

# **EXAMINATION SYLLABUS**

**Effective from 2010**



The Institute of  
**Chartered Accountants**  
of Sri Lanka

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# FOREWORD

The Institute of Chartered Accountants of Sri Lanka (ICASL) continues to be the premier national accounting body responsible for producing competent Chartered Accountants in Sri Lanka. The ICASL has continuously endeavoured to produce professionals of high quality through education, internship in professional skills development and examinations in keeping with the international standards and trends.

The new syllabus which will be effective in 2010, has been designed in response to the globalization of business activity and the professional education environment. Accounting is a profession with a variety of specializations. Therefore, the proposed syllabus focuses on areas such as Accounting & Finance, Assurance and Related Services, Performance Measurement and Reporting, Strategic Business Management, Taxation and Legal Services provided by professional accountants. In this context, the learning outcomes mentioned under each module of the syllabus are of vital importance to entry-level professional accountants to gain knowledge, skills and attitudes which need to be acquired to provide these services. This ensures the capabilities of an Accountant in dealing with diverse business entities from small, independently-owned businesses to large companies.

The Institute recognises that Accounting professionals are essentially required to demonstrate strategic thinking, excellent communication and people skills and fluency in Information Technology. This scenario in keeping with the developing trends, focuses on the improvement of skills in English and Information Technology that have now become a national priority. The Corporate Law element has been enriched with modern enactments in IT related laws and Alternate Dispute Resolution procedures that are considered vital elements for commercial administrators.

Another feature of the revised syllabus is it consolidates all study programmes conducted for

the Chartered Accountancy qualification within the main syllabus. Giving more emphasis to IT and Business English at different levels will enhance the quality of the profession. Both these study areas carry zero credit value and are required to be completed parallel to the main stream. Along with the change of the syllabus, the study programme too has been restructured into five stages as listed below.

- Certificate in Accounting and Business I
- Certificate in Accounting and Business II
- CA Professional - Strategic Level 1 (Diploma in Accounting and Business)
- CA Professional - Strategic Level II
- CA Professional - Post Strategic Level

The above five stages have been compressed further into the three qualification descriptors namely, Certificate in Accounting and Business, Diploma in Accounting and Business and the ACA award.

The practical training (internship) requirement which stood at 4 years has been restructured for 3 years with a minimum of 220 working days per year from the date of implementation of the new syllabus.

The new syllabus has gone beyond a mere revision and has taken into account the changes taking place globally to provide the framework that would enable the ICASL qualification to compete with the leading Accountancy qualifications in the world. In addition students will be better equipped with the application of technical knowledge, clear business focus and professional judgement that are necessary attributes to the profession.

We are confident that the new syllabus that has been developed with great enthusiasm and clear objectives will equip students with the knowledge and expertise essential to perform their roles as competent professionals meeting local as well as global standards.

# **BENCHMARKING THE ICASL CURRICULUM 2010 TO IFAC REQUIREMENTS AND ICAEW ACA KNOWLEDGE AREAS**

## **(Summarised)**

### **Approach and work done**

Since ACA qualification of the Institute of Chartered Accountants in England and Wales (ICAEW) meets the requirements of the International Federation of Accountants (IFAC), a preliminary benchmarking was carried out to ensure that IFAC requirements were met by ICASL's ACA qualification. This provides a general indication that the qualification is comparable to the ICAEW ACA.

The second stage of the review comprised a detailed matching exercise where topics in the ICASL syllabuses were matched with topics from the ICAEW's ACA qualification.

Throughout the process, information was requested from and was supplied by ICASL staff.

### **Benchmarking the ICASL Curriculum 2010 to IFAC Requirements**

Benchmarking has been chosen as a tool for a systematic and detailed review and analysis of the new curriculum for ICASL compared with international standards. The benchmarking comparison was based on the 2010 curriculum prepared by the Institute of Chartered Accountants of Sri Lanka (ICASL).

The overall structure of the new ICASL curriculum consists of three major levels.

- Certificate level I
- Certificate level II
- Professional level - Strategic and Post Strategic

All three levels consist of a number of assessed modules and additional material such as IT skills development and communication skills workshops. The total programme would take typically from three to four years.

For benchmarking purposes the new programme was compared with the IFAC International Education Standards to ensure international compliance.

### **IFAC International Education Standards**

Global qualification requirements are laid down by IFAC in its International Education Standards (IES). 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 ICASL has responsibility for its qualification. ICASL, as a full member body of IFAC, has shown that it is committed to implement the IFAC IESs.

### **Conclusions - IFAC benchmarking**

The overall conclusion of the benchmarking comparison is that the new ICASL qualification programme satisfies IFAC requirements for professional education. This provides a general indication that ICASL's qualification is not incompatible with the ICAEW ACA.

### **Conclusions - Matching to ICAEW ACA topics**

The overall conclusion of the matching exercise is that ICAEW ACA knowledge areas are sufficiently covered by the ICASL 2010 syllabus.

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*October 2009*

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# CURRICULUM STRUCTURE

ICASL curriculum has been structured into two levels namely the Certificate Level and the Professional Level. Certificate Level has been further divided into Level I and Level II. Professional Level has been divided into Strategic Level and Post Strategic Level where Strategic Level has been divided into Level I and Level II.

Certificate Level I and II have been designed to provide core technical knowledge and commercial awareness for those students who have not acquired such skills in any other acceptable study programme. This level provides an entry qualification to the ICASL Professional qualification framework.

Any student having obtained the Certificate Level qualification or any other acceptable qualification could gain entry to Professional (Strategic) Level. Upon completion of Strategic Level students will progress to Post Strategic Level.

ICASL curriculum consists of 28 modules as follows:

## Certificate Level

- 7 modules based on end semester written/ computer based examinations
- 2 modules of Business English based on end semester written/computer based examinations
- 1 module on computer based IT skills development
- 1 module based on internship in professional skills development

## CA Professional - Strategic Level

- 9 modules based on end semester written examinations
- 1 module on Business English with the aid of computer assisted techniques
- 2 modules on computer based IT skills development
- 2 modules based on internship in professional skills development

## CA Professional - Post Strategic Level

- Top CA Case Study based on an open book written examination
- 1 module on Business English based on a workshop
- 1 module on assessing the internship in professional skills development (Viva-Voce)

Each module has been assigned a course code. The first two digits represent the module number, third digit refers to the level and last two digits represent the credit value of the module.

This module system introduces the flexibility of completing modules. At any attempt for Certificate in Accounting and Business II (CAB II), Strategic Level I or Strategic Level II, students are allowed to sit a minimum of two modules and a maximum of five modules. However candidates are not allowed to select certain progressive modules in higher levels without completing lower level modules pertaining to the levels defined.

Students at CAB I are required to sit for all 4 subjects at the same attempt and if they pass any subject that will be considered as a permanent credit.

Internship (practical training) in professional skills development is a compulsory practical training component of three years duration with a minimum of 220 days per annum. The internship programme is divided into two phases as Certificate Level and Strategic Level, where the Strategic Level consists of Strategic Level I and II. Practical training has to be completed along with the relevant examinations in order to obtain full membership (ACA) of ICASL and other qualifications described in the syllabus.

IT Skills and Communication Skills carry zero credit value and are required to be completed parallel to the main stream.

## CURRICULUM STRUCTURE

Continued...

Current affairs and the Topical issues may be tested up to a maximum level of 15% at the Strategic Level. Ethical aspects may be tested under any module. This testing, in addition to what has been defined in the curriculum, could be based on workshops/

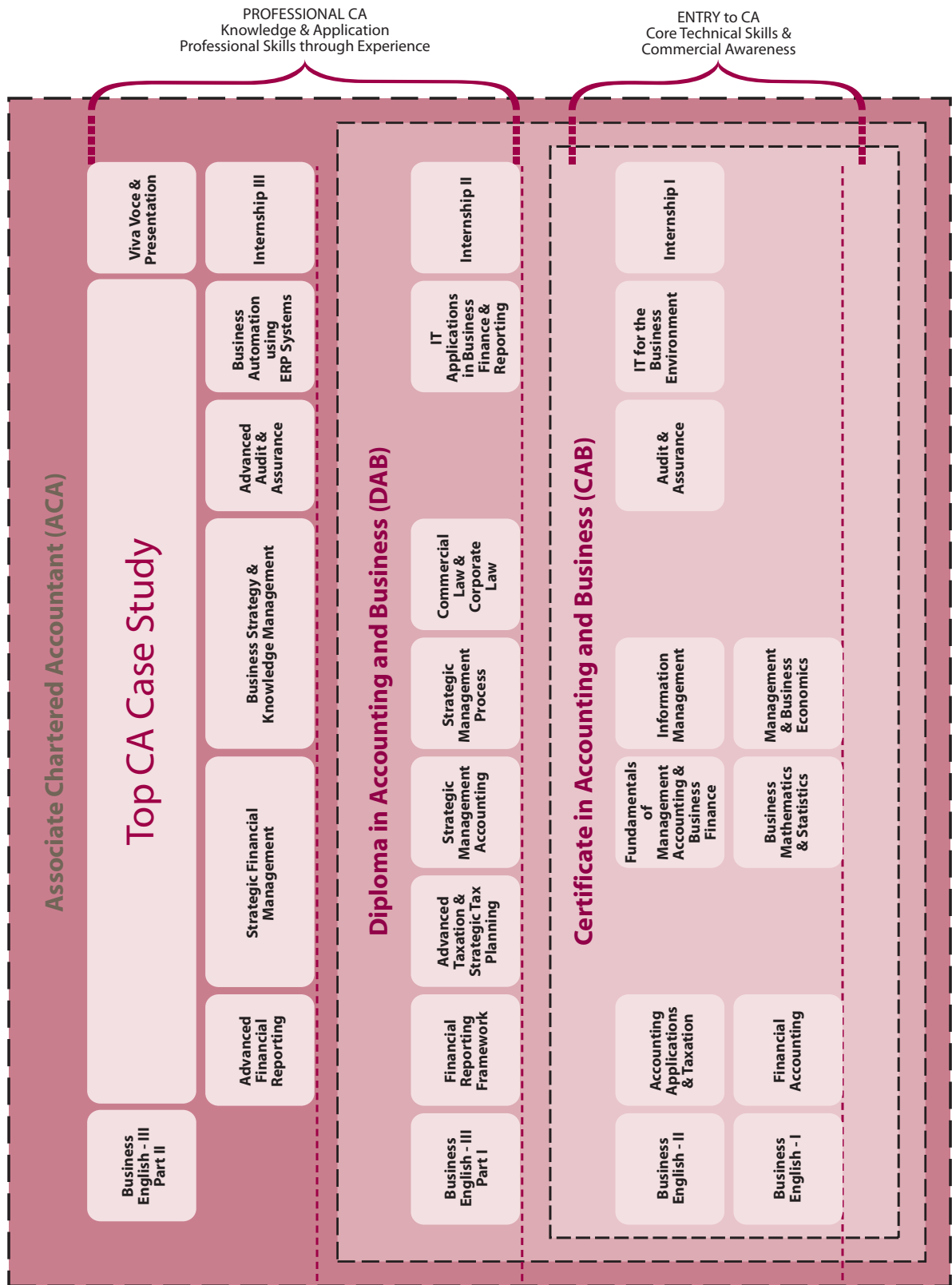
seminars conducted by the ICASL, and/or articles published in the journal and posted on the ICASL website. Candidates are advised to visit the student section of the ICASL website for regular updates in this regard.

### SUMMARY OF THE CREDIT VALUES

COURSE CODE	SUBJECTS	NUMBER OF CREDITS
Certificate Level I		
01104	Financial Accounting	04
02104	Business Mathematics and Statistics	04
03104	Management and Business Economics	04
Certificate Level II		
05204	Fundamentals of Management Accounting	04
06204	Audit and Assurance	04
07204	Information Management	04
08204	Accounting Applications and Taxation	04
11224	Internship I - Certificate Level	24
Strategic Level I (Diploma Level)		
12306	Financial Reporting Framework	06
13304	Strategic Management Accounting	04
14304	Strategic Management Process	04
15304	Advanced Taxation and Strategic Tax Planning	04
16304	Commercial Law and Corporate Law	04
19324	Internship II - Strategic Level I	24
Strategic Level II		
20404	Advanced Financial Reporting	04
21404	Strategic Financial Management	04
22404	Business Strategy and Knowledge Management	04
23404	Advanced Audit and Assurance	04
25424	Internship II - Strategic Level II	24
Post Strategic Level		
27510	Top CA Case Study	10
	<b>TOTAL NUMBER OF CREDITS</b>	<b>148</b>



# CURRICULUM MODEL



## AWARD STRUCTURE

### Certificate in Accounting and Business (CAB)

This certificate will be awarded upon approval of the Council of the ICASL on successful completion of all modules in Certificate Level in Accounting and Business I and II including Internship, Business English I and II and Information Technology for the Business Environments.

### Diploma in Accounting and Business (DAB)

Diploma will be awarded upon approval of the Council of the ICASL on successful completion of the modules defined in the Strategic Level I including Internship II (Strategic level I), Business English III - Part I and Information Technology Applications in Business Finance and Reporting.

### Associate Chartered Accountant (ACA)

The above qualification will be awarded upon approval of the Council of the ICASL on successful completion of all modules defined in the Strategic Level and Post Strategic Level.

## COURSE MODULES AND ELIGIBILITY

Course Code	Course Title	Eligibility Criteria for the Examination
CERTIFICATE IN ACCOUNTING AND BUSINESS – I (CAB-I)		
01104	Financial Accounting	<ol style="list-style-type: none"> <li>1. Registration - prior to the closure of applications for the examination.</li> <li>2. Subscription to the Certificate Level I Study pack.</li> </ol>
02104	Business Mathematics & Statistics	
03104	Management and Business Economics	
04100	Business English I	
CERTIFICATE IN ACCOUNTING AND BUSINESS – II (CAB-II)		
05204	Fundamentals of Management Accounting and Business Finance	<ol style="list-style-type: none"> <li>1. Successful completion of Certificate in Accounting and Business I (CAB-I) either by exemption or completing the examination.</li> <li>2. Subscription to the Certificate Level II Study pack.</li> <li>3. Registration / Successful completion of Information Technology applications in Business Finance and Reporting (Course Code 10200).</li> </ol> <p>Students are allowed to apply for the examination without completing the Internship.</p>
06204	Audit & Assurance	
07204	Information Management	
08204	Accounting Applications and Taxation	
09200	Business English II	
10200	Information Technology for the Business Environment	
11224	Internship I - Certificate Level	

## COURSE MODULES AND ELIGIBILITY

Continued...

Course Code	Course Title	Eligibility Criteria for the Examination
CA PROFESSIONAL - STRATEGIC LEVEL I (DIPLOMA IN ACCOUNTING AND BUSINESS)		
12306	Financial Reporting Framework	1. Successful completion of CAB (Certificate in Accounting and Business) either by passing the examination or obtaining exemptions.
13304	Strategic Management Accounting	
14304	Strategic Management Process	2. Subscription to the strategic level I study pack.
15304	Advanced Taxation & Strategic Tax Planning	3. Successful completion of the Correspondence Course.
16304	Commercial Law & Corporate Law	4. Successful completion of IT Applications in Business Finance & Reporting (Course code 18300).
17300	Business English III - Part I	
18300	IT Applications in Business Finance and Reporting	Students are allowed to apply for the examination without completing the Internship.
19324	Internship II - Strategic Level I (Diploma Level)	
CA PROFESIONAL- STRATEGIC LEVEL II		
20404	Advanced Financial Reporting	1. Successful completion of CA Professional - Strategic Level I (Diploma in Accounting and Business) Examination.
21404	Strategic Financial Management	
22404	Business Strategy & Knowledge Management	2. Subscription to the strategic level II study pack
23404	Advanced Audit and Assurance	3. Successful completion of the Correspondence Course.
24400	Business Automation using ERP Systems	4. Successful Completion of Internship II (Diploma level - Course Code 19324) after being eligible to Certificate in Accounting and Business (CAB).
25424	Internship III - Strategic Level II	5. Having obtained or applied for the Certificate in Accounting & Business.
		6. Successful completion of Business Automation using ERP Systems (Course code 24400).
CA PROFESSIONAL - POST STRATEGIC LEVEL		
26500	Business English III – Part II	Students are allowed to apply for the Business English III - Part II (Course code 26500) and for the Viva - Voce and Presentation (Course code 28500) without completing the top CA Case Study.
27510	Top CA Case Study	
28500	Viva-Voce and Presentation	

## TRANSITIONAL ARRANGEMENTS

The table below shows the relationship between pre-2010 syllabus modules/subjects/papers and their new syllabus equivalents. If a candidate has referred in subjects/papers under the pre-2010 syllabus such a candidate is required to pass the corresponding (equivalent) subject/paper in the new syllabus. The permanent credits obtained for any subject under the pre-2010 syllabus are allowed to be carried forward for the corresponding subjects in the new syllabus.

Pre-2010 Syllabus	New Syllabus	
<b>Foundation Level</b>		
Introduction to Accounting	01104	Financial Accounting.
Quantitative Techniques for Decision Making	02104	Business Mathematics & Statistics.
General Commercial Knowledge (GCK) Economics	03104	Management and Business Economics
Business Communication I	04100	Business English I
<b>Intermediate Level</b>		
Audit & Assurance	06204	Audit & Assurance
Financial Accounting	08204	Accounting Applications and Taxation
Business Information, Finance and Decisions	05204	Fundamentals of Management Accounting and Business Finance
Business Communication II	09200	Business English II
Commercial Law & Tax		
	07204	Information Management

### Foundation Level / CAB I

- Students who have completed Foundation Examination are considered as completed upto CAB I.
- Students who have referred either in General Commercial Knowledge or Economics, are required to complete Management and Business Economics.
- Students who have referred in any other subject at Foundation Level are required to complete the correspondence subjects at the CAB I.

### Intermediate Level / CAB II

- Students who have either completed Intermediate Examination or referred in Commercial Law and Tax, are required to complete Information Management (IM) at the CAB II. However, such students are permitted to sit the Diploma Level examination while attempting to complete IM, subject to satisfaction of other eligibility criteria.
- Students who have referred in any other subject at Intermediate Level are required to complete the correspondence subjects at the CAB II, together with IM.

## TRANSITIONAL ARRANGEMENTS

Continued...

Pre-2010 Syllabus	New Syllabus
Final I	
Advanced Financial Reporting	20404 Advanced Financial Reporting
Management Accounting	13304 Strategic Management Accounting
Business Systems	07204 Information Management
Corporate Law	16304 Commercial Law and Corporate Law

### Final I / DAB (Strategic Level I)

- a. Students who have completed Final I and wish to obtain the Diploma in Accounting & Business (DAB) are required to complete the following three subjects.

12306	Financial Reporting Framework
14304	Strategic Management Process
15304	Advance Taxation and Strategic Tax Planning

Such students will be permitted to sit these subjects concurrently.

14304	Strategic Management Process
15304	Advance Taxation and Strategic Tax Planning
21404	Strategic Financial Management
22404	Business Strategy and Knowledge Management
23404	Advance Audit and Assurance

### Final I / Strategic Level II

- a. The students who have completed the above three subjects are required to sit only the following three subjects to complete the Strategic Level II.

21404	Strategic Financial Management
22404	Business Strategy and Knowledge Management
23404	Advance Audit and Assurance

- b. Students who have completed Final I and wish to complete the Strategic Level II without obtaining the DAB are required to complete the following five subjects at Strategic Level I and Strategic Level II.

- c. Students who have referred in any subject in the Final I Examination will have to complete the corresponding subject in addition to the above subjects to complete Strategic Level. Such students will be permitted to sit these subjects concurrently.
- d. Students who have obtained permanent credits in any of the subjects in the Final I Examination will be offered permanent credits in the corresponding subjects. Such students will have to complete the other subjects in Strategic Level I & II under the new syllabus.

Pre-2010 Syllabus	New Syllabus
Final II	
Financial Management	21404 Strategic Financial Management
Advanced Audit & Assurance	23404 Advanced Audit & Assurance
Advanced Taxation	15304 Advanced Taxation & Strategic Tax Planning
Management & Strategy	14304 Strategic Management Process

#### Final II / Strategic Level II

- Students who have completed Final II examination can proceed to the Top CA Case Study.
- Students who have referred in any of the subjects in Final II examination will have to complete only the corresponding subject in order to complete the Strategic level II.
- Students who have obtained permanent credits in any of the subjects in Final II examination will be offered permanent credits in the corresponding subjects. Such students will have to complete other subjects in Strategic levels under the new syllabus.

#### TRANSITIONAL PROVISIONS FOR PRE-1999 SYLLABUS

Pre-1999 Syllabus	New Syllabus
Completed Licentiate I	Requirement to complete the Certificate Level I <ul style="list-style-type: none"> <li>Management &amp; Business Economics</li> </ul>
Completed Licentiate II	Requirements to complete the Certificate Level II <ul style="list-style-type: none"> <li>Audit &amp; Assurance</li> <li>Information Management</li> <li>Accounting Applications &amp; Taxation</li> <li>Business English II</li> </ul>
Completed Professional I	Requirement to complete the Certificate Level II <ul style="list-style-type: none"> <li>Information Management (IM)</li> </ul> However, they are permitted to apply for Strategic Level I while attempting to complete IM
Completed Professional II	Requirements to complete the Strategic Level I <ul style="list-style-type: none"> <li>Strategic Management Accounting</li> <li>Strategic Management Process</li> </ul> AND Requirements to complete the Strategic Level II <ul style="list-style-type: none"> <li>Strategic Financial Management</li> <li>Advance Audit &amp; Assurance</li> <li>Business Strategy &amp; Knowledge Management</li> </ul>

# CONTENTS OF THE CURRICULUM

## REQUIRED KNOWLEDGE IN ACCOUNTING STANDARDS, AUDITING STANDARDS AND AUDITING PRACTICE STATEMENTS

Throughout this curriculum students are required to gain progressive knowledge, skills and competencies in Accounting and Auditing Standards and Auditing Practice Statements as specified in each of the grids in this section.

Levels will be A, B and C as described below.

### Level A

Thorough knowledge and understanding of the subject matter and a level of skill and competency sufficient to identify significant issues, evaluate their potential implications or impact and exercise professional judgement in the application of the subject matter in circumstances encountered by a professional Chartered Accountant with respect to financial reporting and/or auditing of financial statements taking into account various stakeholder needs of an organisation.

### Level B

Working knowledge with a broad understanding of the subject matter and a level of skill and competency sufficient to exercise reasonable professional judgement in the application of the subject matter in circumstances generally encountered by an Accountant with respect to account closing and finalisation of financial statements of an organisation without limiting to routine straight forward aspects.

### Level C

Thorough conceptual knowledge with a solid understanding of the subject matter and a level of skill and competency sufficient to exercise reasonable professional judgment in the application of the subject matter in straight forward circumstances generally encountered by a middle level Accountant with respect to routine financial accounting functions of an organisation.

### NOTE:

Students are advised to update themselves on the new Accounting Standards, Auditing Standards and Auditing Practice Statements that might be issued by the ICASL from time to time. The levels will be notified by the ICASL.



## ACCOUNTING STANDARDS

	Course Code 01104	Course Code 08204	Course Code 12306	Course Code 20404
Preface to Sri Lanka Accounting Standards	C	B	A	A
Framework for Preparation and Presentation of Financial Statements	C	B	A	A
SLAS 3 - Presentation of Financial Statements	C	B	A	A
SLAS 5 - Inventories	C	B	A	A
SLAS 9 - Cash Flow Statements		B	A	A
SLAS 10 - Accounting Policies, Changes in Accounting Estimates and Errors	C	B	A	A
SLAS 12 - Events after the Balance Sheet Date		C	A	A
SLAS 13 - Construction Contracts		C	B	A
SLAS 14 - Income Taxes		C	B	A
SLAS 16 - Employee Benefits			B	A
SLAS 18 - Property, Plant and Equipment	C	B	A	A
SLAS 19 - Leases		C	A	A
SLAS 20 - Borrowing Costs		C	A	A
SLAS 21 - The Effects of Change in Foreign Exchange Rates			A	A
SLAS 24 - Accounting for Government Grants and Disclosure of Government Assistance			A	A
SLAS 25 - Business Combinations		C	B	A
SLAS 26 - Consolidated and Separate Financial Statements		C	A	A
SLAS 27 - Investments in Associates			B	A
SLAS 28 - Segment Reporting			A	A
SLAS 29 - Revenue	C	B	A	A
SLAS 30 - Related Party Disclosures			A	A
SLAS 31 - Interests in Joint Ventures			B	A
SLAS 32 - Plantations			B	A
SLAS 33 - Revenue Recognition and Disclosures in the Financial Statements of Finance Companies			A	A
SLAS 34 - Earnings per Share			B	B
SLAS 35 - Interim Financial Reporting			B	A

## ACCOUNTING STANDARDS

Continued...

		Course Code 01104	Course Code 08204	Course Code 12306	Course Code 20404
SLAS 36 -	Provisions, Contingent Liabilities and Contingent Assets	C	B	A	A
SLAS 37 -	Intangible Assets		C	B	A
SLAS 38 -	Non-current Assets Held for Sale and Discontinued Operations			B	A
SLAS 40 -	Investment Property			B	A
SLAS 41 -	Impairment of Assets		C	B	A
SLAS 44 -	Financial Instruments : Presentation			C	B
SLAS 45 -	Financial Instruments : Recognition and Measurement			C	B
SLAS 39 -	Share Based Payments			C	B
IAS 41 -	Agriculture			B	A
IFRS7 -	Financial Instruments: Disclosures			C	B

# AUDITING STANDARDS

	Course Code 06204	Course Code 23404
Sri Lanka Framework for Assurance Engagements	B	A
Sri Lanka Auditing Standards (SLAuS)		
SLAuS 200 - Objective & General Principles Governing an Audit of Financial Statements	A	A
SLAuS 210 - Terms of Audit Engagements	B	A
SLAuS 220 - Quality Control for Audits of Historical Financial Information	B	A
SLAuS 230 - Documentation	B	A
SLAuS 240 - The Auditor's Responsibility to Consider Fraud in an Audit of Financial Statements	B	A
SLAuS 250 - Consideration of Laws and Regulations in an Audit of Financial Statements	B	A
SLAuS 260 - Communication of Audit Matters with Those Charged with Governance	B	A
SLAuS 300 - Planning an Audit of Financial Statements	A	A
SLAuS 315 - Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement	A	A
SLAuS 320 - Audit Materiality	A	A
SLAuS 330 - The Auditor's Procedures in Response to Assessed Risks	B	A
SLAuS 402 - Audit Considerations Relating to Entities Using Service Organisations	C	A
SLAuS 500 - Audit Evidence	A	A
SLAuS 501 - Audit Evidence – Additional Considerations for Specific Items	A	A
SLAuS 505 - External Confirmations	B	A
SLAuS 510 – Initial Engagement – Opening Balances	B	A
SLAuS 520 – Analytical Procedures	C	A
SLAuS 530 – Audit Sampling and Other Means of Testing	C	A
SLAuS 540 – Audit of Accounting Estimates	C	A
SLAuS 545 – Auditing Fair Value Measurements and Disclosure		A
SLAuS 550 – Related Parties	B	A

## AUDITING STANDARDS

Continued...

	Course Code 06204	Course Code 23404
SLAuS 560 - Subsequent Events	B	A
SLAuS 570 – Going Concern	A	A
SLAuS 580 – Management Representations	B	A
SLAuS 600 – Using the Work of Another Auditor	C	A
SLAuS 610 – Considering the Work of Internal Audit	C	A
SLAuS 620 – Using the Work of an Expert	C	A
SLAuS 700 - The Auditor's Report on Financial Statements	A	A
SLAuS 710 – Comparatives	B	A
SLAuS 720 – Other Information in Documents Containing Audited Financial Statements	B	A

# AUDITING PRACTICE STATEMENTS

	Course Code 06204	Course Code 23404
SLAPS 1 - The Auditor's Report on Special Purpose Audit Engagements	B	A
SLAPS 2 - The Examination of Prospective Financial Information		A
SLAPS 3 - Engagements to Review Financial Statements	B	A
SLAPS 4 - Engagements to Perform Agreed-Upon Procedures Regarding Financial Information	B	A
SLAPS 5 - Engagements to Compile Financial Information		C
SLAPS 6 - Inter-Bank Confirmation Procedures		B
SLAPS 7 - The Relationship Between Bank Supervisors and External Auditors		B
SLAPS 8 - The Special Considerations in the Audit of Small Entities	B	A
SLAPS 9 - The Audit of Commercial Banks		A
SLAPS 10 - Risk Assessments and Internal Control-CIS Characteristics and Considerations		A
SLAPS 11 - Computer-Assisted Audit Techniques	C	B
SLAPS 12 - IT Environments-Stand-Alone Personal Computers		B
SLAPS 13 - IT Environments-On-Line Computer Systems		B
SLAPS 14 - IT Environments-Database Systems		B
SLAPS 15 - The Consideration of Environmental Matters in the Audit of Financial Statements		B
SLAPS 16 - Auditing Derivative Financial Statements		B
SLAPS 17 - Electronic Commerce Effect on the Audit of Financial Statements		B

# 01104 - FINANCIAL ACCOUNTING

Syllabus Content Area		Weighting
A	Business Environment & Regulatory Framework	20%
B	Maintaining Financial Records & Adjustments to Accounting Records	40%
C	Preparing Basic Financial Statements	40%

## Module Aim

The aim of this module is to introduce the fundamentals of Financial Accounting to the students. The primary focus of this module will be on understanding various business transactions and how these transactions are accounted for by business entities. The student will also learn how these transactions are summarized to form financial statements and how the business community uses financial statements.

## Specification Grid

The above grid shows the relative weightings of subject matter within the module and should guide the relative study time spent on each content area. Over time, combinations of assessments will equate to the weightings given above, however, deviation may occur in assessments to enable examiners to set and structure questions.

## Integrated Learning Outcomes

Upon successful completion of this module, the student should be able to

- understand business organisation structure and management including ethics, governance and social responsibility of business.
- identify business environment and its relation to accounting.
- explain the history and role of accounting in business.
- segregate accounting and finance functions of the business and understand the distinction.

- interpret qualitative characteristics of financial reporting.
- understand the need for maintaining financial records in an entity.
- identify the sources of information needed to record transactions in the books of account.
- summarize the accounting information in prime entry books and journals.
- record transactions pertaining to business processes.
- prepare a trial balance from accounting records and identify the uses of trial balance.
- learn how accounting transactions are processed by using information technology.
- understand the nature of financial accounting systems and prepare financial statements of business entities.

Note: Candidates should possess the level of knowledge and understanding in respect of Accounting Standards as outlined in the Accounting Standards specification grid.

## Module Contents

### A. Business Environment & Regulatory Framework

1. Business organisation structure, governance and management.
  - a. The business organisation and its structure.
  - b. The formal and informal business organisations.
  - c. Organisational culture in business.
  - d. Stakeholders of business organisations.
  - e. Information Technology and Information Systems in business.
  - f. Committees in the business organisation.
  - g. Business ethics and ethical behaviour.
  - h. Governance and social responsibility in business.
2. Key environmental influences and constraints on business and accounting.
  - a. Political and legal factors.
  - b. Macro-economic factors.
  - c. Social and demographic factors.
  - d. Technological factors.
  - e. Competitive factors.
3. Regulatory framework.
  - a. History and role of accounting in business.
    - i. The history and function of accounting in business
    - ii. Law and regulations governing accounting.
    - iii. Financial systems, procedures and IT applications.
    - iv. The relationship between accounting and other business functions.

- b. Specific functions of accounting and internal financial control.
  - i. Accounting and finance functions within business.
  - ii. Internal and external auditing and their functions.
  - iii. Internal financial control and security within business organisations.
  - iv. Fraud and fraudulent behaviour and their prevention in business.
- c. The context and purpose of financial reporting.
  - i. The reasons for, and objectives of, financial reporting.
  - ii. Users' and stakeholders' needs.
  - iii. The main elements of financial reports.
  - iv. The regulatory framework.
- d. The qualitative characteristics of financial information and the fundamental bases of accounting.
  - i. The qualitative characteristics of financial reporting.
  - ii. Alternative bases used in the preparation of financial information.

### B. Maintaining Financial Records & Adjustments to Accounting Records

1. Maintaining Financial Records.
  - a. Need for an entity to maintain financial records and prepare financial statements.
  - b. Sources of information for the preparation of accounting records and financial statements.
  - c. Double-entry book-keeping principles.
  - d. Ledger accounts, books of prime entry and journals.

## FINANCIAL ACCOUNTING

Continued...

- e. Recording and accounting for business transactions and events resulting in income, expenses, assets, liabilities and equity – Sales & purchases, cash, inventory, tangible non-current assets, depreciation, intangible non-current assets and amortization, accruals & prepayments, receivable & payables, provisions & contingencies, capital structure & finance costs.
  - f. Recording and accounting for changes in the ownership structure and ownership interests in an entity.
  - g. Preparation of trial balance and extended trial balance and their uses.
2. Adjustments to accounting records
- a. Corrections of errors, control accounts & reconciliations, bank reconciliations, suspense accounts.
  - b. Preparation of journals for nominal ledger entries and to correct errors in draft financial statements.
  - c. Accounting systems and the impact of Information Technology on financial reporting including how transactions are processed in a computerized environment.

### C Preparation of Basic Financial Statements (For internal purposes only)

1. Preparation of basic financial statements
- a. Main components of a set of financial statements, their purposes and interrelationship.
  - b. Key aspects of the accrual basis of accounting and cash basis accounting.
  - c. Preparation and presentation of Manufacturing and Trading accounts, Balance Sheet and income statement (or extracts there from) from the accounting records and / or trial balance in a format which satisfies the information requirements of the entity.

- d. Preparation of financial statements for Not for Profit Organisations.
- 2. Accounting and preparation of financial statements for partnerships.
- 3. Preparation of financial statements from incomplete records.
- 4. Accounting for Branches – Decentralised method (excluding foreign branches)



# 02104 - BUSINESS MATHEMATICS AND STATISTICS

Syllabus Content Area		Weighting
A	Financial Mathematics	30%
B	Descriptive Statistics	20%
C	Probability, Probability Distributions and Sampling	20%
D	Forecasting Techniques and Indices	30%

## Module Aim

The aim of this module is to ensure that students acquire, understand and apply selected mathematical statistical and quantitative techniques that are used in decision-making in business. Students develop the ability to interpret the information gathered and present them in a manner appropriate to a business environment.

## Specification Grid

The above grid shows the relative weightings of subject matter within the module and should guide the relative study time spent on each content area. Over time, combinations of assessments will equate to the weightings given above, however, deviation may occur in assessments to enable examiners to set and structure questions.

## Integrated Learning Outcomes

Upon successful completion of this course, the student should be able to

- demonstrate the use of financial mathematics, measures of central tendency/dispersion and indices in business.
- display information in a graphical/tabular form including frequency distributions etc.
- demonstrate the use of probability and confidence intervals in business.
- explain the concept of present value and apply discounting principles to future cash flows.
- apply moving averages and regression analysis in forecasting.

## Module Contents

### A Financial Mathematics

#### 1. Introduction to Financial Mathematics

- Simple and compound interest, annual percentage rate, (APR), depreciation (straight line and reducing balance), use of discounting and compounding tables, amortization, sinking funds.
- Arithmetic and Geometric progression.
- The time value of money; calculation of present and future values of annuities and perpetuities.
- Algebraic functions, Positive and Negative numbers, Exponents and Logarithms.
- Linear and quadratic equations and graphs, Linear inequalities and graphs.
- Mathematical calculations and interpretation relating to Costs (fixed and variable), break-even point, revenue and profit functions.
- Basic principles of calculus; differentiation, turning points for  $ax^n$  function and their business and economics applications.
- Basic integration.

### B Descriptive Statistics

#### 1. Sources of Data Collection, Presentation and Use

- Sources, nature, appreciation and precautions in use.
- Role of statistics in business analysis and decision-making.

## BUSINESS MATHEMATICS AND STATISTICS

Continued...

c. Presentation of data, using tables, bar charts, histograms, pie charts, graphs, frequency distributions, cumulative frequency distributions and ogives and their use and interpretation.

### 2. Measures of Central Tendency and Dispersion

- a. Averages and variations for grouped and ungrouped data.
- b. Measures of central tendency – mean, median, mode, percentiles, quartiles, deciles and percentiles.
- c. Measures of dispersion – range, variance, standard deviation, coefficient of variation.
- d. Measures of skewness.

## C Probability, Probability Distributions and Sampling

### 1. Probability

- a. Meaning of probability, nature of probability distributions, discrete and continuous probability distributions and expected values.
- b. Standard Normal Distribution, Student Distribution, Poisson Distribution and their properties including deriving probabilities with reference to area under the curve.
- c. Application of probability distributions.
- d. Permutations and combinations.

### 2. Sampling & Sampling Theory

- a. Sampling Methods - Simple random and systematic random, stratified, cluster, multi-stage and quota sampling.
- b. Interval estimation for large and small samples, standard error, confidence levels, estimation of appropriate sample size.
- c. Hypothesis testing - Null and Alternative hypothesis and Type I and Type II errors.

## D Forecasting Techniques and Indices

### 1. Correlation and Regression Analysis

- a. Scatter graphs and estimation of line of best fit using scatter graphs and high-low method.
- b. Correlation co-efficient (Pearson's) and Rank correlation (Spearman's).
- c. Simple Linear Regression using least square method and Co-efficient of determination.
- d. Use of linear regression equation in forecasting.
- e. Introduction to multi correlation analysis.

### 2. Time Series Analysis

- a. Factors influencing time series – trend, seasonal, cyclical, irregular variations.
- b. Smoothing time series by means of moving averages.
- c. Computation of seasonal variations using additive and multiplication models.
- d. Use of time series in forecasting and adjustment for seasonal variations.

### 3. Index Numbers

- a. Simple and aggregate indices – Laspeyre's, Paasche and chain indices.
- b. Change of base period, weighting.
- c. Construction, use and interpretation of indices.

# 03104 - MANAGEMENT AND BUSINESS ECONOMICS

Syllabus Content Area		Weighting
A	Management Functions	20%
B	Overview of Economics and its Core Concepts	10%
C	Micro-Economics	30%
D	Macro-Economics	40%

## Module Aim

This module is intended to provide students with an introduction to the Management functions and their importance as supporting functions in assisting the organisation to meet its strategic goals. In addition to that students are able to appreciate the basic principles, concepts and techniques of microeconomic theory, macroeconomic theory and the role that economic factors can play in influencing the managerial decision making process.

## Specification Grid

The above grid shows the relative weightings of subject matter within the module and should guide the relative study time spent on each content area. Over time, combinations of assessments will equate to the weightings given above, however, deviation may occur in assessments to enable examiners to set and structure questions.

## Integrated Learning Outcomes

Upon successful completion of this course, the student should be able to

- understand the management process and basic management functions.
- understand micro and macro economic concepts and theories.
- Acquire the necessary knowledge in Economics to deal with microeconomic problems.
- develop an understanding of microeconomic theory and its application to government policy & business enterprises.

- understand the basic economic principles on a macroeconomic level, particularly with respect to the interaction of Aggregate Demand and Aggregate Supply as this affects the performance of the economy in terms of output, employment and inflation.
- understand the nature of the “globalised” world economy and the trade agreements and other trends related to it.
- understand the current situation with respect to various current economic problems on a macroeconomic level and government economic policies.

## Module Contents

### A Management Functions

1. Management environment and strategic decision making.
2. Planning; Planning function, Strategic planning.
3. Organising function; Organising principles and process, Organisational design.
4. Leading; Motivation, Managing work groups, Leadership, Communication.
5. Controlling.
6. Social responsibility and ethical behaviour.

### B Overview of Economics and its Core Concepts

1. Scarcity and concepts of opportunity cost.
2. Production possibility curve.
3. Basic economic questions.

## MANAGEMENT AND BUSINESS ECONOMICS

Continued...

### C Micro-Economics

1. Demand, Supply and Price Theory
  - a. Factors determining demand and supply, elasticity of demand and supply, market equilibrium and the effects of market interventions, i.e. price ceilings and price floors, taxes and subsidies.
2. Theory of Consumer Behaviour
  - a. Utility theory, utility maximising choice, consumer surplus, indifference curves, consumer equilibrium under indifference curve approach.
  - b. Income, substitution and price effects, normal goods, inferior goods and Giffen goods. Producers' surplus.
3. Theory of Production and Cost
  - a. Short-run and long-run production functions and the behaviour of costs.
  - b. Law of Diminishing Returns and the Law of Returns to Scale in the theory of production.
  - c. Fixed costs and variable costs.
  - d. Explicit costs and implicit costs of a firm.
4. Market Structures and Pricing
  - a. Distinction between different market structures - Perfect Competition, Monopoly, Monopolistic Competition and Oligopoly.
  - b. Pricing, equilibrium and profit maximization in above markets.
5. Factor Market
  - a. Demand and supply of factor inputs and their market prices.
  - b. Marginal product and marginal revenue product of a factor input.
  - c. Different income categories of economic rent, economic profit, interest.

### D Macro-Economics

1. Government and the Economy
  - a. Concepts of externalities, public goods, and imperfect information.
  - b. Fiscal policy and its instruments; major sources of government revenue in Sri Lanka, major sources of tax revenue in Sri Lanka, proportional, progressive and regressive taxes.
  - c. Budget deficit and modes of financing the deficit in Sri Lanka; relationships between large budget deficits and the national debt and interest rates.
  - d. Concepts of deregulation and privatisation in the context of Sri Lanka.
2. Introduction to Macroeconomics: Circular Flow and National Income Accounting
  - a. Gross Domestic Product, Gross National Product, Per Capita Income, Business cycle, Rate of Economic Growth, Rate of Inflation and Rate of Unemployment.
  - b. Output income and expenditure methods estimating national income.
  - c. Gross National Product, Net National Product, National income, Personal income, and Disposable personal income.
  - d. Describe how the Gross National Product can be used to make comparisons over time and between countries.
  - e. Major components of Gross National Expenditure.
  - f. Measurement problems of aggregate output.
3. Money and Price Level
  - a. Money supply and monetary policy, determinants of money supply, causes and effects of Inflation with special reference to Sri Lanka.
  - b. Money supply and monetary aggregates

- c. Functions of money.
- d. Factors determining money supply in Sri Lanka.
- e. Objectives and instruments of monetary policy in Sri Lanka.
- f. Inflation and explanation of how inflation is measured in Sri Lanka.
- g. Demand-pull and cost-push inflation and the effects of inflation.

#### 4. International Trade

- a. Introduction to International trade, types of trade restrictions, documentation and payment mechanisms in international trade, balance of payments statement, and the role of international financial institutions such as the IMF (International Monetary Fund) and World Bank. GAT, SAARC, WTO (as per SAFA guidelines).
- b. Absolute advantage and comparative advantage to explain why nations trade.
- c. Restrictions on trade.
- d. Payments for products in international markets.
- e. Determination of foreign exchange rates; distinguish between a flexible exchange rate system and a fixed exchange rate system.
- f. Balance of payments and its constituents.
- g. Role of international financial institutions.

## 04100 - BUSINESS ENGLISH - I

Syllabus Content Area	Weighting
Reading	30%
Writing	35%
Listening & Speech	35%

### Module Aim

This module intends to familiarize students with language used in the fields of accountancy and auditing. The primary focus of this module is to equip students to deal with accounts, audit related reading, writing and speech activities to which the required language structures (grammar and vocabulary) have been integrated, as well as simple office practices such as simple letters, memos, accountancy related explanations and related practical tasks. The course also provides students with job application and interview skills. It is envisaged that the student who successfully completes this course will have an Intermediate level of proficiency in the language and will be able to function at low-mid level in an accounts related environment.

- communicate effectively in an office context - phone calls, memos, letters, e-mails and dialogues.
- prepare documents related to seeking employment.
- read, interpret and write short paragraphs involving tables, charts, diagrams.
- take down notes from a written or oral text.
- identify and summarise salient points in longer accounts related documents such as audit reports, annual reports etc.
- write short reports.

### Specification grid

The above grid shows the relative weightings given to the relevant language skills and should guide the time spent on each skill. Over time, combinations of assessments will equate to the weightings given above, however, deviation may occur in assessments to enable examiners to set and structure questions.

### Integrated Learning Outcomes

Upon successful completion of the module, the student should have the ability to

- read and write short descriptions of accounts related entities.
- self describe of a person in relation to his/her profession and organisation.

## Module Contents

1. Reading simple descriptions in the field of Accounting and Auditing
  - a. Reading and understanding simple paragraphs
  - b. Writing structure of simple paragraphs
2. Describing One's Profession and Organization
  - a. Self description in relation to working environment
  - b. Describing professions
3. Dealing with Office Related Communications
  - a. Phone calls and telephone etiquette
  - b. Memos, Emails and SMS
  - c. Letters
4. Seeking Employment
  - a. Job advertisements
  - b. Preparation of a basic CV and covering letter
  - c. Preparing for an interview
  - d. Facing an interview
5. Describing Features in Accounts Related Documents
  - a. Presenting statistical data
  - b. Transferring information from tables to texts
6. Interviewing, Note-taking and Writing well Structured Texts
  - a. Text organization – main ideas / supporting details
  - b. Meeting and interview notes and writing short reports based on such notes
  - c. Writing coherent paragraphs

7. Dealing with Business Related Documents and Discussions
  - a. Analysing the structure of documents – text books and other publications
  - b. Structure of Auditors' / Accountants' Reports
  - c. Structure of Company Annual Reports
  - d. Profiling Companies based on discussions
8. Writing Short Reports
  - a. Describing procedures
  - b. Recording work

# 05204 - FUNDAMENTALS OF MANAGEMENT ACCOUNTING AND BUSINESS FINANCE

Syllabus Content Area		Weighting
A	Introduction to Cost and Management Accounting	25%
B	Cost Information for Measurement and Valuation }	
C	Management Accounting Information for Decision Making	30%
D	Planning and Control	25%
E	Business Finance	20%

## Module Aim

This module aims to ensure that the students have acquired a sound knowledge in decision making techniques and their applications in Management Accounting, and are able to prepare reports analyzing the position and performance of business.

## Specification Grid

The above grid shows the relative weightings of subject matter within the module and should guide the relative study time spent on each content area. Over time, combinations of assessments will equate to the weightings given above, however, deviation may occur in assessments to enable examiners to set and structure questions.

## Integrated Learning Outcomes

Upon completion of the module candidates will be able to

- explain and describe main features of job, batch, contract, process, operation/services costing.
- select the method of cost calculation appropriate for a given set of circumstances from full absorption and marginal costing.
- state the elements of cost for a given product or service and describe in general how these elements may be ascertained.
- describe the nature and purpose of standards and standard costs for products and services.

- prepare income/profitability statements using marginal and absorption costing and reconcile the profits of the two statements.
- explain the role of forecasts, budgets and targets in terms of planning, control and motivation.
- select approaches and methods for the budgeting process which are consistent with a given business's stated objectives and circumstances.
- discuss the role and purpose of the financial management function in the organisation.
- identify and evaluate alternative sources of business finance.
- carry out investment appraisals for decision making.

## Module Contents

### A. Introduction to Cost and Management Accounting

#### 1. Overview

- a. Evolution of Cost and Management Accounting.
- b. Management Accounting vs Financial Accounting.
- c. The decision making process.
- d. Impact of Information Technology.

#### 2. Basic Cost Terms and Concepts

- a. Cost objects/Units.
- b. Relevant and Irrelevant costs and revenues.



- c. Product and Period costs, Direct and Indirect costs, Avoidable and Unavoidable costs.
- d. Sunk costs, Opportunity costs and Marginal costs.

## B Cost Information for Measurement and Valuation

### 1. Cost Assignment

- a. Direct and Indirect costs and assigning direct costs to cost objects.
- b. Allocation of costs including those of service department costs.
- c. Overhead rates, Budgeted overhead rates and under/over recovery.

### 2. Costing Systems (both integrated and non-integrated)

- a. Job Costing
  - i. Material purchasing, recording, issuing including pricing.
  - ii. Labour costs.
  - iii. Manufacturing and non-manufacturing overheads.
  - iv. Control accounts and Costing profit and loss account.
- b. Process Costing
  - i. Flow of production and related costs in a process costing system.
  - ii. Process costing with fully and partially complete output.
  - iii. Process costing with process losses.
  - iv. Preparation of cost of production reports.
- c. Joint and by-product Costing
  - i. Distinction between joint products and by products.
  - ii. Methods of allocating joint costs.
  - iii. By products, scrap and waste.
  - iv. Batch / Service Costing.

- d. Marginal and Absorption Costing
  - i. Concepts of Marginal and Absorption Costing.
  - ii. Comparison of impact of each method on profit.
  - iii. Arguments for and against each method.
  - iv. Contract Costing.

## C Management Accounting Information for Decision Making

### 1. Cost Volume Profit (CVP) Analysis

- a. Economists approach vs Management Accountant's approach.
- b. Assumptions associated with CVP Analysis.
- c. Computation of break-even point and other relevant information.
- d. Margin of Safety.
- e. Construction of break-even Charts and Profit Volume Charts.
- f. Multi product CVP Analysis.
- g. Impact of semi variable and step-up costs in CVP analysis.

### 2. Relevant Costs and Short Term Decisions

- a. Principle of relevance.
- b. Special pricing and idle capacity utilization decisions.
- c. Product-mix decisions including application of graphical linear programming techniques to solve 2-variable problems.
- d. Outsourcing and make or buy decisions.
- e. Inventory management including basic EOQ and EBQ models and quantity discounts.
- f. Consideration of qualitative factors.

### 3. Pricing and Profitability

- a. Application of economic theory in pricing and related issues.

## FUNDAMENTALS OF MANAGEMENT ACCOUNTING AND BUSINESS FINANCE

Continued...

- b. Calculation of optimum selling prices using simple calculus.
  - c. Cost plus pricing including establishment of ROI based mark-ups.
  - d. Pricing policies other than cost based pricing.
4. Capital Investments (Discount Rates are not tested)
- a. Objectives of capital budgeting.
  - b. Opportunity cost of an investment.
  - c. Calculation of NPV and IRR.
  - d. Techniques that ignore time value of money - payback and ARR.
  - e. Impact of qualitative factors.
- iv. Sales related variances (price, volume, and margin).
  - c. Standard absorption costing.
  - d. Reconciliation of budgeted and actual profit including that for standard absorption costing system.
3. Cost Behaviour and Estimation
- a. Cost estimation methods.
  - b. Estimating cost functions.
  - c. Use of linear regression in cost estimation.

### E Business Finance

#### D Planning and Control

##### 1. Budgeting

- a. Introduction to budgeting process in an organisation.
- b. Sales budget, budgeted inventory levels and production budgets.
- c. Direct material usage and purchase, direct labour and factory overheads budgets.
- d. Administration and S&D budgets.
- e. Other departmental budgets.
- f. Master budget including cash flow.

##### 2. Standard Costing and Variance Analysis

- a. Introduction to standard costing systems and establishment of cost standards.
- b. Variance analysis – basic variances.
  - i. Material related variances (price, usage, joint price usage).
  - ii. Labour related variances (rate, efficiency).
  - iii. Overhead related variances (variable OH expenditure and efficiency, fixed OH expenditure and volume).

##### 1. Introduction to Business Finance

- a. Distinction between Finance and Financial Management.
  - b. Sources of finance; short-term and long-term and associated merits and demerits.
  - c. Introduction to financial and capital markets.
  - d. Introduction to component of cost of capital and Weighted Average Cost of Capital.
- ##### 2. Introduction to Valuation Concepts.
- a. Valuation of shares using dividends, earnings and cash flow models.
  - b. Valuation of debt instruments based on coupon interest and market interest.
  - c. Determining the value of treasury bills and treasury bonds.
  - d. Computation of intrinsic rate of return.

# 06204 - AUDIT AND ASSURANCE

Syllabus Content Area		Weighting
A	Planning an Assurance Engagement	20%
B	Accounting and Internal Control System	30%
C	Gathering Evidence During an Assurance Engagement	40%
D	Professional Ethics	10%

## Module Aim

This module aims to ensure that students are able to understand the basic concepts and techniques of providing assurance services as per the Companies Act of Sri Lanka and other forms of assurance. Further it deals with the objectives, benefits and limitations of assurance engagement and evaluation of performance. In addition to that ethical aspects of assurance engagements are also considered.

## Specification Grid

The above grid shows the relative weightings of subject matter within the module and should guide the relative study time spent on each content area. Over time, combinations of assessments will equate to the weightings given above, however, deviation may occur in assessments to enable examiners to set and structure questions.

## Integrated Learning Outcomes

Upon completion of the module students should be able to

- explain the concept of assurance, why assurance is required and the reasons for assurance engagements being carried out by appropriately qualified professionals.
- explain the nature of internal controls and why they are important, document an organisation's internal controls and identify weaknesses in internal control systems.

- identify internal control for, and internal control weaknesses in, an organisation in a given scenario.
- identify, for a specified organisation, the sources of information which will enable a sufficient record to be made of accounting or other systems and internal controls.
- select sufficient and appropriate methods of obtaining assurance evidence and recognise when conclusions can be drawn from evidence obtained or where issues need to be referred to a senior colleague.
- understand the importance of ethical behaviour of a professional and identify issues relating to integrity, objectivity, professional competence and due care, confidentiality and independence.

## Module Contents

### A Planning an Assurance Engagement

1. Definition of the concept of assurance.
2. Why users desire assurance reports and examples of the benefits gained from them.
3. Functions and responsibilities of the different parties involved in an assurance engagement.
4. Purposes and characteristics of, and levels of assurance obtained from, different assurance engagements.
5. Issues leading to gaps between the outcomes delivered by the assurance engagement and the expectations of users of the assurance reports, and how these can be overcome.

## AUDIT AND ASSURANCE

Continued...

6. Definition of the assurance process including,
  - a. Obtaining the engagement
  - b. Continuous risk assessment
  - c. Engagement acceptance
  - d. The scope of the engagement
  - e. Planning the engagement
  - f. Performing the engagement
  - g. Obtaining evidence
  - h. Evaluation of results of assurance work
  - i. Concluding and reporting on the engagement
  - j. Reporting to the engaging party
  - k. Keeping records of the work performed
7. The need to plan and perform assurance engagements with an attitude of professional skepticism.
8. Definition of the concept of reasonable assurance.

### B Accounting and Internal Control System

1. Reasons for organisations to have effective systems of control
2. Fundamental principles of effective control systems
3. Main areas of a business that need effective control systems
4. Components of internal control in both manual and IT environments, including
  - a. the overall control environment
  - b. preventative and detective controls
  - c. internal audit
5. Different types of internal control, with particular emphasis upon those which impact upon the quality of financial information.
6. How specified internal controls mitigate risk and state their limitations.

### C Gathering Evidence During an Assurance Engagement

1. State the reasons for preparing and keeping documentation relating to an assurance engagement.
2. Identify and compare the different methods of obtaining evidence from the use of tests of control and substantive procedures, including analytical procedures.
3. Recognize the strengths and weaknesses of the different methods of obtaining evidence.
4. Identify the situations within which the different methods of obtaining evidence should and should not be used.
5. Compare the reliability of different types of assurance evidence.
6. Select appropriate methods of obtaining evidence from tests of control and from substantive procedures for a given business scenario.
7. Recognize when the quantity and quality of evidence gathered from various tests and procedures is of a sufficient and appropriate level to draw reasonable conclusions on which to base a report.
8. Identify the circumstances in which written confirmation of representations from management should be sought and the reliability of such confirmation as a form of assurance evidence.
9. Recognize issues arising whilst gathering assurance evidence that should be referred to a senior colleague.

### D Professional Ethics

1. Differences between a rules based ethical code and one based upon a set of principles.
2. How the principles of professional behavior protect the public and fellow professionals.

3. Key features of the system of professional ethics adopted by IFAC.
4. Fundamental principles underlying the IFAC code of ethics.
5. Importance of integrity and objectivity to professional accountants, identifying situations that may impair or threaten integrity and objectivity.
6. Resolve ethical conflicts relating to integrity and objectivity.
7. Responding appropriately to the request of an employer to undertake work outside the confines of an individual's expertise or experience.
8. Importance of confidentiality and identifying the sources of risks of accidental disclosure of information.
9. Prevention of the accidental disclosure of information.
10. Situations in which confidential information may be disclosed.
11. Definition of independence and why those undertaking an assurance engagement are required to be independent of their clients.

# 07204 - INFORMATION MANAGEMENT

Syllabus Content Area		Weighting
A	Introduction and Managing Information Systems	30%
B	Designing Information Systems	35%
C	Evaluation of Information Systems	35%

## Module Aim

The aim of this module is to develop a knowledge and understanding of Information Systems, use of Information Systems in business functions, essential aspects of business Information Systems development and delivery, and the use of such systems for information management with an adherence to the proper controls and standards, as required to take an informed and active role in organisational information management.

## Specification Grid

The above grid shows the relative weightings of subject matter within the module and should guide the relative study time spent on each content area. Over time, combinations of assessments will equate to the weightings given above, however, deviation may occur in assessments to enable examiners to set and structure questions.

## Integrated Learning Outcomes

Upon completion of the module candidates will be able to

- explain how to effectively use Information Systems and Information Systems resources in an organisation.
- identify and apply methods of organising and accounting for Information Systems delivery and Information Systems projects.
- explain the principles of initiating, planning and controlling Information Systems projects.
- participate in the definition and specification of user and system requirements.

- describe how an appropriate solution might be defined to fulfill the specified user requirements.
- participate in the implementation, monitoring and maintenance of Information Systems solutions.
- participate in the quality assurance of an Information Systems project.
- identify how computer software can assist effective Information Systems management, development and quality assurance.

## Module Contents

### A Introduction and Managing Information Systems (IS)

1. Introduction to Information Systems
  - a. Describe the functions of computers and operating systems.
  - b. Describe the attributes and uses of computer networks: topologies, LANs, WANs, MANs.
  - c. Discuss the use of Internet and World Wide Web in business environment and in general.
  - d. Discuss the use of Intranets and Extranets for organisational business processes.
2. Business Strategy and IS/IT Alignment
  - a. Explain an approach that an organisation may follow to formulate its strategic business objectives.
  - b. Discuss how Information Systems may be used to assist in achieving these objectives.

- c. Identify current trends in Information Technology (IT) and the opportunities they offer to organisations.
  - d. Distinguish between a business strategy and an Information Systems strategy.
  - e. Identify responsibility for the ownership of the IS strategy.
3. Delivering Information Systems - Organisational Arrangements
- a. Describe the traditional structure of a centralized Information Systems department and the roles and responsibilities of each function.
  - b. Explain the principles of a decentralized Information Systems function.
  - c. Discuss the advantages and disadvantages of centralizing or decentralizing the Information Systems function.
  - d. Explain the principles of outsourcing the Information Systems function.
  - e. Describe the advantages and disadvantages of outsourcing the Information Systems function.
4. Delivering Information Systems - Accounting Issues
- a. Describe the types of cost incurred in delivering Information Systems.
  - b. Describe how the costs of the Information Systems function may be distributed between customer departments.
  - c. Explain the principles, benefits and drawbacks of cross-charging costs.
  - d. Discuss the issues raised by establishing the Information Systems function as a cost or profit centre.
  - e. Describe the advantages and disadvantages of establishing the Information Systems function as a separate company.
  - f. Explain the problems of accounting for shared infrastructure costs.
5. Organising Information Systems - Structural Issues
- a. Describe the typical hardware, software, data and communications infrastructures found within Information Systems functions.
  - b. Discuss the meaning and need for a disaster recovery plan.
  - c. Discuss the meaning and need for a risk management process.
  - d. Describe the meaning and implications of legacy systems.
  - e. Discuss the relationship of Information Systems with end-users and the implications of the expectations and skills of end-users.
6. Feasibility Study
- a. Explain the purpose and objectives of a feasibility study.
  - b. Evaluate the technical, operational, social and economic feasibility of the proposed project.
  - c. Describe and categorise the benefits and costs of the proposed project.
  - d. Apply appropriate investment appraisal techniques to determine the economic feasibility of a project.
  - e. Define the typical content and structure of a feasibility study report.
7. Project Initiations
- a. Define the content and structure of terms of reference.
  - b. Describe the typical contents of a Project Quality Plan and explain the need for such a plan.

## INFORMATION MANAGEMENT

Continued...

- c. Identify the roles and responsibilities of staff who will manage and participate in the project.
  - d. Define in detail the role and responsibilities of the Project Manager.
  - e. Explain the concept of a flat management structure and its application to project-based systems development.
8. Software Support for Project Management
- a. Define the meaning of a project management software package and give a brief list of representative products.
  - b. Describe a range of features and functions that a project management software package may provide.
  - c. Explain the advantages of using a project management software package in the project management process.
- B Designing Information Systems**
1. The Information Systems Development Process
- a. Define the participants in the systems development process - managers, analysts, designers, programmers and testers.
  - b. Describe the waterfall approach to systems development and identify its application in a representative systems development methodology.
  - c. Describe the spiral approach to systems development and identify its application in a representative systems development methodology.
  - d. Discuss the relative merits of the waterfall and spiral approaches, including an understanding of hybrid methodologies that include elements of both.
  - e. Describe new approaches such as Component Based Development, RAD (Rapid Application Development), etc.
2. Investigating and Recording User Requirements
- a. Define the tasks of planning, undertaking and documenting a user interview.
  - b. Identify the potential role of background research, questionnaires and special purpose surveys in the definition of requirements.
  - c. Describe the purpose, conduct and recording of a facilitated user workshop.
  - d. Explain the potential use of prototyping in requirements definition.
  - e. Explain how requirements can be collected from current computerized Information Systems.
  - f. Discuss the problems of the users in defining, agreeing and prioritizing requirements.
3. Documenting and Modelling User Requirements - Processes
- a. Describe the need for building a business process model of user requirements.
  - b. Describe in detail the notation of either a data flow diagram or a flowchart.
  - c. Construct a business process model of narrative user requirements using a data flow diagram or a flowchart.
  - d. Explain the role of process models in the systems development process.
4. Documenting and Modelling User Requirements - Static Structures
- a. Describe the need for building a business structure model of user requirements.
  - b. Describe in detail the notation of either an entity-relationship model (Logical Data Model) or a class model.
  - c. Construct a business structure model of narrative user requirements using an entity-relationship model (Logical Data Model) or a class model.
  - d. Explain the role of structure models in the systems development process.



5. Documenting and Modelling User Requirements - Events
  - a. Describe the need for building a business event model of user requirements.
  - b. Describe in detail the notation of either a state chart diagram (state used in defining an external design.)
  - c. Construct a business event model of narrative user requirements using a state chart diagram (state transition diagram) or an entity life history.
  - d. Explain the role of event model in the system development process.
6. External Designs
  - a. Define the characteristics of a “user-friendly” system.
  - b. Describe the task of external design and distinguish it from internal design.
  - c. Design effective output documents and reports.
  - d. Select appropriate technology to support the output design.
  - e. Design effective inputs.
  - f. Select appropriate technology to support input design.
  - g. Describe how the user interface may be structured for ease of use.
  - h. Explain how prototyping may be used.
  - i. Explain the need for a software audit trail and define the content of such a trail.
  - j. Examine the need to provide interfaces with other systems and discuss the implications of developing these interfaces.
  - k. Establish requirements for data conversion and data creation.
7. Developing a Solution to fulfil Requirements
  - a. Define the bespoke software approach to fulfilling the user’s Information Systems requirements.
  - b. Briefly describe the tasks of design, programming and testing required in developing a bespoke systems solution.
  - c. Define the application software package approach to fulfilling the user’s Information Systems requirements.
  - d. Describe the tasks of package selection, evaluation and testing required in selecting an appropriate application software package.
  - e. Describe the relative merits of the bespoke systems development and application software package approaches to fulfilling an Information Systems requirement.
8. Software Package Selections
  - a. Describe the structure and contents of an Invitation To Tender (ITT).
  - b. Describe how to identify software packages and their suppliers that may potentially fulfill the Information Systems requirements.
  - c. Develop suitable procedures for distributing an ITT and dealing with subsequent enquiries and bids.
  - d. Describe a process for evaluating the application software package, the supplier of that package and the bid received from the supplier.
  - e. Describe risks of the application software package approach to systems development and how these might be reduced or removed.
9. Software Support for the Systems Development Process
  - a. Define a Computer Aided Software Engineering (CASE) tool and give a brief list of representative products.
  - b. Describe a range of features and functions that a CASE tool may provide.
  - c. Explain the advantages of using a CASE tool in the systems development process.
  - d. Define a Fourth Generation Language and give a *brief list of representative products*.

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Continued...

- e. Describe a range of features and functions that a Fourth Generation Language may provide.
- f. Explain how a Fourth Generation Language contributes to the prototyping process.

### C Evaluation of Information Systems

#### 1. Technical Information Systems Requirements

- a. Define and record performance and volume requirements of Information Systems.
- b. Discuss the need for archiving, backup and restore, and other "house-keeping" functions (transition diagram) or an entity life history.

#### 2. Legal Compliance in Information Systems

- a. Describe the principles, terms and coverage typified by the Electronic Transactions Act, No. 19 of 2006.
- b. Describe the principles, terms and coverage typified by the Computer Crime Act, No. 24 of 2007.
- c. Explain the implications of software supply with particular reference to ownership, liability and damages.

#### 3. Implementing Security and Legal Requirements

- a. Describe methods to ensure the physical security of IT systems.
- b. Discuss the role, implementation and maintenance of a password system (authentication system).
- c. Explain representative clerical and software controls that should assist in maintaining the integrity of a system.
- d. Describe the principles and application of encryption techniques.
- e. Discuss the implications of software viruses and malpractice.
- f. Discuss how the requirements of the Electronic Transactions and the Computer Crime legislation may be implemented.

#### 4. Quality Assurance in the Management and Development Process

- a. Define the characteristics of a quality software product.
- b. Define the terms, quality management, quality assurance and quality control.
- c. Describe the V model and its application to quality assurance and testing.
- d. Explain the limitations of software testing.
- e. Participate in the quality assurance of deliverables in requirement specification using formal static testing methods.
- f. Explain the role of standards and, in particular, their application in quality assurance.
- g. Briefly describe the task of unit testing in bespoke systems development.

#### 5. System and User Acceptance Testing

- a. Define the scope of system testing.
- b. Distinguish between dynamic and static testing.
- c. Use a cause-effect chart (decision table) to develop an appropriate test script for a representative system test.
- d. Explain the scope and importance of performance testing and usability testing.
- e. Define the scope and procedures of user acceptance testing.
- f. Describe the potential use of automated tools to support system and user acceptance testing.

#### 6. Implementation Issues and Implementation Methods

- a. Plan for data conversion and creation.
- b. Discuss the need for training and suggest different methods of delivering such training.
- c. Describe the type of documentation needed to support implementation and comment on ways of effectively organising and presenting this documentation.

d. Distinguish between parallel running and direct changeovers and comment on the advantages and disadvantages of each.

7. Post-Implementation Issues

- a. Describe the metrics required to measure the success of the system.
- b. Discuss the procedures that have to be implemented to effectively collect the agreed metrics.
- c. Identify what procedures and personnel should be put in place to support the users of the system.
- d. Explain the possible role of software monitors in measuring the success of the system.
- e. Describe the purpose and conduct of an end-project review and a post-implementation review.
- f. Describe the structure and content of a report from an end-project review and a post-implementation review.

# 08204 - ACCOUNTING APPLICATIONS AND TAXATION

Syllabus Content Area		Weighting
A	Conceptual and Regulatory Framework for Financial Reporting	10%
B	Preparation and Presentation of Financial Statements	20%
C	Financial Statements Analysis	10%
D	Business Combinations	20%
E	Taxation	40%

## Module Aim

The aim of this module is to equip students with accounting and taxation knowledge encompassing regulatory framework required for the entry level accountant to perform routine functions relating to accounting and taxation in an organisation.

## Specification Grid

The above grid shows the relative weightings of subject matter within the module and should guide the relative study time spent on each content area. Over time, combinations of assessments will equate to the weightings given above, however, deviation may occur in assessments to enable examiners to set and structure questions.

## Integrated Learning Outcomes

Learning outcomes are provided separately for Accounting Applications and Taxation.

## Accounting Applications

Upon completion of the module students should be able to

- demonstrate understanding of the conceptual framework of financial reporting.
- prepare financial statements for a single entity in detail to be used by the management.
- prepare financial statements for a single entity in the publication format.
- calculate from financial and other data, the amounts to be included in group financial statements using appropriate methods of calculation, meeting legal requirements and requirements of SLAS.

- draft consolidated balance sheet and profit and loss account and/or extracts there from, together with notes for a group consisting of a parent and one subsidiary.

Note: Candidates should possess the level of knowledge and understanding in respect of Accounting Standards as outlined in the Accounting Standards specification grid.

## Taxation

Upon completion of the module students should be able to

- ascertain the tax liability of a Sri Lankan resident individual.
- apply the principles of income tax to the taxation of partnerships.
- describe the basic principles of the operation of Value Added Tax and to calculate the liability of a liable person.
- describe the basic principles of the operation of the Provincial Council Turnover Tax.

## Module Contents

### A Conceptual and Regulatory Framework for Financial Reporting

1. The Need for a Conceptual Framework
  - a. Understandability, relevance, reliability and comparability
  - b. Recognition and measurement
  - c. The legal versus the commercial view of accounting

- d. Alternative models and practices
- e. The concept of 'faithful representation' ('true and fair view')

## B Preparation and Presentation of Financial Statements

1. Preparation of Financial Statements for a limited liability company (single entity) for publication and/or for internal management purposes.  
Income statement, balance sheet, statement of changes in equity and cash flow statement.
2. Preparation of detailed notes and schedules supporting the amounts in the financial statements.

## C Financial Statement Analysis

1. Introduction of Accounting ratios
2. Analysis of corporate information using accounting ratios with special emphasis on requirements of various user groups
3. Limitations of ratio analysis

## D Business Combinations

1. The concept and principles of a group.
2. The concept of consolidated financial statements.
3. Preparation of consolidated financial statements including fully and partially owned subsidiaries (only one subsidiary).

## E Taxation

1. Personal Taxation of Resident Individuals.
  - a. Interpretations for tax purposes of person, trade, business, child, year of assessment, authorised representative, dividend, executive officer and precedent partner.
  - b. Classification of a recipient's statutory income according to its source, i.e. employment, trade, business (including agriculture); profession or vocation, dividends, interest, royalties and ground rent, income from rent and net

- annual value, winnings from lottery, betting or gambling and income from any other source.
  - c. Identification of capital gains not liable for income tax.
  - d. Deductions allowed and prohibitions under sections 25 and 26 of the Inland Revenue Act.
  - e. Depreciation allowances available for plant machinery qualified buildings and other relevant assets.
  - f. Aggregation of the income of the child.
  - g. Computation of total statutory income, assessable income and the tax liability after allowable deductions including qualifying payments.
  - h. Calculation of the balance tax payable after making the necessary adjustments for tax credits and with-holding taxes wherever applicable.
2. Divisible profit of a partnership, tax thereon and the set off available to the partners
  3. Basic Tax Administration  
Basic understanding of return of income, consequences of non submission of a return, self assessment tax payments, circumstances for issue of assessments, characteristics of a valid appeal, steps of appeal settlement, tax refunds, recovery actions.
  4. Basic understanding on Provincial Council Turnover Tax.
  5. Value Added Tax.
    - a. Definitions of person, body of persons, taxable period, taxable supply, input tax and output tax.
    - b. Circumstances as defined in the Value Added Tax Act under which a person carrying on a taxable activity is required to register for VAT.
    - c. Calculation of the liability of registered persons to VAT.
    - d. Few examples for exempt supplies and zero rated supplies.

## 09200 - BUSINESS ENGLISH - II

Syllabus Content Area	Weighting
Reading	30%
Writing	35%
Listening & Speech	35%

### Module Aim

This module targets students who have successfully completed English for Accountancy - Business English I, who have an intermediate level of proficiency in English and are able to function at a mid-manager level in an accounts related milieu. The primary objectives of the course are to develop the ability to read and write different types of accounts related reports, analyse information from different sources and write recommendations, summarise and to make presentations. Students who successfully complete this course will have a higher – intermediate level of proficiency in English.

### Specification grid

The above grid shows the relative weightings given to the relevant language skills and should guide the time spent on each skill. Over time, combinations of assessments will equate to the weightings given above, however, deviation may occur in assessments to enable examiners to set and structure questions.

### Integrated Learning Outcomes

Upon successful completion of BE2, the student should have the ability to

- identify key ideas and supporting details in complex texts and understand the functions of discourse markers.
- distinguish between styles of discourse.
- use different rhetorical structures to organise texts: exemplification, comparison and contrast, describing graphs, charts and diagrams.
- use different rhetorical structures to organise texts - cause and effect.

- distinguish between fact and opinion in written and spoken texts.
- express facts and opinions in speech and writing.
- collate, organise and synthesize information obtained from diverse sources.
- write management reports and management letters.
- make presentations.

### Module Contents

1. Comprehend complex texts, develop the ability to differentiate between main ideas/topic sentence, supporting details and the functions of simple discourse markers in complex texts.
  - a. Identify main ideas.
  - b. Identify supporting details.
  - c. Understand functions of discourse markers.
2. Distinguish between styles of discourse.
  - a. Distinguish between formal/informal styles in spoken/written discourse.
  - b. Develop the ability to write formal letters to obtain/to provide information.
  - c. Write complex letters for reminding, clarifying, verifying of information.
  - d. Write informal letters/notes/memos.
  - e. Participate in formal/informal exchanges.
3. Rhetorical organisation of texts – Exemplification/ Comparison and Contrast. Develop the ability to use different rhetorical structures to organise texts.
  - a. Identify discourse markers indicating: exemplification and comparison and contrast.

- b. Use discourse markers to form a cohesive text.
  - c. Write paragraphs using exemplification.
  - d. Write paragraphs expressing comparison and contrast.
4. Rhetorical organisation of texts – Cause and Effect  
Develop the ability to use a rhetorical structure to organise texts – cause and effect.
- a. Identify discourse makers indicating: cause and effect.
  - b. Use discourse markers to form a cohesive text based on a cause and effect structure.
  - c. Write a simple paragraph expressing the notion of cause and effect.
5. Distinguish and express facts and opinions.  
Develop the ability to distinguish between fact and opinion.
- a. Differentiate between fact and opinion in a written text.
  - b. Differentiate between fact and opinion in a spoken discourse.
  - c. Write a paragraph expressing opinions based on given facts.
6. Collate and synthesize information  
Develop the ability to collate, organise and synthesise information from diverse sources.
- a. Identify similar/different ideas from a variety of spoken & written sources.
  - b. Organise the information obtained coherently.
  - c. Synthesise information using appropriate discourse markers.
  - d. Present the information cohesively, orally or in writing.
7. Write reports / Management letters.  
Develop the ability to write a report with an introduction, body, summary and recommendations.
- a. Reading different types of reports.
  - b. Understand the structure of a report.
  - c. Combine information from different sources to form a coherent text.
  - d. Write a coherent introduction /conclusions / recommendations.
8. Develop the ability to present information / data - make presentations.
- a. Structure a formal presentation (introduction / body / conclusion).
  - b. Select and organise the information for a presentation.
  - c. Summarise key suggestions and recommendations.
  - d. Speak with confidence.

# 12306 - FINANCIAL REPORTING FRAMEWORK

Syllabus Content Area		Weighting
A	Financial Reporting Framework	80%
B	Corporate Governance, Compliance and Monitoring	20%

## Module Aim

The aim of this module is to equip students with knowledge, skills and competence pertaining to the Financial Reporting, Compliance and Monitoring Framework with particular emphasis on Sri Lanka Accounting Standards.

## Specification Grid

The above grid shows the relative weightings of subject matter within the module and should guide the relative study time spent on each content area. Over time, combinations of assessments will equate to the weightings given above, however, deviation may occur in assessments to enable examiners to set and structure questions.

## Integrated Learning Outcomes

Upon completion of the module students should be able to

- explain the issues of profit measurement and alternative approaches to asset valuation (historical cost, replacement cost, revaluation) and capital maintenance and exercise professional judgement.
- evaluate issues of recognition and measurement of income, expense, assets and liabilities in the context of SLAS.
- perform computation of amounts in accordance with SLAS, to be presented in financial statements.
- present financial information in accordance with SLAS and/or Sri Lanka Accounting Guidance available for specific industries (banks, finance companies and plantation companies, Insurance Companies, Not for Profit Organisations).
- demonstrate awareness of provisions of the Sri Lanka Accounting and Auditing Standards Act and sections relating to financial reporting in the Companies Act.

- demonstrate awareness of provisions in the Code of Best Practice for Corporate Governance.
- write reports to internal management embodying relevant subject matter including calculations.

Note: Candidates should possess the level of knowledge and understanding in respect of Accounting Standards as outlined in the Accounting Standards specification grid shown at the beginning of this syllabus.

## Module Contents

### A Financial Reporting Framework

1. Framework for preparation and presentation of Financial Statements.
2. Sri Lanka Accounting Standards.
3. Statements of Recommended Practice.
4. Sri Lanka Accounting Standards - Application Guidance.
5. UITF Rulings abstracts pertaining to Sri Lanka Accounting Standards.
6. Listing Rules and Continuing Listing Requirements of CSE.

### B Corporate Governance, Compliance and Monitoring

1. Code of Best Practice on Corporate Governance.
2. Companies Act sections 56 to 69, 148 to 171 and 192.
3. Sri Lanka Accounting and Auditing Standards Act.
4. Securities and Exchange Commission Act and the role of SEC.
5. Takeovers and Mergers Code.



# 13304 - STRATEGIC MANAGEMENT ACCOUNTING

Syllabus Content Area		Weighting
A	Introduction to Strategic Management Accounting	25%
B	Management Accounting Information for Strategic Decision Making	
C	Modern Concepts and Tools in Strategic Decision Making	
D	Strategic Decision Making including those under Risk and Uncertainty	35%
E	Planning, Control and Performance Measurement	40%

## Module Aim

The aim of this module is to get students acquainted with the advanced concepts of Strategic Management Accounting. This includes the analysis of collected management accounting data for presentation and application in organisational strategic decision making.

## Specification Grid

The above grid shows the relative weightings of subject matter within the module and should guide the relative study time spent on each content area. Over time, combinations of assessments will equate to the weightings given above, however, deviation may occur in assessments to enable examiners to set and structure questions.

This grid addresses only the requirements for the final written examination. Apart from that students are required to gain sufficient hands-on skills pertaining to relevant IT applications on strategic management accounting tools as a prerequisite to module completion.

## Integrated Learning Outcomes

Upon successful completion of this module, the student should be able to:

- discuss the objectives of Management Accounting.
- recognise the global and ethical issues affecting Management Accounting.

- define and use current accounting terminology in oral and written assignments.
- discuss the impact of changing technology on management accounting and reporting.
- describe and apply the different methods of accounting for manufactured products (job-order, process and activity-based).
- analyze accounting information, select relevant data, and prepare reports or models to support the management functions of planning, controlling, coordinating and evaluating.
- compute standard cost and use to determine variances and to discuss possible causes and corrective actions required.
- present relevant data in analytical models to support various short-term and capital expenditure decisions.
- work in groups to resolve problems or cases for written or oral presentation.
- write internal management reports embodying relevant calculations

## Module Contents

### A Introduction to Strategic Management Accounting

#### 1. Overview

- a. Users of accounting information.
- b. Changing competitive environment.
- c. Impact of Information Technology.

## STRATEGIC MANAGEMENT ACCOUNTING

Continued...

- d. International convergence of Management Accounting practices
- e. Functions of Management Accounting and Strategic Management Accounting
- f. Strategic Management Accounting practices.

### B Management Accounting Information for Strategic Decision Making

1. Cost Assignment and Costing Systems
  - a. Cost allocation - traditional vs activity based costing system.
  - b. Job costing under 'Just In Time' manufacturing system.
  - c. Standard Process Costing.
  - d. CVP Analysis and Operating Leverage.
2. Activity Based Costing
  - a. Significance of ABC in providing relevant information.
  - b. Comparison of traditional costing and ABC systems.
  - c. History and emergence of ABC system.
  - d. Designing an ABC system.
  - e. Selection of relevant cost drivers and cost allocation based on those drivers.
  - f. Profitability analysis based on ABC including Customer profitability analysis.
  - g. Limitations of ABC systems.

### C Modern Concepts and Tools in Strategic Decision Making

1. Balance Score Card
  - a. Introduction of BSC as a Strategic Management tool.
  - b. The four perspectives of BSC and establishing objectives and performance measures.
  - c. Benefits and limitations of BSC approach.

2. Strategic Cost Management Techniques
  - a. Life cycle costing and pricing.
  - b. Target costing.
  - c. Kaizen costing.
  - d. Activity based management.
  - e. Business process re-engineering.
  - f. Cost of quality.
  - g. Cost management and the value chain.
  - h. Benchmarking.
  - i. Environmental cost management.

### D Strategic Decision making including those under Risk and Uncertainty

1. Relevant costs and Short Term Decisions
  - a. Application of relevant cost principle in complex situations of short term decision making.
  - b. Product mix decisions including application of graphical and simplex linear programming techniques (Solving of simplex tableau will not be tested) and sensitivity analysis.
  - c. Replacement and Discontinuation Decisions
  - d. Transportation and Assignment techniques including Dummy Variables and Degeneracy
2. Decision making under Risk and Uncertainty
  - a. Decision making model(s).
  - b. Risk, uncertainty and probabilities (including discrete and continuous probability distributions).
  - c. Measuring uncertainty – standard deviation and variance.
  - d. Expected values, Pay off tables and value of perfect information.
  - e. Decision tree analysis.
  - f. CVP analysis under conditions of uncertainty (using discrete and continuous probability distributions).

- g. Maxi-min, Mini-max and Regret criteria in making risk based decisions.
  - h. Waiting line models with single channel single service queue.
  - i. Application of simulation models (Only illustration).
3. Capital Investment Decisions in the Perspective of Project Appraisal
- a. Capital investment process.
  - b. Comparison of NPV and IRR including contradicting situations and limitations of IRR.
  - c. Mutually exclusive investments with unequal lives.
  - d. Capital rationing.
  - e. Taxation and investment decisions.
  - f. Effect of inflation on investment decisions.
  - g. Risk and Risk adjusted discount rates.
  - h. Application of Network analysis (including varying project durations) in project planning and management.
  - i. Application of learning curve in estimation of costs.
- E Planning Control and Performance Measurement**
1. Strategic Budgeting
- a. Strategic Planning process and its stages with emphasis on activity plans and budgets.
  - b. Multiple functions and conflicting roles of budgets.
  - c. Stages in budgeting process and administration of the process.
  - d. Use of IT in budgeting.
  - e. Activity Based Budgeting.
  - f. Budgeting in Non-Profit Organisations.
  - g. Zero Based Budgeting.
2. Advanced Aspects of Standard Costing and Strategic Variance Analysis
- a. Operation of a Standard Costing System.
  - b. Establishing Cost Standards and types of Cost Standards.
  - c. Direct material mix and yield variances.
  - d. Sales mix and quantity variances.
  - e. Accounting treatment of standard costs and variances.
  - f. Issues and criticisms of standard costing and variance analysis.
  - g. Investigation of variances including statistical models and cost benefit of investigation.
3. Divisional Performance Measures for Strategic Decision Making
- a. Functional and divisionalised organisational structures.
  - b. Cost, profit and investment centres.
  - c. Pre-requisites, advantages and disadvantages of divisionalisation.
  - d. Alternative divisional performance measures – ROI, EVA, RI.
  - e. Issues pertaining to inclusion of assets in the investment base, depreciation, inflation, capital charge.
  - f. Consequences of short term financial performance measures.
4. Strategic Transfer Pricing
- a. Purpose of transfer pricing.
  - b. Economic theory of transfer pricing.
  - c. Alternative transfer pricing methods under different circumstances: Market based, Marginal cost, Full cost, Cost plus mark up, Negotiated, Marginal cost plus opportunity cost.
  - d. Transfer pricing conflicts and resolving them.
  - e. International transfer pricing.

## 14304 – STRATEGIC MANAGEMENT PROCESS

Syllabus Content Area		Weighting
A	Assessing the Competitive Environment	20%
B	Interacting with the Competitive Environment	20%
C	Evaluation of Options, Planning and Appraisal	30%
D	Implementation of Strategic Plans	30%

### Module Aim

This module aims to ensure that students have acquired a sound knowledge of the Strategic Management Process in an organisation.

### Specification Grid

The above grid shows the relative weightings of subject matter within the module and should guide the relative study time spent on each content area. Over time, combinations of assessments will equate to the weightings given above, however, deviation may occur in assessments to enable examiners to set and structure questions.

### Integrated Learning Outcomes

On completion of this module students should be able to

- identify relevant stakeholders in respect of an organisation and evaluate the impact of regulatory regimes on strategic planning and implementation.
- evaluate the nature of competitive environments, distinguishing between simple and complicated competitive environments.
- distinguish the difference between static and dynamic competitive environments.
- evaluate strategies for response to competition.
- evaluate the impact and influence of the external environment on an organisation and its strategy.

- recommend pro-active and reactive approaches to business/government relations and to relations with civil society.
- discuss how stakeholder groups work and how they affect the organisation.
- discuss how suppliers and customers influence the strategy process and recommend how to interact with them.
- evaluate the impact of electronic commerce on the way business is conducted and recommend an appropriate strategy.
- evaluate the strategic and competitive benefits of IS/IT and advise on the development of appropriate strategies.
- prepare a benchmarking exercise and evaluate the results.
- identify an organisation's value chain.
- evaluate the importance of process innovation and re-engineering.
- discuss and apply both qualitative and quantitative techniques in the support of the strategic decision making function.
- discuss the role and responsibilities of directors in the strategy development process.
- prepare and evaluate multidimensional models of performance measurement.
- identify problems in performance measurement and recommend solutions.
- evaluate and advise managers on the development of strategies for knowledge management, IM, IS and IT that support the organisation's strategic requirements.

- identify and evaluate IS/IT systems appropriate to the organisation's strategic requirements and recommend changes where necessary.

#### Module Contents

##### A Assessing the Competitive Environment

1. PEST analysis including analysis of issues in the current macro economic environment
2. SWOT analysis.
3. Interacting with stakeholders and the use of stakeholder mapping.
4. Regulation in major markets (WTO, EU, NAFTA, Asia-Pacific).
5. Country analysis and political risk.
6. Porter's Diamond and its use for assessing the competitive advantage of nations.
7. Porter's Five Forces model and its use for assessing the external environment.
8. Qualitative approaches to competitive analysis.
9. Competitor analysis and competitive strategies (both qualitative and quantitative tools of competitor analysis will be used).
10. Sources, availability and quality of data for environmental analysis.

##### B Interacting with the Competitive Environment

1. Derivatives of PEST such as STEEP (social, technological, environmental, economic and political factors) and PESTEL (political, economic, socio-cultural, technological and legal factors).
2. Approaches to business-government relations and with civil society (Braithwaite and Drahos).
3. Stakeholder management (stakeholders to include government and regulatory agencies, non-governmental organisations and civil society, industry associations, customers and suppliers).

4. The customer portfolio: customer analysis and behaviour, including the marketing audit and customer profitability analysis as well as customer retention and loyalty.
5. Negotiating with customers and suppliers and managing these relationships.
6. The impact of IT (including electronic commerce) on an industry (utilising frameworks such as Porter's Five Forces, the Value Chain) and how organisations can use IT (including the Internet) to enhance competitive position.
7. Competing through exploiting information (rather than technology), e.g. use of databases to identify potential customers or market segments, and the management of data (warehousing and mining).
8. The relationship between current and predicted strategic importance of IS/IT (the applications portfolio).
9. Implications of these interactions for Chartered Accountants and the Management Accounting system.

##### C Evaluation of Options, Planning and Appraisal

1. Mission statements and their use in orientating the organisation's strategy.
2. Forecasting and the various techniques used: trend analysis, system modelling, in-depth consultation with experts (Delphi method).
3. Scenario planning and long range planning as tools in strategic decision-making (including gap analysis).
4. Strategic options generation (e.g. using Ansoff's product/market matrix and Porter's generic strategies).
5. Audit of resources and the analysis of this for use in strategic decision-making.
6. Management of the product portfolio.
7. Benchmarking performance with the best organisations.

## STRATEGIC MANAGEMENT PROCESS

Continued...

8. Value chain analysis.
9. Acquisition and divestment strategies and their place in the strategic plan.
10. The role of IT in innovation and Business Process Re-engineering.
11. The roles and responsibilities of directors in making strategic decisions (including issues of due diligence, fiduciary responsibilities).
10. The concept of knowledge management and its role as a key element in an organisation's success.
11. Critical success factors: links to performance indicators and corporate strategy, and their use as a basis for defining an organisation's information needs.
12. The role of research and development in an organisation, particularly the need to integrate product and process development.

### D Implementation of Strategic Plans

1. Assessing strategic performance (i.e. the use and development of appropriate measures that are sensitive to industry characteristics and environmental factors).
2. Non-financial measures and their interaction with financial ones. (Note: candidates will be expected to use both qualitative and quantitative techniques.)
3. Multidimensional models of performance (e.g. the balanced scorecard, the results and determinants framework, the performance pyramid).
4. Business unit performance and appraisal, including transfer pricing, reward systems and incentives, and agency theory. (Note: Details of agency theory will not be tested.)
5. Project management: monitoring the implementation of plans.
6. The implementation of lean systems across an organisation.
7. Change management in a strategic context.
8. Marketing in a strategic context.
9. The purpose and contents of IM, IS and IT strategies, and the need for strategy complementary to the corporate and individual business strategies.

# 15304 - ADVANCED TAXATION AND STRATEGIC TAX PLANNING

Syllabus Content Area		Weighting
A	Tax Liability of a Taxable Person	50%
B	Principles of Double Tax Agreements	10%
C	Special Cases	
D	Value Added Tax	10%
E	Stamp Duty	
F	Provincial Council Turnover Tax	
G	Tax Administration	10%
H	Tax Planning	20%
I	Ethics	
J	Case Law	

## Module Aim

This module aims to impart knowledge of the law of taxation and its application to resident and non-resident individuals and entities. In addition to that planning & administration of the tax services and corporate tax compliance matters are also covered. Also this syllabus aims to ensure that the students possess a sound knowledge of the principles of Income Tax, Value Added Tax, and Stamp Duty and are able to apply this knowledge and skills to practical situations.

## Specification Grid

The above grid shows the relative weightings of subject matters within the module and should guide the relative study time spent on each content area. Over time, combinations of assessments will equate to the weightings given above, however, deviation may occur in assessments to enable examiners to set and structure questions.

## Integrated Learning Outcomes

Upon completion of this module students should be able to

- ascertain tax liability of an individual or a company (resident or non resident).
- apply the principles of Income tax of an individual and partnerships, charitable institutions, clubs and associations, provident funds, trusts and executors.
- provide advice on tax matters in different taxation issues & tax planning:
- describe in brief the system of administration applicable to returns and assessments.
- state the facts and principles derived from the judgements in tax cases and advise on tax matters by applying principles of tax cases to a given scenario.
- identify all the relevant taxes for a given situation and the obligations of the tax payer to comply with the relevant legislation.
- evaluate fully the tax implications of various courses of action for a given situation taking into account all relevant taxes in each case giving due consideration to all other relevant implications.



## ADVANCED TAXATION AND STRATEGIC TAX PLANNING

Continued...

- recognise ethical issues that arise in giving tax advice and able to determine how to act appropriately in complex situations.
- formulate practical and ethical courses of action for a client which would achieve given objectives (or those which can be reasonably inferred).
- provide practical, ethical and relevant advice, supporting it with reasonable arguments, stating any assumptions made and limitations on the advice given.

### Module Contents

#### A Tax Liability of a Taxable Person

1. Establishment of the residence of an individual or a company.
2. Computation of the tax liability of a taxable person including resident/non-resident individuals and companies using appropriate rates of income tax and any other levies / surcharges payable.
3. Computation of the tax payable after taking into account of withholding taxes, ESC and PAYE wherever applicable.
4. Computation of the undisclosed income of an individual using the net wealth method or the receipts and payments method.
5. Understanding and application of the concept of “an adventure or concern in the nature of trade” and identification of capital gains not liable for income tax.
6. Interpretations in S. 217 of Act No. 10 of 2006.
  - Active Partner
  - Agent
  - Agricultural Undertaking
  - Authorised Representative
  - Body of Persons
  - Business
  - Charitable Institution
  - Charitable Purpose
  - Child
  - Executive Officer

- Executor
- Partnership
- Person
- Precedent Partner
- Regulated Provident Fund
- Trade

#### B Principles of Double Tax Agreements

1. Principal aspects of the operation of a double tax agreement (knowledge of specific double tax agreements is not required) including the importance of permanent establishment in the case of business profit.

#### C Special Cases

1. Divisible profit/loss of a partnership, its distribution among the partners (including tax on divisible profits) and the relevant adjustment in the case of the tax payable by partners.
2. Definition of charitable institution and charitable purpose including business income of a charitable institution.
3. Definition of the term ‘executor’ and the executor’s responsibility in relation to a deceased person.
4. Computation of the tax liability of a charitable institution, trade association, club or association, provident fund, trustee and an executor.

#### D Value Added Tax (VAT)

1. VAT and cascading effect.
2. Definitions of the terms – supply of goods, supply of services, input tax, output tax, registered person, taxable period, taxable activity and taxable supply.
3. Obligations of a person registered for VAT.
4. Classification of supplies as standard-rated, luxury-rated, zero-rated, or exempt.
5. Registration and deregistration for VAT including the time limits.
6. Tax point for a supply of goods or services and value of supply of goods or services.



7. Calculation of quarterly or monthly VAT payable or refundable, taking into account input/output tax/ tax deducted from payments.

#### E Stamp Duty (Straight forward cases)

1. Basic principles of stamp duty and situations in which stamp duty applies with regard to Central Government stamp duty.
2. Identify and describe the transactions liable to Provincial Council stamp duty.

#### F Provincial Councils Turnover Tax

1. Basic principles of Provincial Councils Turnover Tax and situations in which Turnover Tax applies with regard to Central Government Turnover Tax.
2. Identify and describe the transactions liable to Provincial Council Turnover Tax

#### G Tax Administration

1. Pay As You Earn Scheme
  - a. Obligations of an employee and an employer under the PAYE system
  - b. Meaning of "Specified Employee" under PAYE Scheme.
2. Returns, Assessments and Appeals
  - a. Procedures involved in making a tax return and payment of tax under self- assessment, tax repayment claims and the raising of an assessment and additional assessments by the Department of Inland Revenue including the time limits applicable to each stage.
  - b. Conditions necessary to make a valid appeal and the circumstances under which the appeal can be taken up to the 'Supreme Court' including the procedure to be adopted at each stage.
  - c. How a tax assessment becomes final and conclusive and describe the penalties imposed for incorrect returns.

3. Processes involved in the recovery of tax and sums added thereto, including the provisions pertaining to the following:

- a. PAYE.
- b. Quarterly tax payments and self assessment payments.
- c. Withholding taxes on interest, dividends, specified fees, provident funds and on payments made to foreign entertainers and artists.
- d. Taxes in default and sums added thereto.
- e. Procedures on how a refund can be claimed.

#### H Tax Planning

Writing reports giving tax advice to clients/ internal management on matters based on

- a. The subject areas covered in this module.
- b. Concept of "artificial or fictitious transactions and dispositions" (Sec. 103) and "arms length price" (Sec. 104).
- c. Income tax exemptions and reliefs granted under the Inland Revenue Act and BOI Law.

#### I Ethics

- a. Provisions set out in the 'Code of Professional Conduct and Ethics' with regard to disclosure of information, conflict of interest, confidentiality.
- b. Implications for a tax practice and/or for a senior officer in an organisation

#### J Case Law

Please refer appendix to the Module Contents for the list of cases where students are required to have a sound understanding of the facts and principles and the ability to apply such principles as stated in the learning outcomes.



# 16304 - COMMERCIAL LAW AND CORPORATE LAW

Syllabus Content Area		Weighting
A	Commercial Law	40%
B	Corporate Law	60%

## Module Aim

The aim of this module is to give students an understanding of key areas of Commercial Law and related regulatory issues in the context of a business perspective. Further, it acquaints the student with the principles of Company Law in Sri Lanka.

## Specification Grid

The above grid shows the relative weightings of subject matter within the module and should guide the relative study time spent on each content area. Over time, combinations of assessments will equate to the weightings given above, however, deviation may occur in assessments to enable examiners to set and structure questions.

## Integrated Learning Outcomes

Upon successful completion of this module, the student should be able to

- explain the requisites of a valid contract including rules relating to exemption clauses, unfair contract terms, mistake, misrepresentation, undue influence, illegality, various methods of discharge, and remedies for breach, unjust enrichment, privity and prescription.
- explain the distinguishing features of a contract for sale of goods, and a contract for work and materials and explain rules relating to conditions and warranties, passing of risk, transfer of title, remedies available to buyer and seller, CIF & FOB contracts. Candidates should be able to understand the differences of Sales of Goods Contracts, Leasing Contracts & Higher-purchase Agreements.
- distinguish between different types of negotiable instruments and explain their functions including the legal principles and commercial significance of endorsements, crossings, dishonour, bankers' liability, holder in due course, presentment etc.
- identify the different methods under which a Principal - Agent relationship arises and explain the different types of authority an agent may acquire including the duties of the agent towards his principal and *vice versa*, and rules relating to termination of an agency, liability of agents for acts done within and without authority and liability of the State for acts of its agents.
- to explain the formalities of formation, relationship between partners and with third parties, liabilities and dissolution of partnerships.
- explain the legal principles regarding the formation of a contract of insurance and distinguish between insurance, assurance and wagering contracts. They must also be able to explain the concepts of *uberrimae fidei*, insurable interest and indemnity.
- explain the legal principles in brief regarding the new commercial statutes.
- explain in depth the provisions of the Companies Act No.07 of 2007. Provisions governing formation, status, different types, financing, accounting, auditing, administration, and liquidation etc are of importance.

## COMMERCIAL LAW AND CORPORATE LAW

Continued...

### Module Contents

#### A Commercial Law

1. Law of Contracts
  - a. Definition of Contract
  - b. Agreement (offer & acceptance)
  - c. Capacity to contract
  - d. Form of contracts
  - e. Consideration for the contract
  - f. Legality of object
  - g. Reality of consent
  - h. Terms of contracts (conditions, warranties exemption clauses)
  - i. Termination of contracts
  - j. Remedies for breach of contract
2. Sale of Goods
  - a. Form of the Contract
  - b. Subject-matter of the Contract
  - c. Conditions & Warranties
  - d. Transfer of the Property between seller & buyer
  - e. Unascertained goods
  - f. Reservation of title
  - g. Passing of risk
  - h. Sale by person not the owner
  - i. Performance of the Contract
  - j. Instalment deliveries
  - k. Rights of an unpaid seller
  - l. Sales by Auction
  - m. Legal implications of Higher Purchase & Leasing
3. Negotiable Instruments
  - a. Bills of Exchange
  - b. Cheques
  - c. Promissory Notes
4. Law of Agency
  - a. Creation of Agency
  - b. Termination of Agency
  - c. Different types of Agents
  - d. Rights & duties between Principal & Agent
  - e. Relationship with third parties etc
5. Partnerships
  - a. Creation of Partnership
  - b. The Firm Name
  - c. Relations of Partners & with third parties
  - d. Change of Partners
  - e. Dissolution of Partnership
6. Law of Insurance
  - a. Life, Fire & Accident Insurance.
  - b. Marine Insurance.
7. New statutes on Commercial Law
  - a. Prevention of Money Laundering Act No. 05 of 2006.
  - b. Electronic Transactions Act No. 19 of 2006.
  - c. Computer Crimes Act.
  - d. Consumer Protection Act.
  - e. Intellectual Property Act No. 36 of 2003
8. Alternate Dispute Resolution
  - a. Mediation.
  - b. Conciliation.
  - c. Arbitration.
9. International Trade Law
  - a. International Sale of Goods
  - b. Finance of Exports
  - c. Transportation of Exports
  - d. Insurance of goods in transit
  - e. International Commercial Dispute Resolution

#### B Corporate Law

1. Companies Act No. 07 of 2007.
  - a. General features of a company registered under the Companies Act
  - b. Advantages and disadvantages of incorporation.
  - c. The concept of corporate personality and its legal consequences.
  - d. The documentation which is involved in the registration of a company.

- e. Different types of companies recognised under the Companies Act including foreign companies doing business in Sri Lanka and listed companies.
- f. The nature, purpose and legal consequences of the Articles of Association.
- g. Contractual capacity of a company including the effect of the trading certificate.
- h. The rights and duties of promoters including liability for pre-incorporation contracts.
- i. Indoor management rule and the doctrine of constructive notice.
- j. Amounts to a prospectus, the circumstances when a prospectus must be issued, and the effect of any misstatements.
- k. Share capital of a company:
  - i. Stated capital regime
  - ii. Classification, Risk and Variation of class rights
  - iii. Dividends
  - iv. Voting rights
  - v. Priority in a winding up.
- l. Solvency Test & the capital maintenance mechanisms.
- m. Capital maintenance in a company:
  - i. Redemption
  - ii. Reduction of capital
  - iii. Financial assistance
  - iv. Share buy-back
  - v. Minority buy-out
- n. Long term debt capital
  - i. Classification
  - ii. Risk
  - iii. Interest payments
  - iv. Rights
  - v. Priority in a winding up
- o. Issue of shares
- p. Transfer requirements and disclosure requirements.
- q. Different types of meetings and the different types of resolutions which could be passed by the members in a company.
- r. Principles relating to majority rule and minority protection/major transactions etc.
- s. Directors of a company:
  - i. Appointment, retirement and removal
  - ii. Powers, duties and liabilities
  - iii. Civil & criminal liabilities
- t. Division of power between directors and members.
- u. Functions of a Company Secretary.
- v. Regulatory requirements with regard to accounts and functions, rights and duties of an Auditor (including provisions contained in the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995).
- w. Compulsory and voluntary winding up and explaining their consequences.
- x. Functions of receivers and managers.
- y. The roles of the Securities & Exchange Commission, The Colombo Stock Exchange & the Central Depository System
- z. Corporate Governance & the Code of Best Practice on Corporate Governance.

# 17300 - BUSINESS ENGLISH III - PART I

Syllabus Content Area	Weighting
Reading	25%
Writing	25%
Listening & Speaking	50%

## Module Aim

In this tailor-made programme the students have the opportunity to improve the most pertinent business soft skills through appropriate learning channels. The activities in this motivating programme will enable the students to develop the skills, techniques and disciplines to translate their career goals into reality, thereby providing them good opportunities to identify the competencies that are essential to ensure effective contribution to the job roles in an organization. In achieving successful and strategically beneficial outcomes, this unique approach blends with focused workshops and e-modules with the aim to expose participants to real life communication, providing them the opportunity to communicate in realistic situations.

## Specification Grid

The above grid shows the relative weightings given to the relevant language skills.

## Integrated Learning Outcomes

Upon successful completion of this module the student should be able to

- use the telephone effectively.
- conduct and participate effectively in meetings and discussions.
- master the art of negotiating.
- engage in effective oral communications in business environments.
- write documents clearly, concisely and effectively while applying appropriate rhetorical strategies in business.
- give dynamic presentations.

## Module Contents

### A The Challenges of Communicating in a Business Environment by Telephone

- Making an excellent first impression.
- Structuring inbound and outbound calls.
- Managing caller expectations.
- Handling questions effectively.
- Understanding the barriers to good listening .
- Overcoming language barriers and confirming information correctly.
- Using a confident telephone voice, expressive tone and professional language.
- Taking control and leading situations forward.
- Techniques to avoid issue escalating.
- Showing genuine interest and empathy

### B Conduct Principled Negotiations that Result in Wise Agreements

- Learning how to recognize and understand your own personality traits and tactics
- Learning to manage the inherent tensions of a negotiation
- Mapping out the negotiation process
- Formulating communicating strategies based on various situations
- Enhancing skills by applying best practices in a real world setting
- Conflict management
- Using positive reinforcement

### C Build Collaborative Relationships Through Effective Communication that Emphasize Trust & Respect.

- Handle situations in a flexible, genuine & self - confident manner to achieve results in communications.
- Communicate effectively using simple, precise and direct language
- Fostering cross cultural understanding
- Eliminating the road-blocks that undermine the ability to communicate effectively
- Understanding communication dynamics
- Working with body language
- Effects of active and passive communication

### D Enhancing professional writing skills

- Defining effective professional writing protocols
- Examining techniques to overcome writers block
- Structuring your writing
- Investigating how to entice your readership
- Finding an appropriate tone
- Exploring ways to self-edit
- Promoting writing that is easy to read, understand and act upon in a business environment

### E Conducting Formal and Informal Business Meetings

- Understanding meeting formats
- Understanding roles and responsibilities
- Awareness of meeting etiquette and policy
- Requesting, planning, conducting and following up on a meeting
- Identifying tasks required for roles played at a business meeting
- Facilitating successful participation
- Handling difficult participants and situations

### F Presenting to Persuade and Motivate others

- Fine tuning the delivery style to maximize impact
- Understanding your audience
- Overcoming & managing fear
- Structuring a presentation and presentation logistics
- Handling questions & feedback
- Self awareness and creating rapport with the audience
- Effective voice projection and verbal dynamism

## 20404 - ADVANCED FINANCIAL REPORTING

Syllabus Content Area		Weighting
A	Professional Ethics and Financial Reporting Framework	15%
B	Financial Reporting	70%
C	Other Reporting Aspects and Current Developments	15%

### Module Aim

This module aims to ensure that students are able to prepare group financial statements in compliance with the regulatory framework and Sri Lanka Accounting Standards (SLAS). In addition students should also be able to prepare financial information for selected special entities. Further it aims to ensure that students are able to evaluate accounting practice with particular reference to capital maintenance, measurement and economic substance over legal form. The changing nature of accounting information as well as current developments is also considered.

### Specification Grid

The above grid shows the relative weightings of subject matter within the module and should guide the relative study time spent on each content area. Over time, combinations of assessments will equate to the weighting given above, however, deviation may occur in assessments to enable examiners to set and structure questions.

### Integrated Learning Outcomes

Upon successful completion of the module the student should be able to

- explain the current issues in the regulatory framework for reporting and identify key ethical issues for a Professional Accountant undertaking work in accounting and reporting
- formulate accounting and reporting policies for single and group entities.
- prepare and present single entity and

consolidated financial statements for entities undertaking a wide range of accounting transactions in conformity with SLAS.

- application of Sri Lanka Accounting Standards to the skill level specified in preparation and presentation of the above financial statements.
- application of Accounting Standards to the skill level specified to resolve practical issues that may arise in financial reporting.
- analyse and interpret financial statements and other financial information and draw appropriate conclusions.
- write reports based on the above learning outcomes in the capacity of a Professional Accountant.
- demonstrate awareness of other reports and contents thereof included in an Annual Report of a company.

### Module Contents

#### A Professional Ethics and Financial Reporting Framework

1. The Professional and Ethical Duties of the Professional Accountant
  - a. Professional behaviour and compliance with accounting standards.
  - b. Ethical requirements of corporate reporting and the consequences of unethical behaviour.
  - c. Social responsibility.



2. The financial reporting framework
  - a. The contribution and limitations of financial statements in meeting the needs of users and capital markets.
  - b. The applications, strengths and weaknesses of an accounting framework.
  - c. Critical evaluation of principles and practices.
  - d. Corporate governance and accountability.
3. Implications of changes in accounting regulation on financial reporting
  - a. The effect of changes in accounting standards on accounting systems.
  - b. Proposed changes to accounting standards (accounting standards approved by the Council of ICASL but not yet effective as of the date of closing for examination applications are expected to be covered).

## B Financial Reporting

- 1 Preparation of Group Financial Statements
  - a. Fully and partly owned subsidiaries
  - b. Complex Groups (Accounting for sub-subsidiaries)
  - c. Changes in group structures (Acquisitions and disposals of subsidiaries including piecemeal acquisitions and disposals)
  - d. Accounting for Associates and Joint Ventures
  - e. Foreign currency transactions and foreign operations
  - f. Group cash flow statements
- 2 The appraisal of financial performance and position of entities
  - a. Key aspects of Performance Reporting
  - b. Financial Statements Analysis - Ratio Analysis
  - c. Financial Statements Analysis - Interpretation

3. Specialised entities
  - a. Financial reporting in not-for-profit and public sector entities.
  - b. Reporting requirements of small and medium sized entities (SMEs).

## C Other Reporting Aspects and Current Developments

Reports and information other than financial statements in an annual report

- a. Environmental and social reporting.
- b. Sustainability reporting.
- c. Convergence between national and international reporting standards.
- d. Current reporting issues (to be communicated from time to time through ICASL journals and student newsletters).

# 21404 - STRATEGIC FINANCIAL MANAGEMENT

Syllabus Content Area		Weighting
A	An introduction to Strategic Financial Management	10%
B	Financial Statement Analysis, Funding Strategy and Working Capital Management issues in an Organisation	30%
C	Capital Project Analysis	20%
D	Mergers and Acquisitions and corporate reconstructions / Portfolio Management	20%
E	International Financial Management and Derivatives	10%
F	Risk Management and contemporary issues in Financial Management	10%

## Module Aim

To apply relevant knowledge and skills and exercise professional judgment as expected of a senior financial executive or advisor, in taking or recommending decisions relating to the financial management of an organisation.

## Specification Grid

The above grid shows the relative weightings of subject matter within the module and should guide the relative study time spent on each content area. Over time, combinations of assessments will equate to the weightings given above, however, deviation may occur in assessments to enable examiners to set and structure questions.

## Integrated Learning Outcomes

Upon completion of this module students should be able to

- understand core financial management knowledge and skills and be able to advise management and/or clients on complex strategic financial management issues faced by an organisation.
- assess and determine competing needs of stakeholders as a senior manager.
- apply investment appraisal criteria for strategic decisions in business organisations.

- plan and implement strategic acquisitions and mergers and corporate re-organisations.
- understand the role of a treasury function/s in large complex corporate structures.
- evaluate the existence of risk in business and to identify the sophisticated strategies which are employed in order to manage such risks.
- understand the impact of the economic environment on multinationals and the impact of emerging issues in finance.

## Module Contents

A An Introduction to Strategic Financial Management

### 1. Role and Responsibility towards Stakeholders

- a. Role of financial management.
- b. Conflicting stakeholder interests.
- c. The role and responsibility of senior financial executives/advisors.
- d. Impact of environmental issues on corporate objectives and on governance.
- e. Financial strategy formulation.
- f. The role of the treasury function in organisations.
- g. Ethical issues in financial management.

## 2. Time Value of Money and Financial Mathematics

- a. Future value and present value concepts and its derivatives.
- b. Valuation of bonds and yield measures.
- c. Loan amortization schedule.

## B Financial Statement Analysis, Funding Strategy and Working Capital Management issues in an Organisation

### 1. Financial Statement Analysis (FSA)

- a. Financial statement analysis (ratio analysis to understand business trends).
- b. Performance review using traditional ratio analysis, EVA, and MVA.
- c. Financial forecasting and planning.

### 2. Funding Strategy

- a. Funding strategy formulation.
- b. Knowledge on financial market activities and different types of financing options and instruments available.
- c. Impact of alternative financing options.
- d. The Weighted Average Cost of Capital (WACC) calculation and uses.
- e. Cost of capital and financial risk.
- f. The impact of changing capital structure (MM propositions) on WACC and market value of a company.
- g. Business and financial risk and leverage.
- h. Dividend policy.

### 3. Working Capital Management Strategies

- a. Understanding the need for working capital management.
- b. Identification of working capital requirement.
- c. Managing inventory, receivables, cash and payables.

## C Capital Project Analysis

### 1 Advanced Capital Budgeting/ Investment Appraisal

- a. Understanding of alternative investment appraisal techniques and their merits, weaknesses and the discount rate.
- b. Estimation of cash flows for investment appraisal.
- c. Impact of financing on investment decisions and adjusted present value.
- d. Inflation adjustment in capital budgeting.
- e. Capital investment real options.
- f. Capital rationing.
- g. Sequential investment decisions (Decision tree approach).
- h. Overseas investment and financing decisions.
- i. Risk analysis on investment appraisal.
- j. Impact of capital investment on financial reporting.

## D Valuation, Mergers and Aquisitions and Corporate reconstructions / Portfolio Management

### 1. Valuation and Mergers & Acquisitions

- a. Economic analysis for valuation.
- b. Valuation techniques such as asset basis, book value and price multiples, dividends and free cash flows and their appropriate application in different circumstances.
- c. Motives for mergers and acquisitions.
- d. Valuation for mergers and acquisitions.
- e. Mergers and acquisitions versus other corporate growth strategies.
- f. Post merger value computation and post merger implications.
- g. Regulatory framework and processes.
- h. Financing mergers and acquisitions.

## STRATEGIC FINANCIAL MANAGEMENT

Continued...

2. Corporate Reconstruction and Re-organisation
  - a. Predicting corporate failure.
  - b. Financial reconstruction.
  - c. Business re-organisation.
3. Portfolio Management and CAPM
  - a. Capital Asset Pricing Model & Arbitrage Pricing Theory.
  - b. Systematic risk and Beta.
  - c. Portfolio risk and return.
  - d. Asset allocation and diversification.

### E International Financial Management and Derivatives

1. International Financial Management
  - a. Understanding of the FOREX markets and quotes.
  - b. Forecasting exchange rates through parity theories and Fisher effect.
  - c. FOREX risk management - Internal and external hedging instruments.
  - d. The use of financial derivatives to hedge against FOREX risk.
2. Financial Derivatives
  - a. Awareness on the Forwards, Futures, Swaps and Options.
  - b. Pricing and valuation of derivative instruments.
  - c. Development of the derivative markets.

### F Risk Management and Contemporary issues in Financial Management

1. Risk Management
  - a. Introduction to risk.
  - b. Identification of risks faced by an organisation.
  - c. Management of risk.
  - d. Use of financial derivatives against FOREX and interest rate risk management.
2. Emerging Issues in Finance and Financial Management
  - a. Developments in world financial markets.
  - b. Financial engineering and emerging derivative products.
  - c. Developments in international trade and finance.

# 22404 - BUSINESS STRATEGY AND KNOWLEDGE MANAGEMENT

Syllabus Content Area		Weighting
A	Business Strategy	50%
B	Knowledge Management	50%

## Module Aim

This module focuses on the strategic challenges confronting firms that compete in the global economy. It provides students a forum in which they are able to apply and integrate business theories, practices and skills in a global environment. The course examines the forces that are driving firms to globalise, consequences of globalisation, and examines the managerial implications of globalisation. An understanding of management, marketing, financial and economic principles and concepts are assumed.

A fundamental question of strategy is what determines the international success and failure of companies. This course will study the links between the organisation, its strategy and its environment. This relationship is characterised by complexity, uncertainty, and change.

In addition this module covers the latest theory and practice of Knowledge Management (KM), with an integrated interdisciplinary presentation of computer science and business KM perspectives arising simultaneously from artificial intelligence, Information Systems, and organisational behaviour. It covers the "hard" technical components of computer tools and technology for managing knowledge, without losing sight of the "soft" management needs and challenges in leveraging knowledge effectively within an organisation. It critically evaluates the nature, computer representation, access and utilisation of knowledge versus information within a human context.

## Specification Grid

The above grid shows the relative weightings of subject matter within the module and should guide the relative study time spent on each content area. Over time, combinations of assessments will equate to the weightings given above, however, deviation may occur in assessments to enable examiners to set and structure questions.

## Integrated Learning Outcomes

### A Business Strategy

Upon satisfactory completion of this course, students will be able to

- demonstrate an understanding of the concept of strategy.
- understand the role of the general manager in the strategy process.
- understand models of how organisations formulate strategy.
- apply the formal way of doing strategy analysis.
- understand global strategy formulation.
- learn the forms of organisational structure.
- understand the role of culture and power in strategy.
- learn how the various managerial styles impact on strategy and operations.
- learn the process by which strategy is formulated and formed in particular situations.

## BUSINESS STRATEGY AND KNOWLEDGE MANAGEMENT

Continued...

- apply active listening and thoughtful communications.
- work in collaboration with others.
- learn from each other and appreciate and leverage differences.

### B Knowledge Management

- understand the fundamental concepts in the study of knowledge and its creation, acquisition, representation, dissemination, use and re-use and management.
- appreciate the role and use of knowledge in organisations and institutions, and the typical obstacles that KM aims to overcome.
- know the core concepts, methods, techniques and tools for computer support of knowledge management.
- understand how to apply and integrate appropriate components and functions of various knowledge management systems.
- be prepared for further study in knowledge generation, engineering and transfer, and in the representation, organisation, and exchange of knowledge.
- critically evaluate current trends in knowledge management and their manifestation in business and industry.

### Module Contents

#### A Business Strategy

1. Strategy Introduction
  - a. Concept of strategy.
  - b. Strategy process and strategy formulation.
2. Strategy in Organisational Context
  - a. Organisation culture, power and strategy.
  - b. Managerial styles and their impact on strategy and operations in the organisation.
  - c. Active listing and thoughtful communications and how team work affects strategies.

#### 3. Role of Management

- a. Distinguish between strategic, tactical and operational management and their corresponding information requirements.
- b. Describe the importance of making information accessible, and the management role in it.
- c. Identify the major management challenges to building and, using Information Systems in organisations.

#### 4. Globalisation, Global Business, and Information Systems

- a. Understand the role of Information Systems in global business.
- b. Explore on e-business and emerging digital firms.
- c. Understand the strategic business objectives of Information Systems.
- d. Understand the approaches to Information Systems: technical, behavioural, socio-technical.
- e. Discuss the relationship of business processes and Information Systems: Efficiency and transformation.
- f. Discuss the types of Business Information Systems: enterprise applications, e-business, e-commerce, e-government.
- g. Understand the role of Information Systems Department and its role in organising IS functions.

#### 5. Organisational Strategy and Information Systems

- a. Understand the impact of IS on business firms: behavioural & economic.
- b. Discuss the implications of organisational attributes strategies on IS design.
- c. Discuss the use of IS for competitive advantage: management strategies and issues, sustainability, strategic transitions.

## 6. Issues in Information Systems

- a. Understand the framework for analysing Political, Economic, Social and Technological (PEST) issues related to Information Systems, and how to apply them in strategic decisions.
- b. Discuss the ethical issues and moral dimensions related to Information Systems, and the impact on the business organisation.
  - i. Understand Information Society Ethics: responsibility, accountability, liability.
  - ii. Understand the technology trends and the impact on privacy and freedom, and intellectual property rights
  - iii. Discuss the need for a corporate code of ethics in relation to Information Systems.

## B Knowledge Management

### 1. Knowledge Management and Information Systems

- a. Understand the knowledge management landscape
  - i. Dimensions of knowledge.
  - ii. Knowledge Management Value Chain.
  - iii. Structured and semi-structured knowledge systems.
- b. Describe the differences between data workers and knowledge workers and the appropriate types of applications used by each.
  - i. Distribute knowledge: Office automation systems.
  - ii. Share knowledge: Group collaboration systems.
  - iii. Create knowledge: Knowledge work systems.
  - iv. Capture and codify knowledge: Artificial intelligence systems.

### 2. Organisational Knowledge and Information Systems

- a. Discuss the mechanisms for dealing with IT infrastructure changes.
- b. Discuss the use of Information Systems in the decision making process.
- c. Understand different types of systems:
  - i. Transaction processing Systems (TPS).
  - ii. Management Information Systems (MIS).
  - iii. Decision Support Systems (DSS).
  - iv. Executive Information Systems (EIS).
- d. Understand the use of Enterprise Systems in business firms:
  - i. Supply Chain Management Systems.
  - ii. Customer Relationship Management Systems.
  - iii. Human Resource Management Systems.

### 3. Foundations of Organisational Knowledge

- a. Explain the principles of Database Management Systems (DBMS).
- b. Describe the major characteristics of Integrity, Independence and Integration.
- c. Discuss the difference between logical and physical data requirements. Describe Logical models; hierarchical and relational.
- d. Explain the principles of Data mining and Data Warehousing.
- e. Discuss Data mining as the ability to analyse large pools of data to find patterns and rules that can be used by an organisation to guide decision making and predict future behaviour.
- f. Discuss Data warehousing as a database with reporting and query tools that stores current and historical data extracted from various operational systems and consolidated for management reporting and analysis.

## 23404 - ADVANCED AUDIT AND ASSURANCE

Syllabus Content Area		Weighting
A	Legal, Ethical and Current Issues	20%
B	Accepting and Managing Engagements	15%
C	Planning Assurance Engagement	40%
D	Concluding and Reporting on Assurance Engagements	25%

### Module Aim

This module aims to develop students' understanding of the critical aspects of managing assurance engagements (including audit engagements): acceptance, planning, managing, concluding and reporting.

### Specification Grid

The above grid shows the relative weightings of subject matter within the module and should guide the relative study time spent on each content area. Over time, combinations of assessments will equate to the weightings given above, however, deviation may occur in assessments to enable examiners to set and structure questions.

### Integrated Learning Outcomes

Upon completion of the module the student should be able to

- understand and advise on the regulatory, professional and ethical issues relevant to those carrying out an assurance engagement.
- understand the processes involved in accepting and managing assurance engagements and how quality assurance processes mitigate the risks to those conducting the engagement.
- conclude and report on assurance engagements in accordance with the terms of the engagements and appropriate standards.

### Module Contents

#### A Legal, Ethical and Current Issues

1. All Assurance Engagements
  - a. Identify and advise upon the professional and ethical issues that may arise during an assurance engagement.
  - b. Recognise the professional and ethical issues that may arise during an assurance engagement, explain the relevance and importance of these issues and evaluate the relative merits of different standpoints taken in debate.
  - c. Judge when to raise legal and ethical matters arising from assurance work with senior colleagues for review and possible referral to external parties.
  - d. Discuss the purpose of laws, standards and other requirements surrounding assurance work and explain the scope and authority of pronouncements by ICASL.
2. Audit Engagements
  - a. Explain the main ways in which the Companies Act affects the scope and nature of the audit and the appointment and removal of auditors (including the relationship between the law and audit standards).
  - b. Describe the practical implications of the Code of Professional Conduct & Ethics, for a firm carrying out an audit.



- c. Explain the principles behind different auditing requirements in different jurisdictions and describe how national and international bodies are working to harmonise auditing requirements, including requirements to report on internal controls (Sarbanes-Oxley Act).
- d. Describe the principal causes of audit failure and their effects and the gap between outcomes delivered by audit engagements and the expectations of users of audit reports.

## B Accepting and Managing Engagements

1. All Assurance Engagements
  - a. Identify the legal, professional and ethical considerations that an individual or firm must consider before accepting a specified assurance engagement.
  - b. Identify the sources of liability (including professional negligence) arising from an assurance engagement and their impact upon the conduct of the engagement.
  - c. Discuss the issues which underlie the agreement of the scope and terms of an assurance engagement (new or continuing).
  - d. Formulate the approach suitable for management of the assurance engagement.
  - e. Discuss the principles and purpose of quality control of assurance engagements.
  - f. Demonstrate how the assurance functions within an organisation that can be monitored through procedures for review.
  - g. Describe how quality can be monitored and controlled through procedures external to the organisation.
2. Audit Engagements
  - a. Discuss the process by which an auditor obtains an audit engagement.
  - b. Discuss the issues and risks that an individual

auditor or audit firm must consider with regard to the acceptance of an audit engagement (new or continuing) with a client including terms of engagement and their documentations.

- c. Identify the legal, professional and ethical considerations that an individual auditor or audit firm must consider before accepting a specified audit engagement.

## C Planning Assurance Engagement

1. All Assurance Engagements;
  - a. Explain in the context of a given scenario, why it is important to have a knowledge and understanding of the business when planning an engagement.
  - b. Identify ways of gaining knowledge and understanding of a client's business.
  - c. Identify the risks arising from or affecting, a given set of business processes and circumstances and assess their implications for the engagement.
  - d. Identify the risks arising from error, fraud and non-compliance with law and regulations and assess their implications for the engagements.
  - e. Assess significant business risks identified for their potential impact upon an organisation, in particular their potential impact on performance measurement.
  - f. Certify the components of risk for a specified assurance engagement.
  - g. Assess the impact of risk and materiality on the engagement plan including the nature timing and extent of assurance procedures for a given organisation.
  - h. Discuss the benefits and limitations of analytical procedures at the planning stage.

## ADVANCED AUDIT AND ASSURANCE

Continued...

- i. Determine an approach appropriate for an engagement for a specified organisation which addresses
  - ii. Possible reliance on controls (including those within IT/systems).
  - iii. Possible reliance on the work of internal audit or other experts.
  - iv. Possible reliance on the work of another auditor.
  - v. Probable extent of tests of control and of substantive procedures, including analytical procedures.
  - vi. Nature and extent of client-generated information.
  - vii. Probable number, timing, staffing and location of assurance visits.
2. Audit Engagements
    - a. Identify the components of audit risk for a specified audit engagement, including the breakdown of audit risk into inherent risk, control risk and detection risk.
    - b. Outline the aspects of employment and social security/law which are relevant to statutory audit.
    - c. Discuss the differences between the audit of a non-specialised profit oriented entity and the audit of a given specialized profit oriented entity.
    - d. Discuss the differences between the audit of a non-specialised profit oriented entity and the audit of a given not-for-profit entity
    - e. Specify and explain the steps necessary to plan, perform and conclude and report on the audit of the financial statements of a non-specialised profit oriented entity in accordance with the terms of the engagement including appropriate auditing standards.
- ### D Concluding and Reporting on Assurance Engagements
- 1 All Assurance Engagements
    - a. Describe the nature and timing of specific procedures designed to identify subsequent events that may require adjustment or disclosure in relation to the matters being reported on.
    - b. Evaluate quantitatively and qualitatively (including use of analytical procedures) the results and conclusions obtained from assurance tests and procedures.
    - c. Draw conclusions on the ability to report on an assurance engagement which are consistent with the results of the assurance work.
    - d. Draft suitable extracts for an assurance report (including any report to the management issues as part of the engagement) in relation to a specified organisation on the basis of given information. Including in the extracts (where appropriate) statements of facts their potential effects, and recommendations for action relevant to the needs and nature of the organisation being reported upon.
    - e. Advise on reports to be issued to those responsible for governance in accordance with Sri Lanka Auditing Standards, legislation, regulation and codes of corporate governance.
    - f. Judge when to refer reporting matters for specialist help.
  - 2 Audit Engagements
    - a. Draw conclusions on the ability to report on an audit engagement, including the opinion for a statutory audit, which are consistent with the results of the audit work.

- b. Explain the elements (both explicit and implicit) of the auditor's report issued in accordance with the Sri Lanka Auditing Standards and statutory requirements and recommend the nature of an audit opinion to be given in such a report.
- c. Draft suitable extracts for an audit report (including any report to the management issued as part of the engagement) in relation to a specified organisation on the basis of given information including in the extracts (where appropriate) statements of facts, their potential effects, and recommendations for action relevant to the needs and nature of the organisation being reported upon.
- d. Able to comment on impact on audits taking into consideration any current developments, any guidance and publications by the ICASL.

## 26500 - BUSINESS ENGLISH III - PART II

### TOASTMASTERS PROGRAMME

Syllabus Content Area	Weighting
Reading	25%
Writing	15%
Listening & Speaking	60%

#### Module Aim

The Toastmasters Programme which has been introduced as Business English III Part II is a follow up of Business English III Part I with the main focus on developing Public Speaking Skills. In this speech craft programme the students have been provided with the opportunity to deliver 4-6 speeches based on the Table Topics given. This programme has been designed to provide individuals with some insights into their communication strengths and potential areas for development. To be on par with international standards, Toastmasers' International educational materials have been used in delivery.

#### Specification Grid

The grid shows the relative weightings given to the relevant language skills.

#### Integrated Learning Outcomes

Upon successful completion of this course the student will be able to

- organize a speech in an appealing manner.
- express ideas clearly, accurately and vividly with the correct use of body language in speaking.
- deliver a speech on a given topic with enthusiasm and conviction.
- handle audio visual equipment correctly with confidence.
- handle questions effectively.

#### Module Contents

##### A Organizing a Speech

- Gain experience in introducing a speaker
- Allow participants to practice speaking with conviction
- Become familiar with principles of speech organization

##### B Using and Handling Equipment

- Handle audio visual equipment correctly with confidence
- Use equipment and techniques to enhance the points highlighted.
- Use technology in a non-distracting manner
- Select visual aids that are appropriate for the delivery of the message and the audience

##### C Using Appropriate Diction

- Select the right words and sentence structure to communicate ideas clearly, accurately and vividly
- Use rhetorical devices to enhance and emphasize Ideas
- Eliminate jargon and unnecessary words and use of correct grammar

##### D Proposals and Pitches

- Stimulate action or acceptance of an idea creating a great first impression.
- Organize content and order for maximum impact.
- Take command of the audience.
- Conduct an instant audience analysis to ensure the content is relevant.

- Handling questions effectively to let the listeners clarify ideas and data.

### E Verbal Dynamism

- Use appropriate vocabulary to convey the meaning and tone.
- Use vocal variety in speaking to communicate with the audience.
- Speak in a suitable pitch and space with appropriate phrasing.
- Speak slowly in simple sentences with clear transitions avoiding digressions.

### F Presenting Across Borders

- Use expressions that are known only to people coming from a certain background.
- Use appropriate body language posture and gestures to convey a message to the audience.
- To be aware of audience participation techniques.

### G Inspiring the Audience

- Inspiring the audience by appealing to particular motives and challenging the audience to achieve a higher level of beliefs or achievement.
- Appeal to the audience's needs and emotions, using stories, anecdotes and quotes to add drama.

### H Conducting Formal Presentations

- Present a well planned and designed and organized effective presentation.
- Deal with the fear of public speaking.
- Analyze the audience to develop appropriate type and style of presentations.
- Deliver oral presentations effectively - by using proper speech, voice, and body language.
- Describe ways to deal with difficult audience members.

- Increase the comfort, effectiveness, professionalism, clarity, and confidence of a presentation.
- Get important points across.
- Use attention-gaining devices that add impact and effectiveness to each presentation.

## 27510 - TOP CA-CASE STUDY

### An overview

The case study is a method of learning about complex phenomena, based on a comprehensive understanding of those phenomena received through extensive description and analysis, taking it as a whole and in its context. The objective of using a case study for assessment purposes is to determine a candidate's understanding of complex business issues; ability to analyze financial and non-financial data and soundness of professional and ethical judgment in arriving at conclusions, followed by making recommendations.

Success at the case study requires an integration of knowledge, skills, and application capability acquired via the course modules at different levels of the ICASL study programme. More specifically, (a) the core skills, knowledge and application capability acquired at the certificate, diploma and professional level examinations and (b) the decisional, advisory and communication skills acquired through the internship in Accounting and Finance practical training programme.

All study areas of the ICASL syllabus may be tested through the case study which will reproduce a typical work situation that an entry level Chartered Accountant may encounter. This may include issues and information arising at meetings and communications through memos, letters, circulars and executive reports. Further, the situation will generally require formulation of a business plan and will be woven around related activities such as preparatory work for meetings and submission of reports, etc.

The case study scenario will be based on a given organizational structure and a set of operations. Prior to the case study examination candidates will be provided with some information pertaining to the organization, its products and markets and the environment. In preparing for the examination, using this information, candidates may carry out appropriate business and financial analysis. The detailed modus operandi for the case study examination will be provided to students in advance.

Students are required to read the handbook on 'Case Study Guidance' issued by the Institute of Chartered Accountants of Sri Lanka.

## 28500 - VIVA-VOCE AND PRESENTATION

Syllabus Content Area	
A	Study Report
B	Visual Presentation
C	Oral Communication through Viva-voce

### Module Aim

This special study focuses on developing the applicability of theoretical knowledge and practical experience in reviewing and analyzing an issue relevant to professional Accountants.

The aim of this module is to give an opportunity to a student to defend a study carried out by him/her in front of a panel of members appointed by the Students Training & Development Committee and to display the capability in analyzing an issue and presenting the arguments in support of the ideas by means of a written report, a visual presentation and oral communication.

Accordingly, the authenticity of the Training Records and the analytical and presentation skills of the students will be assessed by the above mentioned panel.

### Specification Grid

The above grid shows the three areas assessed by this module. The overall marks for this assessment are obtained by examining these areas linked to the intended learning outcomes of the module.

### Integrated Learning Outcomes

Upon successful completion of this module, the student should be able to;

- apply skills developed through any areas of practical and theoretical study with regard to Accounting, Financial Management, Taxation, and Auditing.
- select, evaluate, retain and discard data as necessary.

- organize the work by keeping accurate records of sources and references.
- recognize the importance of effective communication in professional work.
- manage time and resources.
- think creatively and critically when involving with professional work.

### Module Contents

#### A Study Report

This is a mode of written communication relevant to a study carried out by a student. The theme of the study can be selected from an area or areas of Financial Accounting, Management Accounting, Audit & Assurance, Taxation and Financial Management with the consent and approval of the training division of the Institute of Chartered Accountants of Sri Lanka.

In selecting the theme, the student can select an area out of his/ her second year of Strategic Level training period and should link the post training experience gathered in relation to the selected area of study. In collection and analysis of data and report writing, guidelines recommended by the Institute of Chartered Accountants of Sri Lanka are to be referred.

## VIVA-VOCE AND PRESENTATION

Continued...

### B Visual Presentation

Contents of the study report have to be presented to a panel of members by means of visual presentation. Skills of presenting data, analysis, opinions, arguments, conclusions and recommendations by using multimedia are examined through visual presentation. This is to be completed within the allocated time period and according to the guidelines issued by the Education and Training Division.

### C Oral Communication through Viva-voce

The Oral Communication through Viva-voce is the final part of this special study and has been designed to test the understanding of the student on what he /she has studied, reported, and presented whether the student is clear and confident regarding the direction he / she followed, and finally the defense on the questions raised during and after the presentation.



# INTERNSHIP (PRACTICAL TRAINING) IN PROFESSIONAL SKILLS DEVELOPMENT

Students are required to successfully complete the Practical Training requirements along with the other relevant module to be eligible for the qualifications awarded by the ICASL.

The following three modules are aimed at developing professional skills at different levels.

Course Code 11224 - Internship I  
Practical Training at Certificate Level

Course Code 19324 - Internship II  
Practical Training at Strategic Level I

Course Code 25424 - Internship III  
Practical Training at Strategic Level II

Details of the above three modules are given in the Practical Training Guide, as a separate document.

## HANDS ON SKILLS DEVELOPMENT PROGRAMMES ON INFORMATION TECHNOLOGY APPLICATIONS

Students will be required to obtain hands-on skills in using computer software relevant to a Professional Accountant.

The following modules are aimed at developing such skills at different levels of the CA programme.

Course Code: 10200 -  
Information Technology for the Business Environment

Course Code: 18300 -  
IT Applications in Business Finance and Reporting

Course Code: 24400 -  
Business Automation using ERP Systems.

# 10200 - INFORMATION TECHNOLOGY FOR THE BUSINESS ENVIRONMENT

Syllabus Content Area		Weighting
A	Computer Operations	10 %
B	Word Processing Applications	20 %
C	Spreadsheet Applications	40 %
D	Database Applications	20 %
E	Presentation Applications	10 %

## Module Aim

The aim of this module is to provide the knowledge to operate computers and to impart skills to use popular Office Applications to carry out day today business activities.

## Specification Grid

The above grid shows the relative weightings of different topics within this Training Programme and should guide the learner on relative study time to be spent on each area. Assessments will approximately tally with these weightings. However, deviation may occur in assessments to enable examiners to set and structure the assessments.

## Integrated Learning Outcomes

Upon successful completion of this course, the student should be able to

- demonstrate the understanding of Operating Systems and the ability to perform necessary customizations and configurations.
- demonstrate the ability to use Spreadsheets for Business Reporting.
- demonstrate the ability to use of Word-processing for reporting and documentation.
- demonstrate the ability to use Databases for Information Processing.
- demonstrate the ability to use Presentation tools for effective communication.

## Module Contents

### A Computer Operations

1. Introduction to computers and Operating Systems
2. Basic hardware: IO Devices, Data Storage Devices, Processor, Mother Board, etc
3. File Handling

### B Word Processing Applications

1. Introduction to Word Processing
2. Page Setup Formatting
3. Mail Merge
4. Printing and Saving Documents

### C Spreadsheet Applications

1. Introduction to Spreadsheets
2. Basic calculations and functions in Spreadsheets
3. Producing Reports

### D Database Applications

1. Introduction to Database Applications
2. Data Tables
3. Data Analyzing and Reporting
4. Advanced features

### E Presentation Applications

1. Introduction to Presentation Applications
2. Preparation of professional slide presentations

# 18300 - IT APPLICATIONS IN BUSINESS FINANCE AND REPORTING

Syllabus Content Area		Weighting
A	Professional Reporting and Financial Modelling using Spreadsheets	25%
B	IT based Quantitative Applications for Decision Making	75%

## Module Aim

The aim of this module is to ensure that the trainee acquires the necessary skills to develop Business and Financial Models using IT applications. Students will develop the skills to report Business Information using popular Spreadsheet applications.

## Specification Grid

The grid shows the relative weightings of different topics within this training programme and should guide the learner on relative study time to be spent on each area. Assessments will approximately tally with these weightings. However, deviation may occur in assessments to enable examiners to set and structure the assessments.

## Integrated Learning Outcomes

Upon successful completion of this course, the student should be able to

- demonstrate the understanding of advanced features of Spreadsheet Applications.
- demonstrate the ability to use Financial Models to produce Business Reports using Spreadsheet Applications.
- demonstrate the ability to use IT Applications to apply Quantitative Techniques and produce Reports.

## Module Contents

### A Professional Reporting and Financial Modelling using Spreadsheets

- Generating Reports based on a case study
- Financial Modelling based on a case study

### B IT based Quantitative Applications for Decision Making

Use of IT applications to apply the following Quantitative Techniques and generate information to assist in strategic management decision making.

- Linear programming
- Transportation
- Simulation

## 24400 - BUSINESS AUTOMATION USING ERP SYSTEMS

Syllabus Content Area		Weighting
A	Introduction to ERP Systems	10%
B	General Ledger	20%
C	Inventory Management	15%
D	Accounts Receivable & Accounts Payable	30%
E	Fixed Assets	10%
F	ERP Architecture and Security	15%

### Module Aim

The aim of this module is to ensure that the Trainee understands the concepts behind popular Enterprise Resource Planning (ERP) Systems, and gain skills in using the Finance, Inventory Management and Security modules of ERP Systems.

### Specification Grid

The above grid shows the relative weightings of different topics within this Training Programme and should guide the learner on relative study time to be spent on each area. Assessments will approximately tally with these weightings. However, deviation may occur in assessments to enable examiners to set and structure the Assessments.

### Integrated Learning Outcomes

Upon successful completion of this course, the student should be able to

- demonstrate the understanding of concepts in ERP Systems.
- demonstrate the ability to use the frequently used modules in ERP Systems.
- demonstrate the understanding of Control and Security concepts of ERP Systems.

### Module Contents

#### A Introduction to ERP Systems

1. Revolution of ERP Systems
2. Concepts and Theories
3. Process Manufacturing vs Discreet Manufacturing

#### B General Ledger

1. Chart of Accounts
  - a. Grouping of Accounts
2. Bank Reconciliations & Cash Management
3. Budgets
4. Year end Process
5. Analysis and Reporting

#### C Inventory Management

1. Setting up items
2. Item Journals and Transfer Orders
3. Valuation Methods
4. Stock Reports

#### D Accounts Receivable & Accounts Payable

1. Setting up of Customers / Vendors
2. Sales and Purchases procedures
3. Settlement of Accounts
4. Reporting

## E Fixed Assets

1. Setting up of Fixed Assets
2. Acquisitions
3. Depreciation
4. Disposal
5. Asset Reporting

## F ERP Architecture & Security

1. ERP Architecture
2. Security at Database level, Company level, Object Level & Record Level

## Other Aspects of ERP

Process Manufacturing vs. Discreet Manufacturing  
ERP Implementation Process

## NOTES



## NOTES