



# *ICAEW ACA syllabus and technical knowledge grids*

**PROFESSIONAL LEVEL  
BUSINESS STRATEGY AND TECHNOLOGY**

**For exams in 2019**

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# *ACA overview*

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

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

- Professional development
- Ethics and professional scepticism
- Three to five years practical work experience
- 15 accountancy, finance and business exams

## **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
- communication
- decision making
- ethics and professionalism
- problem solving
- teamwork
- technical competence.

## **ETHICS AND PROFESSIONAL SCEPTICISM**

Ethics is more than just knowing the rules around confidentiality, integrity, objectivity and independence. It's about identifying ethical dilemmas, understanding the implications and behaving appropriately. We integrate ethics throughout the ACA qualification to develop students' ethical capabilities – so they will always know how to make the right decisions and justify them.

## **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 agreement 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.

# 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 with the exception of 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).

These six exams are also available as a stand-alone certificate, the ICAEW Certificate in Finance, Accounting and Business (ICAEW CFAB) and as part of the ICAEW Level 4 Trailblazer in Accountancy. ICAEW CFAB and our apprenticeship can serve as stepping stones to the ACA qualification.

## 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.

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

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 are based on the same syllabus structure and skills frameworks, and will provide students with 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. 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.

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.

## **SYLLABUS**

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.

## **ASSESSMENT**

The six Certificate Level exams each have a 1.5 hour computer-based exam, a 55% pass mark, and can be sat throughout the year at an ICAEW-approved test centre.

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. The Professional Level exams are examined using computer-based exams. The Audit and Assurance, Financial Accounting and Reporting, Financial Management and Tax Compliance exams moved to computer in 2017 and are no longer available as paper-based exams.

Business Planning: Taxation and Business Strategy and Technology will move to computer-based exams in March 2018, with Business Planning: Banking and Business Planning: Insurance moving to computer-based exams in June 2018.

From June 2018, all Professional Level exams will be computer-based.

The three Advanced Level modules are also examined using paper-based exams. The Corporate Reporting and Strategic Business Management exams are 3.5 hours long. The Case Study exam is 4 hours long. Each has a 50% pass mark.

For more information, guidance and support on the introduction of computer-based 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)

## **OPEN BOOK POLICY**

For some Professional Level exams, students are permitted to take certain publications into the exam. Details of these publications and our open book policy can be found at [icaew.com/permittedtexts](https://www.icaew.com/permittedtexts)

For the Professional Level Business Planning alternative exams, and at the Advanced Level, students are permitted to take any material into the exam, subject to practical space restrictions.

## SKILLS PROGRESSION THROUGH THE ACA QUALIFICATION

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
<b>Assimilating and using information</b>						
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
<b>Structuring problems and solutions</b>						
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
<b>Applying judgement</b>						
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
<b>Concluding, recommending and communicating</b>						
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

- 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

#### Identify and use relevant information

- Interpret information provided in various formats
- Evaluate the relevance of information provided
- Use multiple information sources
- Filter information provided to identify critical facts

#### Identify and prioritise key issues and stay on task

- 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

- 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

#### Develop solutions

- 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

- 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

### Relate issues to the environment

- 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

- 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.

### Recommendations

- Present recommendations in accordance with instructions and defined criteria
- Make recommendations in situations where risks and uncertainty exist
- Formulate opinions, advice, recommendations, plans, solution, 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

### Communication

- 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

# *Business Strategy and Technology*

## MODULE AIM

To provide students with an understanding of how organisations develop and implement strategy, including any ethical implications.

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

- identify and analyse the consequences of an organisation's current objectives, technology developments, market position and direction;
- use data to evaluate the likely consequences of strategic choices and recommend strategies to meet the objectives of an organisation; and
- recommend appropriate methods of implementing strategies and demonstrate how data and information can be used subsequently to measure and monitor strategic performance.

## METHOD OF ASSESSMENT

The Business Strategy and Technology module is assessed by a 2.5 hour computer-based exam.

The exam will continue to be 2.5 hours long and consist of three scenario-based questions, covering a range of different industries and types of organisation. Each question will cover one or more syllabus areas.

Ethics may be tested in any of the questions.

## SPECIFICATION GRID

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

Syllabus area	Weighting (%)
1 Strategic analysis	30-40
2 Strategic choice	30-40
3 Implementation and monitoring of strategy	25-35

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

### 1 Strategic analysis

Students will be able to analyse and identify the consequences of an organisation's current objectives, technology developments, market position and direction.

In the assessment, students may be required to:

- a. evaluate an organisation's purpose, in terms of its stated mission, objectives and critical success factors, highlighting omissions, inconsistencies and weaknesses, and considering the different objectives of stakeholders;
- b. analyse for a given situation the external factors which may impact upon an organisation's performance and position, identifying significant issues in areas such as:
  - sustainability, including natural capital
  - macroeconomic forces
  - international trade, financial systems and global economic factors
  - government policies
  - its industry and markets, including competition
  - cultural environment
  - stakeholder impact
  - markets for finance, labour and other resources
  - supply chain factors
  - current technology developments, including those relating to automation and intelligent systems;
- c. analyse an organisation's current markets and competitive strategy in sufficient detail for decisions to be made, drawing conclusions consistent with the qualitative and quantitative data available and highlighting relevant issues in terms of their likely impact on the strategy of the organisation;
- d. identify the significance and effect of the internal factors in a given situation which affect or may influence an organisation's ability to achieve its chosen strategy, including its:
  - current resources
  - product/service portfolio
  - value chain
  - organisational and operational capabilities (including core competencies, existing business processes, human capital and workforce flexibility)
  - use of developing technology (including digital assets, cryptocurrencies, big data, internet of things, automation and intelligent systems);
- e. analyse the governance structure of an organisation, identifying strengths and weaknesses;
- f. identify the risk attached to an organisation's present position, using all relevant qualitative and quantitative data, and considering attitudes to risk, security and cyber security;
- g. analyse an organisation's current position and performance from both financial and non-financial perspectives, using management information and data presented in different formats; and
- h. explain the ethical factors to be considered in determining the scope and nature of an organisation's objectives and its strategic analysis, having regard to the legitimate interests of all stakeholder groups.

## 2 Strategic choice

Students will be able to use data to evaluate the likely consequences of strategic choices and recommend strategies to meet the objectives of an organisation.

In the assessment, students may be required to:

- a. identify, describe and evaluate in a given scenario the alternative strategies available to an organisation;
- b. explain and demonstrate how an organisation can capture and analyse qualitative and quantitative data, presented in different formats, to provide relevant information for decision making at an appropriate level within the organisation;
- c. identify the implications for stakeholders, including shareholder value, of choice between strategies;
- d. identify the risks attached to proposed courses of action in a given situation, considering all relevant factors, stating all assumptions made and identifying strategies for managing risk;

- e. show, in a given scenario, how an organisation chooses from competing strategies in order to maximise the achievement of its key objectives, including those relating to technology, corporate responsibility and sustainability;
- f. evaluate the ethical implications of an organisation's strategies and operations for the organisation and for individuals (including the accountant in business and others), including ethical considerations in the use of data;
- g. choose, for a given scenario, a strategy or combination of strategies which will best achieve the organisation's objectives, taking account of known constraints, including stakeholder risk preferences and developing technologies;
- h. explain, in a given scenario, how products and services must evolve in the face of changing technologies, consumer demand and industry competition;
- i. explain how to position particular products and services in the market place to maximise competitive advantage and develop a marketing strategy by extracting and analysing relevant data; and
- j. explain and demonstrate how an organisation can use management accounting approaches to evaluate its proposed strategies, while considering the value of information and the risk associated with forecasts.

### **3 Implementation and monitoring of strategy**

Students will be able to recommend appropriate methods of implementing strategies and demonstrate how data and information can be used subsequently to measure and monitor strategic performance.

In the assessment, students may be required to:

- a. evaluate how an organisation's overall strategy can be achieved by implementing appropriate functional strategies;
- b. evaluate how strategies for technology and innovation, including digital assets, automation, intelligent systems, workforce flexibility and shared service centres, can support the organisation's achievement of its overall strategy;
- c. evaluate and recommend an appropriate organisational structure for a given strategy, taking into account the impact of changing technology and other factors;
- d. identify the steps needed for a given organisation to develop its corporate governance to meet the needs of its stakeholders, its strategic objectives and its compliance requirements;
- e. identify and evaluate methods of further developing a specific organisation which adjust existing strategies or implement new strategies to take account of changing position and risk;
- f. draft a simple business plan, or extracts, which will achieve given or implied objectives;
- g. evaluate the form and content of an organisation's business plan;
- h. explain and demonstrate how qualitative and quantitative data, including forecasts, budgets and other management information presented in a range of formats, can be analysed to monitor the performance of an organisation's projects, divisions and other strategic units;
- i. explain and demonstrate how an organisation can capture, analyse and interpret data, including big data, to provide management with information that enables it to implement, monitor and modify a strategy and to create or sustain competitive advantage;
- j. identify, in a given situation the key issues which should be addressed by the management of an organisation during the planning and implementation of change; and
- k. evaluate the ethical implications of how an organisation chooses to implement and modify its strategies, suggesting appropriate courses of action to resolve ethical dilemmas that may arise.

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

#### How skills are assessed:

*students may be required to:*

- understand key information from the scenario provided;
- understand the context of the scenario in terms of type of business, industry and wider context;
- recognise key ethical issues for an accountant undertaking work in accounting and reporting; and
- recognise specific issues that may arise in the context of the situation described.

### Structuring problems and solutions

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

- Define objectives and acceptance criteria for solutions

**How skills are assessed:**

*students may be required to:*

- identify and use information to define key business issues;
- demonstrate understanding of the business, its strategy, industry and wider context.
- demonstrate the impact of ethics on the objectives and methods of an organisation;
- identify the ethical implications of strategic proposals;
- demonstrate relevant technical knowledge;
- perform appropriate analysis of numerical data and demonstrate an understanding of what is relevant; and
- use data analysis to develop and illustrate an answer.

**Applying judgement**

**Apply professional scepticism and critical thinking**

- 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

**Relate issues to the environment**

- 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

**How skills are assessed:**

*students may be required to:*

- evaluate the impact of a business proposal on an entity;
- assess the reliability, accuracy and limitations of any analysis performed;
- be able to produce arguments integrating numerical and descriptive analysis;
- prioritise the issues facing an entity;
- identify links and relationships between different issues affecting an entity and use these to establish priorities;
- evaluate options for an organisation, taking into account its stakeholders, objectives, priorities, available resources and ethical obligations; and
- provide reasons for the rejection of alternatives.

**Concluding, recommending and communicating**

**Conclusions**

- Apply technical knowledge to support reasoning and conclusions

**Recommendations**

- Present recommendations in accordance with instructions and defined criteria

**Communication**

- Present a basic or routine memorandum or briefing note in writing in a clear and concise style

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

*students may be required to:*

- draw realistic conclusions from an analysis of data and the information provided;
- prepare a report or memorandum structured according to the requirements of the scenario, with appropriate context;
- provide reasoned advice based on an understanding of the business and the relevant scenario, including an assessment of possible alternatives;
- recommend suitable courses of action in a given situation; and
- identify risks and outline reservations about the advice.

# *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



# *Ethics Codes and Standards*

Ethics Codes and Standards	Level	Modules
<p>IESBA Code of Ethics for Professional Accountants (parts A, B and C and Definitions)</p> <p>ICAEW Code of Ethics</p>	<p>C/D</p> <p>B</p> <p>C/D</p> <p>D</p> <p>C</p> <p>C</p> <p>A</p> <p>B</p> <p>B</p> <p>B/C</p> <p>B</p> <p>B</p> <p>A</p> <p>A</p> <p>A</p>	<p><b>Certificate Level</b></p> <p>Accounting</p> <p>Assurance</p> <p>Business, Technology and Finance</p> <p>Law</p> <p>Management Information</p> <p>Principles of Taxation</p> <p><b>Professional Level</b></p> <p>Audit and Assurance</p> <p>Business Strategy and Technology</p> <p>Financial Accounting and Reporting</p> <p>Financial Management</p> <p>Tax Compliance</p> <p>Business Planning</p> <p><b>Advanced Level</b></p> <p>Corporate Reporting</p> <p>Strategic Business Management</p> <p>Case Study</p>
<p>FRC Revised Ethical Standard (2016)</p>	<p>B</p> <p>A</p> <p>A</p> <p>A</p> <p>A</p>	<p>Assurance</p> <p>Audit and Assurance</p> <p><b>Advanced Level</b></p> <p>Corporate Reporting</p> <p>Strategic Business Management</p> <p>Case Study</p>

# Business Analysis

Topic	Certificate and Professional Levels				Advanced Level
	Management Information	Business, Technology and Finance	Financial Management	Business Strategy and Technology	
<b>STRATEGIC ANALYSIS</b>					
<b>Environmental and market analysis tools</b>					
PESTEL analysis		C		A	→
Porter's five forces		C		A	→
Product life cycle		C		A	→
Boston consulting group matrix		C		A	→
Prices and markets		C		A	→
Competitor analysis		C		A	→
<b>Positional and other analysis tools</b>					
Resource audit		C		A	→
Resource-based strategy		C		A	→
Value chain analysis		C		A	→
SWOT analysis		C		A	→
Gap analysis		C		A	→
Marketing analysis		C		A	→
Competitive advantage		C		A	→
Benchmarking		C		A	→
Directional policy matrix					B
Business process analysis				B	A
Strategic risk analysis				A	→
Balanced scorecard		C		A	→
<b>STRATEGIC CHOICE</b>					
Strategy formulation, evaluation and choice		C		A	→
Business risk management		C		A	→
Financial analysis and data analysis				A	→
Stakeholder analysis		C		A	→
Objectives and stakeholders' preferences		C		A	→
Corporate responsibility and sustainability		C		B	A
<b>STRATEGIC IMPLEMENTATION</b>					
Business plans		C		A	→
Organisational structure		C		A	→
Information management		C		B	A
Change management				A	→
Project management					A
<b>BUSINESS MANAGEMENT</b>					
Performance management				C	A
Strategic marketing and brand management				B	A
Corporate Governance		C		B	A
Information strategy				B	A
Human resource management				C	A
<b>COST ANALYSIS FOR DECISION MAKING</b>					

Topic	Certificate and Professional Levels				Advanced Level
	Management Information	Business, Technology and Finance	Financial Management	Business Strategy and Technology	
<b>Costing</b>					
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
<b>Pricing</b>					
Pricing decisions	B			A	→
Transfer pricing	B			A	→
<b>Decision making techniques</b>					
Expected values				B	A
Relevant cash flows				B	A
Sensitivity analysis				B	A
<b>BUSINESS AND SHAREHOLDER VALUE</b>					
<b>Valuation Techniques</b>					
Income – dividend yield			B		A
Income – P/E			B		A
Income – discounted cash flow			B		A
Asset based measures			B		A
Options approach					B
<b>Shareholder value</b>					
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
<b>INVESTMENT APPRAISAL AND RISK ANALYSIS</b>					
<b>Project appraisal</b>					
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		→
<b>Assessing risk</b>					
Project appraisal and sensitivity analysis			B		A
Project appraisal and simulation			B		A
Expected values			B		A

Topic	Certificate and Professional Levels					Advanced Level
	Management Information	Business, Technology and Finance	Financial Management	Business Strategy and Technology		
Scenario planning						A
Gap analysis					B	→
Continuous vs. event risk					B	→
<b>FINANCIAL ANALYSIS</b>						
<b>Cost of capital</b>						
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
<b>Portfolio theory and CAPM</b>						
Portfolio theory			B			A
CAPM			B			A
APT and MCPM						A
CAPM and cost of capital			B			A
International cost of capital						A
<b>Bonds and fixed interest securities</b>						
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
<b>SOURCES OF FINANCE AND FINANCING ARRANGEMENTS</b>						
Short, medium and long term sources of finance		C				A
Loan agreement conditions (warranties; covenants; guarantees)			B			A
Raising capital		C				A
Gearing and capital structure			A			→
Loan agreements and covenants			A			→
Dividend policy			A			→
Financing reconstructions (eg: group reconstruction, spin off, purchase of own shares, use of distributable profits)			B			A
Treasury and working capital management	C					A
Small and medium company financing						B
History of finance						C
<b>FINANCIAL ENGINEERING</b>						
<b>Futures, options and swaps</b>						
Options			B			A
Interest rate futures			B			A
Interest rate options			B			A

Topic	Certificate and Professional Levels				Advanced Level
	Management Information	Business, Technology and Finance	Financial Management	Business Strategy and Technology	
Interest forward rate agreements (FRAs)			B		A
Interest rate swaps			B		A
<b>Foreign exchange</b>					
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
<b>Option value</b>					
Value of a call and put option			C		B
Black Scholes option pricing model					B
Binomial Option Pricing Model					B
Real options			C		B