

ACA Syllabus and Technical Knowledge Grids

Advanced Level

*Strategic Business
Management*

FOR EXAMS IN 2022

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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, these components 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 those implications and 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 toward 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.

THE ACA QUALIFICATION AND TECHNOLOGY

Rapid growth in technology has automated many compliance elements of accountancy. But, with technology also comes complexity and risk. Accountants need to adapt and develop new skills to manage these technological changes such as data analytics, automation and cyber security.

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

These and other innovations are likely to have a significant impact on the way that accountants access, move and manage business finances. Technology can provide information more quickly and often more accurately than humans, but it cannot replicate human intelligence and quality decision making. Therefore, chartered accountants hold a key role in data analytics, in validating the source of the data, interpreting and analysing the outputs. Technology provides opportunities for chartered accountants to use their professional skills to add value to their clients and/or the businesses in which they work.

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 imbedded 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 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 Code of Ethics** - 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 regular employer reviews 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

THREE TO FIVE YEARS' PRACTICAL WORK EXPERIENCE

Practical work experience is done as part of a training agreement with an authorised training employer or principal. Students need to complete 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 taken 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.

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.

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.

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

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 Case Study, 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 SOFTWARE

Chartered Accountants are increasingly using more advanced approaches to interrogate client data. To respond to this, ICAEW has incorporated data analytics software within the Audit and Assurance and Corporate Reporting modules. Embedding data analytic 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.

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.

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
Assimilating and using information		Understand a business or accounting situation, prioritise by determining key drivers, issues and requirements and identify any relevant information.
Structuring problems and solutions		Structure information from various sources into suitable formats for analysis and provide creative and pragmatic solutions in a business environment.
Applying judgement		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.
Concluding, recommending and communicating		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 clearer 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 qualification. 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"> • Demonstrate understanding of the business context • Recognise new and complex ideas within a scenario • Identify the needs of customers and clients • Explain different stakeholder perspectives and interests • Identify risks within a scenario • Identify elements of uncertainty within a scenario • Identify ethical issues including public interest and sustainability issues within a scenario 	<ul style="list-style-type: none"> • Interpret information provided in various formats • Evaluate the relevance of information provided • Use multiple information sources • Filter information provided to identify critical facts 	<ul style="list-style-type: none"> • Identify business and financial issues from a scenario • Prioritise key issues • Work effectively within time constraints • Operate to a brief in a given scenario

STRUCTURING PROBLEMS AND SOLUTIONS

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

APPLYING JUDGEMENT

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

CONCLUDING, RECOMMENDING AND COMMUNICATING

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

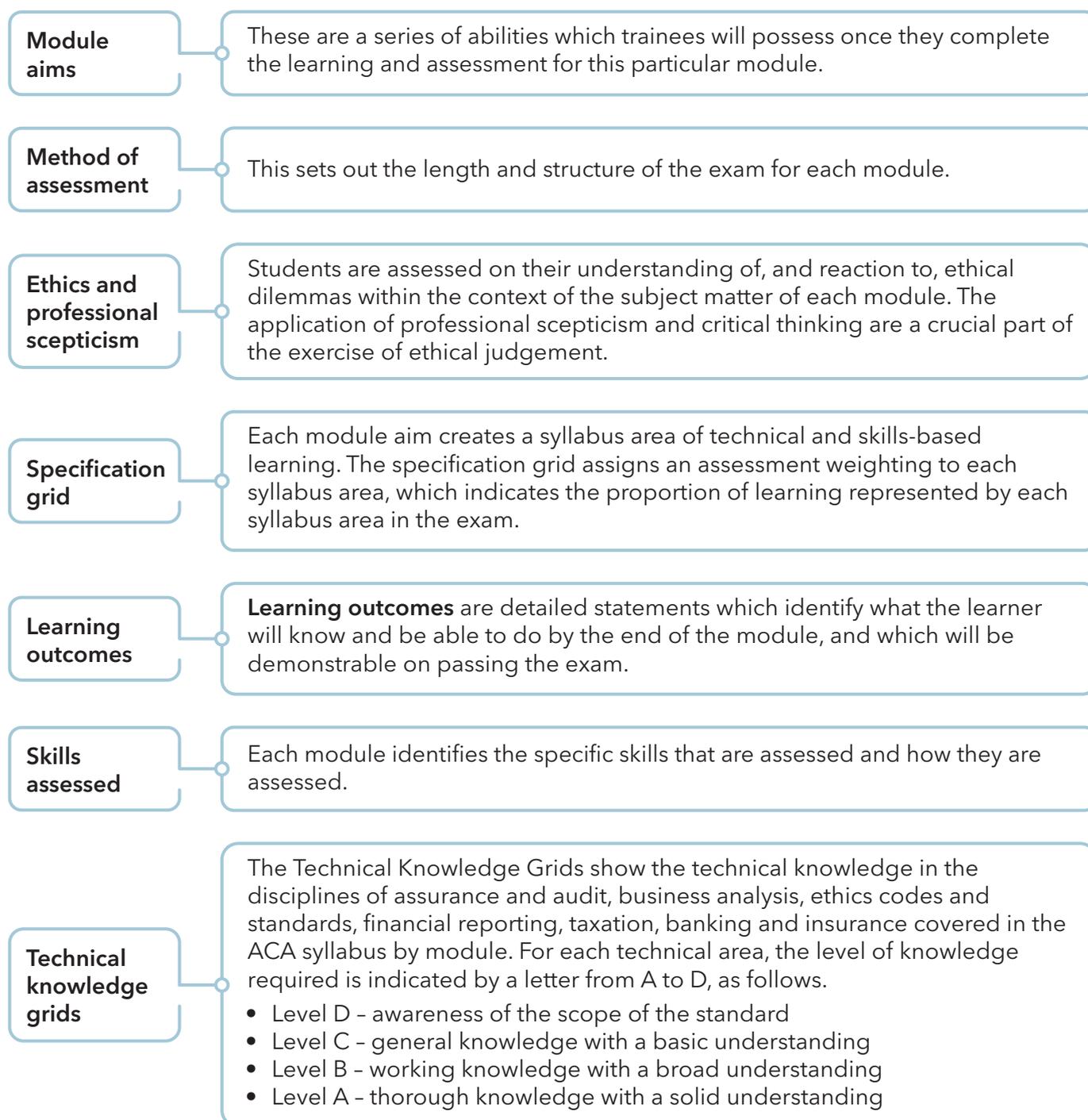
ACA Syllabus

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, and inclusion of new areas of knowledge impacting ICAEW Chartered Accountants. 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:



Advanced Level

Strategic Business Management

MODULE AIM

To enable students to demonstrate quantitative and qualitative skills, in order to make realistic business recommendations in complex scenarios. Business awareness will need to be demonstrated at strategic, operating and transactional levels.

To achieve this aim, students will be required to use technical knowledge and professional judgement to apply appropriate models and to analyse quantitative and qualitative data from multiple sources, including corporate reports, in order to evaluate alternatives and determine appropriate solutions.

On completion of this module, in a national or global context, and for a range of different business structures and industry scenarios, students will be able to:

- analyse and identify the external environment and internal strategic capability of an entity; evaluate the consequences of strategic choices; recommend strategies to achieve stakeholder objectives, recommend appropriate methods of implementing strategies and monitoring strategic performance; manage business risks; and advise on corporate governance.
- identify and advise upon appropriate finance requirements; evaluate financial risks facing a business and advise upon appropriate methods of measuring and managing those risks; provide valuations for businesses and securities; and advise upon investment and distribution decisions.
- identify and explain ethical issues. Where ethical dilemmas arise, students will be able to recommend and justify and determine appropriate actions and ethical safeguards to mitigate threats.
- interpret and apply corporate reporting information in evaluating business and financial performance; recognise and explain the corporate reporting consequences of business and financial decisions; apply corporate reporting information in appropriate models to determine asset, equity and entity valuations, demonstrating an understanding of the

usefulness and limitations of accounting information in this context.

- appraise and explain the role of assurance in raising new equity and debt funding and in the subsequent monitoring of such funding arrangements; understand, explain and evaluate the role of assurance in selecting and implementing key business decisions including acquisitions and strategic alliances; understand and explain the role of assurance in financial and business risk management.

PRIOR KNOWLEDGE

This module assumes and develops the knowledge and skills acquired in the Financial Accounting and Reporting module, the Business Strategy and Technology module and the Financial Management module.

Background knowledge based upon the strategic elements of the Business Planning: Taxation and the Audit and Assurance module will also be required in evaluating the business and financial risks of reporting entities.

ETHICS

Ethical codes will be those issued by IESBA and the ICAEW. The ethical implications will be at both the organisational level and for individuals, particularly with respect to the accountant in business.

METHOD OF ASSESSMENT

The Strategic Business Management exam is 3.5 hours long. The exam will contain questions requiring integration of knowledge and skills, including ethics. The exam will consist of two questions, and ethical issues and problems could appear in either question.

The exam will be open book. Students will be able to access their personal ICAEW Bookshelf and any ICAEW digital learning materials held there, during the exam. Students will also be permitted to take any written or printed material into the exam, subject to practical space restrictions. To see the recommended text(s) for this exam, go to [icaew.com/permittedtexts](https://www.icaew.com/permittedtexts).

ETHICS AND PROFESSIONAL SCEPTICISM

Ethical thinking must be at the forefront of the strategic business awareness that students will be demonstrating. Students will be considering notions of stakeholder impact and scope as well as appropriate safeguards within a specific learning outcome. Over and above this, recommendations relating throughout

the syllabus will only by definition be valid if they fulfil fundamental requirements of being fair and just. This is guided by specific focus across a range of considerations from social responsibility and sustainability to transparency. Professional scepticism will need to be evidenced in complex scenarios, recognising bias and gaps in evidence.

SPECIFICATION GRID

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

SYLLABUS AREA	WEIGHTING
Business Strategy and Management	30-40%
Financial Strategy	
Financial Structure and Financial Reconstruction	25-35%
Financial Instruments and Financial Markets	
Corporate Reporting	15-20%
Assurance	10%
Ethics	5-10%

BUSINESS STRATEGY AND MANAGEMENT

Students will be able to analyse and identify the external environment and internal strategic capability of an entity; evaluate the consequences of strategic choices; recommend strategies to achieve stakeholder objectives, recommend appropriate methods of implementing strategies and monitoring strategic performance; measure and manage business risks; and advise on corporate governance. Students will also be able to apply corporate reporting and assurance principles and practices in the context of key business decisions and events.

In the assessment, students may be required to:

1 STRATEGIC ANALYSIS

- describe and explain the strategic objectives of an entity considering the interests of stakeholders;
- analyse and evaluate, for a given scenario, the external economic, market and industry environment which may impact upon a business's performance and position;

- identify and evaluate the significance of the internal organisational and operational capabilities in a given scenario which may influence an entity's ability to achieve its chosen strategic objectives, (including core competencies, existing business processes, human capital and workforce flexibility);
- analyse and evaluate an entity's current position and performance, from both a financial perspective and a non-financial perspective, using a variety of internal and external information sources;
- demonstrate how strategic analysis tools can be used in a complex scenario;
- demonstrate how business strategy and financial strategy can interrelate in a complex scenario;
- evaluate and advise upon the strategic capability of an entity;
- evaluate strategy at corporate, business unit and operational levels;
- analyse and evaluate current technology developments including those relating to big data, internet of things, digital assets, automation, intelligent systems, distributed

ledger technology eg, blockchained cryptocurrencies;

- j. explain, demonstrate and evaluate how data from multiple sources can be selected, captured and analysed to provide management information, recognising the causes and effects of different types of data bias, data omissions, data limitations and data trends and applying an appropriate degree of professional scepticism;
- k. explain and analyse an organisation's current position and performance using both financial and non-financial data, presented in different formats, applying appropriate statistical and data analysis tools; and
- l. explain and evaluate the causes and effects of different types of data distributions and data trends using appropriate statistical and data analysis tools, including the implications for business risk; determining and explaining sensitivity in a range of scenarios.

2 STRATEGIC CHOICE

- a. assess, advise on and propose appropriate business strategies to meet stated objectives;
- b. identify and evaluate business unit strategies to achieve sustainable competitive advantage;
- c. explain and demonstrate how financial and non-financial data can be analysed in order to select an optimal business strategy, including the impact of big data on business models;
- d. explain and demonstrate how strategic business models can be used in a given scenario, to identify factors that a business can consider in choosing between competing strategies;
- e. explain international strategies; appraise international value chains and markets; including the concepts of globalisation and the borderless business; and show the impact on individual and group financial statements of changes in foreign exchange rates;
- f. evaluate digital strategies, including the use of cloud accounting, digital assets, automation, artificial intelligence, machine learning and robotic process automation;
- g. explain and demonstrate how management information can be used to select from

proposed strategies, taking account of limitations of data, including data bias; and

- h. structure, assimilate and evaluate historic and estimated data in appropriate ways, using appropriate statistical and data analysis tools, to support business decisions.

3 STRATEGIC IMPLEMENTATION

- a. demonstrate and explain the impact of acquisitions and strategic alliances in implementing corporate strategy and evaluate the nature and role of assurance procedures in selecting and monitoring such strategies;
- b. evaluate and explain the relationship between business strategy and organisational structure;
- c. explain and evaluate the nature and methods of change management and advise on the implementation of change in complex scenarios;
- d. demonstrate and explain the techniques that may be used in implementing a strategy to reduce costs, for example supply chain management, business process re-engineering and outsourcing;
- e. evaluate, in a given scenario, the functional strategies necessary to achieve a business's overall strategy;
- f. develop business plans and proposals and advise on technical issues relating to business and organisational plans, assessing the impact on historic and projected corporate reporting information;
- g. demonstrate an understanding of, and provide advice on, data security issues, including cyber security issues, arising from communications, shared systems and data sharing throughout the supply chain and with strategy partners; and
- h. identify and explain barriers to implementation of digital strategy and make recommendations as to how they may be overcome.

4 STRATEGIC PERFORMANCE MANAGEMENT

- a. advise on, and develop, appropriate performance management approaches for businesses and business units, including the use of data analytics;
- b. explain and demonstrate how a business can analyse complex, quantitative and qualitative data from multiple sources to provide strategic management accounting

information to implement, monitor and modify a strategy at an appropriate organisational level in order to create competitive advantage;

- c. use financial and non-financial performance data from a variety of sources, including integrated reporting disclosures, to measure multiple aspects of performance at a variety of organisational levels;
- d. advise on, and develop, appropriate remuneration and reward packages for staff and executives linked to performance, considering agency relationship issues; and evaluate the impact on corporate reports arising from employee remuneration, including pensions and share-based payment; and
- e. develop measures to evaluate performance in the context of social responsibility, sustainability, environmental matters, natural capital and climate change.

5 STRATEGIC MARKETING AND BRAND MANAGEMENT

- a. assess and evaluate strategic marketing issues and demonstrate the application of quantitative and qualitative marketing techniques in complex scenarios;
- b. evaluate and analyse markets and the marketing environment and develop a marketing strategy consistent with the overall business strategy;
- c. explain, using information provided, how to position particular products and services in the market place (domestic or international) to maximise competitive advantage, and assess the corporate reporting impact arising from revenue and profit recognition in accordance;
- d. demonstrate, across a range of industries, how elements of the marketing mix can be used to promote competitive advantage;
- e. develop and explain marketing strategies using databases, big data and information technology applications such as social media and other internet sources;
- f. develop and explain the strategies for managing and sustaining existing brands;
- g. prepare marketing strategies and show how they can be used to develop brands; and
- h. demonstrate how appraisal techniques can be used for valuing brands, patents, R&D projects and intellectual property

and evaluate relevant corporate reporting recognition and measurement for Intangible Assets.

6 BUSINESS RISK MANAGEMENT

- a. analyse and evaluate the key types of business risks using relevant quantitative and qualitative data and assess their implications within a given scenario, for business strategy and corporate reporting disclosures;
- b. advise on the risks involved in business and organisational plans and show how these risks can be managed by assurance procedures and other forms of risk mitigation;
- c. explain the responsibility of those charged with governance for managing risk and assess the role of assurance in risk mitigation;
- d. assess the impact of risk on a variety of stakeholders;
- e. explain and assess the various steps involved in constructing a business risk management plan, by establishing context, identifying risks and the assessment and quantification of risk;
- f. evaluate and explain the limitations of business risk management; and
- g. assess and explain enterprise risk management, evaluating its framework and its benefits; and analyse, structure and assimilate data provided to evaluate business risks under a range of complex scenarios using appropriate statistical and data analysis tools, recognising various types of data bias in a variety of scenarios.

7 CORPORATE GOVERNANCE

- a. assess the nature of governance and the explain the characteristics and principles of good governance in a variety of scenarios;
- b. assess the interests and impact of organisational stakeholders in determining strategy and the consequences for stakeholders of strategic choices;
- c. evaluate the impact of governance mechanisms on a range of stakeholders;
- d. assess and advise on appropriate corporate governance mechanisms, and evaluate stakeholder management;
- e. analyse and evaluate the strengths and weaknesses of corporate governance

- mechanisms and processes, including governance over data;
- f. explain the role of boards in determining and evaluating an entity's policy for social responsibility, sustainability and environmental matters and advise on corporate reporting disclosures relating to these policies;
 - g. evaluate the suitability of corporate governance and organisational structures for implementing strategy;
 - h. explain the role of boards in monitoring corporate performance and risk, and assess the role of assurance procedures in this context; and
 - i. explain the nature, and assess the consequences, of the legal framework within which businesses, assurance and governance systems operate (with particular reference to company law, fraud, money laundering, civil liabilities, social security law, employment law, contract law, tort and environmental law).

8 DATA ANALYSIS

- a. undertake appropriate quantitative and qualitative data analysis, statistical analysis, business analysis and financial statement analysis;
 - b. explain financial and operational data and other management information, drawing inferences relating to its completeness, accuracy and credibility, as a basis for a meaningful analysis of the position, future prospects and risks for a business;
 - c. demonstrate how suitable financial, strategic and operational analysis techniques can be used to analyse financial and operational data and to evaluate business position, prospects and risks, including the analysis and benefits of 'Big Data', artificial intelligence and machine learning;
 - d. communicate an explanation (stating any reservations regarding transparency and objectivity of data and information) of the position, prospects and risks of a business, based on analysis of financial and operational data and information, including data analytics and assess the extent to which limited assurance and reasonable assurance engagements can identify and mitigate information risks in this context;
- e. apply professional scepticism to data sources and data capture in interpreting quantitative and qualitative information; and
 - f. analyse, structure and assimilate historic and forecast data provided to evaluate performance, position and risk using relevant statistical and data analysis tools, recognising the sensitivity of forecasts to underlying assumptions and changes in estimates.

9 INFORMATION STRATEGY

- a. outline proposals and advise on outline requirements for information technology applications to support business strategy, for example in the context of e-commerce, e-business, virtual arrangements, artificial intelligence, digital assets and cloud computing, including assurance issues in relation to data security;
- b. use management accounting information (for example, costs, prices, budgets, transfer prices) and management accounting tools (for example, break-even, variances, limiting factors, expected values, ABC, balanced scorecard) to evaluate short and long-term aspects of strategy;
- c. explain and appraise how management information systems can provide relevant quantitative and qualitative data to analyse markets, industry and performance, including the capture and analysis of big data;
- d. demonstrate and explain methods for determining the value of information in the context of developing an information strategy;
- e. assess financial and operational data and information from management information systems, drawing inferences relating to its completeness, accuracy and credibility, and provide an evaluation of assurance procedures in evaluating information risks, including those relating to cyber security;
- f. demonstrate and explain how businesses capture, analyse and utilise information to develop competitive advantage;
- g. evaluate the impact of cloud computing and the borderless business on the provision of strategic management information, including the use of cryptocurrencies;
- h. explain and appraise corporate strategies for ensuring security of data and preventions of

attacks against data in the context of cyber security; and

- i. explain the impact of regulations relating to data security (eg GDPR) including the issues incurred in complying with such regulation.

10 HUMAN RESOURCE MANAGEMENT

- a. assess, explain and advise on the role of human resource management in implementing strategy;
- b. demonstrate and explain how human resource management can contribute to business strategy, including flexible workforce management;
- c. identify the impact of remuneration structures on organisational behaviour and other aspects of human resource management, and show the corporate reporting consequences; and
- d. demonstrate and explain the role and impact of human resource management in change management.

FINANCIAL STRATEGY

Students will be able to identify and advise upon appropriate finance requirements; evaluate financial risks facing a business and advise upon appropriate methods of managing and quantifying those risks; provide valuations for businesses and securities; and advise upon investment and distribution decisions. Students will also be able to apply corporate reporting and assurance principles and practices in the context of key financing decisions and events.

In the assessment, students may be required to:

11 FINANCE AWARENESS

- a. demonstrate and explain the financing alternatives available for projects and assets, and make informed choices as to which alternative is the most compatible with the overall financial strategy of the entity, showing the corporate reporting consequences relating to presentation, disclosure, recognition and measurement of projects and their financing;
- b. assess and explain current and emerging issues in finance;
- c. identify social responsibility, sustainability and environmental factors for a range of financial stakeholders, including UN sustainable development goals, natural capital and green finance, and assess

assurance and corporate reporting issues relating to such factors;

- d. explain how financial crises, which have occurred in the past over a long time period, may impact on approaches and attitudes to financial risk and may inform corporate reporting practice; and
- e. explain the role and impact of the finance function as a business partner.

12 BUSINESS AND SECURITIES VALUATION

- a. explain, advise on and demonstrate appropriate valuation methods for businesses and equity securities using: asset-based; adjusted earnings-based; and cash-based methods (for example SVA, EVAR, VBM, MVA and other appropriate techniques);
- b. critically appraise business and securities valuation methods in the context of specified complex scenarios, including the consideration of natural capital;
- c. explain and demonstrate appropriate valuation techniques in the context of acquisitions and mergers; assess the contribution of due diligence procedures; and show the impact on corporate reports arising from acquisitions for groups in consolidated financial statements;
- d. explain and demonstrate appropriate valuation techniques in the context of demergers and for disposal of entities and business units, and show the impact on corporate reporting issues relating to discontinued operations;
- e. determine the value of debt and explain the techniques used; and
- f. analyse, structure and assimilate historic and forecast data provided to evaluate the impact on valuations using relevant statistical and data analysis tools, recognising the sensitivity of valuations to underlying assumptions and changes in estimates.

FINANCIAL STRUCTURE AND FINANCIAL RECONSTRUCTION

13 CAPITAL STRUCTURE

- a. appraise and evaluate the sources of finance and the process for raising finance;
- b. advise on and develop proposals for determining the appropriate financing mix for new businesses and projects;

- c. explain and advise on issues relating to the cost of capital;
- d. show and explain how dividend policy impacts upon equity value and upon financing and investment decisions; and
- e. appraise and explain how the choice of financing impacts on reported corporate performance, and on the recognition and measurement of financial assets and financial liabilities.

14 FINANCIAL RECONSTRUCTION

- a. show and explain how financial reconstruction takes place and explain the consequences of such reconstructions for corporate reporting;
- b. appraise and evaluate financial reconstruction proposals in a given scenario, and determine the nature and role of assurance procedures in this context;
- c. explain the different reasons for refinancing, and demonstrate how companies in financial distress can be managed, having regard to insolvency law;
- d. explain and appraise the workings of, and reasons for, securitisation, showing the impact on financial statement information;
- e. explain and appraise the nature and consequences of leveraged buy outs; and
- f. appraise and evaluate various forms of reconstruction (for example, spin-off, MBO, divestment, demergers, purchase of own shares, use of distributable profits), explaining the corporate reporting impact.

15 SMALL AND MEDIUM COMPANY FINANCING

- a. appraise and explain the small and medium-sized enterprise financing problem;
- b. appraise and evaluate the various methods of financing available to small and medium-sized enterprises, and explain the nature and role of assurance for small and medium-sized companies in raising such finance; and
- c. assess and explain the characteristics of sources of equity for smaller companies and the financial institutions operating in these markets (for example, venture capital and private equity).

FINANCIAL INSTRUMENTS AND FINANCIAL MARKETS

16 EQUITY INSTRUMENTS

- a. assess and explain the types of equity securities, and evaluate the implications for disclosure, presentation, recognition and measurement in financial statements;
- b. appraise and explain the characteristics of equity markets and the financial institutions operating in these markets; and
- c. analyse and evaluate the cost of equity, portfolio theory and the use of appropriate asset pricing models, applying principles of financial economics.

17 FIXED INTEREST

- a. explain the types of fixed interest securities and evaluate the implications for disclosure, presentation, recognition and measurement in financial statements;
- b. appraise and explain the characteristics of bond markets and the financial institutions operating in these markets;
- c. appraise and evaluate the use of bonds/loans as a method of finance, and explain the implications of terms included in loan agreements in a given scenario (for example, covenants and guarantees) and the explain the procedures by which monitoring and assurance can be provided in respect of such agreements;
- d. explain and appraise bond valuation techniques and assess flat and gross redemption yields;
- e. explain and appraise yield curves, sensitivity to yield and components of the yield;
- f. evaluate and explain interest rate risk; and
- g. appraise and evaluate credit risk and credit spread.

18 DERIVATIVES

- a. explain the types of derivative securities and evaluate the implications for disclosure, presentation, recognition and measurement in financial statements;
- b. assess and explain the characteristics of derivative markets and the financial institutions operating in these markets; and
- c. appraise and evaluate the characteristics of forwards, futures, options, swaps, credit derivatives.

19 FINANCIAL RISK MANAGEMENT

- a. analyse and evaluate financial risks and their implications (for example financing, currency and interest rate risks) and show the application of qualitative and quantitative risk disclosures for financial instruments and other corporate reporting disclosures relevant to risk assessment;
- b. appraise and advise on appropriate methods to assess, manage and quantify financial risk in specific business scenarios;
- c. explain and appraise financial instruments available for hedging against interest rate and foreign exchange rate risk, for example, swaps, collars and floors;
- d. demonstrate and explain the nature and operation of financial instruments underlying the disclosure, recognition and measurement requirements in financial statements;
- e. demonstrate and explain how interest rate hedging strategies and foreign currency risk management strategies can be formulated, both at the level of the individual transaction and for macro hedging arrangements; and
- f. explain and demonstrate the causes and effects of different types of data bias and data distributions in evaluating financial risks, using appropriate statistical and data analysis tools.

20 INTERNATIONAL FINANCIAL MANAGEMENT

- a. explain and appraise the various methods of financing available for foreign investments and evaluate the implications for disclosure, presentation, recognition and measurement of changes in foreign exchange rates in financial statements;
- b. appraise and explain global treasury organisation and international liquidity management;
- c. appraise and evaluate the factors affecting the capital structure of a multinational company;
- d. explain and appraise the advantages and risks associated with international borrowing;
- e. demonstrate and explain the risks associated with international trade and the ways in which these risks can be managed, and assess the nature and role of assurance procedures in mitigating risk and the

financial reporting consequences of currency hedging;

- f. appraise and evaluate the different methods open to multinationals wishing to set up foreign operations and the choices of finance available, identifying tax and corporate reporting consequences;
- g. assess and explain the impact of exchange controls and how companies can overcome the effects of these controls;
- h. appraise and evaluate the management of dividends in multinational organisations; and
- i. appraise and evaluate the management of transfer prices in multinational organisations and the implications for reported profit and tax.

21 INVESTMENT APPRAISAL

- a. select and advise on investment appraisal techniques which are appropriate to the objectives and circumstances of a given business;
- b. appraise and advise on appropriate measures of return and risk for assessing business projects using appropriate statistical and data analysis tools;
- c. demonstrate and evaluate investment appraisal techniques for international projects, identifying the impact of tax and the effects on corporate reporting;
- d. explain and appraise real options and determine the impact of options to abandon, expand, delay and redeploy;
- e. appraise and evaluate the quantitative and qualitative issues surrounding international investment appraisal;
- f. evaluate the impact of externalities when making investment appraisal decisions; and
- g. identify social responsibility, sustainability and environmental consequences of investment decisions, explaining corporate reporting issues in relation to such policies.

22 TREASURY AND WORKING CAPITAL MANAGEMENT

- a. demonstrate and explain the role and responsibilities of the treasury management function;
- b. demonstrate and explain the role of treasury management in short-term finance, short-term investment and liquidity risk;

- c. appraise and evaluate the contribution of working capital management to short term and long term financing;
- d. evaluate the risks arising from working capital management and how these may be mitigated;
- e. evaluate and explain working capital requirements for a range of different organisations and circumstances;
- f. demonstrate and explain the nature and role of working capital management within financial management; and
- g. appraise, evaluate and advise with respect to working capital management techniques.

23 ETHICS

In the assessment, students may be required to:

- a. recognise and explain ethical, business trust and professional conduct issues;
- b. explain the relevance, importance and consequences of ethical issues;
- c. evaluate the ethical implications of an organisation's selection, capture, analysis and use of data;
- d. evaluate the impact of ethics on an entity, its stakeholders and the scope of its strategies and operations, considering the public interest;
- e. recommend and justify appropriate actions where ethical dilemmas arise in a given scenario; and
- f. design and evaluate appropriate ethical safeguards.

SKILLS ASSESSED

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">• Demonstrate understanding of the business context• Identify and understand the requirements• Recognise new and complex ideas within a scenario• Identify the needs of customers and clients• Explain different stakeholder perspectives and interests• Identify risks within a scenario• Identify elements of uncertainty within a scenario• Identify ethical issues including public interest and sustainability issues within a scenario	<ul style="list-style-type: none">• Interpret information provided in various formats• Evaluate the relevance of information provided• Filter information provided to identify critical facts	<ul style="list-style-type: none">• Identify business and financial issues from a scenario• Prioritise key issues• Work effectively within time constraints• Operate to a brief in a given scenario

HOW SKILLS ARE ASSESSED:

students may be required to:

- draw conclusions in the following ways:
 - from data, facts, calculations, judgments and own analysis;
 - on complex assurance engagements;
 - by identifying weaknesses in financial information systems and their potential consequences;
 - by distinguishing between the qualities of data provided or other evidence generated; and
 - by developing risk management solutions in an audit and corporate reporting environment.
- present and communicate their recommendations in the following ways:
 - from using a report/memorandum in response to a specific technical issue and in accordance with client requirements;
 - by using reasoned, practicable advice that is clear and concise, supported by calculations or analysis of technical/business issues identified;
 - by using judgement to select the most appropriate audit procedures in the context of risks identified; and
 - by justifying a specific recommended action when a variety of options are available.
- explain the limitations of their conclusions or recommendations.

STRUCTURING PROBLEMS AND SOLUTIONS

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

HOW SKILLS ARE ASSESSED:

students may be required to:

- Business management
 - Undertake a critical assessment of key business issues.
 - Structure market data and industry data from various sources.
 - Explain and evaluating the strengths and weaknesses of an organisation or segments of an organisation.
 - Evaluate the impact of decisions on business strategy.
 - Evaluate the impact of financial strategy on business strategy.
- Finance
 - Undertake valuations, where the information is incomplete, suspect or unsuitable.
 - Undertake financial risk analysis and considering the management of financial risks.
 - Evaluate the impact of business strategy on financial strategy.
- Corporate reporting
 - Consider relevance and reliability of unstructured information.
 - Evaluate the impact and legitimacy of a range of financial reporting treatments.
 - Deal with complex financial reporting information.
 - Impact of future events on financial statements.
 - Impact on financial statements of delaying or modifying business and financial decisions.
 - Evaluate business position, prospects and risks.
- Assurance
 - Understand business and inherent risks in complex scenarios.
 - Evaluate the control environment.
 - Undertake selective financial analysis.

- Evaluate risk and control evaluation in the context of IT.
- Undertake assurance to support specific transactions (eg, due diligence).
- Apply professional scepticism.
- Ethics
 - Identify ethical problems in complex scenarios and structuring appropriate actions.

APPLYING JUDGEMENT

Apply professional scepticism and critical thinking	Relate issues to the environment
<ul style="list-style-type: none"> • Recognise bias and varying quality in data and evidence • Identify faults in arguments • Identify gaps in evidence • Identify inconsistencies and contradictory information • Assess interaction of information from different sources • Exercise ethical judgement 	<ul style="list-style-type: none"> • Recognise bias and varying quality in data and evidence • Identify faults in arguments • Identify gaps in evidence • Identify inconsistencies and contradictory information • Assess interaction of information from different sources • Exercise ethical judgement

HOW SKILLS ARE ASSESSED:

students may be required to:

- drawing of inferences and conclusions from prior qualitative and quantitative analysis, and other information, in order to solve problems and developing a solution, or alternative solutions;
- select between technical choices;
- filter data to identify critical elements;
- prioritise information, issues or tasks;
- identify omissions in the information provided;
- evaluate inconsistencies in information;
- distinguish between the various qualities of the data provided;
- evaluate the impact of business, financial and economic factors;
- evaluate the effects of future events;
- evaluate the appropriateness of accounting policy and estimation selection;
- compare the effects of a range of estimates, outcomes or financial treatments;
- exercise ethical judgement;
- identify key linkages; and
- draw appropriate conclusions from data provided to satisfy specified objectives and assessing the materiality of errors and omissions.

CONCLUDING, RECOMMENDING AND COMMUNICATING

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

HOW SKILLS ARE ASSESSED:

students may be required to:

- draw conclusions from data, facts, calculations, judgements and own analysis;
 - draw conclusions on complex assurance engagements;
 - draw conclusions by identify weaknesses in financial information systems and their potential consequences;
 - draw conclusions by distinguishing between the qualities of data provided or other evidence generated;
 - draw conclusions by developing risk management solutions;
 - draw conclusions by making strategic decisions;
 - draw conclusions by valuing a company or a financial instrument;
 - present a report/memorandum in response to a specific technical or business issue and in accordance with client requirements;
 - present reasoned, practicable advice that is clear and concise, supported by calculations or analysis of technical or business issues identified; and
 - justify a specific recommended action when a variety of options are available.
-

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
Discussion Papers			C
Working Procedures			C
International Standards on Auditing (UK)			
200 (Updated January 2020) <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 July 2017) <i>Agreeing the Terms of Audit Engagements</i>		B	→
220 (Revised November 2019) <i>Quality Control for an Audit of Financial Statements</i>		B	→
230 (Updated January 2020) <i>Audit Documentation</i>	C	B	A
240 (Revised June 2016) (Updated January 2020) <i>The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements</i>	C	B	A
250 A (Revised November 2019) <i>Consideration of Laws and Regulations in an Audit of Financial Statements</i>		B	A
250 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 January 2020) <i>Communication with Those Charged with Governance</i>		B	A
265 <i>Communicating Deficiencies in Internal Control to Those Charged with Governance and Management</i>		B	A
300 (Revised June 2016) <i>Planning an Audit of Financial Statements</i>	B	A	→
315 (Revised July 2020) <i>Identifying and Assessing the Risks of Material Misstatement Through Understanding of the Entity and its Environment</i>	B	A	→
320 (Revised June 2016) <i>Materiality in Planning and Performing an Audit</i>	C	A	→
330 (Revised July 2017) <i>The Auditor's Responses to Assessed Risks</i>	C	B	A
402 <i>Audit Considerations Relating to an Entity Using a Service Organisation</i>		C	B
450 (Revised June 2016) (Updated July 2017) <i>Evaluation of Misstatements Identified during the Audit</i>	C	A	
500 (Updated January 2020) <i>Audit Evidence</i>	B	A	→
501 <i>Audit Evidence - Specific Considerations for Selected Items</i>		B	A
505 (Updated July 2017) <i>External Confirmations</i>	B	B	A
510 (Revised June 2016) <i>Initial Audit Engagements - Opening Balances</i>	C	B	A
520 <i>Analytical Procedures</i>	B	A	A
530 <i>Audit Sampling</i>	B	B	A
540 (Revised December 2018) <i>Auditing Accounting Estimates, and Related Disclosures</i>	C	B	A
550 <i>Related Parties</i>	C	B	A
560 <i>Subsequent Events</i>		B	A
570 (Revised September 2019) <i>Going Concern</i>		A	→
580 <i>Written Representations</i> (Updated January 2020)	C	B	A
600 (Revised November 2019) <i>Special Considerations - Audits of Group Financial Statements (including the Work of Component Auditors)</i>		C	A

TOPIC	ASSURANCE	AUDIT AND ASSURANCE	ADVANCED LEVEL
610 (Revised June 2013) <i>Using the Work of Internal Auditors</i>	C	B	A
620 (Revised November 2019) <i>Using the Work of an Auditor's Expert</i>		B	A
700 (Revised January 2020) <i>Forming an Opinion and Reporting on Financial Statements</i>	B	A	→
701 (Revised January 2020) <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) <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>		B	A
805 (Revised) <i>Special Considerations - Audits of Single Financial Statements and Specific Elements, Accounts or items of a Financial Statement</i>		B	A
International Standards on Auditing			
810 (Revised) <i>Engagements to Report on Summary Financial Statements</i>			B
International Auditing Practice Note (IAPN)			
1000 <i>Special Considerations in Auditing Financial Instruments</i>			B
International Standards on Review Engagements (ISREs)			
2400 (Revised) <i>Engagements to Review Historical Financial Statements</i>		C	B
International Standards on Review Engagements (UK & Ireland)			
2410 <i>Review of Interim Financial Information Performed by the Independent Auditor of the Entity</i>		C	B
International Standards on Assurance Engagements (ISAEs)			
3000 (Revised) <i>Assurance Engagements Other than Audits or Reviews of Historical Financial Information</i>		C	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	→
International Standards on Related Services (ISRSs)			
4400 <i>Engagements to Perform Agreed-upon Procedures Regarding Financial Information</i>			B
4410 (Revised) <i>Compilation Engagements</i>			B
Other Standards			
ISQC (UK)1 (Revised November 2019) <i>Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements</i>		C	B
Other Guidance			
Bulletin (March 2020): <i>Illustrative Auditor's Reports on UK Private Sector Financial Statements</i>		B	B
FRC Briefing Paper <i>Professional Scepticism - establishing a common understanding and reaffirming its central role in delivering audit quality</i>		B	B

Business Analysis

TOPIC	CERTIFICATE AND PROFESSIONAL LEVELS				ADVANCED LEVEL
	MANAGEMENT INFORMATION	BUSINESS, TECHNOLOGY AND FINANCE	FINANCIAL MANAGEMENT	BUSINESS STRATEGY AND TECHNOLOGY	
STRATEGIC ANALYSIS					
Environmental and market analysis tools					
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	→
Positional and other analysis tools					
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	→
STRATEGIC CHOICE					
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	→
Corporate responsibility, sustainability and climate change		C		B	A
STRATEGIC IMPLEMENTATION					
Business plans		C		A	→
Organisational structure		C		A	→
Information management		C		B	A
Change management				A	→
Project management					A
BUSINESS MANAGEMENT					
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		→
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 sensitivity analysis			B		A
Project appraisal and simulation			B		A
Expected values			B		A
Scenario planning					A
Gap analysis				B	→
Continuous vs event risk				B	→

FINANCIAL ANALYSIS

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
APT and MCPM					A
CAPM and cost of capital			B		A
International cost of capital					A

Bonds and fixed interest securities

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

SOURCES OF FINANCE AND FINANCING ARRANGEMENTS

Short, medium and long term sources of finance		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

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

Foreign exchange

Currency forward contracts			B		A
Currency money market cover			B		A
Currency options			B		A
Currency swaps			B		A
Operational techniques for managing currency risk			B		A
Theoretical determinants of foreign exchange rates			B		A

Option value

Value of a call and put option			C		B
Black Scholes option pricing model					B
Binomial option pricing model					B
Real options			C		B

Ethics Codes and Standards

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