



# *ICAEW ACA syllabus and technical knowledge grids*

**ADVANCED LEVEL  
CASE STUDY**

**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

# *Case Study*

## **MODULE AIM**

To ensure that students can provide advice in respect of complex business issues in the form of a written report.

The objective of the Case Study is to assess students' understanding of complex business issues and the ability to analyse financial and non-financial data, exercise professional and ethical judgement, and develop conclusions and recommendations.

## **CASE STUDY FORMAT**

The Case Study scenario may be based on any one of a variety of different organisational structures or operations. Students will be provided with background details ('Advance Information') on the organisation and its business environment ahead of the exam.

This information will not give specific indication of the eventual requirements of the Case Study. Students will be expected to familiarise themselves with the information provided about the organisation and the industry in which it operates, by undertaking details analysis of that Advance Information and some additional analysis and research where necessary. Students may take the results of their work into the exam.

## **METHOD OF ASSESSMENT**

The Case Study module has traditionally been assessed as a paper-based exam, however from the July 2019 session, this module will be assessed by a 4 hour computer-based exam. A paper-based version of this module will no longer be available. The Case Study will not require the detailed computations needed for the Certificate, Professional and Advanced Levels; but students will be required to undertake financial and business analysis.

Requirements will be open in that there will be no predetermined correct answers to the Case Study. All areas of the syllabus may be tested over time.

## **PREPARATION AND APPROACH TO THE CASE**

The Case Study is designed to reproduce a typical situation in which ICAEW Chartered Accountants find themselves. This will involve using information arising from meetings and communicated in memoranda, letters or reports from a variety of business and professional advisors and stakeholders. The situation will generally relate to a business plan or transaction and will require preparation for the submission of a report.

The reality of such situations is that in drafting a report you would:

- receive some materials in advance;
- carry out some work beforehand and make use of it in the report;
- include additional analysis in appendices to the report;
- develop additional lines of enquiry as you assemble the report; and

- expect to discuss and advise on relevant matters.

The limited class time available with a tutor, even when supplemented by extensive home study, is insufficient for success in the Case Study. Students must bring work experience into their preparation and development programme.

Success at the Case Study requires an integration of the technical knowledge and skills acquired from all of the ACA modules, namely:

- the core technical knowledge and skills and practical application acquired at the Certificate and Professional levels;
- the technical, analytical, evaluative and integration skills from Corporate Reporting and Strategic Business Management; and
- the advisory, judgemental and communication skills acquired through practical work experience undertaken during the training agreement.

## 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>• Identify and understand the requirements</li> <li>• Recognise new and complex ideas within a scenario</li> <li>• Identify the needs of customers and clients</li> <li>• Explain different stakeholder perspectives and interests</li> <li>• Identify risks within a scenario</li> <li>• Identify elements of uncertainty within a scenario</li> <li>• Identify ethical issues including public interest and sustainability issues within a scenario</li> </ul>	<ul style="list-style-type: none"> <li>• Interpret information provided in various formats</li> <li>• Evaluate the relevance of information provided</li> <li>• Use multiple information sources</li> <li>• Filter information provided to identify critical facts</li> </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:*

- use the Advance Information, Exam Paper, knowledge of ethical codes and professional experience to define the specific issue/situation;
- identify and use the key financial figures from the Advance Information and Exam Paper;
- use their own understanding of context and relevant findings from their own research;
- describe the wider context in which the business operates;
- identify relevant business issues showing:
  - understanding of a business entity
  - understanding of its position in the industry sector;
- recognise where a business is in its life cycle;
- identify any important parameters affecting an issue (eg, competitors, loss of clients); and
- demonstrate an awareness of ethical and business trust issues and situations.

### 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> </ul>

- Identify a range of possible solutions based on analysis
- Identify ethical dimensions of possible solutions
- Select appropriate courses of action using an ethical framework
- Define objectives and acceptance criteria for solutions
- Identify the solution which is the best fit with acceptance criteria and objectives

### **How skills are assessed:**

*students may be required to:*

- identify and use key information;
- demonstrate technical knowledge;
- use professional experience;
- use relevant strategic analytical tools (SWOT, PESTLE, Porter's 5 Forces);
- perform relevant analysis;
- produce quality analysis showing:
  - depth
  - breadth
  - logic
  - reasonableness;
- use knowledge of ethical codes and professional experience to perform relevant analysis; and
- assess issues of business trust.

### **Financial statement analysis:**

- use appropriate analytical tools on information and data provided in the Advance Information and Exam Paper to measure financial performance, identify trends and make comparisons;
- perform relevant analysis on:
  - financial statements;
  - other information;
- make specific adjustments to align equivalent financial information for different factors;
- assess the causes and effects of both financial and non-financial factors on the business;
- assess the effect of external factors on business activities and financial results; and
- integrate numbers and words.

### **Financial data analysis:**

- prepare and explain relevant calculations based on financial information provided in the Advance Information and Exam Paper;
- use appropriate analytical tools (eg, valuation methodologies);
- perform relevant analysis on:
  - numerical data;
  - other information;
- determine specific outcomes from financial and non-financial information provided;
- comment on assumptions provided;
- consider and calculate possible alternative outcomes (flexing numbers, sensitivity analysis);
- integrate numbers and words.

## Applying judgement

### Apply professional scepticism and critical thinking

- 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

### Relate issues to the environment

- Appreciate when more expert help is required, but reviewing and challenging their work where appropriate
- 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 and build on implications of financial or strategic analysis or calculations;
- identify and use key financial information;
- recognise linkages;
- recognise gaps or shortcomings in the information provided;
- select and evaluate key points, such as strengths and weaknesses of a business proposal;
- question and evaluate the adequacy of any assumptions and quality of information provided;
- explain own assumptions;
- discuss output, such as pros/cons;
- demonstrate professional scepticism;
- demonstrate objectivity/balance;
- demonstrate an appreciation of more than one side/bias;
- evaluate and balance options;
- prioritise key points;
- assess weaknesses in decisions;
- reflect on the underlying analysis performed and what it means for the organisation;
- use knowledge of ethical codes and professional experience;
- identify risks and ethical issues within, and derived from, the scenario;
- identify key ethical issues for an accountant undertaking work in accounting, finance and assurance; and
- evaluate any specific business trust points relating to the issue under review.

## 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

### Recommendations

- 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

### Communication

- Present analysis and recommendations in accordance with instructions
- Communicate clearly to a specialist or non-specialist audience in a manner suitable for the recipient

formulate opinions, advice, plans, solutions, options and reservations.

- 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

- Prepare the advice, report, or notes required in a clear and concise style

#### **How skills are assessed:**

*students may be required to:*

- draw conclusions, make recommendations and reach decisions based on their foregoing work and relevant to the organisation as described in the business scenario;
- draw conclusions that:
  - are realistic;
  - flow from the analytical work and evaluation previously conducted;
  - include the impact of any assumptions and any sensitivity analysis;
  - form an opinion on the validity of information sources; and
  - conclude on ethical issues.
- offer clear, practical, and commercial advice and recommendations that:
  - follow logically from the analytical work, evaluations and conclusions;
  - are backed up by reasoned argument;
  - are realistic;
  - help to improve the situation or mitigate any problems or uncertainties identified within the context of the business scenario and wider context;
  - lie within the range of current business activity;
  - identify any significant positive points or areas of concern relating to any decision(s) reached;
  - identify any financial implications of action (or no action);
  - identify additional work needed to support the decision(s);
  - identify the next steps that the client should take to progress or reject an issue;
  - identify where any specific additional advice may be required; and
  - resolve any identified ethical dilemmas or issues of business trust.

# *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>