

CA



THE INSTITUTE OF  
**CHARTERED** ACCOUNTANTS  
OF SRI LANKA

Partnering Businesses through  
Financial Leadership

**CURRICULUM 2015**





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# 1. PREFACE

It is my pleasure to introduce the Curriculum 2015 of The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), which will be effective from 2015. The Curriculum 2015 meets all required IFAC International Education Standards (IESs) for professional accountants and aims to produce a Chartered Accountant (CA) who is a highly competent and multifaceted professional, partnering business and creating sustainable value for the organisation he or she works in.

The world has become exceedingly complex and is fast changing. In such an environment we need to continually transform ourselves to be useful players in the progress and development of our people and the organisations we serve. This was the rationale for the Curriculum 2015. It demonstrates our commitment to making the CA qualification relevant to current and future needs of business and an enhancement to the learning experience of the students.

The Curriculum 2015 is structured around three pillars, namely, **Knowledge, Skills** and **Personal**. The Pillars are subdivided into specific subject areas or sub pillars and content is delivered to meet the requirements of three progressively ascending levels of competency, namely, **Executive, Business** and **Corporate**. The Executive Level provides the fundamentals of accounting and harnesses the skills and professional values needed to mould a Business Accountant. The Business Level builds technical abilities whilst enhancing interpersonal and communication skills and problem resolution skills as required of a Senior Business Accountant. The ultimate Corporate Level aims to produce a CA professional fully equipped with the required knowledge, skills and personality to be a corporate leader. Students will also be taught and tested on the importance of an ethical grounding across all three levels.

It is noteworthy to mention here that the number of Knowledge modules has been reduced to 15 from 17. In addition, the assessment mechanism has been integrated to the Curriculum bringing in enhanced clarity and transparency to the process.

A top down approach was adopted in developing the Curriculum. The initial diagnosis phase included a benchmarking exercise with internationally accepted accounting qualifications and an in-depth analysis of IFAC IESs to ensure compliance. An extensive stakeholder analysis was also conducted with partners of audit firms, member and non-member Chief Executive Officers, heads of accounting and finance, human resources managers, academia and students. Phase two involved profiling the future Chartered Accountant based on the findings from the diagnosis phase, and shaping the form and content of the Curriculum with the involvement of industry leaders and academia. The final implementation phase entailed preparation of study material by an internationally renowned publisher who is specialised in professional education.

Overall, the Curriculum 2015 is geared to meet the needs of both employers and employees at three levels of competencies, the highest level being a '2020-ready' Chartered Accountant who will partner the businesses of tomorrow through financial leadership.



**Arjuna Herath**  
President

March 25, 2014

## 2. STRUCTURE OF THE CURRICULUM 2015



### 2.1 THE NEED FOR CHANGE

In a rapidly changing world, professional development needs to keep pace by assessing, anticipating and adapting to change, if one is to remain relevant. In this context, a detailed stakeholder analysis was conducted, which revealed the need for Chartered Accountants (CAs) to be multidisciplinary financial professionals with strong business acumen, rather than restricting them to the traditional back office professionals who deliver the numbers. The change is then to have a combination of technical knowledge coupled with complementary soft skills required in today's service dominated economies. In summary, the CA of tomorrow should aspire to be a leader who can partner business, engage stakeholders and create sustainable value.

Three pillars - Knowledge, Skills and Personal - provide the framework for the Curriculum 2015.

The **Knowledge Pillar** focuses on imparting sound technical knowledge required of a competent CA, and comprises five sub pillars. The **Skills Pillar**, comprising two sub pillars, aims to develop assertiveness through effective personal, interpersonal and information technology skills, making the CA an effective player in the organisation. The **Personal Pillar** is focused on mentored training to provide complementary grooming on appropriate attitudes and business ethics to produce a well rounded professional.

### 2.2 PILLARS



### 2.3 THREE LEVELS OF THE QUALIFICATION

The curriculum is designed to take the student through three progressively higher levels of achievement, each with its distinct set of hard and soft skills and employment prospects. This structure offers two optional exit routes, based on one's choice of career path, before reaching the top - a fully-fledged Chartered Accountant.



The **Executive Level** is the first Phase of the journey. A student qualifying to this level would be:

- Competent in accounting and versed in other related functional disciplines (Knowledge Pillar);
- Capable of performing independently and accurately through communication and IT skills acquired from observation and instructions (Skills Pillar); and
- Committed to value based behaviour through identifying and associating values (Personal Pillar).

One reaching this level of achievement may expect employment as an entry level Business Accountant. Depending on career progression and aptitude, the student may continue the studies towards the next level, namely, the Business Level, and even beyond.



The **Business Level** is the second Phase of the journey. One reaching this level would be:

- Specialised in technical aspects of financial reporting, management accounting, strategy, taxation and assurance whilst being exposed to other related functional disciplines (Knowledge Pillar);

- Proficient in interpersonal, communication and IT skills leading to the application of appropriate expertise for specific situations (Skills Pillar); and
- A values based professional who displays ethical approach in resolving possible conflicts (Personal Pillar).

At the Business Level one may find employment as a Senior Business Accountant. As before, the student may re-join and study further to reach the Corporate Level.

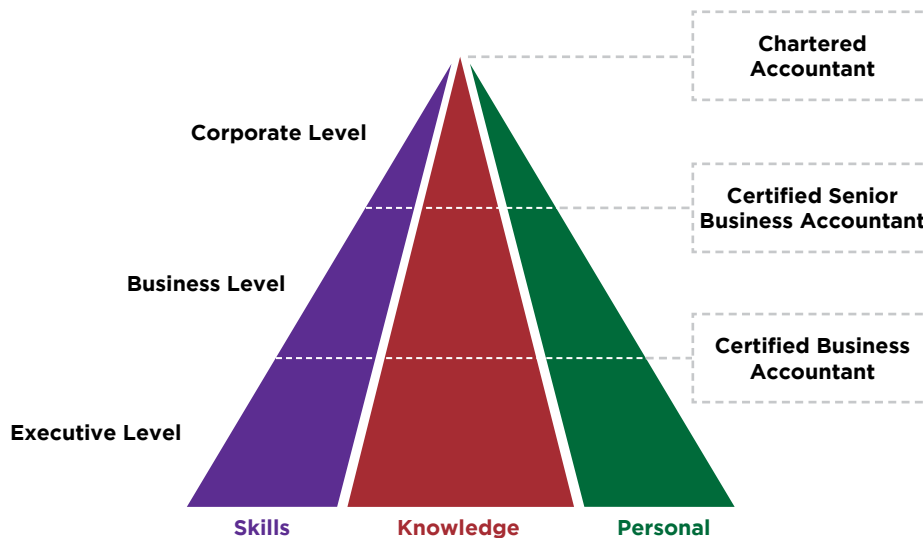


The **Corporate Level** is where a student, having successfully completed the Executive and Business Levels, studies further to reach the pinnacle. Upon completion of this level, one could expect to become a professional Chartered Accountant with the following key attributes:

- Astute in decision making through sound financial reasoning whilst being responsive to economic, industry and business circumstances (Knowledge Pillar);
- Organisational skills integrated into strategic decision making in a consistent manner (Skills Pillar); and
- Characterised values inspiring excellence in performance with social responsibility (Personal Pillar).

The interrelationship between the pillars, levels and employability is depicted in Figure 1.

**Figure 1: Pillars, Levels and Employability**



## 2.4 COURSE MODULES

As depicted in Figure 1, each of the three pillars cuts across the three levels. As detailed in the next section, the Knowledge Pillar comprises five sub pillars, which leads to five modules for each of the three levels, leading to a total of 15 Knowledge course modules. Likewise, the Skills Pillar, with two sub pillars, leads to a total of six course modules. On the other hand, the Personal Pillar is training oriented, with each level having its specific requirements. These are discussed in the sections that follow and summarised in Table 11.

## 2.5 ASSESSMENTS

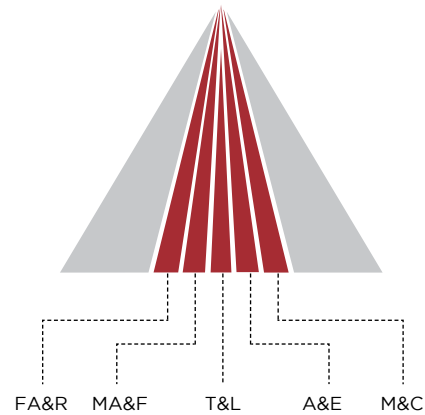
Student performance assessments are carried out by pillars across the three levels. These are discussed in the sections that follow.



## 3. THE KNOWLEDGE PILLAR

The core pillar of the CA qualification is the Knowledge Pillar. It comprises the following five sub pillars that focus on the following subject areas:

- Sub pillar 1: Financial Accounting and Reporting (FA&R)
- Sub pillar 2: Management Accounting and Finance (MA&F)
- Sub pillar 3: Taxation and Law (T&L)
- Sub pillar 4: Assurance and Ethics (A&E)
- Sub pillar 5: Management and Contemporary Issues (M&C)



As depicted in Figure 2, the course modules under each sub pillar vary as the student progresses across the three levels.

The FA&R and MA&F sub pillars support the pivotal roles of a CA. The T&L sub pillar provides complementary knowledge on statutory and regulatory issues, while the A&E sub pillar focuses on internal and external audit and issues pertaining to ethics. The M&C sub pillar aims to broaden the horizons of the CA in partnering businesses through financial leadership and value creation.

The three-character code for each course module represents the pillar, level and sub pillar number respectively. For example, KB3 stands for Knowledge (K = pillar), Business (B = level) and sub pillar number (3 = the third sub pillar listed under the Knowledge Pillar).

**Figure 2: Knowledge Sub Pillars Across the Levels**

	FA&R Sub Pillar	MA&F Sub Pillar	T&L Sub Pillar	A&E Sub Pillar	M&C Sub Pillar
Corporate Level	<b>KC1</b> Corporate Financial Reporting	<b>KC2</b> Corporate Finance and Risk Management	<b>KC3</b> Corporate Taxation	<b>KC4</b> Corporate Governance, Assurance & Ethics	<b>KC5</b> Corporate Strategy & Contemporary Issues
Business Level	<b>KB1</b> Business Financial Reporting	<b>KB2</b> Business Management Accounting	<b>KB3</b> Business Taxation & Law	<b>KB4</b> Business Assurance, Ethics & Audit	<b>KB5</b> Business Value Creation
Executive Level	<b>KE1</b> Financial Accounting & Reporting Fundamentals	<b>KE2</b> Management Accounting Information	<b>KE3</b> Fundamentals of Taxation & Law	<b>KE4</b> Processes, Assurance & Ethics	<b>KE5</b> Commercial Insight for Management

### 3.1 FINANCIAL ACCOUNTING AND REPORTING SUB PILLAR

The FA&R sub pillar is the most important core competency of a CA. Table 1 below depicts the gradual progression of a student on this competency across the three levels.

**Table 1: Course Modules for Knowledge Sub Pillar 1 - FA&R**

<p>At the <b>Executive Level</b> a student is required to gain a thorough understanding of the principles in accounting and how these relate to a single entity. This includes the legal framework for accounting, the types of records to be maintained and the impact of information technology on these processes.</p>	<p><b>KE 1 Financial Accounting &amp; Reporting Fundamentals</b></p> <table border="1"> <thead> <tr> <th>Main Syllabus Areas</th> <th>Weightings (%)</th> </tr> </thead> <tbody> <tr> <td>1. Business Environment &amp; Accounting Framework</td> <td>20</td> </tr> <tr> <td>2. Accounting Records</td> <td>30</td> </tr> <tr> <td>3. Financial Reporting for Different Types of Entities</td> <td>30</td> </tr> <tr> <td>4. Accounting Standards in Financial Reporting</td> <td>20</td> </tr> </tbody> </table>	Main Syllabus Areas	Weightings (%)	1. Business Environment & Accounting Framework	20	2. Accounting Records	30	3. Financial Reporting for Different Types of Entities	30	4. Accounting Standards in Financial Reporting	20		
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<p>At the <b>Business Level</b> a student is expected to apply the concepts in accounting to different types of organisations and have a sound knowledge of how the financial reporting standards impact the preparation and presentation of financial statements. The ability to analyse financial information and draw inferences relating to performance is also expected at this level.</p>	<p><b>KB 1 Business Financial Reporting</b></p> <table border="1"> <thead> <tr> <th>Main Syllabus Areas</th> <th>Weightings (%)</th> </tr> </thead> <tbody> <tr> <td>1. Conceptual &amp; Regulatory Framework for Financial Statements</td> <td>15</td> </tr> <tr> <td>2. Sri Lanka Accounting Standards (SLFRS/LKAS/IFRIC/SIC)</td> <td>50</td> </tr> <tr> <td>3. Preparation of Financial Statements</td> <td>25</td> </tr> <tr> <td>4. Financial Statement Analysis &amp; Non-financial Reporting</td> <td>10</td> </tr> </tbody> </table>	Main Syllabus Areas	Weightings (%)	1. Conceptual & Regulatory Framework for Financial Statements	15	2. Sri Lanka Accounting Standards (SLFRS/LKAS/IFRIC/SIC)	50	3. Preparation of Financial Statements	25	4. Financial Statement Analysis & Non-financial Reporting	10		
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<p>At the <b>Corporate Level</b> a student should have achieved comprehensive knowledge on accounting and financial reporting, and built on the analytical skills acquired at the Business Level. One should also have developed advisory capacity on financial reporting, impact of accounting standards, various accounting options and their implications to management. One should be able to critically analyse different types of reports produced by an organisation in communicating its results to the stakeholders and deal with ethical issues arising from financial reporting. The ability to integrate with other functions of the business is a rounding off skill that is also expected at this level.</p>	<p><b>KC 1 Corporate Financial Reporting</b></p> <table border="1"> <thead> <tr> <th>Main Syllabus Areas</th> <th>Weightings (%)</th> </tr> </thead> <tbody> <tr> <td>1. Interpretation &amp; Application of Sri Lanka Accounting Standards (SLFRS/LKAS/IFRIC/SIC)</td> <td>35</td> </tr> <tr> <td>2. Preparation &amp; Presentation of Consolidated Financial Statements</td> <td>30</td> </tr> <tr> <td>3. Analysis, Interpretations &amp; Communication of Financial Results</td> <td>25</td> </tr> <tr> <td>4. Corporate Governance &amp; Recent Developments in Financial Reporting</td> <td>5</td> </tr> <tr> <td>5. Ethical Issues in Financial Reporting and the Regulatory Framework</td> <td>5</td> </tr> </tbody> </table>	Main Syllabus Areas	Weightings (%)	1. Interpretation & Application of Sri Lanka Accounting Standards (SLFRS/LKAS/IFRIC/SIC)	35	2. Preparation & Presentation of Consolidated Financial Statements	30	3. Analysis, Interpretations & Communication of Financial Results	25	4. Corporate Governance & Recent Developments in Financial Reporting	5	5. Ethical Issues in Financial Reporting and the Regulatory Framework	5
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### 3.2 MANAGEMENT ACCOUNTING AND FINANCE SUB PILLAR

The MA&F sub pillar complements the FA&R sub pillar, and provides the required core competencies expected of a CA as depicted in Table 2 below:

**Table 2: Course Modules for Knowledge Sub Pillar 2 – MA&F**

<p>The <b>Executive Level</b> course module KE2 aims to provide a firm understanding of fundamentals of cost and management accounting and a blended learning by coupling business mathematics relevant to the subject. Accordingly, KE2 covers a number of mathematical fundamentals and their application to cost and management accounting.</p>	<p><b>KE 2 Management Accounting Information</b></p> <table border="1"> <thead> <tr> <th>Main Syllabus Areas</th> <th>Weightings (%)</th> </tr> </thead> <tbody> <tr> <td>1. Fundamental Aspects of Cost Accounting</td> <td>25</td> </tr> <tr> <td>2. Quantitative Aspects in Accounting</td> <td>20</td> </tr> <tr> <td>3. Cost Accounting Systems</td> <td>10</td> </tr> <tr> <td>4. Financial Mathematics for Business and Project Appraisal Fundamentals</td> <td>10</td> </tr> <tr> <td>5. Standard Costing &amp; Variance Analysis</td> <td>10</td> </tr> <tr> <td>6. Mathematics for Business Functions</td> <td>10</td> </tr> <tr> <td>7. Budgeting &amp; Forecasting</td> <td>15</td> </tr> </tbody> </table>	Main Syllabus Areas	Weightings (%)	1. Fundamental Aspects of Cost Accounting	25	2. Quantitative Aspects in Accounting	20	3. Cost Accounting Systems	10	4. Financial Mathematics for Business and Project Appraisal Fundamentals	10	5. Standard Costing & Variance Analysis	10	6. Mathematics for Business Functions	10	7. Budgeting & Forecasting	15
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<p>The <b>Business Level</b> course module KB2 builds on the same combination discussed under KE2 above by having relevant business mathematical angles covered in conjunction with the relevant management accounting topics, with emphasis on interpretation of results, as well as topics such as Responsibility Centre Accounting, Transfer Pricing and Working Capital Management.</p>	<p><b>KB 2 Business Management Accounting</b></p> <table border="1"> <thead> <tr> <th>Main Syllabus Areas</th> <th>Weightings (%)</th> </tr> </thead> <tbody> <tr> <td>1. Costing Systems for Decision Making</td> <td>15</td> </tr> <tr> <td>2. Planning &amp; Controlling</td> <td>25</td> </tr> <tr> <td>3. Decision Making under Uncertainty</td> <td>35</td> </tr> <tr> <td>4. Responsibility Centre Accounting</td> <td>10</td> </tr> <tr> <td>5. Working Capital Management</td> <td>15</td> </tr> </tbody> </table>	Main Syllabus Areas	Weightings (%)	1. Costing Systems for Decision Making	15	2. Planning & Controlling	25	3. Decision Making under Uncertainty	35	4. Responsibility Centre Accounting	10	5. Working Capital Management	15				
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<p>The <b>Corporate Level</b> course module KC2 includes aspects such as setting financial objectives for the organisation, financing, investments and dividends. Fundamentals of risk management is also covered to ensure future CAs will be equipped to consult the right parties in an informed manner in complicated risk management scenarios.</p>	<p><b>KC 2 Corporate Finance and Risk Management</b></p> <table border="1"> <thead> <tr> <th>Main Syllabus Areas</th> <th>Weightings (%)</th> </tr> </thead> <tbody> <tr> <td>1. Corporate Finance Objectives and Measurement</td> <td>10</td> </tr> <tr> <td>2. Corporate Financing Strategies</td> <td>30</td> </tr> <tr> <td>3. Dividend Policy &amp; Capital Gains</td> <td>5</td> </tr> <tr> <td>4. Corporate Investment Appraisal</td> <td>20</td> </tr> <tr> <td>5. Corporate Growth Strategy</td> <td>20</td> </tr> <tr> <td>6. Corporate Risk Identification &amp; Management</td> <td>15</td> </tr> </tbody> </table>	Main Syllabus Areas	Weightings (%)	1. Corporate Finance Objectives and Measurement	10	2. Corporate Financing Strategies	30	3. Dividend Policy & Capital Gains	5	4. Corporate Investment Appraisal	20	5. Corporate Growth Strategy	20	6. Corporate Risk Identification & Management	15		
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### 3.3 TAXATION AND LAW SUB PILLAR

CAs are required to be equipped with a sound knowledge in statutory and practical aspects of taxation law and an understanding of other legal aspects and regulatory issues applicable to the business environment. The content of this pillar, which is a combination of taxation, commercial law and corporate law, has been developed based on the needs of the Executive, Business and Corporate Levels as depicted in Table 3 below:

**Table 3: Course Modules for Knowledge Sub Pillar 3 – T&L**

<p>At the <b>Executive Level</b> knowledge on the subject is developed in two stages, viz. Commercial Law (under legal fundamentals) and Corporate Law, thus aiming to achieve an overall understanding of the legal environment required for planning and operational decisions, and recognising the need for expert legal advice in complex situations.</p> <p>As a core competency, a knowledge of taxation is developed in a progressive manner to ensure a specialisation in the subject. The work performed at this Level is limited to basic computations of taxes, payments and filing returns under supervision. Exposure is also given on the computation of profits of a sole proprietor or partnership business and other taxes in a non-complex scenario.</p>	<p><b>KE 3 Fundamentals of Taxation &amp; Law</b></p> <table border="1"> <thead> <tr> <th style="background-color: #92d050;">Main Syllabus Areas</th> <th style="background-color: #92d050;">Weightings (%)</th> </tr> </thead> <tbody> <tr> <td colspan="2"><b>A. Fundamentals of Taxation</b></td> </tr> <tr> <td>1. Introduction to Taxation</td> <td style="text-align: center;">5</td> </tr> <tr> <td>2. Income Tax Liability of a Resident Individual</td> <td style="text-align: center;">20</td> </tr> <tr> <td>3. Introduction to Company Taxation</td> <td style="text-align: center;">15</td> </tr> <tr> <td>4. Basic Tax Administration &amp; Payment of Tax</td> <td style="text-align: center;">5</td> </tr> <tr> <td>5. Taxes Payable by a Business</td> <td style="text-align: center;">5</td> </tr> <tr> <td colspan="2"><b>B. Fundamentals of Law</b></td> </tr> <tr> <td>1. Introduction to the Laws &amp; Regulatory Framework of Sri Lanka</td> <td style="text-align: center;">5</td> </tr> <tr> <td>2. Law of Contracts (Basics)</td> <td style="text-align: center;">15</td> </tr> <tr> <td>3. Sale of Goods (Basics)</td> <td style="text-align: center;">8</td> </tr> <tr> <td>4. Negotiable Instruments (Basics)</td> <td style="text-align: center;">5</td> </tr> <tr> <td>5. Law of Agency &amp; Partnership (Basics)</td> <td style="text-align: center;">8</td> </tr> <tr> <td>6. Labour Law</td> <td style="text-align: center;">5</td> </tr> <tr> <td>7. Offences Related to the Business Environment and New Regulations</td> <td style="text-align: center;">4</td> </tr> </tbody> </table>	Main Syllabus Areas	Weightings (%)	<b>A. Fundamentals of Taxation</b>		1. Introduction to Taxation	5	2. Income Tax Liability of a Resident Individual	20	3. Introduction to Company Taxation	15	4. Basic Tax Administration & Payment of Tax	5	5. Taxes Payable by a Business	5	<b>B. Fundamentals of Law</b>		1. Introduction to the Laws & Regulatory Framework of Sri Lanka	5	2. Law of Contracts (Basics)	15	3. Sale of Goods (Basics)	8	4. Negotiable Instruments (Basics)	5	5. Law of Agency & Partnership (Basics)	8	6. Labour Law	5	7. Offences Related to the Business Environment and New Regulations	4
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At the **Business Level** a Financial Accountant has to perform accounting and operational activities and ensure compliance with other responsibilities independently in various undertakings. The syllabus content is aligned to provide a thorough understanding in company taxation, and other taxes applicable to various types of business.

The syllabus for Corporate Law has been aligned to gain knowledge on affairs relating to companies, from incorporation to winding up, including statutory provisions relating to capital, meetings and resolutions, directors, auditors, secretaries and procedures to be adhered to by a company in the modern context. The syllabus content covers the role of regulatory authorities and dispute resolution as well.

At the **Corporate Level** new areas of study such as international taxation, tax planning and advisory as well as contemporary tax issues along with recent changes in legislation, accounting standards affecting subject areas and ethics further enhance and amalgamate the knowledge obtained through preceding modules of the pillar. Upon completion of this module, students should be able to compile effective and legitimate tax plans, propose alternative courses of action for minimising tax expenses and mitigating risks, and the preparation of comprehensive tax computations. It will also enable effective communication with management, clients and tax authorities, and the application of knowledge on statutory provisions and case law in practical situations.

### KB 3 Business Taxation and Law

Main Syllabus Areas	Weightings (%)
<b>A. Business Taxation</b>	
1. Income Tax Liability of a Resident Company	24
2. Tax on Distribution and Deemed Distribution	4
3. Partnerships and Other Persons	8
4. Returns and Accounts of a Business	4
5. Taxes Applicable to a Business	10
<b>B. Organisational Law</b>	
1. Features of a Company and Organisational Personality	5
2. Incorporation of a Company	10
3. Equity and Debt Capital	10
4. Directors, Company Secretary, Auditors	5
5. Meetings, Resolutions and Company Records	5
6. Winding up	5
7. Securities Regime in Sri Lanka	5
8. Alternate Dispute Resolution	5

### KC 3 Corporate Taxation

Main Syllabus Areas	Weightings (%)
1. Corporate and Personal Income Tax	25
2. Taxation of Non-residents and International Taxation	15
3. Statutory Provisions and Case Law	20
4. Management of Value Added Tax (VAT)	15
5. Tax Planning and Advising	15
6. Contemporary Issues in Taxation	10

### 3.4 ASSURANCE AND ETHICS SUB PILLAR

As depicted in Table 4 below, the A&E sub pillar is designed with the broad objectives of explaining the assurance process both from internal and external audit perspective and providing a firm grounding on ethics, starting from rules, identifying ethical issues and their implications to appropriate corporate behaviour.

Increasing weightages assigned to the learning of ethics across the three levels signify the importance of ensuring the highest ethical standards in the application of knowledge, given the very nature of the profession.

**Table 4: Course Modules for Knowledge Sub Pillar 4 – A&E**

<p>At the <b>Executive Level</b> the focus is on business processes and the nature of internal controls surrounding them, and the concept of assurance. Principles of values and ethics are also discussed broadly at this level.</p>	<p><b>KE 4 Processes, Assurance &amp; Ethics</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #c6e0b4;"> <th style="text-align: left;">Main Syllabus Areas</th> <th style="text-align: right;">Weightings (%)</th> </tr> </thead> <tbody> <tr> <td>1. Introduction to Governance, Risks &amp; Compliance</td> <td style="text-align: right;">20</td> </tr> <tr> <td>2. Business Processes</td> <td style="text-align: right;">40</td> </tr> <tr> <td>3. Evaluating the Effectiveness of Control in Business Operations</td> <td style="text-align: right;">10</td> </tr> <tr> <td>4. Ethics &amp; Values</td> <td style="text-align: right;">10</td> </tr> <tr> <td>5. Assurance Service</td> <td style="text-align: right;">20</td> </tr> </tbody> </table>	Main Syllabus Areas	Weightings (%)	1. Introduction to Governance, Risks & Compliance	20	2. Business Processes	40	3. Evaluating the Effectiveness of Control in Business Operations	10	4. Ethics & Values	10	5. Assurance Service	20
Main Syllabus Areas	Weightings (%)												
1. Introduction to Governance, Risks & Compliance	20												
2. Business Processes	40												
3. Evaluating the Effectiveness of Control in Business Operations	10												
4. Ethics & Values	10												
5. Assurance Service	20												
<p>At the <b>Business Level</b> knowledge on documenting and evaluating an organisation’s internal control system is further looked at. The concept of assurance introduced at the first level is also explored in detail with a deep emphasis on auditing. A discussion on ethical issues is done in a broader manner incorporating regulatory aspects as well.</p>	<p><b>KB 4 Business Assurance, Ethics &amp; Audit</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #4f81bd; color: white;"> <th style="text-align: left;">Main Syllabus Areas</th> <th style="text-align: right;">Weightings (%)</th> </tr> </thead> <tbody> <tr> <td>1. Ethics &amp; Regulatory Environment</td> <td style="text-align: right;">15</td> </tr> <tr> <td>2. Governance, Risk &amp; Compliance</td> <td style="text-align: right;">20</td> </tr> <tr> <td>3. Audit Planning &amp; Risk Assessment</td> <td style="text-align: right;">20</td> </tr> <tr> <td>4. Gathering Audit Evidence</td> <td style="text-align: right;">35</td> </tr> <tr> <td>5. Audit Reporting</td> <td style="text-align: right;">10</td> </tr> </tbody> </table>	Main Syllabus Areas	Weightings (%)	1. Ethics & Regulatory Environment	15	2. Governance, Risk & Compliance	20	3. Audit Planning & Risk Assessment	20	4. Gathering Audit Evidence	35	5. Audit Reporting	10
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1. Ethics & Regulatory Environment	15												
2. Governance, Risk & Compliance	20												
3. Audit Planning & Risk Assessment	20												
4. Gathering Audit Evidence	35												
5. Audit Reporting	10												
<p>At the <b>Corporate Level</b> the student’s understanding of critical aspects of managing an assurance engagement is expected. This includes acceptance, planning, managing, concluding and reporting with appropriate level of application knowledge on enterprise risk management.</p>	<p><b>KC 4 Corporate Governance, Assurance &amp; Ethics</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #f4a460;"> <th style="text-align: left;">Main Syllabus Areas</th> <th style="text-align: right;">Weightings (%)</th> </tr> </thead> <tbody> <tr> <td>1. Governance &amp; Ethics</td> <td style="text-align: right;">25</td> </tr> <tr> <td>2. Enterprise Risk Management &amp; Internal Audit</td> <td style="text-align: right;">25</td> </tr> <tr> <td>3. Audit Planning</td> <td style="text-align: right;">15</td> </tr> <tr> <td>4. Evaluating Audit Evidence &amp; Reporting</td> <td style="text-align: right;">15</td> </tr> <tr> <td>5. Structuring &amp; Managing Professional Services</td> <td style="text-align: right;">20</td> </tr> </tbody> </table>	Main Syllabus Areas	Weightings (%)	1. Governance & Ethics	25	2. Enterprise Risk Management & Internal Audit	25	3. Audit Planning	15	4. Evaluating Audit Evidence & Reporting	15	5. Structuring & Managing Professional Services	20
Main Syllabus Areas	Weightings (%)												
1. Governance & Ethics	25												
2. Enterprise Risk Management & Internal Audit	25												
3. Audit Planning	15												
4. Evaluating Audit Evidence & Reporting	15												
5. Structuring & Managing Professional Services	20												

### 3.5 MANAGEMENT AND CONTEMPORARY ISSUES SUB PILLAR

In today's complex business environment, there is an increasing demand on CAs to play a more integrated role in business locally as well as internationally. A recent discussion paper issued by the International Federation of Accountants (IFAC) on 'A Global Debate on Preparing Accountants for Finance Leadership' identifies four different types of roles played by a professional accountant working in business.

The roles are:

- (i) As Value Creator (developing strategies for value creation)
- (ii) Enabler of Value (supporting decision making and facilitating the understanding of business performance)
- (iii) Preserver of Value (asset/liability management, risk management, implementing effective internal control systems etc.) and
- (iv) Reporter of Value (relevant and useful internal and external reporting).

In this context, the M&C sub pillar aims to make students recognise where value is created in an organisation, external factors influencing the value creation process and ultimately, how to become a value proposition to the organisation, as depicted in Table 5 below:

**Table 5: Course Modules for Knowledge Sub Pillar 5 – M&C**

<p>At the <b>Executive Level</b> the focus is on seeing a business and its decision making process from intrinsic and extrinsic view points. Accordingly, a detailed discussion on different organisational functions is undertaken as a precursor for a value analysis at the next level, and business economics is also pooled in to build a firm theoretical reasoning in creating value to the organisation eventually. This combination is also expected to help students to understand and appraise the interrelationship and application of economic knowledge in forging business decisions.</p>	<b>KE 5 Commercial Insight for Management</b>	
	<b>Main Syllabus Areas</b>	<b>Weightings (%)</b>
	1. Introduction to Business	5
	2. Introduction to Management and Business Economics	10
	3. Micro Environment of Business	30
	4. Macro Environment of Business	20
	5. Functions of Management	10
6. Functional Areas of Business	25	

At the **Business Level** the content is styled around the value chain, so that students understand each activity and how they combine to create margins for the organisation. The focus at this level is on understanding the interplay of different functions of the organisation and where accounting professionals can contribute to value addition. This module climaxes with a detailed discussion of business strategy development, drawing heavily from prior discussions of value chain analysis.

At the **Corporate Level** the focus embodies the desired profile of a CA to be 'Partnering Businesses through Financial Leadership'. The module draws on brought forward knowledge from the other four Knowledge sub pillars and covers a detailed study on corporate strategising and contemporary issues.

**KB 5 Business Value Creation**

Main Syllabus Areas	Weightings (%)
1. Introduction to Business Value Creation	8
2. Role of Supply Chain in Value Creation (Supply Chain Management)	12
3. Value creation through Operations	12
4. Value Creation through Marketing	20
5. Human Resource Aspects of Value Creation	20
6. Value Creation through Technology & Innovation	12
7. Strategy for Value Creation	16

**KC 5 Corporate Strategy & Contemporary Issues**



Main Syllabus Areas	Weightings (%)
1. Corporate Finance and Risk Management	20
2. Tax and Regulatory Environment	10
3. Corporate Governance, Ethics and Control Environment	5
4. Business and Functional Strategy	15
5. Corporate Strategy	30
6. Contemporary Issues	20




### 3.6 KNOWLEDGE PILLAR PERFORMANCE ASSESSMENT

The assessment methodology in fulfilling the requirements of the Knowledge Pillar is given in Table 6 below. The assessments are by levels.

**Table 6: Knowledge Pillar Performance Assessment by Levels**

Level	Assessment Methodology	Awarding
<b>Executive</b>	<p>KE1 to KE5</p> <p><b>Section 1:</b>  <b>Section 1a</b> (20 marks): Ten multiple choice questions of 2 marks each allowing the testing of specific facts pertaining to core subject competencies.  <b>Section 1b</b> (30 marks): Ten short answer/objective questions of 2 to 4 marks each allowing the assessment of comprehension of facts.</p> <p><b>Section 2:</b>  (30 marks): Three 10 marks non-complex mini scenario based questions (out of four) allowing detailed testing of comprehension of facts and minor levels of application.</p> <p><b>Section 3:</b>  (20 marks): One 20 marks question based on a simple functional scenario requiring comprehension and moderate level of application under specific tasks.</p> <p>*Pass mark is 50</p>	<p>With necessary Skills and Personal Pillar requirements completed:</p> 
<b>Business</b>	<p>KB1 to KB5</p> <p><b>Section 1:</b>  (50 marks): Five 10 mark questions based on mini scenario leading to non-complex applications and analysis.</p> <p><b>Section 2:</b>  (50 marks): Two 25 marks questions on complex scenario based analysis and applications.</p> <p>*Pass mark is 50.</p>	<p>With necessary Skills and Personal Pillar requirements completed:</p> 

Level	Assessment Methodology	Awarding
Corporate	<p>KC1 to KC4:</p> <p><b>Section 1:</b> (50 marks): Two 25 marks complex scenarios requiring evaluation and solutions based on synthesis.</p> <p><b>Section 2:</b> (50 marks): Common 'pre-seen' provided prior to the exam to familiarise with particular business context, and at exam 'un-seen' material provided to set the scene for assessment under each course module. Answering needs a balancing of a number of angles, and delivered in a professional manner.</p> <p>*Pass mark is 50.</p>	<p>With necessary Skills and Personal Pillar requirements completed:</p> 
	<p>KC5:</p> <p><b>Section 1:</b> (20 Marks): Assignment based on 'Contemporary Issues'. Detailed guidelines to be provided prior to submission of the assignment. At assessment, students need to demonstrate their ability to extract information from the appropriate sources and compile such information purposefully.</p> <p>*Minimum 10 marks required to progress to Part 2.</p> <p><b>Section 2:</b> (80 marks): 'Pre-seen' provided prior to the exam and an integrated 'un-seen' provided at the exam. Students will be tested on multi-facet issue identification and required to present appropriate recommendations in a professional report format.</p> <p>*Pass mark is 50.</p>	

Level	Modules	Nature of assessment
Executive Level	KE 1 to KE5	Closed book examinations
Business Level	KB1, KB3	Open book examinations
	KB2 KB5 and KB4	Closed book examinations
Corporate Level	KC1, KC3 and KC4	Open book examinations
	KC2 and KC5	Closed book examinations

## 4. THE SKILLS PILLAR

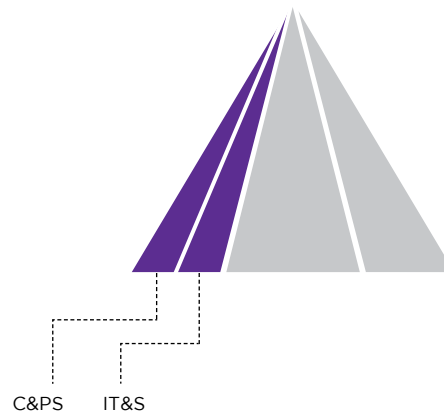
The Skills Pillar comprises two sub pillars that have been developed ground up to address the need for soft skills of CAs. They focus on the following subject areas:

Sub pillar 1: Communication and People Skills (C&PS)

Sub pillar 2: Information Technology and Systems (IT&S)

As depicted in Figure 3, the course modules under each sub pillar vary as the student progresses across the three levels.

As before, the three-character code for each course module represents the pillar, level and sub pillar number respectively.



**Figure 3: Skills Sub Pillars Across the Levels**

	C&PS Sub Pillar	IT&S Sub Pillar
Corporate Level	<b>SC1</b> Corporate Communication & People Skills	<b>SC2</b> Corporate Information Technology & Systems
Business Level	<b>SB1</b> Business Communication & People Skills	<b>SB2</b> Business Information Technology & Systems
Executive Level	<b>SE1</b> Executive Communication & People Skills	<b>SE2</b> Executive Information Technology & Systems

## 4.1 COMMUNICATION AND PEOPLE SKILLS SUB PILLAR

Businesses are increasingly willing to pay a premium for exceptional individuals. In a demanding & fast moving profession finance professionals well-equipped with a wide array of soft skills will gain this competitive advantage to be successful in their career both locally & internationally. The Communication & People Skills sub pillar has been developed with an objective to develop their communication skills thus gaining career prospects.

Prior to the development of this sub pillar, a benchmarking study was conducted in collaboration with the University of Cambridge ESOL to make the language competencies compatible with the Common European Framework of Reference (CEFR). Based on the conclusions derived from this study the syllabuses for Executive, Business and Corporate levels were developed accordingly with a view to meet the demands of the finance & accountancy profession. Furthermore, this language curriculum embodying the holistic approach will be spiral in nature with incremental learning adding more complexity and sophistication by the completion of all 3 levels.

The three course modules under the C&PS sub pillar are detailed in Table 7 below:

**Table 7: Course Modules for Skills Sub Pillar 1 – C&PS**

<p>At the <b>Executive Level</b> the objective is on developing the reading, writing, listening and speaking abilities of students, and making them fluent in business language. This will help the students to enhance their Business communication skills while gaining academic success. Consequently the course plans have been designed for both academic and professional purposes under English for Specific Purposes (ESP) focusing on all 4 skills. The emphasis on language skills for academic purposes entails the development of thinking skills as well as promoting autonomous learning.</p>	<p><b>SE 1 Executive Communication &amp; People Skills</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #c6e0b4;"> <th style="text-align: left;">Main Syllabus Areas</th> <th style="text-align: center;">Weightings (%)</th> </tr> </thead> <tbody> <tr> <td>1. Reading for Academic/ Professional Purposes</td> <td style="text-align: center;">30</td> </tr> <tr> <td>2. Writing for Academic/ Professional Purposes</td> <td style="text-align: center;">30</td> </tr> <tr> <td>3. Listening for Academic/ Professional Purposes</td> <td style="text-align: center;">20</td> </tr> <tr> <td>4. Speaking for Academic/ Professional Purposes</td> <td style="text-align: center;">20</td> </tr> </tbody> </table>	Main Syllabus Areas	Weightings (%)	1. Reading for Academic/ Professional Purposes	30	2. Writing for Academic/ Professional Purposes	30	3. Listening for Academic/ Professional Purposes	20	4. Speaking for Academic/ Professional Purposes	20
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2. Writing for Academic/ Professional Purposes	30										
3. Listening for Academic/ Professional Purposes	20										
4. Speaking for Academic/ Professional Purposes	20										
<p>At the <b>Business Level</b> the focus is on the development of reading, writing, listening and speaking abilities at an advanced level encompassing both academic and professional skills. This includes the ability to grasp complex texts and situations, development of complex documents, actively listen and speak assertively, and interact confidently in a business environment.</p>	<p><b>SB 1 Business Communication &amp; People Skills</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #4f81bd; color: white;"> <th style="text-align: left;">Main Syllabus Areas</th> <th style="text-align: center;">Weightings (%)</th> </tr> </thead> <tbody> <tr> <td>1. Reading for Academic/ Professional Purposes</td> <td style="text-align: center;">25</td> </tr> <tr> <td>2. Writing for Academic/ Professional Purposes</td> <td style="text-align: center;">25</td> </tr> <tr> <td>3. Listening for Academic/ Professional Purposes</td> <td style="text-align: center;">25</td> </tr> <tr> <td>4. Speaking for Academic/ Professional Purposes</td> <td style="text-align: center;">25</td> </tr> </tbody> </table>	Main Syllabus Areas	Weightings (%)	1. Reading for Academic/ Professional Purposes	25	2. Writing for Academic/ Professional Purposes	25	3. Listening for Academic/ Professional Purposes	25	4. Speaking for Academic/ Professional Purposes	25
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1. Reading for Academic/ Professional Purposes	25										
2. Writing for Academic/ Professional Purposes	25										
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4. Speaking for Academic/ Professional Purposes	25										

At the **Corporate Level**, the syllabus has been mainly developed focusing on relevant soft skills which will be vital for the professionals for their sustainable career development. Public speaking skills, personal branding & business etiquette and negotiation & conflict resolution skills have been given more thrust at this level with the objective of grooming the aspiring professionals with the necessary skills that will add more value to their profession.

#### SC 1 Corporate Communication & People Skills

Main Syllabus Areas	Weightings (%)
1. Public Speaking Skills	45
2. Negotiation & Conflict Resolution Skills	30
3. Personal Branding & Business Etiquette	25

## 4.2 INFORMATION TECHNOLOGY AND SYSTEMS SUB PILLAR

Businesses have been working in a near paperless environment for at least two decades now, and CAs have contributed significantly to this change by advocating, implementing and administering ERP systems.

The three course modules under the IT&S sub pillar are detailed in Table 8 below:

**Table 8: Course Modules for Skills Sub Pillar 2 – IT&S**

At the <b>Executive Level</b> effort is made to develop basic office computer etiquette, such as optimal usage of word processing, spreadsheets, presentation tools and emails. Students are also taken through a mid size accounting package that allows hands-on experience in customising and data entry. One completing this module would be particularly employment ready for the SME sector.	<h4>SE 2 Executive Information Technology &amp; Systems</h4> <table border="1"> <thead> <tr> <th>Main Syllabus Areas</th> <th>Weightings (%)</th> </tr> </thead> <tbody> <tr> <td>1. Information Technology - Basic Computer Etiquette</td> <td>10</td> </tr> <tr> <td>2. Office Skills</td> <td>35</td> </tr> <tr> <td>3. Use of Internet</td> <td>5</td> </tr> <tr> <td>4. Accounting Package for SMEs</td> <td>50</td> </tr> </tbody> </table>	Main Syllabus Areas	Weightings (%)	1. Information Technology - Basic Computer Etiquette	10	2. Office Skills	35	3. Use of Internet	5	4. Accounting Package for SMEs	50
Main Syllabus Areas	Weightings (%)										
1. Information Technology - Basic Computer Etiquette	10										
2. Office Skills	35										
3. Use of Internet	5										
4. Accounting Package for SMEs	50										
At the <b>Business Level</b> students get accustomed to Management Information Systems (MIS), Document Management Systems (DMS), possible IT related risk and mitigation options, and also to a more widely used ERP platform. Thus, this module prepares students to work in a corporate or conglomerate environment.	<h4>SB 2 Business Information Technology &amp; Systems</h4> <table border="1"> <thead> <tr> <th>Main Syllabus Areas</th> <th>Weightings (%)</th> </tr> </thead> <tbody> <tr> <td>1. IT for Business Decisions</td> <td>15</td> </tr> <tr> <td>2. Document Management Systems</td> <td>5</td> </tr> <tr> <td>3. Business Information Systems (ERP)</td> <td>80</td> </tr> </tbody> </table>	Main Syllabus Areas	Weightings (%)	1. IT for Business Decisions	15	2. Document Management Systems	5	3. Business Information Systems (ERP)	80		
Main Syllabus Areas	Weightings (%)										
1. IT for Business Decisions	15										
2. Document Management Systems	5										
3. Business Information Systems (ERP)	80										
At the <b>Corporate Level</b> the focus is on using information technology and systems skills in strategic planning and management process, and becoming conversant in contemporary topics such as social media, cloud computing and big data. The module also aims to further strengthen ERP knowhow (introduced at the previous level) and apply its capabilities for strategic decision making purposes.	<h4>SC 2 Corporate Information Technology &amp; Systems</h4> <table border="1"> <thead> <tr> <th>Main Syllabus Areas</th> <th>Weightings (%)</th> </tr> </thead> <tbody> <tr> <td>1. IT and Strategy</td> <td>10</td> </tr> <tr> <td>2. Contemporary Topics in IT</td> <td>10</td> </tr> <tr> <td>3. Audit Application (ACL)</td> <td>10</td> </tr> <tr> <td>4. Business Information Systems/ Enterprise Resource Planning (ERP)</td> <td>70</td> </tr> </tbody> </table>	Main Syllabus Areas	Weightings (%)	1. IT and Strategy	10	2. Contemporary Topics in IT	10	3. Audit Application (ACL)	10	4. Business Information Systems/ Enterprise Resource Planning (ERP)	70
Main Syllabus Areas	Weightings (%)										
1. IT and Strategy	10										
2. Contemporary Topics in IT	10										
3. Audit Application (ACL)	10										
4. Business Information Systems/ Enterprise Resource Planning (ERP)	70										

### 4.3 SKILLS PILLAR PERFORMANCE ASSESSMENT

The assessment strategy in fulfilling the requirements of the Skills Pillar is given in Table 9 below: The assessments are by levels and are limited to the Skills Pillar.

**Table 9: Skills Pillar Performance Assessment by Levels**

Level	Assessment Methodology			
	Communication and People Skills Sub Pillar	Awarding	Information Technology and Systems Sub Pillar	Awarding
<b>Executive</b>	Placement test in diagnosing students' competencies.  Students will be assessed on three independent continuous assessments and a final exam testing all four language skills.	Certificate in Executive Communication & People Skills	Computer based objective test assessment, mini case studies, accounting package based project; in relation to Executive Information Technology & Systems (SE2) module.	Certificate in Executive Information Technology and Systems
<b>Business</b>	Placement test in diagnosing students' competencies.  Students will be assessed on two independent continuous assessments and a final exam testing all four language skills.	Certificate in Business Communication and People Skills	Independent assignment, mini case studies, and data set based ERP assessment based project; in relation to Business Information Technology & Systems (SB2) module.	Certificate in Business Information Technology and Systems
<b>Corporate</b>	Two continuous in-programme assessments based on Corporate Communication & People Skills (SC1) module.	Certificate in Corporate Communication and People Skills	Independent assignment and data set based ERP assessment; in relation to Corporate Information Technology & Systems (SC2) module.	Certificate in Corporate Information Technology and Systems

## 5. THE PERSONAL PILLAR

The Personal Pillar incorporates practical training & development into the competencies already developed through the Knowledge and Skills Pillars.

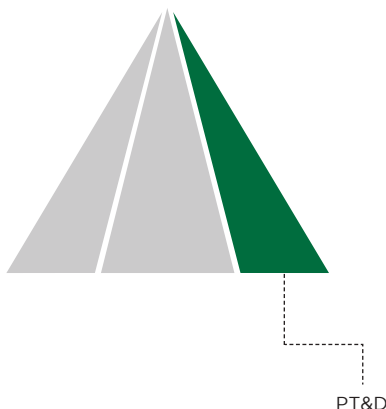
### 5.1 PRACTICAL TRAINING AND DEVELOPMENT

Training requirements were developed in line with the research carried out and based on IFAC IESs for developing professional competencies.

Accordingly, the total training requirement is designed to be completed within a 3-year period in an approved organisation in the audit (public practice) or non-audit (non-public practice) sectors under the supervision of a member of CA Sri Lanka.

During this training period students are expected to develop the following competencies:

- Technical and functional skills
- Intellectual skills
- Personal skills
- Interpersonal and communication skills
- Organisational and business management skills
- Professional values, ethics and attitudes (including CA Sri Lanka Professional Code of Ethics, identification and analysis of ethical issues, procedures available in resolving ethical issues)



### 5.2 ONLINE MODULE ON PROFESSIONAL VALUES, ETHICS AND ATTITUDES

The Ethics and attitudes are the cornerstones of a Chartered Accountant. Ethics and ethical behavior help to preserve the integrity of the profession while maintaining public trust in the profession at all times.

Training organisations are also expected to provide guidance and opportunities to trainees to gain appropriate training in professional values, ethics and attitudes during the period of training. Accordingly, by the end of the training period a trainee should be:




- familiar with the Institute's Professional Code of Ethics
- able to identify and analyse the ethical issues likely to be encountered in their work environment
- understand the procedures for resolving ethical issues

There is a web based module which should be completed prior to Viva-voce interview.

### 5.3 PERSONAL PILLAR PERFORMANCE ASSESSMENT

The assessment of practical training will be based on a combined methodology using input and output based approaches. As shown in Table 10 below, while measuring the relevant number of working days, the achievement of competencies will also be evaluated by the supervising member.

**Table 10: Personal Pillar Performance Assessment by Levels**

Level	Assessment Methodology	Awarding
<b>Executive</b>	<p><b>Input Assessment:</b> A minimum number of working days of practical work experience to be obtained at an approved training organisation (PE1).</p> <p><b>Output Assessment:</b></p> <ul style="list-style-type: none"> <li>• 'Skills Assessment Report' by the supervising member (to be submitted biannually)</li> <li>• Training Record Book content evaluated through one-to-one interview by an assessing member (minimum one assessment annually)</li> </ul>	<p>With necessary Knowledge and Skills Pillar requirements completed:</p> 
<b>Business</b>	<p><b>Input Assessment:</b> A minimum number of working days of practical work experience to be obtained at an approved training organisation (PB1)</p> <p><b>Output Assessment:</b></p> <ul style="list-style-type: none"> <li>• 'Skills Assessment Report' by the supervising member (to be submitted biannually)</li> <li>• Training Record Book content evaluated through one-to-one interview by an assessing member (minimum one assessment annually)</li> </ul>	<p>With necessary Knowledge and Skills Pillar requirements completed:</p> 
<b>Corporate</b>	<p><b>Input Assessment:</b> A minimum number of working days of practical work experience to be obtained at an approved training organisation (PC1)</p> <p><b>Output Assessment:</b></p> <ul style="list-style-type: none"> <li>• 'Skills Assessment Report' by the supervising member (to be submitted biannually)</li> <li>• Training Record Book content evaluated through one-to-one interview by an assessing member (minimum one assessment annually)</li> </ul> <p>Additionally at full completion of the training requirement:</p> <ul style="list-style-type: none"> <li>• Completion of computer based 'Ethics Compatibility' module</li> <li>• Viva-Voce Presentation</li> </ul>	<p>With necessary Knowledge and Skills Pillar requirements completed:</p> 

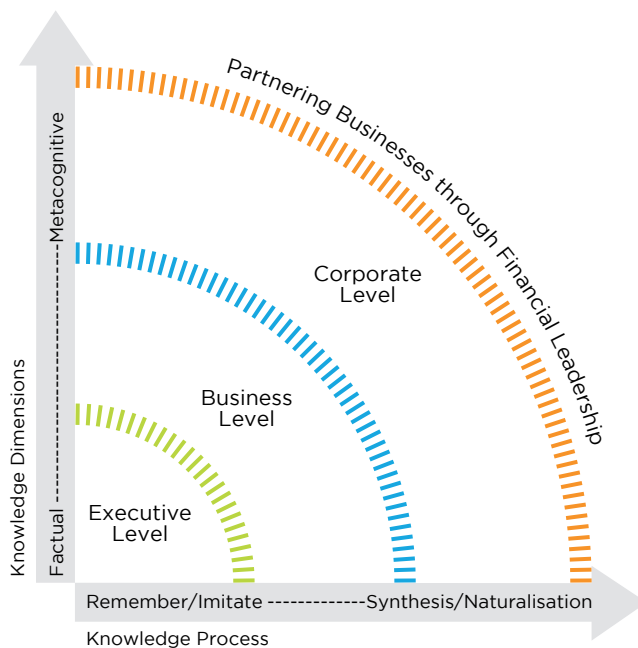
*Note: Students are advised to refer the Practical Training & Development Guide for more information.*



## 6. TEACHING, LEARNING AND ASSESSMENT METHODOLOGY

The progressive nature of the Curriculum 2015 from providing the students with the fundamental facts and understanding of each designated core competency at the Executive Level to making them capable of developing balanced solutions to complex unstructured situations is depicted in Figure 4 below. This knowledge transformation is consistent with the original work of Anderson, Krathwohl, et al., 2001 on learning, teaching and assessment.

**Figure 4: Knowledge Dimension & Process Integration Grid**



Aligning of course modules to desired profiles was also done in a methodical manner, so that students are provided with core competency knowledge with action biasness through a 'Taxonomy of Actions' drawing from the work arising from the original taxonomy of learning outcomes by Bloom et al. Every effort was taken to develop an action set unique to the professional desired under each of the designated profiles, leading to learning outcomes based on the following action verbs checklist.

## ACTION VERBS CHECKLIST

Knowledge Process	Verb List	Verb Definitions	
<b>Tier - 1 Remember</b> Recall important information	<b>Define</b>	Describe exactly the nature, scope or meaning	
	<b>Draw</b>	Produce (a picture or diagram)	
	<b>Identify</b>	Recognise, establish or select after consideration	
	<b>List</b>	Write the connected items one below the other	
	<b>Relate</b>	To establish logical or causal connections	
	<b>State</b>	Express something definitely or clearly	
<b>Tier - 2 Comprehension</b> Explain important information	<b>Calculate/Compute</b>	Make a mathematical computation	
	<b>Discuss</b>	Examine in detail by argument showing different aspects, for the purpose of arriving at a conclusion	
	<b>Explain</b>	Make a clear description in detail revealing relevant facts	
	<b>Interpret</b>	Present in understandable terms or to translate	
	<b>Recognise</b>	To show validity or otherwise, using knowledge or contextual experience	
	<b>Record</b>	Enter relevant entries in detail	
	<b>Summarise</b>	Give a brief statement of the main points (in facts or figures)	
	<b>Tier - 3 Application</b> Use knowledge in a setting other than the one in which it was learned/solve close-ended problems	<b>Apply</b>	Put to practical use
		<b>Assess</b>	Determine the value, nature, ability or quality
		<b>Demonstrate</b>	Prove, especially with examples
<b>Graph</b>		Represent by means of a graph	
<b>Prepare</b>		Make ready for a particular purpose	
<b>Prioritise</b>		Arrange or do in order of importance	
<b>Reconcile</b>		Make consistent with another	
<b>Solve</b>		To find a solution through calculations and/or explanations	
<b>Tier - 4 Analysis</b> Draw relations among ideas and to compare and contrast/solve open-ended problems		<b>Analyse</b>	Examine in detail in order to determine the solution or outcome
		<b>Compare</b>	Examine for the purpose of discovering similarities
	<b>Contrast</b>	Examine in order to show unlikeness or differences	
	<b>Differentiate</b>	Constitute a difference that distinguishes something	
	<b>Outline</b>	Make a summary of significant features	
	<b>Tier - 5 Evaluate</b> Formation of judgments and decisions about the value of methods, ideas, people or products	<b>Advise</b>	Offer suggestions about the best course of action in a manner suited to the recipient
<b>Convince</b>		To persuade others to believe something using evidence and/or argument	
<b>Criticise</b>		Form and express a judgment	
<b>Evaluate</b>		To determine the significance by careful appraisal	
<b>Recommend</b>		A suggestion or proposal as to the best course of action	
<b>Resolve</b>		Settle or find a solution to a problem or contentious matter	
<b>Validate</b>		Check or prove the accuracy	
<b>Tier - 6 Synthesis</b> Solve unfamiliar problems by combining different aspects to form a unique or novel solution		<b>Compile</b>	Produce by assembling information collected from various sources
		<b>Design</b>	Devise the form or structure according to a plan
	<b>Develop</b>	To disclose, discover, perfect or unfold a plan or idea	
	<b>Propose</b>	To form or declare a plan or intention for consideration or adoption	

Communication & People Skills Pillar and Information Technology & Systems Pillar involve developing unique competencies of students hands-on, and hence, the following supplementary action verbs checklist is provided to facilitate this development.

## SUPPLEMENTARY SKILLS ACTION VERBS CHECKLIST

Knowledge Process	Verb List	Verb Definitions
<b>Tier - 1 Imitate</b> Observe and repeat an action	<b>Reproduce</b>	Achieve an original or similar result again by repeating
<b>Tier - 2 Manipulation</b> Perform an action by following instructions	<b>Select</b>	Carefully choose the best or most suitable
<b>Tier - 3 Precision</b> Reproduce an action with control and improved performance	<b>Present</b>	Display or provide an explanation for consideration
	<b>Practice</b>	Actively pursuing to acquire or maintain proficiency
	<b>Develop</b>	To disclose, discover, perfect or unfold a plan or idea
	<b>Improve</b>	Make or become better
<b>Tier - 4 Articulation</b> Coordination and adoption of a series of actions with harmony and internal consistency	<b>Customise</b>	Modify to suit a particular task
	<b>Integrate</b>	Bring all aspects together
	<b>Create</b>	Bring into existence
	<b>Compose</b>	Write or create by putting elements together
	<b>Produce</b>	Show or provide for consideration

# 7. SUMMARY

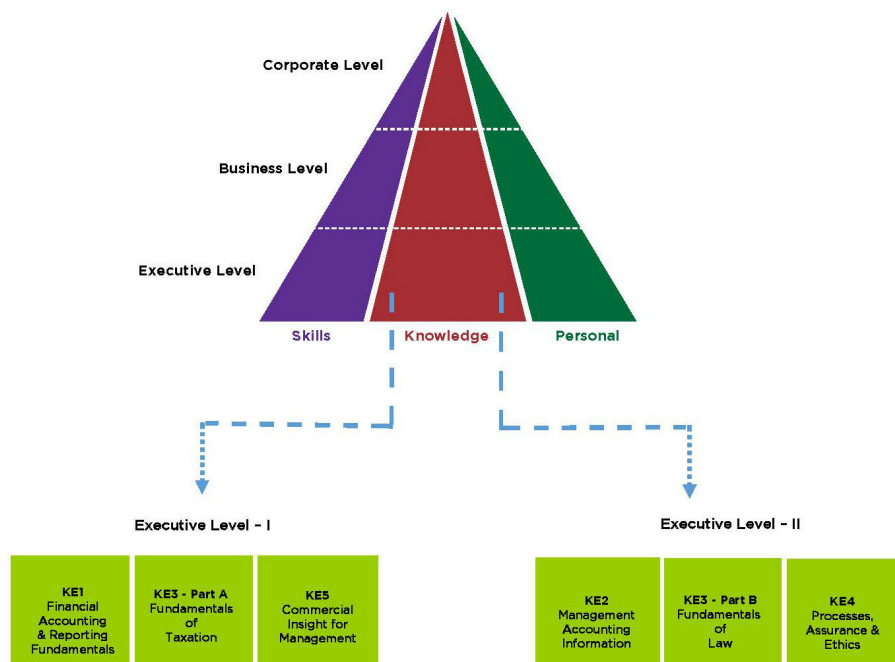


Tables 11 below summarises the content of the curriculum (by pillar, level and course module).

**Table 11: Summary of Course Modules**

Knowledge Pillar					Skills Pillar		Personal Pillar	
	FA&R Sub Pillar	MA&F Sub Pillar	T&L Sub Pillar	A&E Sub Pillar	M&C Sub Pillar	C&PS Sub Pillar	IT&S Sub Pillar	
<b>Corporate Level</b>	<b>KC1</b> Corporate Financial Reporting	<b>KC2</b> Corporate Finance and Risk Management	<b>KC3</b> Corporate Taxation	<b>KC4</b> Corporate Governance, Assurance & Ethics	<b>KC5</b> Corporate Strategy & Contemporary Issues	<b>SC1</b> Corporate Communication & People Skills	<b>SC2</b> Corporate Information Technology & Systems	<b>PC1</b> Corporate Practical Training & Development
<b>Business Level</b>	<b>KB1</b> Business Financial Reporting	<b>KB2</b> Business Management Accounting	<b>KB3</b> Business Taxation & Law	<b>KB4</b> Business Assurance, Ethics & Audit	<b>KB5</b> Business Value Creation	<b>SB1</b> Business Communication & People Skills	<b>SB2</b> Business Information Technology & Systems	<b>PB1</b> Business Practical Training & Development
<b>Executive Level</b>	<b>KE1</b> Financial Accounting & Reporting Fundamentals	<b>KE2</b> Management Accounting Information	<b>KE3</b> Fundamentals of Taxation & Law	<b>KE4</b> Processes, Assurance & Ethics	<b>KE5</b> Commercial Insight for Management	<b>SE1</b> Executive Communication & People Skills	<b>SE2</b> Executive Information Technology & Systems	<b>PE1</b> Executive Practical Training & Development

### Executive Level I & II



## Qualification Awarding Structure

### Chartered Accountant



**Successful completion of:**

Corporate level five knowledge modules  
 Corporate Communication & People Skills module  
 Corporate Information Technology & Systems module  
 One year of Corporate Level practical training (minimum 220 working days)  
 Professional Ethics and Attitudes module  
 Viva Voce & Presentation

### Certified Senior Business Accountant (CSBA)



**Successful completion of:**

Business level five knowledge modules  
 Business Communication & People Skills module  
 Business Information Technology & Systems module  
 One year of Business Level practical training (minimum 220 working days)

### Certified Business Accountant (CBA)



**Successful completion of:**

Executive level five knowledge modules  
 Executive Communication & People Skills module  
 Executive Information Technology & Systems module  
 One year of Executive Level practical training (minimum 220 working days)

## 8. IFAC INTERNATIONAL EDUCATION STANDARDS COMPLIANCE

### IFAC INTERNATIONAL EDUCATION STANDARDS

Global qualification requirements are laid down by the International Federation of Accountants (IFAC) in its International Education Standards (IESs). CA Sri Lanka as a full member body of IFAC, is committed to implement the IFAC IESs. Competence according to IFAC is gained through a mix of study, work and training. During pre-qualification, education teaching methods should focus on providing students with the tools for self-directed learning after qualification. Integration of education and practical experience can enable students to apply knowledge in work-based situations.

### BENCHMARKING THE CA SRI LANKA CURRICULUM 2015 TO IFAC IES REQUIREMENTS AND ICAEW ACA KNOWLEDGE AREAS

**Objective of the Review:** This work is to provide a benchmark review of the proposed CA Sri Lanka curriculum 2015 against IFAC IES requirements and knowledge areas in the current ACA qualification of ICAEW in order to assess the effectiveness of the proposed CA qualification in a global context.

**Standards used in Benchmarking:** The benchmarking exercise for curriculum development concentrates on the standards that are relevant to initial qualification as a CA: IES 1 Entry Requirements to a Programme of Professional Accounting Education, IES 2 Content of Professional Accounting Education Programmes, IES 3 Professional Skills, IES 4 Professional Values, Ethics and Attitudes, IES 5 Practical Experience Requirements and IES 6 Assessment of Professional Capabilities and Competence. During the period of review, three of the above standards, newly revised

by IFAC, became available. In order to ensure that this exercise was as up to date as possible, the benchmarking was performed against six standards including the three revised standards.

### IFAC International Education Standards

The IFAC Statement of Membership Obligations 2 (SMO-2) requires IFAC member bodies to either implement the IFAC IESs or, when they are not directly responsible, to promote their implementation. According to Sri Lankan legislation, CA Sri Lanka has responsibility for its qualification. CA Sri Lanka as a full member body of IFAC, has shown that it is committed to implement the IFAC IESs.

Benchmarking has been used as a tool for a systematic and detailed review and analysis of the proposed Curriculum 2015 for CA Sri Lanka compared with international standards.

The overall conclusion of the benchmarking comparison is that the CA Curriculum 2015 satisfies IFAC requirements for professional education.

### Benchmarking to ICAEW ACA Topics

The topic matching exercise shows that the CA Curriculum 2015 contains the vast majority (over 99%) of the more than 220 topics contained in the ICAEW ACA (leaving aside the detail of law and taxation modules, where the content is different between the two qualifications as a result of the different legal jurisdictions).

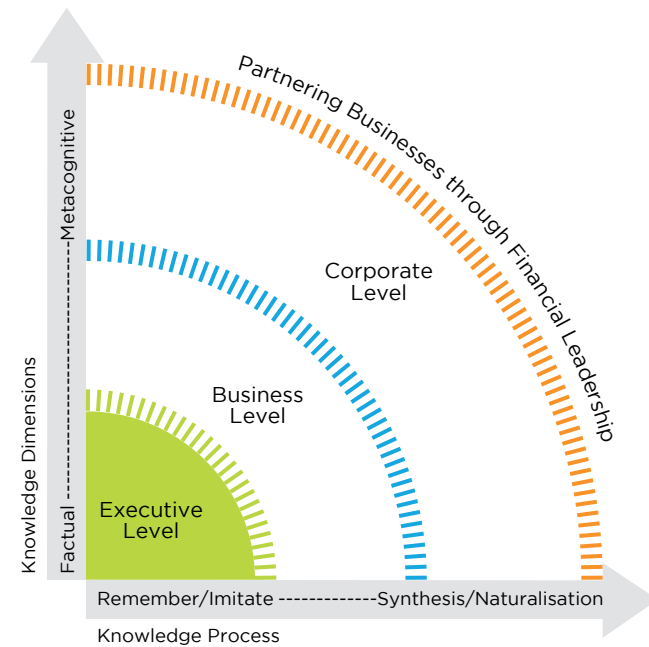
The overall conclusion of the exercise is that ICAEW ACA knowledge areas are covered by the CA Curriculum 2015.

**The conclusions referred to above reflect the conclusions of the benchmark review of the CA Curriculum 2015 undertaken by ICAEW.**

# 9. DETAILED SYLLABUS

## 9.1 EXECUTIVE LEVEL

At this level, fundamentals of core competencies (Knowledge Pillar) will be rigorously tested while guiding the student in developing complementary skills (Skills Pillar and Personal Pillar) required to qualify as a Certified Business Accountant. Hence, a Certified Business Accountant will be competent in accounting and versed in other related functional disciplines, skilled in performing independently and accurately and committed to value based behaviour.



## Module Code: KE 1 - Financial Accounting and Reporting Fundamentals

### Syllabus Structure

Main Syllabus Areas	Weightings (%)
1 Business Environment and Accounting Framework	20
2 Accounting Records	30
3 Financial Reporting for Different Types of Entities	30
4 Accounting Standards in Financial Reporting	20



## 1. Business Environment and Accounting Framework (Syllabus Weighting 20%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
1.1 Accounting and accountability	Factual	Remember	1.1.1 Identify the governance structure of business organisations. 1.1.2 Identify the role of accounting. 1.1.3 Identify external environmental factors which affect the process of accounting (including economical, technological and regulatory requirements). 1.1.4 Identify the stakeholders involved in a business organisation and their respective information requirements. 1.1.5 State the differences between financial accounting and management accounting. 1.1.6 Identify the ethical requirements of financial reporting and the consequences of unethical behaviour.
1.2 Conceptual framework for financial reporting	Factual/ Conceptual	Remember/ Comprehension	1.2.1 Explain the objectives of financial reporting. 1.2.2 List the components of financial statements. 1.2.3 List the elements of financial statements. 1.2.4 Explain the elements of financial statements; assets, liabilities, equity, income, expenses and cash flows. 1.2.5 Explain the underlying assumption (going concern) in accounting and accounting concepts (accrual, materiality, consistency, entity, matching, prudence, periodic, realisable, relevance, reliability and comparability). 1.2.6 Explain qualitative characteristics of financial statements/financial information. 1.2.7 Explain the need for accounting standards. 1.2.8 Identify the role of CA Sri Lanka in financial reporting. 1.2.9 Discuss the fundamentals of both accrual basis and cash basis of accounting. 1.2.10 Explain the difference between a set of financial statements prepared using accrual basis versus cash basis.

## 2. Accounting Records (Syllabus Weighting 30%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
2.1 Accounting records	Factual/ Conceptual	Remember/ Comprehension	2.1.1 Identify source documents and other records used in accounting. 2.1.2 Explain the purpose of source documents used in accounting. 2.1.3 Identify the primary books used in accounting. 2.1.4 Explain the objective of primary books used in accounting.
2.2 Double entry concept	Factual/ Conceptual	Remember/ Comprehension	2.2.1 Explain the concept of “dual aspect.” 2.2.2 Relate the connection between “dual aspect” of accounting and the accounting equation. 2.2.3 Define the term “double entry system” and explain its role in accounting. 2.2.4 Discuss the concept of “dual aspect” in relation to the elements of financial statements.
2.3 Book keeping	Factual/ Conceptual	Remember/ Comprehension/ Application	2.3.1 Identify the process of accounting 2.3.2 Record transactions based on source documents. 2.3.3 Prepare ledger accounts. 2.3.4 Identify the characteristics of computerised accounting packages. 2.3.5 Prepare a trial balance.
2.4 Adjusting entries	Factual/ Conceptual	Comprehension/ Application	2.4.1 Identify the need for year-end adjustments on financial statements, such as accruals, closing stock, pre-payments, depreciation and bad debts. 2.4.2 Prepare the year-end financial statements for accruals, pre-payments, depreciation, bad debts and closing stocks.
2.5 Correction of errors	Conceptual	Remember/ Application	2.5.1 Identify omissions and errors in accounting. 2.5.2 Prepare journal entries for correction of errors. 2.5.3 Solve omissions and errors embedded in accounting records and financial statements, using suspense accounts.
2.6 Control accounts	Factual/ Conceptual	Remember/ Application	2.6.1 State the purpose of control accounts. 2.6.2 Prepare a reconciliation of control account balances with a total of individual accounts.
2.7 Bank reconciliations	Factual/ Conceptual	Remember/ Application	2.7.1 State the purpose and need for preparation of bank reconciliation statements. 2.7.2 Prepare a reconciliation statement reconciling the cash book balance with the bank statement balance.

### 3. Financial Reporting for Different Types of Entities (Syllabus Weighting 30%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
3.1 Financial statements including manufacturing accounts	Conceptual	Application	3.1.1 Prepare financial statements for sole proprietorships.
3.2 Financial statements of limited liability companies and group of companies	Factual/ Conceptual	Remember/ Comprehension/ Application	3.2.1 Identify the sources of funds available for a limited liability company. 3.2.2 Prepare ledger accounts for issue and redemption of shares and debentures. 3.2.3 Prepare financial statements for the purpose of management and publication. 3.2.4 Explain the concepts and principles surrounding consolidation of financial statements. 3.2.5 State the regulatory requirement to prepare consolidated financial statements for a group of companies.
3.3 Partnerships	Factual/ Conceptual	Comprehension/ Application	3.3.1 Explain the nature of partnerships and special accounts relating to partnership. 3.3.2 Prepare the financial statements for a partnership including appropriation accounts (simple financial statements for a partnership without change in the ownership during the period).
3.4 Non-profit entities	Factual/ Conceptual	Remember/ Application	3.4.1 Identify the need for accounting in non-profit organisations. 3.4.2 Prepare financial statements for non-profit entities.
3.5 Incomplete records	Factual/ Conceptual	Remember/ Application	3.5.1 Identify the different circumstances under which incomplete records are acceptable. 3.5.2 Prepare financial statements from incomplete records.
3.6 Analysis of business performance through financial statements	Factual/ Conceptual	Remember/ Comprehension	3.6.1 Identify different methods of financial statement analysis. 3.6.2 Compute basic accounting ratios (profitability ratios, liquidity ratios, gearing ratios excluding investor ratios).

#### 4. Accounting Standards in Financial Reporting

(Syllabus Weighting 20%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
4.1 Sri Lanka Accounting Standards - LKAS 1 (Presentation of financial statements)	Factual/ Conceptual	Remember/ Comprehension	4.1.1 Identify general features of LKAS 1 (including fair presentation, going concern, accrual basis, materiality and aggregation, offsetting and frequency of reporting).
			4.1.2 Discuss items to be presented on the face of the Statement of Comprehensive Income (SOI), Statement of Financial Position (SOFP), Statement of Cash Flows (SOCF) and Statement of Changes in Equity (SOCIE).
			4.1.3 Explain the criteria to be used in the classification of assets and liabilities as current and non-current.
4.2 Property, plant and equipment	Factual/ Conceptual	Remember/ Comprehension	4.2.1 List the criteria which must be satisfied in order to recognise an asset under Property, Plant and Equipment (PPE).
			4.2.2 Explain the treatment for initial and subsequent measurement of PPE.
			4.2.3 Explain the treatment for subsequent expenditure incurred on existing PPE.
			4.2.4 Explain the different methods of PPE depreciation.
			4.2.5 Compute the impact of impairment on PPE.
			4.2.6 List the disclosure requirements with regard to PPE as per LKAS 16.
4.3 Revenue	Conceptual	Comprehension	4.3.1 Explain criteria to be satisfied to recognise revenue from sale of goods and rendering of services.
			4.3.2 Explain the accounting treatment with regard to recognition of revenue arising from interest, dividend and royalties.
4.4 Cash flow statement	Factual/ Conceptual	Remember/ Application	4.4.1 Identify the different types of cash flows associated with an organisation.
			4.4.2 Prepare a cash flow statement under both direct method and indirect method.
4.5 Inventories	Factual/ Conceptual	Remember/ Comprehension	4.5.1 Identify different types of inventories.
			4.5.2 Explain different methods used in inventory valuation.
			4.5.3 Explain the methods of inventory measurement.
			4.5.4 List the disclosure requirement with regard to inventories as per LKAS 2.

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
4.6 Accounting policies, changes in accounting estimates and errors	Factual/ Conceptual	Remember/ Comprehension	<p>4.6.1 Identify the purpose of LKAS 8.</p> <p>4.6.2 Explain accounting policies.</p> <p>4.6.3 Explain the factors considered when selecting appropriate accounting policies.</p> <p>4.6.4 Identify the instances where changes in accounting policies are acceptable.</p> <p>4.6.5 Explain accounting estimates.</p> <p>4.6.6 Record transactions involving a change in accounting estimates.</p> <p>4.6.7 Explain prior period errors.</p>
4.7 Events after the reporting period	Factual/ Conceptual	Remember/ Comprehension	<p>4.7.1 State the purpose of LKAS 10.</p> <p>4.7.2 Explain adjusting events and non-adjusting events.</p> <p>4.7.3 List the disclosure requirement of LKAS 10.</p>
4.8 Leases	Factual/ Conceptual	Remember/ Comprehension	<p>4.8.1 Define leases.</p> <p>4.8.2 Explain the difference between finance lease and operating lease.</p> <p>4.8.3 Explain the conditions to be satisfied to recognise a lease as a finance lease.</p> <p>4.8.4 Explain the accounting of finance lease in lessees' books.</p>
4.9 Income tax	Factual/ Conceptual	Remember/ Comprehension	<p>4.9.1 Define tax expense.</p> <p>4.9.2 Explain the difference between accounting profit and tax profit.</p> <p>4.9.3 Define temporary differences.</p> <p>4.9.4 Explain the difference between taxable temporary differences and deductible temporary differences.</p> <p>4.9.5 Define tax base.</p> <p>4.9.6 Compute deferred tax.</p>

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
4.10 Employee benefits	Factual/ Conceptual	Remember/ Comprehension	4.10.1 Define employee benefits. 4.10.2 Explain the difference between defined contribution plan and defined benefit plans. 4.10.3 Explain the difference between short-term employee benefits, post-employment benefits and other long-term employee benefits.
4.11 Basic financial instruments	Factual/ Conceptual	Remember/ Comprehension	4.11.1 Identify basic financial assets and financial liabilities. 4.11.2 Explain initial and subsequent measurement of financial assets and financial liabilities.
4.12 Provisions	Factual/ Conceptual	Remember/ Comprehension	4.12.1 Identify the purpose of LKAS 37. 4.12.2 Define provisions, liabilities, contingent liabilities and contingent assets. 4.12.3 Explain the criteria to be satisfied when recognising provisions in financial statements. 4.12.4 List the disclosure requirements of contingencies.
4.13 SLFRS for SMEs	Factual/ Conceptual	Remember	4.13.1 Identify the need to adopt SLFRS for SMEs. 4.13.2 Identify entities that can follow SLFRS for SMEs.

No.	Name	KE 1
SLFRS 1	First-time Adoption of Sri Lanka Accounting Standards	N/A
SLFRS 2	Share-based Payment	N/A
SLFRS 3	Business Combinations	N/A
SLFRS 4	Insurance Contracts	N/A
SLFRS 5	Non-current Assets Held for Sale and Discontinued Operations	N/A
SLFRS 6	Exploration for and Evaluation of Mineral Resources	N/A
SLFRS 7	Financial Instruments: Disclosures	N/A
SLFRS 8	Operating Segments	N/A
SLFRS 9	Financial Instruments	N/A
SLFRS 10	Consolidated Financial Statements	N/A
SLFRS 11	Joint Arrangements	N/A
SLFRS 12	Disclosure of Interests in Other Entities	N/A
SLFRS 13	Fair Value Measurement	N/A
SLFRS 14	Regulatory Deferral Accounts	N/A
SLFRS 15	Revenue from Contracts with Customers	N/A
SLFRS 16	Leases	N/A
LKAS 1	Presentation of Financial Statements	C
LKAS 2	Inventories	C
LKAS 7	Statement of Cash Flows	C
LKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	C
LKAS 10	Events After the Reporting Period	C
LKAS 11	Construction Contracts	N/A
LKAS 12	Income Taxes	C
LKAS 16	Property, Plant and Equipment	C
LKAS 17	Leases	C
LKAS 18	Revenue	C

No.	Name	KE 1
LKAS 19	Employee Benefits	C
LKAS 20	Accounting for Government Grants and Disclosure of Government Assistance	N/A
LKAS 21	The Effects of Changes in Foreign Exchange Rates	N/A
LKAS 23	Borrowing Costs	N/A
LKAS 24	Related Party Disclosures	N/A
LKAS 26	Accounting and Reporting by Retirement Benefit Plans	N/A
LKAS 27	Separate Financial Statements	N/A
LKAS 28	Investments in Associates and Joint Ventures	N/A
LKAS 29	Financial Reporting in Hyperinflationary Economies	N/A
LKAS 32	Financial Instruments: Presentation	N/A
LKAS 33	Earnings per Share	N/A
LKAS 34	Interim Financial Reporting	N/A
LKAS 36	Impairment of Assets	N/A
LKAS 37	Provisions, Contingent Liabilities and Contingent Assets	C
LKAS 38	Intangible Assets	N/A
LKAS 39	Financial Instruments: Recognition and Measurement	C
LKAS 40	Investment Property	N/A
LKAS 41	Agriculture	N/A
SLFRS for SMEs	Sri Lanka Accounting Standards for Small and Medium Sized Entities	C

N/A: Not Applicable

## Module Code: KE 2 - Management Accounting Information

### Syllabus Structure

Main Syllabus Areas	Weightings (%)
1 Fundamental Aspects of Cost Accounting	25
2 Quantitative Aspects in Accounting	20
3 Cost Accounting Systems	10
4 Financial Mathematics for Business and Project Appraisal Fundamentals	10
5 Standard Costing and Variance Analysis	10
6 Mathematics for Business Functions	10
7 Budgeting and Forecasting	15



## 1. Fundamental Aspects of Cost Accounting (Syllabus Weighting 25%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
1.1 Cost classification, behaviour, estimation	Factual/ Conceptual	Remember/ Comprehension	<p>1.1.1 Define the terms cost, cost unit, composite cost units, cost centre and elements of cost.</p> <p>1.1.2 Explain the nature, scope and purpose of cost classifications (direct/indirect, fixed/variable/semi-variable, production/period, controllable/non-controllable, relevant/non-relevant costs).</p> <p>1.1.3 Calculate fixed and variable elements from total cost using “high-low” and “linear regression” methods.</p>
1.2 Material and inventory control	Conceptual	Remember/ Comprehension	<p>1.2.1 Identify the process and documentation involved in procurement, reception, inspection, storage, and return of materials.</p> <p>1.2.2 Explain material control systems and calculate EOQ, reorder levels, maximum and minimum levels, valuation of stocks and the issues using FIFO, LIFO and AVCO and calculate profit under each stock valuation method.</p>
1.3 Labour	Conceptual	Comprehension	1.3.1 Explain types of remuneration (time based, piece based and incentive schemes) and accounting for cost of labour (including flexible working and labour turnover).
1.4 Specific and continues order costing	Conceptual/ Procedural	Comprehension/ Application	<p>1.4.1 Explain characteristics of job, batch, contract, process and service costing.</p> <p>1.4.2 Demonstrate job, batch, contract (contract account preparation and recognising profit), process (losses, gains, scrap value, disposal cost, closing WIP and opening WIP based on AVCO method) and service costing under appropriate business situations.</p>

## 2. Quantitative Aspects in Accounting (Syllabus Weighting 20%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
2.1 Percentages in business context	Conceptual	Comprehension	2.1.1 Calculate mark-up and margin, and arrive at the amount in rupees for given mark-up/margin percentages in scenarios (including VAT, income tax and discounts).
2.2 Accuracy and approximations	Conceptual	Comprehension	2.2.1 Calculate variations under addition, subtraction, multiplication and division. Estimate maximum error in profit when price, quantity, variable cost per unit and fixed costs are subject to error.

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
2.3 Descriptive measures	Conceptual	Comprehension	2.3.1 Calculate and interpret mean, standard deviation and coefficient of variation.
2.4 Probability in business	Conceptual	Comprehension	2.4.1 Discuss the importance of probability for a business. 2.4.2 Calculate simple and conditional probabilities using multiplicative and additive rules, expectation and variance of discrete probability distributions (special discrete probability distributions such as “Binomial and Poisson distributions” are <i>not expected</i> ), and probability estimates using normal distribution.
2.5 Sampling technique	Conceptual	Application	2.5.1 Demonstrate a basic understanding of sampling (simple random sampling and large samples only), sampling distributions of sample mean and sample proportions, and use of confidence intervals in business including their interpretation.
2.6 Index numbers	Factual	Comprehension	2.6.1 Interpret simple and aggregate indices.

### 3. Cost Accounting Systems (Syllabus Weighting 10%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
3.1 Absorption costing and marginal costing	Conceptual	Comprehension/ Application	3.1.1 Explain the steps involved in absorption costing and marginal costing, and their relevance in the modern business environment. 3.1.2 Prepare an overhead analysis sheet (with reciprocal servicing only a discussion is expected) and its allocation to end products or services (including under- or over-absorption) under absorption costing. 3.1.3 Prepare profit statements under both absorption and marginal costing, and the profit reconciliation statement.
3.2 Activity-based costing	Conceptual	Comprehension	3.2.1 Discuss the need for Activity-Based Costing (ABC). 3.2.2 Explain the steps involved in ABC.

#### 4. Financial Mathematics for Business and Project Appraisal Fundamentals

(Syllabus Weighting 10%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
4.1 Compounding	Conceptual	Comprehension	4.1.1 Calculate simple and compound interest, effective rate of interest, the yield amount when the rate of interest changes with time, regular investment interest, and amortisation schedule.
4.2 Discounting	Conceptual	Comprehension	4.2.1 Calculate present value of lump sum, annuity and perpetuity payments. 4.2.2 Explain non-discounting factor and discounting factor methods in project appraisal. 4.2.3 Calculate Payback, ARR, NPV and IRR under simple cash flow projects.

#### 5. Standard Costing and Variance Analysis

(Syllabus Weighting 10%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
5.1 Standard costing	Conceptual	Remember/ Comprehension	5.1.1 Define standard costing (should compare standards vs budgets) and types of standards. 5.1.2 Discuss the applicability of standard costing to organisations (with special reference to the difficulties involved in implementing standard costing to service organisations and modern organisations).
5.2 Variance analysis	Conceptual	Comprehension/ Application	5.2.1 Calculate and interpret basic variances on direct material cost, direct labour cost, variable production overheads, fixed production overheads, and sales. 5.2.2 Prepare a basic operating statement (variance reconciliation statement of budgeted and actual profit under absorption, and marginal costing).

#### 6. Mathematics for Business Functions

(Syllabus Weighting 10%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
6.1 Revenue, costs and profit	Conceptual	Remember	6.1.1 Identify linear and quadratic functions related to revenue, costs and profit in the algebraic, and graphical forms.
6.2 Profit maximisation and cost minimisation	Conceptual	Application	6.2.1 Demonstrate the use of differential calculus in maximisation and minimisation decisions (using profit function or marginal functions with necessary and sufficient conditions).

## 7. Budgeting and Forecasting (Syllabus Weighting 15%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
7.1 Budgeting	Conceptual	Comprehension	7.1.1 Discuss the purposes of budgeting.
			7.1.2 Discuss different approaches possible in budgetary planning (including top-down, bottom-up, traditional, rolling and zero based budgeting).
7.2 Forecasting for budgeting	Conceptual	Comprehension/ Application	7.2.1 Explain regression and time series as possible techniques in forecasting principle budgetary factor.
			7.2.2 Demonstrate regressed relationship and its correlation of a simple regression scenario through scatter diagram method, and least square method.
			7.2.3 Demonstrate components of a time series (trend - to be identified through moving average or regression formula; seasonal factors - to be identified through additive or multiplicative models, but no correction factor calculations).
			7.2.4 Calculate forecasted information needed for budget preparation through a combination of regression used to get the trend and time series used to seasonalise the forecast.
7.3 Budget preparation	Procedural	Application	7.3.1 Prepare functional and cash budgets (only understanding of master budget is expected).
7.4 Budget control	Procedural	Application	7.4.1 Prepare budgetary control statement (fixed/flexed/actual/variance).

## Module Code: KE 3 - Fundamentals of Taxation and Law

### Syllabus Structure

Main Syllabus Areas	Weightings (%)
<b>Part A: Fundamentals of Taxation</b>	
1 Introduction to Taxation	5
2 Income Tax Liability of a Resident Individual	20
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## Part A : Fundamentals of Taxation

<b>A1. Introduction to Taxation</b> (Syllabus Weighting 5%)			
<b>Knowledge Component</b>	<b>Knowledge Dimension</b>	<b>Knowledge Process</b>	<b>Learning Outcome</b>
1.1 Functions and principles of taxation	Factual	Remember	1.1.1 State the economic and social functions of taxation. 1.1.2 State the principles of taxation and the difference between direct taxes and indirect taxes.
1.2 Tax system in Sri Lanka	Factual	Remember	1.2.1 State the role of the following tax authorities in Sri Lanka: - Department of Inland Revenue - Provincial Departments of Revenue - Department of Customs and Excise Department 1.2.2 Identify the following major taxes in Sri Lanka: - Income Tax - Value-Added Tax (VAT) - Nation Building Tax (NBT) - Economic Service Charge - Stamp Duty - Share Transfer Levy - Excise Duty and Taxes on Imports

<b>A2. Income Tax Liability of a Resident Individual</b> (Syllabus Weighting 20%)			
<b>Knowledge Component</b>	<b>Knowledge Dimension</b>	<b>Knowledge Process</b>	<b>Learning Outcome</b>
2.1 Imposition of income tax	Factual	Remember/ Comprehension	2.1.1 Identify the statutory and other components of law applicable to income tax. (Inland Revenue Act, Case Law and “Rulings”) 2.1.2 Explain the “chargeability” of income tax to a “person” under the “charging section” of the Inland Revenue Act. 2.1.3 Explain the meaning of “person”, year of assessment, sources of profits & income and the “residence rule”.

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
2.2 Statutory income from sources of profits & income listed in the Inland Revenue Act	Conceptual	Remember/ Comprehension	<p>2.2.1 Calculate statutory “income” from a small- or medium-scale “trade, business, profession or vocation”, taking into consideration “allowable and disallowable expenses, capital allowances” and disposal of capital assets.</p> <p>2.2.2 Calculate employment income (including all cash and non-cash benefits, excluding terminal benefits).</p> <p>2.2.3 Calculate statutory income from other sources of income (including rent, net annual value, interest, dividends, royalties, annuities, winnings from lottery, betting or gambling and income from any other source).</p> <p>2.2.4 Identify the “miscellaneous exemptions” under the Inland Revenue Act (Sec. 13) applicable to an individual and capital gains.</p>
2.3 Total statutory income, assessable income and taxable income	Conceptual	Comprehension	2.3.1 Compute the total statutory income, assessable income and taxable income taking into consideration relevant statutory deductions and aggregation of child’s income.
2.4 Gross income tax and balance tax payable	Conceptual	Remember/ Comprehension	<p>2.4.1 Identify rates of income tax applicable to an individual, (including “ceiling of tax rates” introduced from time to time).</p> <p>2.4.2 Compute gross income tax liability for an individual.</p> <p>2.4.3 Compute the balance tax payable, taking into consideration the various types of tax credits.</p> <p>2.4.4 Compute tax payable by a partnership, on divisible profit and other income.</p>

### A3. Introduction to Company Taxation (Syllabus Weighting 15%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
3.1 Basic understanding of income tax liability of a resident company (non-complex straightforward scenario)	Factual	Remember/ Comprehension	<p>3.1.1 Identify various types of companies in relation to application of different rates of income tax.</p> <p>3.1.2 Explain specific adjustments applicable to the computation of statutory income of a company, from rent, interest, dividend and profit from trade or business (other than adjustments applicable to intercompany transactions).</p> <p>3.1.3 Compute total statutory income, assessable income and taxable income of a company, by making relevant statutory deductions.</p> <p>3.1.4 Compute gross income tax liability and balance tax liability for a small- or medium-sized company.</p> <p>3.1.5 explain the tax liability of a company on distributions and “distributable profits”.</p>

#### A4. Basic Tax Administration and Payment of Tax (Syllabus Weighting 5%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
4.1 Return of income	Factual	Remember	4.1.1 State the circumstances under which an individual or a company is required to furnish a "return" with due dates.
			4.1.2 State the consequences of non-compliance.
4.2 Notice of assessment and appeal settlement procedure	Factual	Remember	4.2.1 State circumstances for issue of assessments and the statutory provisions for rejection of return by the assessor.
			4.2.2 List the characteristics of a valid appeal and the steps of an "appeal settlement".
4.3 Interpretations	Factual	Remember	4.3.1 State the interpretations for tax purposes of the following terms: person, child, trade, business, executive officer and precedent partner.
4.4 Payment of tax and recovery of tax in default	Factual	Remember/ Comprehension	4.4.1 Explain the liability to settle income tax on a "self-assessment" basis, including due dates.
			4.4.2 Explain penalties and discounts applicable on the payment of tax.
			4.4.3 State briefly how a valid claim can be made for a tax refund of overpaid tax.
			4.4.4 Explain the Notice of "Tax in Default" and submission of an "objection" against such notice.
			4.4.5 List recovery actions available under the Inland Revenue Act.
4.5 Withholding taxes, including the Pay As You Earn scheme	Factual	Comprehension	4.5.1 Explain characteristics of withholding tax schemes (WHT on director fees, interest, dividends, sale of gem at auctions, lottery and other prizes) and tax credits where applicable.
			4.5.2 Explain the PAYE scheme and obligations of an employer under this scheme.
			4.5.3 Explain the concept of final tax.



**A5. Taxes Payable by a Business**  
(Syllabus Weighting 5%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
5.1 Value Added Tax (VAT)	Conceptual	Remember/ Comprehension	5.1.1 Explain the applicability of VAT to small and medium-sized businesses along with the registration “threshold”. 5.1.2 Compute tax payable for a given straightforward, non-complex scenario. 5.1.3 List a few supplies exempted from tax and explain the difference between exempted and zero-rated supplies. 5.1.4 Explain the due dates of payment and submission of returns.
5.2 Nation Building Tax (NBT)	Conceptual	Remember/ Comprehension	5.2.1 Explain the applicability of NBT to small and medium-sized businesses, and the registration threshold. 5.2.2 List a few excepted articles and services. 5.2.3 Compute tax payable in a straightforward, non-complex scenario. 5.2.4 Explain the due dates of payment and submission of returns.

*Part B : Fundamentals of Law*

**B1. Introduction to the Laws and Regulatory Framework of Sri Lanka**  
(Syllabus Weighting 5%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
1.1 Constitution and the different branches of law	Factual	Remember	1.1.1 Identify the main branches of the Sri Lankan Legal system and their roles.
1.2 Legal systems	Factual	Remember	1.2.1 Identify the key legal systems applicable in Sri Lanka.
1.3 Court system, powers, functions	Factual	Remember	1.3.1 Identify the courts in Sri Lanka and their functions.
1.4 Functions of Regulatory Institutions	Factual	Remember/ Comprehension	1.4.1 Explain the regulatory role of each of these institutions: Institute of Chartered Accountants, Sri Lanka Accounting Standards Monitoring Board, Securities and Exchange Commission, Colombo Stock Exchange, Board of Investment, Registrar of Companies, Dept. of Customs, Central Bank (Exchange Control aspect). 1.4.2 Identify the main functions of each institution stated above.

## B2. Law of Contracts (Basics)

(Syllabus Weighting 15%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
2.1 Main elements of a contract	Conceptual	Comprehension	2.1.1 Explain the requisites of a valid contract i.e. offer and acceptance, intention to create legal relations, consideration (including the concept of “LaesioEnormis”), “capacity and form”. Definition of contract, agreement, offer and acceptance, capacity to contract, form of contracts, “reality of consent”.
2.2 Terms of contracts	Conceptual	Comprehension	2.2.1 Explain what is meant by the terms of contract (conditions, warranties, exemption clauses) and the effect of exemption clauses and the Unfair Contract Terms Act No. 26 of 1997. 2.2.2 Explain mistakes, misrepresentation and undue influence & their consequences.
2.3 Legality of objects	Conceptual	Comprehension	2.3.1 Explain the effect of illegality and its consequences.
2.4 Termination of contracts	Conceptual	Comprehension	2.4.1 Explain the manner in which a contract could be discharged by performance, agreement, frustration and breach (including anticipatory breach).
2.5 Remedies for breach of contract	Conceptual	Comprehension	2.5.1 Explain the Common Law and Equitable remedies for breach of contract. 2.5.2 Explain the principle of unjust enrichment.
2.6 Other concepts of contract law	Conceptual	Remember/ Comprehension	2.6.1 Identify the periods of prescription for different types of contracts. 2.6.2 Explain the principle of privity of contract.

## B3. Sale of Goods (Basics)

(Syllabus Weighting 8%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
3.1 Form and subject matter of the sale of goods contract	Conceptual	Comprehension	3.1.1 Discuss the difference between a contract for sale of goods and a contract for work and materials, and the classification of said goods.
3.2 Conditions and warranties	Conceptual	Comprehension	3.2.1 Explain the implied conditions and warranties which are applicable in a contract for sale of goods.
3.3 Transfer of the property between seller and buyer	Conceptual	Comprehension	3.3.1 Discuss the time at which there is a passing of risk and a transfer of title (unascertained goods, reservation of title, instalment deliveries, sales by auction, sale by person not the owner).
3.4 Remedies available to buyer and seller	Conceptual	Comprehension	3.4.1 Explain the remedies which are available to a buyer and seller, including rights of an “unpaid seller”.

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
3.5 Legal implications of hire-purchase and leasing	Factual	Remember	3.5.1 State the principles of leasing and hire-purchase agreements.
3.6 International Trade	Factual	Remember/ Comprehension	3.6.1 Identify the differences between a CIF contract and a FOB contract. 3.6.2 Explain the process of a Letter of Credit. 3.6.3 Explain the process of international sale of goods, with reference to finance and letter of credit, transportation, insurance and bill of lading.

#### **B4. Negotiable Instruments (Basics)** (Syllabus Weighting 5%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
4.1 Cheques, bills of exchange and promissory notes	Factual	Remember/ Comprehension	4.1.1 Define and identify differences between cheques, bills of exchange and promissory notes. 4.1.2 Explain the functions of cheques, bills of exchange and promissory notes, from a business context.
4.2 Legal principles and commercial significance of cheques	Conceptual	Comprehension	4.2.1 Explain, in respect of the following, the applicable principles of cheque law and their commercial significance (endorsements, crossings, dishonour and banker's liability).
4.3 Holder in due course and presentment	Conceptual	Remember	4.3.1 Define and explain the commercial significance of "holder in due course" and "presentment" in relation to a bill of exchange.

#### **B5. Law of Agency and Partnership (Basics)** (Syllabus Weighting 8%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
5.1 Creation of agency, different types of agents	Conceptual	Comprehension	5.1.1 Explain the circumstances under which a relationship of Principle-Agent would be recognised by mutual agreement, by ratification, by necessity and by estoppels.
5.2 Authority	Conceptual	Comprehension	5.2.1 Explain the circumstances under which an agent may acquire actual authority (including express authority and implied authority) and ostensible authority.
5.3 Rights and duties between Principal and Agent	Factual	Remember	5.3.1 State the duties of agent towards principal. 5.3.2 State the duties of a principal towards agent.
5.4 Termination of Agency	Conceptual	Remember	5.4.1 State the circumstances under which a contract of Agency may be terminated by the act of parties and by operation of law.

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
5.5 Liabilities of Agent	Factual	Remember	5.5.1 State the liability of agents for acts done whilst acting within actual authority, within ostensible authority and without authority.
5.6 Liability of State	Factual	Comprehension	5.6.1 Explain the liability of the state for acts done by its agents.
5.7 Creation of Partnership Relations of Partners, Change of Partners and Dissolution of Partnership	Factual/ Conceptual	Remember/ Comprehension	5.7.1 Identify the general characteristics of a partnership. 5.7.2 State the requirements to form a valid partnership. 5.7.3 Explain the formalities contained in the prevention of frauds ordinance with regard to the creation of a partnership. 5.7.4 State the registration requirements for a partnership. 5.7.5 State the relationship between partners. 5.7.6 State the relationship between partners and third parties. 5.7.7 Explain the delictual ability of partners. 5.7.8 Explain the manner in which a partnership could be dissolved.

**B6. Labour Law**  
(Syllabus Weighting 5%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
6.1 Employees' Provident Fund (EPF), Employees' Trust Fund (ETF), Private Provident Funds (PPF)	Factual	Remember	6.1.1 State who should contribute to EPF and ETF, along with relevant exemptions.. 6.1.2 Identify the main differences between EPF & PPF. 6.1.3 List instances in which employee can withdraw his/her contribution to EPF & ETF.
6.2 Gratuity	Factual	Comprehension	6.2.1 Explain the entitlement of gratuity.
6.3 Shop & Office Act	Factual	Remember	6.3.1 Identify employees covered under the shop & office Act. 6.3.2 State hours of employment, weekly, annual holiday and leave. 6.3.3 Identify facilities to be provided by employers under the shop & office Act. 6.3.4 Identify maternity benefits available to employees. 6.3.5 Identify authorised deductions from remuneration.
6.4 Termination of employment	Factual	Remember/ Comprehension	6.4.1 Explain the procedure for termination of employees under the termination of employment Workmen (special Provisions) Act. 6.4.2 Identify "scheduled employment". 6.4.3 State the computation of compensation payable.

**B7. Offences Related to the Business Environment and New Regulations**  
(syllabus Weighting 4%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
7.1 Main offences in business environment and defences	Factual	Remember	7.1.1 Define fraud, theft, money laundering, bribery, negligence and explain the main defences.
7.2 New regulations in business environment	Factual	Remember	7.2.1. State briefly on each of these Acts: Prevention of Money laundering Act no. 05 of 2006, Electronic Transactions Act No. 19 of 2006, Computer Crimes Act, Consumer Protection Act, Intellectual Property Act No. 36 of 2003.

## Module Code: KE 4 - Processes, Assurance & Ethics

### Syllabus Structure

Main Syllabus Areas	Weightings (%)
1 Introduction to Governance Risks and Compliance	20
2 Business Processes	40
3 Evaluating the Effectiveness of Control in Business Operations	10
4 Ethics and Values	10
5 Assurance Service	20

## 1. Introduction to Governance Risks and Compliance

(Syllabus Weighting 20%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
1.1 Business organisations, main processes, and external environment	Factual	Remember	1.1.1 Identify the different types of business organisations and their objectives. 1.1.2 Identify the key business processes in a business organisation. 1.1.3 Define the elements of external environment that affect business organisations, such as political, legal, technological, economic, etc.
1.2 Enterprise risk management	Factual	Remember	1.2.1 Define the term “risk”. 1.2.2 Define “enterprise risk management”. 1.2.3 Identify elements of enterprise risk management, including risk appetite. 1.2.4 Identify the process of risk management.
1.3 Type of Risk	Factual	Remember	1.3.1 Identify the different types of risks that an entity is exposed to (including those arising from both the internal and external environment of an entity).
1.4 Techniques of mitigating risk	Factual	Remember	1.4.1 Identify the core techniques of mitigating risks, such as risk transfer, risk avoidance, risk reduction through internal controls, and risk acceptance.
1.5 Role of internal controls in mitigating risk	Factual	Remember	1.5.1 Define the system of internal control. 1.5.2 Identify elements of internal control. 1.5.3 Identify the role of the internal control system in an entity in mitigating risk at the business process level.
1.6 Elements of internal controls: - Control activities - Information systems and communication - Monitoring	Factual/ Conceptual	Remember/ Comprehension	1.6.1 Explain main control activities such as: - Segregation of duties - Physical controls - Authorisation - Business performance review - Information processing controls 1.6.2 Explain the role of the information system and communications system within the overall internal control system of an entity. 1.6.3 Identify the internal control monitoring mechanisms designed to ensure effectiveness of processes and business.
1.7 Limitations of internal control	Conceptual	Comprehension	1.7.1 Discuss the inherent limitations of an internal control system.
1.8 Governance and risk	Factual	Remember	1.8.1 Identify the governance structure of a business organisation.
1.9 Roles and responsibilities	Factual	Remember	1.9.1 Identify who is responsible for the introduction of controls in an organisation.



## 2. Business Processes (Syllabus Weighting 40%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
2.1 Procurement cycle	Factual/ Conceptual	Remember/ Application	<p>2.1.1 Identify activities connected with the procurement process, such as:</p> <ul style="list-style-type: none"> <li>- Vendor selection and evaluation</li> <li>- Budgetary controls</li> <li>- Placing orders</li> <li>- Receiving</li> <li>- Payment</li> </ul> <p>2.1.2 Identify the documents relating to procurement cycle, point of origination, flow of documents and purpose.</p> <p>2.1.3 Assess the business risk connected with sub activities relating to the procurement process.</p>
2.2 Payroll/human capital management	Factual	Remember/ Application	<p>2.2.1 Identify activities connected with the payroll process, such as recruitment, preparation and payment of salaries.</p> <p>2.2.2 Identify the documents relating to the payroll process, point of origination, flow of documents and purpose.</p> <p>2.2.3 Assess the business risks connected with sub activities relating to the payroll process.</p>
2.3 Cash management	Factual/ Conceptual	Remember/ Application	<p>2.3.1 Identify activities connected with the cash management process, such as maintenance of cash book, petty cash book, bank reconciliations, investments, etc.</p> <p>2.3.2 Identify documents relating to cash management (receipts, payment vouchers, etc.), point of origination, flow of documents and purpose.</p> <p>2.3.3 Assess the business risks connected with sub activities relating to the cash management process.</p>
2.4 Property, plant and equipment management	Factual/ Conceptual	Remember/ Application	<p>2.4.1 Identify activities connected with PPE management, including:</p> <ul style="list-style-type: none"> <li>- CAPEX budgeting and approval</li> <li>- Vendor selection and tender procedures</li> <li>- Capitalisation and depreciation</li> <li>- Fixed assets register</li> <li>- Physical controls</li> <li>- Disposal</li> </ul> <p>2.4.2 Assess the business risks connected with sub activities relating to PPE management process.</p>

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
2.5 Inventory management	Factual/ Conceptual	Remember/ Application	2.5.1 Identify activities connected with the inventory management process, such as deciding optimum order quantities, physical safeguard of inventory, receiving/ issuing goods, etc. 2.5.2 Assess the business risks connected with sub activities relating to the inventory management process.
2.6 Sales management	Factual/ Conceptual	Remember/ Application	2.6.1 Identify activities connected with the sales process, such as order acceptance, credit evaluation, delivery, invoicing, recording and settlement of receivables. 2.6.2 Identify the documents relating to sales process, point of origination, flow of documents and purpose. 2.6.3 Assess the business risks connected with activities relating to the sales and receivable process.

### 3. Evaluating the Effectiveness of Controls in Business Operations (Syllabus Weighting 10%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
3.1 Design effectiveness of internal controls	Conceptual	Comprehension	3.1.1 Recognise the importance of design effectiveness of control in achieving the objectives of a given business process.
3.2 Operating effectiveness of internal controls	Conceptual	Comprehension	3.2.1 Explain the importance of operating effectiveness of internal control.
3.3 IT general controls and application controls	Conceptual	Comprehension	3.3.1 Explain the importance of IT general controls and application controls in achieving control objectives in a given business process.
3.4 Internal control deficiencies	Conceptual	Comprehension	3.4.1 Explain deficiencies in internal controls in a given business process.

### 4. Ethics and Values (Syllabus Weighting 10%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
4.1 Law, ethics and morality development	Factual	Remember	4.1.1 Identify differences between law, ethics and morality.
4.2 Professional ethics	Factual/ Conceptual	Remember/ Comprehension	4.2.1 State the importance of ethical behaviour for a professional accountant. 4.2.2 Explain integrity, objectivity, professional competence and due care, confidentiality and independence. 4.2.3 Explain the ethical issues (such as conflict of interest, accepting and making offers) that an accountant may encounter.

**5. Assurance Service**  
(Syllabus Weighting 20%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
5.1 Elements and objectives of an assurance engagement	Conceptual	Comprehension	5.1.1 Explain the concept of assurance. 5.1.2 Explain the key areas of the assurance framework, including elements, objectives, scope, etc.
5.2 Acceptance and managing assurance and other engagements	Conceptual	Comprehension	5.2.1 Explain situations where assurance services can be rendered by a practitioner.
5.3 General principles of an audit of financial statements	Conceptual	Comprehension	5.3.1 Discuss the general principles governing an audit of financial statements, such as professional scepticism, professional judgments, etc. 5.3.2 Explain the need to conduct an audit in accordance with SLAuS.
5.4 Audit evidence	Factual	Remember	5.4.1 Define “audit evidence”. 5.4.2 Identify factors that affect auditors’ judgment as to what constitutes sufficient appropriate evidence.
5.5 Sufficient appropriate audit evidence	Conceptual	Remember/ Comprehension	5.5.1 Explain the concepts and meanings of: - Sufficient and appropriate audit evidence; - The nature, timing and extent of audit procedures. 5.5.2 Explain the meaning and the difference between test of controls and substantive procedures. 5.5.3 List different audit procedures used to gather audit evidence. 5.5.4 Explain how an auditor considers the relevance and reliability of information to be used as audit evidence.

## Module Code: KE 5 - Commercial Insight for Management

### Syllabus Structure

Main Syllabus Areas	Weightings (%)
1 Introduction to Business	5
2 Introduction to Management and Business Economics	10
3 Micro Environment of Business	30
4 Macro Environment of Business	20
5 Functions of Management	10
6 Functional Areas of Business	25

## 1. Introduction to Business (Syllabus Weighting 5%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
1.1 Businesses and their scope	Factual	Remember	1.1.1 Define the terms; “business” and “business organisation”. 1.1.2 Identify the classifications of business and its scope.
1.2 Nature of market offerings	Factual	Remember	1.2.1 Identify the value offerings made by business organisations, in serving their customers (including goods, services, events, person, experience, place, properties, information, organisation and idea).
1.3 Business resources	Factual	Remember	1.3.1 Identify the types of resources used by business organisations in creating value for customers (including the 7M’s: money, men, material, method, machine, market and minutes).
1.4 Future directions of businesses	Factual	Remember	1.4.1 Define “vision”, “mission”, “goals” and “objectives” of business organisations. 1.4.2 Identify their importance to business organisations.
1.5 Role of the accountant in businesses	Conceptual	Comprehension	1.5.1 Explain the role of the accountant in a business (including risk management expert, business generalist/source of business intelligence and compliance).
1.6 The dynamics of the work environment	Factual	Remember	1.6.1 Identify the volatile nature of the modern work environment and its impact on the role of an accountant.

## 2. Introduction to Management and Business Economics (Syllabus Weighting 10%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
2.1 Introduction to management	Conceptual	Remember/ Comprehension	2.1.1 Define “management” in business organisations, from different perspectives. 2.1.2 Explain the process of management. 2.1.3 Discuss the inter-relationships among the main functions of management.
2.2 Efficiency and effectiveness	Factual	Remember	2.2.1 Define efficiency and effectiveness with respect to productivity of an organisation.
2.3 Types of managers	Conceptual	Remember/ Comprehension	2.3.1 Identify the types of managers in organisations, from horizontal and vertical aspects (top, middle and lower, managers, functional managers, line and staff managers, value stream managers). 2.3.2 Discuss the responsibilities of the different types of managers.
2.4 Managerial roles	Factual	Remember	2.4.1 Identify the key roles played by a manager in an organisation including 10 managerial roles by Mintzberg.

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
2.5 Managerial skills	Conceptual	Remember/ Comprehension	2.5.1 Identify the skills required by managers to perform their roles successfully. 2.5.2 Discuss the importance of managerial skills for different managers in the organisational hierarchy.
2.6 Introduction to business economics	Factual	Remember	2.6.1 Define “economics”. 2.6.2 Identify the scope of business economics.
2.7 Introduction to scarcity, choice and opportunity cost	Conceptual	Comprehension	2.7.1 Discuss the concept of opportunity cost and scarcity and their relevance to economic choice.
2.8 Economic resources	Conceptual	Remember/ Comprehension	2.8.1 Identify the economic resources and their remuneration. 2.8.2 Explain the types of economic goods (including normal goods, Giffen goods, inferior goods, Veblen goods and public goods).
2.9 Economic vs accounting profits	Factual	Remember	2.9.1 Identify the differences between economic profit and accounting profits.

### 3. Micro Environment of Business (Syllabus Weighting 30%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
3.1 Introduction to organisational environment	Conceptual	Comprehension	3.1.1 Discuss the organisational environment (including internal, task and general, direct and indirect action, micro and macro environment).
3.2 Understanding the components of the micro environment	Conceptual	Comprehension	3.2.1 Discuss the main components of the micro environment (including customers, competitors, suppliers and distributors, and their importance in a business process).
3.3 Customers and customer value	Conceptual	Remember/ Comprehension	3.3.1 Identify different types of customers. 3.3.2 Discuss their importance of customer value and customer satisfaction with special reference to the role of an accountant in the organisation.
3.4 Consumer behaviour	Factual	Remember	3.4.1 Identify the behaviour of rational consumers using cardinal and ordinal utility theories.
3.5 Demand, supply and market equilibrium in a competitive market	Conceptual	Comprehension	3.5.1 Identify the factors which influence market demand and supply. 3.5.2 Explain how market equilibrium is achieved in competitive markets and its relevance for business.

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
3.6 The concept of elasticity	Conceptual	Comprehension	3.6.1 Explain the concepts of price elasticity of demand and supply, income elasticity, cross price elasticity and advertising elasticity on business decisions. 3.6.2 Compute the different types of elasticities.
3.7 Impact of government intervention on competitive markets	Procedural	Comprehension/ Application	3.7.1 Demonstrate the impact of government intervention on competitive markets and business activities, through ceiling price, floor price, taxes, subsidies and quotas. 3.7.2 Compute impact of deadweight loss on consumer and producer surplus.
3.8 Competitors and their impact on organisations	Conceptual	Remember/ Comprehension	3.8.1 Identify types of competitors under different classifications. 3.8.2 Discuss the importance of understanding competition from an accountant's perspective.
3.9 Competitive forces	Conceptual	Comprehension	3.9.1 Discuss the "Five Forces Model" in industry analysis.
3.10 Profit maximising conditions in competitive markets	Conceptual	Comprehension	3.10.1 Explain the total revenue/total cost approach and marginal revenue/marginal cost approach in profit maximisation only using graphical means.
3.11 Theoretical dimensions of market structures	Conceptual	Comprehension	3.11.1 Explain characteristics of perfect competition, monopolistic competition, monopoly, oligopoly and their impact on businesses.
3.12 Optimal output, price and profit decisions in competitive market structures	Conceptual	Comprehension	3.12.1 Explain how businesses determine the optimum output, price and profit in the short and long run in different markets.
3.13 Suppliers and distributors	Conceptual	Remember/ Comprehension	3.13.1 Identify the types of suppliers and distributors. 3.13.2 Discuss the roles of suppliers and distributors in a business.

#### 4. Macro Environment of Business (Syllabus Weighting 20%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
4.1 Understanding the general environment	Conceptual	Comprehension	4.1.1 Explain the main dimensions of the general environment (PEST factors) and their influence on business.
4.2 Political and economic environment	Conceptual	Comprehension	4.2.1 Discuss the nature of the prevailing political and economic conditions and their impact on business.
4.3 The concepts of national income	Factual	Remember	4.3.1 Identify the circular flows of income and expenditure in the "Four Sector Model". 4.3.2 Define the concepts of national income (including GDP, nominal & real GNP and NNP).

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
4.4 Role of inflation	Conceptual	Comprehension	4.4.1 Explain demand-pull/cost-push inflation and identify the cost of inflation on business and the national economy. 4.4.2 Explain how demand management and supply management policies can be used to control inflation. 4.4.3 Discuss the inter-relationship among money supply, inflation and interest rates in an economy.
4.5 Importance of exchange rates on business	Conceptual	Comprehension	4.5.1 Explain how exchange rates are determined and how changes in exchange rates affect businesses. 4.5.2 Discuss the pros and cons of market versus controlled exchange rates regimes. 4.5.3 Discuss the factors affecting demand and supply of foreign currencies.
4.6 Monetary policy and fiscal policy	Conceptual	Remember/ Comprehension	4.6.1 Define monetary policy, fiscal policy and the tools of monetary and fiscal policies. 4.6.2 Discuss the impact of monetary and fiscal policies on business.
4.7 Financial markets and intermediation	Factual	Remember	4.7.1 Identify financial markets, financial intermediation and their benefits to business.
4.8 Socio-cultural environment	Conceptual	Comprehension	4.8.1 Discuss the nature of the prevailing socio-cultural conditions and their impact on businesses.
4.9 Technological environment	Conceptual	Comprehension	4.9.1 Discuss the nature of modern development and their impact on business.
4.10 New dynamics of the global environment	Conceptual	Comprehension	4.10.1 Discuss the new dynamics of the global environment and their impact on business.

## 5. Functions of Management (Syllabus Weighting 10%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
5.1 Nature of planning and planning process	Conceptual	Remember/ Comprehension	5.1.1 Identify the planning process and advantages of planning to an organisation. 5.1.2 Discuss the basic principles of planning and decision making from an accountant's perspective.
5.2 Organising and organisation structure	Conceptual	Remember/ Comprehension	5.2.1 Identify the "functions of organising" and types of organisational structures. 5.2.2 Discuss pros and cons of different organisational structures.



Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
5.3 Authority, responsibility and power	Conceptual	Remember/ Comprehension	5.3.1 Define the concepts of “authority”, “responsibility”, “power” and “accountability”. 5.3.2 Identify interrelationships among authority, responsibility, power and accountability. 5.3.3 Discuss the delegation of authority, its processes and the best practices.
5.4 Nature and scope of leading as a management function	Conceptual	Remember/ Comprehension	5.4.1 Define “leading” as a key function of the management process. 5.4.2 Discuss the main areas of leading (motivation, leadership and communication).
5.5 Nature and scope of control	Factual	Remember/ Comprehension	5.5.1 Define the concept of “controlling”. 5.5.2 Discuss the importance of control in business.

## 6. Functional Areas of Business (Syllabus Weighting 25%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
6.1 Business functions of organisations	Conceptual	Remember	6.1.1 Identify the main functions of a business and their relationship with the management process.
6.2 Nature and scope of operations management	Conceptual	Remember/ Comprehension	6.2.1 Define “operations management”. 6.2.2 Discuss the role of operations management in a business.
6.3 Cost concepts in businesses	Conceptual	Comprehension	6.3.1 Discuss the different cost concepts (total cost, marginal cost and average cost) in the short run and long run using graphical methods.
6.4 Introduction to production capacity planning	Conceptual	Remember	6.4.1 Identify the steps involved in production capacity planning.
6.5 Economies of scale and scope	Conceptual	Comprehension	6.5.1 Discuss the concepts of economies of scale and economies of scope in a business.
6.6 Production methods	Conceptual	Remember/ Comprehension	6.6.1 Define main production methods (job production, batch production, and flow production). 6.6.2 Discuss implications of each production method for the business.
6.7 Production concepts in businesses	Conceptual	Remember/ Comprehension	6.7.1 Define short run and long run production concepts and related production measurements (total production, average production, marginal production), using graphical means. 6.7.2 Explain the “Law of Diminishing Marginal Returns” and its impact on businesses.
6.8 Nature and scope of marketing management	Factual	Remember	6.8.1 Define marketing management and scope of marketing.

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
6.9 Role of marketing in organisations	Conceptual	Comprehension	6.9.1 Discuss the role of marketing in businesses (marketing as a philosophy/marketing as a business function).
6.10 Marketing philosophies	Conceptual	Comprehension	6.10.1 Discuss different marketing philosophies. 6.10.2 Explain the importance of adapting to market orientation.
6.11 Elements of a marketing programme	Factual	Remember/ Comprehension	6.11.1 Identify the concepts of “Segmentation”, “Targeting”, and “Positioning” (STP) and the “Marketing Mix” (4Ps). 6.11.2 Discuss the roles of STP and 4Ps concepts in business.
6.12 Nature and scope of human resource management	Conceptual	Remember/ Comprehension	6.12.1 Define Human Resource Management (HRM). 6.12.2 Identify the importance of HRM to a business. 6.12.3 Discuss the major functions of HRM.
6.13 Wage determination in competitive factor market	Conceptual	Comprehension	6.13.1 Discuss wage determination in competitive factor markets, under demand and supply conditions (using labour leisure model). 6.13.2 Discuss the concept of optimal employment of labour in business.
6.14 Management information systems in organisations	Conceptual	Remember/ Comprehension	6.14.1 Identify basic information systems. 6.14.2 Discuss the impact of information systems on business operations and management.
6.15 Fundamentals of project management	Factual	Remember	6.15.1 Identify the basic concepts of project management.
6.16 Fundamentals of change management	Factual	Remember	6.16.1 Identify the basic concepts of change management.

## Module Code: SE 1 - Executive Communication & People Skills

### Syllabus Structure

Main Syllabus Areas	Weightings (%)
1 Reading for Academic/Professional Purposes	30
2 Writing for Academic/Professional Purposes	30
3 Listening for Academic/Professional Purposes	20
4 Speaking for Academic/Professional Purposes	20

**1. Reading for Academic/Professional Purposes**

(Syllabus Weighting 30%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
1.1 Understanding basic accounting & business terminology	Factual	Remember/ Comprehension	1.1.1 Recognise basic accounting & business terminology in English. 1.1.2 Interpret the meaning of accounting & business terminology used in different contexts (including Financial Accounting, Management Accounting, Auditing, Taxation, Finance).
1.2 Features of a text	Factual	Comprehension/ Analysis	1.2.1 Recognise specific features of a text (including organisation, discourse markers, functions, purposes of headings, sub-headings). 1.2.2 Recognise the meaning of add-on to a text (including punctuation, visuals, graphs, diagrams).
1.3 Reading for specific information in a text	Factual/ Conceptual	Remember/ Comprehension	1.3.1 Recognise the text structure through cohesive devices. 1.3.2 Identify the specific information in selected mini scenarios/scenarios. 1.3.3 Group information into different categories.
1.4 Identifying the main idea and supporting details	Conceptual	Remember	1.4.1 Identify the main idea and supporting details of a text. 1.4.2 Identify the purpose of a text.
1.5 Using a dictionary/search engine	Factual	Remember/ Comprehension	1.5.1 Identify the relevant meaning of a word. 1.5.2 Recognise collocations in different contexts.
1.6 Avoiding plagiarism	Procedural	Remember/ Comprehension	1.6.1 Summarise, paraphrase and critically evaluate what you read 1.6.2 Identify appropriate referencing techniques.
1.7 Comprehending formal/informal documents in a business environment	Factual/ Conceptual	Remember/ Comprehension/ Application	1.7.1 Identify specific features of business documents (including memos, letters, notices, email). 1.7.2 Recognise specific information in business documents by scanning. 1.7.3 Interpret the message conveyed in business documents. 1.7.4 Summarise different types of business writing by skimming. 1.7.5 Recognise the purpose of a message conveyed through social media/electronic media. 1.7.6 Apply instructions given in a message, conveyed through social/electronic media.

## 2. Writing for Academic/Professional Purposes

(Syllabus Weighting 30%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
2.1 Using basic accounting terminology & business terminology	Factual/ Conceptual	Remember	2.1.1 Define basic accounting terminology and business terminology using appropriate vocabulary and grammatical structures.
2.2 Writing a business text	Factual/ Conceptual/ Procedural	Application	2.2.1 Prepare a simple well-organised business text (including letters, short reports, memos, articles) using the appropriate conventions of writing.
2.3 Describe graphs and charts	Conceptual	Comprehension	2.3.1 Interpret a graph/chart using appropriate vocabulary.
2.4 Paraphrasing and Summarising	Conceptual/ Procedural	Application	2.4.1 Reproduce information by paraphrasing/summarising/synthesising for academic/professional purposes. 2.4.2 Prepare notes from selected academic/professional texts.
2.5 Writing an academic text	Conceptual/ Procedural	Application/ Evaluate	2.5.1 Prepare texts in business documents and answer questions with appropriate referencing techniques. 2.5.2 Evaluate and respond to others' points of view.
2.6 Communicating in writing in a business environment	Conceptual/ Procedural	Application/ Synthesis	2.6.1 Compose an email, memo, business letter requesting for official information. 2.6.2 Compile a professional CV or résumé. 2.6.3 Produce information to respond to queries, provide feedback and make observations.

## 3. Listening for Academic/Professional Purposes

(Syllabus Weighting 20%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
3.1 Listening to a lecture, discussion etc.	Procedural	Remember/ Comprehension/ Application	3.1.1 Identify the key points in a short lecture. 3.1.2 Apply instructions and guidelines under different learning contexts (including lectures, workshops, seminars). 3.1.3 Record relevant notes from a lecture. 3.1.4 Discuss in different contexts by listening to others. 3.1.5 Identify the different genres used in an academic lecture, presentation, demonstration, discussion, debate etc.

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
3.2 Listening to ask for and provide information in formal or informal setting	Conceptual/ Factual/ Procedural	Comprehension	3.2.1 Discuss with peers/colleagues for clarifications by listening. 3.2.2 Recognise specific/general information by listening.
3.3 Listening to follow steps/guidelines	Procedural	Remember/ Application	3.3.1 Identify the general steps of a presentation. 3.3.2 Identify implied and explicitly stated information. 3.3.3 Apply instructions/directions and/or processes.
3.4 Using communication devices in a professional setting	Procedural	Application	3.4.1 Prepare a response to information received through telephone/electronic communication (including complaints, queries, customer needs, requests).

#### 4. Speaking for Academic/Professional Purposes (Syllabus Weighting 20%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
4.1 Participate in a lecture/discussion	Procedural	Application	4.1.1 Develop the skills to: <ul style="list-style-type: none"> <li>- Introduce oneself and others</li> <li>- Asking for and give information</li> <li>- Request clarifications in a lecture or discussion</li> <li>- Express opinions points of view in a group discussion</li> <li>- Give directions/instructions to others</li> </ul>
4.2 Make technical presentations	Procedural	Application	4.2.1 Develop and deliver presentations at an academic/professional setting.
4.3 Participating in and conducting an interview	Procedural	Application	4.3.1 Develop appropriate communication abilities to face and interview clients/business partners to obtain necessary information.
4.4 Using proper etiquette in a professional setting when handling communication devices	Procedural	Application	4.4.1 Develop skills for professional use of telephone/electronic media to: <ul style="list-style-type: none"> <li>- Provide and/or request for information</li> <li>- Clarify information and take down messages</li> </ul>

## Module Code: SE 2 - Executive Information Technology and Systems

### Syllabus Structure

Main Syllabus Areas	Weightings (%)
1 Information Technology - Basic Computer Etiquette	10
2 Office Skills	35
3 Use of Internet	5
4 Accounting Package for SMEs	50

## 1. Information Technology – Basic Computer Etiquette

(Syllabus Weighting 10%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
1.1. Introduction to information management	Factual/ Conceptual	Comprehension	1.1.1 Discuss: <ul style="list-style-type: none"> <li>- Information vs Information systems (IS).</li> <li>- How information is useful in running a business efficiently and effectively.</li> <li>- How IS/IT can be used to generate relevant and reliable information.</li> <li>- How relevant and reliable information can provide a competitive advantage to organisations.</li> </ul>
1.2 Best practices in using computer-related resources and mitigating associated risks	Conceptual	Comprehension	1.2.1 Recognise: <ul style="list-style-type: none"> <li>- Organisation of data into files to facilitate quick access and safety of data.</li> <li>- How to use file naming conventions effectively to avoid any version clashes.</li> <li>- Best practices in using Internet &amp; e-mail (including relevance, efficiency of use, security aspects and best use of company resources).</li> <li>- Health and safety aspects in using a computer system.</li> <li>- Best practices in maintaining back-ups.</li> <li>- Potential risks of virus attacks and mitigation plans (including main sources of virus attacks and how to minimise such risks; virus guards and anti-virus software).</li> <li>- Best practices when using copyrighted material and how to avoid plagiarism.</li> </ul>



**2. Office Skills**  
(Syllabus Weighting 35%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
<b>2A. WORD PROCESSING</b>			
2.1. Standard practices when producing Word documents	Procedural	Remember/ Comprehension/ Application	<p>2.1.1 Identify standard report and letter writing formats (including reporting rights, opening format, alignments, opening and ending paragraphs and the appropriate ending).</p> <p>2.1.2 Recognise a suitable presentation layout (including table of contents, watermarks, headers and footers, logos and embedding other files in the document).</p> <p>2.1.3 Apply options such as mail merge, review notes, cross referencing, comparing, track changes and the print options.</p> <p>2.1.4 Recognise options available to protect the integrity of the document (including password protection, protect document, restrict editing and access, sharing of files, conversion to PDF formats and ensuring version compatibility when saving and using auto save option to protect content).</p>
<b>2B. SPREADSHEETS</b>			
2.2 Utilising formulas for data organising, interpretation and analysis	Procedural	Comprehension/ Application	<p>2.2.1 Calculate and interpret data using statistical formulas (including autosum, average, averageif, count, counta, countblank, countif, min, max, ceiling, math and floor).</p> <p>2.2.2 Prepare data into formats convenient for interpretation using Lookup and References formulas (Including lookup, vlookup, hlookup, transpose, column, row, filter, sort, getpivot data and hyperlink formulas).</p> <p>2.2.3 Prepare data into formats convenient for interpretation using text and Date/Time formulas (including clean, code, concatenate, find and replace, left, len, lower, mid, proper, replace, right, search, substitute, text, trim, upper, value, now, today).</p> <p>2.2.4 Calculate and analyse data sets using logical formulas such as and, or, if, true, false, sumif, and conditional formatting.</p> <p>2.2.5 Calculate IRR, NPV, PV and ROCE using spreadsheet formulas.</p> <p>2.2.6 Apply various data analysing tools (Including regression analysis, what-if analysis and sensitivity analysis to assess the outcomes of projects).</p> <p>2.2.7 Recognise options to hiding sheets, deleting sheets, grouping sheets, split.</p>

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
2.3 Structuring data and working with multiple sheets			2.3.1 Apply text to columns option in importing information to spreadsheets. 2.3.2 Recognise: <ul style="list-style-type: none"> <li>- Benefits of using templates, the various ways in which the spreadsheets can be customised and dealing with circular references.</li> <li>- How formulas are linked to more than two sheets, how sheets are moved between spreadsheets.</li> </ul>
2.4 Using spreadsheets			2.4.1 Recognise and Apply: <ul style="list-style-type: none"> <li>- Shortcut toolbar to increase productivity.</li> <li>- Different data validation techniques/using the data validation option in spreadsheet to assure integrity.</li> <li>- Options available to protect the integrity of the document (including as password protection, protect document, track changes, sharing, trace precedents and dependents).</li> <li>- Display information graphically through the use of bar charts, line charts, pie charts, and effectively using Smart Art.</li> <li>- Conversion to PDF files.</li> <li>- Structuring data for interpretation using tools and options (including tables, formatting cells, group/ungroup, subtotal, freeze panes, remove duplicates, page setup, print setting, header footer).</li> </ul>
<b>2C. PRESENTATION SOFTWARE</b> (PowerPoint or impress)	Procedural	Comprehension/ Application	2.5.1 Recognise various attributes that would help improve the presentation appeal for different uses (including proper flow of information, color palettes, fonts and font sizes, alignments, backgrounds, headers and footers, using slide notes, handouts, templates).  2.5.2 Apply: <ul style="list-style-type: none"> <li>- Animations by setting timings, transitions through mouse clicks, automatic slide transitions and custom animations when preparing slide shows.</li> <li>- Insert objects, embed Excel sheets, insert hyperlinks and action buttons.</li> <li>- Conversion of PS to PDF, and executable files.</li> </ul>

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
<b>2D. EMAIL MANAGERS</b>			
2.6 Organising the mailbox/ Basic tips on using e-mail facility/customising the layout	Procedural	Comprehension/ Application	<p>2.6.1 Recognise and Apply:</p> <ul style="list-style-type: none"> <li>- Flagging and follow ups, setting rules for junk mail, moving emails to folders, categorising emails, learn how to sort through emails, read/unread emails and effective searching and sorting of emails.</li> <li>- Options such as view calendar, share calendar, accept and decline meeting requests, organise meetings and scheduling appointments.</li> <li>- Managing contacts, take due care when using the reply/reply all buttons, copying and blind copying individuals on email, recall and recover already sent emails, compiling and circulating meeting minutes through the use of One Note and saving emails as drafts.</li> </ul> <p>2.6.2 Prepare the email interface and mailbox as per your convenience by setting view options, signatures and auto replies; also setting folder permissions for security of confidential mails and clean up options.</p>

### 3. Use of Internet (Syllabus Weighting 5%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
3.1 Efficient use of Internet to extract information for business	Procedural	Comprehension/ Application	<p>3.1.1 Recognise various forms of Internet usage by business entities in today's context and gain understanding on each broader aspect (including web data mining &amp; warehousing, advertising, conduct of researches, Internet selling, Internet buying, banking and finance functions, trading, dissemination of information, customer service).</p> <p>3.1.2 Recognise the elements involved in extracting information from Internet and gain broader knowledge in each aspect, for example, browsers, URL, HTML, https.</p> <p>3.1.3 Assess world's leading search engines in terms of their popularity and recognise how different search engines will give enriched results compared to a single search engine use.</p>

#### 4. Accounting package for SMEs (Syllabus Weighting 50%)

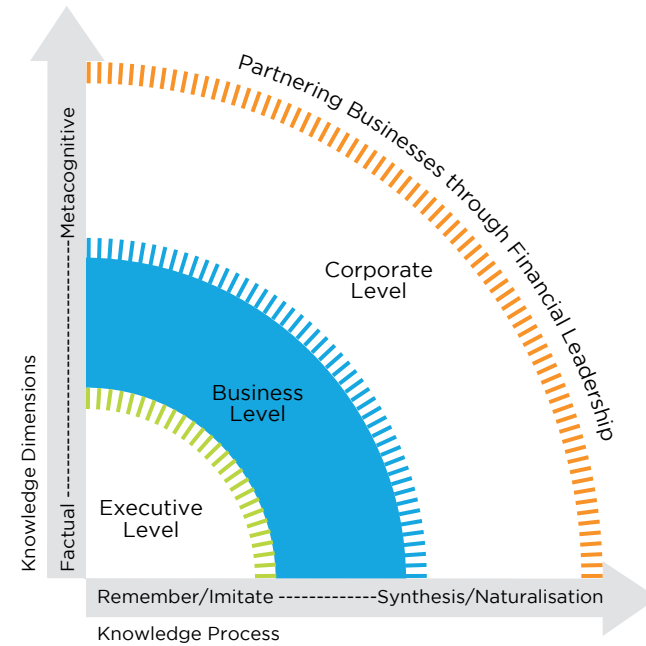
Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
4.1 Creating a company using accounting package and customising for the business	Procedural	Imitate/ Precision/ Articulation	4.1.1 List the company information using the easy step interview, including: <ul style="list-style-type: none"> <li>- Company information</li> <li>- Selecting industry</li> <li>- Selecting fiscal period</li> </ul>
			4.1.2 Customise the accounting package using company activities, including: <ul style="list-style-type: none"> <li>- Choosing appropriate business activity (product or service)</li> <li>- Create tax activity including sales taxes</li> <li>- Tracking customer orders and inventory</li> <li>- Organising income and expense accounts</li> <li>- Entering bank account information, including statement balance</li> </ul>
			4.1.3 Create security and access control, including: <ul style="list-style-type: none"> <li>- Setting up administrative password</li> <li>- Giving access control in each level</li> <li>- Creating backup copy</li> <li>- Setting up auto backup</li> </ul>
4.2 Familiarise with the accounting package Homepage	Procedural	Manipulation	4.2.1 Recognise the following items on the Homepage and customise for the company's requirement: <ul style="list-style-type: none"> <li>- Vendors</li> <li>- Customers</li> <li>- Employees</li> <li>- Company</li> <li>- Banking</li> <li>- Chart of accounts</li> </ul>

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
4.3 Organising chart of accounts, Customers and Vendors and inventory	Procedural	Articulation/ Manipulation/ Precision	<p>4.3.1 Create a chart of accounts or select the appropriate chart of accounts using given industry specific chart of accounts for the company and categorise into appropriate categories, including income, expense, asset, liability and equity.</p> <p>4.3.2 Recognise how the chart of accounts linked to income statement and balance sheet.</p> <p>4.3.3 Customise chart of accounts</p> <ul style="list-style-type: none"> <li>- Adding a new account</li> <li>- Editing an existing account</li> <li>- Creating a sub-account</li> <li>- Delete an account</li> </ul> <p>4.3.4 Create vendor list and customer list including:</p> <ul style="list-style-type: none"> <li>- Adding a new vendor and customer</li> <li>- Adding Vendor or customer as record transaction</li> <li>- Build an appropriate vendor or customer master file</li> </ul> <p>4.3.5 Create appropriate inventory file by selecting the appropriate items and services, thereby integrating with the respective accounts given in the chart of accounts, including:</p> <ul style="list-style-type: none"> <li>- Adding a new item or service</li> <li>- Edit an existing item</li> <li>- Creating a sub item</li> <li>- Deleting an item</li> </ul>

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
4.4 Recording day to day Business Activities	Procedural	Comprehension	4.4.1 Record transaction using an accounting package tools including: <ul style="list-style-type: none"> <li>- Entering bills</li> <li>- Paying bills</li> <li>- Write and print cheques</li> <li>- Create invoice</li> <li>- Receipt of payment</li> <li>- Deposit in bank</li> <li>- Raise journal entries</li> </ul>
4.5 Use of Reports and Reconciliations	Procedural	Articulation	4.5.1 Create reports and prepare reconciliation using an accounting package including: <ul style="list-style-type: none"> <li>- Financial reports such as income statement, balance sheet and cash flow statement</li> <li>- Customer reports and vendor reports, including age analysis</li> <li>- Bank Reconciliation</li> <li>- Audit trail</li> <li>- Exporting data to other formats</li> </ul>

## 9.2 BUSINESS LEVEL

At this level, functional/technical abilities will be built further through the Knowledge Pillar whilst making a continuous effort to instill premium qualities demanded by organisations such as interpersonal, communicational, professional and ethical grounding (Skills Pillar and Personal Pillar) required to qualify as a Certified Senior Business Accountant. Hence, a Certified Senior Business Accountant will be specialised in technical aspects of financial reporting, taxation and assurance, proficient in interpersonal and communication skills and will adopt a professional and ethical approach in resolving possible conflicts, based on internalised values.



## Module Code: KB 1 - Business Financial Reporting

### Syllabus Structure

Main Syllabus Areas	Weightings (%)
1 Conceptual and Regulatory Framework for Financial Statements	15
2 Sri Lanka Accounting Standards (SLFRS/LKAS/IFRIC/SIC)	50
3 Preparation of Financial Statements	25
4 Financial Statement Analysis and Non-financial Reporting	10



## 1. Conceptual and Regulatory Framework for Financial Statements (Syllabus Weighting 15%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
1.1 Conceptual framework of SLFRS	Conceptual	Application	<p>1.1.1 Demonstrate knowledge of the conceptual framework of Sri Lanka Accounting Standards, with emphasis on:</p> <ul style="list-style-type: none"> <li>- Objectives of general purpose financial statements</li> <li>- Underlying assumptions</li> <li>- Qualitative characteristics of financial statements</li> <li>- Elements of financial statements</li> <li>- Recognition and measurement of elements of financial statements</li> <li>- Concepts of capital and capital maintenance</li> </ul>
1.2 The process of setting standards	Conceptual	Application/ Analysis	<p>1.2.1 Outline the process of setting standards under Sri Lanka Accounting Standards (SLFRS and LKAS) and International Financial Reporting Standards (IFRS and IAS).</p> <p>1.2.2 Demonstrate the relationship between the International Accounting Standards Board (IASB) and the local governing body responsible for establishing national standards, with respect to the standard-setting process.</p>
1.3 Regulatory framework	Conceptual	Comprehension/ Application	<p>1.3.1 Demonstrate the awareness of provisions in Corporate governance, Companies Act (sections 56, 69, 148 to 171 and 192) and SEC regulations and rulings.</p> <p>1.3.2 Discuss the structure of the accountancy profession.</p> <p>1.3.3 Discuss the regulations applicable to the accounting profession and financial service industry.</p> <p>1.3.4 Discuss the disciplinary procedures relating to accountants.</p>

## 2. Sri Lanka Accounting Standards (SLFRS/LKAS/IFRIC/SIC)

(Syllabus Weighting 50%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
<p>2.1 Level A</p> <p>Thorough knowledge and comprehension of the standard to identify significant complicated issues and any potential implications to the financial statements, and to exercise professional judgment in the evaluation and application of standards in resolving a complicated matter related to financial reporting.</p> <p>Where:</p> <ul style="list-style-type: none"> <li>- A “complicated matter” includes transactions and/or events which require thorough analysis of the matter and evaluation of standards.</li> <li>- It may require the analysis, application and evaluation of relevant standard/s.</li> </ul> <p>(Refer Appendix 2)</p>	Procedural	Evaluation/ Synthesis	<p>2.1.1 Advise on the application of Sri Lanka Accounting Standards in solving complicated matter.</p> <p>2.1.2 Recommend the appropriate accounting treatment to be used in complicated circumstances in conformity with Sri Lanka Accounting Standards.</p> <p>2.1.3 Evaluate the impact of application of different accounting treatments.</p> <p>2.1.4 Propose appropriate accounting policies to be selected in different circumstances.</p> <p>2.1.5 Evaluate the impact of use of different expert inputs to financial reporting.</p> <p>2.1.6 Advise on the appropriate application and selection of accounting/reporting options given under standards.</p> <p>2.1.7 Design the appropriate disclosures to be made in the financial statements.</p>
<p>2.2 Level B</p> <p>Good knowledge and comprehension of the standard to identify moderately complicated issues and any potential implications to the financial statements, and to exercise professional judgment in the analysis and application of standards in resolving a moderately complicated matter related to financial reporting.</p> <p>Where:</p> <p>A “moderately complicated matter” includes transactions and/or events which require an analysis of a matter and evaluation of such matter with the related standard/s.</p> <p>(Refer Appendix 2)</p>	Conceptual/ Procedural	Application/ Analysis/ Evaluation	<p>2.2.1 Apply Sri Lanka Accounting Standards in solving moderately complicated matters.</p> <p>2.2.2 Recommend the appropriate accounting treatment to be used in complicated circumstances in accordance with Sri Lanka Accounting Standards.</p> <p>2.2.3 Demonstrate a thorough knowledge of Sri Lanka Accounting standards in the selection and application of accounting policies.</p> <p>2.2.4 Demonstrate appropriate application and selection of accounting/reporting options given under standards.</p> <p>2.2.5 Outline the disclosures to be made in the financial statements.</p>

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
<p>2.3 Level C</p> <p>Conceptual knowledge and understanding of the standard to identify simple issues, to exercise reasonable professional judgment in the application of standards in resolving a simple (straightforward) matter related to financial reporting.</p> <p>Where:</p> <p>A “simple transaction or event” includes transactions or events which require direct and conceptual application of standards.</p> <p>(Refer Appendix 2)</p>	Conceptual	Remember/ Comprehension/ Application	<p>2.3.1 Explain the concepts/principals of Sri Lanka Accounting Standards.</p> <p>2.3.2 Apply the concepts/principals of the standards to resolve a simple/straight forward matter.</p> <p>2.3.3 List the disclosures to be made in the financial statements.</p>

### 3. Preparation of Financial Statements (Syllabus Weighting 25%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
3.1 Consolidated financial statements	Conceptual/ Procedural	Application	<p>3.1.1 Prepare consolidated financial statements (Consolidated Statement of Financial Position and Consolidated Statement of Comprehensive Income) involving one or two subsidiaries and an associate firm, in accordance with SLFRS/LKAS, with emphasis on:</p> <ul style="list-style-type: none"> <li>- Elimination of inter-company transactions and balances</li> <li>- Fair valuation of purchase consideration and identifiable assets and liabilities of acquired subsidiary</li> <li>- Pre- and post-acquisition profits</li> <li>- Goodwill or gain on bargain purchase of simple acquisition of a subsidiary</li> <li>- Gain/loss on disposal of a subsidiary</li> <li>- Non-controlling interest</li> <li>- Equity accounting</li> </ul>
3.2 Entity financial statements	Conceptual/ Procedural	Application	3.2.1 Prepare single entity financial statements (Statement of Financial Position, Statement of Comprehensive income, Statement of Changes in Equity and Statement of Cash Flows) in accordance with the prescribed structure and content as per relevant accounting standards.

#### 4. Financial Statement Analysis and Non-financial Reporting

(Syllabus Weighting 10%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
4.1 Financial statement analysis	Conceptual/ Procedural	Comprehension/ Application/ Evaluate	4.1.1 Demonstrate a thorough understanding of the different techniques available to analyse financial statements, including ratio analysis and common size financial statements.
			4.1.2 Interpret relevant financial ratios, including profitability ratios, liquidity ratios, efficiency ratios, and gearing and solvency ratios.
			4.1.3 Advise on the interpretation of an entity's financial statements for different stakeholders.
			4.1.4 Demonstrate a thorough knowledge of the limitations of financial statement analysis techniques.
4.2 Non-financial reporting	Procedural	Analysis	4.2.1 Outline the progress towards non-financial reporting standards, including sustainability reporting and integrated reporting.

## Appendix 2 - KB 1

### Sri Lanka Accounting Standards

No.	Name	KB 1
SLFRS 1	First-time Adoption of Sri Lanka Accounting Standards	-
SLFRS 2	Share-based Payment	C
SLFRS 3	Business Combinations	B
SLFRS 4	Insurance Contracts	-
SLFRS 5	Non - Current Assets Held for Sale and Discontinued Operations	B
SLFRS 6	Exploration for and Evaluation of Mineral Resources	-
SLFRS 7	Financial Instruments: Disclosures	C
SLFRS 8	Operating Segments	C
SLFRS 9	Financial Instruments	B
SLFRS 10	Consolidated Financial Statements	B
SLFRS 11	Joint Arrangements	B
SLFRS 12	Disclosure of Interests in Other Entities	B
SLFRS 13	Fair Value Measurement	B
SLFRS 14	Regulatory Deferral Accounts	N/A
SLFRS 15	Revenue from Contracts with Customers	B
SLFRS 16	Leases	C
LKAS 1	Presentation of Financial Statements	A
LKAS 2	Inventories	A
LKAS 7	Statement of Cash Flows	A
LKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	A
LKAS 10	Events after the Reporting Period	A
LKAS 11	Construction Contracts	B
LKAS 12	Income Taxes	B
LKAS 16	Property, Plant and Equipment	A

No.	Name	KB 1
LKAS 17	Leases	B
LKAS 18	Revenue	A
LKAS 19	Employee Benefits	B
LKAS 20	Accounting for Government Grants and Disclosure of Government Assistance	B
LKAS 21	The Effects of Changes in Foreign Exchange Rates	B
LKAS 23	Borrowing Costs	B
LKAS 24	Related Party Disclosures	B
LKAS 26	Accounting and Reporting by Retirement Benefit Plans	-
LKAS 27	Separate Financial Statements	B
LKAS 28	Investments in Associates and Joint Ventures	B
LKAS 29	Financial Reporting in Hyperinflationary Economies	-
LKAS 32	Financial Instruments: Presentation	B
LKAS 33	Earnings per Share	B
LKAS 34	Interim Financial Reporting	C
LKAS 36	Impairment of Assets	B
LKAS 37	Provisions, Contingent Liabilities and Contingent Assets	A
LKAS 38	Intangible Assets	B
LKAS 39	Financial Instruments: Recognition and Measurement	B
LKAS 40	Investment Property	B
LKAS 41	Agriculture	B
SLFRS for SMEs	Sri Lanka Accounting Standard for Small and Medium sized Entities	B

## IFRIC Interpretations

No.	Name	KB 1
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	A
IFRIC 2	Members' Shares in Co-operative Entities and Similar Instruments	-
IFRIC 4	Determining whether an Arrangement contains a Lease	B
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	A
IFRIC 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment.	B
IFRIC 7	Applying the Restatement Approach under IAS 29- Financial Reporting in Hyperinflationary Economies	-
IFRIC 9	Reassessment of Embedded Derivatives	-
IFRIC 10	Interim Financial Reporting and Impairment	B
IFRIC 12	Service Concession Arrangements	B
IFRIC 13	Customer Loyalty Programme	A
IFRIC 14	IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	C
IFRIC 15	Agreements for the Construction of Real Estate	B
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	C
IFRIC 17	Distributions of Non-cash Assets to Owners	B
IFRIC 18	Transfers of Assets from Customers	B
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	C
IFRIC 20	Stripping Cost in the Production Phase of a Surface Mine	-
IFRIC 21	Levies	-

## SIC Interpretations

No.	Name	KB 1
SIC 7	Introduction of the Euro	-
SIC 10	Government Assistance - No Specific Relation to Operating Activities	-
SIC 15	Operating Leases - Incentives	B
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	-
SIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	-
SIC 29	Service Concession Arrangements: Disclosures	-
SIC 31	Revenue - Barter Transactions Involving Advertising Services	B
SIC 32	Intangible Assets - Website Costs	B

## Module Code: KB 2 - Business Management Accounting

### Syllabus Structure

Main Syllabus Areas	Weightings (%)
1 Costing Systems for Decision Making	15
2 Planning and Controlling	25
3 Decision Making under Uncertainty	35
4 Responsibility Centre Accounting	10
5 Working Capital Management	15

**1. Costing Systems for Decision Making**

(Syllabus Weighting 15%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
1.1 Absorption costing vs activity-based costing	Conceptual/ Procedural	Application/ Evaluate	1.1.1 Assess the key features of the absorption costing method and ABC method. 1.1.2 Demonstrate how overheads are related to end products/services using absorption costing method (flat rate used with no allocation or apportionment or re-allocation expected) and ABC method (multiple drivers used). 1.1.3 Evaluate product profitability and customer profitability decisions using information generated from absorption costing, and activity based costing. 1.1.4 Evaluate the importance of ABC in planning and control (Activity Based Budgeting) and management (Activity Based Management).
1.2 Marginal costing vs throughput accounting	Conceptual/ Procedural	Application/ Evaluate	1.2.1 Assess the key features of marginal costing and throughput accounting (including different types of measures used in throughput accounting). 1.2.2 Evaluate the use of marginal costing and throughput accounting in stock valuation, profit calculation, and limiting factor (bottleneck resource) decision making.
1.3 Contemporary management accounting	Conceptual/ Procedural	Application/ Analysis	1.3.1 Analyse the applicability of “target costing” and “life cycle costing” for costing and pricing decisions. 1.3.2 Demonstrate the importance of the following concepts for cost accounting and decision making: - Kaizen costing - Quality-related costing (TQM) - Manufacturing/Enterprise resource planning (MRP and ERP) 1.3.3 Assess environmental accounting (including its importance, types of costs and techniques available).



## 2. Planning and Controlling (Syllabus Weighting 25%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
2.1 Standard costing as a planning and control technique	Conceptual/ Procedural	Comprehension/ Application	<p>2.1.1 Interpret the basic types of variances (material/labour/variable overhead/fixed overhead/sales).</p> <p>2.1.2 Discuss the factors to be considered when deciding whether to investigate a variance or not.</p> <p>2.1.3 Calculate mix and yield variances (under multiple material/labour/sales types), and planning, and operating variances as an addition to the basic operating statement (variance reconciliation statement).</p> <p>2.1.4 Assess information generated through mix and yield variances and planning, and operating variances.</p> <p>2.1.5 Demonstrate the impact of the learning/experience curve on planning and controlling.</p>
2.2 Budgeting for planning and controlling	Conceptual/ Procedural	Comprehension/ Application/ Analysis	<p>2.2.1 Discuss different purposes of budgeting and possible conflicts arising due to such multiple purposes.</p> <p>2.2.2 Assess the behavioural implications of different budgeting approaches (imposed style, participatory style, negotiated style, incremental style, zero based, ABB).</p> <p>2.2.3 Analyse the budgetary control statement (original budget, flex budget, actual and variances).</p> <p>2.2.4 Discuss feedback and feed-forward controls, and their behavioural implications.</p> <p>2.2.5 Discuss “beyond budgeting” as a potential solution for criticism levelled at traditional budgetary planning and control.</p>
2.3 Contemporary planning and control	Conceptual/ Procedural	Application/ Analysis	<p>2.3.1 Assess the value of benchmarking in planning and control internal and external.</p> <p>2.3.2 Analyse the importance of balanced scorecard as a strategic planning and control technique.</p>

## 3. Decision Making under Uncertainty (Syllabus Weighting 35%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
3.1 Information for short-term decision making	Conceptual/ Procedural	Remember/ Application	<p>3.1.1 Identify relevant and irrelevant information for decision making.</p> <p>3.1.2 Demonstrate relevant costs under material, labour, make or buy, continue/discontinue/outsourcing, accept or reject decisions.</p>

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
3.2 Cost-volume-profit analysis	Conceptual/ Procedural	Application	3.2.1 Assess the concepts of break-even point, margin of safety, contribution/sales (C/S) ratio and profit/volume (P/V) charts in analysing cost-volume-profit (CVP) in an organisation.
3.3 Further processing	Conceptual/ Procedural	Application	3.3.1 Assess the further processing decisions under processes anomalies, joint-products and by-products.
3.4 Pricing	Conceptual/ Procedural	Comprehension	3.4.1 Discuss the financial implications of various pricing methods, such as cost-based and market-based pricing (including skimming, penetration, loss leader pricing, premium pricing and price discrimination).
3.5 Multi-constraint decision making	Conceptual/ Procedural	Application	3.5.1 Demonstrate optimal solutions (profit maximising or cost minimising) under multiple constraints (graphically: identify decision variables, develop linear programming model, solve and interpret/simplex tableau: only forming the initial tableau and interpreting the final tableau).
3.6 Network analysis	Conceptual/ Procedural	Application	3.6.1 Demonstrate critical path analysis, project duration, total float, cost and resource scheduling.
3.7 Long-term decision making	Conceptual/ Procedural	Comprehension/ Evaluate	<p>3.7.1 Explain the process of long-term decision making (proposal generating, initial screening, analysis and acceptance, and monitor and review).</p> <p>3.7.2 Compute non-discounted cash flow methods (payback/accounting rate of return) and discounted cash flow methods (net present value/internal rate of return/ profitability index/discounted payback) with:</p> <ul style="list-style-type: none"> <li>- Inflation</li> <li>- Tax</li> <li>- Uncertainty (use of probabilities and sensitivity analysis is expected)</li> </ul> <p>3.7.3 Evaluate projects considering results derived from non-discounted cash flow and DCF valuation methods and other related factors.</p>
3.8 Risk and uncertainty in decision making	Conceptual/ Procedural	Remember/ Application	<p>3.8.1 Define the terms uncertainty and risk.</p> <p>3.8.2 Demonstrate how a decision would be made under conditions of uncertainty, using:</p> <ul style="list-style-type: none"> <li>- Decision tree-based expected value calculations</li> <li>- Data tables</li> <li>- Alternative decision criteria (minimax, maximax and minimax regret)</li> </ul>

#### 4. Responsibility Centre Accounting

(Syllabus Weighting 10%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
4.1 Responsibility centres	Conceptual	Comprehension	4.1.1 Discuss decentralisation and different types of responsibility centres (revenue, cost, profit and investment centres).
4.2 Responsibility centre pricing	Conceptual	Comprehension	4.2.1 Discuss different types of transfer pricing possible under decentralised organisational structure (including maximum and minimum price, cost based pricing, market based pricing, dual pricing and negotiated pricing).
4.3 Responsibility accounting	Procedural	Application	4.3.1 Assess divisional performance using Return on Investment (ROI), Residual Income (RI) and Economic Value Added (EVA).

#### 5. Working Capital Management

(Syllabus Weighting 15%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
5.1 Working capital management	Conceptual	Remember/ Comprehension/ Application	5.1.1 Define the term “working capital management”. 5.1.2 Discuss cash management options (surplus and deficit managing options). 5.1.3 Discuss receivable and payable management (including credit policy, credit assessment, credit control, and collection and factoring option). 5.1.4 Discuss available options of inventory management. 5.1.5 Assess price and/or rate of an investment/borrowing instrument as part of cash management (including implied/effective interest rate, interest yield and yield to maturity). 5.1.6 Assess receivable management decisions such as cash discounts, age analysis, change in credit policy including whether to factor or not. 5.1.7 Assess optimum inventory decision (EOQ) including the decision of whether to accept a quantity discount or not.

## Module Code: KB 3 - Business Taxation and Law

### Syllabus Structure

Main Syllabus Areas	Weightings (%)
<b>Section A: Business Taxation</b>	
1 Income Tax Liability of a Resident Company	24
2 Tax on Distributions	4
3 Partnerships and Other Persons	8
4 returns and Accounts of a Business	4
5 taxes Applicable to a Business	10
<b>Section B: Organisational Law</b>	
1 Features of a Company and Organisational Personality	5
2 Incorporation of a Company	10
3 Equity and Debt Capital	10
4 Directors, Company Secretary, Auditors	5
5 Meetings, Resolutions and Company Records	5
6 Winding up	5
7 Securities Regime in Sri Lanka	5
8 Alternate Dispute Resolution	5

## Section A: Business Taxation

### A1. Income Tax Liability of a Resident Company

(Syllabus Weighting 24%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
1.1 Types of companies	Procedural	Comprehension	1.1.1 Discuss various types of companies and the basis of tax liability, including rates of income tax.
1.2 Taxable income of a company	Procedural	Application/ Analysis	1.2.1 Assess the statutory profit or income of a trade or business carried out by a resident company. 1.2.2 Assess the statutory income from other taxable sources of income (including interest and dividends). 1.2.3 Assess total statutory income, assessable income and taxable income, after making statutory deductions. 1.2.4 Analyse business activities in order to apply appropriate tax holidays and other tax incentives applicable to resident companies.
1.3 Gross income tax and balance tax payable	Procedural	Application	1.3.1 Assess income tax liability, applying appropriate rates of income tax, based on the category of the company and the nature of business. 1.3.2 Assess the balance tax payable, after applying self-assessment payments and tax credits applicable to companies (including Economic Service Charge and “notional tax credit” on treasury bill interest).

### A2. Tax on Distribution and Deemed Distributions

(Syllabus Weighting 4%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
2.1. Dividend tax	Conceptual	Remember/ Comprehension	2.1.1 State the meaning of dividend from the context of Inland Revenue Act. 2.1.2 Compute tax payable on dividends and deduction of tax from gross dividends payable to shareholders. 2.1.3 State the provisions applicable for payment of tax with due dates.
2.2. Tax on deemed distributions	Conceptual	Comprehension	2.2.1 Compute “distributable profit, deemed distribution and minimum distribution” to be made with time limits. 2.2.2 Compute tax payable on “deemed distributions” where applicable and payment of tax.

### A3. Partnerships and Other Persons (Syllabus Weighting 8%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
3.1 Partnerships	Procedural	Application	3.1.1 Assess the divisible profit and other statutory income of a partnership and distribution of profits and income among partners.
			3.1.2 Assess the tax payable by a partnership, due dates of payment and the tax credit available to partners.
3.2 Bodies of persons	Conceptual	Remember/ Comprehension/ Application	3.2.1 State the interpretations of the following terms for tax purposes: “body of persons, charitable purpose, charitable institution and trade association”.
			3.2.2 Explain the chargeability of income tax from charitable institutions, clubs, trade associations and non-governmental organisations.
			3.2.3 Assess the tax liability of a charitable institution, club, trade association or non-governmental organisation.
3.3 Trustees, executors and receivers	Procedural	Comprehension/ Application	3.3.1 Explain the meaning of the terms executor, trustee and receiver.
			3.3.2 Assess income tax liability of a person in the above capacities.
3.4 Provident funds	Procedural	Application	3.4.1 Assess income tax liability of a provident fund.

### A4. Returns and Accounts of a Business (Syllabus Weighting 4%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
4.1 Returns on income and distributions	Procedural	Analysis	4.1.1 Outline the mandatory requirement of a person carrying on a trade, business, profession or vocation to register with the Commissioner General of Inland Revenue.
			4.1.2 Outline the statutory obligations of a company to furnish returns of income and distributions, with due dates.
			4.1.3 Outline the statutory responsibilities of the “precedent partner” of a partnership to furnish a return and provide information to other partners, with due dates.
			4.1.4 Outline the form and particulars to be contained in the return and demonstrate the ability to prepare a return of income.
4.2 Accounts and audit reports	Procedural	Comprehension	4.2.1 Explain the situations under which a person or partnership is required to submit a statement of accounts.
			4.2.2 Explain specified schedules and the “certificate of approved accountant” to be submitted with the statement of accounts.

**A5. Taxes Applicable to a Businesses**

(Syllabus Weighting 10%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
5.1 Value Added Tax (VAT)	Conceptual/ Procedural	Remember/ Comprehension/ Application/ Analysis/	<p>5.1.1 State interpretations for the terms: person, body of persons, open market value, supply of goods, supply of services, time of supply, taxable period, taxable activity, and taxable supply.</p> <p>5.1.2 Explain the statutory provisions applicable to registration and deregistration for VAT, including thresholds and time limits.</p> <p>5.1.3 Assess monthly/quarterly tax payable, taking into account the output tax and input tax.</p> <p>5.1.4 Apply knowledge on a given set of exempted supplies, in computation of output tax and claimable input tax.</p> <p>5.1.5 Outline the concept of simplified VAT and eligibility for registration under the scheme.</p> <p>5.1.6 State due dates of payment, furnishing returns and provisions applicable to refunds.</p>
5.2 Nation Building Tax (NBT)	Procedural	Remember/ Comprehension/ Application	<p>5.2.1 State interpretations for the terms "person" and "manufacture".</p> <p>5.2.2 Explain the activities liable for NBT along with the basis of liability and liable turnover.</p> <p>5.2.3 Compute NBT payable by a business of manufacturing, service, wholesale, retail or distributor.</p> <p>5.2.4 Apply the knowledge on excepted articles and services into the computation of NBT payable by a business.</p> <p>5.2.5 State due dates for payment and furnishing returns.</p> <p>5.2.6 Explain assessments, "time-bar" for assessments, appeals and appeal settlement procedure under the NBT Act.</p>
5.3 Economic Service Charge (ESC)	Procedural	Comprehension/ Application	<p>5.3.1 Explain the circumstances under which a business is liable to ESC, including thresholds.</p> <p>5.3.2 Assess the ESC payable by a business in a given scenario.</p> <p>5.3.3 Explain the due dates of payment and tax credit available on account of ESC paid and brought forward.</p>
5.4 Stamp Duty (SD)	Factual	Remember	<p>5.4.1 State the liable instruments and respective rates of stamp duty, under the Stamp duty (Special Provisions) Act.</p> <p>5.4.2 Identify the instruments liable for Stamp Duty payable to Provincial Councils.</p>

## Section B: Organisational Law

### B1. Features of a Company and Organisational Personality (Syllabus Weighting 5%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
1.1 Laws governing companies in Sri Lanka	Factual/ Conceptual	Remember/ Comprehension	1.1.1 Identify the laws governing companies in Sri Lanka. 1.1.2 Explain the general features of a company registered under the Companies Act, including new features.
1.2 Definition of a company, characteristics of a company	Factual/ Conceptual	Remember/ Comprehension	1.2.1 Define the term “company”. 1.2.2 Explain the characteristics of a company. 1.2.3 Explain the advantages and disadvantages of incorporation.
1.3 The concept of organisational personality	Conceptual/ Procedural	Comprehension/ Application	1.3.1 Explain the concept of “organisational personality” and its legal consequences. 1.3.2 Demonstrate instances where the concept of organisational personality is applied, with relevant cases. 1.3.3 Explain the concept of the “veil of incorporation”. 1.3.4 Assess the situations where the “veil of incorporation” can be lifted, with relevant cases.

### B2. Incorporation of a Company (Syllabus Weighting 10%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
2.1 Types of companies	Conceptual	Analysis	2.1.1 Compare and contrast between the different types of companies recognised under the Companies Act (including foreign companies doing business in Sri Lanka and listed companies).
2.2 Incorporation of a company	Factual/ Procedural	Remember/ Comprehension	2.2.1 Explain the process involved for registration of a company. 2.2.2 Explain the process and restrictions in selecting a name. 2.2.3 State the types of forms to be submitted to the ROC and their contents. 2.2.4 Explain the documentation involved for registration of a company (public and private).



Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
2.3 Promoters	Conceptual/ Procedural	Comprehension/ Analysis	2.3.1 Analyse the rights and duties of promoters, including liability for pre-incorporation contracts, with relevant cases. 2.3.2 Explain remedies of breach of duties. 2.3.3 Discuss payments to promoters.
2.4 Articles of Association (AA)	Conceptual/ Procedural	Comprehension/ Analysis	2.4.1 Explain the contents and amendments to the Articles of Association. 2.4.2 Analyse the nature, purpose and legal consequences of the Articles of Association, including relevant cases.
2.5 Company contracts	Conceptual/ Procedural	Comprehension	2.5.1 Explain pre-incorporation contracts, implied warranties and ratification. 2.5.2 Explain method of contracting and authority of directors, officers and agents. 2.5.3 Explain the indoor management rule and the doctrine of constructive notice.

### B3. Equity and Debt Capital (Syllabus Weighting 10%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
3.1 Types of shares, allotment and issue of shares	Conceptual/ Procedural	Analysis	3.1.1 Analyse types of shares, with reference to stated capital regime, classification, risk, variation of class rights, dividends, voting rights, priority in a winding up. 3.1.2 Compare and contrast the procedures for the issue of shares (including “issues at a premium or at a discount”).
3.2 Dividends	Conceptual/ Procedural	Comprehension	3.2.1 Explain the procedure for payment of dividends including that of a listed company. 3.2.2 Explain the importance of “Solvency Test” and capital maintenance mechanisms.
3.3 Major types of share dealings in a company	Conceptual	Analysis	3.3.1 Analyse the following principles in relation to capital maintenance in a company (redemption, reduction of capital, financial assistance, share buy-back, minority buy-out).
3.4 Debt capital	Conceptual	Analysis	3.4.1 Analyse the following principles in relation to long-term debt capital (classification, risk, interest payments, rights, priority in a winding up).
3.5 Rights of shareholders and debenture holders	Conceptual	Analysis	3.5.1 Compare and contrast rights available for shareholders and debenture holders. 3.5.2 Outline the principles relating to “majority rule” and “minority protection” (including “Oppression, Mismanagement and derivative action and Major Transactions”) (S. 185 of the Companies Act).

#### B4. Directors, Company Secretary, Auditors (Syllabus Weighting 5%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
4.1 Role of Directors	Conceptual/ Procedural	Comprehension	4.1.1 Explain the following terms in relation to the directors of a company: appointment, retirement and removal, powers, duties and liabilities, civil and criminal liabilities.
			4.1.2 Explain the division of power between directors and members.
4.2 Role of Secretary	Conceptual/ Procedural	Remember	4.2.1 State the functions of a Company Secretary along with “Panorama case”.
			4.2.2 Identify the process of appointment of Secretary and relevant qualifications.
4.3 Role of Auditor	Conceptual/ Procedural	Comprehension	4.3.1 Discuss the functions, rights and duties of an Auditor (including provisions contained in the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995).

#### B5. Meetings, Resolutions and Company Records (Syllabus Weighting 5%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
5.1 Different types of meetings	Conceptual	Application/ Analysis	5.1.1 Compare and contrast the different types of meetings in a company, and their purposes and notice periods.
			5.1.2 Prepare a notice for an Annual General Meeting.
5.2 Different types of resolutions	Conceptual	Comprehension/ Application	5.2.1 Explain the different types of resolutions which could be passed by the members of a company.
			5.2.2 Prepare resolutions for Reappointment of directors, Reappointment of auditors, Declaration dividends.
5.3 Company Records	Factual	Remember/ Comprehension	5.3.1 List company records, stipulated in the Company's Act.
			5.3.2 Identify returns to be filed with ROC.
			5.3.3 Discuss the regulatory requirements with regard to accounts (including provisions contained in the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995).

**B6. Winding up**  
(Syllabus Weighting 5%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
6.1 Compulsory and voluntary winding up	Procedural	Analysis	6.1.1 Differentiate “compulsory and voluntary winding up” and explain their consequences.
6.2 Functions of parties involved in winding up	Conceptual	Analysis	6.2.1 Outline the functions of administrator/liquidator and receivers/managers.

**B7. Securities Regime in Sri Lanka**  
(Syllabus Weighting 5%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
7.1 Security trading process, regulation and insider dealing	Conceptual/ Procedural	Comprehension	7.1.1 Explain the roles of the Securities and Exchange Commission, the Colombo Stock Exchange and the Central Depository System. 7.1.2 Explain transfer of listed securities via CSE. 7.1.3 Explain “off the floor transactions”. 7.1.4 Explain “insider dealing” and relevant information.

**B8. Alternate Dispute Resolution**  
 (Syllabus Weighting 5%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
8.1 Mediation	Conceptual	Comprehension	8.1.1 Explain the process of mediation. 8.1.2 Explain the role of the Mediation Board. 8.1.3 Explain the role of Commercial Mediation Centre.
8.2 Conciliation	Conceptual	Comprehension	8.2.1 Explain the process of conciliation. 8.2.2 Explain the role of Debt Conciliation Board.
8.3 Arbitration	Conceptual	Remember/ Comprehension	8.3.1 Identify “arbitrability” disputes. 8.3.2 Explain the process of arbitration. 8.3.3 Explain the role of the Arbitral Tribunal. 8.3.4 Explain enforcement of the Arbitral Award.

## Module Code: KB 4 - Business Assurance, Ethics and Audit

### Syllabus Structure

Main Syllabus Areas	Weightings (%)
1 Ethics & Regulatory Environment	15
2 Governance, Risk & Compliance	20
3 Audit Planning & Risk Assessment	20
4 Gathering Audit Evidence	35
5 Audit Reporting	10

**1. Ethics & Regulatory Environment**

(Syllabus Weighting 15%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
1.1 Fundamental and ethical principles	Procedural	Application	1.1.1 Demonstrate the need to comply with the fundamental and ethical principles applicable to all members of the Institute of Chartered Accountants of Sri Lanka.
1.2 Threats to compliance with fundamental and ethical principles	Procedural	Analysis	1.2.1 Analyse threats in complying with fundamental and ethical principles, including independence of auditors in an audit of financial statements.
			1.2.2 Outline safeguards to mitigate threats in complying with fundamental and ethical principles.
1.3 Laws and regulations	Procedural	Application	1.3.1 Demonstrate the legal and regulatory factors affecting an audit of financial statements.
			1.3.2 Demonstrate an auditor's responsibility and requirements in complying with laws and regulations.
1.4 Terms of engagement	Procedural	Comprehension	1.4.1 Explain the type of matters that should be communicated through an engagement letter.
1.5 Audit documentation	Conceptual/ Procedural	Comprehension/ Application	1.5.1 Discuss the different types of audit documentation which should be maintained.
			1.5.2 Assess the adequacy of audit documentation in a given scenario.

**2. Governance Risk & Compliance**

(Syllabus Weighting 20%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
2.1 Corporate governance, best practices and internal auditing	Conceptual	Comprehension	2.1.1 Discuss the key aspects of corporate governance, including responsibilities of the Board and role of non-executive directors.
			2.1.2 Explain the need for an audit committee, including the benefits of an audit committee to the shareholders of a listed entity.

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
2.2 Control activities in different business process - Design effectiveness - Implementation - Operating effectiveness	Procedural	Comprehension/ Analysis	2.2.1 Analyse non-complex business processes and identify the internal controls in place, in the context of the main business, such as - Order to receipt - Procurement to pay - Payroll - Cash management and investment - PPE and inventory management 2.2.2 Recognise the importance of IT controls in an audit, including IT general controls and IT application controls. 2.2.3 Analyse design, implementation and operating effectiveness of identified controls. 2.2.4 Outline both significant and minor deficiencies in control activities. 2.2.5 Analyse activities of a service organisation when a significant part of the IT process has been outsourced.

### 3. Audit Planning & Risk Assessment (Syllabus Weighting 20%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
3.1 Audit planning and risk assessment	Factual	Remember	3.1.1 Identify the activities connected with setting the overall audit strategy. 3.1.2 Define overall materiality, performance and materiality level. 3.1.3 Define risk assessment procedures. 3.1.4 Identify the procedures used in risk assessment. 3.1.5 Identify aspects of the business relevant to audits, including industry, nature of the entity, objectives, strategies, business risk and KPIs.
3.2 Risk of material misstatement at assertion level and at financial statement level	Procedural	Application	3.2.1 Demonstrate the difference between risk of material misstatements at assertion level and risk of material misstatements at financial statement level.
3.3 Business risk and risk of material misstatements	Conceptual	Comprehension	3.3.1 Discuss how business risk could result in risk of material misstatements in financial statements.

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
3.4 Fraud risk in an audit of financial statements	Conceptual	Comprehension	3.4.1 Discuss auditor's responsibility for preventing and detecting frauds in an audit of financial statements. 3.4.2 Discuss the factors or conditions generally present in a fraud situation.
3.5 Materiality	Procedural	Application	3.5.1 Asses the appropriateness of different benchmarks when calculating the level of materiality.
3.6 Risk of material misstatements	Procedural	Analysis	3.6.1 Analyse financial statements using analytical procedures, to identify any unusual relationships which require further investigation. 3.6.2 Analyse financial and non-financial information of a given engagement, to identify risk of material misstatements (inherent and control risk). 3.6.3 Outline the overall response of the auditor to identified risk of material misstatements.

#### 4. Gathering Audit Evidence (Syllabus Weighting 35%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
4.1 Sufficient appropriate audit evidence	Conceptual	Comprehension	4.1.1 Discuss different audit procedures which can be used as audit evidence. 4.1.2 Discuss how auditors consider the relevance and reliability of audit evidence. 4.1.3 Discuss the audit procedures in relation to the work performed by a management's expert and an auditor's expert.
4.2 Analytical procedures	Factual	Remember/ Comprehension	4.2.1 Define analytical procedures. 4.2.2 Discuss the use of analytical procedures at different stages of the audit.
4.3 External confirmation	Conceptual	Comprehension	4.3.1 Explain the use of external confirmation in gathering audit evidence.
4.4 Opening balances	Conceptual	Comprehension	4.4.1 Discuss the requirements to be considered by an auditor in an initial engagement.
4.5 Audit evidence: specific items	Conceptual	Comprehension	4.5.1 Discuss the responsibility of an auditor in the verification of physical inventory.
4.6 Selecting items for testing and the use of audit sampling	Conceptual	Comprehension	4.6.1 Explain different methods of selecting items for audit testing. 4.6.2 Explain the meaning of audit sampling. 4.6.3 Explain different methods used for selecting samples in audit sampling.
4.7 Accounting estimates and fair value accounting estimates	Conceptual	Comprehension	4.7.1 Explain how the auditor obtains sufficient and appropriate evidence on accounting estimates.



Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
4.8 Related parties and related party transactions	Conceptual	Comprehension	4.8.1 Explain how related party transactions can affect the true and fair view of the financial statements. 4.8.2 Explain procedures that should be performed to reduce the risk arising from related party transactions.
4.9 Written representation	Conceptual	Comprehension	4.9.1 Discuss the use of written representation as audit evidence, including its limitations.
4.10 Test of controls and substantive procedures	Conceptual	Comprehension	4.10.1 Explain the difference between test of controls and substantive procedures. 4.10.2 Explain the use of Computer Assisted Audit Techniques (CAAT) in performing audit procedures.
4.11 Auditor's response to assessed risk of material misstatements	Procedural	Analysis	4.11.1 Outline substantive audit procedures to be performed in relation to account balances and classes of transactions.
4.12 Subsequent events	Procedural	Analysis	4.12.1 Outline procedures required to identify events occurring between the date of financial statements and the date of the audit report.
4.13 Going concern	Procedural	Application/ Analysis	4.13.1 Assess events and conditions that may cast significant doubt about the going concern assumption. 4.13.2 Outline procedures required to evaluate the validity of the going concern assumption.

<b>5. Audit Reporting</b> (Syllabus Weighting 10%)			
<b>Knowledge Component</b>	<b>Knowledge Dimension</b>	<b>Knowledge Process</b>	<b>Learning Outcome</b>
5.1 Audit report	Factual	Remember	5.1.1 State: <ul style="list-style-type: none"> <li>- The elements of an audit report</li> <li>- The difference between a general purpose and special purpose audit report</li> <li>- The difference between fair presentation and compliance framework</li> </ul>
5.2 Modified audit report (SLAuS 705)	Conceptual	Comprehension	5.2.1 Explain the meaning of “perverseness” in the context of a modified audit report. 5.2.2 Explain the type of modified opinion provided under SLAuS 705.
5.3 Emphasis of matters and other matters (SLAuS 706)	Conceptual	Comprehension	5.3.1 Explain the differences between an emphasis of matters and other matters.
5.4 Other information in documents containing auditor’s report (SLAuS 720)	Conceptual	Comprehension	5.4.1 Explain auditor’s responsibility towards other information included in documents containing auditor’s report.
5.5 Modified audit report (SLAuS 705)	Procedural	Analysis	5.5.1 Analyse a non-complex audit engagement and propose appropriate modifications, with sufficient justification.
5.6 Emphasis of matters and other matters	Procedural	Analysis	5.6.1 Analyse non-complex audit engagements and determine whether emphasis of matter or other matter should be included.

## Module Code: KB 5 - Business Strategy

### Syllabus Structure

Main Syllabus Areas	Weightings (%)
1 Introduction to Business Value Creation	8
2 Role of Supply Chain in Value Creation (Supply Chain Management)	12
3 Value Creation through Operations	12
4 Value Creation through Marketing	20
5 Human Resource Aspects of Value Creation	20
6 Value Creation through Technology and Innovation	12
7 Strategy for Value Creation	16

**1. Introduction to Business Value Creation**

(Syllabus Weighting 8%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
1.1 Nature of business value	Conceptual	Comprehension	1.1.1 Explain the concept of value creation and its importance to business (including shareholder value, customer value, employee value, supplier value and societal values).
1.2 Value creation process	Procedural	Comprehension	1.2.1 Explain the primary and supporting activities involved with creating value to business (introduction to value chain). 1.2.2 Explain the concept of the value network and its uses in business.
1.3 Stakeholders	Procedural	Application	1.3.1 Prioritise organisational stakeholders in terms of their impact on business (stakeholder mapping, based on the power/interest matrix).
1.4 Strategic capability and competitive advantage	Procedural	Analysis	1.4.1 Analyse the role of resources and competencies in developing competitive advantages (threshold resources vs. unique resources and threshold competencies vs. core competencies).
1.5 Role of the accountant in value creation	Conceptual	Comprehension	1.5.1 Discuss the role of the accountant in the process of value creation.

**2. Role of Supply Chain in Value Creation (Supply Chain Management)**

(Syllabus Weighting 12%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
2.1 Supply chain management and competitive advantages	Procedural	Application	2.1.1 Demonstrate the different elements of supply chain management and their respective contributions to creating competitive advantage.
2.2 Inventory management and warehousing	Procedural	Analysis	2.2.1 Analyse the balance between customer satisfaction level and inventory management policies. 2.2.2 Outline the functionalities of a warehouse management system for planning, monitoring and control.
2.3 Physical distribution and logistics systems	Conceptual	Comprehension	2.3.1 Discuss distribution and logistics systems in businesses.

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
2.4 Supply chain information systems	Procedural	Analysis/ Evaluate	2.4.1 Analyse different information technology applications used in the supply chain process (including internet, intranet, electronic data interchange and radio frequency identification devices). 2.4.2 Evaluate the potential of using information technology to improve performance of the supply chain process.
2.5 Supply chain performance management	Meta cognitive	Evaluate	2.5.1 Evaluate different supply chain performance management systems (including the “SCORE Model” and “Balanced Scorecard”). 2.5.2 Recommend a supply chain performance management system for a business.

### 3. Value Creation through Operations (Syllabus Weighting 12%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
3.1 Competitive advantage through operations management	Procedural	Comprehension	3.1.1 Discuss the role of operations management in developing competitive advantage for businesses.
3.2 Product design and process selection (new product development)	Conceptual	Comprehension	3.2.1 Discuss the conceptual understanding of the process of product design in a typical manufacturing organisation, along with the different production methods available for manufacturing (job, batch, chain production, lean manufacturing).
3.3 Quality management	Procedural	Comprehension/ Analysis	3.3.1 Compare and contrast the alternative quality control systems available to an organisation. 3.3.2 Discuss the application of Total Quality Management in businesses (including Six Sigma, Kaizen and 5S).
3.4 Project management	Conceptual	Comprehension	3.4.1 Discuss the conceptual understanding of the process of project management and the concepts associated with it, such as the critical path method, PERT, histograms and Gantt charts.
3.5 Location planning and analysis	Procedural	Analysis	3.5.1 Analyse the systematic decision process in planning for locations.

#### 4. Value Creation through Marketing (Syllabus Weighting 20%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
4.1 Role of marketing strategies	Procedural	Comprehension	4.1.1 Discuss the role of marketing strategies for value creation in businesses.
4.2 Segmentation, targeting and positioning	Procedural	Application	4.2.1 Demonstrate the importance for an organisation of having an STP process. 4.2.2 Apply STP in marketing programs.
4.3 Managing products and brands	Conceptual	Comprehension	4.3.1 Discuss product management and brand management applications (product levels, product mix decisions, product line decisions and branding decisions).
4.4 Pricing strategies	Procedural	Analysis	4.4.1 Compare and contrast alternative pricing methods and strategies for developing competitiveness in the market (cost-based, demand-based and competitor-based pricing methods and price adaptation strategies).
4.5 Distribution and channel management	Procedural	Analysis	4.5.1 Compare and contrast alternative channel management decisions and channel dynamics for developing competitiveness in the market (intensive, selective and exclusive distribution strategies and horizontal and vertical channel systems).
4.6 Managing marketing communication	Procedural	Analysis	4.6.1 Compare and contrast the main elements of promotional mix and promotional strategies for developing competitiveness in the market (promotional mix: advertising, sales promotion, public relations, personal selling, events and experience; promotional strategies: push, pull and profile).
4.7 Managing the product life cycle	Procedural	Analysis	4.7.1 Analyse the marketing strategies at different phases of the “Product Life Cycle (PLC)”.
4.8 Service marketing	Conceptual	Comprehension	4.8.1 Discuss the service marketing mix (7Ps).
4.9 Customer relationship management	Conceptual	Comprehension	4.9.1 Explain the importance of Customer Relationship Management (CRM) in the value creation process. 4.9.2 Discuss basic CRM techniques used by businesses.

## 5. Human Resource Aspects of Value Creation

(Syllabus Weighting 20%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
5.1 Role of human resource management in value creation	Conceptual	Comprehension	5.1.1 Discuss the contribution of Human Resource Management (HRM) to value creation in businesses.
5.2 HR planning	Conceptual	Comprehension	5.2.1 Explain the process of HR planning.
5.3 Talent attraction and retention	Procedural	Analysis	5.3.1 Compare and contrast the main methods of recruitment (recruitment process and talent attraction strategies), selection and socialisation. 5.3.2 Compare and contrast methods of employee motivation and talent management.
5.4 Performance management	Procedural	Analysis	5.4.1 Compare and contrast the main methods of performance appraisals (including feedback and setting goals).
5.5 Human resource development	Procedural	Analysis	5.5.1 Analyse the staff training methods and strategies of employee development, Return on Investment (ROI) and human resource development.
5.6 Knowledge management	Procedural	Analysis	5.6.1 Analyse how to incorporate knowledge management to enhance business performance (including knowledge worker/knowledge codification, knowledge abstraction and knowledge diffusion/managing tacit and explicit knowledge).
5.7 Managing culture and change	Procedural	Comprehension/ Evaluate	5.7.1 Explain different aspects of organisational culture. 5.7.2 Evaluate ways to overcome resistance to change when implementing new strategies (including cultural web by Johnson and Scholes, three-stage change process by Kurt Lewin, hierarchy in managing change and Elizabeth Kubler Ross's grief cycle).
5.8 Leadership	Conceptual/ Procedural	Remember/ Evaluate	5.8.1 Identify main leadership approaches (including trait approach, behavioural approach and situational approach to the leadership). 5.8.2 Recommend appropriate leadership styles for different business situations.

**6. Value Creation through Technology and Innovation**

(Syllabus Weighting 12%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
6.1 Technology and business value	Procedural	Comprehension	6.1.1 Discuss the role of technology in creating competitive advantages for organisations.
6.2 Information technology infrastructure in organisations	Procedural	Analysis	6.2.1 Compare and contrast different types of information technology infrastructure employed in different functional areas of a business.
6.3 E-business	Procedural	Comprehension/ Analysis	6.3.1 Discuss the e-business process and its value to businesses. 6.3.2 Analyse the application of e-business in different businesses (B2B and B2C).
6.4 Managing research and development	Procedural	Comprehension	6.4.1 Discuss the role of research and development in creating value for businesses.
6.5 Managing innovation	Procedural	Application	6.5.1 Assess the importance of innovation in today's context and the role of innovation in driving competitive advantage.

**7. Strategy for Value Creation**

(Syllabus Weighting 16%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
7.1 Levels and types of strategy	Conceptual	Comprehension	7.1.1 Discuss different levels and types of strategy.
7.2 Strategic planning process within strategic business units	Procedural	Comprehension	7.2.1 Discuss the key steps involved in the strategic planning process within a Strategic Business Unit (SBU).
7.3 Strategic purpose of an organisation	Procedural	Application/ Analysis	7.3.1 Prepare a suitable enterprise vision, mission, goals and objectives for a SBU. 7.3.2 Analyse "Critical Success Factors (CSFs)" and their implications on "Key Performance Indicators (KPIs)".
7.4 Formulation of business-level strategy	Procedural	Analysis	7.4.1 Compare and contrast alternative business level strategies for each SBU (including generic strategies, strategy clock, blue ocean and red ocean, and competitive strategies based on market position).



Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
7.5 Strategic behaviour in competitive markets (game theory)	Procedural	Application	7.5.1 Assess the strategic behaviour in interacting with others (modelled as games) and strategic interactions among businesses, in order to maximise their own profit (Nash equilibrium, dominant and dominated strategies).
7.6 Evaluation and implementation of business-level strategy	Procedural	Evaluate	7.6.1 Evaluate different strategies for SBUs. 7.6.2 Recommend appropriate strategies using frameworks such as “Suitability, Acceptability, Feasibility” (SAF) and/or McKinsey’s 7S.
7.7 Monitoring and control	Procedural	Evaluate	7.7.1 Evaluate the success of an implemented strategy, via a mix of financial and non-financial measures. 7.7.2 Advise on the changes to strategy with reference to respective KPIs and NFPIs.

**Module Code: SB 1 - Business Communication & People Skills****Syllabus Structure**

Main Syllabus Areas	Weightings (%)
1 Reading for Academic/Professional Purposes	25
2 Writing for Academic/Professional Purposes	25
3 Listening for Academic/Professional Purposes	25
4 Speaking for Academic/Professional Purposes	25

## 1. Reading for Academic/Professional Purposes (Syllabus Weighting 25%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
1.1 Understanding advanced accounting terminology and business terminology	Factual	Comprehension	1.1.1 Recognise advanced accounting/business terminology.
1.2 Reading for specific information in an advanced business text	Factual	Comprehension	1.2.1 Select specific information in advanced academic/professional texts.
1.3 Identifying the main idea and supporting details in a complex business text	Factual/ Conceptual	Application	1.3.1 Develop reading abilities to: <ul style="list-style-type: none"> <li>- identify the main idea and supporting details of a complex text</li> <li>- understand the purpose of a complex text</li> <li>- distinguish between facts and opinions</li> </ul>
1.4 Interpreting graphs & charts	Procedural	Application	1.4.1 Recognise information in tables, graphs and charts appearing in business reports.
1.5 Comprehending explicitly/ implicitly stated information in a business document	Procedural	Evaluate	1.5.1 Identify implicit and explicit information in business documents.

## 2. Writing for Academic/Professional Purposes (Syllabus Weighting 25%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
2.1 Understanding advanced accounting terminology and business terminology	Procedural	Comprehension	2.1.1 Interpret advanced accounting and business terminology in different examinations/business contexts. 2.1.2 Develop the ability to: <ul style="list-style-type: none"> <li>- identify the main points of a report by scanning</li> <li>- get the gist of different types of business communication by skimming terminology in different examinations/business contexts</li> </ul>
2.2 Writing a well-organised business text	Factual/ Conceptual/ Procedural	Synthesis	2.2.2 Compile texts and reports of analytical, persuasive, statistical nature for examinations/business contexts.

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
2.3 Writing an academic/professional discourse	Procedural	Application	2.3.1 Develop different types of texts (including argumentative, cause and effect, problem, solution) for academic/professional purposes.
2.4 Describing complex graphs and charts	Procedural	Analysis	2.4.1 Interpret information from tables, graphs and charts to incorporate in texts.
2.5 Paraphrasing and Summarising	Conceptual/ Procedural	Synthesis	2.5.1 Compile texts by: <ul style="list-style-type: none"> <li>- paraphrasing/summarising information in complex texts</li> <li>- collating, organising and synthesising information from diverse sources</li> </ul>
2.6 Writing various business documents	Procedural	Application/ Synthesis/ Evaluation	2.6.1 Prepare: <ul style="list-style-type: none"> <li>- agendas/procedures for different purposes</li> <li>- minutes of a meeting</li> <li>- job descriptions</li> <li>- reports using data analysis</li> <li>- persuasive promotional texts</li> <li>- project proposals</li> <li>- professional publications by reviewing articles</li> </ul>

### 3. Listening for Academic/Professional Purposes (Syllabus Weighting 25%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
3.1 Listening to lecture, seminar, presentation etc.	Procedural	Remember/ Comprehension	3.1.1 Identify key points in an extended lecture by taking down relevant notes. 3.1.2 Apply instructions and guidelines for different learning contexts. 3.1.3 Identify the different genres used in academic lectures and seminars. 3.1.4 Identify key points used in a lecture, presentation, demonstration, panel discussion, debate 3.1.5 Recognise the main points in order to critically respond to conversations in different contexts

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
3.2 Listening and participating in formal and/or informal meetings/discussions	Procedural	Analysis	3.2.1 Develop the ability to participate in meetings/discussions by: <ul style="list-style-type: none"> <li>- identifying the main points and/or purpose of a meeting/discussion</li> <li>- understanding and interpreting stress, intonation and pitch variations in formal and informal discussions</li> <li>- identifying the nuances in a formal and informal conversational setting</li> </ul>
3.3 Using different communication devices effectively	Procedural	Evaluate	3.3.1 Resolve a query/request by listing and clarifying issues raised over the telephone/ other communication devices

#### 4. Speaking for Academic/Professional Purposes (Syllabus Weighting 25%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
4.1 Participating in a lecture/ seminar/discussion	Procedural	Application	4.1.1 Develop speaking skills by: <ul style="list-style-type: none"> <li>- engaging in discussions</li> <li>- identifying different viewpoints</li> <li>- constructing one's viewpoint whilst disagreeing/agreeing on a particular point of view</li> </ul>
4.2 Describing charts and graphs in a presentation	Metacognitive	Synthesis	4.2.1 Compile appropriate information and explain extensive graphs and tables in a presentation
4.3 Presenting a business report/ proposal	Procedural	Application	4.3.1 Make a presentation by: <ul style="list-style-type: none"> <li>- summarising the main points of a report/proposal/business deal</li> <li>- elaborating on the main points</li> <li>- explaining the report/proposal in a professional setting</li> <li>- inviting and responding to others' viewpoints and responding appropriately</li> </ul>
4.4 Develop negotiation skills	Procedural	Evaluate	4.4.1 Convince others by engaging in factual and assertive negotiations.
4.5 Participate/conduct an interview/meeting	Procedural	Application	4.5.1 Develop the ability to participate in/conduct interviews or meetings.
4.6 Use appropriate business etiquette	Procedural	Application	4.6.1 Improve the professional outlook by using appropriate business etiquette and setting an example to fellow workers/employees

**Module Code: SB 2 - Business Information Technology and Systems****Syllabus Structure**

Main Syllabus Areas		Weightings (%)
1	IT For Business Decisions	15
2	Document Management Systems	5
3	Business Information Systems (ERP)	80

**1. IT for Business Decisions**  
(Syllabus Weighting 15%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
1.1 Management information systems (MIS) in decision making	Conceptual	Comprehension/ Application	1.1.1 Discuss the different components of a management information system. 1.1.2 Discuss the advantages and disadvantages in using an MIS. 1.1.3 Assess different types of management information systems. 1.1.4 Assess the IT-based tools available in an MIS to measure, analyse and interpret information. 1.1.5 Recognise best practices in using an MIS for decision making.
1.2 Risks faced by a business when using IT and how to mitigate such risks	Conceptual	Application/ Analysis	1.2.1 Assess the costs and benefits related to transferring risks to third parties using insurance and annual maintenance contracts (AMCs). 1.2.2 Analyse the alternative approaches available in disaster recovery procedures.
1.3 Best practices in using computer-related resources	Conceptual	Analysis	1.3.1 Analyse the best practices, legal framework and licensing requirements related to purchase, renewal and usage of software. 1.3.2 Analyse best practices in structuring SLAs (Service Level Agreements). 1.3.3 Analyse best practices in ensuring information security (IS).
1.4 Efficient use of Internet to extract information for business	Procedural	Application	1.4.1 Demonstrate the understanding of search criteria used by search engines and how information would be presented based on the search criteria provided (not to be too broad or too narrow). 1.4.2 Apply various techniques/tips that can be used to obtain focused and effective search results from a search engine, and critically evaluate the improved search results from each technique with a comparison to a traditional searching method. 1.4.3 Assess the security aspects related to internet activities. 1.4.4 Assess websites which will provide useful and reliable sources of information for CAs.

## 2. Document Management Systems (Syllabus Weighting 5%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
2.1. Document Management Systems	Conceptual/ Procedural	Comprehension/ Application/ Analysis	<p>2.1.1 Differentiate “Document Management System (DMS)” from traditional accounting software or Enterprise Resource Planning (ERP) systems.</p> <p>2.1.2 Assess the role of document management systems within the modern accounting and related operational activities in moving towards automation and digitalisation.</p> <p>2.1.3 Analyse the functions of document management systems and understand the applicability of each, especially within finance division.</p> <p>2.1.4 Assess document management systems via demonstration.</p> <p>2.1.5 Discuss the difference between manual document management process and a computerised document management system.</p> <p>2.1.6 Discuss the risks involved in document management systems and discuss the required controls and governance framework needed.</p>

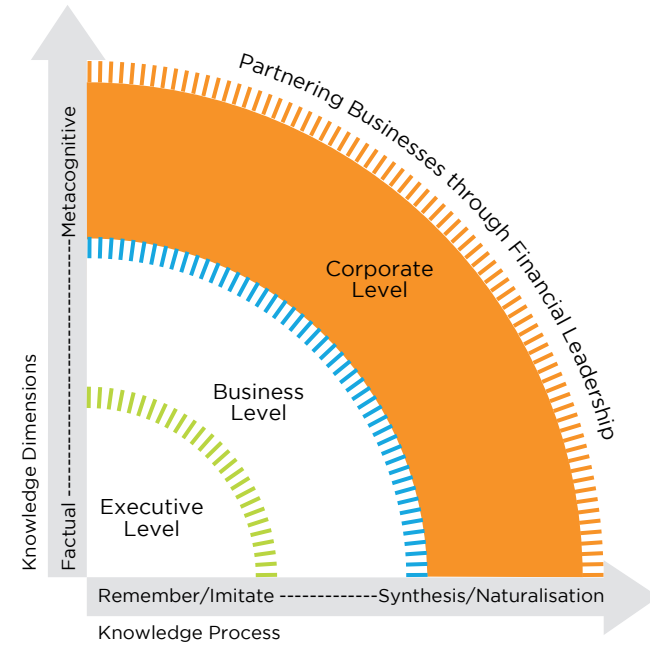
## 3. Business Information Systems (ERP) (Syllabus Weighting 80%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
3.1 Enterprise Resource Planning (ERP) modules and usage	Procedural	Comprehension/ Application/ Precision	<p>3.1.1 Recognise the structure and security of an ERP system</p> <p>3.1.2 Assess various ERP software available (off the shelf or bespoke) and decide the suitability of each to a particular industry.</p> <p>3.1.3 Demonstrate the advantages and disadvantages to an organisation of having the right ERP system.</p> <p>3.1.4 Practice creating a master record using an ERP system.</p> <p>3.1.5 Practice the basics of designing and maintaining a chart of accounts using an ERP system.</p> <p>3.1.6 Practice the functionalities of the accounts receivable, accounts payable, cash management, general ledger, purchase order, fixed asset, and inventory using an ERP system.</p>



### 9.3 CORPORATE LEVEL

This level will build on the knowledge and skills acquired through the preceding levels further in order to craft the CA with the required profile to partner business through financial leadership. Upon qualifying as a Chartered Accountant, he or she will be astute in decision making through sound financial reasoning while being cohesive to economic, industry and business circumstances, capable of integrating organisational skills into strategic decision making and inspire excellence in performance with social responsibility.



## Module Code: KC 1 - Corporate Financial Reporting

### Syllabus Structure

Main Syllabus Areas	Weightings (%)
1 Interpretation and Application of Sri Lanka Accounting Standards (SLFRS/LKAS/IFRIC/SIC)	35
2 Preparation and Presentation of Consolidated Financial Statements	30
3 Analysis, Interpretations and Communication of Financial Results	25
4 Corporate Governance and Recent Developments in Financial Reporting	5
5 Ethical Issues in Financial Reporting and the Regulatory Framework	5

## 1. Interpretation and Application of Sri Lanka Accounting Standards (SLFRS/LKAS/IFRIC/SIC) (Syllabus Weighting 35%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
<p>1.1 Level A</p> <p>Thorough knowledge and comprehension of the standard to identify significant complicated issues and any potential implications to the financial statements, and to exercise professional judgment in the evaluation and application of standards in resolving a complicated matter related to financial reporting.</p> <p>Where:</p> <ul style="list-style-type: none"> <li>- A “complicated matter” includes transactions and/or events which require thorough analysis of the matter and evaluation of standards.</li> <li>- It may require the analysis, application and evaluation of relevant standard/s.</li> </ul> <p>(Refer Appendix 3)</p>	Metacognitive	Evaluation/ Synthesis	<p>1.1 Advise on the application of Sri Lanka Accounting Standards in solving complicated matters.</p> <p>1.2 Recommend the appropriate accounting treatment to be used in complicated circumstances in accordance with Sri Lanka Accounting Standards.</p> <p>1.3 Evaluate the outcomes of the application of different accounting treatments.</p> <p>1.4 Propose appropriate accounting policies to be selected in different circumstances.</p> <p>1.5 Evaluate the impact of the use of different expert inputs to financial reporting.</p> <p>1.6 Advise appropriate application and selection of accounting/ reporting options given under standards.</p> <p>1.7 Design the appropriate disclosures to be made in the financial statements.</p>
<p>1.2 Level B</p> <p>Good knowledge and comprehension of the standard to identify moderately complicated issues and any potential implications to the financial statements, and to exercise professional judgment in the analysis and application of standards in resolving a moderately complicated matter related to financial reporting.</p> <p>Where:</p> <p>A “moderately complicated matter” includes transactions and/or events which require an analysis of a matter and evaluation of such matter with the related standard/s.</p> <p>(Refer Appendix 3)</p>	Conceptual/ Procedural	Application/ Analysis/ Evaluate	<p>1.2.1 Apply Sri Lanka Accounting Standards in solving moderately complicated matters.</p> <p>1.2.2 Recommend the appropriate accounting treatment to be used in complicated circumstances in accordance with Sri Lanka Accounting Standards.</p> <p>1.2.3 Demonstrate a thorough knowledge of Sri Lanka Accounting standards in the selection and application of accounting policies.</p> <p>1.2.4 Demonstrate the appropriate application and selection of accounting/reporting options given under standards.</p> <p>1.2.5 Outline the disclosures to be made in the financial statements.</p>

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
1.3 Level C Conceptual knowledge and understanding of the standard to identify simple issues, to exercise reasonable professional judgment in the application of standards in resolving a simple (straightforward) matter related to financial reporting.  Where: A “simple transaction or event” includes transactions or events which require direct and conceptual application of standards. (Refer Appendix 3)	Conceptual	Remember/ Comprehension/ Application	1.3.1 Explain the concepts/principals of Sri Lanka Accounting Standards. 1.3.2 Apply the concepts/principals of the standards to resolve a simple/straight forward matter. 1.3.3 List the disclosures to be made in the financial statements.

## 2. Preparation and Presentation of Consolidated Financial Statements (Syllabus Weighting 30%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
2.1 Consolidated financial statements	Metacognitive	Synthesis	2.1.1 Compile consolidated financial statements for a group with more than two subsidiaries, sub-subsidiaries or foreign subsidiaries. 2.1.2 Recompile a consolidated set of financial statements, post acquisition, merger or divestment.
2.2 Joint ventures	Metacognitive	Evaluate/ Synthesis	2.2.1 Evaluate the information provided and identify the existence of joint ventures. 2.2.2 Compile financial statements for joint ventures.
2.3 Investments in associates	Procedural/ Metacognitive	Evaluate/ Synthesis	2.3.1 Advise appropriate accounting treatment to be used when there is an investment in an associate. 2.3.2 Compile financial statements when there is an investment in an associate.

### 3. Analysis, Interpretations and Communication of Financial Results

(Syllabus Weighting 25%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
3.1 Internal financial statement analysis	Procedural	Evaluate	3.1.1 Evaluate the reasonableness of financial statements relative to the actual financial status of an entity.
3.2 External financial statements analysis - Common size analysis - Trend analysis	Procedural	Evaluate	3.2.1 Evaluate external financial statements. 3.2.2 Criticise external financial statements, on the basis of relevant and rational conclusions drawn from the financial statements analysis.

### 4. Corporate Governance and Recent Developments in Financial Reporting

(Syllabus Weighting 5%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
4.1 Corporate governance and sustainability reports including integrated reporting	Metacognitive	Evaluate/ Synthesis	4.1.1 Criticise an annual report of a company in a given scenario, on the basis of adequacy of disclosures. 4.1.2 Compile an integrated report along with a sustainability report for a given entity. 4.1.3 Evaluate integrated/sustainability reports in accordance with the “triple bottom line principle” and GRI guidelines.
4.2 New exposure drafts	Procedural	Evaluate	4.2.1 Evaluate the possible impact of new exposure drafts on financial statements.

### 5. Ethical Issues in Financial Reporting and the Regulatory Framework

(Syllabus Weighting 5%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
5.1 Recent ethical issues	Metacognitive	Evaluate	5.1.1 Advise on accurate presentation of financial statements for a given set of circumstances, with reference to global examples.

## Appendix 3 - KC 1

### SLFRS/LKAS Standards

No.	Name	KC 1
SLFRS 1	First-time Adoption of Sri Lanka Accounting Standards	A
SLFRS 2	Share-based Payment	A
SLFRS 3	Business Combinations	A
SLFRS 4	Insurance Contracts	C
SLFRS 5	Non - Current Assets Held for Sale and Discontinued Operations	A
SLFRS 6	Exploration for and Evaluation of Mineral Resources	C
SLFRS 7	Financial Instruments: Disclosures	A
SLFRS 8	Operating Segments	A
SLFRS 9	Financial Instruments	A
SLFRS 10	Consolidated Financial Statements	A
SLFRS 11	Joint Arrangements	A
SLFRS 12	Disclosure of Interests in Other Entities	A
SLFRS 13	Fair Value Measurement	A
SLFRS 14	Regulatory Deferral Accounts	C
SLFRS 15	Revenue from Contracts with Customers	A
SLFRS 16	Leases	B
LKAS 1	Presentation of Financial Statements	A
LKAS 2	Inventories	A
LKAS 7	Statement of Cash Flows	A
LKAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	A
LKAS 10	Events after the Reporting Period	A
LKAS 11	Construction Contracts	A
LKAS 12	Income Taxes	A
LKAS 16	Property, Plant and Equipment	A

No.	Name	KC 1
LKAS 17	Leases	A
LKAS 18	Revenue	A
LKAS 19	Employee Benefits	A
LKAS 20	Accounting for Government Grants and Disclosure of Government Assistance	A
LKAS 21	The Effects of Changes in Foreign Exchange Rates	A
LKAS 23	Borrowing Costs	A
LKAS 24	Related Party Disclosures	A
LKAS 26	Accounting and Reporting by Retirement Benefit Plans	B
LKAS 27	Separate Financial Statements	A
LKAS 28	Investments in Associates and Joint Ventures	A
LKAS 29	Financial Reporting in Hyperinflationary Economies	B
LKAS 32	Financial Instruments: Presentation	A
LKAS 33	Earnings per Share	A
LKAS 34	Interim Financial Reporting	A
LKAS 36	Impairment of Assets	A
LKAS 37	Provisions, Contingent Liabilities and Contingent Assets	A
LKAS 38	Intangible Assets	A
LKAS 39	Financial Instruments: Recognition and Measurement	A
LKAS 40	Investment Property	A
LKAS 41	Agriculture	A
SLFRS for SMEs	Sri Lanka Accounting Standard for Small and Medium Sized Entities	A

## IFRIC Interpretations

No.	Name	KC 1
IFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	A
IFRIC 2	Members' Shares in Co-operative Entities and Similar Instruments	B
IFRIC 4	Determining whether an Arrangement contains a Lease	A
IFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	A
IFRIC 6	Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment.	B
IFRIC 7	Applying the Restatement Approach under IAS 29- Financial Reporting in Hyperinflationary Economies	C
IFRIC 9	Reassessment of Embedded Derivatives	A
IFRIC 10	Interim Financial Reporting and Impairment	A
IFRIC 12	Service Concession Arrangements	A
IFRIC 13	Customer Loyalty Programme	A
IFRIC 14	IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	A
IFRIC 15	Agreements for the Construction of Real Estate	A
IFRIC 16	Hedges of a Net Investment in a Foreign Operation	A
IFRIC 17	Distributions of Non-cash Assets to Owners	A
IFRIC 18	Transfers of Assets from Customers	A
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments	A
IFRIC 20	Stripping Cost in the Production Phase of a Surface Mine	C
IFRIC 21	Levies	C

## SIC Interpretations

No.	Name	KC 1
SIC 7	Introduction of the Euro	C
SIC 10	Government Assistance - No Specific Relation to Operating Activities	C
SIC 15	Operating Leases - Incentives	A
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	C
SIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	A
SIC 29	Service Concession Arrangements: Disclosures	A
SIC 31	Revenue - Barter Transactions Involving Advertising Services	A
SIC 32	Intangible Assets - Website Costs	A

## Module Code: KC 2 - Corporate Finance and Risk Management

### Syllabus Structure

Main Syllabus Areas	Weightings (%)
1 Corporate Financial Objectives and Measurement	10
2 Corporate Financing Strategies	30
3 Dividend Policy and Capital Gains	5
4 Corporate Investment Appraisal	20
5 Corporate Growth Strategy	20
6 Corporate Risk Identification and Management	15



## 1. Corporate Financial Objectives and Measurement (Syllabus Weighting 10%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
1.1 Corporate financial management and strategic financial objectives	Conceptual	Comprehension	1.1.1 Discuss appropriate strategic objectives, both financial and non-financial, for different types of organisations (profit maximisation, wealth maximisation, value for money, balanced scorecard) and how these objectives can assist in meeting the corporate goals of such organisations.
			1.1.2 Discuss the roles of financial management (financing, investment, dividends), their interconnections and conflicting stakeholder interests including agency theory.
			1.1.3 Discuss internal resources and business strategy differences (external legislations, regulations, corporate governance, interest rates/yield curve, inflation rates, exchange rates, capital market activities, constraints to financial management).
1.2 Performance analysis and financial modelling	Procedural	Application/ Analysis	1.2.1 Assess the achievement of designated financial objectives using: <ul style="list-style-type: none"> <li>- Returns provided to shareholders</li> <li>- Financial statement forecasts/financial modelling</li> <li>- Outcomes of financial statement analysis (profitability, liquidity, gearing, asset, investor ratios).</li> </ul>
			1.2.2 Analyse financial results by using trends and ratios [including the DuPont analysis in financial statements across time/different companies/different accounting policies in appraising the short and long-term viability of the organisation (working capital issues such as overtrading and solutions to overtrading is expected to be discussed here)].
			1.2.3 Analyse operational leverage, financial leverage, total leverage, and how the impact of business risk (volatility of turnover) can be augmented on profits, EPS and ROE due to leverage.
1.3 Treasurers role in financial management	Procedural	Application	1.3.1 Assess the treasurer's roles in financial management and organising the treasury function (centralised or decentralised/cost centre or profit centre).

## 2. Corporate Financing Strategies (Syllabus Weighting 30%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
2.1 Corporate financial needs and financing methods	Procedural	Comprehension	2.1.1 Assess the short-term (working capital requirements) and long-term (long-term investment projects) financial requirements of an organisation and different financing options.

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
2.2 Working capital management	Procedural	Evaluate	<p>2.2.1 Evaluate working capital requirements and investment decisions using working capital cycle and permanent and temporary working capital estimations.</p> <p>2.2.2 Evaluate the appropriateness of different working capital financing policies.</p>
2.3 Equity financing	Conceptual/ Procedural	Remember/ Comprehension/ Application/ Analysis/ Evaluation	<p>2.3.1 Identify different types of capital markets (stock market, bond market and money market), advantages and disadvantages of stock market listing, and main stakeholders in the capital market and their functions (including viz., Colombo Stock Exchange, Securities and Exchange Commission, issuing house, brokers, primary dealers, money brokers, Central Depository System, underwriters).</p> <p>2.3.2 Analyse various methods (IPO, introduction, private placement, rights issues) of issuing instruments to capital markets.</p> <p>2.3.3 Calculate cost of equity using Dividend Valuation Methods (DVM/DGM) and Capital Asset Pricing Model (CAPM).</p> <p>2.3.4 Assess systematic (market-wide/non-diversifiable) and unsystematic risk (firm specific/diversifiable) and their implications on equity financing, from a company's viewpoint (beta factor and expected return) and an investor's viewpoint (basic fundamentals of a diversified portfolio).</p> <p>2.3.5 Evaluate the impact on financial performance (including ratios of an entity from share repurchases, rights issues, scrip dividends, scrip issue/capitalisations).</p>
2.4 Debt financing	Conceptual/ Procedural	Comprehension/ Application	<p>2.4.1 Discuss debt financing methods available (including bank loans, bonds, debentures, securitisations, commercial papers, debt sweeteners (convertibles and warrants), senior vs junior debt and international bonds.</p> <p>2.4.2 Assess the value (interest yield) of undated bond/irredeemable debt and the value (yield to maturity) of dated bond/redeemable debt.</p>
2.5 Lease financing	Procedural	Comprehension/ Application	<p>2.5.1 Discuss different types of lease options and their implications on tax benefits, controllability, risk of obsolescence and gearing.</p> <p>2.5.2 Assess purchase or lease decision using NPV calculations.</p>
2.6 Capital structure decision making	Procedural	Comprehension/ Application	<p>2.6.1 Discuss alternative capital structures (traditional theory, Modigliani and Miller theories without and with tax).</p> <p>2.6.2 Calculate "Weighted Average Cost of Capital" (WACC).</p> <p>2.6.3 Assess the impact on WACC from different capital structures (ungeared to geared; impact on WACC and value of the business using the above capital structure theory arguments).</p> <p>2.6.4 Demonstrate how to derive project specific cost of capital in making investments with different business and financial risk (proxy company-based beta un gears for business risk and re-gears based on proposed capital structure for financial risk is expected).</p>

### 3. Dividend Policy and Capital Gains (Syllabus Weighting 5%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
3.1 Dividend policy	Procedural	Comprehension/ Evaluate	<p>3.1.1 Discuss different dividend policies, taking into account factors such as cliental effect, leverage and capital requirements, solvency ratios, tax considerations and Company Act pre-requirements.</p> <p>3.1.2 Discuss dividend theories such as dividend irrelevancy theory, bird-in-hand theory, tax preference theory, residual theory and packing order theory.</p> <p>3.1.3 Evaluate appropriate dividend policies for different organisations (private/listed in main or smaller markets) and the importance of dividend yield, dividend cover and dividend per share as important investor ratios.</p>
3.2 Capital gains/loss	Conceptual/ Procedural	Comprehension/ Evaluate	<p>3.2.1 Discuss capital value (share price) movement theories such as fundamental/ technical or charting/random work theories and their relevancy to capital markets.</p> <p>3.2.2 Explain “Efficient Market Hypothesis” (EMH) and its different variants.</p> <p>3.2.3 Evaluate the implications of EMH to financing, investing and dividend policies.</p>

#### 4. Corporate Investment Appraisal (Syllabus Weighting 20%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
4.1 Projects appraisal	Procedural	Analysis/ Evaluate	<p>4.1.1 Analyse the capital budgeting process (including searching for investments, strategic prioritisation, identifying investment, investment appraisal, authorisation, capital budget, monitoring and review).</p> <p>4.1.2 Evaluate investment projects using discounting factor/non-discounting factor techniques with:</p> <ul style="list-style-type: none"> <li>- Tax</li> <li>- Inflation (monetary and real method)</li> <li>- Unequal life projects (annual equivalent method only)</li> <li>- Asset replacement</li> <li>- Capital rationing (including multi period capital rationing)</li> <li>- Under uncertainty (certainty equivalent, adjusting discounting factors/payback, using probability and sensitivity analysis)</li> <li>- Foreign investments (using forward exchange rates or country-specific discounting factors).</li> </ul> <p>4.1.3 Criticise IRR on the basis of its reinvestment assumption, leading to modified IRR (calculations are expected).</p> <p>4.1.4 Evaluate the impact on project appraisal from side effects of financing, using the Adjusted Present Value (APV).</p> <p>4.1.5 Analyse the importance of post completion audit and real options in capital budgeting.</p>

## 5. Corporate Growth Strategy (Syllabus Weighting 20%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
5.1 Corporate growth strategies	Conceptual	Comprehension	5.1.1 Discuss mergers, acquisitions and divestment as business strategies [including reasons, critical success factors and especially different types divestments such as trade sale, spinoff and management buy-outs (MBOs)].
5.2 Business valuation, merger, acquisition and divestment and other corporate growth strategies	Procedural/ Metacognitive	Evaluate/ Analysis	<p>5.2.1 Evaluate business valuation techniques (asset based, earnings based, proxy PE based, cash flow based) for a specific merger or acquisition or divestment.</p> <p>5.2.2 Evaluate intangible asset valuation techniques for individual intellectual assets such as trademarks, patents, copy rights and overall intangible assets MV to BV, MV to RV, calculated intangible asset value.</p> <p>5.2.3 Recommend appropriate valuation and terms, taking into account financial and strategic implications for a specific merger or acquisition or divestment.</p> <p>5.2.4 Evaluate financing methods (including cash offer, share exchange and use of debt financing and earn-out arrangements, merger, acquisition or divestment).</p> <p>5.2.5 Evaluate post-merger valuation and implications (market values, net asset values, EPS, P/E ratio before and after acquisition or merger), including post-acquisition integration, integration problems which cause merger/acquisition failure.</p> <p>5.2.6 Advise on regulatory implications and procedures on mergers and acquisitions (Companies Act, Securities Exchange Control regulations and other regulatory bodies).</p> <p>5.2.7 Analyse probable future corporate failure using weak areas of a corporate using financial ratios.</p> <p>5.2.8 Evaluate how financial reconstruction and business re-organisation could be used as corporate growth strategy.</p>

**6. Corporate Risk Identification and Management**

(Syllabus Weighting 15%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
6.1 Corporate risk identification	Conceptual/ Procedural	Comprehension	6.1.1 Discuss various types of risks such as credit risk, interest rate risk, liquidity risk, foreign exchange risk, price risk, operational risk and reputational risk.
			6.1.2 Discuss factors contributing towards each of the above risks.
			6.1.3 Discuss value at risk as a risk measurement tool and control tool and its limitations.
			6.1.4 Discuss three different methods of calculating VAR, namely historical, covariance and Monte Carlo simulation method.
6.2 Corporate risk management	Procedural/ Metacognitive	Application/ Evaluate	6.2.1 Assess different tools/strategies to mitigate each of the risks identified above.
			6.2.2 Assess various types of financial derivatives (including forward contracts, futures, swaps and options).
			6.2.3 Recommend appropriate derivatives to hedge financial risks considering overall business context.
			6.2.4 Evaluate payoff of a derivative at maturity.

## Module Code: KC 3 - Corporate Taxation

### Syllabus Structure

Main Syllabus Areas	Weightings (%)
1 Corporate and Personal Income Tax	25
2 Taxation of Non-residents and International Taxation	15
3 Statutory Provisions and Case Law	20
4 Management of Value Added Tax (VAT)	15
5 Tax Planning and Advising	15
6 Contemporary Issues in Taxation	10

## 1. Corporate and Personal Income Tax (Syllabus Weighting 25%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
1.1 Comprehensive income tax computations	Procedural	Application	1.1.1 Prepare comprehensive income tax computations for any taxable person, whether resident or non-resident.
			1.1.2 Assess the income tax liability of “specialised business undertakings” and transactions (including banking and financial institutions, insurance, off-shore transactions, “specified profits” and income and partnerships).
			1.1.3 Prepare supplementary statements and alternative computations (including computation of income using “net wealth method” and receipts and payments method, to substantiate the tax liability of a person).
1.2 Impact of Taxation on business and finance decisions	Metacognitive	Evaluate/ Synthesis	1.2.1 Evaluate effectiveness of tax strategies proposed or implemented in business undertakings, by analysing financial statements and other relevant information.
			1.2.2 Evaluate potential risks in terms of direct and indirect taxes and matters which require corrective actions for statutory compliance.
			1.2.3 Compile reports with alternative courses of action available for existing tax issues supported by necessary computations.
1.3 Personal taxation	Metacognitive	Analysis/ Evaluate	1.3.1 Analyse financial affairs of individuals with a higher exposure to income tax and other interactive taxes (VAT, NBT, sector specified taxes) in order to address current tax issues.
			1.3.2 Recommend alternative courses of action to mitigate potential risks and minimise tax expense.

## 2. Taxation of Non-residents and International Taxation (Syllabus Weighting 15%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
2.1 Assessing income tax liability of a non-resident person	Conceptual/ Procedural	Comprehension/ Application	2.1.1 Interpret the meaning of resident status of an individual or company for tax purposes.
			2.1.2 Explain statutory provisions with regard to establishment “of profits and income, arising in or derived from Sri Lanka”.
			2.1.3 Assess the statutory “income deemed to be derived from Sri Lanka”, from sale or products manufactured, in or outside Sri Lanka, by a non-resident.
			2.1.4 Assess the taxable income and the tax payable thereon by a non-resident person.
			2.1.5 Explain the liability of an agent of a non-resident person.
2.2 Remittance tax	Procedural	Comprehension	2.2.1 Explain the liability of a non-resident company for tax on remittances.
			2.2.2 Compute remittance tax payable by a non-resident company.



Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
2.3 Double tax treaties	Conceptual	Comprehension/ Analysis	<p>2.3.1 Explain the issue of overlapping tax jurisdictions and methods of avoiding double taxation.</p> <p>2.3.2 Explain the main differences between the OECD model and UN model of tax treaties.</p> <p>2.3.3 Outline the principal aspects of the operation of a double tax agreement (knowledge of specific double tax agreements is not required).</p>

### 3. Statutory Provisions and Case Law (Syllabus Weighting 20%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
3.1 Statutory provisions	Conceptual	Analysis	<p>3.1.1 Outline the provisions of the Inland Revenue Act with regard to taxable sources, returns, assessments, time-bar, finality, appeals and penal provisions.</p> <p>3.1.2 Outline the procedure in making a valid appeal and the appeal settlement procedure, including appeals to the Tax Appeal Commission.</p> <p>3.1.3 Outline the procedures of payment of tax under self-assessment scheme, repayment of tax, recovery of tax in default and penalties for non-compliance.</p> <p>3.1.4 Outline the statutory provisions applicable to recovery of income tax due from an incapacitated, bankrupt or deceased person.</p>
3.2 Case law	Procedural	Remember	3.2.1 State the facts and principles of decided tax cases (Appendix 4).
3.3 Application of statutory provisions and case law	Procedural/ Metacognitive	Application/ Synthesis	<p>3.3.1 Demonstrate knowledge and application of statutory provisions, and case law in the following:</p> <ul style="list-style-type: none"> <li>- Practical tax issues including clarification of taxability of various profits and income.</li> <li>- Deductibility of expenses (expenses and out goings incurred in production of profits and income).</li> <li>- Interpretation of important concepts including “adventure or concern in the nature of trade”, “expenditure in capital nature”, “capital gain” and “income of casual and non-recurrence nature”.</li> <li>- Rights and obligations of tax payers.</li> </ul> <p>3.3.2 Compile reports and other written communications including tax appeals on practical issues.</p>

**4. Management of Value Added Tax (VAT)**

(Syllabus Weighting 15%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
4.1 Obligations of a VAT registered person	Procedural	Application/ Evaluate	4.1.1 Assess the output tax, input tax and balance tax payable by a registered person in business which carries out multiple activities.
			4.1.2 Advise the statutory obligations with regard to furnishing returns, payment of tax and documentation.
4.2 VAT on Financial Services	Procedural	Comprehension/ Application	4.2.1 Explain the meaning of financial services and computation of value addition.
			4.2.2 Assess VAT payable by a person carrying on a business of financial services.
4.3 Simplified VAT Scheme	Procedural	Application/ Analysis	4.3.1 Assess the VAT liability of a registered identified purchaser and registered identified supplier.
			4.3.2 Outline the significant features of the Simplified VAT Scheme.
4.4 Managing VAT in a business	Metacognitive	Comprehension/ Analysis/ Evaluate	4.4.1 Explain statutory provisions of the VAT Act with regard to assessments, time-bar for assessments, appeals and appeal settlement procedure.
			4.4.2 Analyse VAT issues in a complex business environment and provide appropriate actions to mitigate such situations.
			4.4.3 Advise on value of supplies with regard to different activities (including leasing, insurance and imports).

**5. Tax Planning and Advising**

(Syllabus Weighting 15%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
5.1 Fiscal incentives and limitation	Metacognitive	Analysis/ Synthesis	5.1.1 Outline major tax holidays, exemptions and other incentives granted under the Inland Revenue Act and Board of Investment Law.
			5.1.2 Propose alternative tax incentives for a given situation and their limitations.
5.2 Transfer pricing	Metacognitive	Comprehension/ Evaluate	5.2.1 Explain statutory provisions relevant to transfer pricing (including the concept of “arm’s length price” and prescribed (gazetted) methods of transfer pricing).
			5.2.2 Critically analyse pricing policies applied by businesses in domestic and international transactions, with emphasis on the validity of such policies.

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
5.3 Tax planning	Metacognitive	Evaluate/ Synthesis	5.3.1 Compile effective and legitimate plans and measures for businesses in order to minimise tax expenditure under given scenarios, considering opportunistic statutory provisions, fiscal incentives and limitations. 5.3.2 Critically analyse policies, arrangements and agreements of corporate and individual tax payers with their exposure to disregard under the clause “artificial or fictitious transactions”.
5.4 Providing tax advise	Procedural	Synthesis/ Evaluate	5.4.1 Compile solutions for issues raised by tax authority based on tax payer rights established under statutes and relevant case law (from cases listed in Appendix 4). 5.4.2 Advise for various practical tax issues (including assessments, interpretations, recovery and penal action and litigation).
5.5 Communication	Procedural	Synthesis	5.5.1 Compile reports and other formal internal and external communications with regard to tax planning measures and advising.

## 6. Contemporary Issues in Taxation (Syllabus Weighting 10%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
6.1 New tax legislations	Metacognitive	Comprehension/ Evaluate	6.1.1 Explain the significant changes to tax legislation enacted not later than the immediate six preceding months and the impact on corporate and individual taxation. 6.1.2 Evaluate the impact on changes in tax legislations to various business activities.
6.2 Financial reporting and taxation	Metacognitive	Evaluate	6.2.1 Evaluate the impact of changes in financial reporting standards to taxation together with relevant guidelines issued by the tax authority.
6.3 Taxation and ethics	Procedural	Analysis	6.3.1 Outline provisions set out in the “Code of professional conduct and Ethics” with regard to disclosure of information, conflict of interest, confidentiality and implications for a tax practice.
6.4 Professional risk	Procedural	Analysis	6.4.1 Outline the penal provisions applicable to accountants, auditors and tax practitioners in respect of interpretation of provisions, frauds and incorrect returns.

## Appendix 4 - KC 3

Subject Matter	Name of the Case	Reference
Profit from Employment	Crib vs Commissioner of Income Tax	CTC - Volume 1
	Sutherland vs Commissioner of Income Tax	CTC - Volume I
	Kanagasabapathy vs Commissioner General of Inland Revenue	SLTC - Volume IV
Profits and income arising in or derived from Sri Lanka	Anglo-Persian Oil Co. Ltd. vs Commissioner of Income Tax	CTC - Volume 1
	Chivers & Sons Ltd. vs Commissioner of Income Tax	CTC - Volume 1
Income from any other source	Wickramasinghe vs Commissioner of Income Tax	CTC - Volume 1
Adventure or concern in the nature of trade	D. S. Mahawitharana vs CIR	CTC - Volume III
	Ram Iswera vs CIR	CTC - Volume III
	Commissioner of Income Tax vs C. S. De Zoysa	CTC - Volume I
	Rutledge vs CIR	14 TC 490
	CIR vs Livingstone and Others	11 TC 538
	IRC vs Fraser	1942 24 TC 498
	CIR vs Reinhold	34 TC 389
Martin vs Lawry	11 TC 297	
Annuity	The Commissioner of Inland Revenue vs J. M. Rajarathnam	CTC - Volume III
Partnerships	A. A. Davoodbhoy vs Commissioner General of Inland Revenue	SLTC - Volume IV
Capital and revenue expenditure	Vallambrosa Rubber Co. Ltd. vs Farmer	05 TC 529
	Hancock vs General Reversionary & Investment Co. Ltd.	07 TC 358
	Artherton vs British Insulated & Helsby Cables Ltd.	10 TC 155
	Theobald vs Commissioner of Income Tax	TC - Volume I
	Associated Portland Cement Manufacturing Co. vs Kerr	27 TC 103
	Mitchell vs Noble	11 TC 372
	Haughton Tea Company Limited vs Commissioner of Income Tax	CTC - Volume I
	Law Shipping Co Ltd. vs CIR	12 TC 621
Odeon Associated Theatres Ltd vs Jones	48 TC 257	
The National Mutual Life Association of Australia Ltd. vs Commissioner of Income Tax	CTC - Volume I	
Expenses incurred in production of profits & income	Heyley and Co. Ltd vs The Commissioner of Inland Revenue	CTC - Volume III
	Commissioner of Inland Revenue vs A. W. Davith Appuhamy	CTC - Volume III
	Strong vs Woodifield	05 TC 215
Rajapakse vs Commissioner of Income Tax	CTC - Volume I	
Reasons for rejection of the returns	D. M. S. Fernando and Another vs Mohideen Ismail	04 CTC 156
	New Portman Ltd. vs W. Jayewardene and Others	SLR - 307, Vol 1 of 1989
Meaning of plant	Thornhill vs Commissioner of Income Tax	CTC - Volume I
	Chelvanayakam vs Commissioner of Income Tax	S.C. 148 - (Inty)

## Module Code: KC 4 - Corporate Governance, Assurance & Ethics

### Syllabus Structure

Main Syllabus Areas	Weightings (%)
1 Governance & Ethics	25
2 Enterprise Risk Management & Internal Audit	25
3 Audit Planning	15
4 Evaluating Audit Evidence & Reporting	15
5 Structuring & Managing Professional Services	20

<b>1. Governance and Ethics</b> (Syllabus Weighting 25%)			
<b>Knowledge Component</b>	<b>Knowledge Dimension</b>	<b>Knowledge Process</b>	<b>Learning Outcome</b>
1.1 Corporate governance	Metacognitive	Evaluate	1.1.1 Evaluate “rules” and “principles” based approaches to corporate governance.
1.2 Board of directors	Metacognitive	Evaluate	1.2.1 Advise the effectiveness of a board, in the perspective of governance, including: <ul style="list-style-type: none"> <li>- Unitary and two-tier board structures</li> <li>- Division of powers (CEO and chairman)</li> <li>- Board composition</li> <li>- Types of directors</li> <li>- Role of independent non-executive directors</li> <li>- Financial acumen</li> <li>- Responsibilities of the board</li> </ul>
1.3 Audit committee	Metacognitive	Evaluate	1.3.1 Evaluate an audit committee charter including the key aspects of an audit committee, such as: <ul style="list-style-type: none"> <li>- Role of “the audit committee”</li> <li>- Membership and meetings</li> <li>- Financial and management information reporting</li> <li>- Internal controls</li> <li>- Internal audits and external audits</li> <li>- Conflict of interest</li> </ul>
1.4 Ethical behaviour	Metacognitive	Comprehension/ Evaluate	1.4.1 Recognise the role of ethical behaviour and stages of morality development in “Kohlberg’s Model”, in shaping a professional accountant. 1.4.2 Evaluate the ethical behaviour in a given scenario.
1.5 Ethical conflicts	Metacognitive	Evaluate	1.5.1 Advise on the process of ethical conflict resolution.
1.6 IFAC: conceptual framework approach to ethics	Metacognitive	Evaluate	1.6.1 Advise on the use of conceptual framework approach in complying with fundamental ethical principles, in terms of identifying threats, evaluating the significance of threats and applying safeguards.
1.7 Ethics for accountant in business	Metacognitive	Evaluate	1.7.1 Advise on ethical issues faced by a professional accountant in an enterprise for a given scenario.

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
1.8 Ethics for accountant in practice	Metacognitive	Evaluate	1.8.1 Resolve ethical issues faced by members in practice, in complying with fundamental and ethical principles, in the context of: <ul style="list-style-type: none"> <li>- Appointment ethics</li> <li>- Conflicts of interest</li> <li>- Second opinion</li> <li>- Fee and other type of remuneration</li> <li>- Marketing</li> <li>- Gift and hospitality</li> <li>- Custody of clients assets</li> </ul>
1.9 A conceptual framework approach independence	Metacognitive	Evaluate	1.9.1 Resolve ethical issues affecting the independence of the assurance team firm and the network.
1.10 Provision of non-assurance services	Metacognitive	Evaluate	1.10.1 Advise on the ethical issues and safeguards applicable to provision of non-assurance services.

## 2. Enterprise Risk Management and Internal Audit (Syllabus Weighting 25%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
2.1 Risk management concepts	Conceptual	Comprehension/ Application	2.1.1 Recognise the role of enterprise risk management in today's turbulent business environment. 2.1.2 Explain the definition of risk and enterprise risk management. 2.1.3 Demonstrate the key concepts in enterprise risk management including risk appetite, risk analysis, risk mitigation and risk monitoring.
2.2 Risk management roles and responsibilities	Conceptual	Application/ Synthesis	2.2.1 Demonstrate the roles and responsibilities relating to enterprise risk management including the role of chief risk officer. 2.2.2 Propose measures to be taken to embed risk in the organisational culture.
2.3 Risk management framework	Conceptual	Evaluate	2.3.1. Evaluate the use of a risk management framework.
2.4 Risk identification and analysis	Metacognitive	Evaluate	2.4.1 Evaluate, in a given scenario, the risk arising from internal and external environment in terms of likelihood, consequence and other risk criteria.

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
2.5 Risk grid	Metacognitive	Synthesis	2.5.1 Compile a risk grid for a given business case, incorporating risk event, related objective, type of risk, risk rating, risk measurement and risk mitigation plans.
2.6 Internal audit	Conceptual	Comprehension	2.6.1 Explain the objectives and role of a modern internal auditor. 2.6.2 Explain the role of internal auditor in enterprise risk management.
2.7 Managing internal audit assignments	Metacognitive	Evaluate	2.7.1 Advise the approach to managing an internal audit engagement in a given scenario relating to the main business process of an entity.

### 3. Audit Planning (Syllabus Weighting 15%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
3.1 Overall audit strategy	Metacognitive	Synthesis	3.1.1 Develop an overall audit strategy for an audit engagement, including an audit of the financial statements of a group and an SME.
3.2 Risk of material misstatements	Metacognitive	Evaluate	3.2.1 Evaluate financial information and non-financial information relating to economic, industry and business matters to identify risk of material misstatements, including the financial statements of a group and an SME.
3.3 Further audit procedures to address assessed risk	Metacognitive	Synthesis	3.3.1 Propose further audit procedures to address identified risk of material misstatement.
3.4 Audit response in complex areas	Metacognitive	Synthesis	3.4.1 Propose further audit procedures to address complex areas relating to financial reporting issues (including audit of fair value measurements and estimates, derivatives, related parties and the use of the work of an expert).
3.5 Internal audit	Metacognitive	Evaluate	3.5.1 Advise on the extent to which reliance can be placed on internal auditor in determining the nature, timing and extent of further audit procedures.



#### 4. Evaluating Audit Evidence & Reporting

(Syllabus Weighting 15%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
4.1 Modify audit plan and further audit procedures	Metacognitive	Evaluate	4.1.1 Evaluate the sufficiency and appropriateness of audit evidence gathered, and identify changes to plan further audit procedures. 4.1.2 Advise on the need to change the audit approach for a given scenario.
4.2 Evaluation of misstatements identified during the audit	Metacognitive	Evaluate	4.2.1 Evaluate the effect of identified misstatements on the audit and the effect of uncorrected misstatements, if any, on financial statements.
4.3 Reporting on assurance and related services	Metacognitive	Synthesis	4.3.1 Design suitable reports for assurance engagements, other than audit and review engagements and related services. 4.3.2 Design suitable reports for related services.
4.4 Modified opinion	Metacognitive	Evaluate	4.4.1 Recognise the implications of modifications to an audit report or review report. 4.4.2 Recommend modifications to an audit report or a review report.
4.5 Emphasis of matters and other matters	Metacognitive	Synthesis	4.5.1 Propose an emphasis of matters or other matters, considering the clients' circumstances.
4.6 Other information in documents contained in audited financial statements	Metacognitive	Evaluate	4.6.1 Advise on the impact of material inconsistency and material misstatement on the audit report and audit engagement.
4.7 Modification in a prior period	Metacognitive	Evaluate	4.7.1 Advise on the impact of a modification in relation to opening balances or corresponding figures.
4.8 Summarised financial information	Metacognitive	Evaluate	4.8.1 Advice on forming an opinion on summarised financial information.

## 5. Structuring & Managing Professional Services (Syllabus Weighting 20%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
5.1 Engagement acceptance	Metacognitive	Evaluate	5.1.1 Evaluate factors relevant in accepting and agreeing the terms for a new engagement for audit, review, assurance and related services.
			5.1.2 Advise on suitable engagements in a given scenario, considering the requirements of intended users and the assurance framework, including following areas: <ul style="list-style-type: none"> <li>- Special purpose audits</li> <li>- Assurance engagements</li> <li>- Review of financial statements</li> <li>- Related services</li> </ul>
			5.1.3 Advise on the impact of current topics relevant in performing an assurance engagement.
5.2 System of quality controls	Metacognitive	Evaluate	5.2.1 Evaluate the system of quality control of a firm and recommend improvements under SLQC 1.
			5.2.2 Evaluate quality control procedures in place to ensure that audit engagements are performed in accordance with applicable laws and regulations and the reports issued are appropriate.
5.3 Engagement quality control review	Metacognitive	Synthesis	5.3.1 Propose areas that are important in undertaking an engagement quality control review for a given engagement.

## Module Code: KC 5 - Corporate Strategy and Contemporary Issues

### Syllabus Structure

Main Syllabus Areas	Component	Pre-requisites	Weightings (%)
1 Corporate Finance and Risk Management	IC		20
2 Tax and Regulatory Environment	IC	KC 1 to KC 4	10
3 Corporate Governance, Ethics and Control Environment	IC		5
4 Business and Functional Strategy	IC	KE 5 and KB 5	15
5 Corporate Strategy	TC		30
6 Contemporary Issues	TC		20

\*IC = Integrative non-teaching learning outcome

\*TC = Teaching learning outcome

## 1. Corporate Financial and Risk Management (Syllabus Weighting 20%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
1.1 Financial feasibility and funding	Metacognitive	Synthesis	<p>1.1.1 Propose whether to go ahead with a project or not (any strategic decision), considering its financial feasibility as indicated by the following:</p> <ul style="list-style-type: none"> <li>- Whether the project is feasible using alternative valuation methods.</li> <li>- Financial feasibility when alternative valuation methods point to different directions.</li> <li>- Scenario analysis (stress test the assumptions used and conduct a scenario analysis).</li> <li>- The gap between ROIC and cost of funds (compare ROIC of the project with the cost of funds to determine whether returns expected are in line with the risk assumed).</li> </ul> <p>1.1.2 Propose the best possible funding strategy after considering the following:</p> <ul style="list-style-type: none"> <li>- The current capital market conditions for an equity issue.</li> <li>- The impact of diluted control and additional cost of compliance resulting from public offer.</li> <li>- Credit market conditions (to determine the optimal timing and nature including listed bonds and bank loans of borrowings to be sourced).</li> <li>- Exchange risk and country risk, in case of cross-border filings.</li> </ul>
1.2 Risk management	Procedural	Evaluate	<p>1.2.1 Advise on a risk management policy for the company (including the use of structured products, derivatives, legal procedures including disclaimers, copyright and patents and operational mechanisms including supplier and customer diversification). The policy should also cover:</p> <ul style="list-style-type: none"> <li>- Exchange risk</li> <li>- Credit risk</li> <li>- Interest rate risk</li> <li>- Operational risk</li> <li>- Legal risk</li> </ul>

## 2. Tax and Regulatory Environment

(Syllabus Weighting 10%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
2.1 Corporate tax planning	Metacognitive	Evaluate/ Synthesis	<p>2.1.1 Compile information on tax implications, applicable to a project.</p> <p>2.1.2 Advise on whether a given company can claim tax concessions or tax holidays, as available to the project.</p> <p>2.1.3 Design a strategy on corporate tax planning, considering the following:</p> <ul style="list-style-type: none"> <li>- How to structure the project to maximise the tax benefits (period and the reduction in rate).</li> <li>- The value of tax benefits (PV of tax savings), if any concessions are available.</li> <li>- How to structure the operations to optimise the tax liability within the applicable regulatory framework.</li> <li>- Conditions that need to be complied with, in order to obtain tax benefits and additional costs of compliance.</li> </ul>
2.2 Regulatory environment	Metacognitive	Synthesis	2.2.1 Compile information on the applicable regulatory environment, ensuring that the company operations are in compliance with such framework.

## 3. Corporate Governance, Ethics and Control Environment

(Syllabus Weighting 5%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
3.1 Corporate governance and ethics	Procedural	Evaluate	<p>3.1.1 Criticise the practice of investing in countries, industries and companies that are subject to controversial governance and ethical practices, with emphasis on the following:</p> <ul style="list-style-type: none"> <li>- Controversial human right records</li> <li>- Child labour practices</li> <li>- Fraud and corruption</li> <li>- Non-compliance with accepted governance and ethical practices as set out by professional bodies.</li> </ul>
3.2 Control environment	Metacognitive	Evaluate	3.2.1 Advise on the control environment and control procedures required to minimise the risk of fraud and irregularities.
3.3 Financial projections	Metacognitive	Evaluate	3.3.1 Advise on the reasonableness of financial projections related to strategic decisions, by performing analytical review procedures and other commonly accepted analytical tools (including common size financial statements and ratio analysis, considering the business and economic environment in prevalence).

#### 4. Business and Functional Strategy (Syllabus Weighting 15%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
4.1 Market and competition	Metacognitive	Evaluate	<p>4.1.1 Evaluate the availability of a sizable “sweet spot”, for the company or the project to be successful.</p> <p>4.1.2 Evaluate the size of the addressable market and expected market growth rate.</p> <p>4.1.3 Evaluate the competitive landscape and reactions of existing players to a proposed project.</p> <p>4.1.4 Convince stakeholders on the unique selling proposition of the company and its sustainability.</p>
4.2 Supply chain management	Metacognitive	Evaluate	<p>4.2.1 Advise on the optimum supply chain management strategy with regard to the following:</p> <p>(a) Raw materials</p> <ul style="list-style-type: none"> <li>- Availability of resources with required quality, at the optimum cost, with the minimum lead time.</li> <li>- Relationship with suppliers (long-term contracts, captive raw material suppliers, contract manufacturers, spot market purchases, supplier diversification).</li> <li>- Hedging the risk of unfavourable price movements in raw materials.</li> </ul> <p>(b) Labour</p> <ul style="list-style-type: none"> <li>- Availability of a sufficient resource pool to attract required talent, especially in the service sector.</li> <li>- How to bridge the skill gaps in the resource pool and enhance their employability.</li> <li>- Maintaining relationships with resource training institutes.</li> </ul>

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
4.3 Marketing	Procedural	Evaluate	<p>4.3.1 Advise on a pricing strategy considering the following:</p> <ul style="list-style-type: none"> <li>- Benchmarking the price to be charged with competitor prices.</li> <li>- How the price may change with the passage of time (including low introductory price, which is expected to gradually ascend as market acceptance increases for products facing high competition; and high introductory price, which is expected to gradually descend as technology becomes obsolete for high tech products which are unique in nature).</li> </ul> <p>4.3.2 Advise on a distribution strategy, considering the following:</p> <ul style="list-style-type: none"> <li>- Nature of the product/service and whether it is required to have a wide distribution network (including FMCG, banking industry).</li> <li>- Importance of owning a distribution network or having access to such networks through joint ventures or partnerships.</li> <li>- Importance of having the manufacturing facility in the vicinity of customers including cement industry.</li> </ul> <p>4.3.3 Advise on a promotional strategy, considering the following:</p> <ul style="list-style-type: none"> <li>- Intended market positioning and target customer group; such as for young adults, Facebook may be suitable, whereas for professionals LinkedIn may be better.</li> </ul>
4.4 Technology and innovation	Procedural	Evaluate	<p>4.4.1 Advise on the importance of research, development and innovation for business success, with emphasis on the following:</p> <ul style="list-style-type: none"> <li>- Nature of the industry and the life span of a product (tech/fashion vs. FMCG)</li> <li>- Nature of competition and time taken to successfully imitate a new product</li> <li>- Legal protection available including patents and copyright</li> </ul>

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
4.5 Human resource management and corporate culture	Procedural	Evaluate	<p>4.5.1 Advise on the use of change management which may be required to implement the strategy devised.</p> <p>4.5.2 Advise on how to motivate and reward employees to achieve business goals.</p> <p>4.5.3 Evaluate the impact of any Voluntary Retirement Scheme (VRS) or similar retrenchment schemes, if required.</p> <p>4.5.4 Recommend techniques which can be used to develop employees using learning curves to assess the progress of productivity.</p> <p>4.5.5 Advise on strategies which can be used to curtail disruptions to the production process and facilitate transfer of knowledge to replacement resources, in the event of talent attrition.</p> <p>4.5.6 Recommend procedures which can be adapted to spot talent and groom the next generation of leaders, with the intention of succession planning.</p> <p>4.5.7 Evaluate how strategic drift and path dependency could impact strategic change and effective strategy development in organisations.</p> <p>4.5.8 Evaluate the importance of organisational culture in strategy development and execution.</p>

## 5. Corporate Strategy (Syllabus Weighting 30%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
5.1 Corporate strategic planning process	Metacognitive	Synthesis	5.1.1 Compile a corporate strategic plan, using knowledge of the business and management process.
5.2 External environment (a) Environmental analysis (b) International market analysis	Meta cognitive/ Procedural	Evaluate/ Synthesis	<p>5.2.1 Advise on ways to reduce the competitive forces in an industry (Five Forces Model), in order to improve competitiveness of corporate strategy.</p> <p>5.2.2 Compile the results of external environment analysis for the purpose of determining priorities for opportunities and threats (including Opportunity matrix and Threat matrix, EFAS).</p> <p>5.2.3 Evaluate international markets to identify opportunities for domestic products in foreign markets (using Porter's Diamond model).</p>



Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
5.3 Internal capability analysis	Metacognitive	Evaluate/ Synthesis	<p>5.3.1 Propose strategic capabilities (resources and competencies) for developing and maintaining competitive advantages (including VRIN analysis).</p> <p>5.3.2 Evaluate value chain application for developing competitive advantages (including activity map and benchmarking outsourcing).</p> <p>5.3.3 Propose the importance of using external value networks in developing a distinct competitive advantage.</p> <p>5.3.4 Compile respective models of internal capability analysis, with the purpose of identifying strengths and weaknesses at corporate level of businesses.</p> <p>5.3.5 Compile the results of internal capability analysis, to decide the priorities of strengths and weaknesses [including Internal Factor Analysis Schedule (IFAS)].</p>
5.4 Situational analysis	Metacognitive	Synthesis	5.4.1 Compile the results of external environment analysis and internal capability analysis into strategic platforms (including SFAS, TOWS Matrix).
5.5 Gap analysis and long range planning	Metacognitive	Synthesis	<p>5.5.1 Compile necessary information for understanding the strategic planning gap of the corporation.</p> <p>5.5.2 Propose an action plan to bridge the strategic planning gap of an organisation.</p>
5.6 Strategy formulation (a) Directional strategies (b) Portfolio strategies (c) Parenting strategies (d) Arriving at final recommendation	Metacognitive	Synthesis	<p>5.6.1 Propose different types of growth strategies (including concentration and diversification based on appropriate models including strategic direction based on Ansoff Matrix).</p> <p>5.6.2 Propose different types of stability strategies (including proceed with caution, no change and profit strategy for corporate).</p> <p>5.6.3 Propose different types of retrenchment strategies (including captive company, turnaround, bankruptcy, divestment and liquidation for corporate).</p> <p>5.6.4 Propose strategies for allocating resources among different SBUs in a business, based on portfolio models (including BCG, GE and ADL).</p> <p>5.6.5 Propose strategies that cut across business unit boundaries, to build synergy across business units, in order to improve the competitive positioning of one or more business units including "Parenting-Fit Matrix".</p> <p>5.6.6 Propose a final strategy, using the following steps as guidelines:</p> <ul style="list-style-type: none"> <li>- Consider all the conclusions made during the analysis of the project.</li> <li>- Deal with ambiguity, in terms lack of information and conflicting directions indicated through the analysis.</li> <li>- Prioritise the conclusions of the analysis based on materiality and relevance.</li> <li>- Indicate the assumptions made.</li> <li>- Indicate both up-side and down-side risks to your recommendation.</li> </ul>

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
5.7 Strategy implementation and controlling (a) Strategic evaluation (b) Strategy in action (c) Strategic control	Metacognitive	Evaluate/ Synthesis	5.7.1 Design criteria for evaluating strategic options available to an organisation (including Johnson and Scholes' SAF Criteria). 5.7.2 Design appropriate systems for strategy implementation [including Restructuring and Business Processes Reengineering (BPR)]. 5.7.3 Evaluate the importance of positioning, in terms of strategic purpose, ethics and corporate image. 5.7.4 Design appropriate systems for strategic control.
5.8 Communicating the recommendation	Metacognitive	Synthesis	5.8.1 Compile a report to communicate your recommendation. The report should: <ul style="list-style-type: none"> <li>- Include facts which are relevant and customised</li> <li>- Have an acceptable standard of logic and structure</li> <li>- Carry a clear conclusion</li> <li>- Be concise and crisp</li> </ul>

## 6. Contemporary Issues (Syllabus Weighting 20%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
6.1 Contemporary issues	Metacognitive	Evaluate/ Synthesis	6.1.1 Compile information on the contemporary issues that may affect project execution. 6.1.2 Evaluate the potential impact of such issues on a project. 6.1.3 Develop a strategy to minimise the adverse impact of or take the maximum benefit of such issues.  Contemporary issues may vary depending on the circumstances. As of now they may include:  Funding <ul style="list-style-type: none"> <li>- FED stimulus ending (FDIs drying to emerging markets and bond yields expanding).</li> <li>- Ethical investing (investing in countries with questionable HR records and child labour issues).</li> </ul> External environment <ul style="list-style-type: none"> <li>- China slow down and impact on resource-based economies such as Australia.</li> <li>- Recession in EU and sluggish recovery in US.</li> <li>- Sri Lanka becoming a middle-income economy and resulting increase in consumerism.</li> </ul>

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
			<p>Supply chain</p> <ul style="list-style-type: none"> <li>- Impact on oil prices (Arab spring and resulting uncertainties in Middle East, sanctions on Iranian oil imports).</li> </ul> <p>Operations</p> <ul style="list-style-type: none"> <li>- “Bringing the jobs back policy” in US and EU (death of outsourcing and off-shoring).</li> <li>- Higher unemployment rate in the developed world, cannibalising emerging market cost advantages.</li> <li>- The virtual organisation.</li> <li>- Lean start-ups (the philosophy of starting new businesses and developing new product lines with less wasteful practices and increased value producing practices so that start-ups have a better chance of success without requiring a large amount of initial funding).</li> </ul> <p>Technology and innovation</p> <ul style="list-style-type: none"> <li>- “Big data”: leveraging real-time data and analytics to generate competitive advantage.</li> <li>- Mobile and location-based technologies.</li> <li>- “Gamification” - the application of game elements and digital game design techniques to non-game problems.</li> <li>- Green technologies and carbon credits.</li> </ul> <p>Marketing</p> <ul style="list-style-type: none"> <li>- Use of social media and blogs.</li> <li>- Digital marketing strategies.</li> </ul> <p>Human resources</p> <ul style="list-style-type: none"> <li>- Green HRM.</li> <li>- Employee engagement, employee empowerment.</li> <li>- Managing Gen Y.</li> <li>- Managing international staff/cross-cultural issues.</li> <li>- High Performance Work Teams (HPWT).</li> <li>- Work-life issues.</li> <li>- Psychological contract.</li> <li>- Employee share option plans.</li> </ul> <p>Strategy</p> <ul style="list-style-type: none"> <li>- Strategies for the bottom of the pyramid - how companies are successfully developing products and services for low income segments and emerging economies.</li> <li>- The transition from product-based companies to service-based companies (including software as a Service (SaaS) model).</li> </ul>

**Module Code: SC 1 - Corporate Communication & People Skills****Syllabus Structure**

Main Syllabus Areas		Weightings (%)
1	Public Speaking Skills	45
2	Negotiation & Conflict Resolution Skills	30
3	Personal Branding & Business Etiquette	25

**1. Public Speaking Skills**  
(Syllabus Weighting 45%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
1.1 Communication process	Comprehension	Manipulation	1.1.1 Recognise the key elements of the communication process: Sender, Receiver, Message, and Response
1.2 Barriers to effective oral communication	Procedural	Manipulation	1.2.1 The barriers that prevent effective oral communication and develop means to overcome them
1.3 Speech preparation	Procedural	Manipulation/ Precision	1.3.1 Recognise different criteria used in selecting a speech topic 1.3.2 Recognise different types of speeches 1.3.3 Recognise how to structure a speech 1.3.4 Customise the speech or the delivery of the speech to suit the audience 1.3.5 Practise how to make an effective speech
1.4 Speech elements	Metacognitive	Manipulation/ Precision/ Articulation	1.4.1 Distinguish the different elements of a speech and evaluate other speakers using the criteria given 1.4.2 Speak clearly and audibly expressing ideas accurately and vividly 1.4.3 Recognise body language effectively and to read audience body language accurately 1.4.4 Develop the ability to overcome nervousness
1.5 Using appropriate diction	Procedural	Manipulation/ Articulation	1.5.1 Recognise the critical importance of language in effective oral communication 1.5.2 Integrate language skills with: vocabulary, grammar, and pronunciation
1.6 Delivery of speeches	Procedural	Articulation	1.6.1 Compose and deliver impromptu speeches 1.6.2 Compose and deliver short prepared speeches

**2. Negotiation & Conflict Resolution Skills**

(Syllabus Weighting 30%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
2.1 Nature of conflict & types of conflict	Procedural	Manipulation	2.1.1 Differentiate between types of conflicts
2.2 Stages of conflict	Procedural	Manipulation	2.2.1 Identify the stages of conflict in over coming them effectively
2.3 Conflict resolution skills	Metacognitive	Articulation	2.3.1 Integrate different conflict resolution skills in resolving possible conflict situations at different stages
2.4 Personal and social styles in conflict resolution	Procedural	Manipulation	2.4.1 Notice how personal and social styles affect conflict resolution
2.5 Negotiation strategies	Procedural	Articulation	2.5.1 Apply and practise different negotiation strategies whilst recognising their possible ramifications
2.6 Power in negotiation	Procedural	Manipulation	2.6.1 Recognise the role played by power in negotiation
2.7 Conflict Management	Procedural	Precision	2.7.1 Develop the necessary skills to manage conflicts effectively

**3. Personal Branding and Business Etiquette**

(Syllabus Weighting 25%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
3.1 Branding	Procedural	Manipulation	3.1.1 Recognise branding and its critical role in marketing oneself
3.2 Elements of personal branding	Procedural	Manipulation/ Precision	3.2.1 Recognise the elements of personal branding 3.2.2 Distinguish the difference between image and identity 3.2.3 Develop the ability to craft one's image by using the above outcomes
3.3 Business etiquette	Procedural	Precision	3.3.1 Practice the principles of business etiquette
3.4 Attire, grooming and body language	Procedural	Manipulation	3.4.1 Notice the role played by attire, grooming, and body language in creating a positive personal image
3.5 Dining etiquette	Procedural	Precision	3.5.1 Practice the proper ways to consume food and beverages in a social setting
3.6 Communication skills	Procedural	Precision	3.6.1 Develop communication skills to enhance one's brand value

## Module Code: SC 2 - Corporate Information Technology & Systems

### Syllabus Structure

Main Syllabus Areas	Weightings (%)
1 IT and Strategy	10
2 Contemporary Topics in IT	10
3 Audit Application (ACL)	10
4 Business Information Systems/Enterprise Resource Planning (ERP)	70

<b>1. IT and Strategy</b> (Syllabus Weighting 10%)			
<b>Knowledge Component</b>	<b>Knowledge Dimension</b>	<b>Knowledge Process</b>	<b>Learning Outcome</b>
1.1 IT and Strategy	Metacognitive	Analysis/ Evaluate	1.1.1 Assess IT-based tools available in assisting strategic planning and management process. 1.1.2 Advise on how IT can be used efficiently in strategic planning and management process (including analysis, formulation, implementation and evaluation). 1.1.3 Analyse different strategies driven on information technology. 1.1.4 Analyse how IT can be used in the knowledge management process.
1.2 IT related risks and risk mitigation	Metacognitive	Application	1.2.1 Assess the risks related to the provision of online services and collecting proceeds using online payment gateways. 1.2.2 Assess the necessity to conduct periodic penetration testings and vulnerability scanning. 1.2.3 Assess the costs and benefits related to information security management systems (ISMS) and related third party certifications.
<b>2. Contemporary Topics in IT</b> (Syllabus Weighting 10%)			
<b>Knowledge Component</b>	<b>Knowledge Dimension</b>	<b>Knowledge Process</b>	<b>Learning Outcome</b>
2.1 Contemporary topics (these should change based on the most recent developments in the external environment)	Metacognitive	Evaluate	2.1 Advise the board of directors on the possible use of following concepts in the business: <ul style="list-style-type: none"> <li>• Open source software</li> <li>• Server virtualisation</li> <li>• Mobile technologies in business</li> <li>• Social media in business</li> <li>• Cloud computing</li> </ul>



### 3. Audit Application (ACL) (Syllabus Weighting 10%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
3.1 Using Audit Analytic Software	Procedural	Application/ Precision	3.1.1 Assess the benefits of audit analytical software. 3.1.2 Demonstrate knowledge of the basic principles in an audit analytical software. 3.1.3 Practice basic elements of data analysis and audit.

### 4. Business Information Systems/Enterprise Resource Planning (ERP) (Syllabus Weighting 70%)

Knowledge Component	Knowledge Dimension	Knowledge Process	Learning Outcome
4.1 ERP usage	Procedural	Comprehension/ Application/ Precision	4.1.1 Assess the importance of ERP for business decision making and benefits of using an ERP system as well as the risks involved in implementing an ERP system. 4.1.2 Demonstrate the knowledge in ERP product and vendor selection. 4.1.3 Analyse ERP implementation lifecycle and post implementation aspects (including implementation methodologies, process definition, maintenance of the system, project management & monitoring, and post implementation aspects). 4.1.4 Develop proficiency in executing the transactions available under each module (e.g. PO, non-PO in AP module, Approvals concept) and enter, validate, and run transactions using an ERP system. 4.1.5 Practice generating the standard reports available under each module using an ERP system (including Accounts Receivable, Accounts Payable, Cash Management, General Ledger, Purchase Order, Fixed Asset, Inventory Modules). 4.1.6 Demonstrate knowledge of the basic principles in the Access control matrix and list the various levels available in the ERP system. 4.1.7 Practice the basics involved in control accounts and list down the steps when carrying one out. 4.1.8 Demonstrate knowledge of the basic principles of audit with in an ERP (Including audit logs, process controls, segregation of duties).

## 10. TRANSITIONAL ARRANGEMENTS

The table below shows the relationship between the modules of curriculum 2010 and their corresponding modules of the curriculum 2015. The permanent credits obtained for any modules under the pre-2015 curriculums are allowed to be carried forward for the corresponding subjects in the curriculum 2015.

Curriculum 2015	Curriculum 2010
<b>Executive Level</b>	
KE1 Financial Accounting & Reporting Fundamentals	CAB I Financial Accounting
KE2 Management Accounting Information	Candidates who have successfully completed the following two modules in curriculum 2010 will be exempted from the KE2 module: <ul style="list-style-type: none"> <li>- CAB I Business mathematics &amp; Statistics</li> <li>- CAB II Fundamentals of Management Accounting &amp; Business Finance</li> </ul>
KE3 Fundamentals of Taxation & Law	CAB II Accounting Application & Taxation
KE4 Processes, Assurance & Ethics	CAB II Audit & Assurance
KE5 Commercial Insight for Management	CAB I Management & Business Economics
SE1 Executive Communication Skills	Candidates who have successfully completed the following two modules in curriculum 2010 will be exempted from the SE1 module: <ul style="list-style-type: none"> <li>- CAB I Business English I</li> <li>- CAB II Business English II</li> </ul>
SE2 Executive Information Technology & Systems	CAB II IT for the Business Environment
PE Executive Level Practical Training & Development	CAB Internship I - Certificate Level
<b>Business Level</b>	
KB1 Business Financial Reporting	STR I Financial Reporting Framework
KB2 Business Management Accounting	STR I Strategic Management Accounting
KB3 Business Taxation & Law	Candidates who have successfully completed the following two modules in curriculum 2010 will be exempted from the KB3 module: <ul style="list-style-type: none"> <li>- CAB II Accounting Application &amp; Taxation</li> <li>- STR I Commercial Law &amp; Corporate Law</li> </ul>
KB4 Business Assurance, Ethics & Audit	CAB II Audit & Assurance
KB5 Business Value Creation	Candidates who have successfully completed the following two modules in curriculum 2010 will be exempted from the KB5 module: <ul style="list-style-type: none"> <li>- STR I Strategic Management Process</li> <li>- STR II Business Strategy and Knowledge Management</li> </ul>
SB1 Business Communication & People Skills	STR I Business English III Part I
SB2 Business Information Technology & Systems	STR I IT Applications in Business Finance & Reporting
PB Business Level Practical Training & Development	SRT I Internship II - Strategic Level I

Curriculum 2015	Curriculum 2010
<b>Corporate Level</b>	
KC1 Corporate Financial Reporting	STR II Advanced Financial Reporting
KC2 Corporate Financial and Risk Management	STR II Strategic Financial Management
KC3 Corporate Taxation	STR I Advanced Taxation & Strategic Tax Planning
KC4 Corporate Governance, Assurance & Ethics	STR II Advanced Audit & Assurance
KC5 Corporate Strategy & Contemporary Issues	PSRT TOP CA Case Study
SC1 Corporate Communication & People Skills	STR II Business English III Part II
SC2 Corporate Information Technology & Systems	STR II Business Automation using the ERP System
PC Corporate Level Practical Training & Development	STR II Internship III – Strategic Level II

*Note: Transitional arrangement for pre-2010 curriculums will be decided based on the transitional arrangements for curriculum 2010.*





Partnering Businesses through  
Financial Leadership

# CURRICULUM 2015

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