

# ACA Syllabus and Technical Knowledge Grids

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## Certificate Level

FOR EXAMS IN 2025

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# ACA overview

The ICAEW chartered accountancy qualification, the ACA, is one of the most advanced learning and professional development programmes available. Its integrated components provide an in-depth understanding across accountancy, finance and business. Combined, they help build the technical knowledge, professional skills and practical experience needed to become an ICAEW chartered accountant.

Each component is designed to complement each other, which means that students can put theory into practice and can understand and apply what they learn to their day-to-day work.

The four components are:



ICAEW constantly reviews the content of the ACA qualification to reflect real life business challenges. Today's most urgent business challenges range from sustainability, to rapid changes in technology and the role of ethics in the profession. We work closely with employers, tuition providers, academics and examiners to ensure that the ACA equips the chartered accountants of the future with the skills and knowledge they need to meet these challenges and to be successful.

## THE ACA QUALIFICATION AND SUSTAINABILITY

Finance and accounting professionals need to move beyond simply measuring and reporting the impact of climate change, environmental regulation, supply chain pressure and rising energy costs. They must focus on understanding these and other emerging sustainability-related implications, integrating them into financial management and business planning. ICAEW has been at the forefront of this movement over the past decade and has adapted the ACA qualification to reflect that. We see its role as not simply integrating knowledge and understanding the broader implications of environmental, social and governance issues into organisations, but also seeding this thinking into the mindset of our members.

Our syllabus and ethical and professional development framework contribute towards creating ICAEW chartered accountants who recognise that sustainability is at the core of what they do and are capable of actively using their business skills to analyse how to make the new sustainable economy work for their business.

Despite some unfamiliar terminology associated with sustainability issues, there is much that is closely related to the skills and experience of ICAEW chartered accountants; for example, the identification and management of risks, corporate governance, compliance with laws and regulations, design and

operation of management control systems, measurement of liabilities and impaired assets, information reporting and assurance, financial instruments, and new forms of taxation. Where the technical issues extend beyond an accountant's reach, working with other experts is already recognised as good practice.

## THE ACA QUALIFICATION AND TECHNOLOGY

Changes in technology have automated many routine aspects of accountancy. But with changes in technology also come complexity and risk. Accountants need to adapt and develop new skills to manage these changes.

While there are many new technology capabilities that have broad application across the business and consumer environment, seven trends have the greatest potential to transform the accountancy profession: **A**rtificial intelligence, **A**utomation, **B**lockchain, **C**yber security, **C**loud computing, and **D**ata and **D**igital Transformation (ABCD of technology).

These and other innovations are likely to have a significant impact on the way that accountants access information, transact and manage business finances. Technology tools can provide information more quickly and often more accurately than humans, but they cannot replicate human intelligence and quality decision making, or effectively communicate the output of analysis. Therefore, chartered accountants hold key roles such as validating the source of the data, interpreting and analysing the outputs, and ensuring the tools support effective management of the organisation.

As routine and compliance work reduces, there is greater focus on the development of skills which equip professionals to work with the outputs of automated processes, with other specialists, and in a changing world.

We believe that skills such as analysis, interpretation, professional scepticism, communication, collaboration, adaptability, resilience, and commerciality are essential for tomorrow's business leaders; these are embedded throughout the ACA exams and professional development framework.

## THE ACA QUALIFICATION AND ETHICS

Culture and values are central to long-term success. How a business adopts an ethical approach towards its staff, shareholders, customers and regulators, as well as within its own operations, has a bigger impact than any performance measure or operational improvement.

Demonstrating a clear commitment to ethical behaviour is one of the main drivers of better performance; it delivers an advantage when recruiting, it adds value to a brand, and it instils trust and confidence in partners, suppliers and others that the organisation is well run and resilient.

Achieving that is not a matter of simple knowledge. Few ethical challenges will have simple right and wrong responses. They require technical understanding, rigorous appraisal, application of professional scepticism and skilful handling. Accountants must have the necessary skills to apply professional judgement in a given situation, taking into account what has been learned as an ACA student about their ethical responsibilities as a chartered accountant.

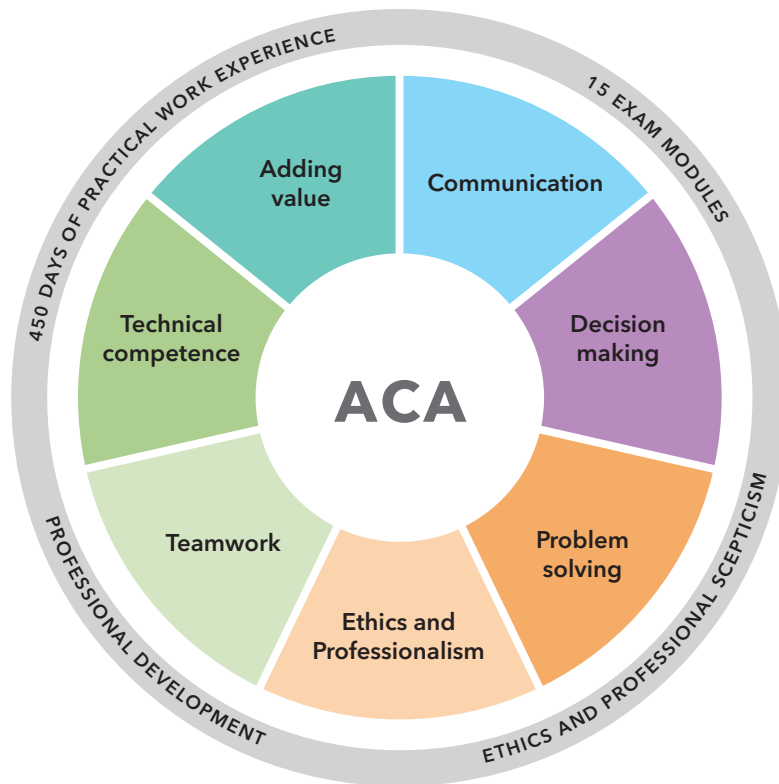
There will be unique ethical challenges throughout any chartered accountant's process of learning and career. They serve a variety of masters: senior management, external stakeholders, regulators; and above all the public interest responsibility of their profession. Because of the rigorous and effective training (and continued professional development) chartered accountants can speak up and take a lead.

None of this can happen without one critical element: professionalism. That goes beyond merely knowing the Code of Ethics: it means embodying the right behaviours and having the ability and willingness to push back against those who might compromise the integrity of the business.

That confidence comes from a qualification that prioritises not only technical knowledge of the ethical framework but also challenges accountants with scenarios that accurately reflect the ethical dilemmas a chartered accountant may face in business.

# ACA components

## PROFESSIONAL DEVELOPMENT



ICAEW chartered accountants are known for their professionalism and expertise. Professional development prepares students to successfully handle a variety of different situations that they encounter throughout their career. The ACA qualification improves students' ability and performance in seven key areas:

- Adding value - add value to the organisation, team or role in order to achieve objectives.
- Communication - communicate effectively at all levels, using oral, written and presentational skills to achieve positive outcomes.
- Decision making - gather, interpret and evaluate data to make effective decisions.
- Ethics and professionalism - behave ethically and sustainably while respecting others to uphold the values of the organisation and the accountancy profession.
- Problem solving - analyse a problem, generate options and make recommendations to arrive at appropriate solutions.
- Teamwork - work collaboratively as a member or leader of a team to achieve shared goals.
- Technical competence - seek, learn and use technology and technical information to support the achievement of organisation or team goals.

## ETHICS AND PROFESSIONAL SCEPTICISM

Ethics is more than just knowing the rules around integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. It's about identifying ethical dilemmas, understanding the implications, making judgements and behaving appropriately as well as using professional scepticism to build business trust. We integrate ethics throughout the ACA qualification to develop students' ethical capabilities to make suitable decisions. We embed ethics into the ACA and develop students' ethical capabilities in three ways:

1. **ICAEW Ethics Learning Programme** – this online programme gives students a fundamental underpinning in ethics. It ensures knowledge of the ICAEW Code of Ethics, its fundamental principles and the ability to apply safeguards to ethical threats. It encourages questioning and engaging ethical thinking in a wide range of applications.
2. **Integration of ethical issues into all 15 ACA exams** – students are assessed on their understanding of, and reaction to, ethical dilemmas within the context of the subject matter of each module. Progression is made from identification of issues to judgements on perspectives, conflicts and responsibilities.
3. **Practical application** – having learnt the ethical principles and requirements via the Ethics Learning Programme, applying them in context within the ACA exams, students develop and apply ethical skills and behaviours within their daily work experience supported by their six-monthly reviews with their employer and the professional development framework.

Professional scepticism is a key professional skill that supports effective decision making. Chartered accountants must take an enquiring, questioning approach, not always accepting information at face value. We embed the requirement to apply professional scepticism within exam questions; students can expect to have to apply this skill in one or more of the following ways:

- Obtain and understand information relevant for making reliable judgements based on facts and circumstances known to them.
- Make informed challenges of views developed by others.

- Be sensitive to the integrity of information, including the source of information and the appropriateness of its presentation.
- Withhold judgement pending thoughtful consideration of all known and relevant available information.
- Be alert to potential bias or other impediments to the proper exercise of professional judgement.

## PRACTICAL WORK EXPERIENCE

Practical work experience is undertaken as part of a training agreement with an authorised training employer or principal. Students need to complete at least 450 days, which normally takes between three and five years. The knowledge, skills and experience they gain as part of their training are invaluable, giving them the opportunity to put what they're learning into practice. Experience can be completed in at least one of the following six categories:

1. Accounting.
2. Audit and assurance (audit is not compulsory).
3. Financial management.
4. Information technology.
5. Insolvency.
6. Taxation.

Student practical work experience should:

- include responsibility levels that increase in depth and scope as the student progresses through their training;
- be recorded throughout their training agreement; and
- expose them to as many different practical assignments, finance functions and/or clients in as many different sectors as possible.

## 15 ACCOUNTANCY, FINANCE AND BUSINESS EXAMS

Students gain in-depth knowledge across a broad range of topics in accountancy, finance and business. The exams are designed to complement their practical work experience, so they constantly progress through the qualification.

There are 15 exams over three levels – Certificate, Professional and Advanced. They can be taken in any order, except for the Case Study which has to be attempted last, within the final year of an ACA training agreement and once all other exams have been attempted or received credit.



## CERTIFICATE LEVEL

There are six exams at this level that introduce the fundamentals of accountancy, finance and business. Students may be eligible for credit for some exams if they have studied a qualification we recognise. Find out more at [icaew.com/cpl](https://www.icaew.com/cpl).

The Certificate Level exams are each 1.5 hours long, have a 55% pass mark, and can be sat throughout the year.

## PROFESSIONAL LEVEL

The next six exams build on the fundamentals and test students' understanding and ability to use technical knowledge in real-life scenarios. The exams can be taken in March, June, September and December. Please note, the Business Planning alternative exams for banking and insurance are available at the June, September and December sittings.

The Professional Level exams are 2.5 hours long, except for Financial Accounting and Reporting which is 3 hours long. Each exam has a 55% pass mark.

Prescribed texts are permitted for Audit and Assurance, Finance Accounting and Reporting and Tax Compliance, with the Business Planning exams being open book.

The Professional Level exams are flexible and can be taken in any order to fit with a student's

day-to-day work. The Business Planning and Business Strategy and Technology exams in particular help students to progress to the Advanced Level.

Alternative exams are available for the Business Planning and Financial Accounting and Reporting modules.

The Business Planning exams provide students with the opportunity to gain subject- and sector-specific knowledge while studying for the ACA. The suite of Business Planning exams is based on the same syllabus structure and skills frameworks, and will give students the opportunity to demonstrate their learning and use this in the context of taxation, banking or insurance. There are three to choose from - Business Planning: Taxation, Business Planning: Banking, and Business Planning: Insurance. Students will need to sit one of the Business Planning exams.

Alternative financial reporting exams are also available for Financial Accounting and Reporting. Students can choose between two different contexts, either UK GAAP or IFRS Standards. This means that students can study the financial reporting framework most beneficial to their employer and clients. Students will need to sit one version of the Financial Accounting and Reporting exam.

An authorised training employer or principal will guide their students on the exams which are right for them. If a student is studying the ACA independently, they should consider their future ambitions when selecting which exams to sit.

## ADVANCED LEVEL

The Corporate Reporting and Strategic Business Management exams test students' understanding and strategic decision-making at a senior level. They present real-life scenarios, with increased complexity and implications from the Professional Level exams.

The Case Study tests all the knowledge, skills and experience gained so far. It presents a complex business issue which challenges students' ability to problem solve, identify the ethical implications and provide an effective solution.

The Advanced Level exams can be taken in July and November. They are fully open book, so they replicate a real-life scenario where all the resources are at their fingertips.

The Corporate Reporting and Strategic Business Management exams are 3.5 hours long. The Case Study exam is 4 hours long. Each has a 50% pass mark.

For more information, guidance and support on exams, visit the exam resources area on our website at [icaew.com/examresources](https://www.icaew.com/examresources).

## FLEXIBILITY

There are no regulations stipulating the order in which students must attempt the exams, allowing employers to design training programmes according to business needs. The exception to this rule is the Advanced Level Case Study exam, which must be the last exam attempted and when a student has entered their final year of training.

Students will be permitted a maximum of four attempts at each Certificate and Professional Level exam, and unlimited attempts at the Advanced Level exams.

## CREDIT FOR PRIOR LEARNING (CPL)

Students with previous qualifications may be eligible to apply for CPL for up to 12 modules at the Certificate and Professional Levels. CPL is not available at the Advanced Level. For more information, visit [icaew.com/cpl](https://www.icaew.com/cpl).

## PERMITTED TEXTS

For some Professional Level exams, students are permitted to use certain publications during the exam.

The Professional Level Business Planning exams and Advanced Level exams are open book, so students can use any material and texts during their exam. Students will have access to their personal ICAEW Bookshelf, containing their copies of the digital learning materials, including any highlights and notes that they have made during their study. Students may also take in any hard copy materials, subject to practical space restrictions.

Details of the specific permitted texts, and how materials can be accessed within exams can be found at [icaew.com/permittedtexts](https://www.icaew.com/permittedtexts).

## DATA ANALYTICS IN EXAMS

Chartered accountants are increasingly using more advanced approaches to interrogate client data. Embedding these techniques within our exams ensures that we continue to reflect the current and future workplace and will also help to develop students' judgement, professional scepticism and critical thinking skills.

The use of data analytics in exams is split between the use of data analytics software and the use of spreadsheet functionality, as described below.

### Data analytics software

ICAEW has incorporated data analytics software within the Audit and Assurance and Corporate Reporting modules.

In the Audit and Assurance and Corporate Reporting exams, students will be provided with a dataset including thousands of transactions. They will be expected to use their data analytic skills to interrogate the data and identify areas of concern or items which warrant further investigation.

### Use of spreadsheet functionality

A number of spreadsheet functions have become part of the learning materials and skills required of students. These cover three categories of data analysis, namely: structuring and assimilating data, statistical calculations and financial functions.

Within the Financial Management, Business Strategy and Technology and Strategic Business Management exams students may be examined in the following ways:







1. Data will be provided in the question, and the student should populate the spreadsheet based on the data in the question.
2. A spreadsheet will be provided in the exam with pre-populated data for the student to structure, assimilate, interpret and evaluate.

Details of the use of data analytics in the exams can be found at [icaew.com/das](https://www.icaew.com/das).

## Skills progression through the ACA exams

The complete set of professional skills that ICAEW chartered accountants are required to develop during their training are detailed in the seven key areas of skills covered in the previous section on professional development. A subsection of these skills are embedded in the 15 modules and assessed in exams. The following skills are present throughout the 15 accountancy, finance and business modules:


SKILL	OVERALL
<b>Assimilating and using information</b> 	Understand a business or accounting situation, prioritise by determining key drivers, issues and requirements and identify and use relevant information.
<b>Structuring problems and solutions</b> 	Structure information from various sources into suitable formats for analysis and provide creative and pragmatic solutions in a business environment.
<b>Applying judgement</b> 	Apply professional scepticism and critical thinking to identify faults, gaps, inconsistencies and interactions from a range of relevant information sources and relate issues to a business environment.
<b>Concluding, recommending and communicating</b> 	Apply technical knowledge, skills and experience to support reasoning and conclusion and formulate opinions, advice, plans, solutions, options and reservations based on valid evidence and communicate clearly in a manner suitable for the recipient.

The level of skill required to pass each exam increases as ACA trainees progress upwards through each Level of the ACA exams. The skills progression embedded throughout the ACA qualification ensures ACA trainees develop the knowledge and skills to successfully operate in the modern workplace and which are expected by today's forward-thinking employers.


Skills	Certificate Level		Professional Level		Advanced Level	
	Assurance, Business, Technology & Finance, Law	Principles of Taxation, Management Information, Accounting	Financial Accounting & Reporting, Audit & Assurance, Financial Management, Tax Compliance	Business Planning and Business Strategy & Technology	Corporate Reporting and Strategic Business Management	Case Study

 **Assimilating and using information**


Understanding the situation and the requirements	Objective testing	Objective testing and simple scenarios	Scenarios		Complex scenarios	Unstructured complex business scenarios
Identifying and using relevant information	Information as provided		Single information source provided	Several information sources provided	Multiple information sources provided	Multiple information sources including own research
Identifying and prioritising key issues	Issues given		Issues included in scenarios		Issues included in complex scenarios	Issues included in unstructured complex scenarios

 **Structuring problems and solutions**

Structuring data	Specified techniques		Specified techniques	Techniques inferred by nature of problem	Techniques inferred by nature of problem	Unspecified techniques
Developing solutions	Highly specified tasks	Specified problems	Specified problems		Specified and implicit problems	Defined output but unspecified problems

 **Applying judgement**

Applying professional scepticism and critical thinking	Objective testing		Specified requirement in simple scenario	Specified requirement in scenario	Specified requirement in complex scenario	Underlying requirement within complex scenario
Relating issues to the broader business environment, including ethical issues	Objective testing	Objective testing and Issues in simple scenarios	Issues in scenarios		Issues in complex scenarios	Issues in complex, unstructured scenarios

 **Concluding, recommending and communicating**

Concluding and recommending	Objective testing	Not assessed	Specified conclusions and recommendations in simple scenarios		Specified conclusions and reasoned recommendations in complex scenarios	Conclusions and recommendations supported by own evidence
Communicating	Prescribed exam format		Exam requirements, including some professional presentation		Professional presentations including reasoned recommendations	Professional report with appendices

## PROFESSIONAL SKILLS ASSESSED IN THE ACA EXAMS

### ASSIMILATING AND USING INFORMATION

Understand the situation and the requirements:	Identify and use relevant information:	Identify and prioritise key issues and stay on task:
<ul style="list-style-type: none"><li>• Demonstrate understanding of the business context.</li><li>• Recognise new and complex ideas within a scenario.</li><li>• Identify the needs of customers and clients.</li><li>• Explain different stakeholder perspectives and interests.</li><li>• Identify risks within a scenario.</li><li>• Identify elements of uncertainty within a scenario.</li><li>• Identify ethical issues including public interest and sustainability issues within a scenario.</li></ul>	<ul style="list-style-type: none"><li>• Interpret information provided in various formats.</li><li>• Evaluate the relevance of information provided.</li><li>• Use multiple information sources.</li><li>• Filter information provided to identify critical facts.</li><li>• Identify and interpret information in data analytics software.</li></ul>	<ul style="list-style-type: none"><li>• Identify business and financial issues from a scenario.</li><li>• Prioritise key issues.</li><li>• Work effectively within time constraints.</li><li>• Operate to a brief in a given scenario.</li></ul>

### STRUCTURING PROBLEMS AND SOLUTIONS

Structure data:	Develop solutions:
<ul style="list-style-type: none"><li>• Structure information from various sources into suitable formats for analysis.</li><li>• Identify any information gaps.</li><li>• Frame questions to clarify information.</li><li>• Use a range of data types and sources to inform analysis and decision-making.</li><li>• Structure and analyse financial and non-financial data to enhance understanding of business issues and their underlying causes.</li><li>• Present analysis in accordance with instructions and criteria.</li><li>• Use spreadsheets to assimilate, structure and analyse data.</li></ul>	<ul style="list-style-type: none"><li>• Identify and apply relevant technical knowledge and skills to analyse a specific problem.</li><li>• Use structured information to identify evidence-based solutions.</li><li>• Identify creative and pragmatic solutions in a business environment.</li><li>• Identify opportunities to add value.</li><li>• Identify and anticipate problems that may result from a decision.</li><li>• Identify a range of possible solutions based on analysis.</li><li>• Identify ethical dimensions of possible solutions.</li><li>• Select appropriate courses of action using an ethical framework.</li><li>• Identify the solution which is the best fit with acceptance criteria and objectives.</li><li>• Define objectives and acceptance criteria for solutions.</li></ul>

## APPLYING JUDGEMENT

Apply professional scepticism and critical thinking:	Relate issues to the environment:
<ul style="list-style-type: none"><li>• Recognise bias and varying quality in data and evidence.</li><li>• Identify assumptions or faults in arguments.</li><li>• Identify gaps in evidence.</li><li>• Identify inconsistencies and contradictory information.</li><li>• Assess interaction of information from different sources.</li><li>• Exercise ethical judgement.</li></ul>	<ul style="list-style-type: none"><li>• Appreciate when more expert help is required.</li><li>• Identify related issues in scenarios.</li><li>• Assess different stakeholder perspectives when evaluating options.</li><li>• Retain an overview of the business issue or scenario.</li><li>• Appraise corporate responsibility and sustainability issues.</li><li>• Appraise the effects of alternative future scenarios.</li><li>• Appraise ethical, public interest and regulatory issues.</li></ul>

## CONCLUDING, RECOMMENDING AND COMMUNICATING

Conclusions:	Recommendations:	Communication:
<ul style="list-style-type: none"><li>• Apply technical knowledge to support reasoning and conclusions.</li><li>• Apply professional experience and evidence to support reasoning.</li><li>• Use valid and different technical skills to formulate opinions, advice, plans, solutions, options and reservations.</li></ul>	<ul style="list-style-type: none"><li>• Present recommendations in accordance with instructions and defined criteria.</li><li>• Make recommendations in situations where risks and uncertainty exist.</li><li>• Formulate opinions, advice, recommendations, plans, solutions, options and reservations based on valid evidence.</li><li>• Make evidence-based recommendations which can be justified by reference to supporting data and other information.</li><li>• Develop recommendations which combine different technical skills in a practical situation.</li></ul>	<ul style="list-style-type: none"><li>• Present a basic or routine memorandum or briefing note in writing in a clear and concise style.</li><li>• Present analysis and recommendations in accordance with instructions.</li><li>• Communicate clearly to a specialist or non-specialist audience in a manner suitable for the recipient.</li><li>• Prepare the advice, report, or notes required in a clear and concise style.</li></ul>

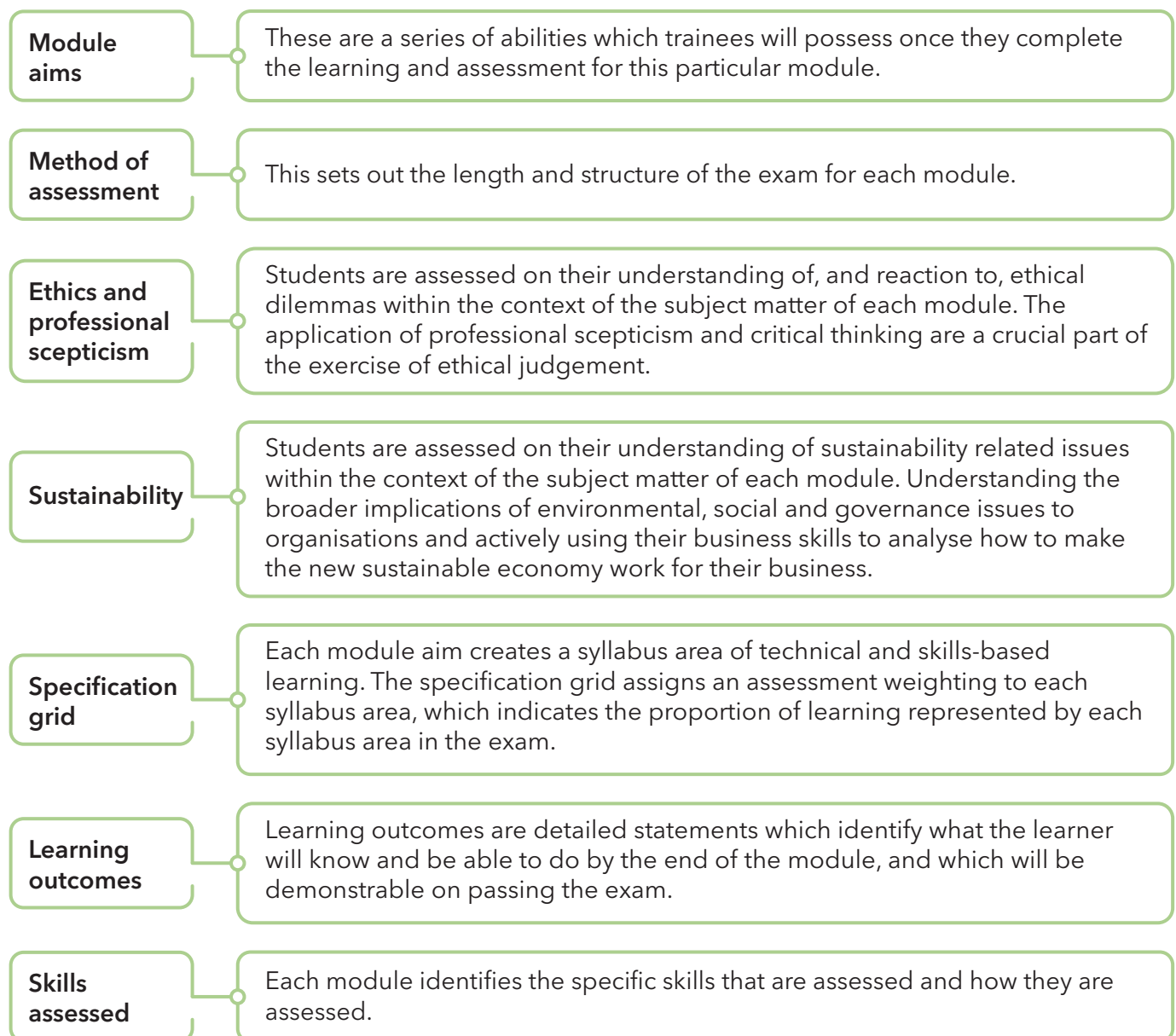
# ACA Syllabus

The ACA syllabus is updated annually. The aim of the annual update is to ensure that the syllabus remains fit for purpose and can include amendments to cater for technical changes, clarification of learning outcomes, inclusion of new areas of knowledge impacting ICAEW chartered accountants, and removal of content for subject areas where there is duplication, repetition or content no longer relevant within the qualification. The process includes consultation with all key stakeholder groups and covers the skills, learning outcomes, and technical knowledge grids of each module.

This document presents the learning outcomes for each of the ACA exams. The learning outcomes in each exam should be read in conjunction with the relevant technical knowledge grids and, where applicable, the skills development grid.

## UNDERSTANDING THE SYLLABUS FOR EACH MODULE

Each module has the following syllabus components:



## Technical knowledge grids

The Technical Knowledge Grids show the technical knowledge in the disciplines of assurance and audit, business analysis, ethics codes and standards, financial reporting, taxation, banking and insurance covered in the ACA syllabus by module. For each technical area, the level of knowledge required is indicated by a letter from A to D, as follows.

- Level D - awareness of the scope of the standard
- Level C - general knowledge with a basic understanding
- Level B - working knowledge with a broad understanding
- Level A - thorough knowledge with a solid understanding

# Certificate Level

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# Accounting

## MODULE AIM

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

On completion of this module, students will be:

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

## METHOD OF ASSESSMENT

The Accounting exam is 1.5 hours long. 40% of the marks are allocated from the preparation of single company financial statements; either a statement of profit or loss and statement of financial position or a statement of cash flows, using a pro-forma template. The remaining 60% of the marks are from 24 multiple-choice, multi-part multiple choice or multiple-response questions. These questions will cover the areas of the syllabus in accordance with the weightings set out in the specification grid.

## SPECIFICATION GRID

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

SYLLABUS AREA	WEIGHTING
1 Maintaining financial records	30%
2 Adjustments to accounting records and financial statements	25%
3 Preparing financial statements	45%

## ETHICS

Ethics is an overarching requirement for the professional accountant and students will be expected to recognise that the exercise of judgement is required in applying fundamental accounting concepts. Students will learn about the ICAEW Code of Ethics fundamental principles, which are based on the IESBA Code of Ethics for Professional Accountants' principles, and consider the merits of a principles-based code. Specific questions on this area are included within the 'Maintaining financial records' weighting in the Specification Grid.

## SUSTAINABILITY

Knowledge of core sustainability concepts is a requirement for the professional accountant. Students will be expected to understand the overarching concept of sustainability and why people and planet are strategically important to business. Understanding how the ICAEW chartered accountant can contribute to and help manage sustainability risks, opportunities and regulations (particularly in terms of information flows) is fundamental to understanding the context of the ACA sustainability content.

Whilst climate is the predominant issue of our time, students will be introduced to sustainability topics beyond climate and the emerging regulation that affects financial accounting and reporting.

Specific questions on this area are included within the 'Maintaining financial records' weighting in the specification grid.



The following learning outcomes should be read in conjunction with the relevant sections of the technical knowledge grids at the end of this document.

### **1 MAINTAINING FINANCIAL RECORDS**

Students will be proficient in the use of double entry accounting techniques and the maintenance of accounting records and be able to specify the regulation governing the publication of financial statements.

In the assessment, students may be required to:

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

### **2 ADJUSTMENTS TO ACCOUNTING RECORDS AND FINANCIAL STATEMENTS**

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

In the assessment, students may be required to:

- a. identify omissions and errors in accounting records and financial statements and demonstrate how the required adjustments will affect figures in the financial statements;
- b. correct omissions and errors in accounting records and financial statements; and
- c. prepare journals for nominal ledger entry to correct errors in draft financial statements.

### **3 PREPARING FINANCIAL STATEMENTS**

Students will be able to specify the components of financial statements, and prepare and present

non-complex accounts for sole traders and limited companies.

In the assessment, students may be required to:

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

# Assurance

## MODULE AIM

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

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

- explain the concept of assurance, why assurance is required and the reasons for assurance engagements being carried out by appropriately qualified professionals with an attitude of professional scepticism and the exercise of professional judgement;
- explain the nature of internal controls and why they are important, document an organisation's information flows and internal controls and identify deficiencies in internal control systems;
- select sufficient and appropriate methods of obtaining assurance evidence and recognise when conclusions can be drawn from evidence obtained or where issues need to be referred to a senior colleague; and
- understand the importance of regulation of the profession and ethical behaviour to a professional and identify issues relating to integrity, objectivity, professional competence and due care, confidentiality, professional behaviour and independence.

## METHOD OF ASSESSMENT

The Assurance exam is 1.5 hours long. The exam consists of 50 questions worth two marks each, covering the areas of the syllabus in accordance with the weightings set out in the specification grid. The questions are presented in the form of multiple choice, multi-part multiple choice, or multiple response.

## ETHICS AND PROFESSIONAL SCEPTICISM

The importance of ethics both as a knowledge area and as a behaviour to be demonstrated is reflected in the syllabus area below 'Professional ethics'. The learning outcomes cover a range of threats and dilemmas to be identified as well as safeguards and solutions to be resolved. Professional scepticism is included in the requirement for the syllabus area 'The concept, process and need for assurance' where students are also required to recognise the need for the exercise of professional judgement.

## SUSTAINABILITY

Knowledge of core sustainability concepts is a requirement for the professional accountant. Students will be expected to understand the over-arching concept of sustainability and why people and planet are strategically important to business. Understanding how the ICAEW chartered accountant can contribute to and help manage sustainability risks, opportunities and regulations (particularly in terms of information flows) is fundamental to understanding the context of the ACA sustainability content.

Whilst climate is the predominant issue of our time, with this often representing a key area of risk (and opportunity) for business, students will be introduced to sustainability topics beyond climate that can also prove material for companies, either financially or in terms of their impact on people and their environment.

## SPECIFICATION GRID

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

SYLLABUS AREA	WEIGHTING
1 The concept, process and need for assurance	20%
2 Internal controls and information flows	25%
3 Gathering evidence on an assurance engagement	35%
4 Professional ethics and regulatory issues	20%

The following learning outcomes should be read in conjunction with the relevant sections of the technical knowledge grids at the end of this document.

### 1 THE CONCEPT, PROCESS AND NEED FOR ASSURANCE

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

In the assessment, students may be required to:

- define the concept of assurance (on financial and non-financial information including performance metrics and targets) and compare the purposes and characteristics of reasonable and limited levels of assurance obtained from engagements;
- state why users desire assurance reports and provide examples of the benefits gained from them such as to assure the quality of an entity's published information including sustainability reports;
- compare the functions and responsibilities of the different parties involved in an assurance engagement;
- identify the issues which can lead to gaps between the outcomes delivered by the assurance engagement and the expectations of users of the assurance reports, and suggest how these can be overcome;
- identify the steps involved in obtaining, accepting and agreeing the terms of an assurance engagement;
- identify the process of planning an assurance engagement, including risk assessment, the impact of an entity's use of technology, the implications of environmental, social and governance (ESG) issues and going concern issues on the

recognition, measurement and disclosure of items in an entity's financial statements;

- define materiality (including double materiality) and identify its role in the assurance engagement;
- identify how the assurance provider reports to the engaging party;
- recognise the need to plan and perform assurance engagements with an attitude of professional scepticism and the exercise of professional judgement, including identifying situations when it may be necessary to challenge the audited entity's management; and
- recognise the characteristics of fraud and distinguish between fraud and error.

### 2 INTERNAL CONTROLS AND INFORMATION FLOWS

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

In the assessment, students may be required to:

- state the reasons for organisations having effective systems of control;
- identify the fundamental principles of effective control systems and the risk of over-dependence on IT;
- identify the main business processes of an entity and information flows between areas of the business that need effective control systems, including technological advances such as cloud computing;

- d. identify the components of internal control including the role of governance and risk management processes;
- e. define and classify different types of internal control, with particular emphasis on general IT and information processing controls and identify the difference between preventative and detective controls;
- f. show how specified internal controls mitigate risk, including cyber data security, digital transformation and disruption, and supply-chain risks, and state their limitations;
- g. identify internal controls or internal control deficiencies for an organisation in a given scenario;
- h. identify the role of an internal audit function in an organisation; and
- i. identify, for a specified organisation, the sources of information which will enable a sufficient record to be made of accounting or other systems and internal controls.

### 3 GATHERING EVIDENCE ON AN ASSURANCE ENGAGEMENT

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

In the assessment, students may be required to:

- a. state the reasons for preparing and keeping documentation relating to an assurance engagement;
- b. identify the different methods of obtaining evidence, including remote auditing techniques, from the use of tests of control, substantive procedures, including analytical procedures and data analytics software;
- c. recognise the strengths and weaknesses of the different methods of obtaining evidence;
- d. identify the situations within which the different methods of obtaining evidence should and should not be used;
- e. compare the reliability of different types of assurance evidence;
- f. select appropriate methods of obtaining evidence from tests of control and from substantive procedures for a given business scenario;
- g. recognise when the quantity (including factors affecting sample design) and quality (including analysis of data) of evidence gathered is of a sufficient and appropriate level, after taking account of sampling risk, to draw conclusions on which to base a report;
- h. identify the circumstances in which written confirmation of representations from management should be sought and the reliability of such confirmation as a form of assurance evidence; and
- i. recognise issues arising while gathering assurance evidence that should be referred to a senior colleague.

### 4 PROFESSIONAL ETHICS AND REGULATORY ISSUES

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

In the assessment, students may be required to:

- a. state the role of regulatory bodies and ethical codes and their importance to the profession and identify the key features of the system of professional ethics adopted by IESBA and ICAEW;
- b. recognise the differences between a rules-based ethical code and one based upon a set of principles;
- c. recognise how the principles of professional behaviour protect the public and fellow professionals;
- d. identify the fundamental principles underlying the ICAEW Code of Ethics;
- e. recognise the importance of integrity, objectivity and independence to professional accountants, identifying situations that may impair or threaten integrity, objectivity and independence;
- f. suggest courses of action to resolve ethical conflicts relating to integrity, objectivity and independence;
- g. respond appropriately to the request of an employer to undertake work outside the confines of an individual's expertise or experience;
- h. recognise the importance of confidentiality, including compliance with GDPR, and identify the sources of risks of accidental disclosure of information;

- i. identify steps to comply with GDPR and prevent the disclosure of information;
- j. identify situations in which confidential information may be disclosed, including where reporting suspicions of money laundering;
- k. identify the following threats to the fundamental ethical principles and the independence of assurance providers:
  - self-interest threat
  - self-review threat
  - management threat
  - advocacy threat
  - familiarity threat
  - intimidation threat; and
- l. identify safeguards to eliminate or reduce threats to the fundamental ethical principles and the independence of assurance providers.

# Business, Technology and Finance

## MODULE AIM

To provide students with an understanding of how businesses operate and how finance functions help businesses to achieve their objectives.

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

- identify the general objectives of businesses and the functions and tasks that businesses perform in order to meet their objectives;
- specify the nature, characteristics, advantages and disadvantages of different forms of business and organisational structure;
- identify the purpose of financial information produced by finance functions, specify how finance functions support business operations, including the measurement of risk, and identify sources and methods of financing for businesses;
- specify the importance and attributes of the accountancy profession and the role that governance plays in the management of a business, including how a business can promote corporate governance, sustainability, ESG, corporate responsibility and an ethical culture;
- specify the impact on a business of the external environment in which it operates; and
- specify key issues in relation to data and its collection, visualisation and analysis, and identify key features, benefits and risks of different technologies.

## METHOD OF ASSESSMENT

The Business, Technology and Finance exam is 1.5 hours long. The exam consists of 50 questions worth two marks each, covering the areas of the syllabus in accordance with the weightings set out in the specification grid. The questions are presented in the form of multiple choice, or multiple response.

## ETHICS AND PROFESSIONAL SCEPTICISM

Ethical thinking will be required across all areas of the syllabus. A specific weighting is given in the syllabus area 'Key issues for the accountancy profession and business' which includes ethics and business ethics, in the table below. The policies and procedures necessary to promote an ethical culture will be emphasised. Students will be expected to apply professional scepticism. Additionally, under the syllabus area 'The external environment of business', students must demonstrate an awareness of the needs of different stakeholders and in the 'Technology and data analysis' area they must be able to identify types of data bias, their causes and effects.

## SUSTAINABILITY

Knowledge of core sustainability concepts is a requirement for the professional accountant. Students will be expected to understand the over-arching concept of sustainability and why people and planet are strategically important to business. Understanding how the ICAEW chartered accountant can contribute to and help manage sustainability risks, opportunities and regulations (particularly in terms of information flows) is fundamental to understanding the context of the ACA sustainability content.

Whilst climate is the predominant issue of our time, with this often representing a key area of risk (and opportunity) for business, students will be introduced to sustainability topics beyond climate that can also prove financially material for companies.

## SPECIFICATION GRID

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

SYLLABUS AREA	WEIGHTING
1 Business objectives and functions	10%
2 Business and organisational structures	10%
3 The role of finance and the finance function	25%
4 Key issues for the accountancy profession and business	20%
5 The external environment of business	15%
6 Technology and data analysis	20%

The following learning outcomes should be read in conjunction with the relevant sections of the technical knowledge grids at the end of this document.

### 1 BUSINESS OBJECTIVES AND FUNCTIONS

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

In the assessment, students may be required to:

- state the general objectives of businesses;
- state the general objectives of strategic management and specify the strategic management process and interrelationship between a business's vision, mission and strategic objectives;
- identify the functional areas within businesses (marketing, operations/production, procurement, HR, IT and finance) and show how the functions help the achievement of business objectives;
- identify the nature and functions of management, and show how this is influenced by human behaviour;
- identify the relationship between a business's overall strategy and its functional strategies and the nature and purpose of strategic plans, business plans and operational plans including how a strategic plan is converted into fully-integrated business and operational plans;
- identify the main components of the risk management process and show how they operate; and
- identify the key issues in relation to crisis management, business resilience, business continuity planning and disaster recovery.

### 2 BUSINESS AND ORGANISATIONAL STRUCTURES

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

In the assessment, students may be required to:

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

### 3 THE ROLE OF FINANCE AND THE FINANCE FUNCTION

Students will be able to identify the purpose of financial information produced by finance functions, specify how finance functions support business operations, including the measurement of risk, and identify sources and methods of financing for businesses.

In the assessment, students may be required to:

- specify the role of financial information prepared by finance functions in:
  - supporting businesses in pursuit of their objectives, including business partnering
  - providing for accountability of management to shareholders and other stakeholders

- reflecting business position and performance
  - supporting users in making decisions;
- b. identify the main considerations in establishing and maintaining accounting and financial reporting functions and financial control processes;
  - c. identify, in the context of accounting and other systems, key aspects of information processing, security and management;
  - d. specify why the management of a business require performance measurements;
  - e. identify the accountant's role in preparing and presenting information for the management of a business;
  - f. specify types of risk and techniques for measuring risk, including: measures of central tendency (mean, mode, median, range); measures of spread (range, standard deviation, variance, co-efficient of variation); the normal distribution; skewness;
  - g. specify the relationship between a business and its bankers and other providers of financial products and services;
  - h. identify the characteristics, terms and conditions and role of alternative short, medium and long-term sources of finance available to different businesses;
  - i. identify the processes by which businesses raise equity, capital and other long-term finance, including green finance; and
  - j. identify appropriate methods of financing exports, including bills of exchange, letters of credit and export credit insurance.
- b. specify the key features of the regulatory framework within which professional accountants work including the basics of how anti-money laundering requirements affect them;
  - c. state the reasons why governance is needed in a business and identify the role that governance plays in the management of a business;
  - d. identify the key stakeholders and their governance needs for a particular business;
  - e. identify and show the distinction between the roles and responsibilities of those charged with corporate governance and those charged with management, including the basics of the UK's corporate governance code;
  - f. specify how differences in legal systems and in national and business cultures affect corporate governance;
  - g. identify the roles and responsibilities within a business of the executive board, any supervisory board, the audit committee and others charged with corporate governance, the internal audit function and those responsible for the external audit relationship;
  - h. specify the nature of ethics, business ethics, sustainability, and ESG; and
  - i. specify the policies and procedures a business should implement in order to promote good corporate governance, sustainable practices, ESG and an ethical culture within its operations

#### 4 KEY ISSUES FOR THE ACCOUNTANCY PROFESSION AND BUSINESS

Students will be able to specify the importance and attributes of the accountancy profession. Students will be able to identify the role that governance plays in the management of a business and how a business can promote corporate governance, sustainability, ESG and an ethical culture.

In the assessment, students may be required to:

- a. identify the importance of the accountancy profession to the public interest and to the effectiveness of capital markets, and the links between the public interest, technical competence and professional responsibility, including the attributes of professional

#### 5 THE EXTERNAL ENVIRONMENT OF BUSINESS

Students will be able to specify the impact on a business of the external environment in which it operates.

In the assessment, students may be required to:

- a. specify the signalling, rewarding and allocating effects of the price mechanism on business (including the concept of price elasticity);
- b. specify the potential types of failure of the market mechanism and their effects on business;
- c. identify the key macro-economic factors that affect businesses;



- d. specify the principal effects of national and international regulation upon businesses; and
- e. show how the needs of different stakeholders in a business (eg, shareholders, the local community, employees, suppliers, customers) impact upon it.

## **6 TECHNOLOGY AND DATA ANALYSIS**

Students will be able to specify key issues in relation to data and its collection, visualisation and analysis, and identify key features, benefits and risks of different technologies.

In the assessment, students may be required to:

- a. specify the purpose of data, the different types and sources of data, the importance of data comparability and the role of professional scepticism in relation to data collection, analysis and visualisation;
- b. specify principles in relation to the collection and analysis of data, including populations, surveys, presentation of simple frequency distributions, basic sampling and data ethics;
- c. identify types of error in data, types of data bias, including their causes and effects, and types of data protection for commercially sensitive information;
- d. identify issues in relation to the use of spreadsheets and the visualisation and interpretation of data in graphs, charts etc;
- e. identify the characteristics and implications of big data;
- f. specify types and uses of data analytics by organisations;
- g. specify different types of cyber risk and attack and the steps organisations can take to improve cyber security;
- h. specify the features and uses by organisations of cloud computing, the internet of things, digital assets, blockchain distributed ledger technology, robotic process automation and fintech; and
- i. identify different types of artificial intelligence and their impact on the accountancy profession and on business, including natural language processing, expert systems, machine learning and deep learning.

# Law

## MODULE AIM

To provide students with an understanding of the principles of English law.

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

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

## METHOD OF ASSESSMENT

The Law exam is 1.5 hours long. The exam consists of 50 questions worth two marks each, covering the areas of the syllabus in accordance with the weightings set out in the specification grid. The questions are presented in the form of multiple choice or multi-part multiple choice.

## SPECIFICATION GRID

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

SYLLABUS AREA	WEIGHTING
1 Introduction to legal principles	10%
2 The impact of civil law on business and professional services	30%
3 Company and insolvency law	40%
4 The impact of criminal law on business and professional services	10%
5 The impact of law in the professional context	10%

## ETHICS AND PROFESSIONAL SCEPTICISM

The consideration of ethical decision-making is intrinsic to the study of law. In this module, students will examine the impact of criminal law on business and professional services, focussing on fraud, bribery and money laundering. They will also explore the relationships and interaction between legal principles, legislation, case law, ethics and ethical codes.

## SUSTAINABILITY

Knowledge of core sustainability concepts is a requirement for the professional accountant. Students will be expected to understand the over-arching concept of sustainability and why people and planet are strategically important to business. Understanding how the ICAEW chartered accountant can contribute to and help manage sustainability risks, opportunities and regulations (particularly in terms of information flows) is fundamental to understanding the context of the ACA sustainability content.

Whilst climate is the predominant issue of our time, with this often representing a key area of risk (and opportunity) for business, students will be introduced to sustainability topics beyond climate that can also prove financially material for companies. The Law module introduces students to the importance of sustainability as it relates to the responsibilities of company directors and employers.

The following learning outcomes should be read in conjunction with the relevant sections of the technical knowledge grids at the end of this document.

## 1 INTRODUCTION TO LEGAL PRINCIPLES

Students will be able to describe and explain the key elements of English law, and recognise situations when alternatives to English law may apply.

In the assessment, students may be required to:

### ENGLISH LEGAL SYSTEM

- a. recognise the relationships and interaction between civil and criminal law, legal principles, legislation, case law, ethics and ethical codes;
- b. outline the structure of the English system of courts;
- c. explain the role of arbitration as a means of alternative dispute resolution; and

### INTERNATIONAL LAW AND REGULATIONS

- d. recognise situations when laws and regulations other than English law may be applicable to an organisation, including:
  - international regulation of trade between organisations (International Chamber of Commerce (ICC) Incoterms, the UN Convention on Contracts for the International Sale of Goods)
  - Sharia law relating to Islamic finance

## 2 THE IMPACT OF CIVIL LAW ON BUSINESS AND PROFESSIONAL SERVICES

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

In the assessment, students may be required to:

### CONTRACT

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

### AGENCY

- c. identify the role of agents, their duties and rights, and their authority to enter contracts on behalf of principal;

- d. identify the nature of a partnership and the authority given to partners;

### NEGLIGENCE AND LIABILITY

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

## 3 COMPANY AND INSOLVENCY LAW

Students will be able to understand the implications of incorporation, including the roles of shareholders and directors, and the main implications of insolvency law.

In the assessment, students may be required to:

### INCORPORATION

- a. identify the differences between unincorporated businesses (sole traderships and partnerships), limited liability partnerships and companies, show the advantages and disadvantages of incorporation and recognise the circumstances when the veil of incorporation can be lifted;
- b. identify the procedures required to form a registered company or a limited liability partnership, including any practical considerations, and the nature and contractual force of a company's memorandum and articles of association and identify the advantages and disadvantages of off-the-shelf companies;
- c. identify the administrative consequences of incorporation or the formation of a limited liability partnership including requirements regarding statutory books, accounts, meetings and the role of the company secretary;

### FINANCING AND CAPITAL

- d. identify the procedures for the issue of shares, including issues at a premium and pre-emption rights;
- e. identify the requirements of the Companies Act 2006 in respect of companies' statutory accounts and audit, including the exemptions for small and medium-sized companies and micro-entities;
- f. identify aspects of capital maintenance including:
  - reduction of capital

- redemption and purchase of a company's own shares
  - financial assistance for the purchase of a company's own shares
  - distribution of profits;
- g. identify share transfer requirements and disclosure requirements;

#### **OWNERSHIP AND MANAGEMENT**

- h. recognise how a shareholder can influence the management of a company through meetings and resolutions, including shareholders' rights to requisition a meeting;
- i. identify the various statutory rights of shareholders to challenge the management of the company under the Companies Act 2006 and the Insolvency Act 1986;
- j. identify the rights and duties which a member of a limited liability partnership possesses;
- k. identify the ways in which a director may be appointed and removed;
- l. identify directors' duties, including responsibility for maintaining sustainable business practices, explaining the consequences of any major breach;
- m. identify the powers of directors and in what circumstances they will bind the company in a contract with third parties;

#### **INSOLVENCY**

- n. identify the nature of fixed and floating charges, the rationale for the selection of a particular type of charge and the procedures for registering them;
- o. identify the nature and function of:
  - company voluntary arrangements
  - administration orders
  - receivership
  - compulsory and voluntary liquidation (including relevance of secured debt); and
- p. identify the main implications of insolvency law, including:
  - the principal means of termination of companies or other business entities
  - the priorities on a liquidation of the distribution of assets including rights of creditors and employees (including secured assets)

#### **4 THE IMPACT OF CRIMINAL LAW ON BUSINESS AND PROFESSIONAL SERVICES**

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

In the assessment, students may be required to:

- identify offences and their consequences under the anti-money laundering legislation, identify the obligations on professional accountants to detect and help prevent money laundering, and select appropriate courses of action to protect professional accountants from criminal liability;
- identify instances and consequences of bribery;
- identify instances and consequences of fraud in a given scenario, including:
  - the effect of the Fraud Act 2006
  - threats to consumers through cybercrime
  - offences created under the Computer Misuse Act 1990
  - fraudulent trading
  - insider dealing; and
- identify circumstances where accountants will be protected from dismissal and victimisation if they raise concerns about malpractice in the workplace.

#### **5 THE IMPACT OF LAW IN THE PROFESSIONAL CONTEXT**

Students will be able to identify other key areas in which the law affects the role and work of the professional accountant, and understand when relevant laws and regulations may be applicable.

In the assessment, students may be required to:

#### **INFORMATION AND ITS LEGAL ENVIRONMENT**

- identify the key requirements of the Data Protection Act 2018, on the use of personal information and how the Act can affect the manner in which information systems are used by businesses;

#### **EMPLOYMENT LAW AND SOCIAL SECURITY LAW**

- identify who is an employee and the main legal consequences of employment status;
- identify the key features of employment contracts and recognise circumstances in which an employment contract may be terminated and the consequences arising;
- identify when dismissal constitutes:

- a wrongful dismissal
  - an unfair dismissal;
- e. identify the circumstances where an employee can claim a statutory redundancy payment;
- f. identify employers' obligations under social security law;
- g. identify the responsibilities of employers under the Equality Act 2010 and sustainability regulations;

#### **HUMAN RIGHTS LAW**

- h. explain the purpose and impact of the European Convention on Human Rights and the Human Rights Act 1998; and
- i. explain the impact of the Modern Slavery Act 2015 on businesses in the UK.

# Management Information

## MODULE AIM

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

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

- calculate the costs of products and services and use them to determine sales and transfer prices;
- identify appropriate budgeting and forecasting approaches and methods and prepare budgets;
- identify key features of effective performance management systems, select and calculate appropriate performance measures, calculate differences between actual performance and standards or budgets, and identify the key features, risks and benefits of a range of approaches to management information operations; and
- identify and calculate relevant data for use in management decision making.

## METHOD OF ASSESSMENT

The Management Information exam is 1.5 hours long. 20% of the marks are allocated in one scenario-based question. This will cover a single syllabus area, either: costing and pricing; budgeting and forecasting; performance management; or management decision-making. The remaining 80% of the marks are from 32 multiple choice, multi-part multiple choice or multiple response questions. The 33 questions cover the areas of the syllabus in accordance with the weightings set out in the specification grid.

## SPECIFICATION GRID

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

SYLLABUS AREA	WEIGHTING
1 Costing and pricing; 5 Ethics	25%
2 Budgeting and forecasting	25%
3 Performance management and management information operations	25%
4 Management decision-making	25%

## ETHICS AND PROFESSIONAL SCEPTICISM

Ethics is fundamental to the sound provision of management information upon which basis sustainable business decisions can be made. This will form a backdrop to an overall culture of business trust as well as business efficiency. It is treated as ingrained across the syllabus with a weighting of marks being given within the 'Costing and Pricing' syllabus area. Students will be expected to apply professional scepticism.

## SUSTAINABILITY

Knowledge of core sustainability concepts is a requirement for the professional accountant. Students will be expected to understand the overarching concept of sustainability and why people and planet are strategically important to business. Understanding how the ICAEW chartered accountant can contribute to and help manage sustainability risks, opportunities and regulations (particularly in terms of information flows) is fundamental to understanding the context of the ACA sustainability content.

Whilst climate is the predominant issue of our time, with this often representing a key area of risk (and opportunity) for business, students will be introduced to sustainability topics beyond climate that can also prove financially material for companies eg, fair payment practices, tracking sustainability performance against targets and environmental costing.

The following learning outcomes should be read in conjunction with the relevant sections of the technical knowledge grids at the end of this document.

## 1 COSTING AND PRICING

Students will be able to calculate the costs of products and services and use them to determine sales and transfer prices.

In the assessment, students may be required to:

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

## 2 BUDGETING AND FORECASTING

Students will be able to identify appropriate budgeting and forecasting approaches and methods and prepare budgets.

In the assessment, students may be required to:

- a. recognise how forecasting techniques (including high/low, linear regression and time series analysis) help management in budgeting and forecasting and perform calculations using these techniques;
- b. identify how data analytics and artificial intelligence can be used in budgeting and forecasting;
- c. identify issues relating to the collection of data (data bias) and interpretation of data (correlation v causation; professional scepticism) for budgeting and forecasting;
- d. prepare budgets or extracts therefrom;
- e. select the most appropriate of the following budgeting approaches and methods, taking into account their advantages and disadvantages for planning, control and motivation:

- bottom-up and top-down approaches to generating and managing budgets
  - zero-based and incremental budgeting;
- f. prepare a cash budget which highlights the quantity and timing of cash surpluses and deficits;
  - g. calculate the cash (operating) cycle for a business and understand its significance;
  - h. identify the constituent elements of working capital and treasury and specify the methods by which each element can be managed to optimise working capital and cash flows taking account of sustainability issues; and
  - i. recognise how to manage the surpluses and deficits predicted in cash budgets.

## 3 PERFORMANCE MANAGEMENT AND MANAGEMENT INFORMATION OPERATIONS

Students will be able to identify key features of effective performance management systems, select and calculate appropriate performance measures, calculate differences between actual performance and standards or budgets, and identify the key features, risks and benefits of a range of approaches to management information operations.

In the assessment, students may be required to:

- a. identify the reasons for, and key features of, effective performance management systems;
- b. select and calculate appropriate financial and non-financial performance measures which effectively encourage the business as a whole to meet its objectives including those for sustainability;
- c. calculate differences between actual performance and standards or budgets in terms of price and volume effects and identify possible reasons for those differences;
- d. identify issues relating to the collection of data (data bias) and interpretation of data (professional scepticism) for performance management;
- e. identify the features of cloud accounting, including the potential for real-time monitoring, and its associated risks and benefits; and
- f. identify the features of shared service centres and their relative merits for the provision of management information.

#### **4 MANAGEMENT DECISION MAKING**

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

In the assessment, students may be required to:

- a. calculate the breakeven point, contribution and margin of safety for a given product or service;
- b. allocate scarce resource to those products or services with the highest contribution per limiting factor;
- c. calculate the net present value, internal rate of return, payback period or accounting rate of return for a given project; and
- d. identify the advantages and disadvantages of the investment appraisal techniques specified in 4(c) above and outline how sustainability issues can be incorporated into investment appraisal decisions.

#### **5 ETHICS**

In the assessment, students may be required to:

- a. identify and explain ethical issues relating to the preparation, presentation and interpretation of financial information for the management of a business.



# Principles of Taxation

## MODULE AIM

To enable students to understand the general objectives of taxation and to calculate income tax, national insurance contributions, capital gains tax, corporation tax and VAT in straightforward scenarios.

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

- explain the general objectives of taxation, the influences upon the UK system of taxation, the different types of tax in the UK;
- recognise the ethical issues arising in the course of performing tax work;
- identify the obligations the UK system of taxation imposes on taxpayers and the implications of non-compliance;
- calculate the amount of income tax owed by or owed to individuals and the amount of national insurance payable;
- calculate the amount of capital gains tax payable by individuals and the chargeable gains subject to corporation tax;
- calculate the amount of corporation tax payable by companies; and
- calculate the amount of VAT owed by or owed to businesses.

## METHOD OF ASSESSMENT

The Principles of Taxation exam is 1.5 hours long. 20% of the marks are allocated to two scenario-based questions. These will each cover a single syllabus area: income tax and NIC, and corporation tax. The remaining 80% of the marks are from 40 multiple choice, multi-part multiple choice, multiple response or numeric entry questions. These questions will cover the remaining areas of the syllabus in accordance with the weightings set out in the specification grid.

The tax tables included in the ICAEW learning materials are provided to students on-screen in the exam.

## ETHICS AND PROFESSIONAL SCEPTICISM

The importance of ethics is fundamental to professional accountants working in the area of taxation. Learning outcomes relating to ethics, integrity and professional scepticism are included within the syllabus area 'Objectives, types of tax and ethics' as shown in the table below. Students are required to identify the objectives of taxation; ethical principles, along with threats and safeguards as well as issues such as conflicts of interest, money laundering, tax avoidance and tax evasion.

## SUSTAINABILITY

Knowledge of core sustainability concepts is a requirement for the professional accountant. Students will be expected to be aware of the over-arching principle of sustainability. An appreciation of how the ICAEW chartered accountant can contribute to identifying and helping manage sustainability risks and opportunities, and work within sustainability regulations, is fundamental to understanding sustainability as it permeates the ACA qualification.

Climate change is the predominant issue of our time, and often represents a key area of risk (and opportunity) for businesses. Students will be introduced to sustainability concerns as a driver for tax policy, particularly in relation to climate change, among wider sustainability issues which influence taxation.

## SPECIFICATION GRID

This grid shows the relative weightings of subjects within this module and should guide the relative study time spent on each. In each assessment, the marks available will equate to the weightings below.

SYLLABUS AREA	WEIGHTING
1 Objectives, types of tax and ethics	10%
2 Administration of taxation	20%
3 Income tax and national insurance contributions	24%
4 Capital gains tax and chargeable gains for companies	10%
5 Corporation tax	16%
6 VAT	20%

The following learning outcomes should be read in conjunction with the relevant sections of the technical knowledge grids at the end of this document.

### 1 OBJECTIVES, TYPES OF TAX AND ETHICS

Students will be able to explain the general objectives of taxation, the influences upon the UK system of taxation, the different types of tax in the UK, and will be able to recognise the ethical issues arising in the course of performing tax work.

In the assessment, students may be required to:

- identify the objectives of digitalisation of tax;
- identify the objectives of taxation in general terms of economic, social justice and environmental issues, the range of tax opportunities open to the government and the relative advantages of different types of tax in meeting the government's objectives;
- recognise the impact of relevant external influences on UK tax objectives and policies;
- classify entities as individuals, partnerships, or companies for tax purposes and state how they are taxed;
- identify who is liable for the following taxes, how the taxes apply to income and transactions, identify the government bodies responsible for the taxes, and determine when an individual or entity comes within the scope of the taxes:
  - capital gains tax
  - corporation tax
  - income tax
  - national insurance
  - VAT;
- recognise the importance of the budget cycle, tax year and the following sources of UK tax law and practice:

- legislation
  - case law
  - HMRC manuals, statements of practice, extra-statutory concessions and press releases;
- identify the five fundamental principles given in the IESBA Code of Ethics for Professional Accountants and ICAEW Code of Ethics, and the guidance in relation to a tax practice with regard to:
    - the threats and safeguards framework
    - professional scepticism
    - ethical conflict resolution; and
  - identify the following:
    - conflicts of interest
    - money laundering
    - tax avoidance and tax evasion.

### 2 ADMINISTRATION OF TAXATION

Students will be able to identify the obligations the UK system of taxation imposes on taxpayers and the implications for taxpayers of non-compliance.

In the assessment, students may be required to:

- identify the records which companies and individuals must retain for tax purposes, the method of retention and state the periods for which the records must be retained;
- identify the key features of the PAYE and national insurance system and calculate PAYE tax codes for employees;
- identify the key features of the self-assessment system, including digital tax accounts, both companies and individuals;

- d. determine, in straightforward cases, due dates for:
  - companies', sole traders', partnerships' and individuals' tax returns, tax payments and payments on account
  - businesses' VAT returns and payments
  - employers' PAYE and national insurance returns and payments;
- e. identify and calculate the interest and penalties due for:
  - late submissions of and/or incorrect returns
  - late and/or incorrect payments of tax; and
- f. identify the periods within which HMRC can enquire into a taxpayer's returns or other information and tax liabilities and recognise the taxpayer's right of appeal and the process for dealing with disputes.

### 3 INCOME TAX AND NATIONAL INSURANCE CONTRIBUTIONS

Students will be able to calculate the amount of income tax owed by or owed to individuals and the amount of national insurance payable.

In the assessment, students may be required to:

- a. recognise the main sources of taxable and non-taxable income;
- b. calculate the personal allowance available to an individual according to personal circumstances including the marriage allowance;
- c. calculate assessable employment income for an employee or director, including taxable and exempt benefits;
- d. recognise the badges of trade;
- e. allocate given items of business expenditure as allowable or disallowable for tax purposes and calculate the adjusted trading profits after capital allowances on plant and machinery of a sole trader or partnership using both the cash basis and the accrual basis of accounting;
- f. allocate the tax adjusted profits of a partnership to each partner and calculate the tax assessable profits for each partner for any given tax year;
- g. calculate the assessable trading profits for an unincorporated business which is commencing, continuing or ceasing to trade;

- h. calculate total taxable income and the income tax payable or repayable for individuals; and
- i. calculate the total national insurance contributions payable by employees, employers and self-employed individuals.

### 4 CAPITAL GAINS TAX AND CHARGEABLE GAINS FOR COMPANIES

Students will be able to calculate the amount of capital gains tax payable by individuals and the chargeable gains subject to corporation tax.

In the assessment, students may be required to:

- a. classify persons, assets and disposals as either chargeable or exempt for capital gains purposes;
- b. calculate the chargeable gains and losses on the disposal of assets;
- c. calculate total taxable gains for both individuals and companies; and
- d. calculate the capital gains tax payable by individuals.

### 5 CORPORATION TAX

Students will be able to calculate the amount of corporation tax payable by companies.

In the assessment, students may be required to:

- a. identify accounting periods for a company;
- b. recognise the interaction of having one or more related 51% group companies with corporation tax payment dates;
- c. allocate given items of business expenditure as allowable or disallowable for tax purposes and calculate the adjusted trading profits after capital allowances on plant and machinery; and
- d. calculate the taxable total profits and the corporation tax payable for a company resident in the UK which has a period of account of 12 months or less.

### 6 VAT

Students will be able to calculate the amount of VAT owed by or owed to businesses.

In the assessment, students may be required to:

- a. classify supplies in given straightforward situations as exempt, zero-rated, standard-rated, subject to a reduced rate of 5%, or outside the scope of VAT;

- b. recognise the implications of supplies being classified as reduced-rated, standard-rated, zero-rated or exempt;
- c. identify when a business could or should register or deregister for VAT and state the time limits;
- d. determine the tax point for a supply of goods or services;
- e. state the principles of VAT payable or repayable on the supply of goods or services by a taxable person and calculate the monthly, quarterly or annual VAT payable or repayable by a business; and
- f. state the alternative schemes for payment of VAT by businesses and calculate the VAT payable or repayable for a business using these.

# Technical knowledge

The tables contained in this section show the technical knowledge in the disciplines of financial reporting, audit and assurance, business analysis, ethics and taxation covered in the ACA syllabus by module.

For each individual standard the level of knowledge required in the relevant Certificate and Professional Level module and at the Advanced Level is shown.

The knowledge levels are defined as follows:

## **LEVEL D**

An awareness of the scope of the standard.

## **LEVEL C**

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

## **LEVEL B**

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

## **LEVEL A**

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

## **KEY TO OTHER SYMBOLS:**

→ The knowledge level reached is assumed to be continued

# Assurance and Audit

TOPIC	ASSURANCE	AUDIT AND ASSURANCE	ADVANCED LEVEL
The International Auditing and Assurance Standards Board		D	C
The Authority Attaching to Standards Issued by the International Auditing and Assurance Standards Board		C	A
The Authority Attaching to Practice Statements Issued by the International Auditing and Assurance Standards Board			A
FRC Scope and Authority of Audit and Assurance Pronouncements (March 2023)	B	A	→
Discussion Papers			C
Working Procedures			C
<b>International Standards on Quality Management (ISQMs) (UK)</b>			
Quality Management For Firms That Perform Audits Or Reviews Of Financial Statements, Or Other Assurance Or Related Services Engagements (Updated March 2023)		C	B
Engagement Quality Reviews (Updated March 2023)		C	B
<b>International Standards on Auditing (UK)</b>			
200 (Revised June 2016) (Updated May 2022) <i>Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with International Standards on Auditing (UK)</i>	B	A	→
210 (Revised June 2016) (Updated May 2022) <i>Agreeing the Terms of Audit Engagements</i>		B	→
220 (Revised July 2021) <i>Quality Management for an Audit of Financial Statements</i>		B	→
230 (Revised June 2016) (Updated May 2022) <i>Audit Documentation</i>	C	B	A
240 (Revised May 2021) (Updated May 2022) <i>The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements</i>	C	B	A
250 Section A (Revised November 2019) (Updated May 2022) <i>Consideration of Laws and Regulations in an Audit of Financial Statements</i>		B	A
250 Section B (Revised November 2019) <i>The Auditor's Statutory Right and Duty to Report to Regulators of Public Interest Entities and Regulators of Other Entities in the Financial Sector</i>			C
260 (Revised November 2019) (Updated May 2022) <i>Communication with Those Charged with Governance</i>		B	A
265 (Updated May 2022) <i>Communicating Deficiencies in Internal Control to Those Charged with Governance and Management</i>		B	A
300 (Revised June 2016) (Updated May 2022) <i>Planning an Audit of Financial Statements</i>	B	A	→
315 (Revised July 2020) <i>Identifying and Assessing the Risks of Material Misstatement</i>	B	A	→
320 (Revised June 2016) (Updated May 2022) <i>Materiality in Planning and Performing an Audit</i>	C	A	→
330 (Revised July 2017) (Updated May 2022) <i>The Auditor's Responses to Assessed Risks</i>	C	B	A
402 (Updated May 2022) <i>Audit Considerations Relating to an Entity Using a Service Organization</i>		C	B
450 (Revised June 2016) (Updated May 2022) <i>Evaluation of Misstatements Identified During the Audit</i>	C	A	
500 (Updated May 2022) <i>Audit Evidence</i>	B	A	→
501 (Updated May 2022) <i>Audit Evidence - Specific Considerations for Selected Items</i>		B	A
505 (Updated October 2023) <i>External Confirmations</i>	B	B	A
510 (Revised June 2016) <i>Initial Audit Engagements - Opening Balances</i>	C	B	A
520 (Updated May 2022) <i>Analytical Procedures</i>	B	A	A

TOPIC	ASSURANCE	AUDIT AND ASSURANCE	ADVANCED LEVEL
530 (Updated May 2022) <i>Audit Sampling</i>	B	B	A
540 (Revised December 2018) (Updated May 2022) <i>Auditing Accounting Estimates, and Related Disclosures</i>	C	B	A
550 (Updated May 2022) <i>Related Parties</i>	C	B	A
560 <i>Subsequent Events</i>		B	A
570 (Revised September 2019) (Updated May 2022) <i>Going Concern</i>		A	→
580 (Updated May 2022) <i>Written Representations</i>	C	B	A
600 (Revised September 2022) <i>Special Considerations - Audits of Group Financial Statements (including the Work of Component Auditors)</i>		C	A
610 (Revised June 2013) (Updated May 2022) <i>Using the Work of Internal Auditors</i>	C	B	A
620 (Revised November 2019) (Updated May 2022) <i>Using the Work of an Auditor's Expert</i>		B	A
700 (Revised November 2019) (Updated May 2022) <i>Forming an Opinion and Reporting on Financial Statements</i>	B	A	→
701 (Revised November 2019) (Updated May 2022) <i>Communicating Key Audit Matters in the Independent Auditor's Report</i>		B	A
705 (Revised June 2016) <i>Modifications to the Opinion in the Independent Auditor's Report</i>		A	→
706 (Revised June 2016) <i>Emphasis of Matter Paragraphs and Other Matter Paragraphs in the Independent Auditor's Report</i>		A	→
710 <i>Comparative Information - Corresponding Figures and Comparative Financial Statements</i>		B	A
720 (Revised November 2019) (Updated May 2022) <i>The Auditor's Responsibility Relating to Other Information</i>		B	A
800 (Revised) <i>Special Considerations - Audits of Financial Statements prepared in Accordance with Special Purpose Frameworks</i>		C	A
805 (Revised) <i>Special Considerations - Audits of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement</i>		C	A
<b>International Standards on Assurance Engagements (ISAEs) (UK)</b>			
3000 (July 2020) <i>Assurance Engagements Other Than Audits Or Reviews Of Historical Financial Information</i>		C	B
<b>International Standards on Auditing</b>			
810 (Revised) <i>Engagements to Report on Summary Financial Statements</i>			B
<b>International Auditing Practice Note (IAPN)</b>			
1000 <i>Special Considerations in Auditing Financial Instruments</i>			B
<b>International Standards on Review Engagements (ISREs)</b>			
2400 (Revised) <i>Engagements to Review Historical Financial Statements</i>		C	B
<b>International Standards on Review Engagements (UK)</b>			
2410 (Revised May 2021) <i>Review of Interim Financial Information Performed by the Independent Auditor of the Entity</i>		C	B
<b>International Standards on Assurance Engagements (ISAEs)</b>			
3400 <i>The Examination of Prospective Financial Information</i>		C	A
3402 <i>Assurance Reports on Controls at a Service Organisation</i>		C	B
3410 <i>Assurance Engagements on Greenhouse Gas Statements</i>		C	→
<b>International Standards on Related Services (ISRSs)</b>			
4400 <i>Agreed-upon Procedures Engagements (Revised)</i>			B
4410 <i>Compilation Engagements (Revised)</i>			B
<b>Other Guidance</b>			
Bulletin (August 2021): <i>Illustrative Auditor's Reports on UK Private Sector Financial Statements</i>		B	B

# Business and Finance

TOPIC	CERTIFICATE AND PROFESSIONAL LEVELS				ADVANCED LEVEL
	MANAGEMENT INFORMATION	BUSINESS, TECHNOLOGY AND FINANCE	FINANCIAL MANAGEMENT	BUSINESS STRATEGY AND TECHNOLOGY	
<b>STRATEGIC ANALYSIS</b>					
<b>Industry and market analysis tools</b>					
PESTEL analysis		C		A	→
Porter's five forces		C		A	→
Product life cycle		C		A	→
Boston consulting group matrix		C		A	→
Prices and markets		C		A	→
Competitor analysis		C		A	→
<b>Positional and other analysis tools</b>					
Resource audit		C		A	→
Resource-based strategy		C		A	→
Value chain analysis		C		A	→
SWOT analysis		C		A	→
Gap analysis		C		A	→
Marketing analysis		C		A	→
Competitive advantage		C		A	→
Benchmarking		C		A	→
Directional policy matrix					B
Business process analysis				B	A
Strategic risk analysis				A	→
Balanced scorecard		C		A	→
<b>STRATEGIC CHOICE</b>					
Strategy formulation, evaluation and choice		C		A	→
Business risk management		C		A	→
Financial analysis and data analysis				A	→
Stakeholder analysis		C		A	→
Objectives and stakeholders' preferences		C		A	→
<b>STRATEGIC IMPLEMENTATION</b>					
Business plans		C		A	→
Organisational structure		C		A	→
Information management		C		B	A
Change management				A	→
Project management					A
<b>BUSINESS MANAGEMENT</b>					
Performance management				C	A
Strategic marketing and brand management				B	A
Corporate governance		C		B	A
Information strategy				B	A
Human resource management		C		B	A



TOPIC	CERTIFICATE AND PROFESSIONAL LEVELS				ADVANCED LEVEL
	MANAGEMENT INFORMATION	BUSINESS, TECHNOLOGY AND FINANCE	FINANCIAL MANAGEMENT	BUSINESS STRATEGY AND TECHNOLOGY	

## COST ANALYSIS FOR DECISION MAKING

### Costing

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

### Pricing

Pricing decisions	B			A	→
Transfer pricing	B			A	→

### Decision making techniques

Expected values				B	A
Relevant cash flows				B	A
Sensitivity analysis				B	A

## BUSINESS AND SHAREHOLDER VALUE

### Valuation Techniques

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

### Shareholder value

Value based management (VBM)					B
Value drivers			B		A
Shareholder value analysis (SVA)			B		A
Short and long term growth rates and terminal values					A
Economic profit					A
Cash flow return on investment (CFROI)					A
Total shareholder return (TSR)					A
Market value added (MVA)					A

## INVESTMENT APPRAISAL AND RISK ANALYSIS

### Project appraisal

NPV	B		A		→
IRR	B		A		→
MIRR					A
Payback	B		A		→
Relevant cash flows			A		→
Tax and inflation			A		→
Replacement analysis			A		→
Capital rationing			A		→
Adjusted present value (APV)			A		→

TOPIC	CERTIFICATE AND PROFESSIONAL LEVELS				ADVANCED LEVEL
	MANAGEMENT INFORMATION	BUSINESS, TECHNOLOGY AND FINANCE	FINANCIAL MANAGEMENT	BUSINESS STRATEGY AND TECHNOLOGY	

### Assessing risk

Project appraisal and risk			B		A
Expected values		C	B		A
Scenario planning					A
Gap analysis				B	→
Continuous vs event risk				B	→

### FINANCIAL ANALYSIS

#### Cost of capital

Cost of equity			B		A
Cost of debt			B		A
Cost of preference shares			B		A
Cost of bank loans			B		A
Weighted average cost of capital (WACC)			B		A
Effective interest rates					A
Splitting convertibles into equity and debt elements					A
Equity instruments					A

#### Portfolio theory and CAPM

Portfolio theory			B		A
CAPM			B		A
Asset pricing models					B
CAPM and cost of capital			B		A
International cost of capital					A

#### Bonds and fixed interest securities

Bond pricing			B		A
Yields to maturity			B		A
Duration and price volatility					A
Convexity					A
Term structure of interest rates					A
Corporate borrowing and default risk					A

#### Data analytics

Spreadsheet functions (per published list)			A	A	A
Sensitivity analysis			B	B	A
Scenario analysis			B	B	A
Data distributions		C	B	B	A
Data bias		B	A	A	A
Data visualisation		C		B	B

#### Quantitative methods

Standard deviation		C	C	C	B
Co-efficient of variation		C	C	C	B
Probabilities			B	B	A
Correlation			C	C	B
Z-score					B
Confidence intervals					B

TOPIC	CERTIFICATE AND PROFESSIONAL LEVELS				ADVANCED LEVEL
	MANAGEMENT INFORMATION	BUSINESS, TECHNOLOGY AND FINANCE	FINANCIAL MANAGEMENT	BUSINESS STRATEGY AND TECHNOLOGY	

### SOURCES OF FINANCE AND FINANCING ARRANGEMENTS

Short, medium and long term sources of finance		C			A
Green finance		C	B		A
Loan agreement conditions (warranties; covenants; guarantees)			B		A
Raising capital		C			A
Gearing and capital structure			A		→
Loan agreements and covenants			A		→
Dividend policy			A		→
Financing reconstructions (eg, group reconstruction, spin off, purchase of own shares, use of distributable profits)			B		A
Treasury and working capital management	C				A
Small and medium company financing					B
History of finance					C

### FINANCIAL ENGINEERING

#### Futures, options and swaps

Options			B		A
Interest rate futures			B		A
Interest rate options			B		A
Interest forward rate agreements (FRAs)			B		A
Interest rate swaps			B		A
Commodity derivatives					A
Hedging			B		A

#### Foreign exchange

Currency forward contracts			B		A
Currency money market cover			B		A
Currency options			B		A
Currency swaps			B		A
Managing currency risk			B		A
Determinants of foreign exchange rates			B		A

#### Option value

Valuing call and put options			C		B
Black Scholes option pricing model					B
Binomial option pricing model					B
Real options			C		B

### SUSTAINABILITY IN BUSINESS AND FINANCE

Types of sustainability (environmental, social, economic)	C	C	C	A	A
ESG	C	C	B	A	A
Corporate responsibility, sustainability and climate change		C		B	A
Green finance		C	B		A

TOPIC	CERTIFICATE AND PROFESSIONAL LEVELS				ADVANCED LEVEL
	MANAGEMENT INFORMATION	BUSINESS, TECHNOLOGY AND FINANCE	FINANCIAL MANAGEMENT	BUSINESS STRATEGY AND TECHNOLOGY	
Measurement and metrics in sustainability	C			B	A
Reporting on sustainability (mandatory and non-mandatory)					A
Risk management and sustainability			C		A
Regulation of sustainability					B
Sustainability and ethics			B	B	A

# Ethics Codes and Standards

ETHICS CODES AND STANDARDS	LEVEL	MODULES
<p>IESBA International Code of Ethics for Professional Accountants (Revised September 2023) (parts 1, 2 and 3 and Glossary)</p> <p><b>ICAEW Code of Ethics (effective from 1 January 2020)</b></p>	<b>Certificate Level</b>	
	C/D	Accounting
	B	Assurance
	C/D	Business, Technology and Finance
	D	Law
	C	Management Information
	C	Principles of Taxation
	<b>Professional Level</b>	
	A	Audit and Assurance
	B	Business Strategy and Technology
	B	Financial Accounting and Reporting
	B/C	Financial Management
	B	Tax Compliance
	B	Business Planning
	<b>Advanced Level</b>	
	A	Corporate Reporting
	A	Strategic Business Management
A	Case Study	
<p><b>FRC Revised Ethical Standard (December 2019) and Erratum (January 2020) and Glossary of Terms - Ethics and Auditing (Updated December 2019)</b></p>	B	Assurance
	A	Audit and Assurance
	<b>Advanced Level</b>	
	A	Corporate Reporting
	A	Strategic Business Management
	A	Case Study

# Financial Reporting - IFRS

TOPIC	CERTIFICATE AND PROFESSIONAL LEVEL		ADVANCED LEVEL
	ACCOUNTING	FINANCIAL ACCOUNTING AND REPORTING	CORPORATE REPORTING
Preface to International Financial Reporting Standards		A	A
Conceptual Framework for Financial Reporting	B	A	A
IAS 1, <i>Presentation of Financial Statements</i>	A	A	A
IAS 2, <i>Inventories</i>	B	A	A
IAS 7, <i>Statement of Cash Flows</i>	B	A	A
IAS 8, <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>	B	B	A
IAS 10, <i>Events after the Reporting Period</i>		A	A
IAS 12, <i>Income Taxes</i>		C	A
IAS 16, <i>Property, Plant and Equipment</i>	B	A	A
IAS 19, <i>Employee Benefits</i>		-	A
IAS 20, <i>Accounting for Government Grants and Disclosure of Government Assistance</i>		A	A
IAS 21, <i>The Effects of Changes in Foreign Exchange Rates</i>		C	A
IAS 23, <i>Borrowing Costs</i>		A	A
IAS 24, <i>Related Party Disclosures</i>		B	A
IAS 26, <i>Accounting and Reporting by Retirement Benefit Plans</i>		-	D
IAS 27, <i>Separate Financial Statements</i>		B	A
IAS 28, <i>Investments in Associates and Joint Ventures</i>		B	A
IAS 29, <i>Financial Reporting in Hyperinflationary Economics</i>		-	D
IAS 32, <i>Financial Instruments: Presentation</i>		B	A
IAS 33, <i>Earnings Per Share</i>		C	A
IAS 34, <i>Interim Financial Reporting</i>		-	A
IAS 36, <i>Impairment of Assets</i>	C	B	A
IAS 37, <i>Provisions, Contingent Liabilities and Contingent Assets</i>	C	A	A
IAS 38, <i>Intangible Assets</i>	C	A	A
IAS 39, <i>Financial Instruments: Recognition and Measurement (Hedging only)</i> (Note 1)		-	A
IAS 40, <i>Investment Property</i> (Note 1)		-	A
IAS 41, <i>Agriculture</i>		-	D
IFRS 1, <i>First-time Adoption of IFRS</i>		-	C
IFRS 2, <i>Share-based Payment</i>		-	A
IFRS 3, <i>Business Combinations</i>		B	A
IFRS 4, <i>Insurance Contracts</i> (Note 1)		-	D
IFRS 5, <i>Non-current Assets Held for Sale and Discontinued Operations</i>		B	A
IFRS 6, <i>Exploration for and Evaluation of Mineral Resources</i>		-	D
IFRS 7, <i>Financial Instruments: Disclosures</i>		C	A
IFRS 8, <i>Operating Segments</i>		-	A
IFRS 9, <i>Financial Instruments</i> (Note 1)		C	A
IFRS 10, <i>Consolidated Financial Statements</i>		B	A
IFRS 11, <i>Joint Arrangements</i>		B	A
IFRS 12, <i>Disclosure of Interests in Other Entities</i>		B	A
IFRS 13, <i>Fair Value Measurement</i>		C	A
IFRS 14, <i>Regulatory Deferral Accounts</i>		-	C

TOPIC	CERTIFICATE AND PROFESSIONAL LEVEL		ADVANCED LEVEL
	ACCOUNTING	FINANCIAL ACCOUNTING AND REPORTING	CORPORATE REPORTING
IFRS 15, <i>Revenue from Contracts with Customers</i>	C	B	A
IFRS 16, <i>Leases</i>	D	B	A
IFRS 17, <i>Insurance Contracts</i> (Note 1)		-	C
IFRS for SMEs		-	A
IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information	D	C	A
IFRS S2 Climate-related Disclosures	D	C	A

**Note 1:** Business Planning Banking and Business Planning: Insurance cover IAS 39 and IFRS 9 in more detail than in the Financial Accounting and Reporting syllabus at Professional Level. Business Planning: Insurance also covers IFRS 4, IFRS 17 and IAS 40 which are not part of the Financial Accounting and Reporting syllabus at Professional Level.

# Taxation

TOPIC	CERTIFICATE AND PROFESSIONAL LEVEL		
	PRINCIPLES OF TAXATION	TAX COMPLIANCE	BUSINESS PLANNING: TAXATION
<b>LEGAL AND ETHICAL FRAMEWORK</b>			
Anti-money laundering and counter terrorist financing guidance	C	B	A
Base erosion and profit-shifting (BEPS) project			C
Devolution of taxes		C	C
Disclosure of tax avoidance schemes (DOTAS)			A
General anti-abuse rule (GAAR)		C	A
HMRC	B	→	→
Objectives of taxation	C	→	→
Professional Conduct in Relation to Taxation (PCRT)		B	B
Tax planning, evasion and avoidance	C	B	A
<b>ADMINISTRATION</b>			
Administration	B	A	→
Appeals	C	→	→
Apprenticeship levy		B	→
Digital accounts and digital record keeping	B	→	→
PAYE/NIC	B	A	→
Payments	B	A	→
Penalties and interest	B	→	→
Self-assessment	B	A	→
<b>CAPITAL GAINS TAX</b>			
Chargeable gains			
Annual exempt amount	B	A	→
Capital gains tax for trusts			C
Chargeable assets	C	B	→
Chargeable disposals	C	B	→
Chargeable persons	C	B	→
Chattels: wasting and non-wasting	B	→	→
Connected persons		A	→
Converted trading losses		B	→
Costs of acquisition and disposal	C	B	→
Nil gain/nil loss transfers		A	→
Part disposals		B	→
Qualifying corporate bonds		B	→
Rate of tax	B	A	→
Relief for capital losses		A	A
Reorganisations and reconstructions			A
Shares and securities (including bonus and rights issues)		B	→
<b>Chargeable gains reliefs</b>			
Business asset disposal relief		B	A
Gift relief		B	A
Incorporation relief			A
Investors' relief		B	A



TOPIC	CERTIFICATE AND PROFESSIONAL LEVEL		
	PRINCIPLES OF TAXATION	TAX COMPLIANCE	BUSINESS PLANNING: TAXATION
Letting relief		A	→
Private residence relief		A	B
Reinvestment relief under EIS/SEIS			B
Roll-over relief		B	A
<b>Overseas aspects of capital gains tax</b>			
Arising basis		B	A
Deemed domicile		B	A
Domicile		B	A
Double tax relief		A	→
Gains on foreign assets		B	A
Remittance basis		B	A
Residence		C	A
Temporary absence			A
UK taxation of non-domiciled individuals		B	A
<b>INCOME TAX</b>			
<b>Trading profits</b>			
Adjustments to profits	B	A	→
Badges of trade	B	A	→
Capital allowances	B	A	→
Cash basis of accounting	B	A	→
Foreign currency transactions			A
Pension contributions		A	→
Pre-trading expenditure		A	→
Patent royalties			B
<b>Unincorporated businesses</b>			
Basis of assessment	B	A	→
Partnerships	B	A	→
Trading losses		A	→
Treatment of terminal losses		A	→
<b>Employment income</b>			
Allowable deductions against employment income		A	→
Employment income	B	A	→
Share schemes			A
Statutory Mileage Rates Scheme		A	→
Taxable and exempt benefits	B	A	→
Termination payments			B
Other income/expenditure			
Dividends from UK companies	B	A	→
Enterprise Investment Scheme			B
Investment income	B	A	→
ISAs	B	→	→
Miscellaneous income		A	→
Property income	C	B	A
Savings income	B	A	→
Seed Enterprise Investment Scheme			B
Venture Capital Trusts			B

TOPIC	CERTIFICATE AND PROFESSIONAL LEVEL		
	PRINCIPLES OF TAXATION	TAX COMPLIANCE	BUSINESS PLANNING: TAXATION
<b>Overseas aspects of income tax</b>			
Arising basis		B	A
Deemed domicile		B	A
Domicile		B	A
Double tax relief		A	→
Income on foreign assets and income from foreign employment		B	A
Remittance basis		B	A
Residence		B	A
UK taxation of non-domiciled individuals		B	A
<b>Income tax computation</b>			
Exempt income	B	A	→
Gifts of assets and cash to charity	B	A	→
Income tax liability and income tax payable	B	A	→
Income tax charge on child benefit		B	→
Independent taxation and jointly owned assets		B	A
Income tax for trusts			C
Limit on income tax reliefs		A	→
Marriage allowance	B	A	→
Pension contributions - provisions for retirement		B	A
Pension contributions - tax reliefs		B	A
Personal allowances	B	A	→
Qualifying interest payments		B	→
Rates of taxation	B	A	→
Taxable persons	C	A	→
<b>INHERITANCE TAX</b>			
<b>Fundamental principles of inheritance tax</b>			
Chargeable persons		A	→
Chargeable property		A	→
Excluded property		B	→
Inter-spouse transfers		A	→
Rates of taxation		A	→
Related property		B	→
Seven-year accumulation period		A	→
Transfers of value		A	→
Trusts		C	→
Valuation		A	→
Inheritance tax on lifetime transfers			
Relevant property trusts		A	→
Potentially exempt transfers		A	→
<b>Inheritance tax on death</b>			
Death estate		A	→
Deeds of variation			B
Lifetime transfers		A	→
<b>Overseas aspects of inheritance tax</b>			
Deemed domicile		C	A
Domicile		C	A

TOPIC	CERTIFICATE AND PROFESSIONAL LEVEL		
	PRINCIPLES OF TAXATION	TAX COMPLIANCE	BUSINESS PLANNING: TAXATION
Double tax relief		A	→
Lex-situs rules		A	→
<b>Reliefs and exemptions from inheritance tax</b>			
Annual exemption		A	→
Business property relief		B	A
Fall in value relief		A	→
Gifts to charities and political parties		A	→
Gifts with reservation of benefit			A
<b>Pre-owned assets tax charge</b>			A
Inter-spouse transfers		A	→
Marriage/civil partnership exemption		A	→
Normal expenditure out of income		A	→
Quick succession relief		B	→
Small gifts exemption		A	→
Taper relief		A	→
<b>NATIONAL INSURANCE CONTRIBUTIONS</b>			
Class 1			
- calculation	A	→	→
- directors		B	→
- earnings	C	B	→
- employment allowance	A	→	→
Class 1A			
- calculation	A	→	→
- earnings	C	B	→
Class 1B		B	→
Class 4			
- calculation	A	→	→
- earnings	C	B	→
Maximum contributions		C	→
<b>CORPORATION TAX</b>			
<b>Chargeable gains</b>			
Chargeable assets	C	B	→
Chargeable disposals	C	B	→
Chargeable persons	C	B	→
Chattels: wasting and non-wasting	B	→	→
Costs of acquisition and disposal	C	B	→
Indexation		A	→
Leases			A
Nil gain/nil loss transfers		A	→
Part disposals		B	→
Purchase of own shares			A
Qualifying corporate bonds		B	→
Relief for capital losses		A	→
Reorganisations and reconstructions			A
Rollover relief		B	A

TOPIC	CERTIFICATE AND PROFESSIONAL LEVEL		
	PRINCIPLES OF TAXATION	TAX COMPLIANCE	BUSINESS PLANNING: TAXATION
Shares and securities (including bonus and rights issues)		B	→
Substantial shareholding exemption		C	A
<b>Trading profits</b>			
Adjustments to profits	B	A	→
Badges of trade	B	A	→
Capital allowances - plant and machinery	B	A	→
Capital allowances - structures and buildings		A	→
Foreign currency transactions			A
Long periods of account	C	A	→
Pension contributions		B	→
Patent royalties			B
<b>Taxable total profits</b>			
Chargeable gains	B	A	→
Intangible fixed assets		-	B
Loan relationships	B	B	A
Loan relationships - corporate interest restriction			A
Miscellaneous income	B	A	→
Property income (excluding lease premiums)		B	A
Qualifying donations	B	A	→
Research and development expenditure		A	→
Trading losses - post April 2017		B	A
Trading profits	B	A	→
Use of deficit on non-trading loan relationships - post April 2017		B	A
<b>Corporation tax computation</b>			
Accounting periods	C	B	A
Close companies			A
Corporation tax liability	B	A	→
Distributions		B	→
Diverted profits tax			B
Double tax relief (including underlying tax and withholding tax)		B	→
Liquidation			A
Provision of services through a company			A
Rates of taxation	B	A	→
Residence	C	B	→
Tax treaties and the OECD Model Tax Convention			C
<b>Groups</b>			
Capital gains groups		B	A
Change in group structure			A
Change in ownership			A
Consortium relief			B
Controlled foreign companies			A
Degrouping charges		B	A
Group loss relief		B	A
Group relationships		A	→
Non-coterminous accounting periods			A

TOPIC	CERTIFICATE AND PROFESSIONAL LEVEL		
	PRINCIPLES OF TAXATION	TAX COMPLIANCE	BUSINESS PLANNING: TAXATION
Overseas companies and branches			B
Pre-acquisition gains and losses			A
Related 51% group companies		B	A
Roll-over relief		B	A
Transfer of assets		B	A
Transfer pricing			A

#### STAMP TAXES

Basic principles		B	→
Chargeable occasions		B	→
Exemptions		B	→
Stamp taxes for groups		B	→
Annual tax on enveloped dwellings (ATED)			C

#### VAT

Capitals goods scheme		B	→
Classification of supplies		B	→
Distinction between goods and services		C	→
Overseas aspects		A	→
Group aspects		A	→
Input VAT	A	→	→
Output VAT	A	→	→
Partial exemption		B	→
Payments	A	→	→
Penalties and interest	A	→	→
Property transactions		B	A
Registration and deregistration	A	→	→
Single and multiple supplies		B	→
Small business reliefs	A	→	→
Taxable person	A	→	→
Taxable supplies	A	→	→
Transfer of a business as a going concern			A
VAT records, accounts and digital reporting	A	→	→