^[3]
 - i) Identify and calculate corporate income tax for companies with investment business
 - ii) Identify and evaluate the significance of accounting periods on administration or winding up
- c) Profits chargeable to corporate income tax: ^[3]
 - i) Advise on the impact of the transfer pricing rules and documentation requirements (including the application of the three-step approach to arm's length pricing)
 - ii) Explain the consequences of non-compliance with the transfer pricing rules and documentation requirements.
- d) The comprehensive calculation of tax liability: ^[3]
 - i) Assess the impact of the OECD model double tax treaty on corporation tax
 - ii) Evaluate the meaning and implications of a permanent establishment
 - iii) Advise on the tax position of overseas companies trading in Singapore
 - iv) Claim foreign tax credit, including foreign-tax credit pooling, if applicable.
- e) The effect of a group corporate structure for corporate income tax purposes: ^[3]
 - i) Advise on the tax consequences of a transfer of assets and business,

including eligibility to claim relief under the mergers and acquisitions (M&A) scheme

- ii) Determine the effects of the anti-avoidance provisions.
- iii) Understand the position where a member of a group enjoys a concessionary rate of tax

Excluded topics

- Detailed knowledge of anti-avoidance provisions (except as stated in the Study Guide).
- Detailed knowledge of specific double taxation agreements.

3. Tax incentives provided for under the Income Tax Act and Economic Expansion Incentives (Relief from Income Tax) Act.

- a) Advise on the availability of incentives available for relevant trading activities and business situations. ^[3]

4. Stamp duty

- a) The scope of stamp duty. ^[2]
 - i) Advise on the duties payable (including any additional conveyance duties) on transfers of shares and securities
 - ii) Advise on the duties payable on transfers of immovable properties
- b) The use of exemptions and reliefs in deferring and minimising stamp duties: ^[3]
 - i) Identify transfers involving no consideration
 - ii) Advise on group transactions
 - iii) Advise on stamp duty relief under the M&A scheme
- c) Understand and explain the systems by which stamp duties are administered. ^[2]

Excluded topics

- The systems by which stamp duties are administered.
- Detailed rules on interest and penalties

5. Goods and services tax and tax administration

- a) The contents of the TX-SGP study guide for goods and services tax (GST) under headings:

- D1 The scope of GST

Additional subject included in ATX-SGP:

- i) Advise on the impact of the transfer of a business for GST purposes.^[3]

- D2 The GST compliance requirements:

Additional subject included in ATX-SGP:

- ii) Advise on the impact of group registration and divisional registration.^[3]

- D3 The computation of GST payments/refunds:

Additional subjects included in ATX-SGP: ^[3]

- iii) Advise on the GST implications of the supply of land and buildings in Singapore
- iv) Advise on the GST implications of imports and exports, including the major exporter scheme
- v) Advise on the GST implications of imported services including the reverse charge and overseas vendor registration
- vi) Advise on the GST implications of partial exemption
- b) The contents of the TX-SGP study guide for the Singapore tax system and its administration under headings:
- A1 The overall function and purpose of taxation in a modern economy
 - A2 Principal sources of revenue law and practice
 - A3 The time limits for the submission of information, claims and payment of tax
 - A4 The procedures relating to enquiries, appeals and disputes
 - A5 Penalties for non-compliance

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

1. Identify and advise on the taxes applicable to a given situation or course of action and their impact.^[3]

2. Identify and understand that the alternative ways of achieving personal or business outcomes may lead to different tax consequences.

- a) Calculate the receipts from a transaction, net of tax and compare the results of alternative scenarios and advise on the most tax efficient course of action.^[3]

3. Advise how taxation can affect the financial decisions made by businesses (corporate and unincorporated) and by individuals

- a) Understand and compare and contrast the tax treatment of the sources of finance and investment products available to individuals.^[3]
- b) Understand and explain the tax implications of the raising of equity and loan finance.^[3]
- c) Explain the tax differences between decisions to lease, use hire purchase or purchase outright.^[3]
- d) Understand and explain the impact of taxation on the cash flows of a business.^[3]

4. Assess the tax advantages and disadvantages of alternative courses of action.^[3]

5. Understand the statutory obligations imposed in a given situation, including any time limits for action and advise on the implications of non-compliance.^[3]

C Minimise and/or defer tax liabilities by the use of standard tax planning measures

1. Identify and advise on the types of investment and other expenditure that will result in a reduction in tax liabilities for an individual and/or a business.^[3]
2. Advise on legitimate tax planning measures, by which the tax liabilities arising from a particular situation or course of action can be mitigated.^[3]
3. Advise on the appropriateness of such investment, expenditure or measures given a particular taxpayer's circumstances or stated objectives.^[3]
4. Advise on the mitigation of tax in the manner recommended by reference to numerical analysis and/or reasoned argument.^[3]
5. Be aware of the ethical and professional issues arising from the giving of tax planning advice.^[3]
6. Be aware of and give advice on current issues in taxation, including the effect of decisions in recent major tax cases on the interpretation of existing legislation.^[3]

D Communicate with clients, IRAS and other professionals in an appropriate manner

1. Communicate advice, recommendations and information in the required format:^[3]

For example the use of:

- Reports
- Letters
- Memoranda
- Meeting notes

2. Present written information, in language appropriate to the purpose of the communication and the intended recipient.^[3]
3. Communicate conclusions reached, together, where necessary with relevant supporting computations.^[3]
4. State and explain assumptions made or limitations in the analysis provided; together with any inadequacies in the information available and/or additional information required to provide a fuller analysis.^[3]
5. Identify and explain other, significant non-tax, factors that should be considered.^[3]

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12. Summary of changes to Advanced Taxation – Singapore (ATX-SGP)

ACCA periodically reviews its qualification syllabuses so that they fully meet the needs of stakeholders such as employers, students, regulatory and advisory bodies and learning providers.

There are changes to the syllabus and these are summarised in the tables below.

Table 1 – Additions

	Section and subject area	Syllabus content
E	<p>Employability and technology skills:</p> <ol style="list-style-type: none"> 1. Use computer technology to efficiently access and manipulate relevant information. 2. Work on relevant response options, using available functions and technology, as required by the workspace. 3. Navigate windows and computer screens to create and amend responses to exam requirements, using the appropriate tools 4. Present data and information effectively, using the appropriate tools. 	<p>This section has been added to reflect the outcomes and demonstrable skills required for the ATX SGP examination, using the available technology.</p>

13. Reading List

Income Tax Act

Singapore Master Tax Guide – CCH Asia Ltd

Singapore Tax Workbook – CCH Asia Ltd

eBook Taxation in Singapore – McGraw Hill

IRAS E-Tax Guide – www.iras.gov.sg

IRAS Annual Report



ACCA

Advanced Audit and Assurance (AAA-INT)

Syllabus and study guide

September 2022 to June 2023

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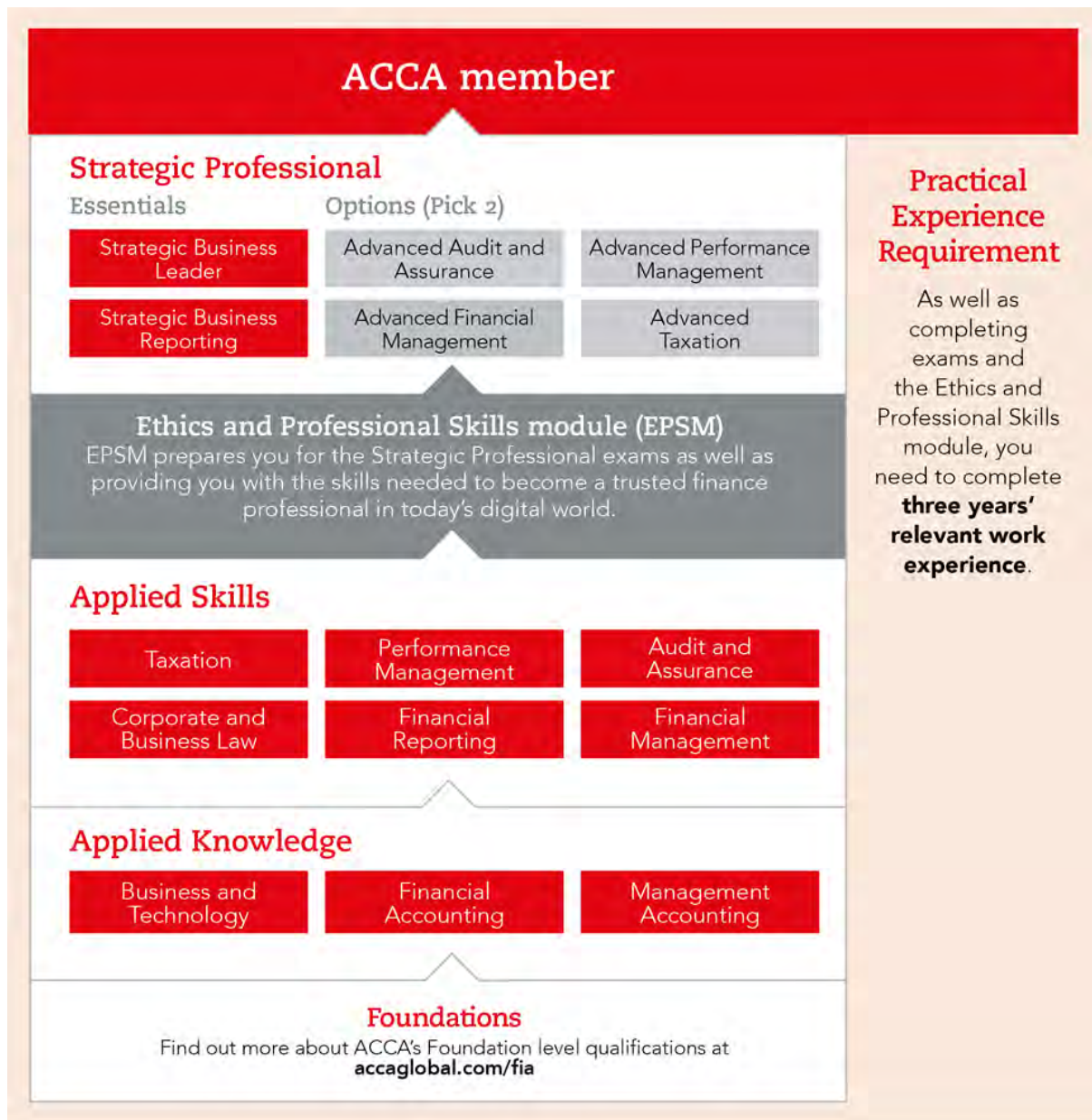
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The question types used at Strategic Professional require students to effectively mimic what they would do in the workplace. These exams offer ACCA the opportunity to focus on the application of knowledge to scenarios, using a range of tools including word processor, spreadsheets and presentation slides - not only enabling students to demonstrate their technical and professional skills but also their use of the technology available to today's accountants.

Time management

ACCA encourages students to take time to read questions carefully and to plan answers but once the exam time has started, there are no additional restrictions as to when candidates may start producing their answer.

Time should be taken to ensure that all the information and exam requirements are properly read and understood.

5. Guide to ACCA examination assessment

ACCA reserves the right to examine any learning outcome contained within the study guide. This includes knowledge, techniques, principles, theories, and concepts as specified. For the financial accounting, audit and assurance, law and tax exams except where indicated otherwise, ACCA will publish *examinable documents* once a year to indicate exactly what regulations and legislation could potentially be assessed within identified examination sessions.

For most examinations (not tax), regulations **issued** or legislation **passed** on or before 31 August annually, will be examinable from 1 September of the following year to 31 August of the year after that. Please refer to the examinable documents for the exam (where relevant) for further information.

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

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

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

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

For **UK** tax exams, examinations falling within the period 1 June to 31 March will generally examine the Finance Act which was passed in the previous year. Therefore, exams falling in the period 1 June 2022 to

31 March 2023 will examine the Finance Act 2021 and any examinable legislation which is passed outside of the Finance Act before 31 May 2021.

For additional guidance on the examinability of specific tax rules and the depth in which they are likely to be examined, reference should be made to the relevant Finance Act article written by the examining team and published on the ACCA website.

None of the current or impending devolved taxes for Scotland, Wales, and Northern Ireland is, or will be, examinable.

6. Relational diagram linking Advanced Audit and Assurance (AAA-INT) with other exams

This diagram shows links between this exam and other exams preceding or following it. Some exams are directly underpinned by other exams such as Advanced Audit and Assurance (AAA) by Audit and Assurance (AA) and Strategic Business Reporting (SBR). This diagram indicates where students are expected to have underpinning knowledge and where it would be useful to review previous learning before undertaking study.



7. Approach to examining the syllabus

The Advanced Audit and Assurance exam builds upon the skills and knowledge examined in the Audit and Assurance exam. At this stage candidates will be expected to demonstrate an integrated knowledge of the subject. The study guide specifies the wide range of contextual understanding that is required to achieve a satisfactory standard at this level.

The examination will also focus on the following professional skills and behaviours:

- Communication
- Analysis and Evaluation
- Professional Scepticism and Judgement
- Commercial Acumen

Examination Structure

The syllabus is assessed by a three-hour 15 minutes examination

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

Section A

Section A will comprise a Case Study, worth 50 marks, set at the planning stage of the audit, for a single company, a group of companies or potentially several audit clients. Candidates will be provided with detailed information, which will vary between examinations, but is likely

to include extracts of financial information, strategic, operational and other relevant financial information for a client business, as well as extracts from audit working papers, including results of analytical procedures. The 50 marks will comprise of 40 technical marks and 10 professional skills marks. All professional skills will be examined in Section A.

Candidates will be required to address a range of requirements, predominantly from syllabus sections A, B, C and D, thereby tackling a real-world situation where candidates may have to address a range of issues simultaneously in relation to planning, risk assessment, evidence gathering and ethical and professional considerations. Please note that other syllabus areas, excluding E, may also be drawn on as part of the Case Study.

Section B

Section B will contain two compulsory 25-mark questions, with each being predominately based around a short scenario which may relate to more than one client. The 25 marks will comprise of 20 technical marks and five professional skills marks. Section B questions will examine a combination of professional skills appropriate to the question. Each question will examine a minimum of two professional skills from analysis and evaluation, professional scepticism and judgement and commercial acumen.

One question will always predominantly come from syllabus section E, and consequently candidates should be prepared to answer a question relating to completion, review and reporting. There are a number of formats this question could adopt, including, but not limited to, requiring candidates to assess going concern, the impact of subsequent events, evaluating identified misstatements and the corresponding effect on the auditor's report. Candidates may also be asked to critique an auditor's report or evaluate the matters to be included in a report which is to be provided to management or those charged with governance.

The other Section B question can be drawn from any other syllabus section, including A, B, C, D and F.

Quality management and ethics

The auditor's assessment of effective quality management and consideration of ethical issues are fundamental to all stages of the audit and therefore these concepts could be examined in any section of the exam.

Current issues

Syllabus section G on current issues may be examined in Section A or B as appropriate. Current issues are unlikely to form the basis of any question on its own but instead will be incorporated into the Case Study or either of the Section B questions dependent on question content and the topical issues affecting the profession at the time of writing.

Total 100 marks

8. Introduction to the syllabus

The aim of the syllabus is to analyse, evaluate and conclude on the assurance engagement and other audit and assurance issues in the context of best practice and current developments.

The Advanced Audit and Assurance (AAA-INT) syllabus further develops key skills introduced in Audit and Assurance at the Applied Skills level.

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

The syllabus then covers the audit of financial statements, including planning, and evidence gathering. It then covers the completion, evidence evaluation and review and reporting on an audit of historical financial information. The next section moves onto other assignments including prospective financial information, due diligence and forensic audit as well as the reporting of these assignments.

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

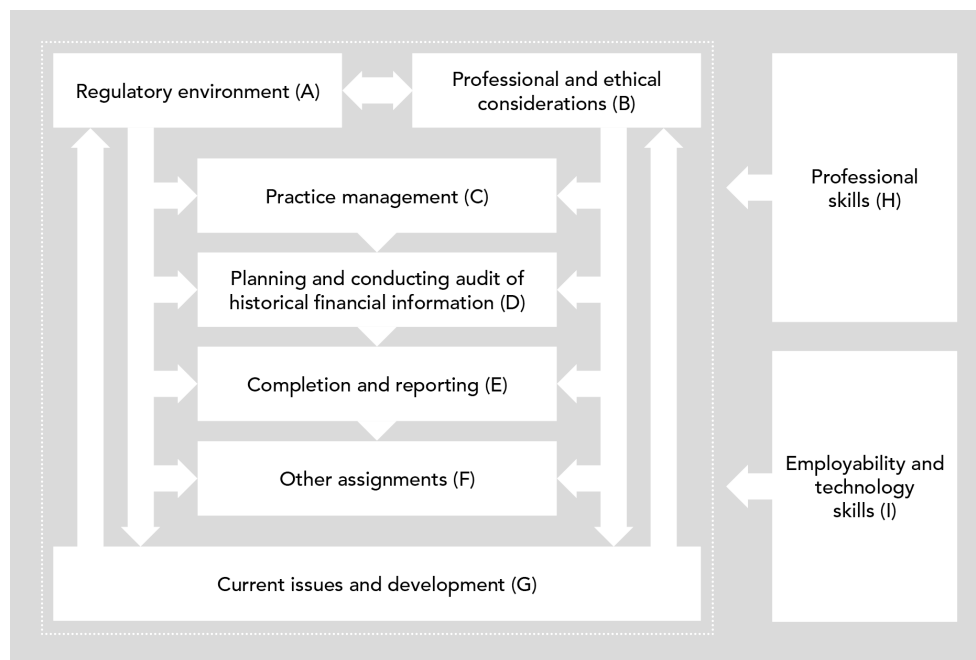
The professional skills section of the syllabus links to all others and provides a range of professional skills which the candidate must demonstrate in the exam. These professional skills will make candidates more employable, or if already in work, will enhance their opportunities for advancement.

The final section of the syllabus contains outcomes relating to the demonstration of appropriate digital and employability skills in preparing for and taking the AAA examination. This includes being able to access and open exhibits, requirements and response options from different sources and being able to use the relevant functionality and technology to prepare and present response options in a professional manner. These skills are specifically developed by practicing and preparing for the AAA exam, using the learning support content for computer-based exams available via the practice platform and the ACCA website and will need to be demonstrated during the live exam.

9. Main capabilities

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

- A Recognise the legal and regulatory environment and its impact on audit and assurance practice
- B Demonstrate the ability to work effectively on an assurance or other service engagement within a professional and ethical framework
- C Assess and recommend appropriate quality management policies and procedures and recognise the auditor's position in relation to the acceptance and retention of professional appointments
- D Identify and formulate the work required to meet the objectives of audit assignments and apply the International Standards on Auditing
- E Evaluate findings and the results of work performed and draft suitable reports on assignments
- F Identify and formulate the work required to meet the objectives of non-audit assignments
- G Understand the current issues and developments relating to the provision of audit-related and assurance services
- H Apply a range of professional skills in addressing requirements within the Advanced Audit and Assurance exam, and in preparation for, or to support current work experience
- I Demonstrate employability and technology skills



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

10. The syllabus

A Regulatory Environment

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

B Professional and Ethical Considerations

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

C Quality management

1. Quality management (firm and engagement level)
2. Advertising, tendering and obtaining professional work and fees
3. Professional appointments

D Planning and conducting an audit of historical financial information

1. Planning, materiality and assessing the risk of material misstatement
2. Evidence and testing considerations
3. Audit procedures and obtaining evidence
4. Using the work of others
5. Group audits

E Completion, review and reporting

1. Subsequent events and going concern
2. Completion and final review
3. Auditor's reports

4. Reports to those charged with governance and management

F Other assignments

1. Audit-related and assurance services
2. Specific assignments
3. The audit of social, environmental and integrated reporting
4. The audit of performance information (pre-determined objectives) in the public sector
5. Reporting on other assignments

G Current Issues and Developments

1. Professional and ethical developments
2. Other current issues

H Professional skills

1. Communication
2. Analysis and evaluation
3. Professional Scepticism and Judgement
4. Commercial acumen

I Employability and technology skills

1. Use computer technology to efficiently access and manipulate relevant information.
2. Work on relevant response options, using available functions and technology, as required by the workspace.
3. Navigate windows and computer screens to create and amend responses to exam requirements, using the appropriate tools
4. Present data and information effectively, using the appropriate tools.

11. Detailed study guide

A Regulatory environment

1. International regulatory frameworks for audit and assurance services

- a) Explain the need for laws, regulations, standards and other guidance relating to audit, assurance and related services.^[2]
- b) Outline and explain the need for the legal and professional framework including:^[2]
 - i) public oversight of audit and assurance practice
 - ii) the impact of corporate governance principles on audit and assurance practice
- c) Discuss the role of the audit committee and its impact on audit and assurance practice in relation to:^[2]
 - i) the relationship with the external auditor, including the appointment, removal and monitoring of effectiveness; and
 - ii) the oversight and approval of the provision of non-audit services.

2. Money laundering

- a) Define 'money laundering' and discuss international methods for combatting money laundering.^[2]
- b) Explain the scope of criminal offences of money laundering and how professional accountants may be protected from criminal and civil liability.^[2]
- c) Explain the need for ethical guidance in this area.^[2]
- d) Describe how accountants meet their obligations to help prevent and detect money laundering including record keeping and reporting of suspicion to the appropriate regulatory body.^[2]
- e) Explain the importance of customer due diligence (CDD) also referred to as Know Your Customer (KYC) and recommend

the information which should be gathered as part of CDD/KYC.^[2]

- f) Recognise potentially suspicious transactions and assess their impact on reporting duties.^[2]

- g) Describe, with reasons, the basic elements of an anti-money laundering program.^[2]

3. Laws and regulations

- a) Compare and contrast the respective responsibilities of management and auditors concerning compliance with laws and regulations in an audit of financial statements.^[2]
- b) Describe the auditors' considerations of compliance with laws and regulations and plan audit procedures when possible non-compliance is discovered.^[2]
- c) Discuss how and to whom non-compliance should be reported.^[2]
- d) Recognise and recommend when withdrawal from an engagement is necessary.^[2]

B Professional and ethical considerations

1. Code of Ethics for Professional Accountants

- a) Explain the fundamental principles and the conceptual framework approach.^[1]
- b) Identify, evaluate and respond to threats to compliance with the fundamental principles.^[3]
- c) Discuss and evaluate the effectiveness of available safeguards.^[3]
- d) Recognise and advise on conflicts in the application of fundamental principles.^[3]
- e) Discuss the importance of professional scepticism in planning and performing an audit.^[2]

- f) Consider the ethical implications of the external auditor providing non-audit services to a client including an internal audit service.^[2]
- g) Assess whether an engagement has been planned and performed with an attitude of professional scepticism, and evaluate the implications.^[3]

2. Fraud and error

- a) Identify and develop an appropriate response to circumstances which indicate a high risk of error, irregularity, fraud or misstatement in the financial statements or a given situation.^[2]
- b) Compare and contrast the respective responsibilities of management and auditors for fraud and error.^[2]
- c) Describe the matters to be considered and recommend procedures to be carried out to investigate actual and/or potential misstatements in a given situation.^[2]
- d) Explain how, why, when and to whom fraud and error should be reported and the circumstances in which an auditor should withdraw from an engagement.^[2]
- e) Consider the current and possible future role of auditors in preventing, detecting and reporting error and fraud.^[2]

3. Professional liability

- a) Recognise circumstances in which professional accountants may have legal liability and the criteria that need to be satisfied for legal liability to be recognised.^[2]
- b) Describe the factors to determine whether or not an auditor is negligent and discuss the auditor's potential liability in given situations.^[2]
- c) Compare and contrast liability owed to client with liability owed to third parties (ie contract vs establishing duty of care).^[3]

- d) Evaluate the practicability and effectiveness of ways in which liability may be restricted including the use of liability limitation agreements.^[3]
- e) Discuss and appraise the principal causes of audit failure and other factors that contribute to the 'expectation gap' (e.g. responsibilities for fraud and error) and recommend ways in which that gap may be bridged.^[3]

C Quality management

1. Quality management (firm and engagement level)

- a) Explain the principles and purpose of quality management of audit and other assurance engagements.^[1]
- b) Describe the elements of a system of quality management relevant to a given firm.^[2]
- c) Evaluate the system of quality management which is in place for a given firm, including the identification and impact of deficiencies, and assess if appropriate quality management has been applied in a given engagement.^[3]

2. Advertising, tendering and obtaining professional work and fees

- a) Evaluate the appropriateness of publicity material including the use of the ACCA logo and reference to fees.^[2]
- b) Outline the determinants of fee-setting and justify the bases on which fees and commissions may and may not be charged for services.^[3]
- c) Discuss the ethical and other professional problems, for example, lowballing, involved in establishing and negotiating fees for a specified assignment.^[3]
- d) Recognise and explain the matters to be considered prior to tendering for an audit or other professional engagement and

explain the information to be included in the proposal.^[2]

3. Professional appointments

- a) Explain the matters to be considered and the procedures that an audit firm/professional accountant should carry out before accepting a specified new client/engagement or continuing with an existing engagement, including:^[3]
 - i) client acceptance
 - ii) engagement acceptance (new and existing engagements)
 - iii) establishing whether the preconditions for an audit are present
 - iv) agreeing the terms of engagement.
- b) Recognise the key issues that underlie the agreement of the scope and terms of an engagement with a client.^[2]

D Planning and conducting an audit of historical financial information

1. Planning, materiality and assessing the risk of material misstatement

- a) Define materiality and performance materiality and demonstrate how it should be applied in financial reporting and auditing.^[2]
- b) Discuss and demonstrate the use of analytical procedures in the planning of an assignment.^[3]
- c) Evaluate and prioritise business risks, audit risks and risks of material misstatement for a given assignment.^[3]
- d) Interpret the results of analytical procedures, in an unbiased manner and apply professional scepticism to support the identification of contradictory information and assessment of risks of material misstatement.^[3]
- e) Evaluate the results of planning and risk assessment procedures to determine the relevant audit strategy, including the auditor's responses.^[3]

- f) Explain the planning procedures specific to an initial audit engagement.^[2]
- g) Discuss the importance of the auditor gaining an understanding of the entity including the applicable financial reporting framework, its accounting policies, significant classes of transactions, balances and disclosures and the entity's system of internal control and recommend additional information which may be required in gaining that understanding.^[2]
- h) Discuss how transnational audits may differ from other audits of historical financial information (e.g. in terms of applicable financial reporting and auditing standards, listing requirements and corporate governance requirements).^[2]
- i) Recognise matters which are not relevant to the planning of an assignment.^[2]

2. Evidence and testing considerations

- a) Identify and describe audit procedures (including substantive and tests of controls (for both direct and indirect controls)) to obtain sufficient appropriate audit evidence from identified sources to support the relevant assertions and disclosures.^[2]
- b) Assess and describe how IT can be used to assist the auditor, and recommend the use of automated tools and techniques, such as audit software, test data and other data analytics tools where appropriate.^[2]
- c) Evaluate and interpret the results of data analytics tools when used during planning or evidence collection.^[2]
- d) Recommend additional information which may be required to effectively carry out a planned engagement or a specific aspect of an engagement.^[2]
- e) Apply the further considerations and audit procedures relevant to initial engagements.^[2]

- f) Apply analytical procedures to financial and non-financial data.^[2]
 - g) Explain the specific audit problems and procedures concerning related parties and related party transactions.^[2]
 - h) Recognise circumstances that may indicate the existence of unidentified related parties and recommend appropriate audit procedures.^[2]
- 3. Audit procedures and obtaining evidence**
- a) Design appropriate audit procedures relating to:^[3]
 - i) inventory (including standard costing systems)
 - ii) non-current assets
 - iii) intangible assets
 - iv) biological assets
 - v) investment properties
 - vi) assets held for sale and discontinued operations
 - vii) financial instruments
 - viii) accounting estimates including fair values
 - ix) government grants
 - x) leases
 - xi) impairment
 - xii) provisions, contingent liabilities and contingent assets
 - xiii) borrowing costs
 - xiv) employee benefits
 - xv) share-based payment transactions
 - xvi) taxation (including deferred tax)
 - xvii) related parties
 - xviii) revenue from contracts with customers
 - xix) statement of cash flows
 - xx) business combinations
 - xxi) events after the end of the reporting period
 - xxii) the effects of foreign exchange rates
 - xxiii) segmental reporting
 - xxiv) financial statement notes and related disclosures
 - xxv) earnings per share
 - xxvi) changes in accounting policy
 - xxvii) payroll and other expenses
 - b) Explain how the auditor's responsibilities for corresponding figures, comparative financial statements, and 'other information', are discharged.^[3]
 - c) Explain the auditor's main considerations in respect of social and environmental matters and how they impact on entities and their financial statements (e.g. impairment of assets, provisions and contingent liabilities).^[2]
- 4. Using the work of others**
- a) Recognise when it is justifiable to place reliance on the work of an expert (e.g. a surveyor employed by the audit client or audit firm).^[2]
 - b) Evaluate the potential impact of an internal audit department on the planning and performance of the external audit.^[2]
 - c) Assess the appropriateness and sufficiency of the work of internal auditors and the extent to which reliance can be placed on it. ^[2]
 - d) Recognise and evaluate the impact of outsourced functions, such as payroll, on the conduct of an audit.^[3]
- 5. Group audits**
- a) Recognise the specific matters to be considered before accepting appointment as group auditor to a group in a given situation.^[3]
 - b) Identify and describe the matters to be considered and the procedures to be performed at the planning stage, when a group auditor considers the use of the work of component auditors.^[3]
 - c) Identify and explain the matters specific to planning an audit of group financial statements including: assessment of group and component materiality, the impact of non-coterminous year ends within a group,

changes in group structure or a complex group structure.^[2]

- d) Recommend and discuss the communications and content therein to be provided by the group auditor to the component auditor in a given situation.^[3]
- e) Recognise the audit problems and describe audit procedures specific to: a business combination, including the classification of investments the determination of goodwill and its impairment, group accounting policies, intra-group trading, equity accounting for associates and joint ventures, changes in group structure, including acquisitions and disposals, and accounting for a foreign subsidiary.^[3]
- f) In respect of the consolidation process identify and explain the relevant audit risks and audit procedures necessary to obtain sufficient appropriate evidence.^[3]
- g) Consider how the group auditor should evaluate the audit work performed by a component auditor.^[2]
- h) Explain the responsibilities of the component auditor before accepting appointment, and the procedures to be performed in a group situation.^[2]
- i) Justify the situations where a joint audit would be appropriate.^[2]

E Completion, review and reporting

1. Subsequent events and going concern

- a) Design audit procedures to identify subsequent events which may require adjustment to, or disclosure in, the financial statements of a given entity.^[2]
- b) Evaluate indicators that the going concern basis of accounting may be in doubt and recognise mitigating factors.^[2]

- c) Recommend audit procedures or evaluate the evidence that might be expected to be available and assess the appropriateness of the going concern basis of accounting in given situations.^[3]

- d) Assess the adequacy of disclosures in financial statements relating to going concern and explain the implications for the auditor's report with regard to the going concern basis of accounting.^[3]

2 Completion and final review

- a) Apply analytical procedures for the purposes of evaluation and review and evaluate the results in the context of other audit evidence.^[3]
- b) Assess whether an engagement has been planned and performed in accordance with professional standards.^[3]
- c) Evaluate whether reports issued are appropriate in the relevant circumstances.^[3]
- d) Evaluate as part of the final review the matters (e.g. materiality, risk, relevant accounting standards) and audit evidence to confirm if sufficient and appropriate evidence has been obtained.^[3]
- e) Justify the review procedures which should be performed in a given assignment, including the need for an engagement quality review and the appropriateness of the review performed, and recommend additional procedures or actions needed in the circumstances.^[2]
- f) Evaluate the use of written representations from management to support other audit evidence.^[2]

3 Auditor's reports

- a) Determine the form and content of an auditor's report and assess the appropriateness of the contents of an auditor's report containing an unmodified opinion.^[3]

- b) Recognise and evaluate the factors to be taken into account when forming an audit opinion in a given situation, including the effect of uncorrected misstatements, and justify audit opinions which are consistent with the results of audit procedures.^[3]
- c) Critically appraise the form and content of an auditor's report in a given situation.^[3]
- d) Assess whether or not a proposed audit opinion is appropriate.^[3]
- e) Advise on the actions which may be taken by the auditor in the event that a modified auditor's opinion is issued.^[3]
- f) Explain the implications for the auditor's report on the group financial statements of an entity where the opinion on a component is modified in a given situation.^[2]
- g) Recognise when the use of an emphasis of matter paragraph, other matter paragraph and KAM disclosure would be appropriate and recommend and justify the content of each.^[3]
- h) Discuss the courses of action available to an auditor if a material inconsistency or material misstatement exists in relation to other information such as contained in the integrated report.^[2]

4. Reports to those charged with governance and management

- a) Critically assess the quality of a report to those charged with governance and management.^[3]
- b) Advise on the content of reports to those charged with governance and management in a given situation.^[3]

F Other assignments

1. Audit-related and assurance services

- a) Describe the nature of audit-related services, the circumstances in which

they might be required and the comparative levels of assurance provided by professional accountants and distinguish between:^[2]

- i) audit-related services and an audit of historical financial statements
 - ii) an attestation engagement and a direct engagement.
- b) Describe the main categories of assurance services that audit firms can provide and assess the benefits of providing these services to management and external users.^[3]
 - c) Describe the level of assurance (reasonable, high, moderate, limited, negative) for an engagement depending on the subject matter evaluated, the criteria used, the procedures applied and the quality and quantity of evidence obtained.^[3]

2. Specific assignment

- **Due Diligence**
- **Review of interim financial information**
- **Prospective financial information**
- **Forensic audits**

For each of the other assignments listed above:

- a) Define and describe the purpose of each type of assignment and analyse the appropriate level of assurance which may be offered by a professional firm in relation to these assignments.^[3]
- b) Evaluate the matters to be considered before accepting the engagement, including any ethical and professional considerations.^[3]
- c) Plan the assignment, applying professional scepticism, to gather suitable evidence and provide an appropriate level of assurance in line with the objectives of the assignment.^[2]
- d) Discuss the level of assurance that the auditor may provide and explain the

other factors to be considered in determining the nature, timing and extent of examination procedures.^[1]

- e) Describe and recommend appropriate substantive, examination or investigative procedures which can be used to gather sufficient and appropriate evidence in the circumstances.^[2]

3. The audit of social, environmental, sustainability and integrated reporting

- a) Plan an engagement to provide assurance on integrated reporting (performance measures and sustainability indicators).^[2]
- b) Describe the difficulties in measuring and reporting on economic, environmental, social and sustainability information and give examples of performance measures and sustainability indicators.^[2]
- c) Describe substantive procedures to detect potential misstatements in respect of socio-environmental and sustainability matters.^[2]
- d) Discuss the form and content of an independent verification statement of an integrated report or sustainability information.^[2]

4 The audit of performance information (pre-determined objectives) in the public sector

- a) Describe the audit of performance information (pre-determined objectives) and differentiate from performance auditing.^[2]
- b) Plan the audit of performance information (pre-determined objectives), and describe examination procedures to be used in the audit of this type of information.^[3]
- c) Discuss the audit criteria of reported performance information, namely compliance with reporting requirements,

usefulness, measurability and reliability.^[3]

- d) Discuss the form and content of a report on the audit of performance information.^[2]
- e) Discuss the content of an audit conclusion on an integrated report of performance against pre-determined objectives.^[3]

5. Reporting on other assignments

- a) Analyse the form and content of the professional accountant's report for an assurance engagement as compared with an auditor's report.^[2]
- b) Discuss the content of a report for an examination of prospective financial information.^[2]
- c) Discuss the effectiveness of the 'negative assurance' form of reporting and evaluate situations in which it may be appropriate to modify a conclusion.^[3]

G Current issues and developments

Discuss the relative merits and the consequences of different standpoints taken in current debates and express opinions supported by reasoned arguments.

1. Professional and ethical developments

- a) Discuss emerging ethical issues and evaluate the potential impact on the profession, firms and auditors.^[3]
- b) Discuss the content and impact of exposure drafts, consultations and other pronouncements issued by IFAC and its supporting bodies (including IAASB, IESBA and TAC).^[2]

2. Other current issues

- a) Discuss current developments in auditing standards including the need for

new and revised standards and evaluate their impact on the conduct of audits.^[3]

- b) Discuss current developments in business practices, practice management, audit methodology and evaluate the potential impact on the conduct of an audit and audit quality.^[3]
- c) Discuss the proposed changes to the audit profession and critically evaluate the implications of these changes for companies and audit firms and their impact on audit process and quality.^[3]
- d) Discuss current developments in emerging technologies, including big data and the use of automated tools and techniques such as data analytics, and sustainability reporting and the potential impact on the conduct of an audit and audit quality.^[3]
- e) Discuss the impact of significant global events on audit practice.^[3]

H Professional skills

1. Communication

- a) Inform concisely, objectively and unambiguously, adopting a suitable style and format, using appropriate technology.^[3]
- b) Advise using compelling and logical arguments, demonstrating the ability to counter argue where appropriate.^[3]
- c) Clarify and simplify complex issues to convey relevant information in a way that adopts an appropriate tone and is easily understood by and reflects the requirements of the intended audience.^[3]

2. Analysis and Evaluation

- a) Investigate relevant information from a range of sources, using appropriate analytical techniques to establish reasons and causes of issues,

connections between different sources of information and to determine significant risks and appropriate responses.^[3]

- b) Consider information, evidence and findings carefully, reflecting on their implications and how they impact the engagement, audit firm or audit client.^[3]
- c) Assess and apply appropriate judgement when considering ethical and professional issues, audit matters and when making conclusions or recommendations, taking into account the implications of such decisions on the audit firm, engagement and audit client.^[3]
- d) Appraise information objectively, in order to effectively prioritise audit issues, explore suitable audit responses and when making decisions, devising courses of action or determining audit conclusions.^[3]

3. Professional scepticism and judgement

- a) Explore the underlying reasons for issues, applying an attitude of a questioning mind, beyond what is immediately apparent from the usual sources and opinions available and demonstrate the ability to be alert to, and identify, conditions which might indicate misstatements or the existence of fraud or error.^[3]
- b) Question contradictory information or facts, opinions, assertions and the reliability or inherent bias of information presented, by seeking corroboratory or additional information to either support or reject its acceptance.^[3]
- c) Challenge and critically assess the information and evidence presented, or decisions made, to reach a conclusion on whether sufficient and appropriate evidence has been obtained on which to base the audit opinion.^[3]
- d) Demonstrate appropriate professional judgement, including the application of

appropriate auditing, accounting and ethical standards, to draw conclusions and make informed decisions about the courses of action which are appropriate in the context of the engagement.^[3]

4. Commercial Acumen

- a) Demonstrate awareness of any wider external factors or implications, in a given scenario, for the audit engagement, audit firm or audit client.^[3]
- b) Recognise key issues and limitations, and consider the plausibility, and the practical or commercial implications, of recommendations made in the context of the engagement and audit firm.^[3]
- c) Show insight and perception in understanding the wider implications and impact of implementing relevant recommendations and demonstrate acumen in arriving at suitable conclusions.^[3]

I Employability and technology skills

- 1. Use computer technology to efficiently access and manipulate relevant information.**
- 2. Work on relevant response options, using available functions and technology, as required by the workspace.**
- 3. Navigate windows and computer screens to create and amend responses to exam requirements, using the appropriate tools**
- 4. Present data and information effectively, using the appropriate tools.**

12. Summary of changes to Advanced Audit and Assurance (AAA-INT)

ACCA periodically reviews its qualification syllabuses so that they fully meet the needs of stakeholders such as employers, students, regulatory and advisory bodies and learning providers.

The main changes which have been made to the syllabus are summarised in the table below.

Table of amendments

C1)	Quality management (firm and engagement level) a) Explain the principles and purpose of quality management of audit and other assurance engagements. ^[1] b) Describe the elements of a system of quality management relevant to a given firm. ^[2] c) Evaluate the system of quality management which is in place for a given firm, including the identification and impact of deficiencies, and assess if appropriate quality management has been applied in a given engagement. ^[3]	Wording of learning outcomes amended to reflect the requirements of ISA 220 (Revised 2020), ISQM1 and ISQM2
E2e)	e) Justify the review procedures which should be performed in a given assignment, including the need for an engagement quality review and the appropriateness of the review performed, and recommend additional procedures or actions needed in the circumstances. ^[2]	Wording of learning outcome extended to reflect the new terminology in the quality management standards
F3b-d) and G2d	F3. The audit of social, environmental, sustainability and integrated reporting b) Describe the difficulties in measuring and reporting on economic, environmental and social and sustainability information and give examples of performance measures and sustainability indicators. ^[2] c) Describe substantive procedures to detect potential misstatements in respect	Wording of syllabus section F3 and G2 extended to cover sustainability information and reporting.

	<p>of socio-environmental and sustainability matters.^[2]</p> <p>d) Discuss the form and content of an independent verification statement of an integrated report or sustainability information.^[2]</p> <p>G2d) Discuss current developments in emerging technologies, including big data and the use of automated tools and techniques such as data analytics, and sustainability reporting and the potential impact on the conduct of an audit and audit quality.^[3]</p>	
H	Professional Skills	This section has been added to reflect the professional skills required for the AAA examination.