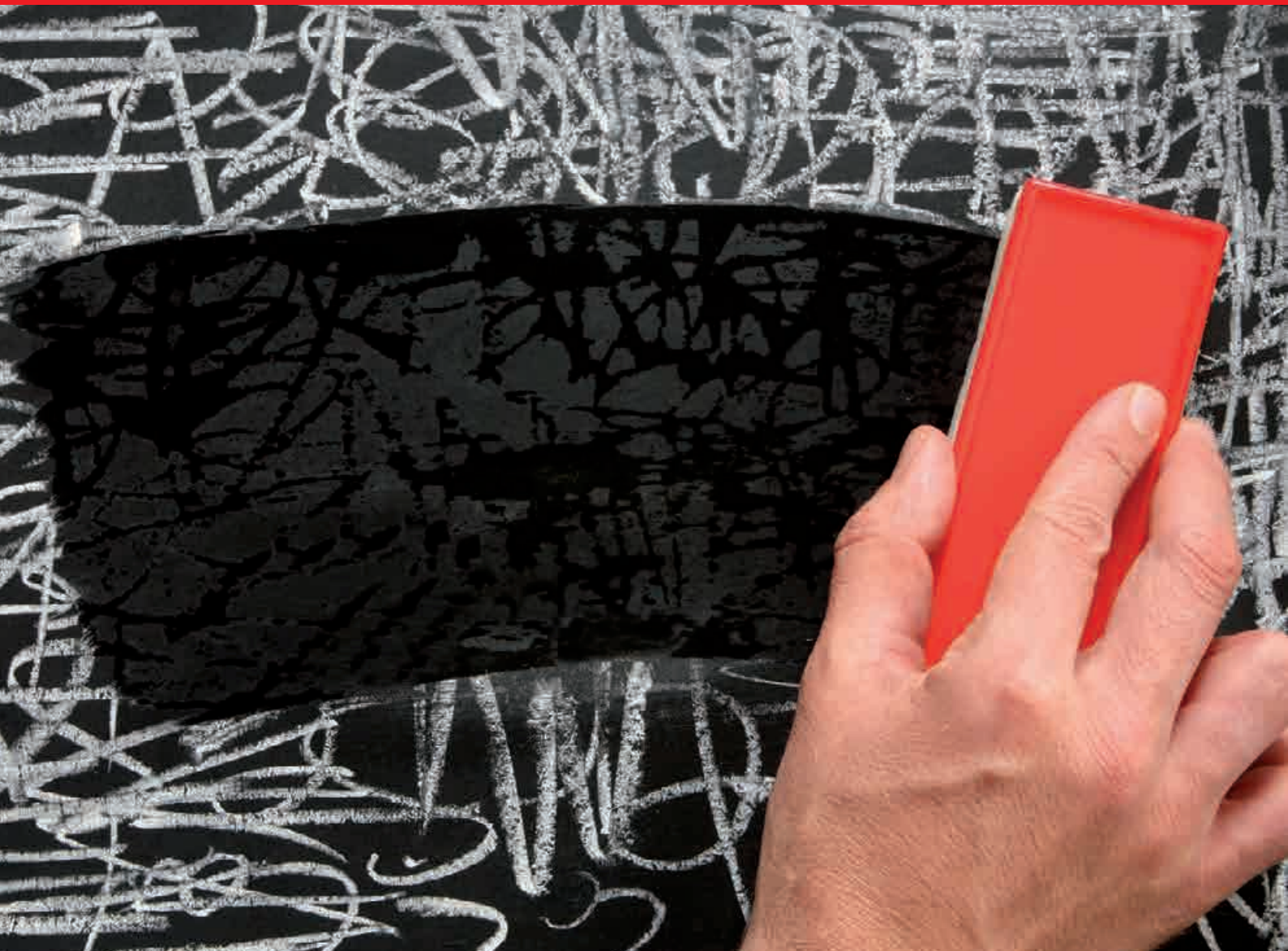




# CERTIFICATE IN FINANCE, ACCOUNTING AND BUSINESS

GUIDANCE FOR TUITION PROVIDERS 2012



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# WHAT IS THE CERTIFICATE IN FINANCE, ACCOUNTING AND BUSINESS?

The Certificate in Finance, Accounting and Business (CFAB) is awarded by ICAEW and helps individuals to develop essential knowledge for today's business environment.

CFAB is open to all; from school leavers and graduates through to employees with a number of years' experience in the work place. No formal academic qualifications or work experience are required to register and begin studies. CFAB is suitable for anyone who is working in a finance or business environment who needs a general knowledge of the principles of finance, accounting and business.

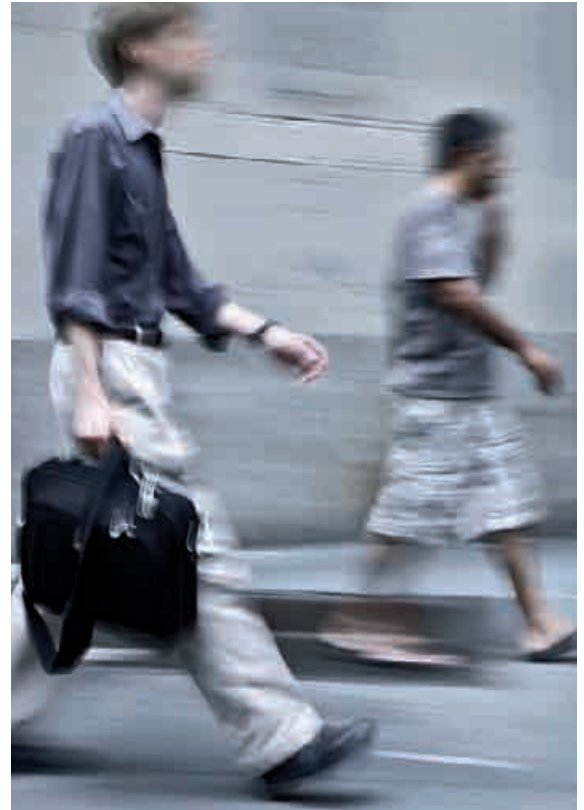
Students must pass six computer-based assessments (e-assessments) in the subjects of Accounting, Assurance, Business and Finance, Law, Management Information, and Principles of Taxation. The assessment structure is very flexible – students can learn at their own pace and take assessments at any time of the year. Students may also be eligible for credit for prior learning against one or more CFAB modules (see page 8 for further details).

CFAB students receive complimentary e-membership to one of our world-class faculties in the first year of study. The faculties offer their members expert and unbiased information relating to their area of technical expertise.

## REGISTERING AS A CFAB STUDENT

To be able to sit the e-assessments, students must first register online with ICAEW at [icaew.com/cfab](http://icaew.com/cfab).

Registration costs a one-off fee of £165<sup>1</sup>. This includes a year's faculty e-membership and access to other ICAEW services, including the business library. On registration, we will give students an ICAEW student number and website login so that they can book assessments and access results.



<sup>1</sup> For registrations received in 2012

# ASSESSMENT SUBJECTS

<b>Business and Finance</b>	<b>Management Information</b>	<b>Accounting</b>	<b>Law</b>	<b>Assurance</b>	<b>Principles of Taxation</b>
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The six modules of CFAB are also the first six subjects of the ACA qualification. The aims of each module are as follows:

## SIX MODULES

<b>Accounting</b>	The Accounting module ensures 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.
<b>Assurance</b>	The Assurance module develops an understanding of the assurance process and fundamental principles of ethics, the ability to contribute to the assessment of internal controls and gathering of evidence on an assurance engagement.
<b>Business and Finance</b>	Students who complete the Business and Finance module will have an understanding of how businesses operate, and how accounting and finance functions support businesses in achieving their objectives.
<b>Law</b>	The Law module gives students an understanding of the key principles of law which are relevant to a business environment.
<b>Management Information</b>	After completing the Management Information module students will be able to prepare essential financial information for the management of a business.
<b>Principles of Taxation</b>	The Principles of Taxation module develops an understanding of the general objectives of tax, and the skills to calculate income tax, national insurance contributions, capital gains tax, corporation tax and VAT in straightforward scenarios.

The syllabus, assessments and learning materials for each subject are reviewed and updated on a calendar year basis. The 2012 syllabus applies to all assessments from 1 January 2012 to 31 December 2012. The following page sets out the learning outcomes that students are expected to demonstrate in each assessment. For the full syllabus for each module, please see Appendix A.

# ASSESSMENT SUBJECTS CONTINUED...

## LEARNING OUTCOMES

<p><b>Accounting</b></p>	<ul style="list-style-type: none"> <li>• Be proficient in the use of double entry accounting techniques and the maintenance of accounting records.</li> <li>• Be able to identify and correct omissions and errors in accounting records and financial statements.</li> <li>• Be able to specify the components of financial statements and prepare and present non-complex accounts for sole traders, partnerships and limited companies.</li> </ul>
<p><b>Assurance</b></p>	<ul style="list-style-type: none"> <li>• Explain the concept of assurance why assurance is required and the reasons for assurance engagements being carried out by appropriately qualified professionals.</li> <li>• Explain the nature of internal controls and why they are important, document an organisation's internal controls and identify weaknesses in internal control systems.</li> <li>• Select sufficient and appropriate methods of obtaining assurance evidence and recognise when conclusions can be drawn from the evidence obtained or where issues need to be referred to a senior colleague.</li> <li>• Understand the importance of ethical behaviour to a professional and explain issues relating to integrity, objectivity, conflicts of interest, conflicts of loyalty, confidentiality and independence.</li> </ul>
<p><b>Business and Finance</b></p>	<ul style="list-style-type: none"> <li>• Identify the general objectives of businesses and the functions and tasks that businesses perform in order to meet these objectives.</li> <li>• Specify the nature, characteristics, advantages and disadvantages of different forms of business and organisational structure.</li> <li>• Identify the purpose of financial information produced by businesses, specify how accounting and finance functions support business operations, and identify sources and methods of finance for businesses and individuals.</li> <li>• Specify the role of the accountancy profession and why the work of the profession is important.</li> <li>• Identify the role that governance plays in the management of a business and specify how a business can promote governance, sustainability, corporate responsibility and an ethical culture.</li> <li>• Specify the impact on a business of the economic environment in which it operates.</li> </ul>
<p><b>Law</b></p>	<ul style="list-style-type: none"> <li>• Explain the nature of contractual agreements, the agency relationship and the consequences of negligence.</li> <li>• Understand the legal implications of incorporation, including the roles of shareholders and directors, and the main implications of insolvency law.</li> <li>• Identify instances of criminal behaviour that may be encountered by professional accountants.</li> <li>• Identify other key areas in which the law affects the role and work of the professional accountant.</li> </ul>
<p><b>Management Information</b></p>	<ul style="list-style-type: none"> <li>• Establish the costs associated with the production of products and provision of services and use them to determine prices.</li> <li>• Select appropriate budgeting approaches and methods and prepare budgets.</li> <li>• Identify key features of effective performance management systems, select appropriate performance measures and calculate differences between actual performance and standards or budgets.</li> <li>• Identify and calculate relevant data for use in management decision making.</li> </ul>
<p><b>Principles of Taxation</b></p>	<ul style="list-style-type: none"> <li>• Explain the general objectives of tax, the influences upon the UK system of tax and the different types of tax in the UK.</li> <li>• Recognise the ethical issues arising in the course of performing tax work; identify the obligations the UK system of tax imposes on taxpayers and the implications for taxpayers of non-compliance.</li> <li>• Calculate the amounts of income tax owed by or to individuals and the amounts of national insurance payable.</li> <li>• Calculate the capital gains tax payable by individuals and the chargeable gains subject to corporation tax.</li> <li>• Calculate the corporation tax liabilities of companies.</li> <li>• Calculate the amount of VAT owed by or owed to businesses.</li> </ul>

# E-ASSESSMENTS

## (COMPUTER-BASED ASSESSMENTS)

E-assessments are available at ICAEW approved test centres or Pearson Vue test centres, and can be taken at any time of the year (subject to centre availability).

Each assessment is 1.5 hours long; students must achieve at least 55% to pass. The assessments in Assurance, Business and Finance, Law and Principles of Taxation have 50 questions; the Accounting and Management Information assessments have 40 questions.

Students can access their results online, normally within 24 hours of sitting the assessment. The assessments can be attempted in any order, and each student has four attempts at each module. The sample test on the ICAEW website gives an overall feel of the format of the assessment.

There are three types of question:

- **Multiple choice** – select 1 from 4 options A, B, C or D
- **Multiple response** – select 2 or 3 responses from 4 to 10 options
- **Multi-part multiple choice** – select 1 from 2 or 3 options, for two or more question parts

For the Principles of Taxation assessment, you may also be asked a further type of questions:

- **Numeric entry** – enter a response rounded to the nearest pound (£).

Students are not permitted to take any material into the assessment room; we give each test centre approved calculators and wipe-boards for students to use in the assessments. Test centres can purchase calculators from our supplier for use in the classroom.

### **BECOMING AN ICAEW APPROVED TEST CENTRE**

Centres offering tuition for the CFAB qualification can apply to become an ICAEW approved test centre. We may grant approval if your centre can demonstrate that it will comply with our requirements.

If you are a new tuition provider, we recommend that you direct students to their nearest Pearson Vue test centre. If you decide at a later stage that you would like to apply to become an ICAEW approved test centre, you should contact us.



# LEARNING MATERIALS AND COURSE STRUCTURES

## LEARNING MATERIALS

Our learning materials are recognised by professional and academic education providers for their high standard of technical content and their applicability in the classroom as a learning tool. All of our materials are reviewed by the examiners to ensure that they align with the syllabus for each exam.

The learning materials for CFAB modules cost £30 (plus postage and packing) per study pack for exams in 2012, and are available from our distributors.

Each study pack includes a study manual and question bank. The study manual is a comprehensive resource for tutors and students, providing key information such as:

- an overview of the syllabus and progression of technical knowledge for each subject;
- in depth coverage of each syllabus area, with worked examples and self test questions for each chapter; and
- technical references.

Study guides to help students structure their studies in each subject are available to download from our website. The question banks include practice questions to help students prepare and revise for the assessment.

Tuition providers also have access to electronic question banks via the dedicated tutor website, which provide an additional resource for the construction of tests and mock exams. The electronic question banks are not available to students; this ensures that the questions remain effective for use in the classroom to genuinely test the students' knowledge. Guidance on how a mock assessment should be constructed is provided to ensure the correct syllabus weightings and proportion of questions in each format can be selected.

## COURSE STRUCTURES

As a tuition provider for the CFAB qualification, you have a variety of course structures to choose from. You may decide to offer one or a combination of the following:

- block day/week courses
- split day/week courses
- evening courses
- weekend courses
- distance learning
- e-learning

The course structures you choose to offer will depend upon your experience as a tuition provider and the needs of your students and clients. The more flexible and varied your course structures, the more likely they will cater for the different needs of your clients.

When planning course timetables, remember that the syllabus, materials and assessments are updated on a calendar year basis. Assessments for modules that undergo a significant update from year to year (such as Principles of Taxation) should be avoided in November and December, for example. We publish learning materials for the next year's syllabus in September of each year, so that you can deliver courses earlier for assessments in the following year.

# CREDIT FOR PRIOR LEARNING (CPL) AND CAREER PROGRESSION

Business and Finance	Management Information	Accounting	Law	Assurance	Principles of Taxation
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Not all students will need to sit all six CFAB assessments. Where students already hold relevant qualifications, credit for prior learning (CPL) may be awarded against one or more CFAB modules.

For many Higher Education Institutions (HEIs) and professional bodies we have already determined which qualifications and HEI programmes are eligible for CPL. These are listed in our online credit for prior learning directory.

If a qualification or HEI programme does not appear in the directory, students can still apply for credit if they feel that their qualification has met our learning outcomes for a CFAB module. Students will need to submit full details including syllabus, exam papers and transcripts with their application.

If you are a HEI you can apply for CPL to be awarded to your programme/s. You will need to:

- demonstrate that our core topics have been taught and assessed; and
- send us detailed information on the programme/s including syllabus, past exam papers, assessment grids and illustrations of course work (where relevant).

The vast majority of students must complete the Accounting module to obtain the CFAB qualification. For details on when this would not apply, please visit [icaew.com/cpl](http://icaew.com/cpl)

## CAREER PROGRESSION

CFAB can be used as an entry route into the ACA qualification for students who wish to continue with their studies.

To gain the ACA qualification, students will need to pass the remaining ACA exams and meet the work experience and skills development requirements.

If a student has already started the ACA qualification they can still register for CFAB. They will need to have successfully completed all six modules to be eligible for the certificate.



# THE PARTNERS IN LEARNING SCHEME

We award Partner in Learning status to tuition providers who can demonstrate a commitment to core principles which ensure consistency in the quality of tuition provided for ICAEW qualifications around the world.

Recognised ICAEW Partners in Learning can:

- use the Partner in Learning logo on classroom and marketing materials;
- attend tutor conferences and events;
- receive ICAEW newsletters and alerts;
- access the tutor website area;
- receive free electronic reference copies of ICAEW learning materials when new editions are published;
- receive promotional materials; and
- be listed as a recognised Partner in Learning on the ICAEW website.

The core principles of the scheme for CFAB tuition providers are as follows:

- 1** Course offerings are developed and continually monitored to meet market and stakeholder needs, based on appropriate research.
- 2** Course offerings are realistic and deliverable, and are presented by experienced, appropriately qualified tutors.
- 3** Courses are delivered in compliance with all local laws and regulations.
- 4** Regular, open communication is maintained with ICAEW and all stakeholders.
- 5** Students are provided with one copy of ICAEW learning materials on each relevant course.
- 6** Tutorial staff undertake continuing professional development (CPD), and their development needs are reviewed on an ongoing basis.

We provide best practice indicators for each core principle. These give additional guidance on how you can meet each principle in your tuition centre.

To become a Partner in Learning, you need to confirm your commitment to the core principles using the application form. There is no application fee. If your organisation has more than one tuition centre, each centre will need to apply individually. If we approve your application, you will be sent a certificate and the Partner in Learning logo to use on your website and marketing material. We will then set up access to the tutor website for your tutors, and list your organisation as a recognised Partner in Learning on our website.

To maintain Partner in Learning status, each recognised centre must make an annual declaration confirming a continued commitment to the core principles. We visit centres on a random basis to ensure compliance with the scheme and to provide additional support and guidance if required.

A Partner in Learning scheme is also available for HEIs – visit [icaew.com/hei](http://icaew.com/hei) for more details.

PARTNER IN  
LEARNING



# RESOURCES AND SERVICES FOR PARTNERS IN LEARNING

## TUTOR WEBSITE

The ICAEW tutor website is a dedicated online resource where you can find all the latest information, help and advice to ensure you can provide the highest standard of teaching to your CFAB students.

The following information – and more – is readily available at [icaew.com/tutors](http://icaew.com/tutors):

- syllabuses
- electronic question banks and reference copies of learning materials
- advice from the examiners
- notes and presentations from tutor conferences
- a sample e-assessment
- guidance notes on how to create mock assessments

We regularly update the tutor website, and give access to all tutorial and administrative staff at centres registered with the Partners in Learning scheme.

## E-NEWSLETTER ALERTS

All tutors registered with a Partner in Learning receive dedicated email alerts. These alerts include important information about ICAEW, our qualifications, and industry-relevant updates.

## CONFERENCES AND EVENTS

We invite tutors to attend annual conferences with the examiners. These conferences encourage open communication between tuition providers, ICAEW, and the examiners; ensuring that you have all the information you need to provide first class teaching to your students. We publish the full notes and presentations from each conference on the tutor website.



# TECHNICAL SUPPORT FROM ICAEW

## LIBRARY & INFORMATION SERVICE (LIS)

The LIS is a leading business library which offers a range of services and resources to support the needs of ICAEW members and students in all aspects of their work. The LIS Enquiry Service can help with questions from company law and taxation to accounting and finance. Most of our help is free and we will respond to enquiries within 24 hours. The LIS also provides a book lending service – books can be posted to your work or home address free of charge. In addition, the LIS provides a document delivery service if you need a copy of an article or extract from a book (charges apply for this service).

A wealth of online resources are also available on the LIS website, including articles from leading business and trade journals, 200 eBooks as well as country and industry information.

The LIS provides a quiet place to work or study in the heart of London. Free internet access and WiFi are available, in addition to the latest accountancy and business journals and books.

These services and resources are available to members and registered students of ICAEW. Tutors who are not eligible to use the LIS may still be able to take advantage of some of these services (excluding access to some online resources) by providing a letter of introduction from an ICAEW member, or paying a fee.

For further information, visit [icaew.com/library](http://icaew.com/library), or contact the Library Enquiry Service on:  
+44 (0)20 7920 8620

## FACULTIES AND SPECIAL INTEREST GROUPS (SIGS)

ICAEW has seven faculties in the following areas: Audit and Assurance, Corporate Finance, Finance and Management, Financial Reporting, Financial Services, Information Technology and Tax. The faculties are run by experts in their particular business sector – anyone can join a faculty on payment of an annual subscription fee. Membership of a faculty gives you access to the best up-to-date information, thought leadership and advice, visit [icaew.com/faculties](http://icaew.com/faculties) for more details.

Our SIGs provide practical support, information and representation for chartered accountants working within a range of industry sectors: Charity and Voluntary sector; Entertainment and Media; Farming and Rural Business; Forensic; Healthcare; Insolvency; Interim Management; Non-Executive Directors; Public Sector; Solicitors; Tourism and Hospitality; and Valuation. Please visit [icaew.com/sigs](http://icaew.com/sigs) for more information.

## ETHICAL GUIDANCE

ICAEW provides a range of advice, guidance, and information on professional ethics and ethical conduct in the business world including:

- ethics podcasts;
- articles;
- information on ethical standards;
- debates on ethical practice; and
- an ethics advisory helpline.

# LEARNING AND PROFESSIONAL DEVELOPMENT QUALIFICATIONS AND PROGRAMMES



## THE ACA QUALIFICATION

### The qualification for your future business leaders

The ACA is an internationally recognised premium business and finance qualification. It teaches technical expertise and strategic business skills through a unique combination of exams, work experience, skills development, best practice and practical application. Suitable for your new or existing employees, there are entry routes for school leavers, graduates or those with other professional qualifications (for whom a fast track may be available). Regardless of the size, sector or location of your organisation, offering the ACA qualification can help you attract, retain and nurture your future business leaders.



## CERTIFICATE IN FINANCE, ACCOUNTING AND BUSINESS (CFAB)

### Knowledge for today's business environment

Gain a practical introduction to key business skills. The CFAB modules which include Accounting, Law and Management Information can be completed in any order and at a pace that suits you and your team. The assessments can be taken at any time and the certificate can be completed in less than a year. CFAB consists of the same six modules as the first stage of the ACA which means it can be used as a stepping stone to studying for the ACA.



## IFRSs AND FINANCIAL REPORTING QUALIFICATIONS AND PROGRAMMES

### 5 ways to raise your confidence in financial reporting

Gain confidence with a recognised certificate or diploma from ICAEW. Our range of IFRSs and financial reporting qualifications and programmes – covering IFRSs, IFRS for SMEs, FRSSSE and IPSASs – will give you assurance in your ability to apply the standards. With online, classroom and distance learning study options available, you can choose the method of learning that suits you and your commitments.

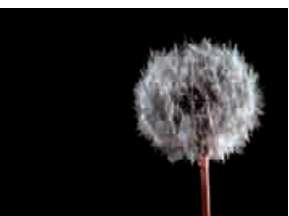
**ICAEW Diploma in IFRSs:** Gain an enhanced understanding and the practical knowledge you need to apply IFRSs to best effect in your workplace.

**IFRSs learning and assessment programme:** Obtain a comprehensive overview of all current international standards in the private sector.

**IFRS for SMEs learning and assessment programme:** Achieve a detailed understanding of financial reporting for small and medium-sized enterprises.

**Certificate in International Public Sector Financial Reporting:** Understand and embed the key requirements of financial reporting in the public sector. Developed with CIPFA.

**FRSSE learning and assessment programme:** Update your knowledge of the Financial Reporting Standard for Smaller Entities (FRSSE) quickly and simply with this online programme.



## ICAEW CERTIFICATE IN INSOLVENCY

### The practical introduction to corporate and personal insolvency

This certificate will provide you with the UK's most up-to-date and relevant corporate and personal insolvency principles. We have used our expertise as the UK's largest insolvency regulator to develop a syllabus which is based on current legislation. You can choose the tuition option that suits your needs and assessment dates are available throughout the year. The certificate will also give you a solid foundation to study towards the JIEB exams.

# LEARNING AND PROFESSIONAL DEVELOPMENT QUALIFICATIONS AND PROGRAMMES



## FORENSIC ACCOUNTANT ACCREDITATION

### A benchmark for the profession

Designed as the benchmark for experienced forensic accountants. Accredited individuals are recognised as specialists in their field and their details are listed on a publicly available online register. The scheme is open to all qualified individuals who belong to specified professional bodies, with a suggested five years' minimum experience.



## DIPLOMA IN CHARITY ACCOUNTING (DCHA)

### Inspiring confidence, making a difference

With this qualification, you can demonstrate that you have the expertise to make a real difference to organisations operating in the charity and voluntary sector. It is ideal if you are looking to develop your knowledge and skills or if you are already experienced. There are two ways to obtain the DCHA – the experience route, in which you reflect on your recent experience, or a classroom-based study option with Cass Business School or Sheffield Business School.



## CORPORATE FINANCE (CF) QUALIFICATION

### Recognition for corporate financiers at the highest level

Exclusively designed for corporate finance practitioners by corporate finance practitioners, this qualification has an international focus and has been achieved by more than 1,000 professionals in over 50 countries. It offers a balanced combination of technical knowledge and practical application that you can apply immediately in the workplace. There are two routes to achieving the CF qualification: the experience route or the study route.



## ICAEW ISAs PROGRAMME

### Do you speak the language of the clarified ISAs?

Master the key principles of the clarified ISAs. This online learning and assessment programme is your flexible route to a better understanding of the clarified ISAs and the audit process.



## BUSINESS SUSTAINABILITY PROGRAMME

### Doing good business

An informative and practical e-learning programme designed for users with different levels of knowledge and experience. It will help you to understand the issues that companies face now and in the future and to develop your corporate responsibility action plan. The first two modules are free for all users.



## PATHWAYS TO MEMBERSHIP

### Gain a competitive advantage

A route to ICAEW membership that is open to members of ACCA, CIMA, CIPFA, MICPA, HKICPA, CPA Australia and AICPA with at least five years' full membership and post-qualification experience.

# CONTACTS AND WEB ADDRESSES

## KEY INFORMATION AND CONTACTS

Tutor support and services	T +44 (0)1908 248 160	E <a href="mailto:hazel.rogers@icaew.com">hazel.rogers@icaew.com</a>
Learning materials enquiries	T +44 (0)1908 248 352	E <a href="mailto:sally.jones@icaew.com">sally.jones@icaew.com</a>
Support for Higher Education Institutions (HEIs)	T +44 (0)1908 248 164 T +44 (0)1908 248 148	E <a href="mailto:laura.curtis@icaew.com">laura.curtis@icaew.com</a> E <a href="mailto:juliette.roberts@icaew.com">juliette.roberts@icaew.com</a>
Becoming an ICAEW approved test centre	T +44 (0)1908 248 201	E <a href="mailto:catherine.london@icaew.com">catherine.london@icaew.com</a>
Credit for prior learning	T +44 (0)1908 248 250	E <a href="mailto:cpl@icaew.com">cpl@icaew.com</a>

## WEB ADDRESSES

Tutor website	<a href="http://icaew.com/tutors">icaew.com/tutors</a>
Student website	<a href="http://icaew.com/students">icaew.com/students</a>
General information on the CFAB qualification	<a href="http://icaew.com/cfab">icaew.com/cfab</a>
All ICAEW qualifications	<a href="http://icaew.com/learning">icaew.com/learning</a>
Ordering learning materials	<a href="http://www.gillards.com/icaew">www.gillards.com/icaew</a>
VITAL – the ACA student magazine	<a href="http://icaew.com/vital">icaew.com/vital</a>
Pathways to membership scheme	<a href="http://icaew.com/pathways">icaew.com/pathways</a>
Library & Information Service	<a href="http://icaew.com/library">icaew.com/library</a>
Technical faculties	<a href="http://icaew.com/faculties">icaew.com/faculties</a>
Special interest groups (SIGs)	<a href="http://icaew.com/sigs">icaew.com/sigs</a>

# APPENDIX A

## FULL SYLLABUS FOR ASSESSMENTS IN 2012

### 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 the Accounting module, students will be:

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

#### SPECIFICATION GRID

This grid shows the weightings of subjects within this module and should guide the relative study time spent on each. 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.

SUBJECTS	WEIGHTING (%)
1 Maintaining financial records	30
2 Adjustments to accounting records and financial statements	35
3 Preparing financial statements	35

#### 1 Maintaining financial records

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

In the assessment, candidates may be required to:

- specify why an entity maintains financial records and prepares financial statements
- identify the sources of information for the preparation of accounting records and financial statements
- 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

- record and account for changes in the ownership structure and ownership interests in an entity
- prepare a trial balance from accounting records and identify the uses of the trial balance.

#### 2 Adjustments to accounting records and financial statements

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

In the assessment, candidates may be required to:

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

#### 3 Preparing financial statements

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

In the assessment, candidates may be required to:

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

# APPENDIX A CONTINUED...

## ASSURANCE

### MODULE AIM

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

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

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

### SPECIFICATION GRID

This grid shows the relative weightings of subjects within this module and should guide the relative study time spent on each. 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.

SUBJECTS	WEIGHTING (%)
1 The concept, process and need for assurance	20
2 Internal controls	25
3 Gathering evidence on an assurance engagement	35
4 Professional ethics	20

### 1 The concept, process and need for assurance

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

In the assessment, candidates may be required to:

- define the concept of assurance
- state why users desire assurance reports and provide examples of the benefits gained from them such as to assure the quality of an entity's published corporate responsibility or sustainability report
- compare the functions and responsibilities of the different parties involved in an assurance engagement
- compare the purposes and characteristics of, and levels of assurance obtained from, different assurance engagements
- 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
- define the assurance process, including:
  - obtaining the engagement
  - continuous risk assessment
  - engagement acceptance
  - the scope of the engagement
  - planning the engagement
  - performing the engagement
  - obtaining evidence
  - evaluation of results of assurance work
  - concluding and reporting on the engagement
  - reporting to the engaging party
  - keeping records of the work performed
- recognise the need to plan and perform assurance engagements with an attitude of professional scepticism
- define the concept of reasonable assurance.

### 2 Internal controls

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

In the assessment, candidates may be required to:

- state the reasons for organisations having effective systems of control
- identify the fundamental principles of effective control systems
- identify the main areas of a business that need effective control systems
- identify the components of internal control in both manual and IT environments, including:
  - the overall control environment
  - preventative and detective controls
  - internal audit
- define and classify different types of internal control, with particular emphasis upon those which impact upon the quality of financial information

- show how specified internal controls mitigate risk and state their limitations
- identify internal controls for an organisation in a given scenario
- identify internal control weaknesses in a given scenario
- identify, for a specified organisation, the sources of information which will enable a sufficient record to be made of accounting or other systems and internal controls.

### 3 Gathering evidence on an assurance engagement

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

In the assessment, candidates may be required to:

- state the reasons for preparing and keeping documentation relating to an assurance engagement
- identify and compare the different methods of obtaining evidence from the use of tests of control and substantive procedures, including analytical procedures
- recognise the strengths and weaknesses of the different methods of obtaining evidence
- identify the situations within which the different methods of obtaining evidence should and should not be used
- compare the reliability of different types of assurance evidence
- select appropriate methods of obtaining evidence from tests of control and from substantive procedures for a given business scenario
- recognise when the quantity and quality of evidence gathered from various tests and procedures is of a sufficient and appropriate level to draw reasonable conclusions on which to base a report
- 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
- recognise issues arising whilst gathering assurance evidence that should be referred to a senior colleague.

### 4 Professional ethics

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

In the assessment, candidates may be required to:

- state the role of ethical codes and their importance to the profession
- recognise the differences between a rules based ethical code and one based upon a set of principles

- recognise how the principles of professional behaviour protect the public and fellow professionals
- identify the key features of the system of professional ethics adopted by IFAC and ICAEW
- identify the fundamental principles underlying the IFAC and the ICAEW code of ethics
- recognise the importance of integrity and objectivity to professional accountants, identifying situations that may impair or threaten integrity and objectivity
- suggest courses of action to resolve ethical conflicts relating to integrity and objectivity
- respond appropriately to the request of an employer to undertake work outside the confines of an individual's expertise or experience
- recognise the importance of confidentiality and identify the sources of risks of accidental disclosure of information
- identify steps to prevent the accidental disclosure of information
- identify situations in which confidential information may be disclosed
- define independence and recognise why those undertaking an assurance engagement are required to be independent of their clients
- 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
- identify safeguards to eliminate or reduce threats to the fundamental ethical principles and the independence of assurance providers
- suggest how a conflict of loyalty between the duty a professional accountant has to their employer and the duty to their profession could be resolved.

# APPENDIX A CONTINUED...

## BUSINESS AND FINANCE

### MODULE AIM

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

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

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

### SPECIFICATION GRID

The following grid shows the relative weightings of subjects within this module and should guide the relative study time spent on each. 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.

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

### 1 Business objectives and functions

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

In the assessment, candidates may be required to:

- 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 various functional areas within businesses and show how the functions assist the achievement of business objectives
- identify the nature and functions of organisational management, human resources management and operations management and show how these are influenced by human behaviour
- identify the relationship between a business's overall strategy and its functional strategies
- identify the nature and purpose of strategic plans, business plans and operational plans
- specify 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
- identify the key issues in relation to risk and crisis management.

### 2 Business and organisational structures

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

In the assessment, candidates may be required to:

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

### 3 The role of finance

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

In the assessment, candidates may be required to:

- specify the extent to which financial information:

- provides for accountability of management to shareholders and other stakeholders
- reflects business performance
- is useful to users in making economic decisions
- meets the information needs of national, social and economic contexts (eg, national statistical information)
- specify how accounting and finance functions support businesses in pursuit of their objectives
- identify the main considerations in establishing and maintaining accounting and financial reporting functions and financial control processes
- identify, in the context of accounting and other systems, the issues surrounding:
  - information processing
  - information security
  - information management
- specify why the management of a business require information about performance measurement including non-routine areas such as in supporting an entity's sustainability management
- identify the accountant's role in preparing and presenting information for the management of a business
- specify the relationship between a business and its bankers and other providers of financial products
- identify the characteristics, terms and conditions and role of alternative short, medium and long term sources of finance available to different businesses
- identify the processes by which businesses raise equity, capital and other long term finance
- identify appropriate methods of financing exports, including:
  - bills of exchange
  - letters of credit
  - export credit insurance
- specify the general objectives of personal financial management
- identify the principles of personal financial management and the personal financial management process.

#### 4 The role of the accountancy profession

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

In the assessment, candidates may be required to:

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

#### 5 Governance, corporate responsibility and ethics

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

In the assessment, candidates may be required to:

- state the reasons why governance is needed and identify the role that governance plays in the management of a business
- identify the key stakeholders and their governance needs for a particular business
- 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 Corporate Governance Code
- specify how differences in national and business cultures affect corporate governance
- identify the roles and responsibilities of the members of the executive board, any supervisory board, the audit committee and others charged with corporate governance, internal audit and external audit
- identify the roles and responsibilities of those responsible within a business for internal audit and for the external audit relationship
- specify the nature of ethics, business ethics, sustainability and corporate responsibility
- specify the policies and procedures a business should implement in order to promote an ethical culture.

#### 6 External environment

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

In the assessment, candidates may be required to:

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

# APPENDIX A CONTINUED...

## 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:

- 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
- identify other key areas in which the law affects the role and work of the professional accountant.

### SPECIFICATION GRID

This grid shows the relative weightings of subjects within this module and should guide the relative study time spent on each. 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.

SUBJECTS	WEIGHTING (%)
1 The impact of civil law on business and professional services	35
2 Company and insolvency law	40
3 The impact of criminal law on business and professional services	10
4 The impact of law in the professional context	15

### 1 The impact of civil law on business and professional services

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

In the assessment, candidates may be required to:

#### Contract

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

#### Agency

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

#### Negligence and liability

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

### 2 Company and insolvency law

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

In the assessment, candidates may be required to:

- identify the differences between partnerships and companies and recognise the circumstances when the veil of incorporation can be lifted
- 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
- 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
- identify the procedures for the issue of shares, including issues at a premium and pre-emption rights
- 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
- identify share transfer requirements and disclosure requirements
- recognise how a shareholder can influence the management of a company through meetings and resolutions, including shareholders' rights to requisition a meeting
- identify the various statutory rights of shareholders to challenge the management of the company under the Companies Act 2006 and the Insolvency Act 1986
- identify the rights and duties which a member of a limited liability partnership possesses
- identify the ways in which a director may be appointed and removed
- identify directors' duties, explaining the consequences of any major breach
- identify the powers of directors and in what circumstances they will bind the company in a contract with third parties
- identify the nature of fixed and floating charges and the procedures for registering them
- identify the nature and function of receivership, an administration order, a compulsory and a voluntary winding up (including relevance of secured debt)
- 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)
  - bankruptcy and other responses to personal insolvency.

### 3 The impact of criminal law on business and professional services

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

In the assessment, candidates may be required to:

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

### 4 The impact of law in the professional context

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

In the assessment, candidates may be required to:

Information and its legal environment

- identify the key requirements of the Data Protection Act 1998, on the use of personal information and how the act can affect the manner in which information systems are used by businesses.

Employment 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
- identify the circumstances where an employee can claim a statutory redundancy payment.

# APPENDIX A CONTINUED...

## MANAGEMENT INFORMATION

### MODULE AIM

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

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

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

### SPECIFICATION GRID

This grid shows the relative weightings of subjects within this module and should guide the relative study time spent on each. 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.

SUBJECTS	WEIGHTING (%)
1 Costing and pricing	25
2 Budgeting and forecasting	25
3 Performance management	25
4 Management decision making	25

### 1 Costing and pricing

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

In the assessment, candidates may be required to:

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

### 2 Budgeting and forecasting

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

In the assessment, candidates may be required to:

- apply forecasting techniques to assist management in performance measurement and planning
- prepare budgets, or extracts therefrom, from information supplied
- select the most appropriate of the following budgeting approaches and methods, taking into account their advantages and disadvantages for planning, control and motivation:
  - bottom-up and top-down approaches to generating and managing budgets
  - activity-based, responsibility-based and product-based budget structures
  - zero-based and incremental budgeting
- prepare and/or comment upon a cash budget for a business which highlights the quantity and timing of cash surpluses and deficits
- calculate the cash cycle for a business and recognise its significance
- 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
- recognise how a business manages surpluses and deficits predicted in cash budgets.

### 3 Performance management

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

In the assessment, candidates may be required to:

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

### 4 Management decision making

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

In the assessment, candidates may be required to:

- calculate the break even point, contribution and margin of safety for a given product or service
- allocate scarce resource to those products or services with the highest contribution per limiting factor
- calculate the net present value, internal rate of return, payback period or accounting rate of return for a given project
- identify and comment upon the advantages and disadvantages of the investment appraisal techniques specified in above bullet point.

# APPENDIX A CONTINUED...

## PRINCIPLES OF TAXATION

### MODULE AIM

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

### SPECIFICATION GRID

This grid shows the relative weightings of subjects within this module and should guide the relative study time spent on each. 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.

SUBJECTS	WEIGHTING (%)
1 Objectives and types of tax 2 Ethics and administration	26
3 Income tax and national insurance contributions	20
4 Capital gains tax and corporation tax on chargeable gains	14
5 Corporation tax	20
6 VAT	20

### 1 Objectives and types of tax

Candidates will be able to explain the general objectives of tax, the influences upon the UK system of tax and the different types of tax in the UK.

In the assessment, candidates may be required to:

- identify the objectives of tax 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 external influences, including EU tax policies, 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, transactions and assets, 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
  - HM Revenue & Customs manuals, statements of practice, extra-statutory concessions and press releases.

### 2 Ethics and administration

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

In the assessment, candidates may be required to:

- identify the guidance given in the IFAC Code of Ethics for Professional Accountants and ICAEW Ethics Code in relation to a tax practice with regard to:
  - disclosure of information
  - conflict of interest
  - confidentiality
  - HM Revenue & Customs errors
  - money laundering
  - tax avoidance and tax evasion
- identify the records which companies and individuals must retain for tax purposes 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 for both companies and individuals
- determine, in straightforward cases, due dates for:
  - companies', sole traders', partners' and individuals' tax returns, tax payments and payments on account
  - businesses' VAT returns and payments
  - employers' PAYE and national insurance returns and payments
- identify and calculate the interest and penalties due for:
  - late submissions of and/or incorrect returns and
  - late and/or incorrect payments of tax
- identify the periods within which HM Revenue & Customs 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

**Candidates will be able to calculate the amounts of income tax owed by or owed to individuals and the amounts of national insurance payable.**

In the assessment, candidates may be required to:

- recognise the main sources of taxable and non-taxable income
- calculate the personal allowance available to an individual according to personal circumstances including personal age allowances and married couples allowance
- calculate assessable employment income for an employee or director, including taxable and exempt benefits
- recognise the badges of trade
- 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
- allocate the tax adjusted profits of a partnership to each partner and calculate the final assessable profits for each partner for any given tax year calculate the assessable trading profits for a new unincorporated business and identify the overlap profits on the commencement of trade
- calculate the final assessable trading profits for an unincorporated business ceasing to trade
- calculate total taxable income and the income tax payable or repayable for employed and self-employed individuals
- calculate the total national insurance contributions payable by employees, employers and self-employed individuals.

### 4 Capital gains tax and corporation tax on chargeable gains

**Candidates will be able to calculate the capital gains tax payable by individuals and the chargeable gains subject to corporation tax.**

In the assessment, candidates may be required to:

- classify persons, assets and disposals as either chargeable or exempt for capital gains purposes
- calculate the chargeable gains and losses on the disposal of assets, including indexation where appropriate
- calculate total taxable gains and corporation tax payable on the gains (for companies) and capital gains tax payable (by individuals), using capital losses to reduce the liability.

### 5 Corporation tax

**Candidates will be able to calculate the corporation tax liabilities of companies.**

In the assessment, candidates may be required to:

- identify chargeable accounting periods for a company
- recognise the effect of having one or more associated companies on corporation tax payable
- 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
- calculate the taxable total profits and the corporation tax payable for a company resident in the UK which has no associated companies and an accounting period of 12 months or less.

### 6 VAT

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

In the assessment, candidates may be required to:

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



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